

**BOARD OF DIRECTORS**

B. L. Kheruka - Chairman  
P. K. Kheruka - Vice Chairman & Managing Director  
A. C. Dalal  
S. Bagai  
K. V. Krishnamurthy  
U. K. Mukhopadhyay (Additional Director w.e.f. 24.08.2009)  
Shreevar Kheruka (Additional Director w.e.f. 24.08.2009)  
V. Ramaswami - Wholetime Director

**COMPANY SECRETARY**

C. Baptista

**REGISTERED OFFICE**

Khanna Construction House, 44, Dr. R. G. Thadani Marg,  
Worli, Mumbai - 400 018.  
☎ : 6740 6300

**ZONAL SALES OFFICES**

- ☐ 403/404, Kaliandas Udyog Bhavan Premises,  
Near Century Bazar, Worli, Mumbai - 400 025.
- ☐ Dabriwala House, 10, Middleton Row,  
Kolkata - 700 071.
- ☐ Door No.22, Wheat Croft Road, Nungambakkam,  
Chennai – 600 034.
- ☐ 19/90, Connaught Circus, New Delhi - 110 001.

**AUDITORS**

Chaturvedi & Shah  
Chartered Accountants

**BANKERS**

Bank of Baroda  
Union Bank of India  
The Zoroastrian Co-operative Bank Limited  
IndusInd 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.  
☎ : 2820 7203 / 2820 7204 / 2820 7205

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# BOROSIL

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## NOTICE

NOTICE is hereby given that the Forty Seventh Annual General Meeting of the Members of Borosil Glass Works Limited will be held at Textiles Committee Auditorium, Textiles Committee Building, P. Balu Road, Near Tata Press, Prabhadevi Chowk, Mumbai 400 025 on Saturday, 31st July, 2010 at 11.00 a.m. to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider, approve and adopt the audited Balance Sheet as at 31st March, 2010 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. A. C. Dalal who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. K. V. Krishnamurthy who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint M/s. Chaturvedi & Shah, Chartered Accountants as 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 an Ordinary Resolution:  
"RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Mr. U. K. Mukhopadhyay, who was appointed by the Board of Directors as an Additional Director of the Company and who holds office upto the date of this Annual General Meeting under Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."
6. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:  
"RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Mr. Shreevar Kheruka, who was appointed by the Board of Directors as an Additional Director of the Company and who holds office upto the date of this Annual General Meeting under Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."
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 the provisions of Section 314(1B) and all other applicable provisions, if any, of the Companies Act, 1956 and subject to approval of the Central Government, consent of the Company be and is hereby accorded to the appointment of Mrs. Priyanka Kheruka (a relative of Mr. B. L. Kheruka, Chairman, Mr. P. K. Kheruka, Vice-Chairman & Managing Director and Mr. Shreevar Kheruka, Director) to hold an office of profit under the Company as Marketing Consultant on a total remuneration/fees of Rs.1,05,000/- per month and on such other terms and conditions as mentioned in the draft Appointment letter, a copy whereof is placed before this meeting, for a period of three years, commencing from the date the approval of the Central Government is received or from such date as may be approved by the Central Government.  
RESOLVED FURTHER that the remuneration payable to Mrs. Priyanka Kheruka as aforesaid will be subject to such modification as the Central Government may suggest or require which the Directors are hereby authorised to accept on behalf of the Company and which may be acceptable to Mrs. Priyanka Kheruka."

By Order of the Board

**C. Baptista**

*Company Secretary*

Place: Mumbai

Date: 28th May, 2010

### Registered Office:

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

### NOTES

- (1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies in order to be effective must be deposited with the Company at least 48 hours before the Meeting.
- (2) Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Item Nos.5 to 7 as set out above and the relevant details in respect of Item Nos. 2, 3, 5 & 6 set out above pursuant to Clause 49 of the Listing Agreement are annexed hereto and form part of this Notice.
- (3) The Register of Members and Share Transfer Books of the Company will remain closed from 23rd July, 2010 to 31st July, 2010 (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) Members are requested to bring their copy of Annual Report to the Meeting as the same will not be distributed at the meeting.

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 the Director	Mr. A. C. Dalal	Mr. K. V. Krishnamurthy	Mr. U. K. Mukhopadhyay (IAS Retd.)	Mr. Shreevar Kheruka
Date of Birth	14th November, 1921	8th May, 1943	26th January, 1944	4th January, 1982
Qualification	-	B. Com, F.C.A., F.IIB.	Ph.D (Economics)	B. Sc in Economics and B. A. in International Relations from University of Pennsylvania, U.S.A.
Date of Appointment	28th August, 1989	29th September, 2006	24th August, 2009	24th August, 2009
Expertise in Specific Functional Area	Over 68 years experience in capital markets. Has been director of many reputed companies.	Over 35 years experience in domestic and international banking and finance related matters. Had been the Chairman & Managing Director of Syndicate Bank and Bank of India.	Mr. Mukhopadhyay has rich experience in administrative as well as in Corporate Sector. After holding various positions in Govt. of Maharashtra, he retired as Additional Chief Secretary – Home. Later, he was also Managing Director of Tata Housing Development Company Ltd.	About 4 years Corporate experience including position of Vice-President in our Company for 3 years. He was also briefly associated with a US based multinational group and presently is Wholetime Director in another Company.
List of other Indian Public Limited Companies in which Directorship held	1. Century Textiles and Industries Ltd. 2. SIL Investments Ltd.	1. Asset Reconstruction Company(India) Limited 2. Sundaram BNP Paribas Trustees Co. Limited 3. FCH Centrum Direct Limited 4. Essel Propack Limited 5. Essar Steels Limited 6. Thirumalai Chemicals Limited 7. Centrum Capital Limited 8. VVF Industries Limited 9. Essar Oil Limited 10.Essar Shipping Ports & Logistics Limited	1. Octaga Green Power and Sugar Co. Ltd.	1. Borosil International Limited 2. Borosil Glass Limited 3. Vyline Glass Works Limited
Chairman / Member of the Board Committees of other Public Limited Companies	Century Textiles and Industries Limited <i>Audit Committee: Member</i>  SIL Investments Limited <i>Audit Committee: Member</i>	Asset Reconstruction Company(India) Limited <i>Audit Committee: Member;</i> Sundaram BNP Paribas Trustees Co. Limited <i>Audit Committee: Member</i> Essel Propack Limited <i>Audit Committee: Member</i> Essar Steels Limited <i>Audit Committee: Member</i> Thirumalai Chemicals Limited <i>Audit Committee: Member</i> VVF Industries Limited <i>Audit Committee: Chairman</i> Essar Shipping Ports & Logistics Limited <i>Audit Committee: Member</i> Centrum Capital Limited <i>Audit Committee: Chairman</i>	NIL	NIL
No. of shares held by them	NIL	NIL	NIL	50100

## **ANNEXURE TO THE NOTICE**

### **EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**

#### **Item No. 5**

The Board of Directors of the Company appointed Mr. U. K. Mukhopadhyay as an Additional Director of the Company with effect from 24th August, 2009 in accordance with Article 118 of the Articles of Association of the Company. Mr. U. K. Mukhopadhyay, a Ph.D in Economics, is a retired IAS Officer who held various positions in the Government of Maharashtra before retiring as Additional Chief Secretary (Home). He has experience also in managing manufacturing and service industries.

The Company has received a notice in writing from a member proposing the candidature of Mr. U. K. Mukhopadhyay for the office of Director under the provisions of Section 257 of the Companies Act, 1956.

The Board recommends passing of Resolution at Item No.5 as an Ordinary Resolution.

Except Mr. U. K. Mukhopadhyay, no other Director is concerned or interested in the resolution.

#### **Item No. 6**

The Board of Directors of the Company appointed Mr. Shreevar Kheruka as an Additional Director of the Company with effect from 24th August, 2009 in accordance with Article 118 of the Articles of Association of the Company. Mr. Shreevar Kheruka has a dual degree of B.Sc. in Economics and B.A. in International Relations from the Wharton Business School of the University of Pennsylvania, USA. After completing his studies, he worked with the Monitor Group, a multinational strategic consulting firm in USA, during which he gained valuable experience in re-structuring some Fortune 500 companies. Upon his return to India, he joined Borosil Glass Works Limited as Vice-President for a period of three years before becoming Director of the Company. Presently, he is also working as a Wholtime Director of Vyline Glass Works Limited.

The Company has received a notice in writing from a member proposing the candidature of Mr. Shreevar Kheruka for the office of Director under the provisions of Section 257 of the Companies Act, 1956.

The Board recommends passing of Resolution at Item No.6 as an Ordinary Resolution.

Mr. Shreevar Kheruka is grandson of Mr. B. L. Kheruka, Chairman and son of Mr. P. K. Kheruka, Vice-Chairman & Managing Director.

Except Mr. Shreevar Kheruka, Mr. B. L. Kheruka and Mr. P. K. Kheruka, no other Director is concerned or interested in the resolution.

#### **Item No. 7**

Under Sub-Section (1B) of Section 314 of the Companies Act, 1956 read with Directors Relatives (Office or Place of Profit) Rules, 2003, it is necessary to obtain the prior consent of the Company by a special resolution and the approval of the Central Government for holding or continuing to hold office or place of profit under the Company, which carries a total monthly remuneration of Rs.50,000 or more, by a relative of Director. It is proposed to appoint Mrs. Priyanka Kheruka, who is related to Mr. B. L. Kheruka, Chairman, Mr. P. K. Kheruka, Vice Chairman & Managing Director and Mr. Shreevar Kheruka, Additional Director, as Marketing Consultant of the Company for a period of three years. Mrs. Priyanka Kheruka has obtained dual degrees in Bachelor of Science in Economics with concentrations in Marketing & Management from the Wharton School & the College of Arts & Science, of the University of Pennsylvania, United States of America (USA). Thereafter, she joined New York – Bain and Company, a top consulting firm as Associate Consultant in the private equity group, where her work included due diligence resulting in a major acquisition. She also worked in the general strategy group, providing inputs on operations, capacity management, market share growth strategies and competitive landscaping.

On her return to India, Mrs. Kheruka worked for an American NGO and then as a Whole time Director of Vyline Glass Works Limited from 1<sup>st</sup> August, 2007 to 31<sup>st</sup> March, 2009, during which assignment she provided strategic marketing inputs.

Since the Company was looking for a suitable candidate for appointment as Marketing Consultant, who can advise the Company on Product Development, Brand Enhancement and Strategy Promotions, a Selection Committee was constituted and after interviewing candidates, the said Committee found Mrs. Priyanka Kheruka suitable for the position on the following terms and conditions:

- Remuneration in form of Consultancy Fee – Rs.1,00,000 p.m.
- Phone rental and call charges will be paid by the Company at actuals for telephone at the residence/mobile phone subject to limit of Rs.5000 p.m.
- Mrs. Priyanka Kheruka will further be entitled to reimbursement of actual entertainment and travelling expenses incurred by her for business purposes.

Other terms:

The assignment may be terminated by either party by giving three months' notice in writing.

Since Mrs. Priyanka Kheruka is a grand daughter in law of the Chairman and daughter in law of Vice-Chairman & Managing Director and wife of a Director and her total fees/ remuneration will exceed Rs.50,000/- per month, the proposed special resolution is intended to obtain the consent of the members of the Company, which will be followed by approval of the Central Government, to her holding or continuing to hold office or place of profit under the Company.

The Directors recommend passing of the Resolution contained at item No. 7 of the accompanying Notice.

Mr. B. L. Kheruka, Mr. P.K. Kheruka and Mr. Shreevar Kheruka, being relatives of Mrs. Priyanka Kheruka, may be deemed to be interested in her appointment and payment of fees/remuneration as Marketing Consultant. No other Director is concerned or interested in the Resolution.

A copy of the draft Appointment letter to be entered into between the Company and Mrs. Priyanka Kheruka will be open for inspection by members at the Registered Office of the Company between 10.00 a.m. and 12.00 noon on any working day of the Company upto and including the date of Annual General Meeting.

By Order of the Board

Place: Mumbai

Date: 28th May, 2010

**C. Baptista**

*Company Secretary*

***Registered Office:***

Khanna Construction House,

44, Dr. R.G. Thadani Marg,

Worli, Mumbai 400 018.

## FIVE YEAR FINANCIAL HIGHLIGHTS

		2009-2010	2008-2009	2007-2008	2006-2007	2005-2006
Net Sales	(Rs. lacs)	<b>8788.83</b>	6698.77	7161.55	6825.95	6494.70
Profit/(Loss) Before Tax	(Rs. lacs)	<b>(2605.88)</b>	(937.28)	86.02	1319.15	575.44
Profit/(Loss) Before Tax as % on Sales		<b>(29.65)</b>	(13.99)	1.20	19.33	8.86
Provision for Taxation (including Deferred Tax credit of Rs. 125.54 lacs; Previous Year Rs.21.91 lacs)	(Rs. lacs)	<b>(126.74)</b>	3.56	32.43	216.57	174.41
Profit/(Loss) After Tax	(Rs. lacs)	<b>(2479.14)</b>	(940.84)	53.59	1102.58	401.03
Profit/(Loss) After Tax as % on Sales		<b>(28.21)</b>	(14.04)	0.75	16.15	6.17
Dividend	(%)	-	-	-	30.00	20.00
Net Earnings per Share	(Rs.)	<b>(62.54)</b>	(24.37)	1.49	32.12	11.12
Shareholders' Funds	(Rs. lacs)	<b>3759.13</b>	6238.27	6196.27	6142.68	4715.46
Book Value per Share	(Rs.)	<b>94.83</b>	157.38	171.71	170.23	137.51
Return on Investment	(%)	<b>(21.99)</b>	(6.24)	3.84	15.04	9.30

**DIRECTORS' REPORT**

To  
The Members of  
BOROSIL GLASS WORKS LIMITED

Your Directors present their Forty Seventh Annual Report and the Audited Accounts for the year ended 31st March, 2010.

**FINANCIAL RESULTS**

		(Rupees in lacs)
	Year ended 31.03.2010	Year ended 31.03.2009
Gross Sales (Including Excise Duty)	9109.07	7127.11
Other Income	185.77	181.25
Profit/(Loss) for the year before Interest, Depreciation and Extra Ordinary Items		
Less: Interest	(51.99)	288.70
Less: Depreciation	514.30	392.78
Less: Extra Ordinary Items (Net)	169.61	333.20
Loss for the year before tax	(1869.98)	(500.00)
Less: Provision for Income Tax	(2605.88)	(937.28)
Less: Provision for Wealth Tax	—	—
Less: Provision for Fringe Benefit Tax	—	0.24
Less: Deferred Tax (Credit)	—	25.23
Less: Write back of provision for Tax of earlier year	(125.54)	(21.91)
Loss for the year	(1.20)	—
Add: Balance as per last year	(2479.14)	(940.84)
Add: Amount Transferred from General Reserve	1342.38	2283.22
Amount available for Appropriation	370.15	—
<b>Appropriations</b>	(766.61)	1342.38
Balance carried to Balance Sheet	(766.61)	1342.38

**DIVIDEND**

Your Directors do not recommend any dividend for the year ended 31st March, 2010 in view of loss incurred during the year and to conserve resources.

**PERFORMANCE**

Subsequent to the acceptance of Voluntary Retirement Scheme (VRS) by all workmen at Company's Marol plant, the Company has obtained No Objection Certificate from the Commissioner of Labour for development of the said land and thereby the property there has become available for development /sale. The Company has appointed an Agency to run a process to find out suitable buyer for the property at Marol, Mumbai and the process is underway right now. In the meantime, the Company is also seeking approval of the members U/S 293(1)(a) of the Companies Act, 1956, for transfer, sale, lease or otherwise disposal of the property belonging to the closed undertaking at Marol.

The Company is in the process of setting up a modern borosilicate glass melting furnace at a site in the Bharuch District of Gujarat and till this new plant is commissioned, market demand is being met from its own stock and by sourcing from imports as well as from domestic market.

Sales during the year under review were higher at Rs.9109.07 lacs as compared to Rs.7127.11 lacs in the previous year. In spite of improved performance by both 'Scientific & Industrial Division' and 'Consumerware Division', the Company incurred losses amounting to Rs.2479.14 lacs (which includes Extraordinary Loss of Rs.1869.98 lacs) as compared to loss of Rs.940.84 lacs (which included Extraordinary Loss of Rs.500 lacs) during the previous year.

The reasons for losses are attributed to the following factors:

1. An amount of Rs.1869.98 lacs paid under Voluntary Retirement Scheme (VRS) to the workmen at Marol Plant has been treated as extraordinary loss. On the top of this, the Company has to service the loan taken for the purpose. All these, however, helped the Company in freeing its land at Marol for development / sale.
2. Since the Company is in the process of setting up of new plant in the Bharuch District of Gujarat, although there is no

production right now after discontinuation of manufacturing in the Marol, Mumbai Plant, the Company has been incurring fixed costs on its technical and other staff to be eventually deployed in the new project. The Company has in the interregnum period, been importing products from abroad in order to maintain its market share, inspite of lower margin.

The Company has also suspended its operations at Maraimalai Nagar, Tamil Nadu in view of obsolescence of the products being manufactured there.

Exports during the year were lower at Rs.250.93 lacs as compared to Rs.328.02 lacs in the previous year.

## **FIXED DEPOSITS**

The Company has stopped accepting fresh fixed deposits since July 2006. The total amount of unclaimed deposits as on 31st March, 2010 was Rs.14.33 lacs, out of which an amount of Rs.0.25 lacs has since been paid.

## **DIRECTORS**

During the year, Mr. U. K. Mukhopadhyay and Mr. Shreevar Kheruka were appointed as Additional Directors w.e.f. 24th August, 2009. The Company has received two separate notices from members of the Company under Section 257 of the Companies Act, 1956 in respect of the above persons, proposing their appointment as Directors, alongwith the requisite deposit.

Mr. S. Bagai was appointed as a member of the Audit Committee of the Board of Directors w.e.f.18th May, 2009.

Mr. A. C. Dalal and Mr. K. V. Krishnamurthy retire by rotation and, being eligible, offer themselves for reappointment.

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

## **AUDITORS**

M/s. Chaturvedi & Shah, 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.

## **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 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.

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **A. Industry Structure and Developments**

The Company is engaged in the business of low expansion borosilicate glassware including a wide variety of scientific, industrial, lighting, pharmaceutical and Consumerware glass items, sourced both from international and domestic markets.

The entire Research and Development Industry, Education and Health segments of the market are major users of Scientific and Industrial Products, whereas Consumerware items cater to the need of the household sector.

### **B. Opportunities and Threats**

#### **- Opportunities**

With increased emphasis by the Govt. of India in the Education and Health segments of the markets, there is opportunity for the Company to increase its presence in these areas.



Further, with increased availability of certified and graduated items and introduction of USP (United States Pharmacopoeia) range of products for the pharma industry, there are good opportunities to increase the share of business in the Research & Development and Pharma segment/s of the market. The increased presence of Contract Research organisations in the country will also contribute to increased business from the Pharma segment.

- Threats

- Owing to closing down of furnace at Marol, Mumbai, the Company is now dependent on its arrangement with another company for sourcing products domestically, till its new plant in the Bharuch District becomes operational.
- Unrestricted import and dumping of scientific and industrial products by importers from various countries.
- Availability of significant quantities of spurious goods bearing Company's brand name.
- Usage of plastics and instruments in laboratories as substitute for glassware.
- Entry of international/domestic business houses in trading of Scientific glassware with their own well established brands (sourced mainly from small and cottage scale Indian fabricators).

**C. Segmentwise or Productionwise Performance**

- Scientific and Industrial Products Division

- Sales have shown significant improvement and registered an increase of 28.73% as compared to previous year. Besides, there were significant pending orders in almost all areas – otherwise, performance of the division could have been still better.
- Relatively better availability of products coupled with increased penetration at the customer level have contributed towards this improved performance. Introduction of liquid handling systems in the range has also resulted in increased sales.
- Focused attention on exports in the second half of the year, have also helped in reasonable level of export sales.

- Consumerware Division

During the year under review, the turnover of the consumerware division has also risen significantly by 36.88%, as compared to last year in spite of fierce competition and inflationary pressure on consumers. The Company is market leader in the microwave glassware segment and has during the year under review further strengthened its presence in the said segment.

**D. Outlook**

- Scientific and Industrial Products:

The overall picture appears to be bright considering the following factors:

- The Government emphasis on Education and Health segments coupled with increased awareness.
- Increased presence of Contract Research Organisations.
- Continued growth in the pharma segment.
- Introduction of allied products in range under Borosil® brand.
- Political stability.
- Anticipated economic revival.

- Consumerware Products:

The Company sells its product under brands namely Borosil® and Borosil International. The Company imports a range of products from various international manufacturers and sells these in the domestic market along with domestically sourced products. With the rise of consumerism in India, there is continuous scope of growth in the consumerware segment. However, there is constraint on supply side. The Company is in the process of introducing new product categories in tumblers and dishes, which are likely to be launched shortly.

**E. Risks and Concerns**

- (a) In the wake of cooling down of Company's furnace at Marol, Mumbai while the Company's new plant in the Bharuch District of Gujarat is still under implementation, the Company is presently mainly dependent for its product, on outside sources including imports (apart from its own existing stock).

- (b) Increased usage of other scientific products e.g. plastics and instruments.
- (c) Increased competition from organised sector in trading of scientific and microwave glassware.
- (d) Spurious activities.
- (e) Competition from imported goods mostly from the grey market.

## **F Internal Control Systems and their Adequacy**

The Company has adequate Internal Control System commensurate with its size and nature of business. Internal Audit is periodically conducted by an external firm of Chartered Accountants and Internal Audit reports are reviewed by the Audit Committee.

## **G Material Development in Human Resources, Industrial Relations and number of people employed**

Following acceptance of Voluntary Retirement Scheme (VRS) by all workmen at its Marol plant, the Company has only a few workmen left at its Maraimalai Nagar Plant.

Number of people employed as on 31st March, 2010 were as under:

Staff	:	165
Workmen	:	23 (Excluding contract labour)

The Company of late has been laying greater emphasis on increasing skill of its marketing team and hence the Company has introduced an incentive scheme for its senior marketing personnel.

The industrial relations at M. M. Nagar Plant continued to remain cordial.

The appeal filed before High Court by 10 ex-employees of the said plant at M. M. Nagar against order of the Industrial Court rejecting their reinstatement is still pending.

## **CORPORATE GOVERNANCE REPORT**

A Report on Corporate Governance along with the Compliance Certificate from the Auditors is annexed hereto and forms part of this Report.

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.borosil.com](http://www.borosil.com). The Directors and senior Management personnel have affirmed their compliance with the Code for the year ended 31st March, 2010.

## **SAFETY, HEALTH AND ENVIRONMENT**

The Company is continuously endeavoring to ensure safe working conditions for all its employees.

The manufacturing activities of the Company do not have any negative impact on the environment.

## **PARTICULARS OF EMPLOYEES**

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

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

Information required to be disclosed under Section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 are furnished in the Annexure forming part of this Report.

## **ACKNOWLEDGEMENT**

Your Directors record their appreciation for the co-operation received from the Employees, Bankers and Customers during the year under review.

For and on behalf of the Board of Directors

Place: Mumbai  
Date : 28th May, 2010

**B. L. Kheruka**  
Chairman