



12 November 2024

To,

**The Audit Committee / The Board of Directors /
The Committee of Independent Directors,**

Cello World Limited

597/2A , Sommath Road, Dabhel,
Nani Daman,
Daman & Diu-396210

Sub: Fairness opinion on the following:

- i. the equity share entitlement ratio proposed by an independent registered valuer for proposed demerger of manufacturing business undertaking from Wim Plast Limited into Cello Consumer Products Private Limited, a newly incorporated wholly owned subsidiary of Cello World Limited; and**
- ii. the equity share exchange ratio proposed by an independent registered valuer for proposed amalgamation of Wim Plast Limited with Cello World Limited subsequent to the abovementioned demerger.**

Dear Sir / Madam,

We refer to our engagement letter and subsequent correspondence whereby Ernst & Young Merchant Banking Services LLP (hereinafter referred to as “EY” or “we” or “us” or “Fairness Opinion Provider”) was appointed by Cello World Limited (“CWL” or “Client” or “you”) to provide a fairness opinion on:

- i. the equity share entitlement ratio proposed by an independent registered valuer for proposed demerger of manufacturing business undertaking (“Manufacturing Business”) from Wim Plast Limited (“WPL”) into Cello Consumer Products Private Limited (“CCPPL”), a wholly owned subsidiary of CWL (“Proposed Demerger”); and
- ii. the equity share exchange ratio proposed by an independent registered valuer for proposed amalgamation of Wim Plast Limited with CWL subsequent to the Proposed Demerger (“Proposed Amalgamation”).

CWL and WPL are hereinafter together referred to as the “Companies”. The undertaking of WPL other than the Manufacturing Business is hereinafter referred to as “Residual WPL”. CWL, Manufacturing Business and Residual WPL are hereinafter collectively referred to as the “Valuation Subjects”. Proposed Demerger and Proposed Amalgamation are hereinafter collectively referred to as “Proposed Transaction”.

Our deliverable for this engagement is this fairness opinion report (“Fairness Opinion Report” or “Report”).





Fairness opinion on the equity share entitlement ratio recommended by the Independent Registered Valuer for the Proposed Demerger of Manufacturing Business into CCPPL and fairness opinion on the on the equity share exchange ratio recommended by the Independent Registered Valuer for Proposed Amalgamation of WPL with CWL

The equity share entitlement ratio for this Report refers to the number of equity shares of CWL of face value of INR 5/- each fully paid up, which would be issued to the equity shareholders of WPL in lieu of demerger of Manufacturing Business into CCPPL pursuant to the Proposed Demerger. It maybe noted that the shares of CWL will be issued to the shareholders of WPL other than CWL, as a consideration for the Proposed Demerger.

The equity share exchange ratio for this Report refers to number of equity shares of CWL of face value of INR 5/- each fully paid up, which would be issued to the equity shareholders of WPL in lieu of number of equity shares of WPL of face value of INR 10/- each fully paid upheld by them, pursuant to the Proposed Amalgamation. It maybe noted that shares of CWL will be issued to shareholders of WPL other than CWL in exchange of shares of WPL held by them post Proposed Demerger for the Proposed Amalgamation.

For the purpose of this Report, we have considered the Valuation Date as 11 November 2024 (“Valuation Date”).

Ernst & Young Merchant Banking Services LLP, Category - I Merchant Banker, holds a Certificate of Registration granted by the Securities and Exchange Board of India (SEBI) vide registration number INM000010700 dated 9 February 2022.

SCOPE AND PURPOSE OF THIS REPORT

Cello World Limited is a company incorporated under the provisions of the Companies Act, 2013 on 25 July 2018 and has its registered office in Daman and Diu, India. CWL is engaged in the business of trading of consumer products namely, plastic and rubber products such as water bottles, storage container and jars, tiffin and lunch carriers, glassware, steel flasks and jars. The equity shares of CWL are listed on National Stock Exchange of India Limited (“NSE”) and BSE Limited (“BSE”).

Cello Consumer Products Private Limited is a company incorporated under the provisions of the Companies Act, 2013 on 21 August 2024 and has its registered office in Daman and Diu, India. CCPPL is a wholly owned subsidiary of CWL.

Wim Plast Limited is a company incorporated under the provision of the Companies Act, 1956 on 07 October 1988 and has its registered office in Daman and Diu, India. WPL is engaged in manufacturing various plastic products plastic moulded furniture, extrusion sheet, air cooler, dustbin, industrial pallets and industrial and engineering mould and investment business. The equity shares of WPL are listed on BSE.

We understand that management and Board of Directors of the Companies are contemplating:

- i. demerger, transfer and vesting of the Manufacturing Business from WPL into CCPPL, on a going concern basis, and issue of equity shares by CWL to the shareholders of WPL (other than the shares





Fairness opinion on the equity share entitlement ratio recommended by the Independent Registered Valuer for the Proposed Demerger of Manufacturing Business into CCPPL and fairness opinion on the on the equity share exchange ratio recommended by the Independent Registered Valuer for Proposed Amalgamation of WPL with CWL

- held by CWL), in consideration thereof. It maybe noted that the shares of CWL will be issued to the shareholders of WPL other than CWL, as a consideration for the Proposed Demerger; and
- ii. amalgamation of WPL with CWL, and issue of equity shares by CWL to the shareholders of WPL (other than the shares held by CWL), subsequent to the Proposed Demerger, in consideration thereof. It maybe noted that shares of CWL will be issued to shareholders of WPL other than CWL in exchange of shares of WPL held by them post Proposed Demerger for the Proposed Amalgamation.

under a Composite scheme of Arrangement (the “Scheme”) under section 230 to 232 of the Companies Act, 2013 and other provisions of the Companies Act, 2013, as may be applicable.

The shareholders of WPL (other than the shares held by CWL) would receive equity shares of CWL of face value of INR 5/- each fully paid up as consideration for Proposed Demerger of the Manufacturing Business into CCPPL, at a equity share entitlement ratio (“Equity Share Entitlement Ratio”) recommended by the independent valuer KPMG Valuation Services LLP, Registered Valuer (hereinafter referred to as the “Independent Registered Valuer”). The Equity Share Entitlement Ratio is defined as Share Exchange Ratio 1 in the Independent Registered Valuer’s report.

Further, the shareholders of WPL (other than the shares held by CWL) would receive equity shares of CWL of face value of INR 5/- each fully paid up in exchange of their equity shares of WPL of face value of INR 10/- each fully paid up, pursuant to Proposed Amalgamation, at a equity share exchange ratio (“Equity Share Exchange Ratio”) recommended by the Independent Registered Valuer. The Equity Share Exchange Ratio is defined as Share Exchange Ratio 2 in the Independent Registered Valuer’s report.

Equity Share Entitlement Ratio and Equity Share Exchange Ratio are hereinafter together referred to as the “Ratios”.

In this connection, the management of CWL (“Management”) / Board of Directors of CWL has engaged EY to submit a report on fairness opinion on the Ratios as recommended by Independent Registered Valuer before the Audit Committee and the Board of Directors of CWL (“Purpose”).

We understand that the appointed date for the Proposed Demerger and Proposed Amalgamation shall be the effective date of the Scheme or such other date as may be mutually agreed between the Companies.

The scope of our services is to issue a Fairness Opinion Report on

- i. the Equity Share Entitlement Ratio recommended by the Independent Registered Valuer for the Proposed Demerger; and
- ii. the Equity Share Exchange Ratio recommended by the Independent Registered Valuer for the Proposed Amalgamation.





Fairness opinion on the equity share entitlement ratio recommended by the Independent Registered Valuer for the Proposed Demerger of Manufacturing Business into CCPPL and fairness opinion on the on the equity share exchange ratio recommended by the Independent Registered Valuer for Proposed Amalgamation of WPL with CWL

We have been provided with the:

- i. limited reviewed consolidated financial statements (including balance sheet and statement of profit and loss account along with schedules) of CWL and WPL for six months ended 30 September 2024;
- ii. carved out consolidated financial statements (including balance sheet and statement of profit and loss account along with schedules) of CWL excluding WPL carved out based on the limited reviewed consolidated financial statements (including balance sheet and statement of profit and loss account along with schedules) of CWL and WPL for six months ended 30 September 2024;
- iii. carved out consolidated financial statements (including balance sheet and statement of profit and loss account along with schedules) of Manufacturing Business carved out from the limited reviewed consolidated financial statements of WPL for six months ended 30 September 2024; and
- iv. carved out consolidated financial statements (including balance sheet and statement of profit and loss account along with schedules) of Residual WPL i.e. consolidated financial statements of WPL after carving out the Manufacturing Business of WPL from the limited reviewed consolidated financial statements of WPL as at 30 September 2024.

We have taken into consideration the market parameters till Valuation Date in our analysis. Further, we have been informed that all material information impacting the Valuation Subjects have been disclosed to us.

We have been informed that:

- a) there would not be any capital variation in the Companies or Valuation Subjects till the Proposed Demerger and Proposed Amalgamation becomes effective, except issuance of Employee Stock Options in normal course of the business of the Companies.
In the event that either of the Companies restructure their equity share capital by way of share split / consolidation / issue of bonus shares / or similar corporate actions after the date of the Report but before the Proposed Demerger and Proposed Amalgamation becomes effective, the issue of shares pursuant to the Ratios recommended by the Independent Registered Valuer shall be adjusted accordingly to take into account the effect of any such corporate actions.
- b) till the Proposed Demerger and Proposed Amalgamation becomes effective, neither Companies would declare any substantial dividends having materially different yields as compared to past few years.
- c) there are no unusual/abnormal events in the Valuation Subjects materially impacting their operations/financial position after 30 September 2024 till the Report date.

We have relied on the above for the purpose of providing Fairness Opinion Report for the Proposed Demerger and Proposed Amalgamation.





Fairness opinion on the equity share entitlement ratio recommended by the Independent Registered Valuer for the Proposed Demerger of Manufacturing Business into CCPPL and fairness opinion on the on the equity share exchange ratio recommended by the Independent Registered Valuer for Proposed Amalgamation of WPL with CWL

The 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.

The Report has been issued only for the purpose of facilitating the Proposed Demerger and Proposed Amalgamation and should not be used for any other purpose.

SOURCES OF INFORMATION

In connection with this exercise, we have received/obtain the following information about the Companies and Valuation Subjects from the management of CWL:

- Independent Registered Valuer's report titled "Recommendation of Share Exchange ratios for the proposed demerger of Manufacturing Business of Wim Plast Limited into a wholly owned subsidiary of Cello World Limited and merger of Residual Business of Wim Plast Limited into Cello World Limited" dated 12 November 2024.
- The draft composite scheme of arrangement between CWL, WPL and CCPPL for the Proposed Transaction.
- Annual reports of CWL for FY2023 and FY2024.
- Prospectus of CWL dated 01 November 2023 containing restated consolidated financial information (statement of assets and liabilities and statement of profit and loss along with schedules and notes to accounts including Independent Auditor's Examination Report on Restated Consolidated Financial Information) of CWL for the FY2021 and FY2022.
- Limited reviewed consolidated financial statements (including balance sheet and statement of profit and loss account along with schedules) of CWL for six months ended 30 September 2024.
- Limited reviewed consolidated statement of profit and loss account along with schedules of CWL for three months ended 30 June 2023, for six months ended 30 September 2023 and for three months ended 30 June 2024.
- Annual reports of WPL for FY2020 to FY2024.
- Limited reviewed consolidated financial statements (including balance sheet and statement of profit and loss account along with schedules) of WPL for six months ended 30 September 2024.
- Limited reviewed consolidated statement of profit and loss account along with schedules of WPL for three months ended 30 June 2023, for six months ended 30 September 2023 and for three months ended 30 June 2024.
- Carved out consolidated financial statements (including balance sheet and statement of profit and loss account along with schedules) of CWL excluding WPL carved out based on the limited reviewed consolidated financial statements (including balance sheet and statement of profit and loss account along with schedules) of CWL and WPL for FY2021 to FY2024.
- Carved out consolidated financial statements (including balance sheet and statement of profit and loss account along with schedules) of CWL excluding WPL carved out based on the limited reviewed





Fairness opinion on the equity share entitlement ratio recommended by the Independent Registered Valuer for the Proposed Demerger of Manufacturing Business into CCPPL and fairness opinion on the on the equity share exchange ratio recommended by the Independent Registered Valuer for Proposed Amalgamation of WPL with CWL

consolidated financial statements (including balance sheet and statement of profit and loss account along with schedules) of CWL and WPL for six months ended 30 September 2024.

- Carved out consolidated statement of profit and loss account along with schedules of CWL excluding WPL carved out based on the limited reviewed consolidated statement of profit and loss account along with schedules of CWL and WPL for three months ended 30 June 2023, for six months ended 30 September 2023 and for three months ended 30 June 2024.
- Carved out consolidated financial statements (including balance sheet and statement of profit and loss account along with schedules) of Manufacturing Business carved out from the audited financial statements of WPL for FY2020 to FY2024.
- Carved out consolidated financial statements (including balance sheet and statement of profit and loss account along with schedules) of Manufacturing Business carved out from the limited reviewed consolidated financial statements of WPL for six months ended 30 September 2024.
- Carved out consolidated statement of profit and loss account along with schedules of Manufacturing Business carved out from the limited reviewed consolidated statement of profit and loss account of WPL for three months ended 30 June 2023, for six months ended 30 September 2023 and for three months ended 30 June 2024.
- Carved out consolidated financial statements (including balance sheet and statement of profit and loss account along with schedules) of Residual WPL i.e. consolidated financial statements of WPL after carving out the Manufacturing Business of WPL from the limited reviewed consolidated financial statements of WPL for six months ended 30 September 2024.
- Financial projections of CWL, excluding WPL, on a consolidated basis from 01 October 2024 to 31 March 2029 (It includes forecasts of profit and loss statements, capital expenditure and working capital requirements).
- Financial projections of Manufacturing Business on a consolidated basis from 01 October 2024 to 31 March 2029 (It includes forecasts of profit and loss statements, capital expenditure and working capital requirements).
- Number of equity shares of the Companies on fully diluted basis as on the Valuation Date.
- Background information regarding the Valuation Subjects and Companies provided through emails or during discussions.

In addition, we have obtained information from public sources/ proprietary databases including quarterly results.

During the discussions with the Management, we have also obtained explanations, information and representations, which we believed were reasonably necessary and relevant for our exercise. The Client have been provided with the opportunity to review the draft report (excluding the Ratios proposed by the Independent Registered Valuer and the fairness opinion on the respective Ratios recommended by the Independent Registered Valuer for the Proposed Demerger and Proposed Amalgamation) as a part of our standard practice to make sure that factual inaccuracy/omissions are avoided in the Report.





Fairness opinion on the equity share entitlement ratio recommended by the Independent Registered Valuer for the Proposed Demerger of Manufacturing Business into CCPPL and fairness opinion on the on the equity share exchange ratio recommended by the Independent Registered Valuer for Proposed Amalgamation of WPL with CWL

PROCEDURES ADOPTED

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

- Requested and received financial and qualitative information and clarifications regarding past financial performance of the Valuation Subjects, their subsidiaries and associates.
- Considered data available in public domain related to the Valuation Subjects and its peers.
- Discussions (physical/over call) with the Management to:
 - Understand the business and fundamental factors that affect earning-generating capability including historical financial performance of Valuation Subjects;
 - Understand the assumptions and the basis of key assumption used by the Management in developing projections.
- Undertook Industry Analysis:
 - Research publicly available market data including economic factors and industry trends that may impact the valuation;
 - Analysis of key trends and valuation multiples of comparable companies using proprietary databases subscribed by us or our network firms.
- Reviewed the Ratios arrived by the Independent Registered Valuer and had discussions to seek clarifications.
- Undertook alternative calculations and analysis based on internationally accepted valuation methodology/(ies) as considered appropriate by us.

SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

Provision of fairness opinions and consideration of the issues described herein are areas of our regular valuation practice. The services do not represent accounting, assurance, accounting / tax due diligence, consulting or tax related services that may otherwise be provided by us or our affiliates.

The user to which this Report is addressed should read the basis upon which the Report has been done and be aware of the potential for later variations in value due to factors that are unforeseen at the Valuation Date. Due to possible changes in market forces and circumstances, this opinion can only be regarded as relevant as at the Valuation Date.

EY is not responsible for choice of the Valuation Date and we have not looked at the appropriateness of the same.

This Report has been prepared for the purposes stated herein and should not be relied upon for any other purpose. Our Client is the only authorized user of this Report and is restricted for the purpose indicated in the engagement letter. This restriction does not preclude the Client from providing a copy of the Report to





Fairness opinion on the equity share entitlement ratio recommended by the Independent Registered Valuer for the Proposed Demerger of Manufacturing Business into CCPPL and fairness opinion on the on the equity share exchange ratio recommended by the Independent Registered Valuer for Proposed Amalgamation of WPL with CWL

third-party advisors whose review would be consistent with the intended use. We do not take any responsibility for the unauthorized use of this Report.

While our work has involved an analysis of financial information and accounting records, our engagement does not include an audit in accordance with generally accepted auditing standards of the Client's existing business records. Accordingly, we express no audit opinion or any other form of assurance on this information.

The fairness opinion work has been performed based on the Independent Registered Valuer's report on Ratios dated 12 November 2024 and carved out balance sheet of the Valuation Subjects provided by the Management as at 30 September 2024. The Management has also confirmed that there has not been any material change in the business operations and balance sheet of the Valuation Subjects and the Companies since the last available financial statements up to the Valuation Date as well as the date of issuance of Report.

An analysis of such 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.

In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or wilful default on part of the Client or Companies, their directors, employees or agents.

The Client/owners and its management/representatives warranted to us that the information they supplied was complete, accurate and true and correct to the best of their knowledge. We have relied upon the representations of the owners/Client, their management and other third parties, if any, concerning the financial data, operational data and other information, except as specifically stated to the contrary in the report. We shall not be liable for any loss, damages, cost or expenses arising from fraudulent acts, misrepresentations, or wilful default on part of the companies, their directors, employee or agents.

Providing fairness opinion is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgement. In the ultimate analysis, our opinion will have to be tempered by the exercise of judicious discretion and judgment taking into accounts all the relevant factors. There is, therefore, no indisputable single equity share exchange ratio. The final responsibility for the determination of the equity share exchange ratio at which the Proposed Merger shall take place will be with the Board of Directors of the Client who should take into account other factors such as their own assessment of the Proposed Transaction and input of other advisors.

We have assumed that the Proposed Transaction will be consummated on the terms set forth in the draft Scheme and that the final version of the Scheme will not change in any material respect from the draft version we have reviewed for the purpose of this opinion.





Fairness opinion on the equity share entitlement ratio recommended by the Independent Registered Valuer for the Proposed Demerger of Manufacturing Business into CCPPL and fairness opinion on the on the equity share exchange ratio recommended by the Independent Registered Valuer for Proposed Amalgamation of WPL with CWL

EY is not aware of any contingency, commitment or material issue which could materially affect the economic environment and future performance of the Companies or Valuation Subjects and therefore, the fair value of the Valuation Subjects.

We do not provide assurance on the achievability of the results forecast by the Management/owners as events and circumstances do not occur as expected; differences between actual and expected results may be material. We express no opinion as to how closely the actual results will correspond to those projected/forecast as the achievement of the forecast results is dependent on actions, plans and assumptions of the Management.

The Report assumes that the Companies / Valuation Subjects comply fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that the Companies / Valuation Subjects will be managed in a competent and responsible manner. Further, as specifically stated to the contrary, 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 disclosed in the audited / carved out/limited reviewed balance sheets of the Companies and Valuation Subjects provided to us.

The fairness opinion is governed by concept of materiality.

It has been assumed that the required and relevant policies and practices have been adopted by the Companies / Valuation Subjects and would be continued in the future.

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

We owe responsibility to only to the Client that has appointed us under the terms of the engagement letter. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions or advice given by any other person.

We have also relied on data from external sources to conclude the fairness opinion. These sources are believed to be reliable and therefore, we assume no liability for the truth or accuracy of any data, opinions or estimates furnished by others that have been used in this analysis. Where we have relied on data, opinions or estimates from external sources, reasonable care has been taken to ensure that such data has been correctly extracted from those sources and /or reproduced in its proper form and context.

Any person/ party intending to provide finance/ invest in the shares/ businesses of the companies/ their holding companies/ subsidiaries/ joint ventures/ associates/ investee/ group companies, if any, shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision. If any person/ party (other than the Client) chooses to place reliance upon any matters included in the Report, they shall do so at their own risk and without recourse to us.





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CAPITAL STRUCTURE

Cello World Limited

The issued and subscribed equity share capital of CWL as at Valuation Date is INR 1,104 mn consisting of 220,885,034 equity shares of face value of INR 5/- each fully paid up. The shareholding pattern of CWL as at Valuation Date is as follows:

Particulars	No. of shares	% shareholding
Promoter & Group	165,662,977	75.0
Public	55,222,057	25.0
Total	220,885,034	100.0

Source: Management

Wim Plast Limited

The issued and subscribed equity share capital of WPL as at Valuation Date is INR 120 mn consisting of 12,003,360 equity shares of face value of INR 10/- each fully paid up. The shareholding pattern of WPL as at Valuation Date is as follows:

Particulars	No. of shares	% shareholding
Promoter & Group	6,720,888	56.0
Public	5,282,472	44.0
Total	12,003,360	100.0

Source: Management





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VALUER'S RECOMMENDATION

The Independent Registered Valuer has recommended the following Equity Share Entitlement Ratio for the Proposed Demerger:

- 55 (Fifty-Five) equity shares of Cello World Limited of INR 5/- each fully paid-up for every 100 (Hundred) equity shares of Wim Plast Limited of INR 10/- each fully paid-up.

The Independent Registered Valuer has recommended the following Equity Share Exchange Ratio for the Proposed Amalgamation:

- 31 (Thirty-One) equity shares of Cello World Limited of INR 5/- each fully paid-up for every 100 (Hundred) equity shares of Wim Plast Limited of INR 10/- each fully paid-up.

OUR OPINION

Based on our independent calculation and on consideration of all the relevant factors and circumstances, we believe that the Ratios as recommended by the Independent Registered Valuer in our opinion is fair to the equity shareholders of Cello World Limited.

It should be noted that we have examined only the fairness of the Equity Share Entitlement Ratio for the Proposed Demerger and the Equity Share Exchange Ratio for the Proposed Amalgamation, as recommend by the Independent Registered Valuer, from financial perspective only and have not examined any other matter including economic rationale of the transfer per se or accounting and tax matters involved in the Proposed Demerger and Proposed Amalgamation.

Respectfully submitted,
Ernst & Young Merchant Banking Services LLP



Parag Mehta
Partner
Place: Mumbai
Date: 12 November 2024