

Date: February 21, 2023

To,
The Board of Directors,
Bell Granito Ceramica Limited,
At & Post Village Gavasad,
Taluka Padra,
Baroda-391430,
Gujarat, India

To,
The Board of Directors,
Restile Ceramics Limited
204, Sakar Complex, Opp ABS Tower,
Vaccine Crossing, Old Padra Road,
Vadodara-390015,
Gujarat, India

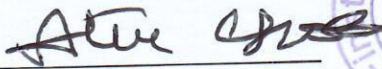
Subject: Fairness opinion on the share exchange ratio recommended by Shreyansh M Jain, Registered Valuer- Securities or Financial Assets for the proposed amalgamation of Restile Ceramics Limited with Bell Granito Ceramica Limited.

We refer to the engagement letter dated February 12, 2023 and discussions undertaken with the Management of Bell Granito Ceramica Limited ("BGCL" or "Transferee Company") and Restile Ceramics Limited ("RCL" or "Transferor Company") (hereinafter both of them together referred to as "the Management"), wherein the Management has requested Kunvarji Finstock Private Limited ("Kunvarji" or "We" or "us") to provide a fairness opinion on the share exchange ratio recommended by Shreyansh M Jain, Registered Valuer - Securities or Financial Assets ("Independent Valuer") vide report dated February 21, 2023 in connection with the proposed amalgamation of Restile Ceramics Limited with Bell Granito Ceramica Limited (together BGCL and RCL are referred to as "Transacting Companies") (hereinafter referred to as "Proposed amalgamation" or "Proposed Transaction").

Please find enclosed our deliverables in the form of report ("the Report"). This Report sets out the transaction overview, scope of work, background of the Transacting Companies, sources of information and our opinion on the share exchange ratio recommended by the Independent Valuer for the aforesaid Proposed amalgamation. This Report is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

This Report has been issued only for the purpose of facilitating the Proposed Transaction and should not be used for any other purpose.

For, Kunvarji Finstock Private Limited


Mr. Atul Chokshi
Director (DIN: 00929553)

Place: Ahmedabad

Kunvarji Finstock Pvt. Ltd.

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CIN - U65910GJ1986PTC008979
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FAIRNESS OPINION

**IN THE MATTER OF SCHEME OF AMALGAMATION IN THE NATURE OF
PROPOSED AMALGAMATION OF**

RESTILE CERAMICS LIMITED (TRANSFEROR COMPANY)

WITH

BELL GRANITO CERAMICA LIMITED (TRANSFeree COMPANY)

STRICTLY PRIVATE AND CONFIDENTIAL

Prepared By:

KUNVARJI

SINCE 1960

Driven By Knowledge

Kunvarji Finstock Private Limited

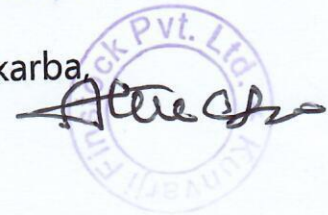
SEBI Registered Category I Merchant Banker

(Registration Number – INM000012564)

Kunvarji, B-Wing, Siddhivinayak Towers,

Nr. D.A.V. School, Off. S. G. Road, Makarba,

Ahmedabad-380051



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1. BACKGROUND OF THE COMPANIES**RESTILE CERAMICS LIMITED (TRANSFEROR COMPANY)**

Restile Ceramics Limited ('RCL' or 'Transferor Company') is a public limited company and was incorporated on May 26, 1986 and is engaged in the business of manufacturing flooring tiles and full body homogenous vitrified tiles.

The equity shares of RCL are listed on Bombay Stock Exchange.

The equity shareholding pattern of RCL as at February 17, 2023 is set out below:

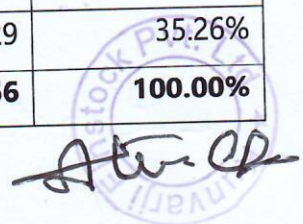
Category of Shareholders	Number of shares	% of holding
Promoter & Promoter Group	7,07,22,715	71.96%
Public	2,75,56,524	28.04%
Total	9,82,79,239	100.00%

BELL GRANITO CERAMICA LIMITED (TRANSFEEE COMPANY)

Bell Granito Ceramica Limited ('BGCL' or 'Transferee Company') was incorporated on January 29, 1993 and is engaged in the business of manufacturing of flooring tiles and vitrified flooring tiles.

The equity shareholding pattern of BGCL as at February 17, 2023 is set out below:

Name of shareholder	Number of equity shares (Face Value of INR 10 each)	Percentage %
Atreya Finance Private limited	14,59,40,465	37.87%
Shruti Rathod	95,00,000	2.47%
Bharati Nalin Rathod	8,17,85,472	21.22%
Tribhuvan Simh Rathod	90,00,000	2.34%
Uday Rathod	32,33,300	0.84%
Others	13,58,86,129	35.26%
Total	38,53,45,366	100.00%

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2. TRANSACTION OVERVIEW AND SCOPE OF SERVICES

Transaction Overview

We understand that the Management of the Transacting Companies is contemplating a scheme of amalgamation, wherein they intend to amalgamate Restile Ceramics Limited with Bell Granito Ceramica Limited in accordance with the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and in a manner provided in the draft scheme of amalgamation (hereinafter referred to as 'the Scheme').

As consideration for the proposed amalgamation, equity shareholders of RCL would be issued equity shares of BGCL. The equity shares to be issued for the aforesaid proposed amalgamation will be based on the share exchange ratio as determined by the Board of Directors based on the share exchange ratio report prepared by the Independent Valuer appointed by them.

Scope of Services

Pursuant to Securities & Exchange Board of India ("SEBI") master circular no. SEBI/HO/CFD/DILI/CIR/P/2021/0000000665 dated November 23, 2021 consolidating the SEBI circulars in relation to the Scheme of Arrangement by Listed Entities and amendment via SEBI Circular number SEBI/HO/CFD/DIL2/CIR/P/2022/11 dated February 01, 2022 (together referred to as "SEBI Circulars") read with applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as amended from time to time, we have been requested by the Management to issue a fairness opinion in relation to the share exchange ratio recommended by the Independent Valuer vide report dated February 21, 2023 for the proposed amalgamation of Transferor Company with Transferee Company.

In this regard, the Management has appointed Kunvarji Finstock Private Limited ("Kunvarji" or "We" or "us"), SEBI Registered (Category I) Merchant Banker to provide a fairness opinion on the share exchange ratio recommended by an Independent Valuer for the Proposed amalgamation.

Our scope of work only includes forming an opinion on the fairness of the recommendation of the Valuer on the share exchange ratio arrived at for the purpose of the Scheme and does not involve evaluating or opining on the fairness or economic rationale of the Scheme per se. This report is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. As such, the Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein.



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3. SOURCES OF INFORMATION

We have relied on the following information made available to us by the Management of the Transacting Companies/ obtained from the public domain for the purpose of this report:

- Signed share exchange ratio report issued and prepared by Shreyansh M Jain, Registered Valuer- Securities or Financial Assets dated February 21, 2023;
- Audited financial statements of BGCL for the financial year ended March 31, 2022 and March 31, 2021;
- Audited financial statements of RCL for the financial year ended March 31, 2022 and March 31, 2021;
- Limited Reviewed financial statement of RCL for the nine months period ended December 31, 2022;
- Audited financial statement of BGCL for the eight months period ended November 30, 2022;
- Financial projections of BGCL from December 2022 to March 2027 ('Management Projections') which represents Management's best estimate of the future financial performance of BGCL;
- Shareholding pattern of BGCL and RCL as at February 17, 2023;
- Valuation Report of Land and Building of M/s. Bell Granito Ceramica Limited issued by M/s. Anand Vohara & Associates dated December 02, 2022;
- Valuation Report of Land and Building of M/s Restile Ceramics Ltd issued by P. Madhu dated February 20, 2023;
- Draft scheme of amalgamation between the Transacting Companies pursuant to which proposed amalgamation is to be undertaken;

The Management has been provided with the opportunity to review the draft fairness opinion report (excluding our fairness opinion on the share exchange ratio) as part of our standard practice to make sure that factual inaccuracy/ omissions are avoided.

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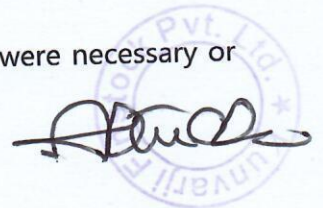
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4. PROCEDURES ADOPTED

In connection with this exercise, we have adopted the following procedures to carry out the opinion:

- Requested and received financial and qualitative information.
- Obtained data available of Companies in the public domain.
- Discussion with the Management to:
Understand the business and fundamental factors that affect the business including their earning generating capability and enquire about the historical financial performance, the current state of affairs, business plans and future performance estimates.
- Reviewed signed share exchange ratio report issued and prepared by Shreyansh M Jain, Registered Valuer- Securities or Financial Assets dated February 21, 2023;
- Reviewed the draft scheme of amalgamation between the Transacting Companies.
- Reviewed the cashflow projections provided by the Management for BGCL including understanding the basis of preparation and the underlying assumptions;
- Discussion with Independent Valuer on such matters which we believed were necessary or appropriate for the purpose of issuing this opinion.



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**Kunvarji Finstock Pvt. Ltd.**

5. LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

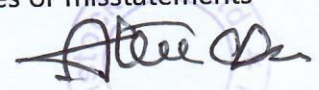
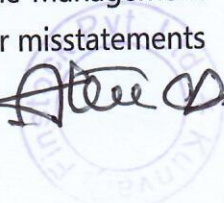
The fairness opinion contained herein is not intended to represent a fairness opinion at any time other than the report date. We have no obligation to update this report.

This Report, its contents and the results herein are specific to (i) the purpose of fairness opinion agreed as per the terms of our engagement; (ii) the Report Date; (iii) the shareholding pattern of Transacting Companies (iv) audited financial statements for the year ended March 31, 2022 of RCL and BGCL; (v) limited reviewed financial statements of RCL for the nine months period ended December 31, 2022 of RCL and audited financial statement of BGCL for the eight months period ended November 30, 2022 and (vi) draft scheme of amalgamation.

A fairness opinion of this nature is necessarily based on the prevailing stock market, financial, economic and other conditions in general and industry trends in particular as in effect on and the information made available to us as of, the date hereof. Events occurring after the date hereof may affect this report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this report.

The fairness opinion rendered in this Report only represents our opinion based upon information furnished by the Companies and gathered from the public domain (and analysis thereon) and the said opinion shall be considered to be in the nature of non-binding advice. Our fairness opinion should not be used for advising anybody to take a buy or sell decision, for which specific opinion needs to be taken from expert advisors.

We have not independently audited or otherwise verified the financial information provided to us. Accordingly, we do not express an opinion or offer any form of assurance regarding the truth and fairness of the financial position as indicated in the financial statements. Also, with respect to explanations and information sought from the Management, we have been given to understand by the Management that they have not omitted any relevant and material factors about the Transacting Companies and that they have checked the relevance or materiality of any specific information to the present exercise with us in case of any doubt. Our conclusion is based on the information given by/on behalf of the Transacting Companies. The Management has indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our fairness opinion.


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It is understood that this opinion is solely for the benefit of confidential use by the Board of Directors of the Transferee Company and the Transferor Company for the purpose of facilitating companies to comply with Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular No. SEBI/HO/CFD/DILI/CIR/P/2021/0000000665 dated November 23, 2021 consolidating the SEBI circulars in relation to the Scheme of Arrangement by Listed Entities and amendment via SEBI Circular number SEBI/HO/CFD/DIL2/CIR/P/2022/11 dated February 01, 2022 (together referred to as "SEBI Circulars") read with applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time; disclosures to be made to relevant regulatory authorities including stock exchanges, SEBI, National Company Law Tribunal or as required under applicable law and it shall not be valid for any other purpose. This opinion is only intended for the aforementioned specific purpose and if it is used for any other purpose; we will not be liable for any consequences thereof.

The Report assumes that the Transacting Companies comply fully with relevant laws and regulations applicable in all its areas of operations, and that the Companies will be managed in a competent and responsible manner. Further, this Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not represented to us by the Management. Our fairness opinion assumes that the assets and liabilities of the companies, reflected in their respective balance sheet remain intact as of the Report date.

The Report does not address the relative merits of the proposed amalgamation as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.

The fee for the engagement is not contingent upon the results reported.

We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of or advice given by any other to the Transacting Companies. In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of the Companies, their directors, employees or agents.

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This report is not a substitute for the third party's own due diligence/ appraisal/ enquiries/ independent advice that the third party should undertake for his purpose.

This Report is subject to the laws of India.

Neither the Report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties, other than in connection with the proposed scheme of amalgamation, without our prior written consent.

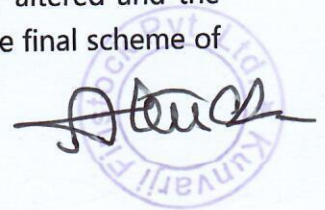
In addition, this report does not in any manner address the prices at which equity shares of BGCL will trade the following announcement of the proposed amalgamation and we express no opinion or recommendation as to how the shareholders of either company should vote at any shareholders' meeting(s) to be held in connection with the proposed amalgamation.

6. OUR RECOMMENDATION

As stated in the Share Exchange Ratio Report dated February 21, 2023 prepared by Shreyansh M Jain, Registered Valuer- Securities or Financial Assets, they have recommended the following:

"1 (One) equity shares of BGCL having face value of INR 10 each fully paid up shall be issued for every 2 (Two) equity shares held in RCL having face value of INR 10 each fully paid up."

The aforesaid amalgamation shall be pursuant to the draft scheme of amalgamation and shall be subject to receipt of approval from the Hon'ble National Company Law Tribunal, Ahmedabad Bench or such other competent authority as may be applicable and other statutory approvals as may be required. The detailed terms and conditions of the amalgamation are more fully set forth in the draft scheme of amalgamation. Kunvarji has issued the fairness opinion with the understanding that the draft scheme of amalgamation shall not be materially altered and the parties hereto agree that the Fairness Opinion would not stand good in case the final scheme of amalgamation alters the Proposed Transaction.



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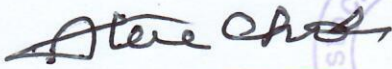
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Based on the information, data made available to us, to the best of our knowledge and belief, the Share exchange ratio as recommended by Shreyansh M Jain, Registered Valuer- Securities or Financial Assets in relation to the proposed draft scheme of amalgamation is fair to the equity shareholders of BGCL and RCL in our opinion.

For, Kunvarji Finstock Private Limited



Mr. Atul Chokshi
Director (DIN: 00929553)



Date: February 21, 2023

Place: Ahmedabad

Kunvarji Finstock Pvt. Ltd.

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