

**REPORT OF THE AUDIT COMMITTEE OF BOROSIL GLASS WORKS LIMITED
RECOMMENDING THE DRAFT COMPOSITE SCHEME OF AMALGAMTION AND
ARRANGEMENT BETWEEN VYLINE GLASS WORKS LIMITED AND FENNEL
INVESTMENT AND FINANCE PRIVATE LIMITED AND GUJARAT BOROSIL LIMITED
AND BOROSIL GLASS WORKS LIMITED AND HOPEWELL TABLEWARE PRIVATE
LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

Date of the Audit Committee Meeting : June 18, 2018

Venue of the Audit Committee Meeting : 1101, 11th Floor, Crescenzo, G- Block, Opp.
MCA Club, Bandra Kurla Complex, Bandra
(East), Mumbai – 400 051

Audit Committee Members Present :

Mr. S. Bagai : Chairman

Mrs. Anupa Sahney : Member

1. **Background**

1.1 The Proposal to approve a Composite Scheme of Amalgamation and Arrangement between Vyline Glass Works Limited ('the Transferor Company 1' or 'VGWL') and Fennel Investment and Finance Private Limited ('the Transferor Company 2' or 'FIFPL') and Gujarat Borosil Limited ('the Transferor Company 3' or 'GBL') and Borosil Glass Works Limited ('the Transferee Company' or 'the Demerged Company' or 'BGWL') and Hopewell Tableware Private Limited ('the Resulting Company' or 'HTPL') and their respective shareholders and creditors ('Composite Scheme') was placed before and considered by the Audit Committee at its meeting held on June 18, 2018. The said proposal would involve:

(a) Amalgamation of Vyline Glass Works Limited ('the Transferor Company 1' or 'VGWL'), Fennel Investment and Finance Private Limited ('the Transferor Company 2' or 'FIFPL') and Gujarat Borosil Limited ('the Transferor Company 3' or 'GBL') with Borosil Glass Works Limited ('the Transferee Company' or 'BGWL') - BGWL will be renamed as Borosil Renewables Limited or any other name as approved by ROC;

(b) Demerger of the Scientific and Industrial products and Consumer products business of BGWL along with the scientific and industrial products and consumer products manufacturing business (vested in BGWL pursuant to amalgamation of VGWL with BGWL) ('the Demerged Undertaking') into Hopewell Tableware Private Limited ('the Resulting Company' or 'HTPL') - HTPL will be renamed as Borosil Limited or any other name as approved by ROC; and

(c) Various other matters consequential or otherwise integrally connected therewith, with effect from the Appointed Date or such other date as may be approved by the National Company Law Tribunal ('NCLT') or any other competent authority, in accordance of the terms of the Composite Scheme.



The said proposal is to be implemented in accordance with Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013, as may be applicable.

- 1.2 The Equity shares of the Company are listed on BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE"). The Company will be filing the Scheme along with necessary information / documents with both the mentioned exchanges.
- 1.3 The report of Audit Committee is made in order to comply with the requirements of the SEBI circular No CFD/DIL3/CIR/2017/21 dated March 10, 2017 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 after considering the following:
 - a) Draft Scheme, duly initialed by Company Secretary of the Company for the purpose of identification;
 - b) Valuation Report of M/s. SSPA & Co., Chartered Accountants dated June 18, 2018, being valuer appointed for the purpose of the scheme; and
 - c) Fairness Opinion Report dated June 18, 2018 issued by M/s. Keynote Corporate Services Limited, an independent Category I Merchant Banker providing the fairness opinion on the share exchange ratio for merger and share entitlement ratio for demerger recommended in the valuation report prepared by M/s. SSPA & Co., Chartered Accountants

2. Rationale for the Scheme

The proposed restructuring would:

- Result in simplification of the group structure by eliminating cross holdings;
- Confer shares in each business to each existing shareholder of all the companies thereby giving them an opportunity to participate in both the businesses i.e. scientific & industrial products & consumer products businesses of BGWL and solar business of GBL. They will be able to decide whether to stay invested or monetize their investment in either of the businesses thereby unlocking value for the shareholders;
- Enable each business to pursue growth opportunities and offer investment opportunities to potential investors; and
- Result in economies in business operations; provide optimal utilization of resources and greater administrative efficiencies.

3. Proposed Scheme

- 3.1 The "Appointed Date" for the Scheme is October 1, 2018 or such other date as may be fixed by the National Company Law Tribunal;
- 3.2 The "Effective Date" for the Scheme is the date on which the certified copies of the orders of National Company Law Tribunal sanctioning this Scheme, is filed by VGWL, FIFPL, GBL, BGWL and HTPL with the jurisdictional Registrar of Companies;
- 3.3 Based on the valuation report dated June 18, 2018 of M/s. SSPA & Co., Chartered Accountants, being valuer appointed for the purpose of the amalgamation and arrangement as prescribed in Para I(A)(4) of Annexure 1 of



the SEBI Circular No. CFD/DIL3/CIR/ 2017/ 21 dated March 10, 2017, the following share exchange ratio is approved:

(a) On amalgamation of VGWL with BGWL

“100 (One Hundred) equity shares of BGWL of INR 1 each fully paid up for every 162 (One Hundred and Sixty Two) equity shares of VGWL of INR 10 each fully paid up”

(b) On amalgamation of FIFPL with BGWL

“100 (One Hundred) equity shares of BGWL of INR 1 each fully paid up for every 218 (Two Hundred and Eighteen) equity shares of FIFPL of INR 10 each fully paid up”

(c) On amalgamation of GBL with BGWL

“1 (One) equity share of BGWL of INR 1 each fully paid up for every 8 (Eight) equity shares of GBL of INR 5 each fully paid up”

(d) On demerger of ‘Demerged Undertaking’ into HTPL

“1 (One) equity share of HTPL of INR 10 each fully paid up for every 10 (Ten) equity shares of BGWL of INR 1 each fully paid up”

(e) Upon the coming into effect of the Scheme, the Transferor Companies shall stand dissolved without winding-up.

3.4 Further, the Fairness Opinion confirmed that the share exchange ratio in the valuation report is fair to the Company, Resulting Company and the Transferor Companies and their respective shareholders and creditors.

4. **Recommendations of the Audit Committee**

The Audit Committee after due deliberations and due consideration of all the terms of the draft Scheme, Valuation report, Fairness Opinion Report and the specific points mentioned above, recommends the draft Scheme for favorable consideration by the Board of Directors of the Company, BSE, NSE and Securities Exchange Board of India.

By Order of the Audit Committee

For and on behalf of

BOROSIL GLASS WORKS LIMITED

S. Bagai

S. Bagai

Chairperson of the Audit Committee

Date: June 18, 2018

Place: Mumbai



**REPORT OF THE AUDIT COMMITTEE OF GUJARAT BOROSIL LIMITED
RECOMMENDING THE DRAFT COMPOSITE SCHEME OF AMALGAMTION
AND ARRANGEMENT BETWEEN VYLINE GLASS WORKS LIMITED AND
FENNEL INVESTMENT AND FINANCE PRIVATE LIMITED AND GUJARAT
BOROSIL LIMITED AND BOROSIL GLASS WORKS LIMITED AND
HOPEWELL TABLEWARE PRIVATE LIMITED AND THEIR RESPECTIVE
SHAREHOLDERS AND CREDITORS**

Date of the Audit Committee Meeting : June 18, 2018

Venue of the Audit Committee Meeting : 1101, 11th Floor, Crescenzo, G-Block,
Opp. MCA Club, Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051

Audit Committee Members Present :

Mr. Ashok Doda : Chairman

Mr. Shashi Kumar Mehra : Member

Mr. Jagdish Joshi : Member

1. Background

1.1 The Proposal to approve a composite scheme of amalgamation and arrangement between Vylene Glass Works Limited ('the Transferor Company 1' or 'VGWL') and Fennel Investment and Finance Private Limited ('the Transferor Company 2' or 'FIFPL') and Gujarat Borosil Limited ('the Transferor Company 3' or 'GBL') and Borosil Glass Works Limited ('the Transferee Company' or 'BGWL') and Hopewell Tableware Private Limited ('the Resulting Company' or 'HTPL') and their respective shareholders and creditors ('Composite Scheme') was placed before and considered by the Audit Committee at its meeting held on June 18, 2018. The said proposal would involve:

- (a) Amalgamation of Vylene Glass Works Limited ('the Transferor Company 1' or 'VGWL'), Fennel Investment and Finance Private Limited ('the Transferor Company 2' or 'FIFPL') and Gujarat Borosil Limited ('the Transferor Company 3' or 'GBL') with Borosil Glass Works Limited ('the Transferee Company' or 'BGWL') - BGWL will be renamed as Borosil Renewables Limited or any other name as approved by ROC;

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- (b) Demerger of the Scientific and Industrial products and Consumer products business of BGWL along with the scientific and industrial products and Consumer products manufacturing business (vested in BGWL pursuant to amalgamation of VGWL with BGWL) ('the Demerged Undertaking') into Hopewell Tableware Private Limited ('the Resulting Company' or 'HTPL'-HTPL will be renamed as Borosil Limited or any other name as approved by ROC; and
- (c) Various other matters consequential or otherwise integrally connected therewith, with effect from the Appointed Date or such other date as may be approved by the National Company Law Tribunal ('NCLT') or any other competent authority, in accordance of the terms of the Composite Scheme.

The said proposal is to be implemented in accordance with Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013, as may be applicable.

1.2 The Equity shares of the Company are listed on BSE Limited ("BSE"). The Company will be filing the Scheme along with necessary information / documents with BSE.

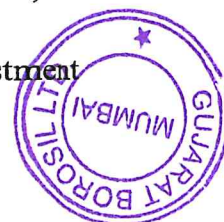
1.3 The report of Audit Committee is made in order to comply with the requirements of the SEBI circular No CFD/DIL3/CIR/2017/21 dated March 10, 2017 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 after considering the following:

- (a) Draft Scheme, duly initialed by Company Secretary of the Company for the purpose of identification;
- (b) Valuation Report of M/s. SSPA & Co., Chartered Accountants dated June 18, 2018, being valuer appointed for the purpose of the scheme; and
- (c) Fairness Opinion Report June 18, 2018 issued by M/s. Keynote Corporate Services Limited, an independent Category I Merchant Banker providing the fairness opinion on the share entitlement recommended in the valuation report prepared by M/s. SSPA & Co., Chartered Accountants.

2. Rationale for the Scheme

The proposed restructuring would:

- Result in simplification of the group structure by eliminating cross holdings;
- Confer shares in each business to each existing shareholder of all the companies thereby giving them an opportunity to participate in both the businesses i.e. scientific & industrial products & consumer products businesses of BGWL and solar business of GBL. They will be able to decide whether to stay invested or monetize their investment in either of the businesses thereby unlocking value for the shareholders;
- Enable each business to pursue growth opportunities and offer investment opportunities to potential investors; and



- Result in economies in business operations, provide optimal utilization of resources and greater administrative efficiencies.
- Benefit shareholders and other stakeholders of the respective companies by consolidating the group structure and business operations;

Proposed Scheme

3.1 The “Appointed Date” for the Scheme is October 1, 2018 or such other date as may be fixed by the National Company Law Tribunal;

3.2 The “Effective Date” for the Scheme is the date on which the certified copies of the orders of National Company Law Tribunal sanctioning this Scheme, is filed by VGWL, FIFPL, GBL, BGWL and HTPL with the jurisdictional Registrar of Companies;

3.3 Based on the valuation report dated June 18, 2018 of M/s. SSPA & Co., Chartered Accountants, being valuer appointed for the purpose of the amalgamation and arrangement as prescribed in Para I(A)(4) of Annexure 1 of the SEBI Circular No. CFD/DIL3/CIR/ 2017/ 21 dated March 10, 2017, the following share exchange ratio is approved:

(a) On amalgamation of VGWL with BGWL

“100 (One Hundred) equity share of BGWL of INR 1 each fully paid up for every 162 (One Hundred and Sixty Two) equity shares of VGWL of INR 10 each fully paid up.”

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“100 (One Hundred) equity shares of BGWL of INR 1 each fully paid up for every 218 (Two Hundred and Eighteen) equity shares of FIFPL of INR 10 each fully paid up.”

(c) On amalgamation of GBL with BGWL

“1 (One) equity share of BGWL of INR 1 each fully paid up for every 8 (Eight) equity shares of GBL of INR 5 each fully paid up.”

(d) On demerger of manufacturing business of BGWL into HTPL

“1 (One) equity share of INR 10 each fully paid up of HTPL for every 10 (Ten) equity shares of BGWL of INR 1 each fully paid up.”

(e) Upon the coming into effect of the Scheme, the Transferor Companies shall stand dissolved without winding-up.

3.4 Further, the Fairness Opinion confirmed that the share exchange ratio in the valuation report is fair to the Company, Resulting Company and the Transferor Companies and their respective shareholders.



3. Recommendations of the Audit Committee

The Audit Committee after due deliberations and due consideration of all the terms of the draft Scheme, Valuation report, Fairness Opinion Report and the specific points mentioned above, recommends the draft Scheme for favorable consideration by the Board of Directors of the Company, the BSE and Securities and Exchange Board of India.

By Order of the Audit Committee

For and on behalf of

GUJARAT BOROSIL LIMITED


Ashok Doda (DIN:00288563)



Chairperson of the Audit Committee

Date: June 18, 2018

Place: Mumbai