



BOROSIL®

BOROSIL GLASS WORKS LTD.

Since 1962

50th | Annual Report 2012 - 2013



BOARD OF DIRECTORS

B. L. Kheruka	-	Executive Chairman
P. K. Kheruka	-	Vice Chairman
Shreevar Kheruka	-	Managing Director
V. Ramaswami	-	Whole-time Director
S. Bagai		
U. K. Mukhopadhyay		
Dinesh N. Vaswani		
Naveen Kumar Kshatriya		(Additional Director w.e.f. 09 th May, 2013)

REGISTERED OFFICE

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

CORPORATE OFFICE

1101 Crescenzo, G-Block,
Opp. MCA Club,
Bandra Kurla Complex,
Bandra (E), Mumbai-400 051.
☎ : 67406300

ZONAL SALES OFFICES

- 403/404, Kaliandas Udyog Bhavan Premises,
Near Century Bazar, Worli, Mumbai - 400 025.
- Dabriwala House, 10-C, 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.
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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NOTICE

NOTICE is hereby given that the Fiftieth Annual General Meeting of the Members of **Borosil Glass Works Limited** will be held at Textile Committee Auditorium, Textile Committee Building, P. Balu Road, Near Tata Press, Prabhadevi Chowk, Mumbai – 400 025 on Wednesday, 07th day of August, 2013 at 3.00 p.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider, approve and adopt the audited Balance Sheet as at 31st March, 2013 and the Statement of Profit and Loss for the year ended on that date and the Directors' and Auditors' Report thereon.
2. To declare dividend on the Equity Shares for the year ended 31st March, 2013.
3. To appoint a Director in place of Mr. U. K. Mukhopadhyay, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Dinesh Nanik Vaswani, 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 the following resolution, as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Section 260 of the Companies Act, 1956, Mr. Naveen Kumar Kshatriya, who was appointed as an Additional Director at the meeting of the Board of Directors of the Company held on May 09, 2013 and who holds office up to the date of ensuing Annual General Meeting of the Company and in respect of whom the Company has received notice from a member under Section 257 of the Companies Act, 1956, proposing his candidature, 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 314(1) and other applicable provisions, if any, of the Companies Act, 1956 (hereinafter referred to as the "Act" which includes any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to necessary approval(s), if any required and consequent upon termination of earlier appointment of Mrs. Priyanka Kheruka as Marketing & Advertising Consultant, consent of the Company be and is hereby accorded to the appointment of Mrs. Priyanka Kheruka (a relative of Mr. B. L. Kheruka, Executive Chairman, Mr. P. K. Kheruka, Vice-Chairman and Mr. Shreevar Kheruka, Managing Director & CEO) as Associate Vice President - Marketing on a total remuneration not exceeding ` 2,50,000/- per month on terms and conditions as mentioned in the draft appointment letter, a copy whereof is placed before this meeting, for a period of 3 years, with effect from 01st December, 2012, with liberty to the Board of Directors to alter and vary the terms and conditions as mutually agreed.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all necessary acts, deeds and things, which may be usual, expedient or proper to give effect to the above resolution."

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 Sections 198, 269, 309 and 314(1B) read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (hereinafter referred to as the "Act" which includes any statutory modification(s) or re-enactment thereof, for the time being in force), consent of the Company be and is hereby accorded to the re-appointment of Mr. B. L. Kheruka (relative of Mr. P.K. Kheruka - Vice-Chairman and Mr. Shreevar Kheruka – Managing Director of the Company) as an Executive Chairman of the Company for a period of five years with effect from 16th December, 2013 on the terms and conditions including remuneration as set out in Item No. 8 of the Explanatory Statement with a liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the 'Remuneration Committee' constituted by the Board) to alter and vary the terms and conditions of the said appointment and/or remuneration subject to the same not exceeding the limits specified in Schedule XIII to the Act.

RESOLVED FURTHER THAT in case of loss or inadequacy of profits in any financial year during his tenure as Executive Chairman, Mr. B. L. Kheruka shall be paid the remuneration as set out in the Explanatory Statement as the minimum remuneration subject to limits laid down in Schedule XIII of the Companies Act, 1956, or as may be approved by the Central Government.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all steps as may be necessary, proper and expedient to give effect to this Resolution."

9. To consider and, if thought fit, to pass the following resolution, as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 293(1)(e) and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), the Board of Directors of the Company, hereinafter referred to as "the Board" (which term shall include any duly constituted and authorized 'Committee of Directors' thereof) be and is hereby authorized to contribute, to charitable and other funds/ society/trust or to subscribe in shares of a Body Corporate with a specific object of setting up a multi-specialty hospital/ medical centre or for similar objective(s), which may not be directly relating to the business of the Company or the welfare of its employees, such amount or amounts, as the Board may in its absolute discretion deem fit, PROVIDED HOWEVER THAT the total amount that may be so contributed shall not exceed ` 25,00,00,000/-(Rupees Twenty Five Crores Only) in one or more financial year, in multiple tranches.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things and execute all such deeds, documents, instruments and writings as it may, in its absolute discretion deem necessary and/or expedient for implementing and giving effect to this Resolution and to settle any questions, difficulties or doubts that may arise in this regard on behalf of the Company."

By Order of the Board

Place: Mumbai
Date: 9th May, 2013

Shreevar Kheruka
Managing Director

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 9 as set out above and the relevant details in respect of Item Nos. 3, 4, 6 and 8 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 2nd August, 2013 to 7th August, 2013 (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 27th August, 2013:
 - (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 1st August, 2013.
 - (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 1st August, 2013.
- (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', allowing paperless compliances by Companies and has issued a circular to this effect on 21st April, 2011 stating that the service of documents/notices by a Company can be made through electronic mode.

Members who have not registered their e-mail address so far are requested to register the same by sending an e-mail to investor.relations@borosil.com stating clearly their name & folio no., if shares are held in physical form and if the shares are held in dematerialized form, the e-mail address can be registered with their respective Depository Participants (DPs).

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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.

During the financial year 2013-2014, the Company is required to transfer the unpaid/unclaimed dividend for the financial year 2005-2006 to Investor Education and Protection Fund (IEPF) on 22nd September, 2013. The last date for claiming the unpaid dividend amount for the financial year 2005-2006 is on or before 21st August, 2013.

- (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. U. K. Mukhopadhyay	Mr. Dinesh Nanik Vaswani	Mr. B. L. Kheruka	Mr. Naveen Kumar Kshatriya
Date of Birth	26 th January, 1944	17 th July, 1962	7 th November, 1930	03 rd February, 1949
Qualification	Ph. D. (Economics)	MBA from the Wharton School of Business BBA cum laude from University of Texas (Austin)	B.Com	IIT Graduate
Date of Appointment	24/08/2009	17/03/2011	24/11/1988	09/05/2013
Expertise in Specific Functional Area	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.	Over Twenty years' experience in both investing and operating companies in the US and in India	Industrialist having 60 years of experience in various functional areas of business/industry	He has 40 years of varied experience in Industry which included position of MD & CEO in reputed Multinational Company.
List of other Indian Public Limited Companies in which Directorship held	Surya Roshni Ltd. Golden Greens Golf and Resorts Ltd. The Byke Hospitality Ltd.	NIL	Gujarat Fusion Glass Ltd. Window Glass Ltd. Borosil International Ltd. Gujarat Borosil Ltd. Borosil Glass Ltd.	NIL
Chairman / Member of the Board Committees of other Public Limited Companies	NIL	NIL	Gujarat Borosil Ltd. – Member of Share Transfer & Investor Grievance Committee	NIL
No. of shares held by them	NIL	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 had appointed Mr. Naveen Kumar Kshatriya as an Additional Director of the Company with effect from 9th May, 2013 in accordance with Article 118 of the Articles of Association of the Company. Mr. Kshatriya is an IIT Graduate. He has 40 years of vast international experience in Industry which included position of MD & CEO in a reputed Multinational Company. He is Chairman in First Energy Pvt. Ltd., a Biomass energy company recognized as Technology Pioneer by the World Economic Forum. He mentors and supports entrepreneurial enterprises through his investment firm Kshatriya Ventures. He is a Managing Trustee of Indian Cancer Society and also involved in Isha Foundation's Education initiative.

The Company has received a notice in writing from a member proposing the candidature of Mr. Naveen Kumar Kshatriya 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. Naveen Kumar Kshatriya, no other Director is concerned or interested in the resolution.

Item No. 7

Mrs. Priyanka Kheruka was appointed as Marketing & Advertising Consultant of the Company, pursuant to approval of the shareholders of the Company accorded in the Annual General Meeting held on 9th August, 2012. She has given good results to the Company in terms of increase in sales and profit. In order to ensure her greater involvement in the growing marketing activities of the Company, the Board of Directors has decided to appoint her as an Associate Vice President - Marketing w.e.f. 1st December, 2012 on remuneration not exceeding ` 2,50,000/- per month. Her earlier assignment as Consultant has been terminated with mutual consent with effect from 30th November, 2012.

Mrs. Priyanka Kheruka will further be entitled to reimbursement of actual travelling expenses incurred by her for business purposes.

This appointment is subject to approval of shareholders by way of a special resolution under Sub-Section (1) of Section 314 of the Companies Act, 1956, as set out at Item No. 7 of the accompanying notice. The Board recommends the resolution for your approval.

Mr. B. L. Kheruka, Mr. P. K. Kheruka and Mr. Shreevar Kheruka, Directors of the Company being relatives of Mrs. Priyanka Kheruka, may be deemed to be interested. No other Director is concerned or interested in the aforesaid resolution.

A copy of appointment letter of 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.

Item No. 8

The Board had appointed Mr. B. L. Kheruka (hereinafter referred to as "Mr. Kheruka") as Executive Chairman for a period of 3 years with effect from 16th December, 2010 which term is expiring on 15th December, 2013. The Board of Directors has at its meeting held on 9th May, 2013 decided to re-appoint Mr. Kheruka for a further period of 5 years on the terms and conditions set out in this Explanatory Statement. Mr. Kheruka is providing guidance in overall affairs of the Company including investment decisions.

The re-appointment of Mr. Kheruka is subject to the provisions of Sections 198, 269, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956 ("the Act") read with Schedule XIII of the Act. Since Mr. Kheruka is more than 70 years old, his appointment is required to be approved by a Special Resolution passed by the shareholders.

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Moreover, since Mr. B.L. Kheruka is relative of Mr. P. K. Kheruka, Vice-Chairman and Mr. Shreevar Kheruka, Managing Director of the Company, prior approval of the shareholders in terms of Section 314(1B) of the Act is also sought for holding of office of an Executive Chairman by him as above. As per clarification issued by the Department of Company Affairs vide their Letter No. 3/36/87/CL-V dated 29.5.1989, approval of the Central Government is not necessary as the appointment is in accordance with Schedule XIII to the Act.

The terms and conditions of Mr. B.L. Kheruka's appointment and remuneration payable to him, as approved by the Remuneration Committee are as follows:

I. Remuneration

- a) Salary** : ₹ 2,50,000/- p.m.
- b) Commission** : Such percentage of the net profits of the Company or such amount as may be decided by the Board of Directors (which includes any Committee thereof) for each financial year or part thereof within overall ceiling of 5% of the net profits of the Company, as also within the limit of 10% of the net profits of the Company for all managerial personnel.
- c) Perquisites** :
- i) Housing
Provision for furnished accommodation or House Rent- subject to a ceiling of 60% of salary.
 - ii) Medical Expenses
Domiciliary Treatment - At actuals subject to a ceiling of ₹ 15,000/- p.a. for Mr. Kheruka and his family.
Hospitalisation - Mr. Kheruka and his dependents will be covered by the Company's medical insurance scheme.
 - iii) Club Fees
Reimbursement of membership fee for upto 3 clubs in India including admission and life membership fee.
 - iv) Personal Accident Insurance
Personal Accident Insurance Policy of such amount, the premium of which shall not exceed ₹ 10,000/- per annum.
 - v) Mr. Kheruka will be provided with a Company maintained car with Driver.
 - vi) Phone rental and call charges will be paid by the Company at actuals for telephone at the residence/mobile phone. Charges for personal STD/Trunk Calls would be borne by Mr. Kheruka.
 - vii) Company's contribution to Provident Fund, Gratuity and encashment of leave at the end of his tenure, payable as per rules of the Company. These shall not be included in the computation of limits for the remuneration or perquisites aforesaid.

viii) Leave

Leave with full pay or encashment thereof as per the Rules of the Company.

- ix) Mr. Kheruka will further be entitled to reimbursement of actual entertainment and travelling expenses incurred by him for business purposes.

II. In case of inadequacy or absence of profits in any financial year during the tenure of Mr. Kheruka as an Executive Chairman, the remuneration payable to him in that financial year shall be calculated in a manner so that it does not exceed the limits laid down in Section II of Part II of Schedule XIII to the Companies Act, 1956 or as may be approved by the Central Government.

III. Other terms and conditions:

- (i) Mr. Kheruka, as long as he functions as an Executive Chairman shall not become interested or otherwise concerned directly or through his wife in any selling agency of the Company without prior approval of the Central Government.
- (ii) The Agreement may be terminated by either party by giving three months' notice in writing.

Your Directors recommend passing of the Resolution at Item No. 8 of the Notice.

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

Abstract pursuant to Section 302 of the Companies Act, 1956

This may also be considered as an abstract of terms and conditions of re-appointment of Mr. B.L. Kheruka, pursuant to Section 302 of the Companies Act, 1956 and Memorandum of Interest in that behalf.

Item no. 9

Under Section 293(1)(e) of the Companies Act, 1956 ("the Act"), the Board of Directors of a Public Limited Company cannot, except with the consent of its Members, contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amounts the aggregate of which will, in any financial year, exceed ` 50,000/- (Rupees Fifty Thousand only) or 5% (five per cent) of the Company's average net profit as determined in accordance with the provisions of Sections 349 and 350 of the Act during the three financial years immediately preceding, whichever is greater.

The Company has recently set up a master warehouse in Village - Dumala Boridra in the Bharuch District of Gujarat, where there is no proper specialized medical facility available in the vicinity. Hence, the Company is in discussion with Gujarat Narmada Valley Fertilizers & Chemicals Ltd. (GNFC) to set up a multi-speciality hospital in Bharuch through a Trust or a private limited company to be jointly formed with the representatives of both the company as trustees of Trust or Directors. The Company alongwith GNFC is also in talk with Narayan Hrudayalaya, a renowned hospital chain entity in the Country of International repute, who have shown their willingness to run the said Hospital.

The proposed donation of a sum upto ` 25 crores is to be made to the corpus of the Trust over a period of time to enable the said Trust to set up the hospital above mentioned. The said hospital will also cater to the needs of underprivileged and weaker sections of society. However, the Company wants to keep its options open to contribute for the purpose through other modes also and hence the shareholders approval is being sought for alternative mode of contribution as also contribution for similar objectives to other entities.

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With an increasing emphasis on discharge of Corporate Social Responsibility (CSR) by the Corporate sector, your Directors have proposed the resolution as set out in the notice, to empower the Board of Directors of the Company to make necessary donation / corpus to the Trust or other entity as stated in the enabling resolution.

Some of the Directors of the Company may be Trustees of the above mentioned Trust or Director of the Company or member of the society/body corporate, to which donation/subscription will be made, for which they may be deemed to be concerned or interested. Except to the extent mentioned hereinabove, no other director is interested or concerned in the proposed resolution.

The Shareholders had approved similar contribution of upto ` 50 crores through Postal Ballot on 21st October, 2010 for the financial year 2010 – 2011, out of which the Company made actual contribution of about ` 62 lacs only, as there were no proper options available at that time.

By Order of the Board

Place: Mumbai
Date: 9th May, 2013

Shreevar Kheruka
Managing Director

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

FIVE YEAR FINANCIAL HIGHLIGHTS

		2012-2013	2011-2012	2010-2011	2009-2010	2008-2009
Revenue From Operations	(` lacs)	13,447.16	12,602.35	11,913.84	8,788.83	6,698.77
Profit/(Loss) Before Extra ordinary Item & Tax	(` lacs)	2,604.26	4,042.77	1,465.11	(735.90)	(437.28)
Profit/(Loss) Before Extra ordinary Item & Tax as % on Revenue From Operations		19.37	32.08	12.30	(8.37)	(6.53)
Extra Ordinary Item (Income)/Expenditure	(` lacs)	-	-	(78,422.28)	1,869.98	500.00
Profit/(Loss) Before Tax	(` lacs)	2,604.26	4,042.77	79,887.39	(2,605.88)	(937.28)
Tax expenses	(` lacs)	620.59	789.97	15,107.04	(126.74)	3.56
Profit/(Loss) After Tax	(` lacs)	1,983.67	3,252.80	64,780.35	(2,479.14)	(940.84)
Dividend	(%)	150.00	150.00	400.00	-	-
Net Earnings per Share	(`)	64.81	85.58	1,634.24	(62.54)	(24.37)
Shareholders' Funds	(` lacs)	62,723.18	62,365.73	66,692.88	3,759.13	6,238.27
Book Value per Share	(`)	2,086.60	1,989.11	1,682.49	94.83	157.38
Return on Investment	(%)	3.20	5.25	97.51	(21.99)	(6.24)