

40th Annual Report 2002-2003

# BOROSIL



**BOROSIL GLASS WORKS LTD.**

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**BOROSIL**

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**BOARD OF DIRECTORS**

Mr. B. L. Kheruka - Chairman  
Mr. P. K. Kheruka - Vice Chairman  
Mr. A. C. Dalal  
Mr. V. N. Nadkarni  
Mr. T. Raghvendra - Nominee of ICICI  
Mr. S. Bagai  
Mr. R. Mehra - Whole-time Director

**COMPANY SECRETARY**

Ms. Jyoti Dialani

**REGISTERED OFFICE & PLANT**

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

**FACTORIES**

- Marol-Maroshi Road, Off Military Road,  
Mumbai - 400 059.
- Maraimalai Nagar - 603 209  
Tamilnadu.

**ZONAL SALES OFFICES**

- Block No. 403/404, Kaliandas Udyog Bhavan Premises  
Co-op. Society Ltd.  
Near Century Bazar, Worli, Mumbai - 400 025.
- Dabriwala House, 10, Middleton Row,  
Kolkata - 700 071.
- 161, Anna Salai, Chennai - 600 002.
- 19/90, Connaught Circus, New Delhi - 110 001.

**AUDITORS**

Chaturvedi & Shah  
Chartered Accountants

**BANKERS**

Bank of Baroda  
Union Bank of India  
ICICI Bank Ltd.  
The Zoroastrian Co-operative Bank Limited

**REGISTRAR & TRANSFER AGENTS**

Mondkar Computers Pvt. Ltd.  
Unit : Borosil Glass Works Ltd.  
21, Shakil Niwas, Mahakali Caves Road,  
Andheri (East), Mumbai - 400 093.  
☎ : 2836 6620 / 2821 1996

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**NOTICE**

NOTICE is hereby given that the Fortieth Annual General Meeting of the Members of Borosil Glass Works Limited will be held at Sunville Pavilion, Dr. A.B. Road, Worli, Mumbai 400 018 on Thursday, 25th September, 2003 at 3.30 p.m. to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider, approve and adopt the audited Balance Sheet as at 31st March, 2003 and the Profit and Loss Account for the year ended on that date and the Directors' and Auditors' Report thereon.
2. To appoint a Director in place of Mr. B. L. Kheruka who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. V. N. Nadkarni 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 and to fix their remuneration.

**SPECIAL BUSINESS**

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

"RESOLVED THAT in accordance with the provisions of Section 16, 31 and 94 and all other applicable provisions, if any, of the Companies Act, 1956, the Authorised Share Capital of the Company be and is hereby increased and reclassified from Rs. 5,00,00,000 (Rupees Five Crores) divided into 40,00,000 (Forty Lacs) Equity Shares of Rs. 10/- each and Unclassified Share Capital of Rs. 1,00,00,000 (Rupees One Crore) to Rs. 12,00,00,000 (Rupees Twelve Crores) divided into 1,20,00,000 (One Crore Twenty Lacs) Equity Shares of Rs. 10/- each.

"RESOLVED FURTHER THAT Clause V of the Memorandum of Association of the Company be and is hereby deleted and the new Clause V be and is hereby substituted, therefore namely:

"V. The Authorised Share Capital of the Company is Rs. 12,00,00,000 (Rupees Twelve Crores) divided into 1,20,00,000 (One Crore Twenty Lacs) Equity Shares of Rs. 10/- each. The Company have the power to increase or reduce or modify the capital and to divide all or any of the shares in the capital of the Company for the time being in force and to classify and reclassify such shares from the shares of one class into shares of other class or classes and to attach thereto respectively such preferential, deferred, qualified or other special rights, privileges, conditions or restrictions as may be determined in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges, conditions or restrictions in such manner and by such person as may for the time being be permitted under the provisions of the Articles of Association of the Company or legislative provisions for the time being in force in that behalf."

"AND RESOLVED FURTHER THAT Article 3 of the Articles of Association of the Company be and is hereby deleted and the new Article 3 be and is hereby substituted, therefore namely:

"3. The Authorised Share Capital of the Company is Rs. 12,00,00,000 (Rupees Twelve Crores) divided into 1,20,00,000 (One Crore Twenty Lacs) Equity Shares of Rs. 10/- each."

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

"RESOLVED THAT in accordance with the provisions of Section 81, 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 including any statutory modification(s) or re-enactment(s) thereof and enabling provisions in the Memorandum and Articles of Association of the Company, of the Listing Agreement entered into by the Company with the Stock Exchange where the shares of the Company are listed and in accordance with the guidelines issued by the Securities and Exchange Board of India (SEBI) and clarifications thereon issued from time to time and subject to the approval of the Financial Institutions (FIs), SEBI, Reserve Bank of India (RBI) and all other concerned authorities, if any, and all such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee(s) constituted/to be constituted by the Board to exercise power conferred on the Board by this

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**BOROSIL**


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Resolution), the consent of the Company be and is hereby accorded to the Board to create, issue, offer and allot such number of equity shares of Rs. 10/- each for sum not exceeding Rs. 8,00,00,000/- (Rupees Eight Crores) on rights basis to the existing members of the Company whose names appear on the Register of the Members of the Company and on the beneficiary list of National Securities Depository Limited and Central Depository Services (India) Limited (for member holding shares in dematerialized form) on such record date as may be determined by the Board upon the following terms and conditions and subject to the following rights:

- i The Equity Shares shall be issued and offered at par or such premium as the Board of Directors may fix in consultation with the Lead Manager to the issue.
- ii The Equity Shares shall be issued and offered in the first instance to the holders of the existing equity shares of the Company on such date and in such ratio as may be fixed by the Board and fraction of new Equity Shares entitlement, if any, shall be dealt with in the manner the Board of Directors may decide.
- iii The offer aforesaid shall be made by notice specifying the number of shares offered and the time limit being not less than 30 days but not exceeding 60 days from the date of offer within which the offer has to be accepted failing which, it will be deemed to have been declined.
- iv The offer shall include a right exercisable by the shareholders concerned to renounce the shares offered to in whole or in part in favour of any person(s).
- v The offer aforesaid shall be made with option to the shareholders to apply for additional shares provided that a shareholder who has renounced his/her shares in whole or in part shall not be entitled to allotment of additional shares.
- vi The allotment of additional shares to the applicant shall be made on equitable basis, in consultation with the Stock Exchange, Mumbai, with reference to the Equity Shares already held by them. If any further Equity Shares applied for are not allotted, the amount paid on application thereof shall be refunded within prescribed time without interest.
- vii The Board be and is hereby authorised to allot the Equity Shares remaining unsubscribed in such manner as the Board may think fit, proper and appropriate which would be beneficial to the Company.
- viii The allotment of shares to Non Resident(s) or Foreign Financial Institutions (FFIs) and Overseas Bodies Corporate (OBCs) will be subject to the sanction of the Central Government and/or Reserve Bank of India, if any, required.

"RESOLVED FURTHER THAT the Equity Shares to be so issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company, shall in all respects (including voting rights) rank pari passu with the existing Equity Shares of the Company and shall be listed and traded on Stock Exchange.

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Board or the Committee thereof be and is hereby authorised to appoint Merchant Banker(s), Manager(s), Registrar(s), Bankers to the Issue and pay, if so think fit, underwriting Commission and/or brokerage as may be lawful, to prescribe the letter of offer, forms of application and renunciation and other documents in respect of such shares, to execute all such deeds, documents and writing(s) as may be necessary and reasonable and to do all such acts, deeds and things as it may in its absolute discretion consider necessary, proper, desirable or appropriate and to settle any question, difficulty or doubt that may arise in regard to the offer, issue, allotment of shares and utilisation of the issue proceeds of the Equity Shares as it may deem fit."

7. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to Section 163 and other applicable provisions, if any, of the Companies Act, 1956 (hereinafter referred to as "the Act"), the Company hereby approves that the Register of Members, Indexes, copies of Annual Returns, original transfer deeds, copies of transfer register, copies of dividend/tax at source register, UPC registers of various types instead of being kept at the Registered Office of the Company at Khanna Construction House, 44, Dr. R.G. Thadani Marg, Worli, Mumbai 400 018, be kept at the Office of the Registrar & Transfer Agents of the Company i.e., Mondkar Computers Pvt. Ltd., 21, Shakil Niwas, Mahakali Caves Road, Andheri (East), Mumbai 400 093, where the registers, indexes and returns as mentioned in Sub-section (1) of Section 163 of the Act shall remain open as per provisions of the said Section for inspection during the business hours subject to reasonable restrictions, so that not less than two hours in each day are allowed for inspection."

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# BOROSIL

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## NOTES

- (1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- (2) The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business under Item Nos. 5 to 7 as set out above, and the relevant details in respect of Item Nos. 2 & 3 set out above, pursuant to Clause 49 of the Listing Agreement 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 18th September, 2003 to 25th September, 2003 both days inclusive.
- (4) The Members are requested to notify immediately the change of address, if any, to the Company's Registrar and Transfer Agents viz. Mondkar Computers Pvt. Ltd. Unit: Borosil Glass Works Ltd., 21, Shakil Niwas, Mahakali Caves Road, Andheri (East), Mumbai 400 093.
- (5) Pursuant to Section 205A of the Companies Act, 1956 ("the Act"), all unclaimed/unpaid dividends upto the financial year 31st March 1995 have been transferred to General Revenue Account of the Central Government. Shareholders who have not yet encashed the Dividend Warrants for the said period are requested to claim their amounts from the Registrar of Companies, Maharashtra at their Office at CGO Complex, 2nd Floor, A-Wing, Next to RBI Building, CBD Belapur 400 614.

**Shareholders are hereby informed that after the amendment of the Act with effect from 31.10.1998, the Company will be obliged to transfer any money lying in the Unpaid Dividend Account, which remains unpaid or unclaimed for a period of seven years from the date of such transfer to the Unpaid Dividend Account, to the credit of Investor Education and Protection Fund ("Fund") established by the Central Government. In accordance with Section 205C of the Act, no claim shall lie against the Company or Fund in respect of the Individual amounts of dividends remaining unclaimed and unpaid for a period of seven years from the dates they became first due for payment and no payment shall be made in respect of any such claims.**

Members who have not yet encashed their dividend warrant(s) for the financial year ended 31.03.1996 are requested to make their claims to the Company accordingly, without any delay. It may be noted that the unclaimed dividend for the financial year ended 31.03.1996 is due for transfer to the Investor Education & Protection Fund on 3rd November, 2003.

- (6) As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested to kindly bring their copies to the Meeting.
- (7) Appointment/Re-appointment of Directors

Details of Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting (Pursuant to Clause 49 of the Listing Agreement)

Name of Director:	Mr. B. L. Kheruka	Mr. V. N. Nadkarni
Date of Birth:	7th November, 1930	24th July, 1924
Date of Appointment:	24th November, 1988	14th August, 1990
Qualification :	Graduate	Graduate
Expertise in specific functional area	Industrialist having Over 50 years of experience in various functional areas of business/industry	Ex-Chairman of State Bank of India having vast experience in banking and finance.

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# BOROSIL

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List of other  
Indian Public Limited  
Companies in which  
Directorship held.

- Gujarat Borosil Ltd.
- Window Glass Ltd.
- Gujarat Fusion Glass Ltd.
- General Magnets Ltd.
- Croton Trading Ltd.

- Clariant (India) Ltd.
- Vajra Granites Ltd.
- Rallis India Ltd.
- Indo Gulf Corp. Ltd.
- R.P.G. Telecom Ltd.
- Schrader Duncan Ltd.
- Central India Polyester Ltd.
- Monotona Exports Ltd.
- Dewan Housing Development Finance Corpn. Ltd.
- Goldiam International Ltd.

Chairman/Member of  
Committees of the Board  
of other public limited  
companies.

- Gujarat Borosil Ltd.  
Share Transfer and  
Shareholders/Investors  
Grievance Committee  
-Chairman
- Window Glass Ltd.  
Share Transfer and  
Shareholders/Investors  
Grievance Committee  
-Member

- Clariant (India) Ltd.  
Audit Committee-Chairman  
Share Transfer and Shareholders/  
Investors Grievance Committee  
-Member
- Rallis India Ltd.  
Audit Committee-Chairman  
Share Transfer and Shareholders/  
Investors Grievance Committee  
-Member
- Indo Gulf Corpn. Ltd.  
Audit Committee-Chairman  
Share Transfer and Shareholders  
/Investors Grievance Committee  
-Member
- Schrader Duncan Ltd.  
Audit Committee-Member
- Monotona Exports Ltd.  
Audit Committee-Member
- Dewan Housing Development Finance Corpn. Ltd.  
Audit Committee-Chairman

Date : 31st July, 2003

**Registered Office:**  
Khanna Construction House  
44, Dr. R.G. Thadani Marg  
Worli, Mumbai 400 018.

By Order of the Board

**JYOTI DIALANI**  
Company Secretary



# BOROSIL

## ANNEXURE TO THE NOTICE

**Explanatory Statement as required by Section 173(2) of the Companies Act, 1956.**

### Item No. 5

The Company intends to issue further Equity Shares by way of Rights to the existing shareholders of the Company. At present the Company has Authorised Share Capital of Rs. 5,00,00,000 divided into 40,00,000 (Forty Lacs) Equity Shares of Rs. 10/- each and Unclassified Share Capital of Rs.1,00,00,000 (Rupees One Crore).

Consequently it is necessary to increase and reclassify the Authorised Share Capital of the Company and alter the relevant clauses contained in the Memorandum and Articles of Association of the Company.

Your Directors recommend the Resolution for your approval.

None of the Directors of the Company are concerned or interested in the said resolution.

### Item No. 6

The Company is presently having high debt: equity ratio and is carrying very high interest cost. In order to reduce interest burden, the Company has entered into One Time Settlement with ICICI Bank Ltd., whereby, out of principal outstanding of Rs. 2659 lacs as on 31st March, 2003, Rs. 409 lacs out of principal as well as arrears of interest have been waived. As per settlement, a down payment of Rs. 1125 lacs has been made in the current year (part of which has been raised through short term secured loans) and the balance Rs. 1125 lacs is payable free of interest in 8 quarterly instalments.

In order to achieve more balanced debt: equity ratio and to augment long term resources into the Company, your Directors propose to issue rights shares to the existing shareholders, the details of which are being worked out. The said issue will be made after obtaining all requisite approvals in the matter in accordance with SEBI (Disclosure and Investor Protection) Guidelines, 2000, and all other Acts, Rules and Regulations in force.

The Special Resolution will, if passed, enable the Board on behalf of the Company to issue and offer Equity Shares to the existing shareholders, in the first instance and in case of unsubscribed portion, to dispose of the same in the manner, deemed most beneficial to the Company. The Company in consultation with Manager to the issue will fix the detailed terms and conditions of the issue which will be in accordance with the requirements of the guidelines issued/to be issued by SEBI and any other concerned authorities. Mr. B.L. Kheruka and/or Mr. P.K. Kheruka, Directors of your Company are also the Directors of the promoter companies, who may be offered and allotted rights shares and the Directors holding the shares in the Company will be offered Rights Shares in proportion of their entitlement. This apart, none of the Directors of the Company is in any way, concerned or interested in the proposed resolution.

Your Directors recommend the Resolution for your approval.

### Item No. 7

The Company was having in-house Share Department at 107, Famous Cine Building, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011 and Mondkar Computers Pvt. Ltd., 21, Shakti Niwas, Mahakali Caves Road, Andheri (East), Mumbai 400 093, as connectivity agents were handling the work of electronic connectivity with regard to dematerialisation and rematerialisation of shares. In view of a directive from Securities and Exchange Board of India (SEBI), the Company was required to have a common agency for share registry work in respect of both physical and electronic modes. The Company, therefore, decided to appoint Mondkar Computers Pvt. Ltd. as share transfer agents to handle the entire share transfer registry work. Accordingly, Register of Members, Indexes, transfer register and such other documents and records will be required to be kept at their office. The said registers and documents shall remain open for inspection during the business/working hours of the said Registrar on all working days between 11.00 a.m. and 1.00 p.m.

Having regard to the provisions of Section 163 of the Companies Act, 1956, the consent of the Members by a Special Resolution is required to be accorded for keeping the Company's Register of Members, Index of Members, copies of Annual Returns and copies of certificates and documents required to be annexed thereto, at any place other than the Registered Office of the Company.

The Directors, therefore, recommend the passing of Special Resolution contained in item No. 7 of the accompanying Notice.

A copy of the Special Resolution as set out in the accompanying Notice and which is proposed to be passed at the Annual General Meeting shall be delivered to the Office of the Registrar of Companies, Maharashtra, Mumbai, as required by the said Section 163.

None of the Directors may be considered to be interested in the Resolution.

Yours Directors recommend the Resolution for your approval.

Date: 31st July, 2003

### Registered Office:

Khanna Construction House  
44, Dr. R.G. Thadani Marg  
Worli, Mumbai 400 018.

By Order of the Board

**JYOTI DIALANI**  
Company Secretary

## FIVE YEAR FINANCIAL HIGHLIGHTS

		2002-2003	2001-2002	2000-2001	1999-2000	1998-1999
Sales	(Rs. Lacs)	6873.00	8648.91	7819.92	5917.82	6230.38
Profit Before Tax	(Rs. Lacs)	(32.47)	(167.47)	11.59	9.46	11.80
Profit/(Loss) Before Tax as % on Sales		(0.47)	(1.94)	0.15	0.16	0.19
Provision for Taxation (including Deferred Tax income of Rs. 77.45 lacs*; Previous Year 71.22 lacs**)	(Rs. Lacs)	(76.82)*	70.54 **	1.49	1.69	5.61
Profit/(Loss) After Tax	(Rs. Lacs)	44.35	(96.93)	10.10	7.77	6.19
Profit/(Loss) After Tax as % on Sales		0.65	(1.12)	0.13	0.13	0.10
Dividend	%	0.00	0.00	0.00	0.00	0.00
Net Earnings per Share	(Rs.)	1.29	(2.83)	0.29	0.23	0.18
Shareholders' Funds	(Rs. Lacs)	4599.68	4555.33	5233.19	5223.08	5200.31
Book Value per Share	(Rs.)	134.14	132.84	152.61	152.32	151.65
Return on Investment	(%)	7.61	7.53	8.71	8.54	7.69

BOROSIL



# BOROSIL

## DIRECTORS' REPORT

Your Directors present their Fortieth Annual Report and the Audited Accounts for the year ended 31st March, 2003.

## FINANCIAL RESULTS

(Rupees in thousands)

	Year ended 31.3.2003	Year ended 31.3.2002
Gross Sales (Including Excise Duty)	687300	864891
Other Income	24210	24245
Profit/(Loss) for the year before interest, Depreciation and Extra Ordinary Items	74400	130198
Less: Interest	62652	86525
Less: Depreciation	36118	38938
Add: Profit from Extra Ordinary Items	21123	(21482)
Profit/(Loss) before tax	(3247)	(16747)
Provision for tax (including Deferred Tax Credit Rs. 7745 thousand ; previous year Rs. 7122 Thousand)	7682	7054
Profit/(Loss) after tax	4435	(9693)
Add: Balance as per last year	51748	53741
Add: Transfer from Debenture Redemption Reserve Account	3500	7700
Balance carried to Balance Sheet	59683	51748

## DIVIDEND

Your Directors do not recommend any dividend for the year ended 31st March, 2003 with a view to conserve the resources.

## PERFORMANCE

The performance of the Company during the year under review remained subdued owing to following constraints:

- As reported last year, only one tube draw has been working on Furnace No. 1 at Marol Plant since the other tube draw has been converted into press/blown forebay to meet captive requirement of apparatus department. The said furnace at this stage is at the end of its campaign life.
- Operations at Furnace No. 2 at Marol Plant and Maraimalai Nagar Plants remain suspended.
- High interest cost.

### The steps being taken to overcome these constraints are as follows:-

- A one time settlement has been made with a Financial Institution to reduce interest cost as per details given below.
- The Company has entered into a contract with a reputed American consultant for supply of designs, drawings, equipments and technical know-how for upgradation of furnace No. 1 by enlarging its capacity from 12 M.T. per day to 22 M.T. per day. The basic concept has been received from them and the detailed engineering drawings are expected in the next month. The new furnace is expected to be commissioned by the end of the current year. Steps are being taken to tie up with institutions/banks for part finance of the expenditure on project.
- Furnace No. 2 is expected to be recommissioned during the next quarter.
- Lamp Shop and grinding operations at Maraimalai Nagar are continued for the time being.

## Consumerware Division:

During the year, the Company started marketing some imported products under two new brands – Medici and Napoli. Medici

ranges cater to the high end of the market and Napoli ranges to the medium sector. The Napoli ranges have been well accepted by the market. The Company, from its experience of last two-three years, is now laying emphasis on those items which are relatively fast moving.

Exports during the year were Rs. 177 lacs as compared to Rs. 187 lacs in the previous year.

The Company had received notice from Brihanmumbai Municipal Corporation (BMC) for surrendering a portion of its land at Marol, Andheri, Mumbai for construction of a public road. The Company has entered into arrangement with a builder to sell Transferable Development Rights (TDR) to be received in lieu of the said land. The capital gain arising out of the same has been accounted for as extra-ordinary item. This new road will give a direct access to the factory from the Andheri-Kurla Road instead of the circuitous route at present.

Your Directors are happy to state that a One Time Settlement has been arrived at with ICICI Bank Ltd., whereby the arrear interest of Rs.273 lacs upto 31.3.2003 has been waived and has been given effect to in the accounts. Further, out of the principal outstanding of Rs. 2659 lacs, a payment of Rs. 2250 lacs is required to be made and balance Rs. 409 lacs will be waived. As per settlement, a down payment of Rs. 1125 lacs has been made in June, 2003 and the balance Rs. 1125 lacs is payable free of interest in 8 quarterly instalments beginning from June 2004 and ending in March, 2006.

The Company is proposing to issue right shares, the details of which are being worked out. An enabling resolution is being proposed for approval of the shareholders at the ensuing Annual General Meeting. To enable issue of Rights shares, it is further proposed to seek shareholders approval to increase Company's Authorised Capital from Rs. 5 Crores to Rs. 12 Crores.

#### **Investment in Gujarat Borosil Ltd. (GBL)**

BIFR has sanctioned modified rehabilitation scheme for GBL, which has since been implemented. As a result, the paid up value of the equity shares of GBL has been reduced from Rs. 10 per share to Rs. 5 per share. However, since the Company has already made provision for permanent diminution in the value of its investment in GBL last year, the same has not affected the Company's investment in GBL this year. Further, the Company has been allotted GBL's equity shares worth Rs. 422 lacs by converting share capital advance, lease rental/finance charges and interest thereon. Consequent to the implementation of BIFR Order, the amount under the corporate guarantees given by the Company in respect of GBL has come down drastically to Rs. 23 crores as compared to Rs. 155 crores in the preceding year.

This has greatly reduced the Company's exposure in GBL.

#### **DEBENTURES**

15.5% Non-Convertible Portion of Partly Convertible Debentures (NCD) of Rs. 65/- each are due for redemption by payment of third & final instalment of Rs. 25/- each on 14th August, 2003. The first two instalments of Rs. 20/- each in respect of the said debentures have already been paid on 14.8.2001 and 14.8.2002 respectively. However, in case of LIC MF, GIC and its subsidiaries, holding a total of 8,04,778 NCDs of Rs. 65/- each, the redemption has been deferred for a further period of 3 years for each instalment now commencing from 14.8.2004, at a reduced coupon rate of 13.25% p.a. The Company has made arrangement for getting the said Debentures dematerialised.

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

The particulars prescribed under the Companies (Disclosures of particulars in the Report of Board of Directors) Rules, 1988 are furnished in the Annexure forming part of the Report.

#### **FIXED DEPOSITS**

The Company mobilised fresh fixed deposit of Rs. 87.18 lacs in the year 2002-2003 and the total amount of deposits as on 31st March, 2003 was Rs. 257.08 lacs (including unclaimed deposits). There were 106 deposits amounting to Rs. 9 lacs due for repayment which remained unclaimed as on 31st March, 2003. Out of these unclaimed deposits, 4 deposits for Rs. 1.55 lacs have since been renewed and 12 deposits for 1.08 lacs have been repaid.

#### **DIRECTORS**

Mr. P.K. Kheruka has been appointed as Vice-Chairman with effect from 31st July, 2003.

Mr. B.L. Kheruka and Mr. V.N. Nadkarni retire by rotation and being eligible, offer themselves for reappointment.