

**BOARD OF DIRECTORS**

B. L. Kheruka - Chairman & Managing Director

P. K. Kheruka - Vice Chairman

Shashi Mehra

Jagdish Joshi

V. A. Gore (expired on 02.12.09)

Ashok Jain - Whole-time Director

Anirudha Barwe (Appointed w.e.f. 29.05.10)

**VICE PRESIDENT(LEGAL) &  
COMPANY SECRETARY**

Arun Kumar

**REGISTERED OFFICE & PLANT**

Village - Govali, Taluka - Jhagadia,  
District - Bharuch - 393 001 (Gujarat).  
☎ : 02645-220300 (8 Lines)

**HEAD OFFICE**

Khanna Construction House,  
44, Dr. R. G. Thadani Marg,  
Worli, Mumbai - 400 018.  
☎ : 022-67406300

**AUDITORS**

Singhi & Co.  
Chartered Accountants

**BANKERS**

Bank of Baroda  
Andhra Bank  
Union Bank of India

**REGISTRAR & TRANSFER AGENTS**

Mondkar Computers Pvt. Ltd.  
Unit : Gujarat Borosil Limited  
21, Shakil Niwas,  
Mahakali Caves Road,  
Andheri (East),  
Mumbai - 400 093.  
☎ : 2820 7203, 2820 7204, 2820 7205

**NOTICE**

Notice is hereby given that the Twenty-First Annual General Meeting of members of Gujarat Borosil Limited will be held at the Registered Office of the Company at Village - Govali, Taluka - Jhagadia, District - Bharuch 393 001, Gujarat State on Monday, the 26<sup>th</sup> July, 2010 at 10.00 a.m. to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider, approve and adopt the audited Balance Sheet as at 31<sup>st</sup> March, 2010 and Profit and Loss Account for the year ended on that date and the reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Jagdish Joshi, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Shashi Mehra, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this meeting, until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

**SPECIAL BUSINESS**

5. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

“RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Mr. Anirudha Ramakrishna Barwe who has been appointed by the Board of Directors as an additional Director of the Company and who holds office upto the date of this Annual General Meeting under Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

6. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to Section 293 (1) (a) and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter called “the Board” and which term shall be deemed to include any Committee, which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution and with the power to delegate such authority to any person or persons) to hypothecate, mortgage, charge and/or in any other way encumber all or any of the movable and immovable assets of the Company both present and future whatsoever and wheresoever situated, and the whole or any part of the undertaking of the Company in favour of the Banks namely:

1. Union Bank of India (UBI)
2. Bank of Baroda (BOB)
3. Andhra Bank (AB)

to secure repayment of term loan of

- i. Rs. 5.40 crores granted by UBI to the Company

and to secure repayment of additional working capital facilities of

- i. Rs. 13.46 crores granted by BOB to the Company
- ii. Rs. 4.00 crores granted by AB to the Company

together with all interest at the respective agreed rate, additional interest, liquidated damages, commitment charges, premium on prepayment or on redemption, costs, charges, expenses and all other moneys payable by the Company to Banks in terms of their Loan Agreements, Hypothecation Agreements, Letters of Sanction, Memorandum of terms and Conditions, entered into/to be entered

into by the Company, in respect of any and all the said loans/facilities."

Date: 29<sup>th</sup> May, 2010

By Order of the Board

**Registered Office:**

Village - Govali  
Taluka - Jhagadia  
District - Bharuch 393 001  
Gujarat

**ARUN KUMAR**  
*Vice President (Legal)*  
& *Company Secretary*

**NOTES**

- (1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- (2) The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business under item No. 5 & 6 as set out above, and the relevant details in respect of Item Nos.2, 3 & 5 set out above pursuant to Clause 49 of the Listing Agreement are annexed hereto and form part of this Notice.
- (3) The Register of Members and Share Transfer Books of the Company will remain closed from 20<sup>th</sup> July, 2010 to 26<sup>th</sup> July, 2010 (both days inclusive).
- (4) The Members are requested to notify immediately the change of address, if any, to the Company's Share Transfer Agents i.e. Mondkar Computers Pvt. Ltd., Unit : Gujarat Borosil Ltd., 21, Shakil Niwas, Mahakali Caves Road, Andheri (East), Mumbai 400 093, quoting their folio number(s).
- (5) The details of Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting (Pursuant to Clause 49 of the Listing Agreement) are furnished below:-

Name of Director	Mr. Jagdish Joshi	Mr. Shashi Mehra	Mr. Anurudha Ramakrishna Barwe
Date of birth	23 <sup>rd</sup> February, 1944	19 <sup>th</sup> December, 1952	6 <sup>th</sup> October, 1938
Date of appointment	25 <sup>th</sup> October, 2005	29 <sup>th</sup> June, 2002	29 <sup>th</sup> May, 2010
Expertise in specific Professional areas	Mr. Jagdish Joshi is a retired I.A.S. officer having vast experience in administration as well as good knowledge of industry	Chartered Accountant having vast experience in accounting, auditing & taxation	Has wide experience in banking and finance having worked for nearly 37 years in various capacity with State Bank of India and finally retired as Managing Director of SBI Capital Markets Limited. Has been on Board of many reputed companies.
Qualifications	B.A.(Hons.)	B.Com. FCA	M.SC. - Mathematics, C.A.I.I.B (Certified Associate of Indian Institute of Bankers)
List of other Indian Public Limited Companies in which Directorship held.	NIL	NIL	1. Jain Irrigation Systems Limited 2. Zenith Birla (India) Limited 3. Kotak Mahindra Trustee Company Limited 4. MSPL Limited 5. Sigma Laboratories Limited 6. Kotak Mahindra Pension Fund Limited 7. Entegra Limited
Chairman/Member of the Committee of Board of other Public Limited Companies	NIL	NIL	<b>Audit Committee:</b> 1. Jain Irrigation Systems Limited - Chairman 2. MSPL Limited-Chairman 3. Kotak Mahindra Trustee Company Limited-Member 4. Zenith Birla (India) Limited-Member 5. Entegra Limited- Member <b>Shareholders Grievance Committee:</b> Jain Irrigation Systems Limited-Member
Equity Shares held in the Company as on 29.05.2010	NIL	NIL	NIL

**ANNEXURE TO THE NOTICE****EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.****Item No. 5**

The Board of Directors of the Company appointed Mr. Anirudha Ramakrishna Barwe, as an Additional Director of the Company with effect from 29<sup>th</sup> May, 2010 in accordance with the Article 114(a) of the Articles of Association of the Company. Pursuant to the provisions of Section 260 of the Companies Act, 1956 ("the Act"), Mr. Barwe will hold office of Additional Director upto the date of the forthcoming Annual General Meeting. The Company has received a notice in writing from a member proposing the candidature of Mr. Barwe for the office of Director under the provisions of Section 257 of the Act.

Mr. Anirudha Ramakrishna Barwe, aged 71 years, holds a post-graduate degree in Mathematics and is an associate of the Indian Institute of Bankers in Mumbai. After holding various positions, he was named Managing Director of SBI Capital Markets Limited in 1996. He also held the position of Chief Financial Officer of IDFC Limited. He is currently advising a number of entities including foreign bodies in the financial field and is represented on several Government economic committees and as member of other listed companies' Board.

Except Mr. Barwe, no other Director is concerned or interested in the resolution.

Your directors recommend the resolution for your approval.

**Item No. 6**

Bank of Baroda and Andhra Bank have granted additional Working Capital Credit Facility of Rs.13.46 crores and Rs. 4.00 crores respectively. Union Bank of India has granted a short term loan of Rs. 5.40 crores.

The Company has created mortgage/charge over assets of the Company including immovable properties.

It is considered desirable to obtain the approval of the members of the Company under Section 293(1)(a) of the Companies Act, 1956 in the manner set out in item no. 6 of the accompanying notice.

Your Directors therefore recommend passing of the said resolution.

None of the Directors of the Company is in any way concerned or interested in the resolution.

Date: 29<sup>th</sup> May, 2010

By Order of the Board

**Registered Office:**

Village - Govali  
Taluka - Jhagadia  
District - Bharuch 393 001  
Gujarat

**ARUN KUMAR**  
*Vice President (Legal)*  
& *Company Secretary*

**DIRECTORS' REPORT**

To  
The Members of  
Gujarat Borosil Limited

Your Directors are pleased to present their Twenty-First Report and Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2010.

**FINANCIAL RESULTS**

The financial results for the year ended 31<sup>st</sup> March, 2010 are given below :

(Rupees in Lacs)

	<b>Year Ended 31.03.2010</b>	Year Ended 31.03.2009
Gross Sales (including Excise Duty)	<b>8773.20</b>	10291.76
Profit before interest, depreciation and tax	<b>483.11</b>	1590.22
Interest	<b>66.43</b>	11.54
Depreciation	<b>554.93</b>	533.27
Net Profit/(loss) before tax	<b>(138.25)</b>	1045.41
Provision for Taxation (Net)	<b>0.36</b>	230.19
Provision for fringe benefit tax	—	10.91
Provision for deferred tax liability /(Asset)	<b>(41.81)</b>	122.92
Profit/(loss) after tax	<b>(96.80)</b>	681.39
Add: Balance brought forward from last year	<b>2018.52</b>	1636.63
Available for appropriation	<b>1921.72</b>	2318.02
<b>Appropriation:</b>		
Transferred to General Reserve	—	100.00
Proposed Dividend	—	170.52
Dividend distribution tax	—	28.98
Balance carried to the Balance Sheet	<b>1921.72</b>	2018.52

**DIVIDEND**

Your Directors do not recommend any dividend for the year ended 31<sup>st</sup> March, 2010 in view of loss incurred during the year.

**PERFORMANCE**

The decline in demand due to slowdown in economy coupled with the pressure of supply from three new float glass producers caused a drop in selling prices of sheet glass and adversely impacted the Company's performance.

**NEW PROJECT**

The Low Iron Glass Project to manufacture 105 TPD has been commissioned from 16<sup>th</sup> March, 2010 after trial runs from middle of January. The project cost has been financed by a mix of internal accruals, Rupee loan and foreign currency loan. Production of glass from the new plant and sale/export of the finished goods has started. The plant is gradually attaining full production.

The tempering facility is being installed and will be commissioned shortly. In the meantime the Company is selling annealed glass to buyers/processors both in exports to Europe and in domestic market. The high solar energy transmission of our glass has been appreciated by our customers.

**DIRECTORS**

Mr. V. A. Gore, an Independent Director of the Company and member of the Audit and Remuneration Committees of the Board of Directors, expired on 2<sup>nd</sup> December, 2009. The Board placed on the record its appreciation for his valuable contribution to the Company.

Mr. A.R. Barwe was appointed as an Additional Director w.e.f. 29<sup>th</sup> May, 2010. The Company has received notice from a member of the Company under Section 257 of the Companies Act, 1956, alongwith the requisite deposit, in respect of Mr. Barwe, proposing his appointment as Director.

Mr. Jagdish Joshi and Mr. Shashi Mehra retire by rotation and being eligible offer themselves for re-appointment.

Brief details of the Directors being appointed / reappointed have been incorporated in the Notice for the forthcoming Annual General Meeting.

**MANAGEMENT DISCUSSION & ANALYSIS REPORT****A. INDUSTRY STRUCTURE AND DEVELOPMENTS**

The Flat Glass Industry consists of float glass, sheet glass and figured glass as well as processed glass like tempered glass, mirrors etc. In last few years due to demographical changes, growth of middle class and higher disposable income levels, the demand has increased in view of high growth in Housing and Automobile sectors. This has led to setting up of further float glass capacities in the country and the supply today is far in excess of demand. In view of Global technological changes in past few years, capacity growth in the transparent flat glass market has occurred only in the float glass sector. However, a portion of the Indian market continues to be cost conscious, and there is adequate demand for the Company's production of sheet glass.

For the first time in the country, the Company has commenced manufacture of low iron solar patterned glass for application in solar power sector. Solar PV market internationally has seen high growth. In India this is gaining momentum in view of favorable Policy announcements made recently by the Government of India and holds huge growth potential.

**B. OPPORTUNITIES & THREATS****OPPORTUNITIES**

- The Company is a major player in the sheet glass market and has a good brand image. The Company has recently set up a facility to manufacture low iron patterned glass in order to diversify the product range.
- The Company has a large and established network of dealers and has successively shown its ability to market its products at the time of cut-throat competition.
- The Company's sheet glass operations are cost effective and compare favorably with others.

**THREATS**

- Cheaper imports of float/sheet glass, recent expansion by some of the large manufacturers of float glass and setting up of new plants has already disturbed the demand supply equation and led to destabilization in selling prices.
- Constraints of Product mix in sheet glass segment and value added items.
- Increase in fuel cost due to gradual deregulation of prices of natural gas/furnace oil and linkage to international prices and increase in soda ash prices due to changes in international situation.

**C. SEGMENTWISE OR PRODUCTWISE PERFORMANCE**

The Company's business activity falls within a single primary business segment viz. Manufacture of flat glass. As such, there are no separate reportable segments as per Accounting Standard 17.

**D. OUTLOOK**

Sheet glass produced by the Company continues to be in demand and we do not foresee much difficulty in selling.

The outlook for Industry appears to be reasonable in view of recovery in India. Government's thrust on infrastructure and housing will augur well for growth in housing sector supported by lower interest rates on housing loans as the growing middle class is aspiring to own houses both in urban and rural areas.

The Government has announced long term policy measures which will accelerate the growth of solar energy in the Country which will require huge quantity of low iron glass. The energy produced will be more dependable by this non-conventional route and will reduce pressure on natural resources besides being non-polluting and environment friendly.

**E. RISK AND CONCERNS**

The absence of mandatory Building Code regarding uses of glass is an area of concern, where Government intervention is required to ensure better quality of construction with higher safety.

**F. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has adequate Internal Control System commensurate with its size and nature of business. The internal control systems are designed to ensure that the financial statements are prepared based on reliable information. The Internal Audit is continuously conducted by in house Internal Audit department of the Company and Internal Audit Reports are reviewed by the Audit Committee.

**G. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

The operating performance during the year suffered setback though Capacity utilisation was almost same. The sales value was lower due to 12% fall in the selling prices. The profit before interest, depreciation and tax was Rs. 483.11 lacs compared to Rs. 1590.22 lacs in the previous year due to lower selling prices despite reduction in Soda ash (key input) prices.

**H. MATERIAL DEVELOPMENT IN HUMAN RESOURCES, INDUSTRIAL RELATION FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED**

The industrial relations continued to be cordial.

Number of people employed as on 31<sup>st</sup> March, 2010 were as under:

Staff	:	181
Workers	:	275 (Excluding contract labour)

**CORPORATE GOVERNANCE REPORT**

A separate section on Corporate Governance is included in the Annual Report and the Certificate from Company's auditors confirming the compliance with the code of Corporate Governance as enumerated in Clause 49 of the listing agreement with the Stock Exchange is annexed hereto.

The Board of Directors of the Company has evolved and adopted a Code of Conduct and posted the same on the Company's website [www.gujaratborosil.com](http://www.gujaratborosil.com). The Directors and Senior Management personnel have affirmed their compliance with the code for the year ended 31<sup>st</sup> March, 2010.

**DEPOSITS**

Your Company has not accepted any deposits from Public till date.

**POLLUTION CONTROL**

The Company's plants do not generate any effluent except flue gas, the chemical composition of which is within permissible limits.

**AUDITORS & AUDITORS' REPORT**

M/s. Singhi & Company, Chartered Accountants, will retire as Auditors of the Company at the conclusion of the ensuing Annual General Meeting and being eligible have expressed their willingness for re-appointment. The remarks made by the Auditor in their report are self explanatory.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Subject to disclosures in the Annual accounts and also on the basis of the discussion with the Statutory Auditors of the Company from time to time, the Board of Directors state as under:

- i) that in the preparation of the annual accounts, the applicable accounting standards have been followed and there were no material departures.
- ii) that we have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.
- iii) that we have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) that we have prepared the annual accounts on a going concern basis.

**PARTICULARS OF EMPLOYEES**

Particulars of employees as required under Section 217(2A) of the Companies Act, 1956 are annexed hereto and form part of the Report.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The particulars prescribed under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are furnished in the Annexure to the Report.

**ACKNOWLEDGMENT**

Your Directors would like to express their deep appreciation for the co-operation received from employees and Company's bankers during the year under review. Directors also place on record their appreciation for the confidence reposed by the shareholders.

For and on behalf of the Board of Directors

Place : Mumbai  
Date : 29<sup>th</sup> May, 2010

**B.L.Kheruka**  
*Chairman & Managing Director*



**INFORMATION UNDER SECTION 217(1) (e) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2010**

**FORM A**

**01.04.2009 to**                      01.04.2008 to  
**31.03.2010**                      31.03.2009

**CONSERVATION OF ENERGY****Power and Fuel Consumption****1. Electricity**

a. Purchased		
Unit (Kwh)-Gross	<b>7512028</b>	5952025
Less: Generated from Wind farm	<b><u>-2634566</u></b>	<u>-2772028</u>
Net purchased power	<b>4877462</b>	3179997
Total Amount (Rs. in lacs)	<b>305.01</b>	204.23
Rate/Unit	<b>6.25</b>	6.42
b. Own Generation		
i. Through Diesel Generator		
Unit(Kwh)	<b>42720</b>	56256
Kwh/Ltrs of Diesel Oil	<b>3.35</b>	3.35
Cost/Unit	<b>9.99</b>	10.18
ii Through Wind Turbine		
Unit	<b>2634566</b>	2772028
Cost/Unit	<b>0.71</b>	0.38

**2. Furnace Oil/LSHS**

Quantity (KL)	<b>3141</b>	1546
Total Cost (Rs. in lacs)	<b>733.82</b>	371
Average Rate/KL	<b>23363</b>	24018

**3. Natural Gas/RLNG**

Quantity (SCM)	<b>16326414</b>	16371231
Total Cost (Rs. in lacs)	<b>879.67</b>	890.39
Average Rate/SCM	<b>5.39</b>	5.44

**4. Consumption per Sq.mtr. of Production of Company's Products on 2 mm basis**

Natural Gas/RLNG (SCM)	<b>1.26</b>	1.35
L.P.G. (Gms)	—	—
Furnace Oil/LSHS(Ltrs.)	<b>0.24</b>	0.13
Electricity (Kwh)	<b>0.58</b>	0.49

**FORM - B****FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO R&D AND ABSORPTION OF TECHNOLOGY****A. Research and Development (R&D)**

The Company has not carried out any Research & Development activities during the year.

**B. Technology Absorption, Adaptation and Innovation**

The Company has developed its in-house sophisticated technology for manufacture of low iron textured glass.

**FOREIGN EXCHANGE EARNINGS AND OUTGO**

Regarding details of foreign exchange earnings and outgo, please refer Note Nos. B-18, 20 & 21 in Notes to the Accounts forming part of the Balance Sheet as at 31<sup>st</sup> March, 2010.

**ANNEXURE TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2010 PER SECTION 217(2A) OF THE COMPANIES ACT, 1956:**

A) Name of the Employees employed throughout the year ended 31<sup>st</sup> March, 2010 who were in receipt of remuneration of not less than Rs. 24,00,000/- per annum in terms of Section 217(2A) (a)(i) :

Sr. No.	Name, Age & Qualification	Designation/ Nature of Duties	Remuneration (Rs.)	Date of Joining and experience	Particulars of last Employment
1.	B. L. Kheruka Age: 79 years Qualification : Graduate	Chairman & Managing Director	28,92,348	As Director 22.12.1988 As Managing Director 01.08.2005 Over 48 years in industry	Gujarat Fusion Glass Limited – Chairman & Managing Director
2.	Ashok Jain Age : 52 years Qualification : B. Com, FCA, FCS	Wholetime Director	24,30,618	22.08.1994 29 years in Corporate Sector	Armour Polymer Ltd. -- General Manager Finance

B) Name of the Employees employed for the part of the year and who were in receipt of remuneration not less than Rs. 2,00,000/- per month in terms of Section 217 (2A) (a)(ii):

None

**NOTES:**

1. Remuneration includes Salary, House Rent Allowance, Company's contribution to Provident Fund, Medical Expenses and the monetary value of perquisites calculated as per the Income Tax Act, 1961 and the rules made therein.
2. Mr. B.L. Kheruka is relative of Mr. P.K. Kheruka, Vice - Chairman of the Company.
3. Employment is on contractual basis, which can be terminated by either parties by giving three months' notice in writing.

For and on behalf of the Board of Directors

Place : Mumbai  
Date : 29<sup>th</sup> May, 2010

**B.L. Kheruka**  
Chairman & Managing Director

## Corporate Governance Report

(As required by Clause 49 of the Listing Agreement of the Stock Exchanges)

### Company's philosophy on code of governance

The Board has adopted the principles of good Corporate Governance in line with the requirements of the corporate practices enumerated in Clause 49 of the Listing Agreement, as amended from time to time entered into by the Company with the Stock Exchange. The Company aims to achieve greater transparency by making adequate disclosures.

#### I. Board of Directors

##### (A) Composition:

As on 31<sup>st</sup> March, 2010, the Company had five Directors on the Board with optimum combination of Executive and Non-executive Directors. Out of these five directors, two were Independent Directors whilst third Independent Director Mr. V.A. Gore expired on 2<sup>nd</sup> December, 2009. Mr. A.R. Barwe has been appointed as an Additional Director w.e.f. 29<sup>th</sup> May, 2010. He is an Independent Director.

The Company's Board now comprises of Executive Chairman cum Managing Director, one Whole-time Director and Four Non-Executive Directors (NEDs).

##### (B) Non-Executive Directors' compensation and disclosures

The remuneration of Non-Executive Directors (NEDs) of the Company is decided by the Board of Directors of the Company in terms of resolution passed by the shareholders at the Annual General Meeting held on 28<sup>th</sup> July, 2005 and 14<sup>th</sup> August, 2007. Accordingly, the Board of Directors at its meeting held on 31<sup>st</sup> October, 2009 have increased the sitting fees from Rs.5000/- to Rs.10,000/- The NEDs are paid remuneration by way of sitting fees for each meeting of the Board and its Committees attended by them. They are also eligible for commission as decided by the Board of Directors of the Company.

##### (C) Board and Committee Meetings etc.

###### (i) Number of Board Meetings:

The Board met six times on the following dates during the financial year 2009-2010:

18<sup>th</sup> May, 2009, 30<sup>th</sup> June, 2009, 29<sup>th</sup> July, 2009, 20<sup>th</sup> August, 2009, 31<sup>st</sup> October, 2009 and 25<sup>th</sup> January, 2010.

Directors' attendance record and directorships held:

Name	Category	No. of Board Meetings Attended	Whether Last AGM held on 20 <sup>th</sup> August 2009 attended	No. of Directorships held in other Indian Public Limited Companies	No. of Committee Positions held in other Indian Public Limited Companies*	
					Chairman	Member
Mr. B.L. Kheruka	Executive Chairman & Managing Director	4	Yes	7	1	–
Mr. P.K. Kheruka	Vice Chairman Non-Executive	5	Yes	6	–	2
Mr. V.A. Gore (Expired on 02.12.2009)	Independent Non-Executive	4	Yes	–	–	–
Mr. Shashi Mehra	Independent Non-Executive	6	Yes	–	–	–
Mr. Jagdish Joshi	Independent Non-Executive	4	Yes	–	–	–
Mr. Ashok Jain	Executive Whole-time Director	6	Yes	–	–	–

As prescribed in the explanation under Clause 49(1)(c) of the Listing Agreement

\* For this purpose, only Audit Committee and Share Transfer & Shareholders/ Investors' Grievance Committee have been considered.

- (ii) Mr. B. L. Kheruka is father of Mr. P. K. Kheruka.
- (iii) None of the Directors on the Board is a Member on more than 10 Committees or Chairman of more than 5 Committees [as per Clause 49 I C (ii)] across all the companies in which he is a Director. All the Directors have made requisite disclosures regarding committee positions occupied by them in other companies.
- (iv) Compliance Reports of laws applicable to the Company are periodically placed before the Board of Directors of the Company. There has been no instance of non-compliance.

**(D) Code of Conduct**

All the Directors and Senior Management personnel have affirmed compliance with the Code of Conduct as approved and adopted by the Board of Directors. A declaration to this effect signed by the Chairman & Managing Director of the Company is given elsewhere in the Annual Report.

**II. Audit Committee****(A) Composition, name of members and chairperson:**

The Audit Committee of the Company as on 31<sup>st</sup> March, 2010 comprised of three members all being Non-Executive Directors. Mr. P.K. Kheruka is a non-independent director and all other are independent directors.

Mr. Shashi Mehra - Chairman

Mr. P.K. Kheruka

Mr. V.A. Gore - (Expired on 2<sup>nd</sup> December, 2009)

Mr. Jagdish Joshi - (Appointed w.e.f. 7<sup>th</sup> January, 2010)

All members of the Audit Committee are capable of understanding financial statements and one member possesses financial expertise in accordance with Clause 49.

The Company Secretary acts as the Secretary to the Committee.

**(B) Meetings and attendance during the year:**

The Committee met five times during the financial year ended on 31<sup>st</sup> March, 2010 on the following dates:

22<sup>nd</sup> May, 2009, 30<sup>th</sup> June, 2009, 29<sup>th</sup> July, 2009, 31<sup>st</sup> October, 2009 and 25<sup>th</sup> January, 2010.

Mr. P.K. Kheruka and Mr. Shashi Mehra were present in all the five meetings, Mr. V. A. Gore was present in four meetings and Mr. Jagdish Joshi was present in one meeting.

**(C) Powers of Audit Committee:**

The Audit Committee has been vested with the following powers:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

**(D) Role of Audit Committee**

The role of Audit Committee includes the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
  - (a) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act, 1956.
  - (b) Changes, if any, in accounting policies and practices and reasons for the same.
  - (c) Major accounting entries involving estimates based on the exercise of judgment by management.
  - (d) Significant adjustments made in the financial statements arising out of audit findings.
  - (e) Compliance with listing and other legal requirements relating to financial statements.
  - (f) Disclosure of any related party transactions.
  - (g) Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
8. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
9. Discussion with internal auditors any significant findings and follow up there on.
10. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
11. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
13. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.

14. Such other functions as may be decided by the Board of Directors from time to time.

It may be clarified that the role of the Audit Committee includes matters specified under Clause 49 of the Listing Agreement as amended from time to time entered into between the Company and Bombay Stock Exchange Limited on which the Company's shares are listed.

**(E) Review of Information by Audit Committee**

The Audit Committee reviews inter-alia, following matters:

1. Management discussion and analysis of financial condition and results of operations.
2. Statement of significant related party transactions.
3. Management letters/letter of Internal Control weaknesses issued by the statutory auditors.
4. Internal Audit reports relating to Internal Control weaknesses.
5. Appointment, approval and terms of remuneration of the Internal Auditors.

**III. Subsidiary Companies**

The Company does not have any subsidiary Company.

**IV. Disclosures**

**(A) Basis of related Party Transactions**

The details of all transactions with related parties are placed before the Audit Committee periodically, with justification wherever required.

No material transaction has been entered into by the Company with related parties that may have a potential conflict with interest of the Company. The details of related party transactions have been given in the Notes to the Accounts forming part of the Balance Sheet.

**(B) Disclosure of Accounting Treatment**

In the preparation of financial statements, the Company has followed the Accounting Standards notified under Companies (Accounting Standards) Rules, 2006 to the extent applicable to the Company.

**(C) Board Disclosures- Risk Management**

The Company has laid down procedures to inform Board members about the risk assessment and minimization procedures, which is subject to review by the Management and is required to be placed before the Board on an annual basis.

**(D) Issue of shares**

The Company has not made any issue of shares in the recent past.

**(E) Remuneration of Directors**

The Board of Directors has constituted a Remuneration Committee. However, the said Committee did not meet during the financial year 2009-2010.

Composition of Committee:

Mr. V.A. Gore\* — Chairman (till 2<sup>nd</sup> December, 2009)

Mr. Shashi Mehra

Mr. Jagdish Joshi

\* Expired on 2<sup>nd</sup> December, 2009

The broad terms of reference of Remuneration Committee are to determine on behalf of Board and on behalf of shareholders with agreed terms of reference, the Company's policy on specific remuneration package(s) for executive director(s).

Details of sitting fees, remuneration, etc. paid to Directors.

<b>Name of Directors</b>	<b>Remuneration paid during 2009-2010</b>
	Sitting fees for attending Meetings of Board and/or Committee thereof (Rs. in Thousand) Gross Amount
(A) Mr. P.K. Kheruka	120
Mr. V. A. Gore	50
Mr. Shashi Mehra	75
Mr. Jagdish Joshi	90
Sub Total	335
(B) Mr. B. L. Kheruka (Chairman & Managing Director)	
Salary	2580
Commission	0
Perquisites	3
Contribution to P.F.	309
Sub Total	2892
(C) Mr. Ashok Jain (Whole-time Director)	
Salary	1500
Perquisites	751
Contribution to P.F.	180
Sub Total	2431
Total	5658

- Notes: i) In view of loss, no commission has been paid to the Managing Director for the financial year 2009-10.
- ii) The Company does not pay bonus, pension or any incentive to the Whole-time Director.
- iii) For termination of employment, the Company, Managing / Whole-time Director are required to give a notice of 3 months or salary of three months in lieu thereof.
- iv) The Company has so far not issued any stock option to the Managing/Whole-time Director or any other Director.

**No. of shares held by Non-Executive Director:**

None of the Non-Executive Directors hold any share in the Company.

**(F) Management**

A Management Discussion and Analysis Report containing discussion on the matters specified under above head in clause 49 IV (F) forms part of the annual report.

**(G) Shareholders**

- (i) Details about Directors: Relevant details of Directors proposed to be appointed/ reappointed are furnished in the Notice convening the Annual General Meeting to be held on 26<sup>th</sup> July, 2010 being sent alongwith the Annual Report.
- (ii) Quarterly results are regularly put on Company's Website.
- (iii) Share Transfer and Shareholders/Investors Grievance Committee:

The Committee approves and monitors transfers, transmission, splitting and consolidation of shares issued by the Company. The Committee also monitors redressal/replies to investors' complaints, queries and requests relating to transfer of shares, non-receipt of annual report, etc.

Composition of Committee:

Mr. P.K. Kheruka - Chairman  
Mr. B.L. Kheruka  
Mr. Jagdish Joshi  
Mr. Ashok Jain

The Committee met six times during the financial year ended on 31<sup>st</sup> March, 2010 on the following dates:

27<sup>th</sup> April, 2009, 23<sup>rd</sup> July, 2009, 31<sup>st</sup> October, 2009, 21<sup>st</sup> December, 2009, 5<sup>th</sup> February, 2010 and 30<sup>th</sup> March, 2010.

All four Committee Members were present in all the six meetings.

All share transfer applications received upto 31<sup>st</sup> March, 2010 have been processed in time.

During the year ended on 31<sup>st</sup> March, 2010, the Company received 22 complaints and 409 other correspondence from the shareholders/investors, which were suitably resolved or replied.

Compliance Officer: Mr. Arun Kumar  
Vice President (Legal) & Company Secretary

- (iv) Mr. B.L. Kheruka and Mr. P.K. Kheruka, Directors are severally authorised to approve share transfers in physical form upto one percent of paid up capital for each case. The power to approve share transfers requests of more than one percent of paid up capital for each case has been given to the Share Transfer and Shareholders/Investors Grievance committee. Share transfers are attended normally on fortnight basis.

**V. CEO/CFO Certification**

A certificate from Chairman & Managing Director and Whole-time Director (who is head of Financial functions also), on the financial statements of the Company was placed before the Board.

**VI. Report on Corporate Governance**

The Company has complied with mandatory requirements of this clause. The Company has also submitted quarterly compliance report to the Bombay Stock Exchange Ltd.

**VII. Compliance**

A Certificate from the Auditors of the Company regarding compliance of condition of this clause 49 is annexed hereto.



**VIII. General Body Meetings**

Location, date and time of General Meetings held during the last 3 years:

Year	Location	AGM/EGM	Date	Day	Time	No. of Special Resolutions passed
2008-2009	Regd. Office - Village- Govali, Taluka- Jhagadia, Dist. Bharuch 393 001 Gujarat	AGM	20 <sup>th</sup> Aug, 2009	Thursday	10.00 a.m.	NIL
2007-2008	- do -	AGM	30 <sup>th</sup> July, 2008	Wednesday	10.00 a.m.	2
2006-2007	- do -	AGM	14 <sup>th</sup> Aug, 2007	Tuesday	10.00 a.m.	3

None of the Resolutions were put through postal ballot.

**IX. Means of communications**

The quarterly and half yearly unaudited financial results were published in The Economic Times in English and The Economic Times in Gujarati (regional language). The Company has also posted its quarterly results, shareholding pattern etc on the EDIFAR site in terms of Clause 51 of the Listing Agreement till deletion of the said clause and on the Company's website.

**X. General shareholder Information**

Annual General Meeting

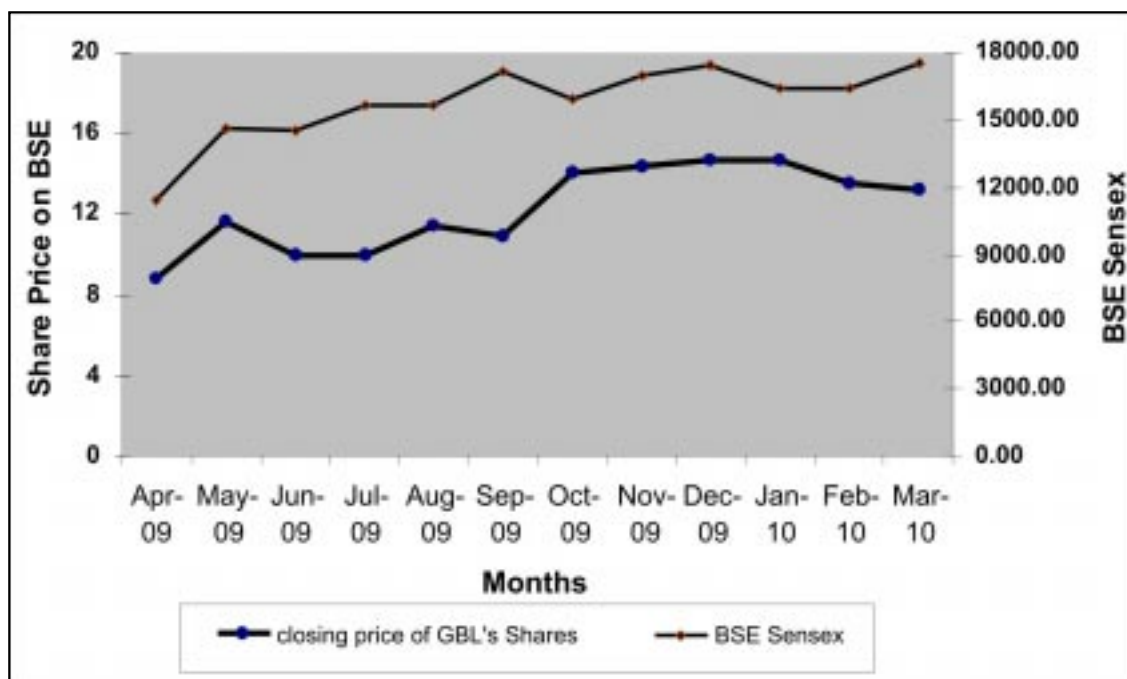
Date and time	:	26 <sup>th</sup> July, 2010 at 10.00 a.m.
Venue	:	Regd. Office at Village - Govali Taluka - Jhagadia District - Bharuch 393 001, Gujarat
Financial Year	:	1 <sup>st</sup> April to 31 <sup>st</sup> March
Financial Calendar	:	Year ending - March, 31
Quarterly Results	:	First quarter - 2 <sup>nd</sup> week of August, 2010 Second quarter - 2 <sup>nd</sup> week of November, 2010 Third quarter - 2 <sup>nd</sup> week of February, 2011 Fourth quarter - 4 <sup>th</sup> week of May, 2011 & Annual
Date of book closure	:	20 <sup>th</sup> July, 2010 to 26 <sup>th</sup> July, 2010 (both days inclusive)
Listing on Stock Exchange & Stock Code	:	Bombay Stock Exchange Limited - 523768  Note: Annual Listing fee for the year 2010-11 has been paid to Bombay Stock Exchange Ltd.
Demat ISIN in NSDL and CDSL	:	INE059C01022

**Market price data**

The monthly high and low quotation and the volume of shares traded on Stock Exchange are as under:

Month	Highest (Rs.)	Lowest (Rs.)	Volume of shares traded
April, 2009	11.00	6.95	469864
May, 2009	12.60	8.60	673993
June, 2009	14.10	9.45	739168
July, 2009	10.60	8.45	326711
August, 2009	11.74	9.35	570911
September, 2009	12.20	9.83	633598
October, 2009	17.75	10.17	4669398
November, 2009	18.00	12.04	2129151
December, 2009	16.20	13.40	800075
January, 2010	19.17	14.30	3729148
February, 2010	15.80	13.15	416184
March, 2010	14.90	13.11	422941

The paid up value of equity shares of the Company is Rs.5/- per share

**The Performance of the Company's scrip on the BSE compared to BSE sensex:**


**Share Transfer System :**

Share Transfers in physical form can be lodged with the Registrar and Transfer Agents of the Company - Mondkar Computers Pvt. Ltd.

Unit: Gujarat Borosil Ltd.  
21, Shakil Niwas  
Mahakali Caves Road  
Andheri (East), Mumbai - 400 093.

The transfers are normally processed within 10-20 days from the date of receipt if the documents are complete in all respects.

**Distribution of shareholding as at 31<sup>st</sup> March, 2010**

No. of equity shares held	No. of Shareholders		Shares	
	Nos.	Percentage	Nos.	Percentage
Upto 500	48055	93.34	6762039	9.91
501 to 1000	1914	3.72	1679848	2.46
1001 to 2000	779	1.51	1257952	1.84
2001 to 3000	277	0.54	720585	1.06
3001 to 4000	92	0.18	337703	0.50
4001 to 5000	129	0.25	620407	0.91
5001 to 10000	133	0.26	990151	1.45
10001 & above	104	0.20	55838815	81.87
<b>Total</b>	<b>51483</b>	<b>100.00</b>	<b>68207500</b>	<b>100.00</b>

**Categories of shareholders**

**As on 31st March, 2010**

	No. of folios	No. of shares	Percentage
- Resident Individuals	51026	13929581	20.42
- Promoters			
- Indian Promoters	02	39822376	58.38
- Foreign Promoters	01	11300000	16.58
- Banks, Financial Institutions, Insurance Companies (Central/ State Govt. Institutions/Non-Govt. Institutions)	04	50000	0.07
- Private Corporate Bodies	344	2809474	4.12
- Non Resident Individuals	52	63286	0.09
- Trusts	0	0	0.00
- Others (Shares in transit)	54	232783	0.34
<b>Total</b>	<b>51483</b>	<b>68207500</b>	<b>100.00</b>

**Dematerialisation of shares and liquidity**

As on 31<sup>st</sup> March, 2010 2,06,20,075 shares representing 30.23 % of the Company's total paid-up capital had been dematerialised. The Company's shares are regularly traded on Bombay Stock Exchange Ltd.

**Plant Location**

Village - Govali  
Taluka - Jhagadia  
District - Bharuch 393 001.  
Gujarat.

Shareholders correspondence may be addressed either to the Head Office at "Khanna Construction House", 44, Dr. R.G. Thadani Marg, Worli, Mumbai- 400 018 or at the office of Registrar and Transfer agents of the Company - Mondkar Computers Pvt., Ltd., Unit: Gujarat Borosil Ltd., 21, Shakil Niwas, Mahakali Caves Road, Andheri (East), Mumbai -400 093.

As per requirement of Listing Agreement, an exclusive email ID has been created namely, gbl.grievances@borosil.com, on which the investors can register their complaints. The said email ID has been displayed on Company's Website.

**Outstanding GDRs/ADRs/Warrants or any convertible instruments:-**

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments.

**Compliance with Non-Mandatory Requirements****1. The Board**

Since the Chairman is holding executive position, he is entitled to reimbursement of expenses incurred in performance of his duty.

As on date there is no independent Director having a term of office exceeding nine years on the Board of the Company. All independent directors have the requisite qualification and experience to enable them to contribute effectively to the Company in their capacity as independent directors.

**2. Remuneration Committee**

The Company has a remuneration committee with terms of reference mentioned above, which comprises wholly of Independent Directors.

The vacancy caused by the demise of Mr. V. A. Gore, a member of this Committee, is yet to be filled up.

**3. Shareholders Rights**

The Company's results upto the quarter ended on December, 2009 were available on website www.sebiedifar.nic.in. A half yearly declaration of financial performance including summary of the significant events is presently not being sent to each household of shareholders. However, the Company's half yearly results are published in English newspaper (having a wide circulation) and in Gujarati newspaper.

**4. Audit qualifications**

During the period under review, there is no audit qualification on Company's financial statements.

**5. Training of Board Members**

Presently the Company does not have any training programme.

**6. Mechanism for evaluating non-executive Board Members**

Presently Company does not have such mechanism as contemplated for evaluating the performance of non-executive Board members.

**7. Whistle Blower Policy**

Presently the Company does not have a whistle blower policy.

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**Declaration on Compliance of the Company's Code of Conduct**

As provided under Clause 49 of the Listing Agreement with the Stock Exchange, all Board members and Senior Management Personnel have affirmed compliance with Code of Conduct as applicable to them for the year ended 31<sup>st</sup> March, 2010.

**For Gujarat Borosil Limited**

Place: Mumbai  
Date :29<sup>th</sup> May, 2010

**B. L. Kheruka**  
*Chairman & Managing Director*

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**AUDITORS' CERTIFICATE OF COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT (S).****TO THE MEMBERS OF GUJARAT BOROSIL LIMITED.**

We have examined the compliance of conditions of Corporate Governance by **GUJARAT BOROSIL LIMITED** (the Company) for the year ended 31<sup>st</sup> March 2010, as stipulated in clause 49 of the listing agreement of the said company with the Stock Exchange in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and according to the explanations given to us, and the representation made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we state that as per records maintained by the Shareholders/ Investor Grievance Committee based on reports furnished by the Share Transfer Registrar of the Company to the said Committee, there was no Investors grievance matter pending for a period exceeding one month against the company as on 31<sup>st</sup> March, 2010.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**FOR SINGHI & COMPANY**  
*CHARTERED ACCOUNTANTS*

9TH FLOOR, TWIN TOWERS,  
LOKHANDWALA COMPLEX,  
ANDHERI (W), MUMBAI - 400 053.  
DATED: 29<sup>th</sup> DAY OF MAY 2010.

**(PRAVEEN KUMAR SINGHI)**  
*PARTNER*  
(M. No. 051471)  
FRN 110283W

**AUDITORS' REPORT TO THE SHAREHOLDERS**

We have audited the attached Balance Sheet of **GUJARAT BOROSIL LIMITED** as at 31<sup>st</sup> March 2010 and the Profit & Loss Account for the year ended on that date annexed hereto and the Cash Flow statement for the year ended on that date which we have signed under reference to this report. These financial statements are the responsibility of the Company's Management. Our responsibility is to express our opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report that:

As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to in paragraph above:

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by the Companies Act, 1956 (as amended) have been kept by the Company so far as appears from our examination of such books.
- c) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account.
- d) In our opinion the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
- e) On the basis of our examination of the books and records of the Company and the information furnished to us we state that no director of the Company is disqualified from being appointed as a director under clause (g) of the Sub - section (1) of Section 274 of the Companies Act, 1956 with reference to the matter relating to the Company.
- f) In our opinion and to the best of our information and according to the explanations given to us, the said Accounts read with the notes thereon in particular note no. B-2(c) in Schedule 19, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - I) In the case of the Balance Sheet of the state of affairs of the Company as at 31<sup>st</sup> March, 2010;
  - II) In the case of the Profit & Loss Account, of the Loss for the year ended on that day ; and
  - III) In the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

**FOR SINGHI & COMPANY**  
*CHARTERED ACCOUNTANTS*

9TH FLOOR, TWIN TOWERS,  
LOKHANDWALA COMPLEX,  
ANDHERI (W), MUMBAI - 400 053.  
DATED: 29th DAY OF MAY 2010.

**(PRAVEEN KUMAR SINGHI)**  
*PARTNER*  
(M. No. 051471)  
FRN 110283W

**ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2010 OF GUJARAT BOROSIL LIMITED.**

On the basis of the information and explanations furnished to us and the books & records examined by us in the normal course of audit and to the best of our knowledge and belief, we report that:

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of its Fixed Assets and also, in view of the new project commissioned during March10, the Fixed Assets register is being updated.  
b) According to the information and explanations given to us, the management during the year has physically verified the Fixed Assets, and no material discrepancies were noticed on such verifications with book records.  
c) During the year, the Company has not disposed off any major part of the Fixed Assets, so as to affect its going concern.
2. a) The stock of raw material, stores & spare parts and finished goods have been physically verified by the management at reasonable intervals during the year.  
b) The procedure followed by the management for physical verification of stock is reasonable and adequate in relation to the size of the Company and nature of its business.  
c) The Company is maintaining proper records of inventory & the discrepancies, not material, between the physical verification of stock as compared to book stock have been properly dealt with in books of account.
3. a) The Company has granted unsecured loans to three Companies covered in the Register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 122310 (P.Y. Rs.176350) (In thousand) and the year-end balance of loan granted to such Companies was Rs. 56457 (P.Y. Rs.70162) (In thousand)  
b) In our opinion, the rate of interest and other terms and condition on which loans given by the Company are not prima facie prejudicial to the interest of the Company.  
c) The terms of repayment of this loan is on demand and as explained by the Company it has exercised the option and to that extent have recovered from these companies. No loan other than aforesaid loans has been granted to Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.  
d) According to the information and explanations given to us, the Company has not taken any loan, secured or unsecured, from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to the Purchases of raw material, stores & spare parts, components, plant and machinery, equipment, other assets and for sale of goods and services.
5. a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements that need to be entered into the register, pursuance of section 301 of the Companies Act, 1956 have been so entered.  
b) In our opinion and according to the information & explanations given to us, the transactions made in pursuance of contracts or arrangement entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

6. The Company has not accepted any deposits from the public.
7. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
8. As informed to us by the Company the maintenance of cost records has not been prescribed by the Central Government Under Section 209(1)(d) of the Companies Act, 1956.
9. a) According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, Income Tax, Wealth Tax, Custom Duty, Excise Duty, Service Tax, Cess and other material statutory dues applicable to it. We are informed that employees state Insurance Act, do not apply to the Company.
- b) According to the information and explanations given to us, no undisputed amount payable in respect of Income Tax, Sales tax, Wealth Tax, Custom Duty, Excise Duty, Service Tax and Cess were outstanding at the year end for a period of more than six months from the date they become payable.
- c) According to the information and explanations given to us, the dues in respect of Income -Tax, Wealth Tax, Custom duty, Excise duty, Sales Tax and Service Tax that have not been deposited with the appropriate authorities on account of dispute and the forum where the disputes are pending are as given below:

**Statement of disputed dues as on 31.03.2010: -**

Name of the statute	Nature of Dues	Amount (Rs. In thousands)	Period to which Amount Relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty (Including Interest & Penalty)	Against demand of Rs.125213. Paid Rs.58932	Feb, 99 to June, 2005	SUPREME COURT OF INDIA
Central Excise Act, 1944	Excise Duty (Including Interest & Penalty)	Against demand of Rs.135128. Paid Rs.21129.	July, 2005 to June, 2007	CESTAT, Ahmedabad
Gujarat Sales Tax Act	Sales Tax (Including Interest & Penalty)	55084	2000-01, 2002-03 and 2004-2005	Joint Commissioner of Commercial Tax, Vadodara
Income Tax Act 1961	Penalty U/S. 271(1) C	2555	Asst. yr. 2005-06	CIT (Appeal), Vadodara

10. The Company neither has accumulated losses at the end of the financial year nor has incurred cash losses, both in the financial year under report and in the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
12. According to the information and explanation given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other Securities.
13. In our opinion, the Company is not a chit fund or a Nidhi mutual benefit fund/ society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) order, 2003 are not applicable to the Company.
14. In respect of shares, securities, or other investments dealt in or traded by the Company, proper records are maintained in respect of the transactions and contracts, and timely entries have been made therein. All the investments are held by the company in its own name.



15. According to the information and explanation given to us, the Company has not given guarantees for loans taken by others from banks or financial institutions.
16. The Company has obtained the term loans during the year and applied for the new low iron glass project.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the company has used funds raised on short-term basis for long-term purposes amounting to Rs.2.80 Crore for its new low iron glass project. The company has taken further long term loan in subsequent period to meet the shortfall.
18. According to the information and explanations given to us, the Company has not made preferential allotment of shares to parties and Companies covered in the register maintained under Section 301 of the Act.
19. According to the information and explanations given to us, during the year of audit report, the Company has not issued debentures.
20. The Company has not raised any money by, public issues during the year.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

**FOR SINGHI & COMPANY**  
*CHARTERED ACCOUNTANTS*

9TH FLOOR, TWIN TOWERS,  
LOKHANDWALA COMPLEX,  
ANDHERI (W), MUMBAI - 400 053.  
DATED: 29<sup>th</sup> DAY, OF MAY 2010.

**(PRAVEEN KUMAR SINGHI)**  
*PARTNER*  
(M. No. 051471)  
FRN 110283W

**BALANCE SHEET AS AT 31ST MARCH, 2010**

	Schedule	Rs in thousands As At 31st March, 2010	Rs in thousands As At 31st March, 2009
<b>SOURCES OF FUNDS</b>			
Shareholders' Funds			
Share Capital	1	<b>341038</b>	341038
Reserves & Surplus	2	<b>446557</b>	456237
		<b>787595</b>	797275
Loan Funds			
Secured Loans	3	<b>767752</b>	47274
Net Deferred tax liability (Refer note no. B-13 of Schedule 19)		<b>105542</b>	109723
Total		<b>1660889</b>	954272
<b>APPLICATION OF FUNDS</b>			
Fixed Assets			
Gross Block	4	<b>1973051</b>	1027849
Less : Depreciation		<b>722940</b>	667745
Net Block		<b>1250111</b>	360104
Capital Work in Progress		<b>74678</b>	252538
		<b>1324789</b>	612642
Investments	5	<b>30009</b>	40662
Current Assets, Loans and Advances			
Inventories	6	<b>164962</b>	74223
Sundry Debtors	7	<b>81500</b>	76803
Cash and Bank Balances	8	<b>32761</b>	43834
Loans & Advances	9	<b>277490</b>	230908
		<b>556713</b>	425768
Less: Current Liabilities & Provisions	10	<b>248712</b>	100881
Current Liabilities		<b>1910</b>	23919
Provisions		<b>250622</b>	124800
Net Current Assets		<b>306091</b>	300968
Total		<b>1660889</b>	954272
Accounting Policies and Notes to the Accounts	19		

Schedules referred to above form an integral part of the Accounts.

For and on behalf of the Board of Directors

As per our report annexed  
**for Singhi & Company**  
*Chartered Accountants*

**B.L. Kheruka**  
*Chairman & Managing Director*

**(Praveen Kr. Singhi)**  
*Partner*

Mumbai.  
Dated: 29<sup>th</sup> May, 2010

**Arun Kumar**  
*Company Secretary*

**Ashok Jain**  
*Whole-time Director & CFO*

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010**

		Rs in thousands For The Year Ended	Rs in thousands For The Year Ended
	Schedule	31st March, 2010	31st March, 2009
<b>INCOME</b>			
Sales (Net of Sales tax, Claims / Discounts)		<b>877320</b>	1029176
Less: Excise duty		<b>51301</b>	98527
Net Sales		<b>826019</b>	930649
Other Income	11	<b>22611</b>	23433
Increase / (Decrease) in Stock	12	<b>3399</b>	5933
		<b>852029</b>	960015
<b>EXPENDITURE</b>			
Raw Materials Consumed	13	<b>245681</b>	266447
Payments to and Provision for Employees	14	<b>83169</b>	82053
Manufacturing and Other Expenses	15	<b>272366</b>	263974
Administrative and Other Expenses	16	<b>52671</b>	47005
Selling and Distribution Expenses	17	<b>149831</b>	141514
		<b>803718</b>	800993
PROFIT BEFORE INTEREST & DEPRECIATION		<b>48311</b>	159022
Less : Interest	18	<b>6643</b>	1154
: Depreciation		<b>55493</b>	53327
PROFIT/(LOSS) BEFORE TAX		<b>-13825</b>	104541
Less : Provision for Taxation -Current		<b>0</b>	32078
Add : Excess/short provision for taxation -earlier years		<b>0</b>	227
Add : MAT credit entitlement -earlier years		<b>0</b>	8886
Less : Provision for Fringe benefit tax		<b>0</b>	1091
Less : Provision for Wealth tax		<b>36</b>	54
Less : Provision for Deferred tax		<b>-4181</b>	12292
PROFIT/(LOSS) AFTER TAX		<b>-9680</b>	68139
Add : Balance brought forward from last year		<b>201852</b>	163663
Amount available for appropriation		<b>192172</b>	231802
<b>Appropriation :</b>			
Transferred to General Reserve		<b>0</b>	10000
Proposed Dividend-Equity		<b>0</b>	17052
Dividend distribution tax		<b>0</b>	2898
Balance carried to Balance Sheet		<b>192172</b>	201852
		<b>192172</b>	231802
Earning per share ( Basic)-Refer note no.B-14,Sch.19 Accounting Policies and Notes to the Accounts	19	<b>-0.14</b>	1.00

Schedules referred to above form an integral part of the Accounts.

For and on behalf of the Board of Directors

As per our report annexed  
**for Singhi & Company**  
Chartered Accountants

**B.L. Kheruka**  
Chairman & Managing Director

**(Praveen Kr. Singhi)**  
Partner  
Mumbai.  
Dated: 29<sup>th</sup> May, 2010

**Arun Kumar**  
Company Secretary

**Ashok Jain**  
Whole-time Director & CFO

**SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH, 2010**

	Rs in thousands As At 31st March, 2010	Rs in thousands As At 31st March, 2009
<b>SCHEDULE - 1 : SHARE CAPITAL</b>		
AUTHORISED		
9,20,00,000 Equity shares of Rs 5/-each *		
(Previous year same)	<b>460000</b>	460000
Unclassified Share Capital	<b>40000</b>	40000
	<b>500000</b>	500000
ISSUED, SUBSCRIBED & PAID UP		
6,82,07,500 Equity shares of Rs. 5/- each *		
(Previous year same)	<b>341038</b>	341038
	<b>341038</b>	341038
* Face value reduced to Rs 5/-as per approval of shareholders in the EGM held on 14 <sup>th</sup> February, 2003.		
<b>SCHEDULE - 2 : RESERVES &amp; SURPLUS</b>		
SHARE PREMIUM ACCOUNT		
As per last Account	<b>5771</b>	5771
GENERAL RESERVE		
As per last Account	<b>46000</b>	36000
Amount transferred during the year	<b>0</b>	10000
	<b>46000</b>	46000
CAPITAL RESERVE - SUBSIDY		
As per last Account	<b>2500</b>	2500
CAPITAL RESERVE		
Credited on forfeiture of shares - unpaid allotment money- As per last Account	<b>473</b>	473
Surplus arising on giving effect to BIFR order		
As per last Account	<b>199641</b>	199641
PROFIT & LOSS ACCOUNT	<b>192172</b>	201852
	<b>446557</b>	456237

	Rs in thousands As At 31st March, 2010	Rs in thousands As At 31st March, 2009
<b>SCHEDULE - 3 : SECURED LOANS</b>		
RUPEE TERM LOAN FROM BANKS	<b>330000</b>	0
FOREIGN CURRENCY TERM LOAN - ECB	<b>340800</b>	0
WORKING CAPITAL FACILITY FROM BANKS	<b>95049</b>	47274
INTEREST ACCRUED AND DUE ON TERM LOANS	<b>1903</b>	0
	<b>767752</b>	47274

- Note : 1. Rupee Term Loans/ ECB from Banks are secured by way of mortgage of all the fixed assets of the Company both present and future, ranking pari passu, and by way of Hypothecation of all the moveables (save & except book debts) present & future, subject to prior charges created in favor of Company's bankers for working capital facilities and are further secured by personal guarantee of two Directors.
2. Working Capital Facility from Banks is secured by Hypothecation on all stocks and book debts of the Company and additionally secured by way of a second charge on Fixed Assets of the Company. The said facilities are further secured by personal guarantee of two Directors.
3. Repayment of ECB/Term loan due within one year Rs Nil.

**SCHEDULE - 4 : FIXED ASSETS**

Rs. in thousands

PARTICULARS	<----- GROSS BLOCK ----->			<-----DEPRECIATION ----->			<- NET BLOCK ->			
	As at 31.3.2009	Addition during the year	Deduction during the year	Total upto 31.3.2010	As at 31.3.2009	Provided for the year	On Adjustments/ Sales	Total upto 31.3.2010	As at 31.3.2010	As at 31.3.2009
Land (Free hold) & Site Development	10746	712		<b>11458</b>				<b>11458</b>	10746	
Building	96505	85231		<b>181736</b>	35604	2555		<b>38159</b>	143577	60901
Plant & Machinery	883463	854471		<b>1737934</b>	607945	49595		<b>657540</b>	<b>1080394</b>	275518
Furniture, Fixtures & Fittings	7092	691		<b>7783</b>	6018	488		<b>6506</b>	<b>1277</b>	1074
Motor Vehicles	13950	1009	780	<b>14179</b>	5088	1374	298	<b>6164</b>	<b>8015</b>	8862
Computers	10590	1381		<b>11971</b>	10060	589		<b>10649</b>	<b>1322</b>	530
Computer systems	5503	2487		<b>7990</b>	3030	892		<b>3922</b>	<b>4068</b>	2473
<b>Total</b>	<b>1027849</b>	<b>945982</b>	<b>780</b>	<b>1973051</b>	<b>667745</b>	<b>55493</b>	<b>298</b>	<b>722940</b>	<b>1250111</b>	<b>360104</b>
Capital work in progress	252538	764116	941976	<b>74678</b>				<b>74678</b>	252538	
<b>Total</b>	<b>1280387</b>	<b>1710098</b>	<b>942756</b>	<b>2047729</b>	<b>667745</b>	<b>55493</b>	<b>298</b>	<b>722940</b>	<b>1324789</b>	<b>612642</b>
Previous Year	1049249	232052	914	1280387	614658	53327	240	667745	612642	434591

- Note : 1 Additions to Plant & Machinery and Building include preoperative expenses and Trial period loss allocated in proportions to the value of assets (Refer note B-10 & 11 in schedule 19 to the Accounts)
- 2 Capital work in progress includes project inventory of Rs. 11006 thousands and project advances of Rs 8949 thousands.

	Rs in thousands As At 31st March, 2010	Rs in thousands As At 31st March, 2009
<b>SCHEDULE - 5 : INVESTMENTS</b>		
<u>Current Investments ( At Lower of Cost and Fair value)</u>		
Other than Trade , Quoted		
<u>In Shares (fully paid)</u>		
Nil Equity shares of Rs 10/- each of Mundra Port Ltd.(P.Y. 294)	0	129
Nil Equity shares of Rs 10/- each of BGR Energy Ltd.(P.Y.100)	0	48
Nil Equity shares of Rs 10/- each of Edelweiss Capital Ltd.(P.Y. 76)	0	63
Nil Equity shares of Rs 10/- each of Future Capital Ltd.(P.Y.100)	0	76
Nil Equity shares of Rs 10/- each of Gokul Refoils Ltd.(P.Y.1039)	0	203
Nil Equity shares of Rs 10/- each of Cinemax India Ltd.(P.Y.764)	<u>0</u>	<u>97</u>
	0	616
Less : Provision made for diminution in value	<u>0</u>	<u>244</u>
(Market value Rs Nil , Prev. year Rs 380 thousands)	0	372
Unquoted		
<u>In Mutual Fund</u>		
HDFC Cash Management Fund - Treasury Advantage Plan	8	10289
Dividend option (753.43 Units of Rs 10/- each)		
(Market value Rs 8 thousands, Prev. year Rs 10289 thousands)		
<u>Long term Investment (At cost)</u>		
Other than Trade , Unquoted		
In Shares of Swapan Properties Ltd.	1	1
2300 Equity Shares of Rs.100/- each fully paid (Pr. Yr. same)		
In Shares of Gujarat Fusion Glass Ltd.	30000	30000
3000000 7.5%Non Cumulative Redeemable Preference Shares of Rs 10/-Each fully paid (Pr. Yr. Same)-Redeemable at par on or before 5 years from allotment i.e.20.03.2007	<u>30009</u>	<u>40662</u>

	Rs in thousands As At 31st March, 2010	Rs in thousands As At 31st March, 2009
<b>SCHEDULE - 6 : INVENTORIES</b>		
(As Valued & Certified by the Management)		
Finished Goods	32929	9938
(At Cost or net realisable value whichever is lower)		
Work in Progress (At Cost)	17474	9300
Raw Materials (At Cost)	35889	18317
Less: Provision for Slow moving Raw Materials	<u>551</u>	<u>551</u>
Glass Cullet ( including own generated)		
(At Cost or net realisable value whichever is lower)		
Stores & Spare parts (At Cost)	47776	34470
Less: Provision for Slow moving Stores & Spares	<u>1702</u>	<u>1702</u>
	<u><b>164962</b></u>	<u><b>74223</b></u>
<b>SCHEDULE - 7 : SUNDRY DEBTORS</b>		
(Unsecured)		
More than 6 Months *		
Considered good	70	55
Considered doubtful	1146	1146
Less: Provision made for doubtful debts	<u>1146</u>	<u>1146</u>
	<u><b>70</b></u>	<u><b>55</b></u>
Others, considered good	81430	76748
	<u><b>81500</b></u>	<u><b>76803</b></u>
*Including under litigation Rs.1146 thousands.(Pr.Yr. Same)		
<b>SCHEDULE - 8 : CASH AND BANK BALANCES</b>		
Cash In Hand (As certified)	959	954
Balance with Scheduled Banks -In Current Account	7422	6318
-In Foreign Currency Current Account	14934	0
-In Unpaid Dividend Accounts	5217	4538
-In Fixed Deposits	4229	32024
(In margin money accounts for letters of credit)		
	<u><b>32761</b></u>	<u><b>43834</b></u>

	Rs in thousands As At 31st March, 2010	Rs in thousands As At 31st March, 2009
<b>SCHEDULE - 9 : LOANS &amp; ADVANCES</b>		
(Unsecured, Considered Good)		
Inter Corporate deposits (Including Interest Rs. 9790 thousands, Pr.Yr - 14449 thousands)	<b>57359</b>	72031
Advances recoverable in Cash or in kind or for value to be received		
Considered Doubtful	<b>411</b>	411
Less: Provision made	<b>411</b>	<b>411</b>
	<b>0</b>	<b>0</b>
Others *	<b>6684</b>	<b>9864</b>
Export benefits & other claims receivable	<b>1997</b>	1373
Prepaid expenses	<b>3515</b>	3165
Deposits with Govt. & Others	<b>27421</b>	29230
Balance with Excise Authorities	<b>10480</b>	4277
Cenvat credit receivable	<b>56464</b>	3257
Excise duty/interest paid under protest/appeal ( refer note B -2 c, Schedule 19)	<b>80062</b>	80062
MAT credit entitlement	<b>8886</b>	8886
Advance tax / TDS / MAT paid	<b>24622</b>	18763
	<b>277490</b>	<b>230908</b>
* Includes Rs 526 thousands on account of net surplus in fair value of gratuity assets (P.Y. Nil)-Refer note B-3 in Schedule 19.		
<b>SCHEDULE-10:CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>CURRENT LIABILITIES</b>		
Sundry Creditors- Micro.Small and Medium Enterprises ( Refer Note B-7 schedule 19 )	<b>0</b>	0
- Others *	<b>178693</b>	63629
Creditors for Project supplies/expenses	<b>46667</b>	19771
For Excise duty on Stock	<b>1224</b>	876
Other liabilities	<b>4552</b>	8166
Retention Money on Project	<b>2449</b>	1151
Sales tax payable	<b>433</b>	96
Unpaid Dividend *	<b>5217</b>	4538
Interest accrued but not due on Loans	<b>3341</b>	0
Advances from Customers	<b>6136</b>	2654
	<b>248712</b>	100881
<b>PROVISIONS</b>		
For Income tax	<b>57639</b>	57621
Less: Advance tax / TDS	<b>57639</b>	<b>57621</b>
For Wealth tax	<b>36</b>	54
Proposed Dividend	<b>0</b>	17052
For Dividend distribution tax	<b>0</b>	2898
For Gratuity	<b>0</b>	2098
For Leave Encashment	<b>1874</b>	1817
	<b>1910</b>	23919
	<b>250622</b>	124800

\* Does not include any amounts,due and outstanding, to be credited to investor protection fund.



**SCHEDULES ATTACHED TO AND FORMING PART OF THE PROFIT AND LOSS ACCOUNT**

	Rs in thousands For The Year Ended 31st March, 2010	Rs in thousands For The Year Ended 31st March, 2009
<b>SCHEDULE - 11 : OTHER INCOME</b>		
Interest (Gross)		
( Tax deducted at source Rs.1318 thousands)	<b>11237</b>	17002
Miscellaneous Sales	<b>1621</b>	1023
Dividend received	<b>22</b>	2977
Profit on sale of Investment in shares/units	<b>328</b>	226
Unclaimed balances/ Excess provisions written back	<b>5176</b>	204
Others	<b>4227</b>	2001
	<u><b>22611</b></u>	<u>23433</u>
<b>SCHEDULE - 12: INCREASE (+)/DECREASE (-) IN STOCK</b>		
<b>CLOSING STOCK</b>		
Finished Goods	<b>32929</b>	9938
Work in Progress	<b>17474</b>	9300
Total	<u><b>50403</b></u>	<u>19238</u>
<b>OPENING STOCK</b>		
Finished Goods	<b>9938</b>	4686
Work in Progress	<b>9300</b>	8619
Total	<u><b>19238</b></u>	<u>13305</u>
	<u><b>31165</b></u>	<u>5933</u>
Less: Capitalised	<b>27766</b>	0
	<u><b>3399</b></u>	<u>5933</u>
<b>SCHEDULE - 13 : RAW MATERIALS CONSUMED</b>		
Opening Stock(including own cullet)	<b>22217</b>	31384
Add: Purchases	<b>321937</b>	257280
	<u><b>344154</b></u>	<u>288664</u>
Deduct: Closing Stock *	<b>68485</b>	22217
Consumption	<u><b>275669</b></u>	<u>266447</u>
Less: Capitalised	<b>29988</b>	<b>0</b>
	<u><b>245681</b></u>	<u>266447</u>
* ( Net of Provision for slow-moving inventory Rs.551 thousands)		
<b>SCHEDULE - 14 : PAYMENTS TO AND PROVISION FOR EMPLOYEES</b>		
Salaries,Wages , Bonus etc.*	<b>70747</b>	67712
Contribution to Provident , Gratuity Funds etc.	<b>4434</b>	7864
Staff Welfare Expenses	<b>7988</b>	6477
	<u><b>83169</b></u>	<u>82053</u>

\* Includes Commission to Managing Director Rs Nil (Pr.Yr 2763 thousands)

	Rs in thousands For The Year Ended 31st March, 2010	Rs in thousands For The Year Ended 31st March, 2009
<b>SCHEDULE-15: MANUFACTURING AND OTHER EXPENSES</b>		
Stores Consumed - Local	11398	13451
Stores Consumed - Imported	282	154
Packing Material Consumed	93788	89120
Power and Fuel	156643	150267
Repairs & Maintenance		
- Plant & Machinery	1829	2365
- Buildings	4246	2421
- Other Assets	1700	3395
Insurance	2480	2801
	<u>272366</u>	<u>263974</u>
<b>SCHEDULE-16: ADMINISTRATIVE AND OTHER EXPENSES</b>		
Rent	3559	3526
Rates & Taxes	419	305
Legal & Professional Charges	5766	5161
Director's Fees	335	285
Travelling and Conveyance Expenses (Incl. Directors' Travelling Rs. 1199 thousands, Pr. Yr. Rs 3479 thousands)	10788	11293
Motor Car Expenses	5578	4164
Vehicle Hire Charges	5131	5225
Printing & Stationery	1430	1271
Postage, Telegrams, Telephones & Telex	3080	2699
Auditor's Remuneration-Audit Fees (Incl. Service tax Rs. 87 thousands)	937	817
- Certification Fees	165	185
- Travelling & Out of Pocket Expenses	128	95
Tax Audit Fees	56	56
Other Expenses *	12546	10839
Loss on Sale /Discard of assets	258	102
Bank Charges	1247	941
Unrecoverable Debt/Balances written off	1248	41
	<u>52671</u>	<u>47005</u>
* Including Rs368 thousands for earlier years (Previous year Rs. 119 thousands). Other expenses includes Rs 50 thousands paid as Donation to Bhartiya Janta Party, a political party.		
<b>SCHEDULE -17 : SELLING AND DISTRIBUTION EXPENSES</b>		
Advertisement , Publicity & Sales promotion exps.	1174	557
Carriage Outward	123865	113455
Commission	1882	2426
Cash Discount	22910	25076
	<u>149831</u>	<u>141514</u>
<b>SCHEDULE - 18 : INTEREST</b>		
On Term Loans	2430	0
On Cash Credit	4202	1132
Others	11	22
	<u>6643</u>	<u>1154</u>

**SCHEDULE 19 : SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS**

**A) ACCOUNTING POLICIES**

1. Fixed assets are recorded at cost of acquisition (Net of Modvat) inclusive of related expenses thereon towards putting the assets into use.
2. Foreign Currency Assets and liabilities are converted at the rate prevailing on the last day of the accounting year and transactions completed during the year are accounted for at the then ruling rate.
3. Depreciation on all the fixed assets has been calculated at the SLM rates prescribed in Schedule XIV of the Companies Act, 1956 as per notification dated 16-12-1993 and on adjustments on account of foreign currency fluctuation is being calculated on residual life of respective fixed assets.
4. Income and Expenses are accounted for on accrual basis except interest on delayed payments which is accounted on receipt basis.
5. Investments are classified into current and long term investments. Current investments are stated at lower of cost and fair market value. Long term investments are stated at cost. A provision for diminution is made to recognize a decline, other than temporary, in the value of long term investment.
6. Inventories: are valued as under

Raw Materials	- At Cost
Own Cullet	- At Cost or net realisable value whichever is lower.
Stores and Spare Parts	- At Cost
Work in Progress	- At Cost
Finished Goods	- At Cost or net realisable value whichever is lower.
Traded Goods	- At Cost or net realisable value whichever is lower.
7. An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Profit & Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.
8. Sales are net of Sales tax, claims / returns, discounts & breakages.
9. Modvat on Raw Materials / Stores is credited to respective purchase account on accrual basis. Accordingly, inventory is valued at net of Modvat benefits.
10. Liability in respect of gratuity & leave encashment to employees is actuarially assessed as at the Balance Sheet date and the incremental /decremental liability arising on such valuation is provided for.
11. Interest and other costs in connection with the borrowing of the funds to the extent related / attributed to the acquisition / construction of qualifying fixed assets ready for its intended use are capitalised.
12. Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.
13. Lease rentals are expensed with reference to lease terms and other considerations.

**B) NOTES TO THE ACCOUNTS**

1. No provision for Income Tax/MAT has been made for the year in view of loss.
2. Contingent liabilities not provided for:-

	Rs. In thousands	
	2009-10	2008-09
a) Letters of Credit outstanding	29155	308104
b) Claims against the Company not acknowledged as debt	1209	1183
c) i) Excise matters relating to valuation in appeal before Supreme Court/ CESTAT From February 1999 to June 2007	88071	88071
Equivalent amount of penalty, interest & redemption fine	172270	172270
Excise amount on same basis till 31.3.2010.	51687	39209

The Company is legally advised that the disputed demands will not be sustained in view of various legal pronouncements in similar matters and subsequent judgment by CESTAT in own case for July 2006 to June 2007. Further a sum of Rs 80062 thousands paid under protest in respect of above disputed demand have been shown as advances recoverable.

d) Income tax matters in Appeals filed by the Company in respect of Assessment Years 1998-99 to 2001-02, 2003-04 to 2005-06 on account of disallowances/additions amounting to Rs 45762 thousands (previous year Rs 178835 thousands).	15554	60786
e) Appeal filed by the Company in Sales tax matter relating to purchase of fuel and Additional Tax for F.Y 2000-01, 2002-03 and 2004-05 Interest and penalty thereon.	29187	28789
	25897	25897
No liability is expected in view of judicial pronouncement by High Court in similar matter of other Companies.		
f) Bills discounted with banks (since realised Rs 3003 thousands)	3732	Nil
3. As per revised Accounting Standard-15 'Employee Benefits', the disclosure of Employee benefits as defined in the Accounting Standard are given below:		

**Defined Contribution plan:**

Contribution to defined contribution Plan, recognized as expense for the year are as under;

Particulars	2009-2010	Rs. In Thousands 2008-2009
Employer's Contribution to Provident Fund	5,632	4,965

The contribution to provident fund is made to respective Regional Provident Fund Managed by Provident Fund Commissioner and Gujarat Borosil Employees Provident Fund.

**Defined Benefit Plan:**

The Employees gratuity Fund Scheme is managed by Birla Sun Life Insurance Corporation. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognized in the same manner as the gratuity.

<u>Actuarial assumptions</u>	<b>Gratuity</b>	
Particulars	2009-2010	2008-2009
Mortality Table	1994-96	1994-96
Salary growth	5.00%	5.00%
Discount rate	7.50%	7.50%
<b><u>Amount recognised in the income statement</u></b>	<b>2009-2010</b>	<b>(Rs. in Thousands) 2008-2009</b>
Current service cost	1,374	1,268
Interest cost	851	930
Expected Return on Plan Assets	(1,090)	(1,048)
Net actuarial (gains)/losses recognised in the period	3,118	1,788
<b>Total</b>	<b>4,253</b>	<b>2,938</b>
<b><u>Movement in Present value of defined benefit obligation</u></b>		
<b>Particulars</b>		
Obligation at the beginning of the year	13,853	11,450
Current service cost	1,374	1,268
Interest cost	1,006	930
Actuarial (Gain)/loss on obligation	(572)	699
Benefits paid	(875)	(494)
<b>Obligation at the end of the year</b>	<b>14,786</b>	<b>13,853</b>

**Movement in Fair value of plan assets**
**Particulars**

Fair value at the beginning of the year	12,551	10,768
Expected Return on Plan Assets	1,090	1,049
Contribution	—	2,255
Actuarial gains/(losses)	2,545	(1,090)
Benefits paid	(875)	(494)
Fair value at the end of the year	<u>15,311</u>	<u>12,488</u>
<b>Expected returns on plan assets</b>	<b>9.0%</b>	<b>9.0%</b>

**Class of assets**
**Fair Value of Asset**  
(Rs. in Thousands)

	<b>2009-2010</b>	<b>2008-2009</b>
<u>Insurer Managed Fund</u>		
Birla Sunlife Insurance Corporation Ltd.	15,311	12,488
<b>Total</b>	<u>15,311</u>	<u>12,488</u>

**Amount recognised in the balance sheet**

(Rs. in Thousands)

	<b>2009-2010</b>	<b>2008-2009</b>
Present value of obligations at the end of the year	14,785	13,853
Less: Fair value of plan assets at the end of the year	15,311	12,488
Funded status	(526)	1,365
<b>Net liability/(Asset) recognized in the balance sheet</b>	<b>(526)</b>	<b>1,365</b>
<b>Unclaimed Liabilities</b>	<b>—</b>	<b>—</b>

**Leave Encashment (Unfunded):**

In accordance with revised AS-15 'Employee Benefits', the company has provided the liability on actuarial basis.

As per the actuarial certificate (on which auditors have relied), the details of the employees; benefits plan - Leave Encashment are:

**Particulars**
**Leave Encashment**
**Actuarial assumptions**
**Particulars**

	<b>2009-10</b>	<b>2008-09</b>
Mortality Table	1994-96	1994-96
Salary growth :-	5.00%	5.00%
Discount rate	7.50%	7.50%

(Rs. in Thousands)

	<b>2009-2010</b>	<b>2008-2009</b>
Amount recognised in the Profit & Loss statement		
Current service cost	894	960
Interest cost	133	116
Expected return on plan assets	Nil	Nil
Net actuarial (gains)/losses recognised in the period	(880)	(734)
<b>Total</b>	<u>147</u>	<u>342</u>

**Movement in present value of defined benefit obligation**
**Particulars**

Obligation at the beginning of the year	1,817	1,543
Current service cost	894	960
Interest cost	133	116
Actuarial loss on obligation	(880)	(734)
Benefits paid	(90)	(68)
<b>Obligation at the end of the year</b>	<u>1,874</u>	<u>1,817</u>

**Amount recognised in the balance sheet**

Present value of obligations at the end of the year	1,874	1,817
Less: Fair value of plan assets at the end of the year	Nil	Nil
Unfunded liability	1,874	1,817

**Unfunded liability recognised in the balance sheet**

	1,874	1,817
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- The Company has accounted for estimated credit, towards expected import benefit amounting to Rs.1043 thousands under the head raw materials in respect of import entitlements. Variation, if any on actual utilization of licenses will be dealt with in the accounts of that year.
- The estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 33285 thousands (net of advances of Rs.1476 thousands). Previous year Rs.386971 thousands (Net).
- An award was received in the arbitration matter with GAIL India Ltd. involving disputes regarding i) revision in Capital cost of pipe line by Rs 2334 thousands and consequent higher transportation charges; and ii) additional transportation charges from January, 1997 under the supplementary agreement for additional quantity of Gas which was not recognized as income as the award was not accepted by GAIL. However as a part of revision in transportation/compression charges done by GAIL for various customers, a sum of Rs 38546 thousand has been received by the Company in the F.Y 2007-08 which was shown as exceptional income. The balance relief as per award has not been accounted as GAIL has disputed the matter in court.
- The Company has not received information from creditors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure relating to amount unpaid at the end of the year under this act has not been given. There were no claims for interest on delayed payments.
- Related party disclosures under accounting standard 18 :

**(A) List of related parties:**
**Associate Companies**

- Borosil Glass Works Ltd.
- Window Glass Ltd.
- Swapan Properties Ltd.
- Fennel Investment & Finance Pvt. Ltd.
- Broadfield Holdings Ltd.
- Sonargaon Properties Pvt. Ltd.
- Gujarat Fusion Glass Ltd.
- Vyline Glass Works Ltd.
- Borosil International Ltd.

**Key Managerial Personnel**

Mr B.L.Kheruka, Managing Director  
Mr. Ashok Jain, Whole-time Director

**Other parties related to Key Personnel**

Mrs Kiran Kheruka

**(B) Transactions with Related Parties:**

			Rs in thousands	
			1.4.09 TO 31.03.10	1.4.08 TO 31.03.09
1	Reimbursement of expenses from	Borosil Glass Works Ltd.	10	2094
		Vyline Glass Works Ltd.	107	215
2	Amount receivable	Borosil Glass Works Ltd.	529	1163
		Window Glass Ltd.	1901	8110
		Vyline Glass Works Ltd.	1060	622
3	Purchase of goods from	Borosil Glass Works Ltd.	353	162
		Window Glass Ltd.	433	—
	Reimbursement of expenses to	Borosil Glass Works Ltd.	135	600
		Vyline Glass Works Ltd	316	8
	Purchase of fixed Assets from	Borosil Glass Works Ltd	—	602
		Window Glass Ltd.	—	1425
		Sonargaon Properties Pvt.Ltd	297	—
4	Inter Corporate Loans given to	Borosil Glass Works Ltd.	50000	121500
		Vyline Glass Works Ltd	2400	8850
		Borosil International Ltd	5	170

5	Inter Corporate Loans repayment received from	Borosil Glass Works Ltd. Vyline Glass Works Ltd Borosil International Ltd	73151 2541 88	194700 14000 ---
6	Inter Corporate Loans outstanding from incl interest thereon	Borosil Glass Works Ltd. Vyline Glass Works Ltd. Borosil International Ltd	— 48354 8103	19766 43088 7308
7	Investment made in Preference shares	Gujarat Fusion Glass Ltd.	30000	30000
8	Sale of goods to	Window Glass Ltd. Vyline Glass Works Ltd	88200 637	112039 —
9	Office Rent/Maint. charges paid to	Window Glass Ltd.	228	228
10	Interest Income on loans	Borosil Glass Works Ltd. Vyline Glass Works Ltd. Borosil International Ltd	3385 5406 878	9066 4342 793
11	Managerial Remuneration	B.L.Kheruka- CMD Ashok Jain- WTD	2892 2431	5662 2143
12	Rent paid Lease Rent	Mrs Kiran Kheruka Sonargaon Properties Pvt.Ltd. Borosil Glass Works Ltd.	1200 3 10	1200 1 —
13	Deposit given for accommodation	Mrs Kiran Kheruka	16574	17610

9. The Company has started commercial production of low iron textured glass w.e.f 16<sup>th</sup> March, 2010. Hence the profit and loss account has been prepared incorporating operations of new plant from 16<sup>th</sup> March to 31<sup>st</sup> March, 2010.

10. Break of Trial production loss is as under:

	Rs. in thousands
Expenditure	
Salaries & Wages	1243
Power & fuel	37822
Insurance	22
Repairs & maintenance	135
Stores consumed	433
Raw materials consumed	29988
Packing materials consumed	5059
Excise duty on sales	2364
Selling & distribution expenses	3392
Administrative expenses	2399
Total	82857
Less : Sale of Trial production	23354
Stock Increase	27766
Other Income	26
Net Loss	31711

Note: The expenses/income appearing in the profit and loss account are net of above

11. Expenditure during construction period pending allocation:

	2009-10 (Rs. in thousands)	2008-09 (Rs. in thousands)
Balance brought forward	21913	24437
Salaries & Wages	3546	370
Staff Welfare	409	—
Power & Fuel-Electricity charges	1375	38
Insurance	764	—
Rent	103	221
Rates & Taxes	0	54
Bank charges	-245	6073
Legal & Professional Charges	5496	1352
Travelling and Conveyance Expenses (Incl. Directors' Travelling Rs.3724 thousands, Pr. Yr. Rs 1255 thousands)	6847	3461
Advertisement , Publicity & Sales promotion exps.	1337	—
Other Expenses	1252	142
Interest on Term loans	37062	Nil
Total	79859	36148

Add: Trial period loss (Refer note no.10 above)	31711	Nil
Total	111570	36148
Less: Allocated	111570	14235
Balance	Nil	21913
<hr/>		
12. Managerial Remuneration	<b>2009-10</b>	2008-09
	<b>(Rs.in thousands)</b>	(Rs.in thousands)
Managing Director's Remuneration		
Salary	2580	2580
Contribution to Provident Fund	310	310
Perquisites	2	9
Commission	—	2763
	2892	5662
Whole-time Director's Remuneration		
Salary	1500	1320
Contribution to Provident Fund	180	158
Perquisites	751	665
	2431	2143
Total	*5323	7805
* Excluding Gratuity / Leave encashment Liability on actuarial basis		
<u>Computation of net profit in accordance with Section 198 read with Section 309(5) of the Companies Act, 1956 :</u>		
	<b>2009-10</b>	(Rs.in Thousands) 2008-09
Profit/Loss before taxation	(13825)	104541
Add: Depreciation as per Accounts	55493	53327
Managerial Remuneration	5323	7805
Director's Sitting Fees	335	285
Loss on Sale of Fixed Assets (Net)	258	102
Provision for Diminution of Investment	—	188
Provision made for slow moving Raw Materials.	—	551
	47584	166799
Less: Depreciation as per Section 350 of The Companies Act, 1956	55493	53327
Prior period income (Net)	532	—
Profit on sale of investments	328	226
	(8769)	113246
Commission payable to Managing Director as per Terms of appointment as determined by Board of Directors	Nil	2763
In view of inadequacy of profit the remuneration paid to Managing Director and Whole-time Director is considered as minimum remuneration payable.		
13. Deferred tax liability as at 31 <sup>st</sup> March, 2010 comprise of the following:	<b>31.3.2010</b>	(Rs.in Thousands) 31.3.2009
(i) Liabilities		
Depreciation	200276	204618
Allowance U/S 43 (B) on Payment Basis	26363	26363
Total	226639	230981
(ii) Assets		
Disallowance U/S 43 (B) of Income Tax Act, 1961	2081	2242



Unabsorbed Depreciation		119016		119016
Total		121097		121258
(iii) Net Liability/(Asset) (i)-(ii)		105542		109723
14. Basic earning per share (Basic & Diluted)		<b>31.3.2010</b>		31.3.2009
Net Profit/(Loss) after Tax attributable to Equity Shareholders (Rs in thousand)		(9680)		68139
Weighted average No. of Equity Shares outstanding		68207500		68207500
Basic & Diluted Earning per Share (Rs.) (Nominal value Rs.5 per share)		(0.14)		1.00
15. The Company's business activity falls within a single primary business segment viz. Manufacture of Flat glass. As such, there are no separate reportable segments as per Accounting Standard 17.				
16. Details of Installed Capacity		<b>2009-2010</b>		2008-2009
I. Sheet Glass on 2 mm basis in Sq.mtrs.				
a) Installed Capacity		12500000		12500000
b) Actual Production		12208456		12154903
II. Low Iron Textured Glass on 2 mm basis in sq.mtrs.*				
a) Installed Capacity		7665000		Nil
b) Actual Production		765968 **		Nil
* Commercial production started on 16 <sup>th</sup> March, 2010.				
** Out of this 608610 Sq.mtrs was produced during trial period which is considered in working of trial period loss.				
17. Quantities and Value of Stocks, Purchase and Sales of Finished Goods (Sheet Glass)				
	Qty Sq.mtr	2009-2010 Value Rs in thousands	Qty. Sq mtr.	2008-2009 Value Rs in thousands
a) Opening Stock (actual Sq. mtrs.)				
Sheet Glass	76546	9938	41717	4686
Low Iron Textured Glass	—	—	—	—
		<u>9938</u>		<u>4686</u>
b) Closing Stock (actual Sq.mtrs.)				
Sheet Glass	102371	13904	76546	9938
Low Iron Textured Glass	178589	19025	—	—
		<u>32929</u>		<u>9938</u>
c) Sales* (Sq.mtrs. in 2 mm)				
Sheet Glass	12133583	868128	12071182	1029176
Low Iron Textured Glass	**503469	32546	—	—
		<u>900674</u>		<u>1029176</u>
* Net of Sales tax, Rebate, Quantity Discounts and Claims (incl. Provisions)				
** Of this 328823 Sq.mtrs sold for Rs 23354 thousands under trial period and considered in the working of trial period loss.				
18. Foreign Currency Transactions		<b>Rs.in thousands 2009-2010</b>		Rs.in thousands 2008-2009
i. value of Imports on CIF basis in respect of :				
a) Components & Spare Parts		57		128
b) Packing Material		465		Nil
c) Raw Material		41576		Nil
d) Glass Cullet		2734		Nil
e) Capital Items		334322		7907
ii. Expenditure in Foreign Currency (on payment basis):				
a) Travelling expenses		Nil		1259
b) C.W.I.P. -Projects				

Project items	4358	56079
Travelling	2320	695
Professional / Foreign technicians fees	34002	981
c) Interest on ECB	9608	Nil
d) Others	23	138
iii. Earnings in Foreign Exchange		
FOB Value of Exports	25046	14696

19. Quantitative details of raw materials which individually account for 10% or more of the total value of raw materials consumed:

	2009-2010		2008-2009	
	Qty.	Value	Qty.	Value
	M.T.	Rs.in thousands	MT	Rs.in thousands
Silica Sand	39835	26885	43640	27552
Quartz Sand	5181	20688	Nil	Nil
Soda Ash	12894	167521	11255	179657
Glass Cullet	11996	24217	10465	36018
Others		36358		23220
Total		275669		266447*
Less : Capitalised		29988		Nil
		245681		266447

\* (Includes Provision of Rs. 551 thousands)

20. Value of Imported and Indigenous Raw Material and Components consumed percentage of each to total consumption

	% age	2009-2010	% age	2008-2009
		Value Rs.in thousands		Value Rs.in thousands
a. Raw Material				
Imported	26.49	71405	—	—
Indigenous	73.51	204264	100.00	266447
	100.00	275669	100.00	266447
b. Stores Spares				
Imported	2.41	282	1.13	154
Indigenous	97.59	11398	98.87	13451
	100.00	11680	100.00	13605

21. Remittance in Foreign Currency on account of Dividend

	2009-10	2008-09
i) Number of Non Resident Shareholders (On repatriation basis)	1	2
ii) Number of Equity Shares held by them	1,13,00,000	1,13,00,200
iii) Amount of Dividend Paid, Gross (Rupees) (Tax deducted at source Rs Nil)	28,25,000	56,50,100
iv) Year to which dividend relates	2008-09	2007-08

22. Previous years figures have been regrouped and rearranged wherever necessary.

Signature to Schedules 1 to 19

As per our report annexed  
**For SINGHI & COMPANY**  
*Chartered Accountants*

For and on behalf of Board of Directors

**( Praveen Kr. Singhi )**  
*Partner*

**B.L. Kheruka**  
*Chairman & Managing Director*

Mumbai :  
Dated : 29<sup>th</sup> May, 2010

**Arun Kumar**  
*Company Secretary*

**Ashok Jain**  
*Whole time Director & CFO*

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE****I. REGISTRATION DETAILS**

Registration No. : 11663 State Code : 04  
Balance Sheet Date : 31<sup>st</sup> March, 2010

**II. CAPITAL RAISED DURING THE YEAR**

(Amount in Rs. Thousands)

Public Issue : NIL Rights Issue : NIL  
Bonus Issue : NIL Private Placement : NIL

**III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS**

(Amount in Rs. Thousands)

Total Liabilities : 1660889 Total Assets : 1660889

Source of Funds

Paid - up Capital : 341038 Reserves & Surplus : 446557

Secured Loans : 767752 Unsecured Loans : NIL

Deferred tax liability : 105542

Application of Funds

Net Fixed Assets : 1324789 Investments : 30009

Net Current Assets : 306091 Misc. Expenditure : NIL

**IV. PERFORMANCE OF COMPANY**

(Amount in Rs. Thousands)

Turnover & Other Income : 848630 Total Expenditure : 862455

Profit / (Loss) before Tax : (13825) Tax : (4145)

Earning per Share in Rs. : ( 0.14) Dividend Rate % : 0

**V. GENERAL NAME OF PRINCIPAL PRODUCT OF THE COMPANY**

Item Code No.( ITC Code) : 70.04

Product Description : DRAWN SHEET GLASS

For and on behalf of the Board of Directors

**B.L. Kheruka**  
Chairman & Managing Director

Mumbai  
Dated : 29<sup>th</sup> May,2010

**Arun Kumar**  
Company Secretary

**Ashok Jain**  
Whole - time Director & CFO

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010**

	Rs in thousands For the year ended 31.03.2010	Rs in thousands For the year ended 31.03.2009
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax and extraordinary items	-7182	105695
Adjustment for :		
Depreciation	55493	53327
Foreign Exchange		
Investments (Diminution in value)		
Interest received	-11237	-17002
Dividend received	-22	-2977
Profit on sale of Investments	-328	-226
Miscellaneous Expenditure Written off		
Operating Profit before Working Capital Changes	36724	138817
Adjustment for :		
Trade & other receivables (Excl ICD's)	-65951	-52757
Inventories	-90739	4282
Trade Payables	145790	31632
Cash Generated from Operations	25824	121974
Direct taxes paid	-54	-33004
MAT Credit entitlement	0	8886
Cash Flow before Extraordinary Items	25770	97856
Extraordinary Items	0	0
Income / Exps relating to earlier years		
Previous Year Expenses		
Net Cash from Operating Activities	25770	97856
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchases of Fixed Assets	-768122	-231533
Sale of Fixed Assets	482	155
Acquisitions of Companies		
Purchase of Investments	10653	60392
Increase(-)/decrease in Intercompany deposits	14672	69026
Interest Received	11237	17002
Profit on sale of Investments	328	226
Dividend Received	22	2977
Net Cash used in Investing Activities	-730728	-81755
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of Share Capital		
Increase in reserves		
Proceeds from Long Term Borrowings (net)	672703	
Proceeds from Unsecured loan		
Increase/(decrease) in Bank Borrowings	47775	32515
Dividend paid	-19950	-39900
Interest Paid	-6643	-1154
Net Cash from Financing Activities	693885	-8539
Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)	-11073	7562
Cash & Cash Equivalents as at 01.04.2009 (Opening balance)	43834	36272
Cash & Cash Equivalents as at 31.03.2010 (Closing balance)	32761	43834

- Notes: 1. Previous year figures have been regrouped/rearranged wherever necessary.  
2. Negative sign indicates cash outflow.  
3. The above cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard (AS-3) on Cash Flow Statement.

As per our report annexed  
**For SINGHI & COMPANY**  
Chartered Accountants

**(Praveen Kr. Singhi)**  
Partner  
Mumbai  
Dated : 29<sup>th</sup> May, 2010

**Arun Kumar**  
Company Secretary

For and on behalf of the Board of Directors

**B.L. Kheruka**  
Chairman & Managing Director

**Ashok Jain**  
Whole-time Director & CFO