

**BOARD OF DIRECTORS**

B. L. Kheruka - Chairman

P. K. Kheruka - Vice Chairman

Shashi Mehra

Jagdish Joshi

Ashok Jain - Whole-time Director

Ashok Kumar Doda

Raj Kumar Jain - Alternate Director to Jagdish Joshi  
(from 10.05.11 to 22.06.11)

**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

**REGISTRAR & TRANSFER AGENTS**

Universal Capital Securities Pvt. Ltd.  
(Formerly known as 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

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**NOTICE**

Notice is hereby given that the Twenty-Third 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 Tuesday, the 14<sup>th</sup> August, 2012 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, 2012 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. Ashok Jain, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Ashok Kumar Doda, 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.

Place : Mumbai  
Date : 24<sup>th</sup> May, 2012

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) Pursuant to Clause 49 of the Listing Agreement, the relevant details in respect of Item Nos. 2 & 3 set out above are annexed hereto and forms part of this Notice.
- (3) The Register of Members and Share Transfer Books of the Company will remain closed from 8<sup>th</sup> August, 2012 to 14<sup>th</sup> August, 2012 (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. Universal Capital Securities Pvt. Ltd., Unit : Gujarat Borosil Ltd., 21, Shakil Niwas, Mahakali Caves Road, Andheri (East), Mumbai - 400 093, quoting their folio number(s).
- (5) Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, dividends which remain unclaimed for a period of 7 years from the date of transfer to Unpaid Dividend Account are to be transferred to the 'Investor Education and Protection Fund' established by the Government. In terms of the provisions of Section 205C of the Companies Act, 1956, no claim shall lie against the Company or the said fund after the said transfer.

**All members who have either not received or have not encashed their dividend warrants for the financial years 2004-05, 2005-06, 2006-07, 2007-08 and 2008-09 are requested to approach the Company's Registrar & Transfer Agent viz. Universal Capital Securities Private Limited (formerly known as Mondkar Computers Pvt. Ltd.), immediately for claiming their unpaid dividends, if any.**

*During the financial year 2012-13, the Company is required to transfer the unpaid/ unclaimed dividend for the financial year 2004-05 to Investor Education and Protection Fund (IEPF). The due date for transferring the unpaid Final dividend for the financial year 2004-05 is in August, 2012.*

- (6) The Ministry of Corporate Affairs ("MCA") has taken a 'Green Initiative in Corporate Governance', allowing paperless compliances by companies and has issued a circular to this effect on April 21, 2011 stating that the service of documents/notices by a company can be made through electronic mode.

With a view to participate in the initiative, we request that you may provide your e-mail address, if you wish to receive the documents/notices etc., through electronic mode. You may please send us your e-mail address stating clearly your name, folio no. if you are holding shares in physical form / DP Id & Client Id if you are holding shares in dematerialized form to:-

"investor.relations@gujaratborosil.com"

However, please note that, as a member of the Company, you will be entitled to receive, free of cost, a printed copy of the Annual Report/other documents of the Company, upon receipt of a requisition from you, at any time.

- (7) 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. Ashok Jain	Mr. Ashok Kumar Doda
Date of birth	21 <sup>st</sup> February, 1958	5 <sup>th</sup> November, 1946
Date of appointment	3 <sup>rd</sup> January, 2003	9 <sup>th</sup> November, 2010
Expertise in specific Professional areas	Chartered Accountant. 31 years in Corporate Sector	Corporate Finance, Project Appraisal, Infrastructure Financing, Power Projects, Venture Capital, Investment, Corporate Management and Corporate M&A.
Qualifications	B.com., FCA, ACS	B.Tech (Honors) from IIT, Mumbai Middle Management course from IIM, Ahmedabad
List of other Indian Public Limited Companies in which Directorship held	NIL	1 IL&FS Renewable Energy Limited 2 Sakuma Exports Limited
Chairman/Member of the Committee of Board of other Public Limited Companies	NIL	<b>Investor Grievance Committee:</b> Sakuma Exports Limited - Chairman <b>Audit Committee:</b> 1 IL&FS Renewable Energy Limited - Chairman 2 Sakuma Exports Limited - Member <b>Remuneration Committee:</b> IL&FS Renewable Energy Limited - Member
Equity Shares held in the Company as on 24.05.2012	NIL	NIL

Place : Mumbai  
Date : 24<sup>th</sup> May, 2012

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-Third Report and Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2012.

**FINANCIAL RESULTS**

The financial results for the year ended 31<sup>st</sup> March, 2012 are given below :

(₹ in Lacs)

	<b>Year Ended 31.03.2012</b>	<b>Year Ended 31.03.2011</b>
Net revenue from operations	<b>7909.50</b>	9266.46
Profit/(Loss) before interest, depreciation and tax	<b>(575.34)</b>	(614.57)
Interest	<b>1155.41</b>	810.62
Depreciation	<b>1390.10</b>	1325.86
Net Profit/(loss) before tax	<b>(3120.85)</b>	(2751.05)
Provision for Taxation (Net)	<b>0.25</b>	0.30
Income Tax for earlier years (net)	<b>56.86</b>	89.13
Provision for deferred tax liability /(Asset) created	<b>(1066.04)</b>	(948.96)
Profit/(loss) after tax	<b>(2111.92)</b>	(1891.52)
Add: Balance brought forward from last year	<b>30.20</b>	1921.72
Add: Set off of loss from General Reserve	<b>460.00</b>	---
Balance carried to the Balance Sheet	<b>(1621.72)</b>	30.20

**DIVIDEND**

Your Directors do not recommend any dividend for the year ended 31<sup>st</sup> March, 2012 in view of loss incurred during the year.

**PERFORMANCE****Sheet Glass**

The furnace was cooled down on 28<sup>th</sup> July, 2010 and it was decided not to renew the same for making sheet glass. Net revenue from operations for 2010-11 included ₹ 2639.38 lacs (Nil in 2011-12) on account of sale of sheet glass.

The surplus workmen of this plant have disputed the Company's decision to go for partial closure and Company's appeal is pending for decision by the Gujarat High Court. In the meanwhile, the overheads of this plant continue which affected the overall performance.

**Solar Glass**

The Low Iron Solar Glass Furnace of the Company first of its kind in the country was successfully commissioned last year on 16<sup>th</sup> March, 2010.

The Solar glass market worldwide has gone through upheavals in the last 15 months and the prices of modules and components have all crashed. The solar glass prices too crashed by almost 35% compared to 2010-11 thereby not only eroding the margins completely but also causing huge losses. Similar trend persisted in the domestic market also.

On the other hand, one of the major buyers who bought glass in huge quantities in 2010-11 did not use the glass and later raised claims on account of price drop as also quality. The customer withheld payments. Finally after examining all the claims and protracted negotiations through discussions the claim has been settled which caused additional losses to the Company.

The top 3 solar module markets i.e. Germany, Italy and Spain continue with slow down leading to closure of many units across the globe. The steps announced in the first quarter of 2011-12 by Italian Government were found short in stabilization of the solar market. The overcapacity has further gone up in view of new facilities commissioned in 2011-12 particularly in China. The demand is slightly up but the selling prices remain under pressure due to overcapacity. The company has been focusing on the domestic market and is now supplying to almost all the Indian consumers of solar glass. The production improvements made over last one year have led to improvement in quality of both Annealed and Tempered Glass and the company has seen no significant further claims on the supplies made in 2011-12.

The company is taking a series of steps to increase tempering production, further strengthen quality checks and reduce costs which will arrest the losses and improve working from the 2nd quarter onwards.

#### **DIRECTORS**

The Board of Directors of the Company appointed Mr. Raj Kumar Jain as an Alternate Director to Mr. Jagdish Joshi during the later's stay abroad and Mr. Jain held office from 10th May, 2011 to 22<sup>nd</sup> June, 2011.

Mr. Ashok Jain and Mr. Ashok Kumar Doda 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.

#### **ISSUE OF PREFERENCE SHARES & INCREASE IN AUTHORISED CAPITAL**

In order to reduce its debt liability, during the year, the Company issued fresh Capital by way of issue of 90,00,000 - 9% Cumulative Non-Convertible Redeemable Preference Shares of ₹ 100/- each, at par, through private placement, to the Promoter Company, Borosil Glass Works Limited for a sum of ₹ 90 crores. In order to do so, the Authorised Capital was increased from ₹ 50 Crores to ₹ 140 Crores by creating 90,00,000 Preference Shares of ₹ 100/- each. Since privately placed, the said Preference Shares are not listed on any Stock Exchange.

The Company has used the entire funds raised by issue of aforesaid Preference Shares in repayment of inter-corporate deposits/ loans as per stated objects of the said Issue. The Audit Committee of Board of Directors of the Company has taken note of the said utilization of funds as aforesaid.

#### **MANAGEMENT DISCUSSION & ANALYSIS REPORT**

##### **A. INDUSTRY STRUCTURE AND DEVELOPMENTS**

The Company is engaged in low iron solar glass production for application in solar power sector. Until 2010, Solar PV market internationally has seen high growth. In India, this is gaining momentum in view of favorable Policy announcements made by the Government of India and holds huge growth potential. A number of new plants for PV Modules/Solar energy have been set up and more are in pipeline holding attractive possibility for growth.

The Company had last year decided to discontinue production of sheet glass and the furnace has not been renewed.

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

- > The Company enjoys first mover advantage in the solar glass sector and is in a position to seize the growing opportunity in the sector in domestic market. The Company will constantly watch the situation and enhance its capability to cater to growing market.

**THREATS**

- > Frequent fluctuation in the international market due to Government policies and Oil prices swings the demand for PV modules and consequently the solar glass requirement. The selling prices also keep fluctuating on account of this.
- > Despite impetus provided by the Government by announcing policies there is a slower than expected growth in implementation and there is a considerable time lag in approval of proposals by respective state governments to set up solar power plants. This may cause delays in the growth.

**C. SEGMENTWISE OR PRODUCTWISE PERFORMANCE**

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

**D. OUTLOOK**

The growth of solar energy in the Country is expected to accelerate which will require huge quantity of low iron glass. The solar 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 Government approval to the solar power projects should be expedited if the Country has to achieve plans to produce solar energy. The continued pressure to quote lower prices for electricity to get Government allocations is leading to lower prices for input/component manufacturers thereby making them vulnerable which will affect health of the Industry.

There are imports of solar glass and Modules from China in view of overcapacity and lower international demand. The Chinese producers resort to dumping which put added pressure on domestic prices. There is an urgent need to take measures to curb dumping.

**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 working has resulted in a loss before interest and depreciation of ₹ 575.34 lacs during the year as against a loss of ₹ 614.57 lacs in the previous year. The working was adversely affected due to substantially lower selling prices, overheads of sheet glass plant, under-utilization of solar glass capacity and quality problems on shipments in 2010-11.

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

As reported last year, after cooling down sheet glass furnace, the Company offered Voluntary Retirement Scheme (VRS) to its employees/workmen. Thereafter, the Company initiated partial closure of PPG plant for which the application for permission was made to the Labour Commissioner

followed by appeal before, Industrial Tribunal and the High court of Gujarat respectively. At present, the matter is pending for hearing before the Hon'ble High Court of Gujarat.

The Settlement with worker's union expired on 31<sup>st</sup> December, 2009 and a new settlement is pending.

Number of people employed as on 31<sup>st</sup> March, 2012 were as under:

Staff :	187
Workers:	239 (Excluding contract labour)

The industrial relations continued to be cordial notwithstanding above-mentioned court case.

### **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, 2012.

### **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**

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. As per provisions under Section 224(1-B) of the Companies Act, 1956, a written certificate has been obtained by the Company from the Auditors stating that if they are re-appointed as Auditors of the Company, such re-appointment would be within the limits specified in Section 224(1-B) of the Companies Act, 1956.

### **COST AUDITOR AND COST AUDIT REPORT**

Pursuant to Section 233B(2) of the Companies Act, 1956 read with Order F.No.52/26/CAB-2010 dated 30<sup>th</sup> June, 2011 issued by the Ministry of Corporate Affairs, the Board of Directors on the recommendation of the Audit Committee had appointed M/s. Kailash Sankhlecha & Associates, Cost Accountant, 414, Saffron Complex, opp. Indian Airlines Office, Fatehgunj, Vadodara - 390 002, as Cost auditor of the Company for the Financial Year 2011-12 and again on recommendation of Audit Committee, the Board of Directors at their meeting held on 24<sup>th</sup> May, 2012, has, subject to approval of Central Government, re-appointed, M/s. Kailash Sankhlecha & Associates as Cost Auditor for the Financial Year 2012-13.

M/s. Kailash Sankhlecha & Associates has confirmed that their appointment, is within the limits of the Section 224 (1B) of the Companies Act, 1956 and has also certified that they are free from any disqualifications specified under section 233B(5) read with Section 224 sub section (3) and sub-section (4) of Section 226 of the Companies Act, 1956. The Audit Committee has also received a Certificate from the Cost Auditor certifying their independence and arm's length relationship with the Company.

Pursuant to The Companies (Cost Audit Report) Rules, 2011, the Cost Audit Report for the financial year 2011-12 shall become due for filing with the Central Government on 30<sup>th</sup> September, 2012. This report is under process and will be filed before due date. Further, as filing of said report was made mandatory to the glass industry only from 1<sup>st</sup> April, 2011, there was no requirement to file Cost Audit Report in respect of previous year.

**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**

There was no employee drawing remuneration to the extent as required to be disclosed under Section 217(2A) of the Companies Act, 1956 and rules thereunder, as amended.

**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 : 24<sup>th</sup> May, 2012

**B.L.Kheruka**  
Chairman



**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, 2012**

**FORM A**

	<b>01.4.2011 to 31.3.2012</b>	<b>01.4.2010 to 31.3.2011</b>
<b>CONSERVATION OF ENERGY</b>		
<b>Power and Fuel Consumption</b>		
<b>1. Electricity</b>		
a. Purchased		
Unit (Kwh)-Gross	<b>5422590</b>	9554703
Less: Generated from Wind farm	<b>-2440106</b>	-2084370
Net purchased power	<b>2982484</b>	7470333
Total Amount (₹ in lacs)	<b>355.95</b>	564.87
Rate/Unit	<b>6.56</b>	5.91
b. Own Generation		
i. Through Diesel Generator		
Unit (Kwh)	<b>728517</b>	39640
Kwh/Ltrs of Diesel Oil	<b>2.83</b>	3.35
Cost/Unit	<b>15.37</b>	12.63
ii Through Wind Turbine		
Unit	<b>2440106</b>	2084370
Cost/Unit	<b>0.69</b>	0.91
iii Through Gas Genset		
Unit	<b>7651608</b>	Nil
Cost/Unit	<b>3.81</b>	NA
<b>2. Furnace Oil/LSHS</b>		
Quantity (KL)	<b>Nil</b>	1988
Total Cost (₹ in lacs)	<b>Nil</b>	499.66
Average Rate/KL	<b>Nil</b>	25128
<b>3. Natural Gas/RLNG</b>		
Quantity (SCM)	<b>9790535</b>	10957164
Total Cost (₹ in lacs)	<b>827.17</b>	847.54
Average Rate/SCM	<b>8.45</b>	7.74
<b>4. Consumption per Sq.mtr. of Production of Company's Products on 2 mm basis</b>		
Natural Gas/RLNG (SCM)	<b>2.19</b>	2.16
L.P.G. (Gms)	<b>Nil</b>	Nil
Furnace Oil/LSHS (Ltrs.)	<b>Nil</b>	0.39
Electricity (Kwh)	<b>1.21</b>	1.88

**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 not introduced any new technology during the year.

**FOREIGN EXCHANGE EARNINGS AND OUTGO**

Regarding details of foreign exchange earnings and outgo, please refer Note Nos. 40 & 42 to the Financial Statements for the year ended 31<sup>st</sup> March, 2012.

**For and on behalf of the Board of Directors**

Place : Mumbai  
Date : 24<sup>th</sup> May, 2012

**B.L. Kheruka**  
Chairman

**Corporate Governance Report**

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

**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, 2012, the Company had six Directors on the Board out of which 5 were Non-executive Directors, which is much higher than the minimum requirement of 50% as per Listing Agreement. Out of these six directors, three were Independent Directors.

The Company's Board now comprises of one Whole-time Director and Five Non-Executive Directors (NEDs). None of the Non-Executive Directors have any material pecuniary relationship or transactions with the Company.

**(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. The NEDs are paid remuneration by way of sitting fees for each meeting of the Board and its Committees attended by them.

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

(i) Number of Board Meetings:

The Board met five times on the following dates during the financial year 2011-2012:

27<sup>th</sup> May, 2011, 27<sup>th</sup> June, 2011, 13<sup>th</sup> August, 2011, 11<sup>th</sup> November, 2011 and 4<sup>th</sup> February, 2012.

**Directors' attendance record and directorships held:**

Name	Category	No. of Board Meetings Attended	Whether Last AGM held on 23 <sup>rd</sup> Aug., 2011 attended	No. of Directorships held in other Indian Public Limited Companies	No. of Committee Positions held in other Indian Public Limited Companies*	
					Chairman	Member
As prescribed in the explanation under Clause 49(1)(c) of the Listing Agreement						
Mr. B.L. Kheruka	Chairman Non-Executive	5	Yes	6	-	1
Mr. P.K. Kheruka	Vice Chairman Non-Executive	4	No	6	-	2
Mr. Shashi Mehra	Independent Non-Executive	5	Yes	-	-	-
Mr. Jagdish Joshi	Independent Non-Executive	4	Yes	-	-	-
Mr. Ashok Jain	Whole-time Director Executive	5	Yes	-	-	-
Mr. Ashok Kumar Doda	Independent Non-Executive	4	Yes	2	2	1
Mr. Raj Kumar Jain (Alternate Director to Mr. Jagdish Joshi from 10 <sup>th</sup> May, 2011 to 22 <sup>nd</sup> June, 2011)	Independent Non-Executive	1	N.A.	-	-	-

\* 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 Whole-time 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, 2012 comprised of three members all being Non-Executive Directors. Mr. P.K. Kheruka is a non-independent director and all others are independent directors.

Mr. Shashi Mehra - Chairman  
Mr. P.K. Kheruka  
Mr. Jagdish Joshi  
Mr. Raj Kumar Jain - Alternate Director to Jagdish Joshi  
(from 10.05.11 to 22.06.11)

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

Apart from the members of Audit Committee, generally, meetings are also attended by Chief Financial Officer (Whole-time Director) and Company Secretary. Representatives of Internal Auditors and Statutory Auditors are invited to the meetings.

The Company Secretary acts as the Secretary to the Committee.

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

The Committee met four times during the financial year ended on 31<sup>st</sup> March, 2012 on the following dates:

27<sup>th</sup> May, 2011, 13<sup>th</sup> August, 2011, 11<sup>th</sup> November, 2011 and 4<sup>th</sup> February, 2012.

Mr. Shashi Mehra was present in all the four meetings, Mr. P.K. Kheruka and Mr. Jagdish Joshi were present in three meetings and Mr. Raj Kumar Jain, who was alternate Director to Mr. Jagdish Joshi was present in one meeting.

**(C) Role and Terms of reference of Audit Committee:**

1. To review the quarterly financial results of the Company before submission to the Board.
2. Recommending to the Board, the appointment, re-appointment, replacement or removal of the statutory auditor, Internal Auditor and Cost Auditor and the fixation of audit fees/remuneration.
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) Look into matters pertaining to the Directors' Responsibility Statement with respect to compliance with Accounting Standards and accounting entries.
  - b) Major accounting entries and reviewing changes, if any, in accounting policies and practices.
  - c) Significant adjustments made in the financial statements arising out of audit findings.
  - d) Compliance with listing and other legal requirements relating to financial statements.
  - e) Disclosure of any related party transactions.
  - f) Qualifications in the draft audit report.

5. Review of the statement of uses / application of funds raised through an issue and to make sure the funds utilized are as per objects stated for the said Issue.
6. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal audit function and internal control systems.
7. Discussion with internal auditors any significant findings and follow up there on.
8. 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.
9. Approval of appointment of CFO after assessing the qualifications, experience & background, etc. of the candidate.
10. To investigate and obtain Expert advice on any activity within its terms of reference.
11. To look into substantial defaults, if any.
12. Such other functions as may be decided by the Board of Directors from time to time.

It may be clarified that the power, role and review 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.

### **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) Proceeds from Preferential issue**

The Company has made an issue of 90,00,000 - 9% Cumulative Non-Convertible Redeemable Preference Shares of ₹ 100/- each at par, through private placement, to the Promoter Company, Borosil Glass Works Limited for a sum of ₹ 90 crores. The Company has used the entire funds raised by issue of aforesaid Preference Shares in repayment of inter-corporate deposits/ loans as per stated objects of the said Issue. The Audit Committee of Board of Directors of the Company has taken note of the said utilization of funds as aforesaid.

#### **(E) Remuneration of Directors**

The Board of Directors has constituted a Remuneration Committee. The said Committee met on 27<sup>th</sup> June, 2011 during the financial year 2011-2012, to decide remuneration of Mr. Ashok Jain.

Composition of Committee:

Mr. Jagdish Joshi - Chairman

Mr. Shashi Mehra

Mr. Ashok Kumar Doda

The said Meeting was attended by all three Directors.

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 2011-2012 Sitting fees for attending Meetings of Board and/or Committee thereof Gross Amount (in ₹)</b>
(A) Mr. B.L. Kheruka	1,00,000
Mr. P.K. Kheruka	1,20,000
Mr. Shashi Mehra	1,00,000
Mr. Jagdish Joshi	1,30,000
Mr. Ashok Doda	50,000
Mr. Raj Kumar Jain	20,000
<b>Sub Total</b>	<b>5,20,000</b>
(B) Mr. Ashok Jain (Whole-time Director)	
Salary	20,40,000
Perquisites	10,38,000
Contribution to P.F	2,44,800
<b>Sub Total</b>	<b>33,22,800</b>
<b>Total</b>	<b>38,42,800</b>

**Notes:**

- The Company does not pay bonus; pension or any incentive to the Whole-time Director.
- For termination of employment, the Company, Whole-time Director are required to give a notice of 3 months or salary of three months in lieu thereof.
- The Company has so far not issued any stock option to the 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 in clause 49 IV (F) forms part of the annual report.

**(G) Shareholders**

- Details about Directors: Relevant details of Directors proposed to be appointed/ reappointed are being furnished in the Notice convening the Annual General Meeting to be held on 14<sup>th</sup> August, 2012 being sent alongwith the Annual Report.
- Quarterly results, Shareholding Pattern and other reports as directed by Clause 54 are regularly made available on Company's website: [www.gujaratborosil.com](http://www.gujaratborosil.com).
- 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 five times during the financial year ended on 31<sup>st</sup> March, 2012 on the following dates:

27<sup>th</sup> May, 2011, 1<sup>st</sup> July, 2011, 16<sup>th</sup> September, 2011, 4<sup>th</sup> November, 2011 and 31<sup>st</sup> January 2012.

Mr. B. L. Kheruka and Mr. P. K. Kheruka were present in all the five meetings, Mr. Ashok Jain and Mr. Jagdish Joshi was present in four meetings.

All share transfer applications received upto 31<sup>st</sup> March, 2012 have been processed in time.

During the year ended on 31<sup>st</sup> March, 2012, the Company received 16 complaints and 180 other correspondence from the shareholders/investors, which were suitably resolved or replied, except one complaint, which remained pending as on the said date.

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. During the year 'Allotment Committee of Preference Shares' of Board of Directors was constituted for allotment of Preference Shares. The Committee met on 17<sup>th</sup> March, 2012 for allotment of Preference Shares to Borosil Glass Works Limited and was dissolved thereafter.

#### **V. CEO/CFO Certification:**

A certificate from Whole-time Director (who is head of Financial functions also), on the financial statements of the Company was placed before the Board. The Company is yet looking out for a new CEO, consequent upon relinquishment of the said position by Mr. B.L. Kheruka.

#### **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
2011-2012	Regd. Office - Village- Govali, Taluka- Jhagadia, Dist.-Bharuch 393 001, Gujarat	EGM	12 <sup>th</sup> March, 2012	Monday	10.00 a.m.	2
2010-2011	- do -	AGM	23 <sup>rd</sup> August, 2011	Tuesday	10.00 a.m.	2
2009-2010	- do -	AGM	26 <sup>th</sup> July, 2010	Monday	10.00 a.m.	Nil
2008-2009	- do -	AGM	20 <sup>th</sup> August, 2009	Thursday	10.00 a.m.	Nil

None of the Resolutions were put through postal ballot and no resolution is proposed to be conducted through Postal Ballot at the ensuing Annual General Meeting.

**IX. Means of communication**

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 Company's website i.e. [www.gujaratborosil.com](http://www.gujaratborosil.com) in terms of Clause 54 of the Listing Agreement.

**X. General shareholder Information**

Annual General Meeting

Date and time	:	14 <sup>th</sup> August, 2012 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, 2012 Second quarter - 2 <sup>nd</sup> week of November, 2012 Third quarter - 2 <sup>nd</sup> week of February, 2013 Fourth quarter - 4 <sup>th</sup> week of May, 2013 & Annual
Date of book closure	:	8 <sup>th</sup> August, 2012 to 14 <sup>th</sup> August, 2012(both days inclusive)
Listing on Stock Exchange & Stock Code	:	Bombay Stock Exchange Limited - 523768

Note: Annual Listing fee for the year 2012-13 has been paid to Bombay Stock Exchange Ltd.

Demat ISIN in NSDL and CDSL : INE059C01022



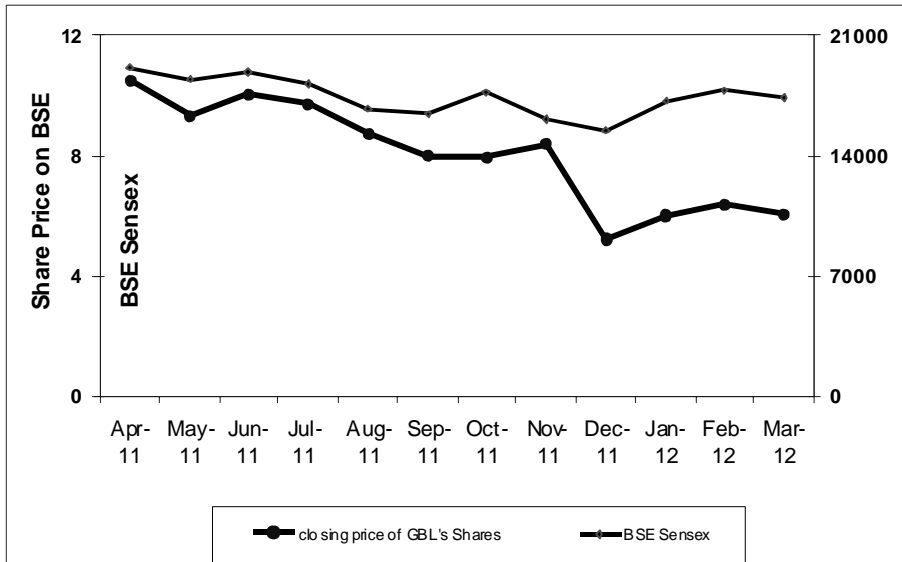
**Market price data**

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

Month	Highest (₹)	Lowest (₹)	Volume of shares traded
April, 2011	12.11	09.76	1,52,243
May, 2011	10.90	08.91	73,128
June, 2011	14.10	08.90	6,47,611
July, 2011	10.95	09.64	1,10,874
August, 2011	9.94	7.80	1,23,153
September, 2011	9.15	7.90	84,803
October, 2011	8.41	7.11	98,255
November, 2011	8.40	7.00	54,419
December, 2011	8.44	4.86	1,60,164
January, 2012	7.10	5.03	1,11,320
February, 2012	6.99	5.72	1,42,031
March, 2012	7.08	5.90	2,63,168

The paid up value of equity shares of the Company is ₹ 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 - Universal Capital Securities Pvt. Ltd. (formerly known as 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, 2012**

No. of equity shares held	No. of Shareholders		Shares	
	Nos.	Percentage	Nos.	Percentage
Upto 500	45842	93.45	6367122	9.33
501 to 1000	1776	3.62	1558378	2.29
1001 to 2000	722	1.47	1165719	1.71
2001 to 3000	278	0.57	712476	1.04
3001 to 4000	96	0.19	348641	0.51
4001 to 5000	117	0.24	560258	0.82
5001 to 10000	117	0.24	885328	1.30
10001 & above	106	0.22	56609578	83.00
<b>Total</b>	<b>49054</b>	<b>100.00</b>	<b>68207500</b>	<b>100.00</b>

**Categories of shareholders****As on 31<sup>st</sup> March, 2012**

	No. of folios	No. of shares	Percentage
- Resident Individuals	48711	14108762	20.69
- Promoters			
- Indian Promoters	02	39822376	58.38
- Foreign Promoters	01	11300000	16.57
- Banks, Financial Institutions, Insurance Companies (Central/ State Govt. Institutions/Non-Govt. Institutions)	04	49300	0.07
- Private Corporate Bodies	242	2764707	4.05
- Non Resident Individuals	58	71568	0.11
- Others (Shares in transit)	36	90787	0.13
<b>Total</b>	<b>49054</b>	<b>68207500</b>	<b>100.00</b>

**Dematerialisation of shares and liquidity**

As on 31<sup>st</sup> March, 2012, 6,35,41,251 equity shares representing 93.16 % of the Company's total paid-up equity capital had been dematerialized and the balance 46,66,249 equity shares representing 6.84% of the total equity capital of the Company were held in physical form. The Company's shares are regularly traded on Bombay Stock Exchange Ltd.

The Company issued 90,00,000 preference shares during the year on private placement basis, which are not listed on any Stock Exchange and are held in physical form.

**Plant Location**

Village - Govali

Taluka - Jhagadia

District - Bharuch-393 001.

Gujarat.

**Address for correspondence**

Shareholders correspondence may be addressed either to the Head Office at "Khanna Construction House", 44, Dr. R.G. Thadani Marg, Worli, Mumbai- 400018 or at the office of Registrar and Transfer agents of the Company - Universal Capital Securities Pvt Ltd. (formerly known as Mondkar Computers Pvt. Ltd)., Unit: Gujarat Borosil Ltd., 21, Shakil Niwas, Mahakali Caves Road, Andheri (East), Mumbai - 400093.

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**

The Chairman has been provided office in the Company's Registered/Head Office but he is not entitled to reimbursement of other expenses except some telephone bills.

As on date there is no independent Director having a term of office exceeding nine years on the Board of the Company. Nevertheless, the Company has not yet adopted the concept of limiting tenure of independent directors to an aggregate period of nine years.

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.

**3. Shareholders Rights**

The Company's results upto the quarter ended on March, 2012 are available on website [www.gujaratborosil.com](http://www.gujaratborosil.com). 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. Further, the said results are also available on the Company's website: [www.gujaratborosil.com](http://www.gujaratborosil.com).

**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, 2012.

**For Gujarat Borosil Limited**

Place: Mumbai  
Date : 24<sup>th</sup> May, 2012

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

**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, 2012, 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 there of, 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, 2012.

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.

9TH FLOOR, TWIN TOWERS,  
LOKHANDWALA COMPLEX,  
ANDHERI (W), MUMBAI - 400 053.  
MAHARASHTRA, INDIA  
DATED: 24<sup>TH</sup> DAY OF MAY, 2012

**FOR SINGHI & COMPANY**  
CHARTERED ACCOUNTANTS  
FRN 110283W

**(PRAVEEN KUMAR SINGHI)**  
PARTNER  
(M. No. 051471)

**AUDITORS' REPORT TO THE SHAREHOLDERS**

We have audited the attached Balance Sheet of GUJARAT BOROSIL LIMITED as at 31<sup>st</sup> March, 2012, the statement of Profit & Loss Account and the Cash Flow statement for the year ended on that date, annexed thereto, 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 the 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.

As required by the Companies (Auditors' Report) Order, 2003 as amended by the Companies Auditor's Report (Amendment) Order, 2004 issued by the Central Government of India in terms of Sub Section (4A) of Section 227 of the Companies Act, 1956, we enclose as Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred above, we report that:

- 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, statement of Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet, statement of Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards issued by the Institute of Chartered Accountants of India, to the extent applicable to the company, as referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
- e) On the basis of the written representation received from directors and taken on records by the Board of Directors, we report that none of the director is disqualified, as on 31<sup>st</sup> March, 2012 from being appointed as a Director in term of clause (g) of the Sub section (1) of Section 274 of the Companies Act, 1956; and
- f) In our opinion and to the best of our information and according to the explanations given to us, the said Accounts read together with the notes thereon and attached thereto, give the information required by the Companies Act, 1956 (as amended) 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, 2012;
  - ii) In the case of the statement of Profit & Loss Account, of the Loss of the Company for the year ended on that date; and
  - iii) In the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

**FOR SINGHI & COMPANY**  
CHARTERED ACCOUNTANTS  
FRN 110283W

9TH FLOOR, TWIN TOWERS,  
LOKHANDWALA COMPLEX,  
ANDHERI (W), MUMBAI - 400 053.  
MAHARASHTRA, INDIA  
DATED: 24<sup>TH</sup> DAY, OF MAY, 2012.

**(PRAVEEN KUMAR SINGHI)**  
PARTNER  
(M. No. 051471)

**ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE ON THE ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2012 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.  
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) In our opinion and according to the information, and explanations given to us, the procedure, followed by the management for physical verification of stock are 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 one Company in early year covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 9167 (In thousands) [P.Y. ₹ 56627 (In Thousand)] and the year-end balance of loan granted to such Companies was ₹ 9167 (In thousands) [P.Y. ₹ 8273 (In thousands)].  
b) In our opinion, the rate of interest and other terms and condition on which loans are given by the Company are not, prima facie, prejudicial to the interest of the Company.  
c) The terms of repayment of this loan/ICD has been extended by three years. No loan other than aforesaid loan has been granted to Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.  
d) The Company has taken loan from one party listed in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year in such transaction is ₹ 955296 (In thousands) [P.Y. ₹ 658473 (In thousands)] and the year-end balance of loan taken from such Companies was ₹ 58705 (In thousands) [P.Y. ₹ 658473 (In thousands)].  
e) In our opinion and according to the information & explanations given to us, the rate of interest and other terms and conditions on which loans have been taken from companies, Firms or Other Parties listed in the register maintained under section 301 of the Companies Act, 1956 are not, prime facie, prejudicial to the interest of the company.
4. In our opinion and according to the information and explanations given to us, there exists an adequate internal control system 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,

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equipment, other assets and with regard to the 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, maintained under 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; accordingly clause 6 of the Order is not applicable.
7. In our opinion, the Company has an internal audit system, commensurate with its size and the nature of its business.
8. We have broadly reviewed the books of accounts maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub - section (1) of Section 209 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
9. a) According to the information & explanations given to us and on the basis of our examination of the books of accounts of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, Income Tax, Sales 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 does 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 for a period of more than six months from the date they become payable as at 31<sup>st</sup> March, 2012.
- 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 31.03.2012:**

<b>Name of the statute</b>	<b>Nature of Dues</b>	<b>Amount (₹ In Thousands)</b>	<b>Period to which Amount Relates</b>	<b>Forum where dispute is pending</b>
Central Excise Act, 1944	Excise Duty (Including Interest & Penalty)	Against demand of ₹ 125214. Paid ₹ 58933	Feb.99 to June.2005	SUPREME COURT OF INDIA
Central Excise Act, 1944	Excise Duty (Including Interest & Penalty)	Against demand of ₹ 65087 (L.Y. ₹ 65087) ₹ 10000 (L.Y. ₹ 10000)	July 2005 to June, 2006	Commissioner Central Excise & Custom Surat-II (matter Remand back by CESTAT)
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	Income Tax	Against the demand of ₹ 17831 (Paid ₹ 5209)	2008-2009	CIT (Appeal), Vadodara.
The Service Tax under The Finance Act, 1994	Service Tax (Including Interest & Penalty)	Against the demand of ₹ 660 Paid ₹ 365	2008-2009	Commissioner (Appeals), Surat -II
The Service Tax under The Finance Act, 1994	Service Tax (Including Interest & Penalty)	Against the demand of ₹ 1683	Aug. 2008 to Dec. 2010	Commissioner (Appeals), Surat - II

10. The Company has accumulated losses at the end of the financial year which is not more than fifty percent of its Net Worth. The Company has incurred cash losses, both during the financial year covered by our audit 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 our opinion the Company is not dealing in or trading in Shares securities, Debentures and Other investments. Company has investment in Limited Liability Partnership.
15. In our opinion and 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; accordingly clause 4(xv) of the Companies (Auditor's Report) Order, 2003 is not applicable.
16. In our opinion, the Term loans have been applied for the purpose for which they were raised.



17. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, in our opinion no funds raised on short-term basis have been used for long-term purposes.
18. According to the information and explanations given to us, the Company has made allotment of 9% Cummulative Non - Convertible Redeemable Preference Shares to Company covered in the register maintained under Section 301 of the Act. In our opinion, the price at which Shares have been issued is not prejudicial to the interest of the Company.
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; accordingly clause 4(XX) of the Companies (Auditor's Report) Order, 2003 is not applicable
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.

9TH FLOOR, TWIN TOWERS,  
LOKHANDWALA COMPLEX,  
ANDHERI (W), MUMBAI - 400 053.  
MAHARASHTRA, INDIA  
DATED: 24<sup>TH</sup> DAY, OF MAY, 2012

**FOR SINGHI & COMPANY**  
CHARTERED ACCOUNTANTS  
FRN. 110283W

**(PRAVEEN KUMAR SINGHI)**  
PARTNER  
(M. No. 051471)

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2012**

	Notes	₹ in Thousands As At 31 <sup>st</sup> March, 2012	₹ in Thousands As At 31 <sup>st</sup> March, 2011
<b>EQUITY AND LIABILITIES</b>			
Shareholders' Funds			
Share Capital	1	1241038	341038
Reserves & Surplus	2	46443	257405
		<b>1287481</b>	<b>598443</b>
<b>Non Current Liabilities</b>			
Long Term Borrowings	3	432303	337200
Deferred Tax Liabilities ( Net )	4	0	10646
Long Term Provisions	5	1856	1746
		<b>434159</b>	<b>349592</b>
<b>Current Liabilities</b>			
Short Term Borrowings	6	33439	781007
Trade Payables	7	116243	126049
Other Current Liabilities	8	37987	41050
Short Term Provisions	9	3503	2759
		<b>191172</b>	<b>950865</b>
		<b>1912812</b>	<b>1898900</b>
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Fixed Assets	10	1205964	1274205
Tangible Assets		1191487	1208202
Intangible Assets		1663	2754
Capital Work in Progress		12814	63249
Intangible Assets Under Development		Nil	Nil
Non Current Investments - Long Term	11	231	1
Deferred Tax Assets ( Net )	4	95958	0
Long Term Loans & Advances	12	132250	108231
Other Non Current Assets			
		<b>1434403</b>	<b>1382437</b>
<b>Current Assets</b>			
Inventories	13	218934	238925
Trade Receivables	14	156817	155122
Cash & Bank Balance	15	10558	9782
Short Term Loans & Advances	16	49367	59249
Other Current Assets	16A	42733	53385
		<b>478409</b>	<b>516463</b>
		<b>1912812</b>	<b>1898900</b>

Significant Accounting Policies  
Notes on Financial Statements 1 to 43

For and on behalf of the Board of Directors

As per our report annexed

**for Singhi & Company**  
Chartered Accountants

**B. L. Kheruka**  
Chairman

**(Praveen Kr. Singhi)**  
Partner

Mumbai.  
Dated: 24<sup>th</sup> May, 2012

**Arun Kumar**  
Company Secretary

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

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2012**

	Notes	₹ in Thousands For The Year Ended 31 <sup>st</sup> March, 2012	₹ in Thousands For The Year Ended 31 <sup>st</sup> March, 2011
<b>INCOME</b>			
Revenue from Operations	17	790950	926646
Other Income	18	18786	24647
<b>Total Revenues</b>		<b>809736</b>	<b>951293</b>
<b>EXPENDITURE</b>			
Cost of Materials Consumed	19	227026	286893
Purchase of Stock in Trade		Nil	Nil
Changes in Inventories of Finished Goods, WIP & Stock in Trade	20	10094	-62303
Employee Benefits Expenses	21	115699	112976
Finance Cost	22	115541	81062
Depreciation & Amortisation Expense		139010	132586
Selling & Distribution Expenses	23	176163	241322
Other Expenses	24	338288	433862
		<b>1121821</b>	<b>1226398</b>
<b>Profit / (Loss) Before Exceptional and Extraordinary Items and Tax</b>		<b>-312085</b>	<b>-275105</b>
Exceptional Items		Nil	Nil
<b>Profit / (Loss) Before Extraordinary Items and Tax</b>		<b>-312085</b>	<b>-275105</b>
Extraordinary Items		Nil	Nil
<b>Profit / (Loss) Before Tax</b>		<b>-312085</b>	<b>-275105</b>
Tax Expense			
Short/ (Excess) provision for taxation -earlier years(Net)		5686	8913
Wealth tax		25	30
Current Tax		Nil	Nil
Deferred Tax		-106604	-94896
<b>Profit / (Loss) For the Year from Continuing Operations</b>		<b>-211192</b>	<b>-189152</b>
<b>Profit / (Loss) For the Year from Discontinuing Operations</b>		<b>Nil</b>	<b>Nil</b>
<b>Profit ( Loss ) for the Year</b>		<b>-211192</b>	<b>-189152</b>
Basic Earning per share - Refer Note No. 36		<b>-3.14</b>	<b>-2.77</b>
Diluted Earning Per Share - Refer Note No. 36		<b>-3.14</b>	<b>-2.77</b>

Significant Accounting Policies  
Notes on Financial Statements

1 to 43

**For and on behalf of the Board of Directors**

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

**B. L. Kheruka**  
Chairman

**(Praveen Kr. Singhi)**  
Partner

Mumbai.  
Dated: 24<sup>th</sup> May, 2012

**Arun Kumar**  
Company Secretary

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

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2012**

	₹ in Thousands For the year ended 31.03.2012	₹ in Thousands For the year ended 31.03.2011
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net Profit/(Loss) before tax and extraordinary items</b>	<b>-196,544</b>	<b>-194,043</b>
Adjustment for :		
Depreciation	139,010	132,586
Foreign Exchange		
Investments (Diminution in value)		
Interest received	-2,256	-4,109
Dividend received		
Profit on sale of Investments	0	-6,038
Miscellaneous Expenditure Written off		
<b>Operating Profit/(Loss) before Working Capital Changes</b>	<b>-59,790</b>	<b>-71,604</b>
Adjustment for :		
Trade & other receivables (Excl ICD's)	-5,180	-74,356
Inventories	19,991	-73,963
Trade Payables	-12,010	-79,012
<b>Cash Generated from Operations</b>	<b>-56,989</b>	<b>-298,935</b>
Direct taxes paid	-5,716	-8,949
<b>Cash Flow before Extraordinary Items</b>	<b>-62,705</b>	<b>-307,884</b>
Extraordinary Items		
Income / Exps relating to earlier years		
Previous Year Expenses		
<b>Net Cash from Operating Activities</b>	<b>-62,705</b>	<b>-307,884</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchases of Fixed Assets	-71,128	-82,375
Sale of Fixed Assets	359	373
Acquisitions of Companies		
Purchase of Investments	0	30,008
Increase(-)/decrease in Intercompany deposits	0	57,359
Sale of Investment		
Interest Received	2,256	4,109
Profit on sale of Investments	0	6,038
Dividend Received	0	0
<b>Net Cash used in Investing Activities</b>	<b>-68,513</b>	<b>15,512</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of Share Capital	900,000	0
Increase in reserves		
Proceeds from Long Term Borrowings (net)	48,450	-335,503
Proceeds from Unsecured loan		658,474
Repayment of Unsecured Loan	-599,769	
Increase/(decrease) in Bank Borrowings	-101,146	27,484
Dividend paid	0	0
Interest Paid	-115,541	-81,062
<b>Net Cash from Financing Activities</b>	<b>131,994</b>	<b>269,393</b>
<b>Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>776</b>	<b>-22,979</b>
Cash & Cash Equivalents as at 01.04.2011 (Opening balance)	9,782	32,761
Cash & Cash Equivalents as at 31.03.2012 (Closing balance)	<b>10,558</b>	<b>9,782</b>

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: 24<sup>th</sup> May, 2012

**Arun Kumar**  
*Company Secretary*

**For and on behalf of the Board of Directors**

**B. L. Kheruka**  
*Chairman*

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

**SIGNIFICANT ACCOUNTING POLICIES**

1. Fixed Assets are recorded at cost of acquisition (Net of Cenvat) inclusive of related expenses thereon towards putting the assets in to use.
2. (i) Foreign currency transactions are recorded at the exchange rate prevailing on the date of transaction.  
(ii) All monetary foreign currency assets/liabilities are translated at the rates prevailing on the date of balance sheet.  
(iii) The exchange difference between the rates prevailing on the date of transaction and on the date of settlement as also on translation of monetary items at the end of the year (other than those relating to long term foreign currency monetary items) is recognized as income or expense, as the case may be.  
(iv) Exchange Rate differences relating to long term foreign currency monetary items, to the extent they are used for financing the acquisition of fixed assets are added to or subtracted from the cost of such fixed assets and amortized over the residual life of the respective fixed assets.
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. (A) Inventories: are valued as under

Raw Materials	- At Cost or net realisable value whichever is lower.
Own Cullet	- At Cost or net realisable value whichever is lower.
Stores and Spare Parts	- At Cost or net realisable value whichever is lower.
Work in Progress	- At Cost or net realisable value whichever is lower.
Finished Goods	- At Cost or net realisable value whichever is lower.
Traded Goods	- At Cost or net realisable value whichever is lower.

(B) Cost Formula Used : - Weighted average or specific identification as applicable.  
Due allowance is estimated and made for defective and  
Obsolete items wherever necessary.
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. (i) Sales are net of Sales tax, return and quantity discounts .  
(ii) Sale of Goods is recognized when significant risks and rewards of ownership have passed to the buyer.
9. Cenvat on Raw Materials / Stores is credited to respective purchase account on accrual basis. Accordingly, inventory is valued at net of Cenvat 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 Projected Unit Credit Method used as Stipulated in AS-15(Revised 2005) to determine the plan Liability as on Valuation date and current Service Cost.
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.

**Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2012**

	₹ in Thousands As At 31 <sup>st</sup> March, 2012	₹ in Thousands As At 31 <sup>st</sup> March, 2011
<b>1 : SHARE CAPITAL</b>		
<b>A) Authorised Share Capital</b>		
<b>Equity Share Capital</b>		
9,20,00,000 Equity shares of ₹ 5/- each *	460000	460000
(Previous year same)		
Unclassified Share Capital	40000	40000
	<b>500000</b>	<b>500000</b>
<b>Preference Share Capital</b>		
90,00,000 - 9% Cummulative Non Convertible Redeemable Preference Shares of ₹ 100/- each	900000	Nil
<b>Total Authorised Share Capital</b>	<b>1400000</b>	<b>500000</b>
<b>B) Issued, Subscribed &amp; Fully Paid Up Share Capital</b>		
<b>Equity Share Capital</b>		
6,82,07,500 Equity shares of ₹ 5/- each *	341038	341038
(Previous year same)		
<b>Preference Share Capital</b>		
<b>Shares Issued During the Year</b>		
90,00,000 - 9% Cummulative Non Convertible **	900000	Nil
Redeemable Preference Shares of ₹ 100/- each		
	<b>1241038</b>	<b>341038</b>

\* Face value reduced From ₹ 10/- to ₹ 5/- per share as per approval of shareholders in the EGM held on 14<sup>th</sup> February, 2003.

\*\* The preference shares has the priority in case of payment of dividend and in case of winding up that of repayment of Capital and arrears of dividend.

Voting Rights attached to these shares are as per provisions of Sec. 87 of the Companies Act, 1956. These shares are redeemable not later than 7 years from the date of issue i.e 17<sup>th</sup> March, 2012 but the Company has option to redeem it any time by giving two months notice in writing.

Shareholders holding More Than 5% Of Equity Shares	%	No. of Shares	%	No. of Shares
1 Fennel Investment & Finance P Ltd	33.13	22600000	33.13	22600000
2 Borosil Glass Works Limited	25.25	17222376	25.25	17222376
3 Broadfield Holdings Limited	16.57	11300000	16.57	11300000
	<b>74.95</b>	<b>51122376</b>	<b>74.95</b>	<b>51122376</b>

	₹ in Thousands		₹ in Thousands	
	As At 31 <sup>st</sup> March, 2012		As At 31 <sup>st</sup> March, 2011	
<b>Shareholders holding More Than 5% of Preference Shares</b>	%	No. of Shares Held	%	No. of Shares Held
1 Borosil Glass Works Limited	100.00	9000000		Nil

**C) Reconciliation of the No of shares outstanding and the amount of share capital as at March 31, 2012 and March 31, 2011**

Particulars	No of shares	31.03.2012		31.03.2011	
		Amount	No of shares	Amount	
<b>Equity Shares</b>					
Number of shares at the beginning	6,82,07,500	3,41,038	6,82,07,500	3,41,038	
Add : Shares Issued during the Year	Nil	Nil	Nil	Nil	
Number of shares at the end	<b>6,82,07,500</b>	<b>3,41,038</b>	<b>6,82,07,500</b>	<b>3,41,038</b>	
<b>Preference Shares</b>					
Number of shares at the beginning	Nil	Nil	Nil	Nil	
Add : Shares Issued during the Year	90,00,000	9,00,000	Nil	Nil	
Number of shares at the end	<b>90,00,000</b>	<b>9,00,000</b>	<b>Nil</b>	<b>Nil</b>	

**2: RESERVES & SURPLUS**

**Capital Reserve**

Credited on forfeiture of shares - unpaid allotment money

As Per Last Balance Sheet 473 473

**Capital Reserve**

As Per Last Balance Sheet 2500 2500

Add: Amount transferred during the year (Refer note 11) 230

Closing Balance 2730 2500

**Securities Premium Reserve**

As Per Last Balance Sheet 5771 5771

**General Reserve**

As Per Last Balance Sheet 46000 46000

Less: Amount Withdrawal during the year 46000

Closing Balance Nil 46000

**Surplus Arising On Giving Effect to BIFR Order**

As Per Last Balance Sheet 199641 199641

**Surplus - Balance in Statement of Profit & Loss**

As Per Last Balance Sheet 3020 192172

Amount transferred during the year from 46000

General Reserves

Profit / ( Loss ) for the Year -211192 -189152

-162172 3020

**46443 257405**



	₹ in Thousands As At 31 <sup>st</sup> March, 2012	₹ in Thousands As At 31 <sup>st</sup> March, 2011
<b>3 : LONG TERM BORROWINGS</b>		
<b>SECURED</b>		
<b>Term Loans</b>		
<b>From Banks</b>		
Foreign Currency Term Loan - ECB	373598	337200
<b>Loan from Related Parties</b>		
<b>Unsecured Loans</b>		
Inter Corporate Deposits	58705	Nil
	<b>432303</b>	<b>337200</b>
Note :		
1. Foreign Currency Term Loan - ECB from Banks is 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.		
2. Repayment of Foreign Currency Term Loan - ECB due within one year is ₹ 12052 Thousands.		
3. Foreign Currency Term Loan - ECB is repayable in 10 half yearly structured instalments commencing from October, 2012		
<b>4 : Deferred Tax Liability</b>		
Deferred Tax Liability Comprises of timing difference on account of :		
<b>i) Liabilities</b>		
Depreciation	278049	266741
Allowance U/s. 35 DDA on Payment Basis	319	Nil
Allowance U/s. 43(B) on Payment Basis	22206	21780
Total	300574	288521
<b>ii) Assets</b>		
Disallowance U/s. 35 DDA of Income Tax Act, 1961	797	Nil
Disallowance U/s. 43(B) of Income Tax Act, 1961	3286	2081
Unabsorbed Depreciation	392449	275794
	396532	277875
<b>iii) Net Liability / ( Asset) (i) - (ii)</b>	<b>-95958</b>	<b>10646</b>
<b>5 : Long Term Provisions</b>		
Provision for Gratuity	Nil	Nil
Provision for Leave Encashment	1856	1746
	<b>1856</b>	<b>1746</b>

	₹ in Thousands As At 31 <sup>st</sup> March, 2012	₹ in Thousands As At 31 <sup>st</sup> March, 2011
<b>6: Short Term Borrowings</b>		
<b>Loans Repayable on Demand</b>		
<b>Loans and Advances from Related Parties</b>		
<b>Unsecured Loans</b>		
Inter Corporate Deposits	Nil	658474
<b>Other Loans &amp; Advances</b>		
<b>Secured</b>		
<b>From Banks</b>		
Foreign Currency Term Loan - ECB	12052	Nil
Working Capital Facility	21387	122533
	<b>33439</b>	<b>781007</b>
<b>7: Trade Payables</b>		
Sundry Creditors- Micro, Small and Medium Enterprises	108	2464
-Others	116135	123585
	<b>116243</b>	<b>126049</b>
<b>8: Other Current Liabilities</b>		
Creditors for Project supplies/expenses	7559	13986
Excise duty on Uncleared Stock	1323	1835
Other liabilities	369	382
Liability Towards Employees	5048	4655
Statutory Liabilities	8497	4541
Retention Money on Project	351	2086
Unpaid Dividend *	5173	5184
Interest accrued but not due on Loans	3839	3260
Interest Accrued & Due on Term Loans	Nil	Nil
Advances from Customers	5828	5121
	<b>37987</b>	<b>41050</b>

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

	₹ in Thousands As At 31 <sup>st</sup> March, 2012	₹ in Thousands As At 31 <sup>st</sup> March, 2011
<b>9: Short Term Provisions</b>		
<b>i) For Employee Benefit</b>		
For Gratuity	3052	2621
For Leave Encashment	426	108
<b>ii) For Others</b>		
For Income tax	32078	30704
Less: Advance tax / TDS	32078	30704
For Wealth tax	25	30
	<b>3503</b>	<b>2759</b>

**NOTE - 10 : FIXED ASSETS**

No. PARTICULARS	₹ in Thousands									
	<----- GROSS BLOCK ----->				<-----DEPRECIATION ----->				<-- NET BLOCK -->	
	As at 1.4.2011	Addition during the year	Deduction during the year	Gross Block As At 31.3.2012	Dep Fund As at 1.4.2011	Provided for the year	Dep Fund of Adjustments /Sales	Total upto 31.3.2012	Net Block As at 31.3.2012	Net Block As at 31.3.2011
<b>(i) Tangible Assets</b>										
Land (Free hold) & Site Development	11458	0	0	11458	0	0	0	0	11458	11458
Building	190568	12240	0	202808	43553	5734	0	49287	153521	147015
Plant & Machinery	1820818	108094	5	1928907	781084	129989	0	911073	1017834	1039734
Furniture, Fixtures & Fittings	8429	25	0	8454	7239	591	0	7830	624	1190
Motor Vehicles	14440	769	2379	12830	7387	1347	2025	6709	6121	7053
Computers	12604	435	0	13039	10852	258	0	11110	1929	1752
<b>Total</b>	<b>2058317</b>	<b>121563</b>	<b>2384</b>	<b>2177496</b>	<b>850115</b>	<b>137919</b>	<b>2025</b>	<b>986009</b>	<b>1191487</b>	<b>1208202</b>
<b>(ii) Intangible Assets</b>										
Computer systems	7990	0	0	7990	5236	1091	0	6327	1663	2754
<b>Total</b>	<b>7990</b>	<b>0</b>	<b>0</b>	<b>7990</b>	<b>5236</b>	<b>1091</b>	<b>0</b>	<b>6327</b>	<b>1663</b>	<b>2754</b>
<b>(iii) Capital work in progress</b>	<b>63249</b>	<b>20861</b>	<b>71296</b>	<b>12814</b>					<b>12814</b>	<b>63249</b>
<b>(iv) Total (i) to (iii)</b>	<b>2129556</b>	<b>142424</b>	<b>73680</b>	<b>2198300</b>	<b>855351</b>	<b>139010</b>	<b>2025</b>	<b>992336</b>	<b>1205964</b>	<b>1274205</b>
Previous Year	2047729	176512	89980	2134261	722940	132586	175	855351	1274205	1324789

Note 1: Capital Work in Progress includes Capital goods inventory of ₹ 353 thousands (Previous year ₹ 2417 thousands).

	₹ in Thousands As At 31 <sup>st</sup> March, 2012	₹ in Thousands As At 31 <sup>st</sup> March, 2011
<b>11 : Non Current Investments - Long Term</b>		
<b>Investment in Associate</b>		
Capital Account in Swapan Properties LLP (Formerly Swapan Properties Pvt. Ltd.) Nature of Investment - Partnership Share in Profit /(Loss) - 46%	231	1
	<b>231</b>	<b>1</b>
Partners in Swapan Properties LLP (% share of Profit/Loss):		
1 Mrs Kiran Kheruka (23%)		
2 Mrs Rekha Kheruka (23%)		
3 Gujarat Borosil Limited (46%)		
4 Cyclamen Trading Pvt Ltd. (4%)		
5 Borosil Holdings Ltd. (4%)		
Total Capital of LLP firm is ₹ 501 thousands and General Reserve ₹ 467 thousands as on 31 <sup>st</sup> March, 2012. Bonus shares received have been valued and transferred to Capital Reserve Account.		
<b>12 : Long Term Loans &amp; Advances</b>		
A Capital Advances Unsecured and Considered Good	29870	4705
B Loans to Related Parties Borosil International Limited Unsecured and Considered Good	9167	8273
C Security Deposits with Govt. & Others Unsecured and Considered Good	24280	26320
D Excise duty/interest paid under protest/appeal	68933	68933
	<b>132250</b>	<b>108231</b>
<b>13 : Inventories</b>		
A Raw Material ( Valued At Cost or NRV, whichever is Less)	40217	27833
B Work in Progress ( Valued At Cost or NRV, whichever is Less)	57024	21527
C Finished Goods ( Valued At Cost or NRV, whichever is Less)	45589	84264
Goods in Transit	Nil	6915
D Stock - in - Trade ( For Traded Goods) ( Valued At Cost or NRV, whichever is Less)		
E Stores & Spares	68494	75217
F Others - Cullet ( Valued At Cost or NRV, whichever is Less)	7610	23169
	<b>218934</b>	<b>238925</b>

	₹ in Thousands As At 31 <sup>st</sup> March, 2012	₹ in Thousands As At 31 <sup>st</sup> March, 2011
<b>14 : Trade Receivables</b>		
<b>Outstanding For a Period Exceeding 6 Months *</b>		
Unsecured, Considered good	1679	1894
Unsecured, Considered doubtful	1146	1146
Less: Provision made for doubtful debts	1146	1146
	<u>1679</u>	<u>1894</u>
<b>Outstanding For a Period Less than 6 Months</b>		
Unsecured, considered good	155138	153228
	<u>156817</u>	<u>155122</u>
	<u><u>156817</u></u>	<u><u>155122</u></u>
* Including under Litigation ₹ 1146 Thousands (Pr. Yr. Same)		
<b>15 : Cash &amp; Bank Balances</b>		
<b>A Cash &amp; Cash Equivalents</b>		
Cash on Hand	646	898
<b>Balances with Banks</b>		
In Current Account	837	946
In Fixed Deposits	1711	1722
Earmarked Balances with Banks		
	<u>3194</u>	<u>3566</u>
	<u><u>3194</u></u>	<u><u>3566</u></u>
<b>B Other Bank Balances</b>		
Balances with Banks for Unpaid Dividends	5173	5184
Margin Money Deposits	1501	395
Bank Fixed Deposit with more than 12 Months Maturity	690	637
	<u>7364</u>	<u>6216</u>
	<u><u>7364</u></u>	<u><u>6216</u></u>
<b>Total</b>	<u><u>10558</u></u>	<u><u>9782</u></u>
<b>16 : Short Term Loans &amp; Advances</b>		
<b>Unsecured, Considered Good</b>		
Prepaid expenses	2110	2491
Cenvat credit receivable	6940	35452
Advance tax / TDS / MAT paid	9592	16225
Other Advances Receivable in Cash / Kind	30725	5081
<b>Unsecured, Considered Doubtful</b>	411	411
Less: Provision made	411	Nil
	<u>49367</u>	<u>59249</u>
	<u><u>49367</u></u>	<u><u>59249</u></u>

	₹ in Thousands As At 31 <sup>st</sup> March, 2012	₹ in Thousands As At 31 <sup>st</sup> March, 2011
<b>16A: Other Current Assets</b>		
Export benefits & other claims receivable	1448	1588
Balance with Excise / VAT Authorities	14704	50959
Other Receivable	26581	838
	<u>42733</u>	<u>53385</u>
	<b>For The Year Ended 31<sup>st</sup> March, 2012</b>	<b>For The Year Ended 31<sup>st</sup> March, 2011</b>
<b>17: Revenue From Operations</b>		
A Sale of Products	796350	956809
B Other Operating Revenues		
Scrap Sales	13256	3356
Export Incentive Income	1412	Nil
Unclaimed balances/ Excess provisions written back	537	376
	<u>811555</u>	<u>960541</u>
Less : Excise Duty	20605	33895
Net Revenue From Operations	<u>790950</u>	<u>926646</u>
<b>18: Other Income</b>		
Rent	8	30
Interest (Gross) (TDS ₹ 143 Thousand)	2256	4109
Profit on Sale of Assets	127	Nil
Profit on sale of Investment in shares/units	Nil	6038
Share of Profit/Loss in LLP	1	Nil
Others	1371	1927
Foreign Currency Exchange Rate Fluctuation	15023	12543
	<u>18786</u>	<u>24647</u>
<b>19: Cost of Material Consumed</b>		
A Quartz Sand	75478	79087
B Soda Ash	75443	125043
C Silica Sand	118	11522
D Dolomite	3729	10971
E Limestone	10351	8593

	₹ in Thousands For The Year Ended 31 <sup>st</sup> March, 2012		₹ in Thousands For The Year Ended 31 <sup>st</sup> March, 2011	
F Sodium Antimonate		38303		25020
G Sodium Sulphate		834		2025
H Alluminium Hydroxide		8760		8765
I Cullet		17162		12774
J Calcium Carbonate		Nil		4158
K Sodium Nitrate		4344		4082
J Others		165		1453
		<b>234687</b>		<b>293493</b>
Less : Cost of Raw Material Sold		7661		6600
<b>Materials Consumed</b>		<b>227026</b>		<b>286893</b>
<b>20 : Changes in Finished Goods &amp; Work in Progress</b>				
A Finished Goods				
Opening Stock	89344		31729	
Less: Closing Stock	44265	-45079	89344	57615
B Work in Progress				
Opening Stock	21527		17474	
Less: Closing Stock	57024	35497	21527	4053
C Excise Duty on Stock				
Opening Stock	1835		1200	
Less: Closing Stock	1323	-512	1835	635
		<b>-10094</b>		<b>62303</b>
<b>21 : Employee Benefits Expenses</b>				
Salaries, Wages, Bonus etc.		96029		92149
Contribution to Provident, Gratuity Funds etc.		10339		11162
Staff Welfare Expenses		9331		9665
		<b>115699</b>		<b>112976</b>
<b>22 : Finance Cost</b>				
Interest Expenses		115541		81062
		<b>115541</b>		<b>81062</b>

	₹ in Thousands For The Year Ended 31 <sup>st</sup> March, 2012	₹ in Thousands For The Year Ended 31 <sup>st</sup> March, 2011
<b>23 : Selling &amp; Distribution Cost</b>		
Advertisement, Publicity & Sales promotion exps.	6358	7618
Carriage Outward	82410	119768
Commission	2953	157
Cash Discount	4005	10300
Breakages / Rate Difference & Quality Claims	80437	103479
	<b>176163</b>	<b>241322</b>
<b>24 : Other Expenses</b>		
Stores Consumed - Local	27986	27953
Stores Consumed - Imported	19478	10257
Packing Material Consumed	65303	93786
Power and Fuel	120820	205795
D.G.Set Hire charges	2521	7125
Repairs & Maintenance		
- Plant & Machinery	19801	10078
- Buildings	672	1135
- Other Assets	4456	4621
Insurance	2487	2300
Rent	3806	4322
Rates & Taxes	623	1842
Legal & Professional Charges	9649	7112
Director's Fees	520	440
Travelling and Conveyance Expenses (Incl. Directors' Travelling ₹ 976 thousands, Pr. Yr. ₹ 1374 thousands)	19244	14152
Motor Car Expenses	7199	6524
Vehicle Hire Charges	6135	6134
Printing & Stationery	1130	1289
Postage, Telegrams, Telephones & Telex	4297	3584
Payment to the Auditors- Audit Fees	1067	937
-Certification Fees	200	200
- Travelling & Out of Pocket Expenses	157	142
Tax Audit Fees	51	51
Cost Auditor's Fees	100	Nil
Other Expenses	10656	16290
Fee & stamp duty for increase in Authorised Share Capital	4970	Nil
Loss on Sale/Discard of assets	34	154
Bank Charges	4698	7608
Unrecoverable Debt/Balances written off	228	31
	<b>338288</b>	<b>433862</b>



25. No provision for Income Tax/MAT has been made for the year in view of loss.

26. Contingent liabilities not provided for:-

	₹ In Thousands	
	2011-12	2010-11
a) Letters of Credit outstanding	71953	17573
b) Claims against the Company not acknowledged as debt	1026	1209
c) Excise matters relating to valuation in appeal before Supreme Court/ CESTAT From February 1999 to June 2006	65551	65551
Equivalent amount of penalty, interest & redemption fine	124750	124750
Excise amount on same basis from 1.7.2007 to 31.3.2011.	48454	48454
<p>The Company is legally advised that the disputed demands will not be sustained in view of the judgment by Supreme Court dismissing Dept's appeal for the period July 2006 to June 2007 in its own case as also various legal pronouncements in similar other matters.</p> <p>Further a sum of ₹ 68933 thousands paid under protest in respect of above disputed demand have been shown as advances recoverable.</p>		
d) Income tax matters in Appeals filed by the Company before CIT-Appeals in respect of Assessment Years 2008-09 and 2009-10 on account of disallowances/additions amounting to ₹ 93671 thousands (previous year ₹ 43351 thousands)	35121	17290
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 25897	29187 25897
<p>No liability is expected in view of judicial pronouncement by High Court in similar matter of other Companies.</p>		
f) Company is in appeal before Commissioner (A), Surat II for Service Tax matters relating to Cenvat credit on renting of immovable property (2008-09) and for Banking & Financial Services. (August, 2008 to December, 2010) Equivalent penalty and Interest.	1137 1206	Nil Nil
g) Arrear of dividend on Preference Share Capital from 17.3.12 to 31.3.12.	3320	Nil

27. 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	₹ In Thousands	
	2011-2012	2010-2011
Employer's Contribution to Provident Fund	6,830	7,465

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.

<b>Actuarial assumptions</b>	<b>Gratuity</b>	
	<b>2011-2012</b>	<b>2010-2011</b>
<b>Particulars</b>		
Mortality Table	1994-96	1994-96
Salary growth	5.00%	5.00%
Discount rate	8.30%	8.30%
<b>Amount recognised in the income statement</b>	<b>2011-2012</b>	<b>2010-2011</b>
Current service cost	1,819	1,697
Interest cost	1,229	983
Expected Return on Plan Assets	(1,210)	(1,229)
Net actuarial (gains)/losses recognised in the period	1,103	1,721
<b>Total</b>	<b>2,941</b>	<b>3,172</b>
<b>Movement in Present value of defined benefit obligation</b>		
<b>Particulars</b>		
Obligation at the beginning of the year	15,492	14,786
Current service cost	1,819	1,697
Interest cost	1,229	983
Actuarial (Gain)/loss on obligation	(07)	1,384
Benefits paid	(1,380)	(3,358)
<b>Obligation at the end of the year</b>	<b>17,153</b>	<b>15,492</b>
<b>Movement in Fair value of plan assets</b>		
<b>Particulars</b>		
Fair value at the beginning of the year	12,871	15,311
Adjustment to opening Fair value of plan Assets	08	25
Expected Return on Plan Assets	1,210	1,229
Contribution	2500	---
Actuarial gains/(losses)	(1109)	(336)
Benefits paid	(1380)	(3358)
<b>Fair value at the end of the year</b>	<b>14,100</b>	<b>12,872</b>

**Expected returns on plan assets** 9.0% 9.0%

**Class of assets** **Fair Value of Asset**  
(₹ in Thousands)

	<b>2011-2012</b>	<b>2010-2011</b>
<u>Insurer Managed Fund</u>		
Birla Sunlife Insurance Corporation Ltd.	14,100	12,871
<b>Total</b>	14,100	12,871

**Amount recognised in the balance sheet** (₹ in Thousands)

	<b>2011-2012</b>	<b>2010-2011</b>
Present value of obligations at the end of the year	17,152	15,492
Less: Fair value of plan assets at the end of the year	14,100	12,871
Funded status	3052	2621
<b>Net liability/(Asset) recognized in the balance sheet</b>	3052	2621
<b>Unclaimed Liabilities</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:

<b>Particulars</b>	<b>Leave Encashment</b>	
<b>Actuarial assumptions</b>	<b>2011-12</b>	<b>2010-11</b>
<b>Particulars</b>		
Mortality Table	1994-96	1994-96
Salary growth :-	5.00%	5.00%
Discount rate	8.30%	8.30%
	<b>2011-2012</b>	<b>2010-2011</b>

**Amount recognised in the Profit & Loss statement**

Current service cost	844	788
Interest cost	143	141
Expected Return on Plan Assets	Nil	Nil
Net actuarial (gains)/losses recognised in the period	(306)	(949)
<b>Total</b>	681	(20)

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

Obligation at the beginning of the year	1,854	1,874
Current service cost	844	788
Interest cost	143	141
Actuarial loss on obligation	(306)	(949)
Benefits paid	(253)	Nil

**Obligation at the end of the year**

2,282	1,854
-------	-------

**Amount recognised in the balance sheet**

Present value of obligations at the end of the year	2,282	1,854
Less: Fair value of plan assets at the end of the year	Nil	Nil
Un Funded liability	2,282	1,854

**Un Funded liability recognised in the balance sheet**

2,282	1,854
-------	-------

28. The Company has accounted for estimated credit, towards expected DEPB entitlements amounting to ₹ 1412 thousands under the head other income in respect of exports. Variation, if any on actual receipt/ utilization of DEPB licenses will be dealt with in the accounts of that year.
29. The estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 98991 thousands (net of advances- ₹ 71860 thousands). Previous year ₹ 1970 thousands (Net).
30. An award was received in favour of the Company in the arbitration matter with GAIL India Ltd. in an earlier year involving disputes regarding i) revision in Capital cost of pipe line by ₹ 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. The appeal filed by GAIL in the District Court Bharuch against the said majority Arbitration award has been decided against the Company and appeal filed by Company before Gujarat High Court has been admitted on 29/03/2012 and is pending hearing. In April 2012 Gail has demanded ₹ 1223 thousands alongwith interest thereon from 1998 which is not provided since the matter is under dispute.
31. The settlement with worker's union expired on 31<sup>st</sup> December, 2009. No provision has been made in the accounts as the settlement is pending and the amount is unascertained.
32. A sum of ₹ 108 thousands was due and unpaid at the end of the year to M/s. Bombay Rubber & Carbon works and M/s Ecoman falling within the definition of entities under the Micro, Small and Medium Enterprises Development Act, 2006. However, there were no claims for interest on delayed payments.
33. Related party disclosures under accounting standard 18 :

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

1. Borosil Glass Works Ltd.
2. Window Glass Ltd.

3. Swapan Properties LLP
4. Fennel Investment & Finance Pvt. Ltd.
5. Broadfield Holdings Ltd.
6. Sonargaon Properties LLP
7. Gujarat Fusion Glass Ltd.
8. Vylene Glass Works Ltd.
9. Borosil International Ltd.

**Key Managerial Personnel**

Mr B.L.Kheruka

Mr. Ashok Jain, Whole-time Director

**Other parties related to Key Personnel**

Mrs Kiran Kheruka

Mrs Pratibha Jain

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

		₹ in Thousands	
		2011-12	2010-11
1	Reimbursement of exps from		
	Borosil Glass Works Ltd.	412	1009
	Vylene Glass Works Ltd.	374	1710
	Borosil International Ltd.	6	6
2	Amount receivable at the year end		
	Borosil Glass Works Ltd.	788	717
	Window Glass Ltd.	204	24
	Borosil International Ltd	3	71
	Gujarat Fusion Glass Ltd.	14	14
	Vylene Glass Works Ltd.	1446	0
	Sonargaon Properties LLP	43	43
3	Temporary Advance Taken		
	Borosil Glass Works Ltd.	0	1,200
	Temporary Advance Refunded		
	Borosil Glass Works Ltd.	0	1,200
Temporary Advance Given	Borosil Glass Works Ltd.	0	1,000
	Temporary Advance Refund Received		
Borosil Glass Works Ltd.	0	1,000	
4	Purchase of goods from		
	Borosil Glass Works Ltd.	490	106
	Window Glass Ltd.	0	136
	Payment of Guarantee commission to		
	Borosil Glass Works Ltd.	280	0
Reimbursement of exps to	Borosil Glass Works Ltd.	126	106
	Vylene Glass Works Ltd	20	208

Purchase of Machinery from	Borosil Glass Works Ltd	0	72
	Window Glass Ltd.	0	43
5 Amount Payable at the year end	Borosil Glass Works Ltd.	1332	171
	Window Glass Ltd.	19	0
	Vyline Glass Works Ltd.	0	1438
6 Inter Corporate Loans repayment received from	Vyline Glass Works Ltd	0	50,738
	Borosil International Ltd.	0	638
7 Inter Corporate Loans (Assets) Including Accrued Interest Thereon Outstanding From	Vyline Glass Works Ltd.	0	0
	Borosil International Ltd	9167	8273
8 Inter Corporate Loans Taken From	Borosil Glass Works Ltd.	265300	634,800
9 Inter Corporate Loans Repayment To	Borosil Glass Works Ltd.	842905	2630
10 Inter Corporate Loans ( Liability ) Including Accrued Interest thereon Outstanding To	Borosil Glass Works Ltd.	58705	658474
11 Sale of goods/services to	Window Glass Ltd.	329	19804
	Vyline Glass Works Ltd	2043	0
12 Office Rent/Maintenance charges paid to	Window Glass Ltd.	228	228
13 Interest Income on loans	Vyline Glass Works Ltd.	0	2,650
	Borosil International Ltd	993	898
14 Rent Income	Borosil International Ltd	8	65
15 Interest Expense on Loans	Borosil Glass Works Ltd.	94368	26304
16 Managerial Remuneration	B.L.Kheruka	0	2050
	Ashok Jain- WTD	3323	2585
17 Rent paid	Mrs Kiran Kheruka	1200	1200
	Borosil Glass Works Ltd.	1204	240
18 Deposit given for accommodation	Mrs Kiran Kheruka	14450	15,530
19 Retainer ship fees	Mrs Pratibha Jain	114	114
20 Preference Shares Issued To	Borosil Glass Works Ltd.	900000	0
21 FMP Pledged with a Bank as Security for Letter of Credit for Co.	Borosil Glass Works Ltd.	53000	0

**34.** The recoverable value of Fixed Assets of Sheet Glass plant is higher than the book value. Hence no impairment loss has been provided for in terms of Accounting standard AS-22 of the ICAI.

**35. Managerial Remuneration**

	2011-12 (₹ in Thousands)	2010-11 (₹ in Thousands)
<u>Managing Director's Remuneration</u>		
Salary	0	1828
Contribution to Provident Fund	0	219
Perquisites	0	3
Commission	---	---
	0	*2050
<u>Whole-time Director's Remuneration</u>		
Salary	2040	1680
Contribution to Provident Fund	245	202
Perquisites	1038	704
	**3323	2586
Total	3323	**4636

\* Resigned w.e.f. 17.3.2011. Remuneration upto 15.12.2010.

\*\* Excluding Gratuity/Leave Liability on actuarial basis.

Computation of net profit in accordance with Section 198 read with Section 309(5) of the Companies Act, 1956 :

	(₹ in Thousands)	
	2011-12	2010-11
Profit/Loss before taxation	(312085)	(275105)
Add: Depreciation as per Accounts	139010	132586
Managerial Remuneration	3323	4636
Director's Sitting Fees	520	440
Loss on Sale of Fixed Assets (Net)	34	154
Provision made for slow moving stores/Raw material	8634	1173
	(160564)	(136116)
Less: Depreciation as per Section 350 of The Companies Act, 1956	139010	132586
Profit on sale of investments	Nil	6038
	(299574)	(274740)
Commission payable to Managing Director as per Terms of appointment as determined by Board of Directors	Nil	Nil

In view of inadequacy of profit the remuneration paid to Managing Director is considered as minimum remuneration payable for 2010-11. There is no Managing Director for 2011-12.

**36. Basic earning per share (Basic & Diluted)**

	31.3.2012	31.3.2011
Net Profit/(Loss) after Tax	(211192)	(189152)
Preference Dividend For The Year	(3320)	0
Net Profit/(Loss) after Tax Attributable to Equity Shareholders (₹ In Thousands)	(214512)	(189152)
Weighted average No. of Equity Shares outstanding	68207500	68207500
Basic & Diluted Earning per Share (₹) (Nominal value ₹ 5 per share)	(3.14)	(2.77)

**37.** 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.

**38. Details of Installed Capacity**

	2011-2012	2010-2011
I. Sheet Glass on 2 mm basis in Sq.mtrs.		
a) Installed Capacity	12500000*	12500000*
b) Actual Production	Nil	3492315
II. Low Iron Textured Glass on 2 mm basis in sq.mtrs.		
a) Installed Capacity	7665000	7665000
b) Actual Production	4475664	5047564

\* Furnace cooled down on 28.7.2010 and not yet renewed.

**39. Quantities and Value of Stocks, Purchase and Sale of Finished Goods**

	2011-2012		2010-2011	
	Qty Sq.mtr	Value ₹ in thousands	Qty Sq.mtr	Value ₹ in thousands
a) Opening Stock (actual Sq. mtrs.)				
Sheet Glass	1924	226	102371	13904
Low Iron Textured Glass	506312	90953	178589	19025
		91179		32929
b) Closing Stock * (actual Sq.mtrs.)				
Sheet Glass	1924	226	1924	226
Low Iron Textured Glass	314902	45363	506312	90953
		45589		91179



c) Sales\* (Sq.mtrs. in 2 mm)

Sheet Glass	Nil	Nil	3748033	293697
Low Iron Textured Glass	4815827	796350	4404717	663112
		796350		956809

\* Net of Sales Tax, Returns and Quantity Discounts.

**40. Foreign Currency Transactions**

	₹ in Thousands 2011-12	₹ in Thousands 2010-2011
i. Value of Imports on CIF basis in respect of :		
a) Components & Spare Parts	16865	26214
b) Packing Material	1012	837
c) Raw Material	45696	30528
d) Capital Items	-	7140
ii. Expenditure in Foreign Currency :		
a) Travelling expenses	7109	3714
b) Foreign Technician Fees & Expenses	929	7839
c) Foreign Legal & Professional Expenses	1778	-
d) Foreign Marketing Expenses	1174	-
e) Exhibition Expenses	1559	5767
f) Foreign Bank Charges	1137	1087
g) Repairs & Maintenance- Plant & Machinery	9799	892
h) Fixed Assets -Plant & Machinery	2985	-
i) Interest on ECB Loan	18326	17059
iii. Earnings in Foreign Exchange FOB Value of Exports *	358616	360996
iv. Export Quality Claims	62499	58579

\*Net of Sales Returns

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

	<u>2011-2012</u>		<u>2010-2011</u>	
	Qty M.T.	Value ₹ in thousands	Qty M.T.	Value ₹ in thousands
Silica Sand	168	118	15773	11522
Quartz Sand	17707	75478	17976	78033
Soda Ash	4723	75443	8697	125043
Glass Cullet	3407	17162	1918	12634
Sodium Antimonate	121	38303	127	25020
Others		28183		41241
Total		234687		293493
Less : Sold		7661		6600
		227026		286893

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

	<u>2011-2012</u>		<u>2010-2011</u>	
	% age	Value ₹ in Thousands	% age	Value ₹ in Thousands
a. Raw Material				
Imported	19.54	44356	8.40	24125
Indigenous	80.46	182670	91.60	262768
	100.00	227026	100.00	286893
b. Stores Spares				
Imported	41.03	19478	26.84	10257
Indigenous	58.97	27986	73.16	27953
	100.00	47464	100.00	38210

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

# GUJARAT BOROSIL LIMITED

Registered Office : Village-Govali, Taluka-Jhagadia, District - Bharuch - 393 001. Gujarat.

## ADMISSION SLIP

23<sup>rd</sup> Annual General Meeting on 14<sup>th</sup> August, 2012 at 10.00 a.m.

Folio No. / Client ID No. & DP ID No.

Name of the Attending Member

Please tick whether member/Joint-Holder/Proxy

No. of Shares held

Member's or Proxy's Signature

### NOTE :

Shareholder/Proxy must bring the Admission Slip to the Meeting and hand it over at the entrance duly signed.

# GUJARAT BOROSIL LIMITED

Registered Office : Village - Govali, Taluka-Jhagadia, District - Bharuch - 393 001. Gujarat.

## PROXY FORM

**Folio No./Client ID No. & DP ID No.**

I/We.....

of.....

..... in the district of ..... being a member/members

of Gujarat Borosil Limited hereby appoint .....of

..... in the district of ..... or

failing him ..... of

..... in the district of.....

as my/our proxy to vote for me/us on my/our behalf at the Twentiy-Third Annual General Meeting of the Company to be held on Tuesday, the 14<sup>th</sup> August, 2012 and at any adjournment thereof.

Signed this.....day of.....2012.

Affix 1  
Rupee  
revenue  
Stamp

### NOTE :

The proxy form duly completed must reach the Registered Office of the Company at Bharuch not less than 48 hours before the time of the Meeting.



**BOOK-POST**

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To,

*If undelivered, please return to :*

**Universal Capital Securities Private Ltd.**  
(Formerly known as Mondkar Computers Pvt. Ltd.)  
Unit : Gujarat Borosil Limited  
21, Shakil Niwas,  
Mahakali Caves Road, Andheri (East)  
Mumbai - 400 093.

**GUJARAT BOROSIL**

**GUJARAT BOROSIL LIMITED**

***TWENTY-THIRD ANNUAL REPORT***  
***2011-2012***