

BOROSIL GLASS WORKS LIMITED

CIN : L99999MH1962PLC012538

Corporate office : 1101, Crescenzo, G-Block, Opp.MCA Club, Bandra Kurla Complex, Bandra (E) Mumbai - 400 051, India.
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Report of Audit Committee of Board of Directors of Borosil Glass Works Limited recommending the draft Scheme of Amalgamation of Hopewell Tableware Private Limited ('HTPL'), Vyline Glass Works Limited ('VGWL'), Fennel Investment and Finance Private Limited ('FIFPL') with Borosil Glass Works Limited ('BGWL') and their respective shareholders and creditors

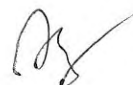
Date of the Audit Committee meeting : November 25, 2016

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
Mr. P.K. Kheruka : Member
Mr. U. K. Mukhopadhaya : Member
Mrs. Anupa Sahney : Member

1. A draft Scheme of Amalgamation of HTPL, VGWL and FIFPL with BGWL ('the Company') and their respective shareholders and creditors ('Scheme') has been placed before the Audit Committee by the management for the recommendation of the aforesaid draft Scheme by the Audit Committee to the Board of Directors of the Company in accordance with the requirement of the SEBI Circular No CIR/CFD/CMD/16/2015, dated November 30, 2015 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Circular').
2. In view of the above, members of the Audit Committee of the Company have discussed and approved the draft Scheme vide a resolution passed at its meeting held on November 25, 2016 and have made this report, after perusing the following necessary documents:
 - a) Draft Scheme of Amalgamation ("Merger");
 - b) Certificate of Pathak H. D & Associates, Chartered Accountants, Statutory Auditors, dated 25th November, 2016 Independent Auditors regarding the accounting treatment;
 - c) Valuation Report from SSPA & Co., Chartered Accountants, dated 25th November, 2016, Chartered Accountants pursuant to applicable SEBI Listing Regulations, 2015 read with the SEBI Circular; &
 - d) Fairness Opinion dated 25th November, 2016 issued by Keynote Corporate Services Limited, Merchant Banker, certifying the Share Exchange Ratio as recommended by SSPA & Co, Chartered Accountants.



This report of the Audit Committee is issued in terms of the Circular.

3. The salient features of the draft Scheme are, inter alia, as under:
- a) The draft Scheme provides for the amalgamation of HTPL, VGWL and FIFPL with the Company;
 - b) The entire issued, subscribed and paid-up share capital of HTPL is held by the Company. Upon the Scheme becoming effective, no shares of the Company shall be issued or allotted in lieu or exchange of its holding in HTPL.
 - c) Pursuant to merger, shares will be issued by BGWL to the shareholders of VGWL and FIFPL. Based on the Valuation Report of SSPA & Co., Chartered Accountant as applicable as per para I(A)(4) of Annexure 1 of SEBI Circular no. CIR/CFD/CMD/16/2015 dated November 30, 2015, the following share exchange ratio is approved:

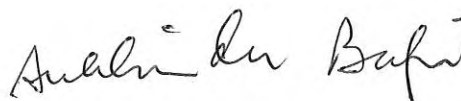
10 equity shares of BGWL of INR 10 each fully paid up for every 143 equity shares of VGWL of INR 10 each fully paid up

10 equity shares of BGWL of INR 10 each fully paid up for every 206 equity shares of FIFPL of INR 10 each fully paid up
 - d) Upon the Scheme coming into effect, HTPL, VGWL and FIFPL will be dissolved without being wound up.
4. Further, the Fairness Opinion confirms that the Share Exchange Ratio in the Valuation Report is fair to the equity shareholders of the Company.

Recommendation of the Audit Committee:

The Audit Committee has considered and noted the aforementioned documents and recommends the Draft Scheme to the Board of Directors of the Company for its approval.

**For and on behalf of the Audit Committee
of Borosil Glass Works Limited**



**S. Bagai
Chairman, Audit Committee**

**Date: 25th November, 2016
Place: Mumbai**