

BOROSIL®

Borosil Glass Works Limited

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May 15, 2017

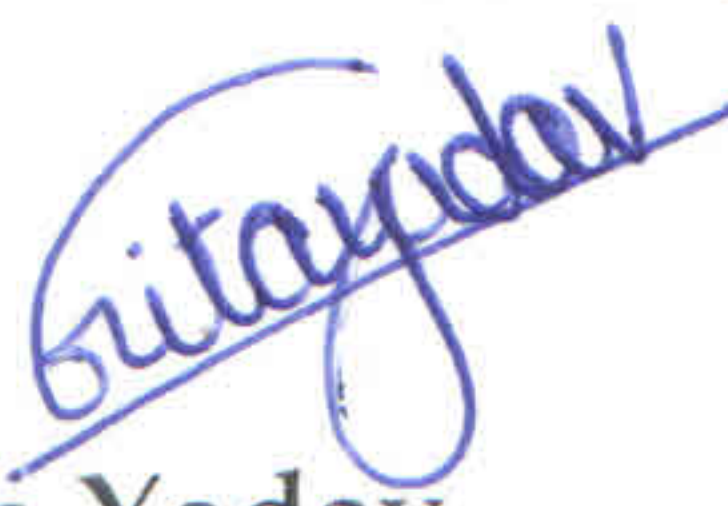
BSE Limited1st Floor, New Trading Ring
Rotunda Building
P. J. Towers, Dalal Street Fort,
Mumbai - 400001**Scrip Code: 502219****Sub: Presentation on Company's performance for the quarter/year ended March 31, 2017**

Dear Sirs,

Enclosed presentation on Company's performance for the quarter/year ended March 31, 2017.

You are requested to take the same on record.

Thanking you.

Yours faithfully,
For Borosil Glass Works Limited
Gita Yadav
Company Secretary

Encl: as above



Brand with a
50+ year
legacy

Market Leader
in
Microwavable
Kitchenware in
India (Consumer
Products)

Market Leader in
Laboratory
Glassware in India
(Scientific &
Industrial Products)

FY17 Highlights – Sales

Rs. In Crores			
Segment	FY16	FY17	YTD Growth %
Labware			
- BGWL (SIP+Others)	120.4	137.3	14.1%
- Klasspack* #	-	20.5	
Total Labware	120.4	158	31.1%
Consumerware			
- BGWL	101.8	129.7	27.4%
- Hopewell* #	11.5	87.3	657.9%
Total	113.3	217.0	91.5%
Total	233.7	374.8	60.3%

* Sales figures exclude Sales to BGWL

Sales considered for the period for which respective companies were held by BGWL

Q4FY17 Highlights – Sales

Rs. In Crores			
Segment	Q4FY16	Q4FY17	Growth %
Labware			
- BGWL (SIP+Others)	43.7	48.4	10.6%
- Klasspack*		7.0	
Total Labware	43.7	55.4	26.6%
Consumerware			
- BGWL	20.3	26.9	32.6%
- Hopewell*	11.5	21.4	85.4%
Total	31.8	48.3	51.8%
Total	75.5	103.6	37.2%
* Sales figures exclude Sales to BGWL			

FY17 Highlights

	Rs. In Crores		
Segment	FY16	FY17	Growth %
<u>EBITDA from Operations</u>			
- BGWL	24.9	39.9	60.4%
- Klasspack #		2.6	
- Hopewell #	2.2	0.8	-64.6%
Total	27.1	43.2	59.6%
EBITDA%	11.6%	11.5%	
<u>PAT (Including Income from Investments)</u>			
- BGWL	23.9	135.5	467.2%
- Klasspack #		0.5	
- Hopewell #	-0.4	-12.8	
Total	23.5	123.2	424.2%

Includes figures for period during which respective companies were held by BGWL.

Hopewell FY17 performance after providing:

~INR 11 crores expenses towards investments in advertisement and sales promotion(compared to ~INR 2 crores in full year of FY16).

~INR 5 crores towards one time claims & write-offs pertaining to period prior to acquisition. And ~INR 4 crores write down of stock valuation due to increase in production efficiency.

BGWL FY17 PAT includes a compensation of Rs. ~90.9 crores on acquisition of land in Mumbai by the Municipal Corporation of Greater Mumbai ("MCGM").

Vyline EBITDA for FY 17 Rs. 12.4 crores(provisional) as against Rs. 10.5 crores in FY16

Borosil Glass Works Ltd.

Significant Board Approvals

- During the meeting held on 13th May 2017, the Board approved (subject to approval of shareholders):
 - Sub-division (Split) of face value of shares from Rs. 10 to 10 shares of Re. 1 each.
 - Provide greater access to retail shareholders
 - Development of a Scheme of Employee Stock Option Plan (ESOP)
 - Align management incentives to long term shareholder value



BOROSIL®

Performs Beautifully

BOROSIL®

Consumer Products Division (CPD)



Consumer Product Division (CPD)

Product Range & Positioning

Ally for the progressive homemaker



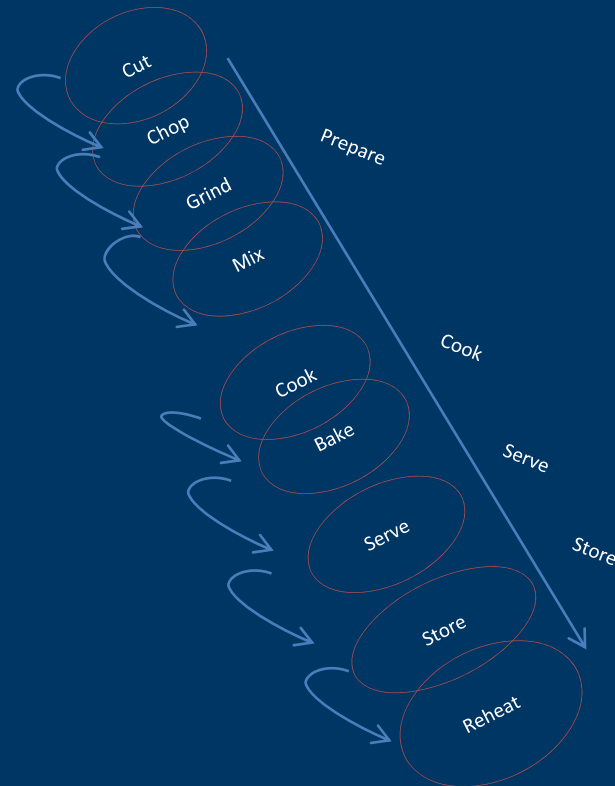
Everyday



Modern, contemporary



Entire process of Cooking & Serving



BOROSIL®
Performs Beautifully



Expanding from being synonymous with microwaveable glass to storage ,tableware and appliances

Consumer Product Division (CPD)

Opportunity

Category	Total Market Size (Cr.)	Market Growth %
Glass Microwavables	100	10%
Tumblers	440	10%
Appliances	9000	10%
Melamine	300	15%
Opalware	300	20%
Tea / coffee	400 (incl. ceramicware)	15%
Storage	700	15% to 20%

- Estimated market share of Microwavables is 60%.
 - Tumblers universe consists of Borosilicate glass & Soda Lime glass, Borosil primarily markets Borosilicate Glasses.
 - Borosil has entered the other categories recently.
- Note : Market size, growth & share are internal estimates



Consumer Product Division (CPD)

Emerging Growth Opportunities

- Lifestyle change towards convenience & improved presentation
 - Upgrading from steel & unorganized / unbranded market towards premium products
- Rise of the middle class aspirational customer base
- Innovation possibilities in product categories
- Focus on hygienic & healthy products
 - Movement from plastic to glass
- Opportunities in multiple distribution channels
 - (E.g.: Modern Retail Outlets, E-commerce etc.)



Consumer Product Division (CPD)

Strength to leverage Opportunities

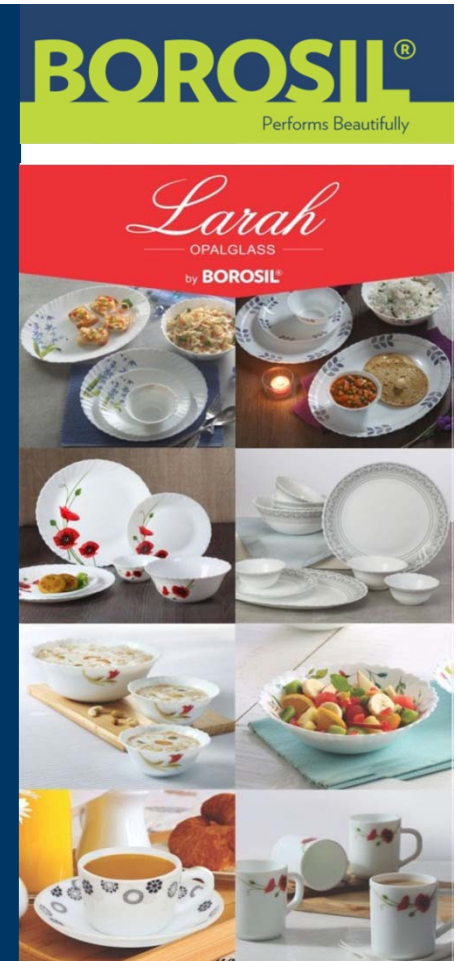
- New product capabilities
 - New product range has received wide market acceptance
 - New Products (introduced in last 3 years) share of Total Sales ~20%
- Borosil is the gold standard on quality
- Strong channel loyalty
 - Proven by quick acceptance of Larah
- Investment in brand building
 - Few established brands in the category



Consumer Product Division (CPD)

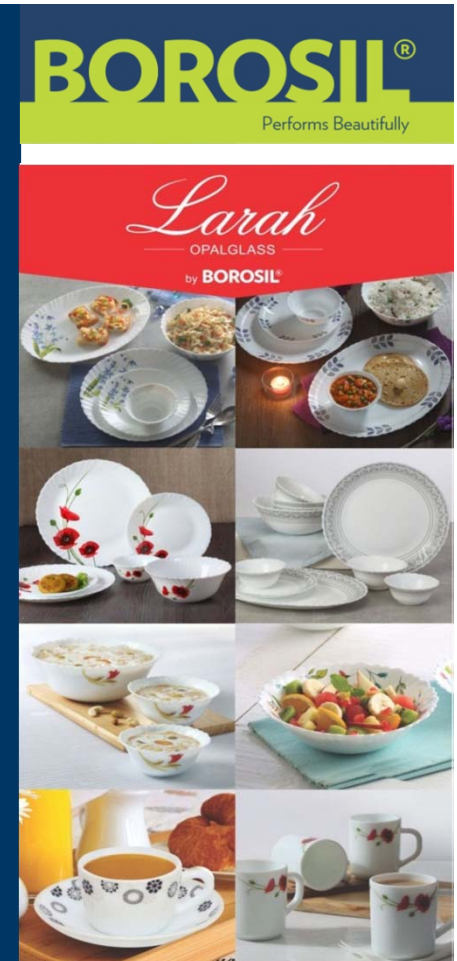
Acquisition of Hopewell (Larah)

- Acquired 100% in January 2016
- Brand Larah
 - Lifestyle Opal dinnerware
 - Microwavable, Light, Strong, Chip-resistant for daily use
- Targets mass market customers for daily use
- Market dominated by a single player
 - Opportunity to invest & grow Larah into a strong brand
- Sales and distribution channel synergy – higher throughput
- Brand revenue INR 48 crores in FY16
- Revenue FY17 : INR 87 crores (net of Excise duty)



Margin Improvement & Capacity Expansion

- Run rate on Larah sales nearly doubled since acquisition
 - Manufacturing capacity now close to 100%
- Plan to expand capacity with new furnace & other machinery
 - Likely to service 50% additional sales
 - Improve product quality
 - Enhance yields / reduce wastage
- Plan to create additional warehouse space
 - Optimize truck utilization by combining Larah & other Borosil products
- Investment of ~ INR 90 crores
- Implementation planned from H2FY18
- Significant margin improvement in Larah expected



Consumer Product Division (CPD)

Key Modern Trade Partners

BIG BAZAAR
Is se sasta aur accha kahin nahi!

Walmart
Save money. Live better.

HomeTown
Ab ghar banana kitna aasaan!

DAMart

HomeStop
for your kind of home

METRO

Reliance
RETAIL
Aapki khushi. Hamari khushi.

lifestyle
YOUR STYLE. YOUR STORE.

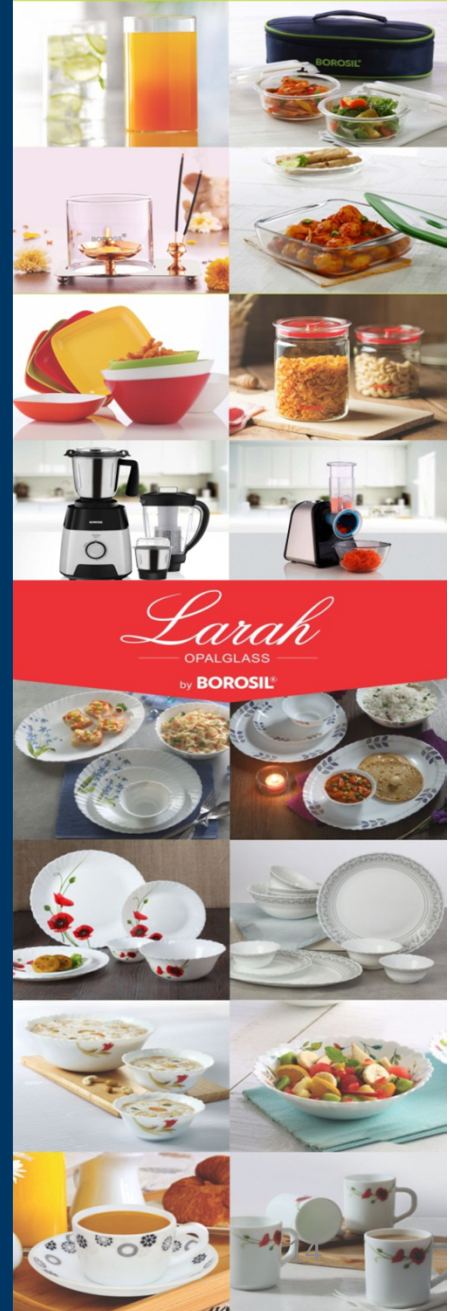
more.

SPAR
There for you

A TATA Enterprise
STAR
Bazaar

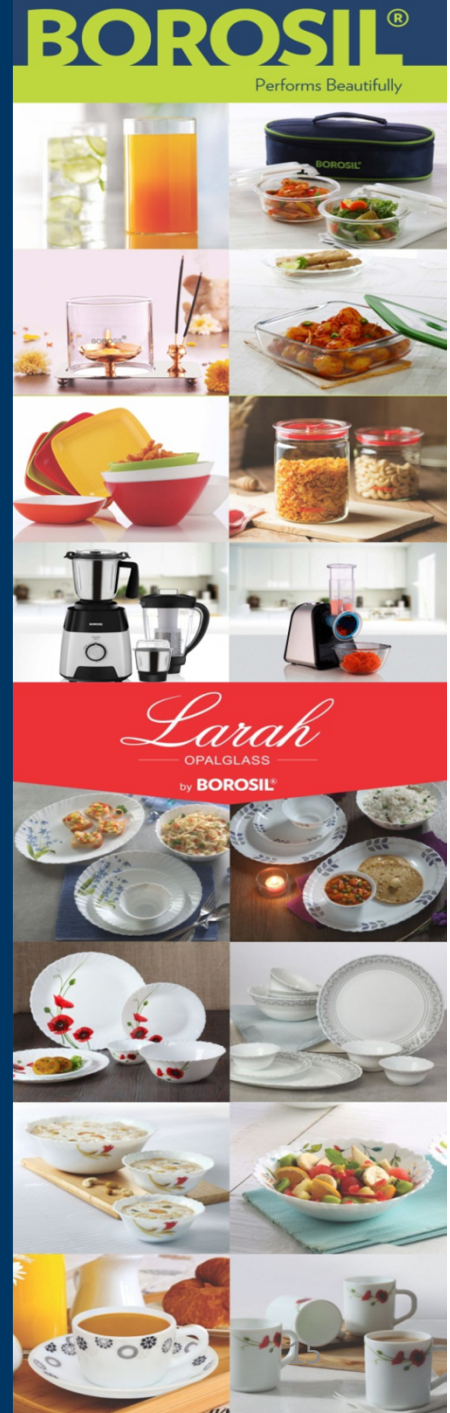
HyperCITY
Big store. Big savings.

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Performs Beautifully



Consumer Product Division (CPD)

Some Key Institutional Customers



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Scientific & Industrial Products (SIP)

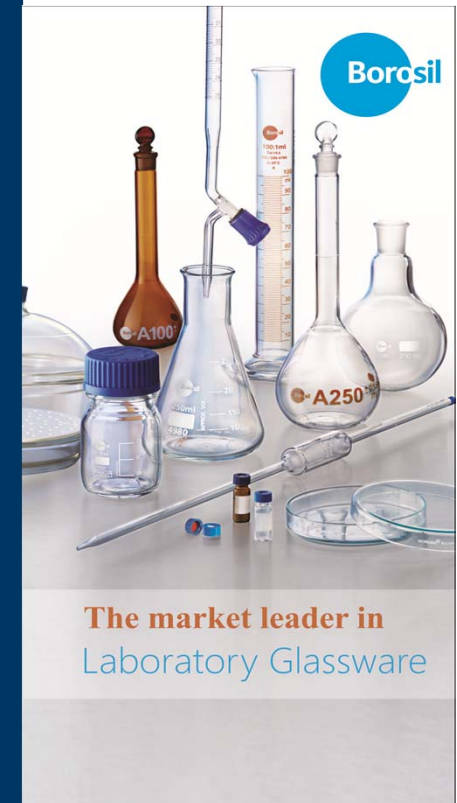


Scientific & Industrial Products (SIP)

Opportunity

- **Offers Scientific & Laboratory equipment**
 - Glassware, Instruments, Liquid handling systems
- Used in Pharma, Biotechnology, Microbiology, Food & Soil testing, Educational Institutions etc
- Introducing Laboratory tools & equipment under the brand
**LABQUEST**
BY **BOROSIL**
- **Markets to scientists (end users) as consumers of Lab products**
 - Not a typical B2B / institutional business

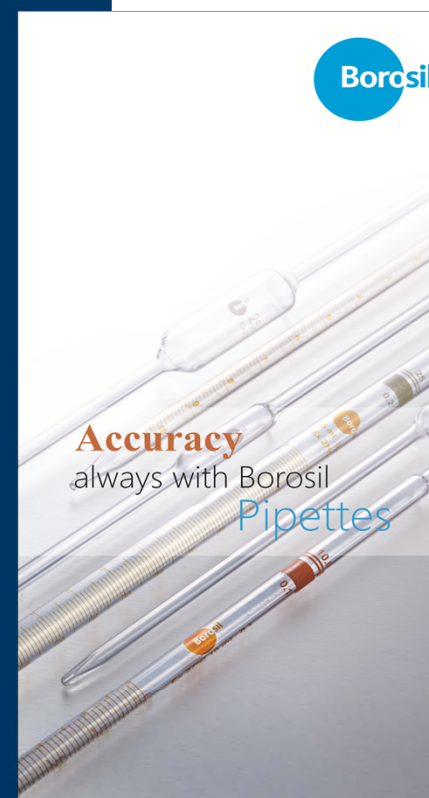
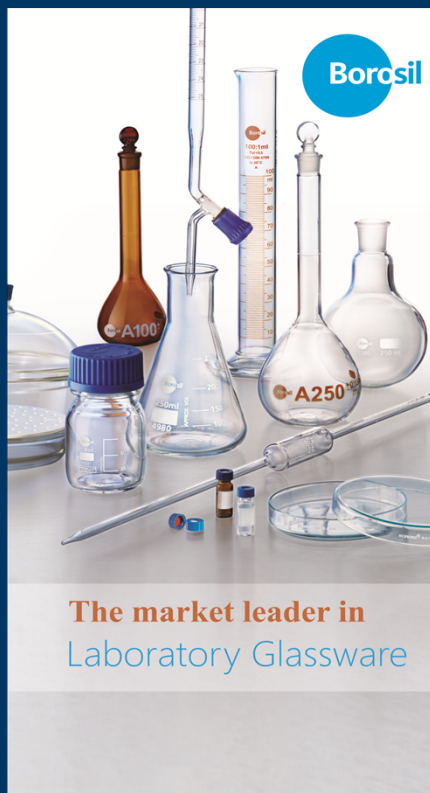
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Scientific & Industrial Products (SIP)

Product Range

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Scientific & Industrial Products (SIP)

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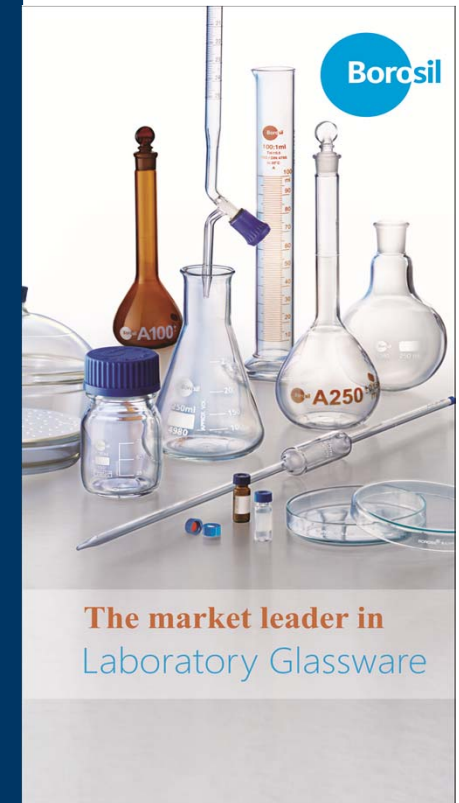
- **Market size**

- Lab Glass (Domestic) INR 220 Cr, growth 8-10%
- Lab Glass (International) INR 4000 Cr, growth 0-2%
- Lab instruments (Domestic) INR 150 Cr, growth at 8-10%
- Pharma Packaging (Tubular Glass): INR 500 Cr, growth 10-12%

- **Market share**

- Labglass (Domestic) ~60% (Fragmented competition)
- Labglass (International): Recent market entry, FY17 revenue: INR 9.2 Cr
- Lab Instruments : Recent market entry through “LabQuest”
- Pharma Packaging (Tubular Glass): Klasspack FY17 revenue: INR 20.5 Cr (Aug'16 to Mar.'17)

Note: Market size & growth are internal estimates



The market leader in
Laboratory Glassware

Pioneers in Speciality Glass

Scientific & Industrial Products (SIP)

Emerging Growth Opportunities

- Growth in the customer industries in India (Pharma)
- Import substitution
- New product to same customers (**LabQuest**)
- Exports to ME/SEA/Africa

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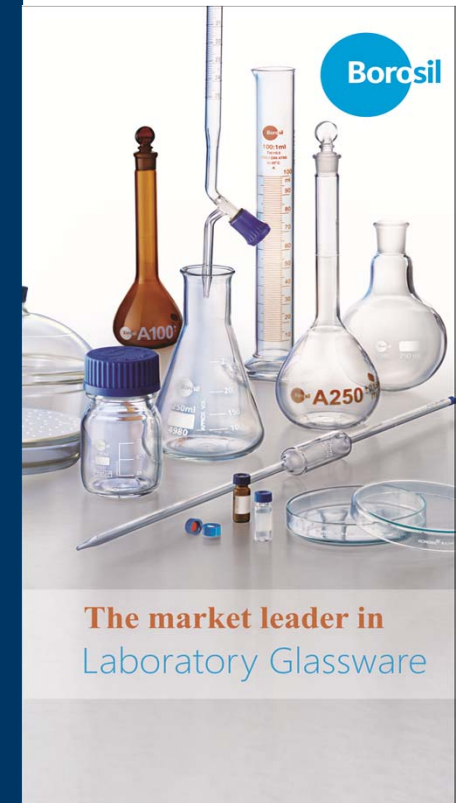
LABQUEST
BY **BOROSIL®**

Scientific & Industrial Products (SIP)

Strong Barriers to Entry

- ***Meeting wide product range customer need***
 - Single supplier convenient for laboratory for multiple critical yet low ticket SKUs
 - Not easily replicable by competition
- ***Quick & on-time delivery of SKU range***
 - Investment in inventory, 6 warehouses & dealer network
 - Well managed Inventory more than offsets loss of sale
- ***Products meet international quality benchmarks***
- ***Strong customer relationships***
 - Low propensity of customer to switch

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Scientific & Industrial Products (SIP)

Acquisition of Klasspack

- Acquired 60.3% in July 2016
- Glass Ampoules & Tubular Glass Vials for packaging pharmaceutical products
 - Complements Borosil's analytical vials range (used in the lab)
- Provides Borosil's Pharmaceutical Customers credible 2nd alternative for their packaging needs
- Long lead times to pass stringent quality benchmarks, a significant barrier to more entrants
- Revenue in FY16 INR 28 Crores
- Revenue for Aug to Mar'17: INR 20.5 Crores

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BOROSIL
KLASSPACK
pharmaceutical packaging

Glass Ampoules
Tubular Glass Vials



Scientific & Industrial Products (SIP)

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Key Customers

Cipla
Caring for life

 **Mylan**
Seeing
is believing

 **LUPIN**
PHARMACEUTICALS, INC.


DR. REDDY'S

RANBAXY
LABORATORIES LIMITED


ALKEM

 **Incepta**


glenmark
A new way for a new world

Zy⁺us
dedicated to *life*


TEVA
TEVA PHARMACEUTICALS

BGWL Key Enablers & Capabilities

- **Strong brand equity**
 - Sustained growth momentum & margins
- **Strong steady SIP business to support growth in CPD business**
- **Established network of happy channel partners**
 - Over 200 distributors / 10,000 retailers
- **Strong Balance Sheet with cash surplus**
 - Ability to invest in brand building
 - Acquisitions to supplement organic growth
- **GST implementation could support organized players**

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Gujarat Borosil Ltd.



Gujarat Borosil Limited (GBL)

Financial Highlights – FY17

Segment	FY16	FY17	Rs. In Crores
			Growth %
Revenue from operations (Incl. of Excise duty)	188.3	188.3	0.0%
EBITDA	36.1	47.7	32.2%
EBITDA %	19.1%	25.3%	
PAT	7.4	14.1	89.6%
Operations in FY17 at full capacity			

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Gujarat Borosil Limited (GBL)

Financial Highlights – Q4FY17

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Segment	Rs. In Crores		
	Q4FY16	Q4FY17	Growth %
Revenue from operations (Incl. of Excise duty)	55.5	52.0	-6.4%
EBITDA	8.8	12.2	37.6%
EBITDA %	15.9%	23.4%	
PAT	3.0	6.4	110.8%



Gujarat Borosil Limited (GBL)

Strong Growth Prospects

- **Strong Government impetus to solar energy with 100 GW capacity target by 2022**
 - Policy initiatives
- Exports emerging as a growth kicker
- Top-tier Solar & Pattern Glass domestic & international clients
- Company looking to more than double existing capacity
- Sales growth 17% CAGR FY12-17, with strong EBITDA margins (25% in FY17)
- 6% excise/CVD introduced in Union Budget 2017. GBL can utilize input duty credits. Net positive impact ~INR 3.5 crores p.a. (Approx. 2% improvement in EBITDA)

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Gujarat Borosil Limited (GBL)

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Competitive Advantage

- ***Market Leadership in Indian Solar Glass Market***
 - Cost competitive with China supplies
- ***Preferred brand of High quality Solar glass***
 - Lowest iron content, world's only antimony-free glass
 - Anti-reflective coating
 - High light transmissions & highest glass efficiency
 - High resistance to Potentially Induced Degradation
- ***State of the art manufacturing with strong testing and R&D infrastructure***
 - High degree of product innovation to drive down total cost of ownership for end customers
 - Implementing facility for tempering thinner glass that has a growing domestic & international demand



Gujarat Borosil Limited (GBL)

Key Customers - Domestic

WAAREE[®]
One with the Sun

EMMVEE

TATA
TATA POWER SOLAR

PV POWER TECH

MicroSun

Topsun[®]
Future is Secured

बीएसईएल
BHEL
Maharaja Company

LANCO

vikramsolar

GOLDI GREEN[™]
SOLAR PV MODULES

HHV

BOROSIL[®]



Gujarat Borosil Limited (GBL)

Key Customers – International



Spain



Kenya



Croatia



Spain



Italy



Italy



US



US



Germany



Kenya



Italy



Greece



Germany

BOROSIL®

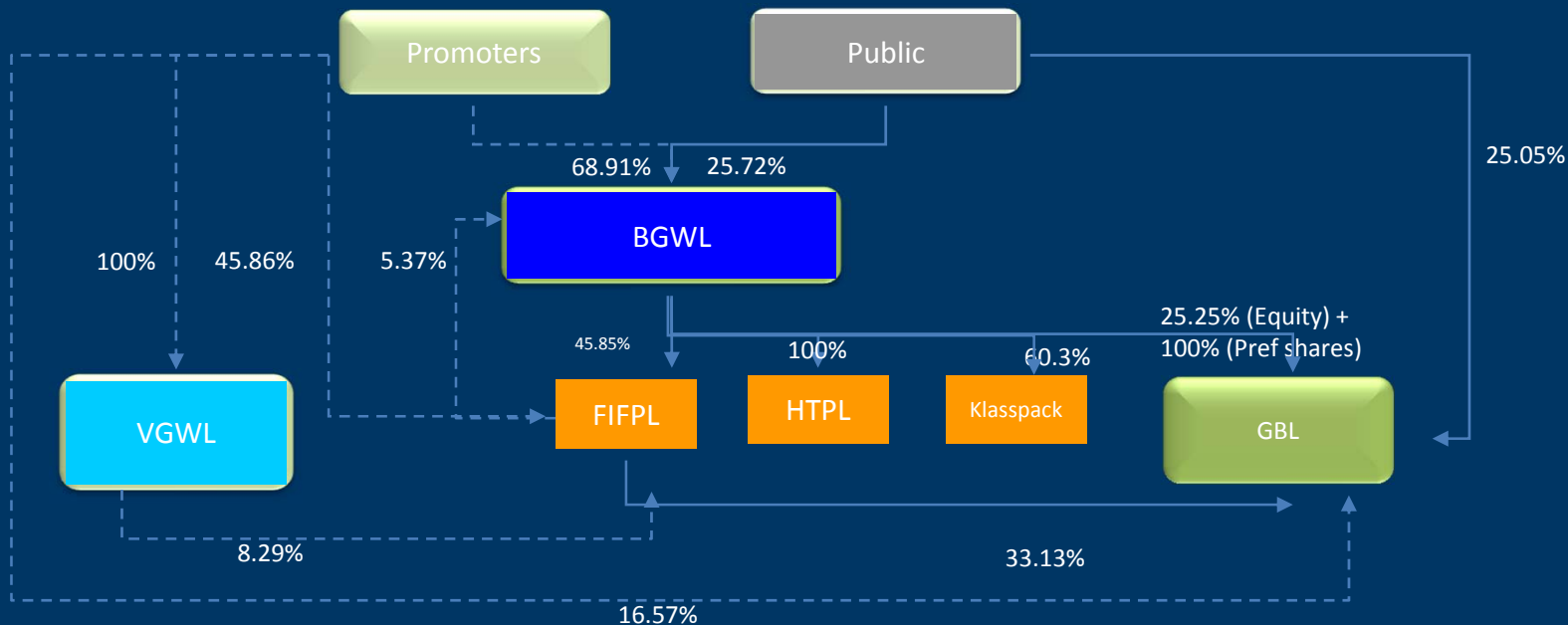


Proposed Scheme of Amalgamation

Company has proposed Scheme of Amalgamation with Related Companies :

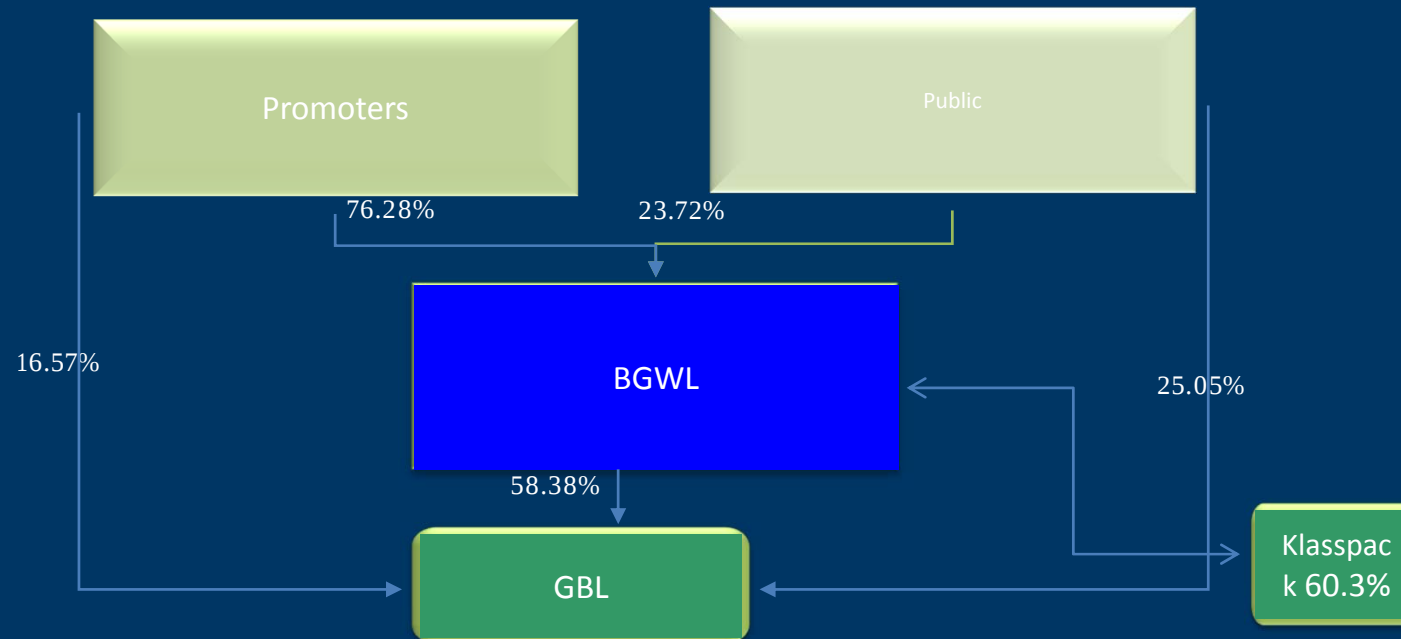
- Hopewell Tableware, 100% subsidiary in Consumer Products business
- Vylene, a promoter held co & 3P manufacturer for BGWL
- Fennel Investments, an associate co with cross holdings
- Advised by PWC
- Valuation by SSPA & Co, Fairness Report by Keynote Corporate Services Ltd.

Current Holding Structure



- Borosil Glass Works limited ('BGWL') and Gujarat Borosil Limited ('GBL'), listed on BSE,.
- Hopewell Tableware Private Ltd ('HTPL') is a wholly owned subsidiary of BGWL
- Vylene Glass Works Ltd ('VGWL') is held by Promoter of BGWL
- Fennel Investment & Finance Pvt Ltd ('FIFPL') is held by BGWL and Promoter of BGWL and is registered with RBI as NBFC and is itself a promoter of BGWL
- It is now proposed to merge/consolidate HTPL, VGWL and FIFPL with BGWL

Resultant Holding Structure



Effective promoter and promoter group holding of BGWL to increase from 74.28% to 76.28% Scheme subject to all statutory approvals.

Swap ratio :

- 4 shares of BGWL against 65 equity shares of Vylene
- 10 shares of BGWL for 207 equity shares of Fennel

Reduces Related Party transactions

- Vylene comes within company fold
- FY17 : EBITDA INR 12.4 Cr. PAT INR 3.1 Cr. (Provisional)

Reduction in Cross Holdings and Simplicity of Structure

Synergies of business under a single entity

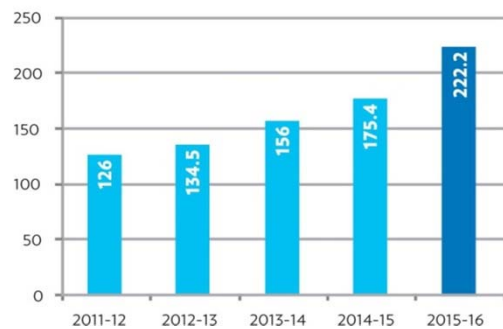
- Reduction in admin, operative costs
- Greater administrative efficiency

Gujarat Borosil will become a 58.38% subsidiary

- Will continue to be managed by separate team

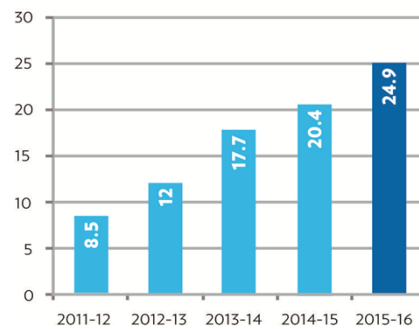
Net Revenue from Operations

(₹ in crore)



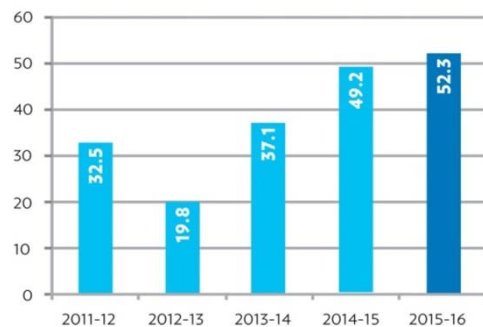
EBITDA from operations

(₹ in crore)



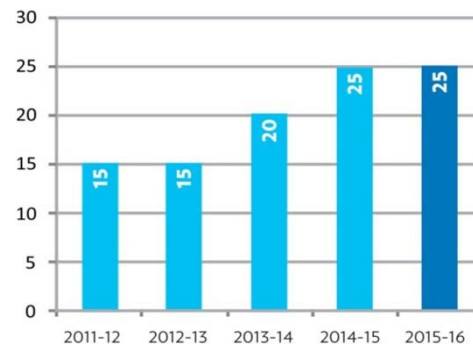
PAT

(Including income from investments)
(₹ in crore)



Dividend per share

(in ₹)



Financial Highlights

		2015-2016	2014-2015	2013-2014	2012-2013	2011-2012
Revenue From Operations	(Rs. lacs)	22,221	17,542	15,595	13,447	12,602
Profit Before Tax	(Rs. lacs)	5,956	6,352	4,166	2,604	4,043
Profit Before Tax as % on Revenue From Operations		26.80	36.21	26.72	19.37	32.08
Tax expenses	(Rs. lacs)	730	1,437	452	621	790
Profit After Tax	(Rs. lacs)	5,226	4,916	3,715	1,984	3,253
Dividend	(%)	250	250	200	150	150
Net Earnings per Share	(Rs.)	179.52	163.53	123.57	64.81	85.58
Shareholders' Funds	(Rs. lacs)	56,876	69,746	65,734	62,723	62,366
Book Value per Share	(Rs.)	2,462	2,320	2,187	2,087	1,989
Return on Investment	(%)	9.19	7.06	5.73	3.20	5.25

Disclaimer

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Thank you