

BOARD OF DIRECTORS

B. L. Kheruka - Executive Chairman
P. K. Kheruka - Vice Chairman & Managing Director
A. C. Dalal (Resigned w.e.f. 21.02.2011)
S. Bagai
K. V. Krishnamurthy
U. K. Mukhopadhyay
Shreevar Kheruka - Wholetime Director
V. Ramaswami - Wholetime Director
Dinesh N. Vaswani (Additional Director w.e.f. 17.03.2011)

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, 10C, Middleton Row,
Kolkata - 700 071.
- 1st Floor, New No. 20, Old No. 9, Brahadammal Road,
Nungambakkam, Chennai – 600 034.
- 19/90, Connaught Circus, Madras Hotel Block, New Delhi - 110 001.

AUDITORS

Chaturvedi & Shah
Chartered Accountants

REGISTRAR & TRANSFER AGENTS

Universal Capital Securities Pvt. Ltd.
(Formerly known as 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

BOROSIL

NOTICE

NOTICE is hereby given that the Forty Eighth Annual General Meeting of the Members of Borosil Glass Works Limited will be held at 'Orchid Hall', 2nd floor, Sunville, 9, Dr. Annie Beasant Road, Worli, Mumbai - 400 018 on Friday, 12th August, 2011 at 02.00 p.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider, approve and adopt the audited Balance Sheet as at 31st March, 2011 and the Profit and Loss Account for the year ended on that date and the Directors' and Auditors' Report thereon.
2. To confirm the declaration and payment of Interim Dividend and declare final dividend on the Equity Shares for the year ended 31st March, 2011.
3. To appoint a Director in place of Mr. S. Bagai who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. B. L. Kheruka who retires by rotation and, being eligible, offers himself for re-appointment.
5. 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

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. Dinesh Nanik Vaswani, 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 Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be and are hereby amended or altered as follows:

I) By inserting the following new Article as Article 25A, after Article 25:

25A. Notwithstanding the provisions contained in these Articles but subject to and in accordance with the provisions contained in Section 77A, Section 77B and other applicable provisions, if any, of the Companies Act, 1956 and corresponding provisions, rules, regulations and guidelines prescribed by the Central Government, the Securities and Exchange Board of India or any other authority, the Company may purchase its own fully paid-up shares or other specified securities (hereinafter referred to as buy-back), out of:

- i. its free reserves; or
- ii. securities premium account; or
- iii. proceeds of any shares or other specified securities; or
- iv. from such other sources as may be permitted by law.

Provided that, no buy-back of any kind of shares or other specified securities shall be made out of the proceeds of an earlier issue of the same kind of shares or same kind of other specified securities.

II) By deleting Article 179(1) and substituting in its place the following article:

179. (1) A document or notice may be served or given by the Company on any Member either personally or by sending it by post to him to his registered address or (if he has no registered address in India) to the address, if any, in India or through electronic mode to the registered e-mail address; supplied by him to the Company for serving documents or notices on him."

8. 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 309, 310 and other applicable provisions, if any, of the Companies Act, 1956, and Article 120(3)(b) of the Articles of Association of the Company and subject to such approvals, as may be necessary, the Non-Executive Directors of the Company be paid a commission of such an aggregate amount, as may be determined by the Board of Directors, not exceeding 1% of the net profits of the Company, of the relevant accounting year as computed in the manner prescribed under Section 198 of the Companies Act, 1956, and the said sum be distributed amongst them in such proportion and in such manner as may be decided by the Board of Directors in that behalf.

AND RESOLVED FURTHER THAT the commission as aforesaid, be payable to the Directors for a period of Five accounting years of the Company, commencing with the accounting year beginning from 1st April, 2011."

By Order of the Board

Place: Mumbai
Date: 27th May, 2011

C. Baptista
Company Secretary

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.6 to 8 as set out above and the relevant details in respect of Item Nos. 3, 4 & 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 5th August, 2011 to 12th August, 2011 (both days inclusive).
- (4) The Dividend as recommended by the Board of Directors, if declared at the Annual General Meeting, will be paid on or after 12th August, 2011:
- (i) to those members whose names appear in the Register of Members after giving effect to all valid share transfers in physical form lodged with the Company / Registrar on or before 4th August, 2011.
 - (ii) in respect of shares held in electronic form, to those 'deemed members' whose names appear on the statements of beneficial ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), at the end of business hours on 4th August, 2011.
- (5) The Members are requested to notify immediately the change of address, if any, to the Company's Registrar and Transfer Agents viz. Universal Securities Pvt. Ltd., Unit: Borosil Glass Works Ltd., 21, Shakil Niwas, Mahakali Caves Road, Andheri (East), Mumbai – 400 093.
- (6) **The Ministry of Corporate Affairs ("MCA") has taken a 'Green Initiative in Corporate Governance' recently, 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 this initiative, we request you to provide your e-mail address if you wish to receive future communications in the form of 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 or DP Id & Client Id if you are holding shares in dematerialised form to:

"investor.relations@borosil.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) Pursuant to Section 205A of the Companies Act, 1956, dividend remaining unpaid/unclaimed for a period of seven years from the date of transfer to the unpaid dividend account is required to be transferred to the Investor Education and Protection Fund set up under Section 205C of the said Act and no claim in respect thereof shall be paid thereafter. Shareholders who have not yet encashed any dividend amount are requested to do so at the earliest.
- (8) 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. S. Bagai	Mr. B. L. Kheruka	Mr. Dinesh Nanik Vaswani
Date of Birth	7th March, 1956	7th November, 1930	17th July, 1962
Qualification	B.Com, L.L.B	B. Com	MBA from the Wharton School of Business BBA cum laude from the University of Texas(Austin)
Date of Appointment	29th June, 2002	24th November, 1988	17th March, 2011
Expertise in Specific Functional Area	Over 28 years' experience in legal and taxation matters	Industrialist having 58 years of experience in various functional areas of business/ industry	Over twenty years' experience both investing in and operating companies in the US and in India.
List of other Indian Public Limited Companies in which Directorship held	NIL	i. Window Glass Ltd. ii. Gujarat Fusion Glass Ltd. iii. General Magnets Ltd. iv. Gujarat Borosil Ltd. v. Borosil International Ltd. vi. Borosil Glass Ltd.	NIL

BOROSIL

Name of the Director	Mr. S. Bagai	Mr. B. L. Kheruka	Mr. Dinesh Nanik Vaswani
Chairman / Member of the Board Committees of other Public Limited Companies	NIL	Gujarat Borosil Limited – Member of Share Transfer & Investors' Grievance Committee	NIL
No. of shares held by them	NIL	76415	NIL

ANNEXURE TO THE NOTICE

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

Item No. 6

The Board of Directors of the Company appointed Mr. Dinesh Nanik Vaswani as an Additional Director of the Company with effect from 17th March, 2011 in accordance with Article 118 of the Articles of Association of the Company. Mr. Vaswani is an MBA from the Wharton School of Business and a BBA cum laude from the University of Texas at Austin, with over twenty years' experience both investing in and operating companies in the US and in India. He is the founder and Managing Director of Acuitas Capital Advisors Pvt. Ltd., a company focused on advising ultra-high net worth families on their investment portfolios in India across all asset classes. He was earlier Managing Director of Temasek Holdings and also worked with Bessemer Venture Partners, Walden International, the Chatterjee Group, WordWalla Inc. and many other global organisations. He is also a member of the Young Presidents Organization (YPO).

The Company has received a notice in writing from a member proposing the candidature of Mr. Dinesh Nanik Vaswani 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.

Except Mr. Dinesh Nanik Vaswani, no other Director is concerned or interested in the resolution.

Item No. 7

The Companies Act, 1956 (the Act) as amended by the Companies (Amendment) Act, 1999, allows a company to buy-back its own fully paid-up shares and securities only if the company is authorised by its Articles of Association in this regard. Alteration in the Articles of Association of the Company is therefore proposed by inserting new Article 25A therein to enable the Company to buy-back its own shares as per the provisions of Sections 77A and 77B of the Act.

Secondly, the Ministry of Corporate Affairs ("MCA") has, as part of its Green Initiatives, recently clarified vide its Circular No.17/2011 dated April 21, 2011 that a company would have complied with Section 53 of the Companies Act, 1956, if the service of document has been made through electronic mode provided the company has obtained e-mail addresses of its members in the manner prescribed therein.

In order to make provision for the same in the Articles of Association, it is proposed to amend the relevant Article 179(1) as set out in the attached resolution.

The Board recommends passing of Resolution at Item No.7 as a Special Resolution.

None of the Directors is concerned or interested in the Resolution.

Item No. 8

The Members of the Company had at the Forty-third Annual General Meeting held on 25th August, 2006, approved the payment of commission in accordance with Section 309(4) of the Companies Act, 1956 to the Non-Executive Directors of the Company for a period of five accounting years beginning from 1st April, 2006. The said approval came to an end on 31st March, 2011. As per Section 309(7) of the said Act, the said approval may be renewed for a further period of 5 years. Your consent is being sought to enable payment of such commission within the limit of 1% of the Net Profit of the Company as is laid out in the said Section. No approval of the Central Government is required for the purpose in terms of General Circular No.4/2011 issued by the Ministry of Corporate Affairs on 4th March, 2011.

Considering the increased responsibility combined with the changing corporate governance norms and stringent accounting standards, which require considerable as well as consistent application of intellect, it is proposed to pay commission to the Non-Executive Directors of the Company. The Board of Directors will decide the specific amount to be paid as commission to the Non-Executive Directors in such proportion and manner as it may consider appropriate, which altogether shall not exceed 1% of the net profits of the Company for that year in the aggregate, as computed in the manner referred to in Section 198(1) of the Companies Act, 1956.

The payment of commission would be in addition to the sitting fees payable for attending Board/Committee Meetings.

All Non-Executive Directors may be deemed to be concerned or interested in the Resolution.

By Order of the Board

C. Baptista

Company Secretary

Place: Mumbai

Date: 27th May, 2011

Registered Office:

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

FIVE YEAR FINANCIAL HIGHLIGHTS

	2010-2011	2009-2010	2008-2009	2007-2008	2006-2007
Net Sales	11,910	8,789	6,699	7,162	6,826
Profit/(Loss) Before Extra ordinary Item & Tax	1,464	(736)	(437)	86	652
Profit/(Loss) Before Extra ordinary Item & Tax as % on Sales	12.29	(8.37)	(6.52)	1.20	9.55
Extra Ordinary Item((Income)/Expenditure)	(78,423)	1,870	500	-	(667)
Profit/(Loss) Before Tax	79,887	(2,606)	(937)	86	1,319
Provision for Taxation (including Deferred Tax credit of Rs. 386 lacs; Previous Year Rs.126 lacs)	15,107	(127)	4	32	217
Profit/(Loss) After Tax	64,780	(2,479)	(941)	54	1,102
Dividend	400	-	-	-	30
Net Earning per Share	1,634.24	(62.54)	(24.37)	1.49	32.12
Shareholders' Funds	66,692	3,759	6,238	6,196	6,143
Book Value per Share	1,682.47	94.83	157.38	1,71.71	170.23
Return on Investment	97.49	(21.99)	(6.24)	3.84	15.04

BOROSIL

BOROSIL

DIRECTORS' REPORT

To
The Members of
BOROSIL GLASS WORKS LIMITED

Your Directors present their Forty Eighth Annual Report and the Audited Accounts for the year ended 31st March, 2011.

FINANCIAL RESULTS

	(Rupees in lacs)	
	Year ended 31.03.2011	Year ended 31.03.2010
Gross Sales (Including Excise Duty)	11,978	9,109
Other Income	3,131	186
Profit/(Loss) for the year before Interest, Depreciation and Extra Ordinary Items	1,781	(52)
Less: Interest	235	514
Less: Depreciation	82	170
Less: Extra Ordinary Items (Net)	78,423	(1,870)
Profit/(Loss) for the year before tax	79,887	(2,606)
Less: Provision for Income Tax	15,954	-
Less: Deferred Tax (Credit)	(386)	(126)
Less: MAT Credit entitlement	(462)	-
Less: Provision / (Written back) of Income Tax of earlier years	1	(1)
Profit/(Loss) for the year	64,780	(2,479)
Add: Amount Transferred from Revaluation Reserve	2,393	-
Add: Balance as per last year	(767)	1,342
Add: Amount Transferred from General Reserve	-	370
Less: Amount Transferred to General Reserve	6,500	-
Amount available for Appropriation	59,906	(767)
Appropriations		
Interim Dividend on Equity Shares	991	-
Tax on above Dividend	165	-
Final Dividend on Equity Shares	595	-
Tax on above	96	-
Balance carried to Balance Sheet	58,059	(767)

DIVIDEND

The Company has already paid an interim dividend of Rs. 25/- per share amounting to Rs.991 lacs. The Board of Directors now recommend a final dividend of Rs.15/- per share for the year ended 31st March, 2011, making it a total dividend of Rs.40/- on each Equity Share of Rs.10/- for the year under review.

PERFORMANCE

During the year, the Company sold its property at Marol, Mumbai for a sum of Rs.830 crores. The buyer had been shortlisted by a reputed agency mandated by the Company for the purpose. The entire process was run independently in a completely transparent manner. Your Directors were able to obtain perhaps the most favourable price for its asset in the city of Mumbai as compared with the prices obtained in similar transactions in that period. The decision to divest was most timely, because the real estate market has since then witnessed a slump. This is the result of painstaking efforts made by the Company in reshaping hitherto industrial land into a salable land parcel and obtaining the plethora of permissions required for the purpose. After paying Income Tax (MAT) of Rs.159 crores, meeting all expenses pertaining to the said deal, repaying loans and payment of Interim Dividend of Rs.11.55 crores with tax thereon, the Company has nearly Rs.600 crores fund.

The Company is on the look out for new business opportunities both in India and abroad. Till such time that an opportunity arises, the Company has invested the funds as per an Investment Policy adopted by the Board of Directors of the Company, which envisages a reasonable return with a low degree of risk. The Company has appointed three well known Wealth Managers to advise the Company in the matter. Accordingly, investments made by the Company have been spread over debts, Equity/Equity Linked Instruments, Bonds/Debentures, Convertible Preference Shares, Real Estate Funds, Opportunity based Funds and Commodity Funds as well as in Mutual Funds. Your Company has invested the funds in such a manner in order to protect the purchasing power of these funds in view of the inflationary environment currently being experienced in our country. Your Company aims to generate a pretax return of 8-10% in the medium term from these investments in order to match inflation.

The divestment of land has freed the Company to focus on core issues pertaining to its business. To this end, the Company has made a number of changes that has directly resulted in substantial growth in both, the scientific products and consumer products divisions. Some of these changes include:

- Enhancement of sales personnel across the country
- Geographical expansion of distribution
- New products introduction
- Improvement of product availability
- Infrastructure enhancement such as increasing warehousing capabilities, better packaging for reduction of transit losses
- Customer relationship management (CRM) software to improve customer focus and deliveries

An infusion of fresh thinking and a young team have helped to reduce costs and increase turnover, all of which have culminated into a robust growth of turnover in the glass business from Rs.88 crores in the previous year to Rs.119 crores in the year 2010-11, representing an increase of 36%.

Your Company has emerged from a loss of Rs.7.36 crores in the previous year, to generate a business profit of Rs 17.13 crores from ordinary activities (before tax, exceptional and extraordinary items), during the year under review. The overall profit for the year including profit from sale of Marol property amounted to Rs.799 crores before tax.

Scientific & Industrial Products Division (SIP)

The SIP division has seen a growth of 34% over the last financial year. Various consultants have estimated growth of the laboratory consumables industry at around 15% for the last year. This means that the company has successfully improved its market share from around 43% to 47% this year. Our long-term goal is to achieve a market share of around 55-60% in the glassware portion of the laboratory consumables industry.

The Company has emerged as an important partner with some of the leading companies in the Pharmaceutical and R&D industry by providing highly accurate laboratory apparatus - a pre-requisite for their high-end research programmes. The Company has also enhanced its product range in this field by including a tissue culture range of disposable plastics.

It is clear that in order for the Company to grow rapidly, the Company has to enhance its product portfolio. The Company is currently in the midst of a study in partnership with a strategy consulting firm in order to determine the future area for growth in the laboratory consumables industry. The findings of this study and suggested course of action will be reviewed by the Board in due course of time.

The outlook for the coming year continues to look good with the increased investments being made by the pharmaceutical industry and research and development segments acting as drivers of growth for laboratory glassware. The addition of new product ranges will also help the Company serve its customers better and result in enhanced sales and profitability.

Consumer Products Division

The consumer products division has seen a growth of 43% over the last financial year. Owing to the large presence of unorganized players in the segment, the Company has been unable to determine an accurate growth rate for this industry. However, when compared to the growth rates of organized peers, the Company has shown a favorable performance.

BOROSIL

The Company has taken various steps to enhance its leadership position in the microwaveable glassware segment. These steps include:

- enhancement of product portfolio
- enhancement of distribution network in south and east India
- introduction of new product lines
- expansion of reach through the modern trade format like Bharti-Walmart, Reliance, DMart etc.

In addition to the above steps, the Company has also decided to embark on an aggressive marketing campaign for the current year. To this end, the Company has hired a reputed marketing strategy consulting firm. The Company expects to roll out this campaign from the 2nd quarter of the new financial year.

Finally, the Company has been able to start relationship with two other suppliers in the area of 'Bake & Serve' range of products. This has helped us substantially to reduce risk of overdependence on a single source for supply for this line of the Company's products.

The outlook for the consumer products division is strong as increased consumer spending in India is acting as a strong driver of growth for this segment as a whole. With the addition of new product lines as well as the new marketing campaign the Company wishes to undertake, it expects to continue its strong growth trajectory in this area.

The Company has been successful in tailoring its offering so that it has tapped the expansion in customer base taking place in India.

Export Division

Exports during the year were higher at Rs.316 lacs as compared to Rs.251 lacs in the previous year. This represents an increase of 26%.

The Company feels that substantial improvement can be made in exports. With enhanced focus on this division and with improved product availability, the Company hopes to see a much better performance this year.

Other Actions

Your Company explored the possibility of acquiring some companies in the last financial year in Europe as well as in India. These could not materialize owing to a large difference in valuation offered and demanded. However, the Company is continuing its endeavor of looking out for other such prospects in India and overseas.

The Company has kept on hold the setting up of a new borosilicate glass melting plant in the Bharuch District of Gujarat. The Company is able to source its products at prices that remain attractive when compared to the cost of manufacturing by itself. This decision will be reviewed periodically.

Investments

The Company started investing in Equity and Equity Linked Instruments as per the Investment policy mandate shared with the Board. Over the past few months, the stock market in India has witnessed a lot of fluctuations. This has resulted in the Company incurring some losses in sync with the markets during the year under review. However, in view of inherent strength of Indian economy, the stock market is expected to do well in the medium to long run and based on this, the Company hopes not only to recover a major portion of such losses but also to generate positive returns over a period of time.

FIXED DEPOSITS

The Company has stopped accepting fresh fixed deposits since July 2006. The total amount of unclaimed deposits as on 31st March, 2011 was Rs.12 lacs, and no further claim has been received since then till date.

DIRECTORS

Mr. B. L. Kheruka was appointed as Executive Chairman and Mr. Shreevar Kheruka as a Wholetime Director of the Company respectively for a period of 3 years w.e.f. 16th December, 2010. Shareholders have approved their appointments by way of necessary resolutions passed by Postal Ballot. Mr. P. K. Kheruka's term as Managing Director is expiring on 31st July, 2011 and he has decided not to seek reappointment as such but will continue on the Board of Directors of the Company as a Director (designated as Vice Chairman).

Mr. A. C. Dalal (aged 89 years) resigned as Director w.e.f. 21st February, 2011.

Mr. Dinesh Vaswani, an MBA from Wharton School of Business, was appointed as an Additional Director of the Company w.e.f. 17th March, 2011. The Company has received notice from a member of the Company under Section 257 of the Companies Act, 1956 in respect of his appointment as Director, alongwith the requisite deposit.

Mr. S. Bagai and Mr. B. L. Kheruka 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 judgments 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 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 has traditionally 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 Pharmaceutical industry, Research and Development, 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.

During the last 6 months of the financial year, the Company made substantial investments of amount received from sale of Marol property in various instruments/avenues, based on broad parameters set out by the Board of Directors of the Company in the form of investment policy.

B. Opportunities and Threats

- Opportunities
- * With significant investments being made in the pharmaceutical sector and in R&D, the Company is looking to aggressively grow its market share in these areas.
- * With consumer spending on the rise and enhanced sales of microwaves, the Company hopes to enhance its presence in this market rapidly.
- * With its strong distribution channel and brand, the Company has an opportunity to grow beyond glassware in both the SIP and consumer products division.
- * With a large sum of disposable cash in the treasury, the Company has an opportunity to expand by inorganic expansion in the areas deemed fit.

BOROSIL

- * As regards investment business, the Company has been carefully building up its portfolio in equity/equity based instruments which is likely to generate good returns in the long run, while investing balance fund in debt/debt based instruments to ensure steady flow of return.
- Threats
- * 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).
- * The Equity markets in the country are extremely volatile; in spite of seeking expert advice from experienced wealth managers, it is very difficult to predict the performance of the share market. This can impact overall value of the Company's investment portfolio and resultantly impact the profit of the Company.

C. Segmentwise or Productwise Performance

Scientific and Industrial Products Division

As reported above, the SIP division has seen a growth of 34% over the last financial year and its market has risen from around 43% to 47% this year. Our long-term goal is to achieve a market share of around 55-60% in the glassware portion of the laboratory consumables industry.

Consumerware Division

As reported above, the consumer products division has seen a growth of 43% over the last financial year and compared to the growth rates of organized peers, the Company has shown a favorable performance.

Investments

The Company has entered into this area since October' 2010 and during the period ended 31st March, 2011, the Company made a net profit of Rs.8.68 crores. The Company, as per policy adopted by the Board of Directors, has invested nearly 20% of its investible fund in equity/equity based instruments. This has resulted in some losses in view of fluctuations in the share market. However, the Company expects these investments to regain their lost value and yield positive returns in the coming year. In the meantime, the remaining 80% of the investable fund has been invested in debt/debt based instruments. These are yielding steady income with capital protection. The Company has substantial unrealized profit of around Rs.7.61 crores concerning the said period.

D. Outlook

Scientific and Industrial Products

The outlook for this division looks good considering:

- the increased investments being made by the pharmaceutical industry and research and development segments;
- the addition of new product ranges which will help the Company serve its customers better and result in enhanced sales and profitability; and
- increased demand from customers for the company's high value added volumetric products.

Consumerware Products

The outlook for the consumer products division is strong in view of:

- increased consumer spending in India with the increased purchasing power of middle class; and
- the addition of new product lines as well as the new marketing campaign the Company wishes to undertake.

The Company expects to continue its strong growth trajectory in this area.

Investments

The Company is making its investments as per the Investment Policy Mandate approved by the Directors. The Company's investments are being made with the view of beating inflation as the Company does not wish to lose purchasing power of its investable funds in the medium run.