

BOROSIL GLASS WORKS LIMITED

CIN : L99999MH1962PLC012538

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15th February, 2017

BSE Limited

1st Floor, New Trading Ring
Rotunda Building
P. J. Towers, Dalal Street Fort,
Mumbai - 400001

Dear Sirs,

Scrip Code: 502219

Sub: Presentation on Company's third quarter FY17 earnings

Enclosed presentation on Company's third quarter FY17 earnings.

You are requested to take the same on record.

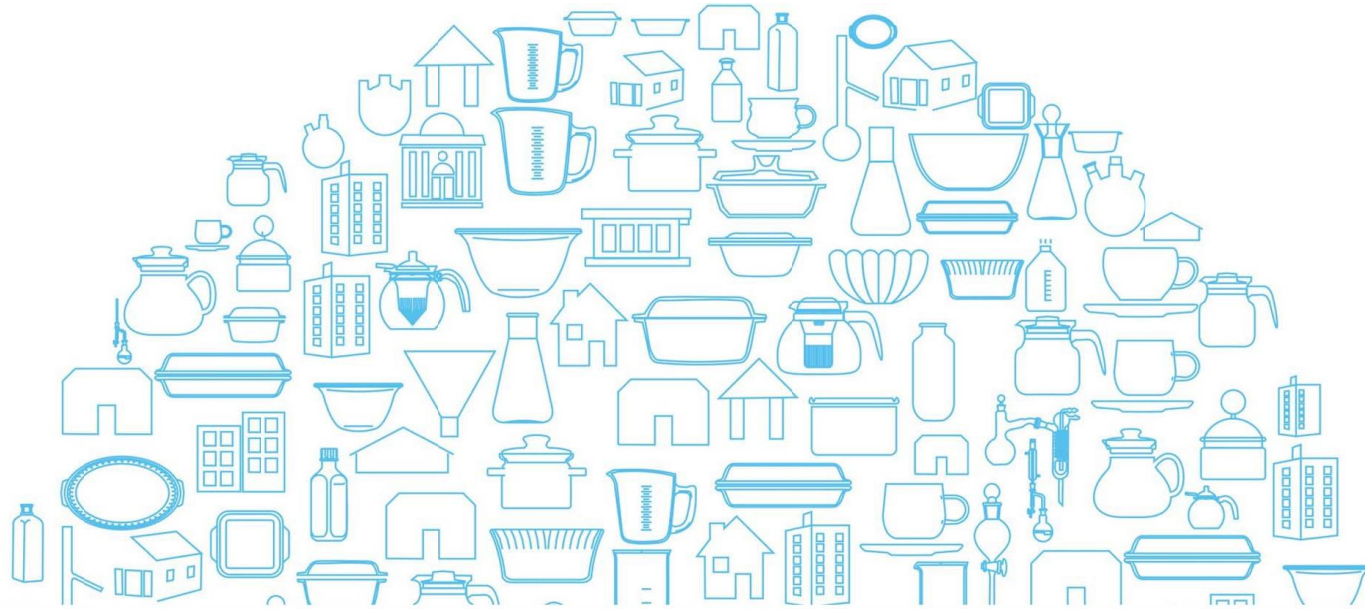
Thanking you.

Yours faithfully,
For Borosil Glass Works Limited



Gita Yadav
Company Secretary

Encl: as above



BOROSIL®



Forbes
Asia

Best Under
A
Billion

BOROSIL®

THE REGION'S TOP 200
SMALL AND MIDSIZE COMPANIES

November 2, 2015

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)

YTDQ3FY17 Highlights – Sales

Rs. In Lacs				
Segment	FY16	YTDQ3FY16	YTDQ3FY17	YTD Growth %
Labware				
- BGWL (SIP+Others)	12039	7667	8895	16.0%
- Klasspack* #	-	-	1346	
Total Labware	12039	7667	10241	33.6%
Consumerware				
- BGWL	10182	8154	10278	26.0%
- Hopewell* #	1152	-	6577	
Total	11334	8154	16855	106.7%
Total	23373	15821	27096	71.3%

* Sales figures exclude Sales to BGWL

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

Q3FY17 Highlights – Sales

Rs. In Lacs			
Segment	Q3FY16	Q3FY17	Growth %
Labware			
- BGWL (SIP+Others)	2834	3305	16.6%
- Klasspack*		696	
Total Labware	2834	4001	41.2%
Consumerware			
- BGWL	3580	3897	8.9%
- Hopewell*		2117	
Total	3580	6014	68.0%
Total	6414	10014	56.1%

* Sales figures exclude Sales to BGWL

YTDQ3FY17 Highlights

Segment	FY16	YTDQ3FY16	YTDQ3FY17	Rs. In Lacs
				YTD Growth %
EBITDA from Operations				
- BGWL	2485	1662	2655	59.7%
- Klasspack #	-		192	
- Hopewell #	222		56	
Total	2707	1662	2902	74.6%
EBITDA%	11.6%	10.5%	10.7%	
PAT (Including Income from Investments)				
- BGWL	5226	2187	11757	437.6%
- Klasspack #	-		82	
- Hopewell #	8		-810	
Total	5234	2187	11029	404.3%

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

Hopewell YTDQ3FY17 performance after providing:

~INR 1000 lacs expenses towards investments in advertisement and sales promotion (compared to ~INR 200 lacs in FY16).

~INR 500 Lacs towards one time claims & write-offs pertaining to period prior to acquisition.

Klasspack YTDQ3FY17 excludes a one time expenses of Rs. 150 lacs.

BGWL PAT includes a compensation of Rs. ~9088 lacs on acquisition of land in Mumbai by the Municipal Corporation of Greater Mumbai ("MCGM").

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Performs Beautifully

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Consumer Products Division (CPD)



Consumer Product Division (CPD)

Product Range & Positioning

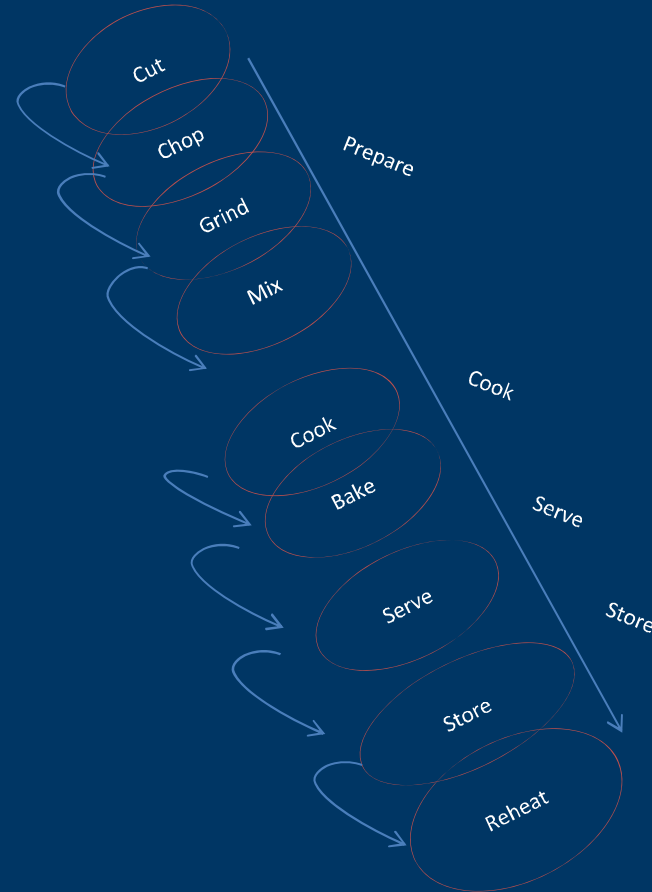
Ally for the progressive homemaker



Everyday



Entire process of Cooking & Serving



Modern, contemporary



Expanding from being synonymous with microwavable glass to appliances, storage & tableware

Consumer Product Division (CPD)

Opportunity

Category	Total Market Size (Cr.)	Market Growth %
Glass Microwavables	80	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 crore in FY16
- Revenue YTDQ3FY17 : INR 66 crores



Margin Improvement & Capacity Expansion

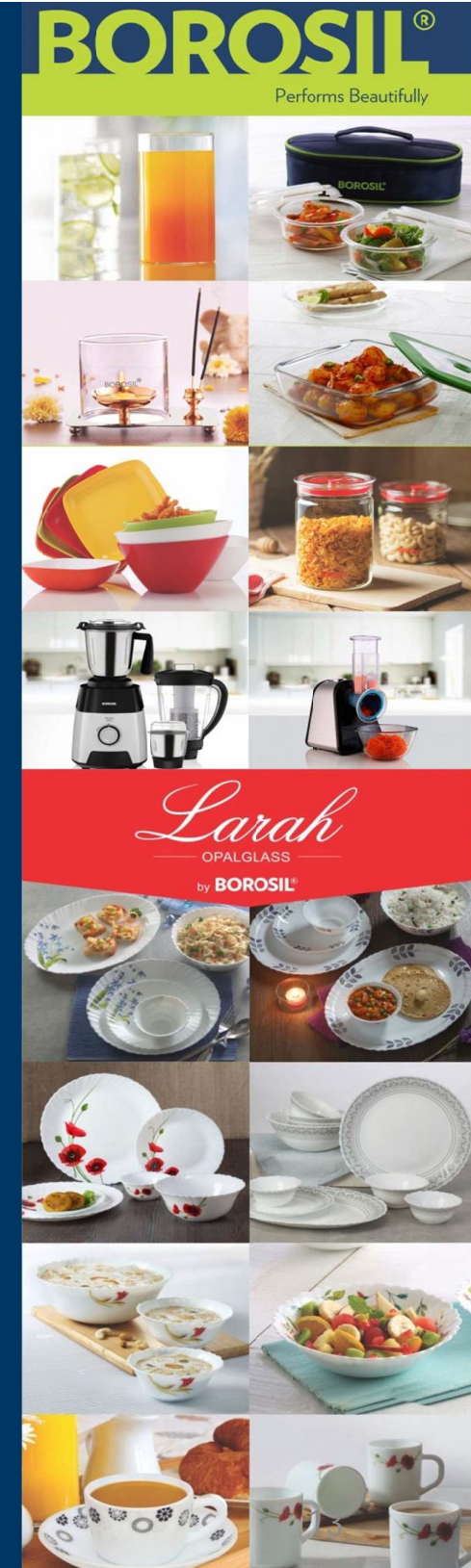
- Run rate on Larah sales nearly doubled since acquisition
 - Manufacturing capacity now close to 100%
- Plan to expand capacity with new furnace & other machinery
 - Likely to service 50% additional sales
 - Improve product quality
 - Enhance yields / reduce wastage
- Plan to create additional warehouse space
 - Optimize truck utilization by combining Larah & other Borosil products
- Investment of ~ INR 55 crore
- Implementation planned from H2FY18
- Significant margin improvement in Larah expected

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Performs Beautifully



Consumer Product Division (CPD)

Key Modern Trade Partners



Consumer Product Division (CPD)

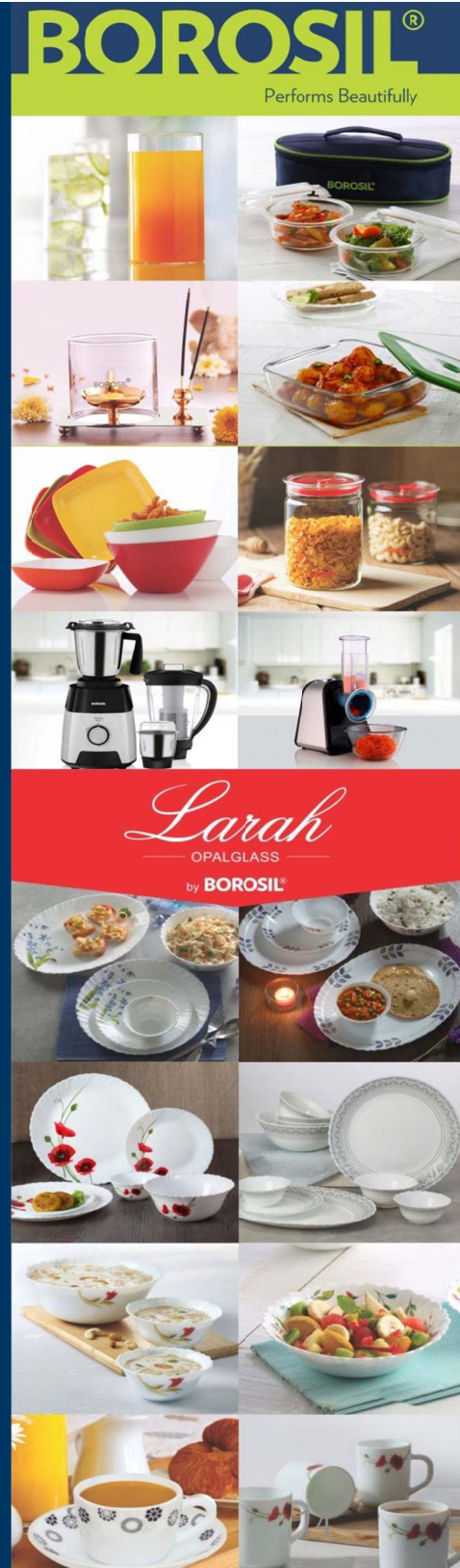
Some Key Institutional Customers



IndusInd Bank

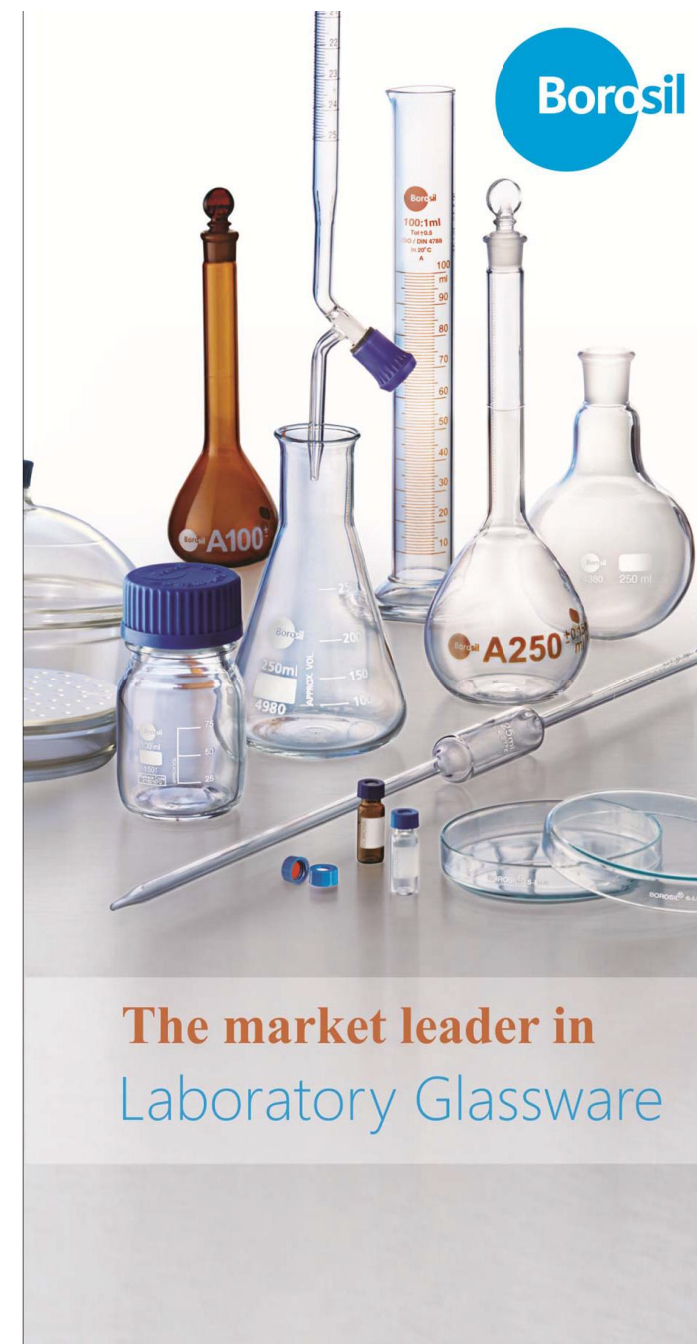


HCL



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Scientific & Industrial Products (SIP)



The market leader in
Laboratory Glassware

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)

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Product Range



Borosil

**The market leader in
Laboratory Glassware**



Borosil

**your solutions...
our
Volumetric Flasks**

A100 ± 0.1 ml 27°C 14/15

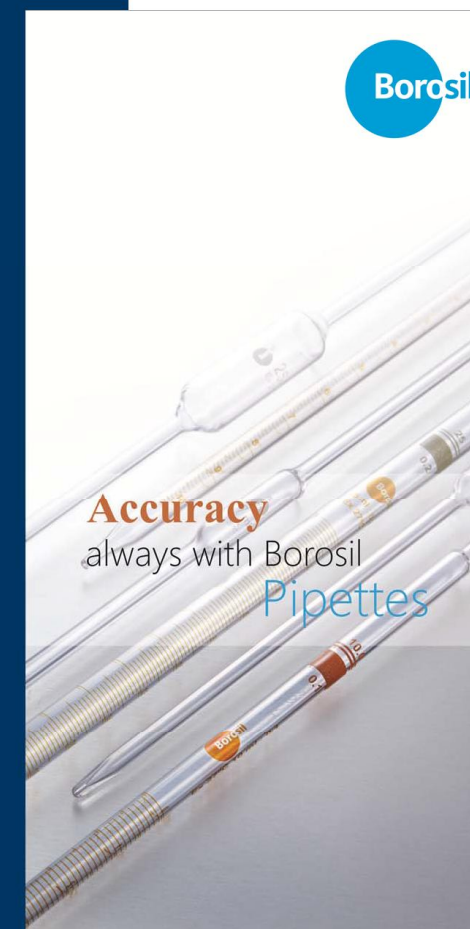
Legendary
Reliable

Borosil

Laboratory Bottles



Borosil
1000 ml
1501



Borosil

Accuracy
always with Borosil
Pipettes

Scientific & Industrial Products (SIP)

BOROSIL®

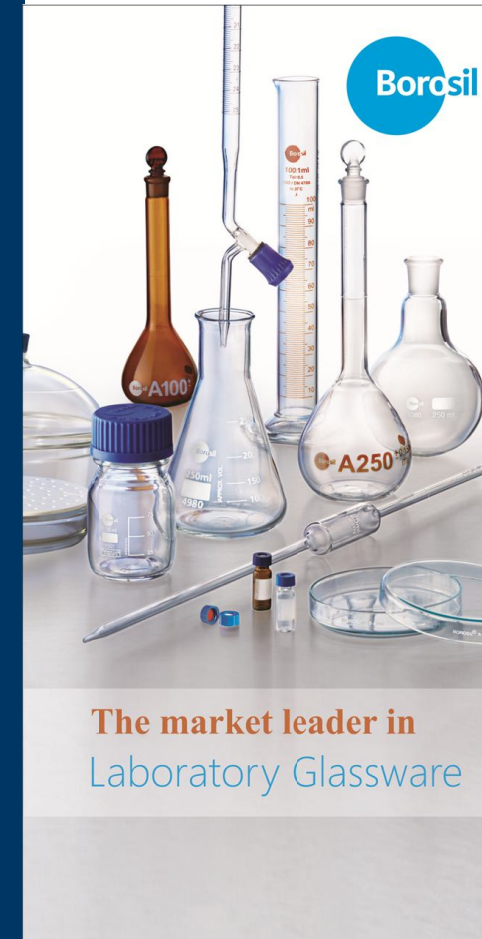
- **Market size**

- 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, FY16 revenue: INR 6.3 Cr
- Lab Instruments : Recent market entry through “LabQuest”
- Pharma Packaging (Tubular Glass): Klasspack FY16 revenue: INR 28 Cr

Note: Market size & growth are internal estimates



The market leader in
Laboratory Glassware

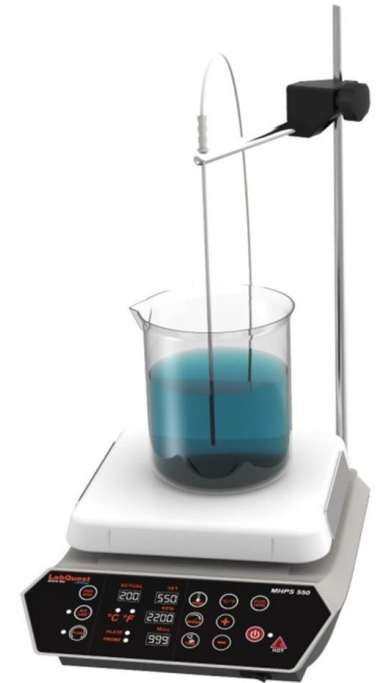
Pioneers in Speciality Glass

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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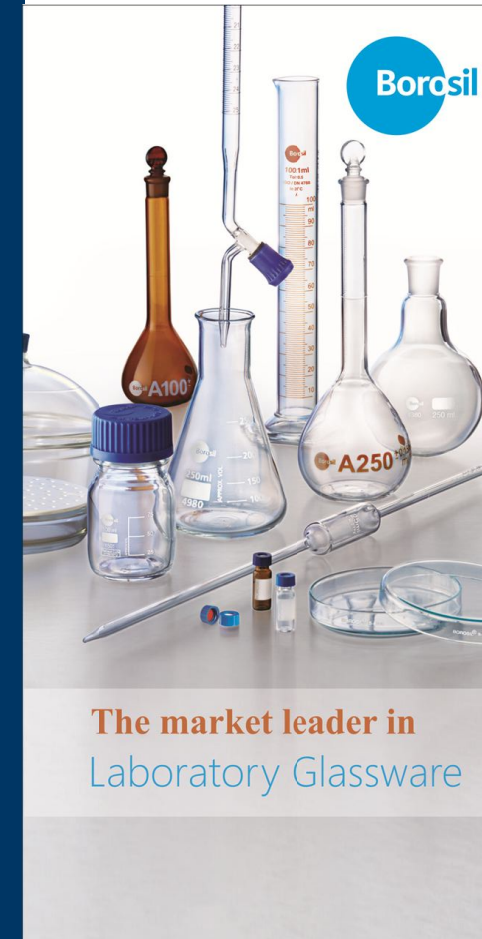
LABQUEST
BY **BOROSIL®**

Scientific & Industrial Products (SIP)

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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



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 Dec'16: INR 13.5 Crores

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BOROSIL
KLASSPACK
pharmaceutical packaging

Glass Ampoules
Tubular Glass Vials



Scientific & Industrial Products (SIP)

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

Zydus
dedicated to *life*


TEVA PHARMACEUTICALS

- **Strong brand equity**
 - Sustained growth momentum & margins
- **Strong steady SIP business to support growth in CPD business**
- **Established network of happy channel partners**
 - Over 150 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)

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Financial Highlights – YTDQ3FY17

Segment	FY16	YTDQ3FY16	YTDQ3FY17	Rs. In Lacs
				YTD Growth %
Sales	18282	13277	13637	2.7%
EBITDA	3570	2543	3156	24.1%
EBITDA %	19.5%	19.2%	23.1%	
PAT	1214	440	769	74.9%



Gujarat Borosil Limited (GBL)

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Financial Highlights – Q3FY17

	Rs. In Lacs		
Segment	Q3FY16	Q3FY17	Growth %
Sales	4920	4649	-5.5%
EBITDA	876	1139	30.0%
EBITDA %	17.8%	24.5%	
PAT	162	296	82.2%



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 18% CAGR FY11-16, with strong EBDITA margins (23% in YTD Q317)
- 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 EBDITA)



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)

BOROSIL®

Key Customers - Domestic

WAAREE®
One with the Sun

EMMVEE

TATA
TATA POWER SOLAR

PV POWER TECH

MicroSun

Topsun®
Future is Secured

बीएच ईएल
BHEL
Maharaja Company

LANCO

vikram solar

GOLDI GREEN™
SOLAR PV MODULES

HHV



Gujarat Borosil Limited (GBL)

Key Customers – International



Spain



Kenya



Croatia



Spain



Italy



Italy



US



US



ASTROENERGY

Germany



ubbink Kenya



Italy



Greece



Germany

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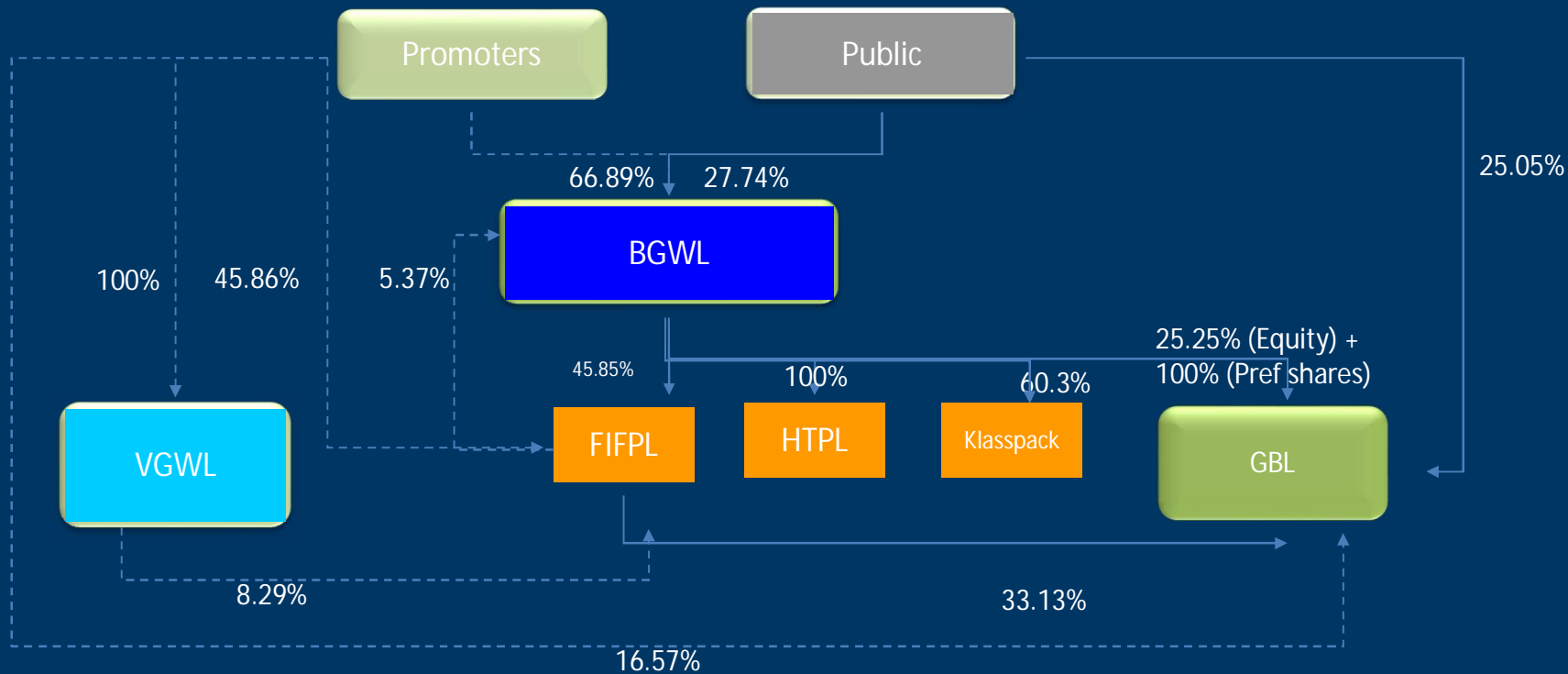


Proposed Scheme of Amalgamation

Company has proposed Scheme of Amalgamation with Related Companies :

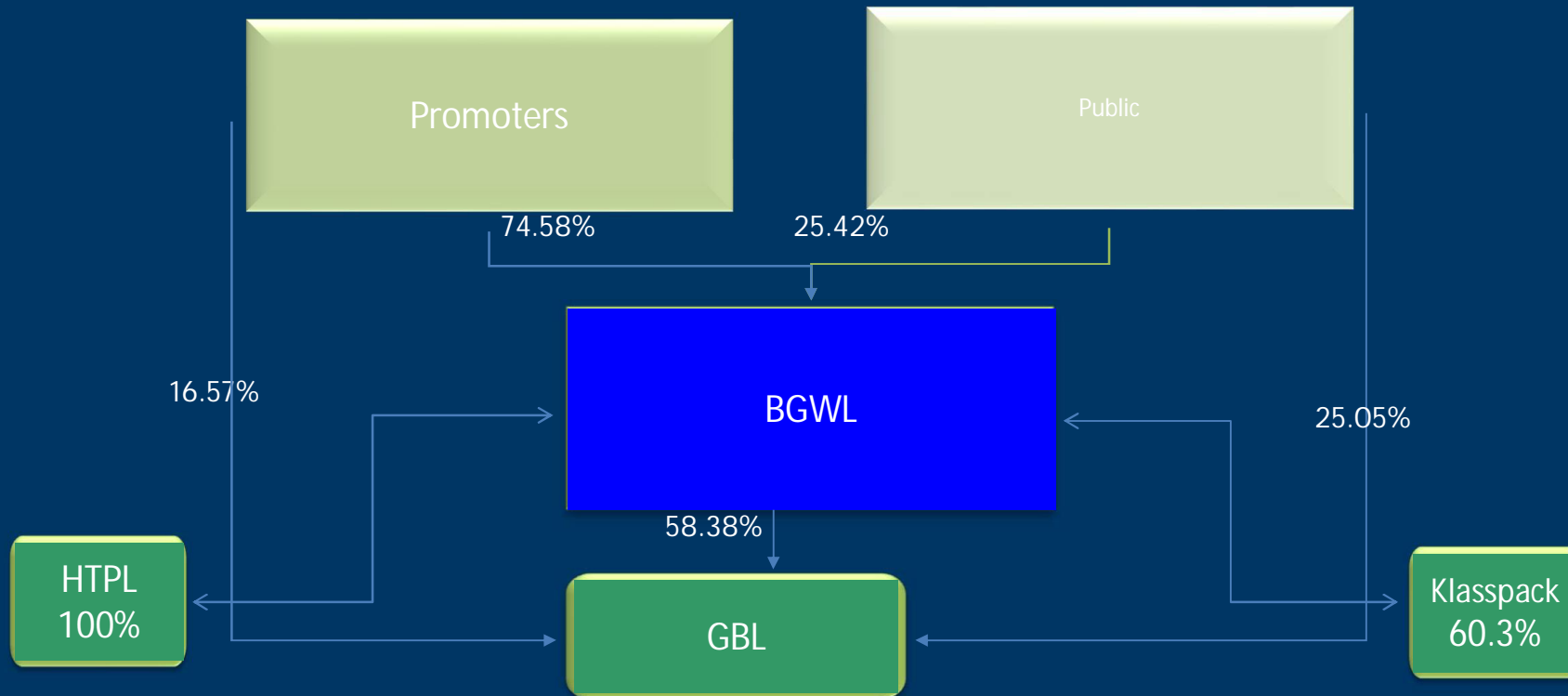
- Hopewell Tableware, 100% subsidiary in Consumer Products business
- Vylene, a promoter held co & 3P manufacturer for BGWL
- Fennel Investments, an associate co with cross holdings
- Advised by PWC
- Valuation by SSPA & Co, Fairness Report by Keynote Corporate Services Ltd.

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 72.26% to 74.58% Scheme subject to all statutory approvals.

Swap ratio :

- 10 shares of BGWL against 143 equity shares of Vyline
- 10 shares of BGWL for 206 equity shares of Fennel

Transaction Rationale

Reduces Related Party transactions

- Vylene comes within company fold
- FY16: EBDITA INR 10.5 Cr, PAT INR 2.3 Cr
- YTDQ3FY17 : EBITDA INR 8.9 Cr.

Reduction in Cross Holdings and Simplicity of Structure

Synergies of business under a single entity

- Reduction in admin, operative costs
- Greater administrative efficiency

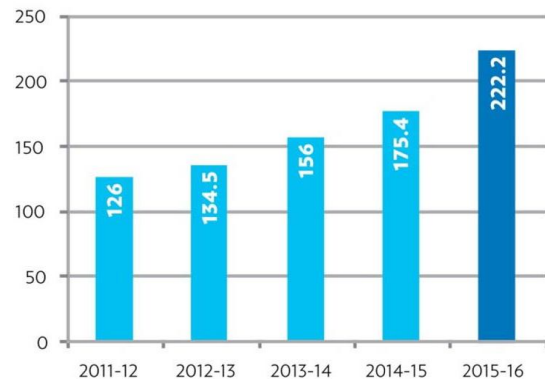
Gujarat Borosil will become a 58.38% subsidiary

- Will continue to be managed by separate team

Five Years Financial Highlights

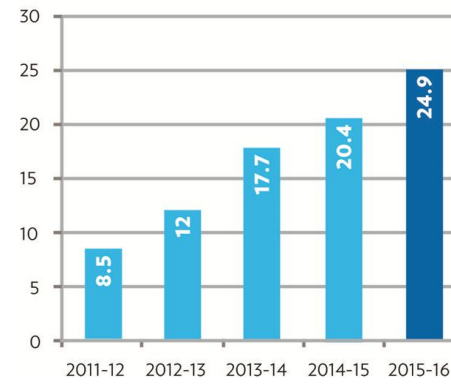
Net Revenue from Operations

(₹ in crore)



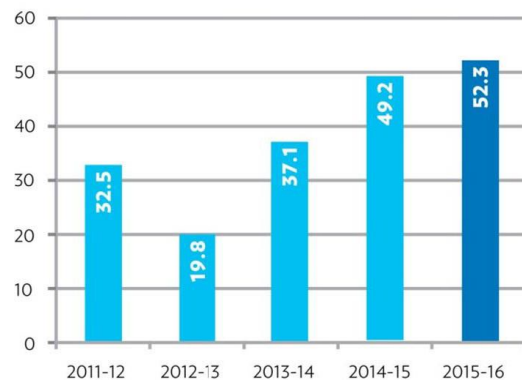
EBITDA from operations

(₹ in crore)



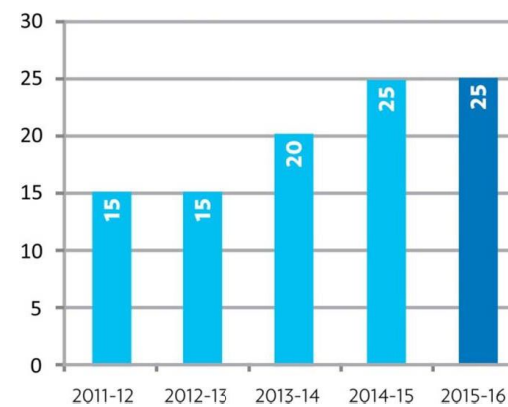
PAT

(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

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Thank you