

Independent Auditor's Certificate to confirm that the proposed accounting treatment in the Draft Composite Scheme of arrangement is in conformity with accounting standards prescribed under Section 133 of the Companies Act, 2013 pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder.

To,
The Board of Directors,
Borosil Limited,
1101, 11th Floor, Crescenzo, G-Block,
Plot No. C-38, Opp. MCA Club,
Bandra Kurla Complex,
Bandra (E), Mumbai – 400051,
Maharashtra, India.

1. This Certificate is issued in accordance with the terms of our engagement with **Borosil Limited** ('the Company' or "the Demerged Company"), having its registered office at 1101, 11th floor, Crescenzo, G-Block, Plot No. C-38, Opp. MCA Club, Bandra Kurla Complex, Bandra (East), Mumbai – 400051.
2. We, the statutory auditors of **Borosil Limited** (hereinafter referred to as "the Company" or "the Demerged Company"), and have been requested by the management of the Company to examine that proposed accounting treatment in respect of Demerged Company specified in 9.1 of the Draft Composite Scheme of Arrangement amongst Borosil Limited ("BL" or "Demerged Company") and Klass Pack Limited ("KPL" or "Resulting Company" or "Transferee Company") and Borosil Technologies Limited ("BTL" or "Transferor Company") and their respective shareholders and creditors ('Scheme') in terms of the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013, is in conformity with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder and the applicable India Accounting Standards prescribed under section 133 of the Companies Act, 2013 ("the Act"), read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, and other Generally Accepted Accounting Principles in India.
3. The accounting treatment proposed by the Company is specified in 9.1 of the Scheme. For ease of reference, the said clause of the Scheme, duly authenticated on behalf of the Company, are reproduced in the Annexure 1 to this certificate ('the Statement') and initialled by us only for the purposes of identification.



Management's Responsibility

4. The responsibility for preparation of the Scheme and its compliance with relevant laws and regulations, including the applicable Indian Accounting Standards read with the rules made thereunder and other Generally Accepted Accounting principles in India, is that of the Board of Directors of the Companies involved. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Scheme and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
5. The management of the Company is also responsible for ensuring that the Company complies with the requirements of the Act, and for providing all relevant information to the regulatory authority in connection with the Scheme.

Auditor's Responsibility

6. Our responsibility is only to examine and report whether the accounting treatment proposed by the Company as specified in 9.1 of the Scheme as reproduced in the Statement is in conformity with the Indian Accounting Standards specified in Section 133 of the Companies Act, 2013 and in line with the Generally Accepted Accounting Principles in India. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company.
7. A reasonable assurance engagement includes performing procedure to obtain sufficient appropriate evidence on the reporting criteria, as mentioned above. We have performed the following procedures in relation to the Scheme:
 - (i) Obtained and Read the proposed Scheme and the proposed accounting treatment in respect of Demerged Company specified in 9.1 therein, as provided by the Company.
 - (ii) Obtained copy of resolution passed by the Board of Directors of the Company dated 7th February 2022 approving the Scheme.
 - (iii) Examined whether the proposed accounting treatment in respect of Demerged Company as per 9.1 of the Scheme is in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder and the applicable Indian Accounting Standards notified by the Central Government under the Companies Act, 2013 and in line with the Generally Accepted Accounting Principles in India.



8. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI) and Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 in so far as applicable for the purpose of this Certificate. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
9. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements. Further our examination did not extend to any other parts and aspects of a legal and proprietary nature in the aforesaid Scheme.

Opinion

10. Based on our examination and according to the information and explanations provided to us by the Management of the Company, we are of the opinion that the accounting treatment proposed by the Company as specified in 9.1 of the Scheme and reproduced in the Statement, is in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued there under and all the applicable Indian Accounting Standards notified by the Central Government under the Companies Act 2013 and other Generally Accepted Accounting Principles in India.



Restriction on Use

11. The Certificate is provided to the Board of Directors of the Company in connection with the Scheme and for the purpose of onward submission to the National Company Law Tribunal, Stock Exchanges and other regulatory authorities in connection with the Scheme and should not be used by any other person/ authority or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this Certificate is shown or into whose hands it may come without our prior consent in writing.

For Chaturvedi & Shah LLP

Chartered Accountants

Firm Registration No. 101720W / W100355



R. Koria

Partner

Membership No. 35629

UDIN: 22035629AASQEA3352



Place: Mumbai

Date: 7th February, 2022

BOROSIL®

Borosil Limited

CIN : L36100MH2010PLC292722

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Annexure 1



9. ACCOUNTING TREATMENT

9.1 Accounting treatment in the books of the Demerged Company:

9.1.1 Upon coming into effect of this Scheme and with effect from the Appointed Date, the Demerged Company shall reduce the book value of all assets (including goodwill), liabilities pertaining to the Demerged Undertaking and reserves related to the Demerged Undertaking, as identified by the Board of the Demerged Company, transferred to the Resulting Company from its books of accounts.

9.1.2 The difference between the book value of all assets (including goodwill), liabilities pertaining to the Demerged Undertaking and reserves related to the Demerged Undertaking, as identified by the Board of Demerged Company, transferred to the Resulting Company shall be adjusted in retained earnings of the Demerged Company.

For Borosil Limited


 **Rajesh Kumar Chaudhary**
Whole-time Director

Date: 07.02.2022

Place: Mumbai



Independent Auditor's Certificate

To,
The Board of Directors,
Klass Pack Limited
H-27 MIDC Area Ambad,
Nashik-422010
Maharashtra, India.

1. This Certificate is issued in accordance with the terms of our engagement with **Klass Pack Limited** ('the Company' or 'the Resulting Company' or 'Transferee Company'), having its registered office at H-27, MIDC Area Ambad, Nashik -422010.
2. We, the statutory auditors of **Klass Pack Limited** (hereinafter referred to as 'the Company' or 'the Resulting Company' or 'Transferee Company'), and have been requested by the management of the Company to examine that proposed accounting treatment in respect of the Company specified in clause 9.2 & 17 of the Draft Composite Scheme of Arrangement amongst Borosil Limited ("BL" or "Demerged Company") and Klass Pack Limited ("KPL" or "Resulting Company" or "Transferee Company") and Borosil Technologies Limited ("BTL" or "Transferor Company") and their respective shareholders and creditors ('Scheme') in terms of the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013, is in conformity with the applicable Accounting Standards prescribed under section 133 of the Companies Act, 2013 ("the Act"), read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, and Other Generally Accepted Accounting Principles in India.
3. The accounting treatment proposed by the Company is specified in clause 9.2 & 17 of the Scheme. For ease of reference, the said clauses of the Scheme, duly authenticated on behalf of the Company, are reproduced in the Annexure 1 to this certificate ('the Statement') and initialled by us only for the purposes of identification.

Management's Responsibility

4. The responsibility for preparation of the Scheme and its compliance with relevant laws and regulations, including the applicable Indian Accounting Standards read with the rules made thereunder and other Generally Accepted Accounting principles in India, is that of the Board of Directors of the Companies involved. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Scheme and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
5. The management of the Company is also responsible for ensuring that the Company complies with the requirements of the Act, and for providing all relevant information to the regulatory authority in connection with the Scheme.



Auditor's Responsibility

6. Our responsibility is only to examine and report whether the accounting treatment proposed by the Company as specified in clause 9.2 & 17 of the Scheme as reproduced in the Statement is in conformity with the Indian Accounting Standards specified in Section 133 of the Companies Act, 2013 and in line with the Generally Accepted Accounting Principles in India. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company.
7. A reasonable assurance engagement includes performing procedure to obtain sufficient appropriate evidence on the reporting criteria, as mentioned above. We have performed the following procedures in relation to the Scheme:
 - (i) Obtained and Read the proposed Scheme and the proposed accounting treatment in respect of Resulting Company and Transferee Company specified in clause 9.2 & 17 therein, as provided by the Company.
 - (ii) Obtained copy of resolution passed by the Board of Directors of the Company dated 7th February, 2022 approving the Scheme.
 - (iii) Examined whether the proposed accounting treatment in respect of Resulting Company and Transferee Company as per clause 9.2 & 17 of the Scheme is in compliance with the applicable Indian Accounting Standards notified by the Central Government under the Companies Act 2013 and in line with the Generally Accepted Accounting Principles in India.
8. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI) and Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 in so far as applicable for the purpose of this Certificate. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
9. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements. Further our examination did not extend to any other parts and aspects of a legal and proprietary nature in the aforesaid Scheme.



Opinion

10. Based on our examination and according to the information and explanations provided to us by the Management of the Company, we are of the opinion that the accounting treatment proposed by the Company as specified clause 9.2 & 17 of the Scheme and reproduced in the Statement, is in compliance with all the applicable Indian Accounting Standards notified by the Central Government under the Companies Act 2013 and other Generally Accepted Accounting Principles in India.

Restriction on Use

11. The Certificate is provided to the Board of Directors of the Company in connection with the Scheme and for the purpose of onward submission to the National Company Law Tribunal and other regulatory authorities in connection with the Scheme and should not be used by any other person/ authority or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this Certificate is shown or into whose hands it may come without our prior consent in writing.

For **PATHAK H.D. & ASSOCIATES LLP**
Chartered Accountants
Firm Registration No. 107783W / W100593



Mukesh Mehta
Partner
Membership No. 43495
UDIN: 22043495AAVNTQ2501



Place: Mumbai
Date: 7th February, 2022

Annexure 1

9. ACCOUNTING TREATMENT IN CASE OF DEMERGER

9.2 Accounting treatment in the books of the Resulting Company:

- 9.2.1 Upon coming into effect of this Scheme and with effect from the Appointed Date, the Resulting Company shall account for the Demerged Undertaking in its books as per the applicable accounting principles as laid down in Appendix C of the Indian Accounting Standard 103 (Ind AS 103) (Business Combination of entities under common control), notified under the Act and/ or any other applicable Indian Accounting Standard as the case may be.
- 9.2.2 With respect to reduction of the equity share capital of the Resulting Company as specified in Clause 4.1 of the Scheme, the Resulting Company shall reduce its equity share capital account in its books of account with corresponding increase in capital reserve for an aggregate of INR 90 multiplied by the equity shares held by the members of the Resulting Company.
- 9.2.3 The Resulting Company shall record the assets (including goodwill), liabilities and reserves comprised in the Demerged Undertaking transferred to and vested in it pursuant to this Scheme, at the same value as appearing in the books of the Demerged Company.
- 9.2.4 The reserves related to the Demerged Undertaking and being transferred to the Resulting Company as determined by the Board of the Demerged Company shall be preserved and shall appear in the financial statements of the Resulting Company in the same form and manner, in which they appeared in the financial statements of the Demerged Company.
- 9.2.5 The shareholding of the Demerged Company in the Resulting Company as on the Appointed Date will stand cancelled and the difference between the above and share capital of Resulting Company shall be adjusted in capital reserve.
- 9.2.6 The Resulting Company shall credit its share capital account in its books of account with the aggregate face value of the equity shares issued to shareholders of the Demerged Company pursuant to Clause 8 of the Scheme.



- 9.2.7 The difference, being the excess of book value of the assets over the liabilities pertaining to the Demerged Undertaking and reserve relating to Demerged Undertakings transferred from the Demerged Company and recorded by the Resulting Company in accordance with Clause 9.2.3 above, over the amount credited as share capital as per Clause 9.2.6 above, and after giving effect to Clause 9.2.5 above, shall be adjusted in capital reserve.
- 9.2.8 Loans, advances, deposits, balances and other dues outstanding as on the Appointed Date between the Demerged Company pertaining to the Demerged Undertaking and the Resulting Company will stand cancelled and there shall be no further obligation/outstanding in that behalf and there would be no accrual of interest or any other charges in respect of such inter-company loans, deposits or balances, with effect from the Appointed Date.
- 9.2.9 In case of any differences in accounting policy between the Demerged Company and the Resulting Company, the accounting policies followed by the Resulting Company will prevail and the difference till the Appointed Date shall be adjusted in capital reserves of the Resulting Company, to ensure that the financial statements of the Resulting Company reflect the financial position on the basis of consistent accounting policy.

17. ACCOUNTING TREATMENT IN CASE OF MERGER

The Transferee Company shall comply with generally accepted accounting practices in India, provisions of the Act and accounting standards as notified by Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time, in relation to the transactions in the Scheme including but not limited, to the following:


- 17.1 Upon Part IV of this Scheme coming into effect and after giving effect to the accounting treatment specified in the aforementioned Clause 9 of Part III of the Scheme and with effect from Appointed Date, the Transferee Company shall account for the amalgamation of the Transferor Company in accordance with "Pooling of Interest Method" laid down by Appendix C of Indian Accounting Standard 103 (Ind AS 103): (Business combinations of entities under common control), notified under the Act and/or any other applicable Indian Accounting Standard as the case may be.
- 17.1.1 On and from the Appointed Date and subject to the provisions hereof, all assets, liabilities and reserves of the Transferor Company shall be recorded in the books of account of the Transferee Company at their existing carrying amounts and in the same form.
- 17.1.2 All equity shares of the Transferor Company held by the Transferee Company shall stand cancelled without any further application, act or deed.
- 17.1.3 The difference, if any, between the investments held by the Transferee Company and all assets, liabilities and reserves of the Transferor Company, will be transferred to capital reserve.



17.1.4 To the extent that there are inter-company loans, advances, deposits, balances or other obligations as between the Transferor Company and the Transferee Company, the obligation in respect thereof will come to an end and corresponding effect shall be given in the books of accounts and records of the Transferee Company for the reduction of any assets or liabilities as the case maybe and there would be no accrual of interest or any other charges in respect of such inter-company loans, deposits or balances, with effect from the Appointed Date.

17.1.5 In case of any difference in accounting policy between the Transferor Company and the Transferee Company, the impact of the same till the Appointed Date will be quantified and adjusted to the capital reserves, in the books of the Transferee Company to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.

For Klass Pack Limited


Vinayak Patankar
Director



Date: 07.02.2022
Place: Mumbai