

November 29, 2019

To  
The Board of Directors

Restile Ceramics Limited  
204, Sakar Complex,  
Old Padra Road,  
Vadodara 390015, Gujarat

Bell Granito Ceramica Limited  
At & Post Village  
Gavasadtaluka Padra  
Baroda Gujarat - 391430

Dear Sir,

**Sub: Fairness Opinion on the recommendation of the fair equity share exchange ratio for the Proposed Scheme of Amalgamation of Restile Ceramics Limited with Bell Granito Ceramica Limited in terms of SEBI Circular CFD/DIL3/CIR/2017/21 under regulations 11, 37 and 94 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 amended from time to time.**

We understand that the Board of Directors (the "**Board**") of Restile Ceramics Limited and Bell Granito Ceramica Limited is considering the amalgamation of Restile Ceramics Limited (**hereinafter referred to as the "RCL" or "Transferor Company"**) with Bell Granito Ceramica Limited (**hereinafter referred to "BGCL" or "the Transferee Company"**), (**both transferor and transferee company together referred to as the "Transacting Companies"**), through a Scheme of Amalgamation between the Transacting Companies and their respective Shareholders and creditors, under Section 230 to 232 of the Companies Act, 2013 (the proposed "**Amalgamation**").

Be advised that while certain provisions of the amalgamation are summarized below, the terms of the amalgamation will be more fully described in the Scheme of Amalgamation to be published in relation to the amalgamation (the "**Scheme Document**"). As a result, the description of the amalgamation and certain other information contained herein is qualified in its entirety by reference to the Scheme Document.



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001909/2019

**Pursuant to the amalgamation, the Transferee Company will issue and allot to all the Shareholders of the Transferor Company:**

**“1 (One) equity share of BGCL of INR 10 each fully paid up shall be issued for every 3 (Three) equity shares of RCL of INR 10 each fully paid up.”**

The Share Exchange Ratio is based on the valuation reports dated November 29, 2019 prepared by N S Kumar & Co., Independent Chartered Accountant, having Registration No. 139792W and Niranjana Kumar, Registered Valuer, having IBBI Registration No IBBI/RV/06/2018/10137, appointed by the Board of RCL and BGCL for recommending a Share Exchange Ratio for the proposed amalgamation (the **“Valuation Reports”**).

The Board has appointed Kunvarji Finstock Private Limited (**“KFPL”** or **“Kunvarji”** or **“We”** or **“us”**), to issue a fairness opinion to RCL and BGCL in relation to the Share Exchange Ratio proposed by it based on the recommendations set out in the Valuation Reports.

This Opinion is subject to the Scope, limitations and disclaimers detailed herein.

**SCOPE OF OUR REVIEW:**

In arriving at the opinion set out below, we have, among other things:

1. Reviewed both the Valuation Reports and discussed both the Valuation Reports with the the Valuer.
2. Reviewed the draft Scheme Document dated November 29, 2019;
3. Reviewed certain publicly available business information on the Transacting Companies;
4. Reviewed the Audited financial statements for the Transacting Companies for the financial years ending 31 March 2017, 31 March 2018 and 31 March 2019;
5. Limited Review financial statements of RCL for the six months period ended 30 September 2019;
6. Audited financial statements of BGCL for the six months period ended 30 September 2019;
7. Latest Shareholding pattern of Transacting Companies;
8. Reviewed the reported price for the Transacting Companies;
9. Reviewed certain analysts' estimates for the Transacting Companies;
10. Used certain valuation methods commonly used for these types of analyses and taken into account such other matters as we deemed appropriate including our assessment of current conditions and prospects for the industry and general economic and market conditions.



**ASSUMPTIONS AND LIMITATIONS:**

In giving our opinion:

1. We have relied on the assessment of RCL and BGCL's management on the commercial merits of the amalgamation, including that the amalgamation is in the best interests of the Transferor Company and Transferee Company and its shareholders as a whole;
2. We have relied without independent verification, upon the accuracy and completeness of all of the information (including, without limitation, the Valuation Reports) that was made available to us or publicly available or was discussed with or reviewed by us (including the information set out above) and have assumed such accuracy and completeness for the purpose of providing this opinion;
3. We have not been provided with any financial forecasts or other internal financial analysis relating to the Transferee Company or the Transferor Company or a copy of the Transferee Company's or the Transferor Company' business plans;
4. We have had limited access to the management of the Transferee Company and have had no access to the management of the Transferor Company. We have therefore not discussed with management the past and current business operations or the financial condition of the Transacting Companies;
5. While we have used various assumptions, judgements and estimates in our inquiry, which we consider reasonable and appropriate under the circumstances, no assurances can be given as to the accuracy of any such assumptions, judgements and estimates;
6. We have assumed that all governmental, regulatory, shareholder and other consents and approvals necessary for the amalgamation will be obtained in a timely manner without any adverse effect on the Transferee Company;
7. We have not made any independent evaluation or appraisal of the assets and liabilities of the Transferee Company and its Subsidiaries or the Transferor Company and we have not been furnished with any such evaluation or appraisal, nor have we evaluated the solvency or fair value of the Transacting Companies under any laws relating to the bankruptcy, insolvency or similar matters;
8. We have made no adjustment to the share price of the Transacting Companies for the purpose of our analysis;
9. We have not conducted any independent legal, tax, accounting, or other analysis of the Transferee Company or of the amalgamation and when appropriate we have relied solely



upon the judgements of the Transferee Company's legal, tax, accountants and other professionals advisers who may have given such advice to the Transferee Company without knowledge or acceptance that it would be relied upon by us for the purpose of this opinion. We have not included the legal and tax effects of any reorganization or transaction costs that may arise as a result of the amalgamation in our analysis. In addition, we have not performed any independent analysis of the situation of the individual shareholders of the Transferee Company, including with respect to taxation in relation to the amalgamation and express no opinion thereon;

10. We have not undertaken independent analysis of any potential or actual litigation, regulatory action, possible un- asserted claims, or other contingent liabilities to which the Transferee Company or the Transferor Company is or may be a party or is or may be subject, or of any government investigation of any possible un- asserted claims or other contingent liabilities to which the Transferee Company or the Transferor Company is or may be a party or is or may be subject;
11. We have not conducted any physical inspection of the properties or facilities of the Transacting Companies;
12. We have assumed that the amalgamation will be consummated on the terms set forth in the Scheme Document and that the final version of Scheme Document will not change in any material respect from the draft version we have reviewed for the purpose of this opinion;
13. We have assumed that the management of the Transferee Company are not aware of any facts or circumstances that would make any information necessary for us to provide this opinion inaccurate or misleading and that the management have not omitted to provide us with any information which may be relevant to the delivery of this opinion;

Our opinion is necessarily based on financial, economic, market and other conditions as in effect on, and the information made available to us as of, the date hereof. It should be understood that subsequent developments may affect the opinion and that we do not have any obligation to update, revise or reaffirm this opinion.

We are expressing no opinion herein as to the price at which any securities of either the Transferee Company or of the Transferor Company will trade at any time.



**RELATIONSHIP WITH KFPL:**

KFPL was not requested to, and did not, provide advice concerning the structure, the Share Exchange Ratio or any other aspects of the amalgamation or to provide services other than the delivery of this Fairness opinion. KFPL did not participate in negotiations with respect to the terms of the amalgamation and any related transactions. Consequently, KFPL has assumed that such terms are the most beneficial terms from the BGCL's perspective that could under the circumstances be negotiated with the RCL.

We will receive a fee from the BGCL for rendering this opinion. In addition, the BGCL has agreed to indemnify us for claims arising out of our engagement for providing the opinion.

In the past, KFPL and its affiliates have not provided any financing and other services to the Transacting Companies.

**OTHER LIMITATIONS:**

This opinion is addressed to and provided for the Board of Directors of RCL and BGCL exclusively in connection with and for the purposes of its evaluation of the fairness of the Share Exchange Ratio. This letter shall not confer rights or remedies upon, and may not be used or relied on by, and holder of Securities of the RCL and BGCL, any creditor of the RCL and BGCL or by any other person other than the Board of Directors of the RCL and BGCL and the regulatory authorities involved in connection to the proposed Scheme.

KFPL is acting for the Board of Directors of the RCL and BGCL and no one else in connection with the amalgamation and will not be responsible to any person other than the Board of Directors of the RCL and BGCL for providing this opinion. Neither the existence of this letter nor its contents may be copied in whole or in Part, or discussed with any other parties, or published or made public referred to in any way, without our prior written consent in each instance, except that this opinion may be described in and included in its entirety in the Scheme Document. We take no responsibility or liability for any claims arising out of any such disclosure and we specifically disclaim any responsibility to any third party to whom this opinion may be shown or who may acquire a copy of this opinion.

This report shall be governed by the laws of India.

Specifically, this opinion does not address the Commercial merits of the amalgamation nor the underlying decision by the Transferee Company to proceed with the amalgamation nor does it constitute a recommendation to any shareholder or creditor of the Transferee Company as to how such Shareholder or creditor should vote with respect to the amalgamation or any other matter. The ultimate responsibility for the decision to recommend the amalgamation rests solely with the Board of Directors of the RCL and BGCL.



**CONCLUSIONS:**

Based upon, and subject to, the foregoing we are of the opinion that, as of the date hereof, we believe that the proposed Share Exchange Ratio as recommended by N S Kumar & Co., Independent Chartered Accountant, having Registration No. 139792W and Niranjana Kumar, Registered Valuer, having IBBI Registration No IBBI/RV/06/2018/10137, for the proposed Scheme of Amalgamation is fair, from financial point of view, to the shareholders of the RCL and BGCL.

**Yours faithfully,**

**For, Kunvarji Finstock Private Limited**



**Mr. Himanjal Brahmbhatt**  
Director (DIN: 00049679)



**Date: November 29, 2019**  
**Place: Ahmedabad**