

**GUJARAT BOROSIL**

**GUJARAT BOROSIL LIMITED**



***ELEVENTH ANNUAL REPORT***  
***1999-2000***

**BOARD OF DIRECTORS**

Mr. B. L. Kheruka - Chairman  
Mr. U. C. Kheruka  
Mr. P. K. Kheruka  
Mr. S. Gopalan - (Nominee of IDBI)  
Mr. V. A. Gore - (Nominee of ICICI)  
Mr. D. K. Gupta - Whole-time Director

**COMPANY SECRETARY**

Mr. Arun Kumar

**REGISTERED OFFICE & PLANT**

Village - Govali, Taluka - Jhagadia,  
District - Bharuch - 393 001 (Gujarat).

**HEAD OFFICE**

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

**AUDITORS**

Singhi & Co.  
Chartered Accountants

**BANKERS**

State Bank of India  
Bank of Baroda  
The Federal Bank Limited

**REGISTRARS & TRANSFER AGENTS**

Mondkar Computers Pvt. Ltd.  
Unit : Gujarat Borosil Limited  
21, Shakil Niwas,  
Mahakali Caves Road,  
Andheri (East),  
Mumbai - 400 093.

**GUJARAT BOROSIL****NOTICE**

Notice is hereby given that the Eleventh Annual General Meeting of Gujarat Borosil Ltd. will be held at the Registered Office of the Company at Village - Govali, Taluka - Jhagadia, District - Bharuch 393 001, Gujarat State on Monday, 25th September, 2000 at 10.00 a.m. to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider, approve and adopt the audited balance Sheet as at and Profit and Loss Account for the year ended 31st March, 2000 and the reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. D.K. Gupta who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this meeting, until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

**SPECIAL BUSINESS**

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

"RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956 and the provisions of the other statutes as applicable, the Articles of Association of the Company be and are hereby amended or altered or new articles be incorporated in the manner and to the extent as set out herein below:

- (i) The following interpretation be added and existing definitions be modified at appropriate place in Article 2(a):

"Beneficial owner" means beneficial owner as defined in Clause (a) of Sub-section 1 of Section 2 of the Depositories Act, 1996.

"Depositories Act, 1996" includes any statutory modification or re-enactment thereof for the time being in force.

"Depository" means a company formed and registered under the Companies Act, 1956 and which has been granted a Certificate of Registration to act as a Depository under the Securities and Exchange Board of India Act, 1992.

"Member(s) or Shareholder(s)" - unless otherwise provided, means the duly registered holder, from time to time of the shares of the Company and also every person holding equity share(s) of the Company and shall also include the beneficial owner of shares as appearing in the records of the Depository.

"Registered Owner" means a Depository whose name is entered as such in the register of members of the Company.

"SEBI" means the Securities and Exchange Board of India.

"Securities" means such security as may be specified by SEBI from time to time.

- (ii) In Article 18 of the Articles of Association of the Company, after sub-clause (a), the following proviso shall be inserted.

"Provided however that no share certificate(s) shall be issued for shares held with a Depository."

- (iii) The following Article and Margin Note shall be substituted for existing Article 52 of the Articles of Association:

Register of Transfers 52. "The Company shall maintain a "Register of Transfer" and therein shall be fairly and distinctly entered particulars of every transfer or transmission of every share held in a material form."

- (iv) The following Article with marginal notes be inserted as Articles 59A & 59B after the existing Article 59.

**NOMINATION**

- 59A.** (i) Notwithstanding anything contained in these Articles and subject to the provisions of Sections 109A and 109B of the Companies Act, 1956, every member and debentureholder of the Company may at any time nominate in the prescribed manner, a person to whom his shares or debentures of the Company shall vest in the event of his death.
- (ii) In case of more than one holder, the joint holders may together nominate, in the prescribed manner a person to whom all the rights in the shares or debentures of the Company shall vest in the event of death of all the joint holders.
- (iii) The nominee shall, on the death of the holder of shares or debentures of the Company or all the joint holders thereof as the case may be, become entitled to all the rights in such shares or debentures of the Company to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner.
- (iv) Where nominee is a minor, the holder of shares or debentures of the Company may appoint a person to become entitled to such shares or debentures, in the event of his death during the minority of nominee.
- (v) Only individual holders of shares or debentures can make nominations. Non individuals including Society, Trust, Body Corporate, Partnership Firm, Karta of Hindu Undivided Family (HUF), Holder of Power of Attorney cannot nominate and none of these can be appointed as a nominee.
- (vi) Transfer of shares or debentures in favour of a nominee and payment of amount of debentures on redemption to nominee shall be valid discharge by the Company against the legal heirs.

**TRANSMISSION OF SECURITIES BY NOMINEE**

**59B** A nominee, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either -

- (i) to be registered himself as holder of the share or debenture, as the case may be; or
- (ii) to make such transfer of the share or debenture, as the case may be, as the deceased shareholder or debenture holder, could have made;
- (iii) if the nominee elects to be registered as holder of the share or debenture, himself, as the case may be, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased shareholder or debenture holder as the case may be.
- (iv) a nominee shall be entitled to the same dividends and other advantages to which he would be entitled to, if he were the registered holder of the share or debenture except that he shall not, before being registered as a member in respect of his share or debenture, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share or debenture, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable or rights, accruing in respect of the share or debenture, until the requirements of the notice have been complied with.

- (v) The following Title, Articles and Margin Notes be inserted after Article 64.

**64A** (1) Notwithstanding anything contained in these Articles, the Company shall in accordance with the provisions of the Depositories Act, be entitled to dematerialise any or all its Shares or rematerialise any or all its Shares held with a Depository and/or offer its Shares for subscription in a dematerialised form pursuant to the Depositories Act.

Dematerial-  
isation/  
Rematerial-  
isation of  
Shares

Option to  
hold  
securities

- (2) (a) Every person subscribing to securities offered by the Company shall have the option either to receive the security certificates or to hold the securities with a Depository. If a person opts to hold a security with a Depository, the Company shall intimate such Depository the

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details of allotment of the security. On receipt of such information, the Depository shall enter in its records the name of the allottee as the beneficial owner of the security.

- (b) Every person who is the beneficial owner of the securities can at any time opt out of a Depository, in the manner provided by the Depositories Act. The Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities.
- (3) All securities held by a Depository shall be dematerialised and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Act shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owner.
- (4) (a) Notwithstanding anything to the contrary contained in the Act or the Articles, a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owner.
- (b) Save as otherwise provided in (a) above, the Depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.
- (c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the Depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his/her securities which are held by a Depository.
- (5) Notwithstanding anything to the contrary contained in the Companies Act, 1956 or these Articles, where the securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies and discs.
- (6) Notwithstanding anything to the contrary contained in the Articles -
- (i) Section 83 of the Companies Act, 1956 shall not apply to the shares with a Depository.
- (ii) Section 108 of the Companies Act, 1956 shall not apply to transfer of security effected by the transferor and the transferee both of whom are entered as beneficial owners in the records of a Depository.
- (7) Notwithstanding anything contained in the Act or the Articles, where securities are dealt with by a Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such securities.
- (8) Nothing contained in the Act or the Articles regarding necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with Depository.
- (9) The Register and Index of beneficial owners maintained by a Depository under the Depositories Act, 1996, shall be deemed to be the Register of Index of Members and Securities holders for the purposes of the Articles."
5. To consider and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:
- "RESOLVED THAT in supersession of the ordinary resolution passed at the Annual General Meeting of the Company held on 29th July, 1993, consent of the Company be and is hereby accorded under the provisions of Section 293 (1)(d) of the Companies Act, 1956, to the Board of Directors of the Company to borrow, from time to time, all such sums of money as they may deem necessary for the purpose of business of the Company, notwithstanding that the moneys to be borrowed, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount upto which moneys may be borrowed by the Board of Directors shall not exceed the sum of Rs. 150 crores at any one time."

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. A 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.

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2. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of item nos. 4 & 5 is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 21st September, 2000 to 25th September, 2000, both days inclusive.
4. The Companies securities are at listed at (1) The Vadodara Stock Exchange Ltd., Vadodara (Regional Stock Exchange) (2) The Stock Exchange, Ahmedabad (3) The Stock Exchange, Mumbai and (4) The Calcutta Stock Exchange Association Ltd., Calcutta. The Annual Listing Fee as prescribed has been paid to each of the Stock Exchanges.

Date : 19th August, 2000

By Order of the Board

**Registered Office:**

Village - Govali  
Taluka - Jhagadia  
District - Bharuch 393 001.  
Gujarat State

**ARUN KUMAR**

*Sr. General Manager (Legal) &  
Company Secretary*

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.****Item No. 4**

The Companies (Amendment) Act, 1999 has introduced the facility of nomination to the shareholders and debentureholders of the Company.

Also consequent upon the setting up of the Depository System and the introduction of the Depositories Act, 1996 there have been significant amendments in the provisions of the Companies Act, 1956 relating to issue, holding, transfer and dealing in shares and other securities as also the issue of certificates thereof in dematerialised form. Moreover, Securities and Exchange Board of India (SEBI) has issued notification to the effect that shares of the company will be traded on dematerialised form only with effect from 30th October, 2000.

It is, therefore, proposed to suitably amend the Articles as set out in the Resolution in order to ensure that the provisions of the Articles of Association are in consonance with the provisions of the Companies Act, 1956 and Depositories Act, 1996 to enable the dematerialisation of securities issued by the Company under the Depository System.

The above Special Resolution is for approval by the members in terms of Section 31 of the Companies Act, 1956.

No Director of the Company is concerned or interested in the Resolution.

**Item No. 5**

By a Resolution passed at the Annual General Meeting of the Company held on 29th July, 1993, the Board of Directors of the Company was authorised to borrow upto Rs. 100 crores (apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business). Pending grant of relief by the Board for Industrial and Financial Reconstruction, the overdues of the Company to the Financial Institutions alongwith accrued interest thereon, has been steadily going up. This necessitates increasing the borrowing limit to Rs. 150 crores. The proposal for increase in the borrowing limit requires consent of the Company in General Meeting under Section 293(1)(d) of the Companies Act, 1956 and the Resolution set out in the accompanying Notice is intended for this purpose. The Board considers that it is in the interest of the Company that the Resolution be passed.

None of the Directors is, in any way, concerned or interested in the Resolution.

Date : 19th August, 2000

By Order of the Board

**Registered Office:**

Village - Govali  
Taluka - Jhagadia  
District - Bharuch 393 001.  
Gujarat State

**ARUN KUMAR**

*Sr. General Manager (Legal) &  
Company Secretary*

**GUJARAT BOROSIL****DIRECTORS' REPORT**

To:  
The Members of  
Gujarat Borosil Limited

Your Directors are pleased to present their Eleventh Report and Audited Statement of Accounts for the year ended 31st March, 2000

**FINANCIAL RESULTS**

The financial results for the year ended 31st March, 2000 are given below :

Rupees in lacs

	Year ended 31.3.2000	Year ended 31.3.1999
Gross Sales (including Excise Duty)	5304.95	6376.01
Profit before interest and depreciation	735.07	1047.00
Interest	1952.81	1632.89
Depreciation	439.59	434.79
Loss for the year	1657.33	1020.68
Income Tax related to earlier years	—	20.98
Previous Year Expenses (Net)	(1.21)	3.74
Loss carried to Balance Sheet	1656.12	1045.40

A Draft Rehabilitation Scheme (DRS) has been prepared by ICICI as per directions of BIFR and submitted to them in April 2000 on which, further action from BIFR is awaited. The DRS envisages interest and other concessions from Financial Institutions /Banks and sacrifices from Promoters in order to rehabilitate the Company over a period.

**PERFORMANCE**

The Production and Sales of the Company during the year declined by 4% and 11% respectively, as compared to that of previous year. The production received a setback in July 1999 due to a technical snag which developed in the Furnace and continued till September. A large portion of material produced during this period was of substandard quality and had to be disposed off at a lower price. A new Float Glass Company near Chennai has come into production about a month ago. Prior to this they had commenced seed marketing with imported product. This has aggravated the imbalance in demand and supply and the selling prices have come under pressure.

Your Directors are unable to recommend any dividend.

**DIRECTORS**

Mr. Dinesh Himatsingka resigned from the Board with effect from 28th April, 2000. The Board placed on record its appreciation for the valuable guidance received from him during his tenure as a Director of the Company.

Mr. D.K. Gupta retires by rotation and being eligible offers himself for re-appointment.

**SHARE ISSUE**

As reported earlier, the Promoter company has brought in funds by way of share capital advance of Rs. 230 lacs. The equity shares against the same are yet to be issued pending approval from the Financial Institutions.

**DEPOSITS**

Your Company has not accepted any deposits from Public till date.



**SUBSIDIARY COMPANY**

The financial results of Swapan Properties Limited, subsidiary of your Company, are given in their Annual Accounts and Directors' Report which are annexed hereto.

**POLLUTION CONTROL**

The Company's Plant does not generate any effluent except flue gas, the chemical composition of which is within permissible limits.

**AUDITORS**

M/s. Singhi & Company, Chartered Accountants, will retire as Auditors of the Company at the conclusion of the ensuing Annual General Meeting and being eligible have expressed their willingness for re-appointment.

**AUDITORS' REPORT**

The notes to the Accounts referred to in the Auditors' Report are self explanatory and therefore do not call for any further explanation.

**PARTICULARS OF EMPLOYEES**

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

**INDUSTRIAL RELATIONS**

During the year under review, the industrial relations of the Company with its employees remained cordial.

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

The particulars prescribed under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are furnished in the Annexure to the Report.

**DEMATERIALISATION OF SHARES**

Securities and Exchange Board of India (SEBI) has issued notification to the effect that the Shares of the Company can be traded only in dematerialised form, with effect from 30th October, 2000.

The Registrar and Transfer Agent of the Company, viz. Mondkar Computers Pvt. Ltd. are in the process of establishing direct connectivity with National Security Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to facilitate investors to hold equity shares of the Company in electronic form and trade in these securities.

**Y2K COMPLIANCE**

The Company had taken effective steps well in time to overcome the Y2K problem and all its IT equipments were Y2K compliant by November, 1999. The Company did not face any adverse impact on its systems and operations.

**STOCK EXCHANGE LISTINGS**

Equity Shares of the Company are listed on the Stock Exchange at Ahmedabad, Vadodara, Calcutta and Mumbai. The Company confirms that it has paid annual listing fees to the above Exchanges for the year 2000-01.

**ACKNOWLEDGEMENT**

Your Directors would like to express their appreciation of the assistance/various facilities and co-operation received from the Financial Institutions, Banks, Government of Gujarat and Employees during the year under review.

For and on behalf of the Board of Directors

Place : Mumbai  
Date : 19th August, 2000

**B. L. Kheruka**  
Chairman



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INFORMATION UNDER SECTION 217(1) (e) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2000.

**FORM - A**

1.4.1999 to  
31.3.2000

1.4.1998 to  
31.3.1999

**CONSERVATION OF ENERGY****Power and Fuel Consumption****1. Electricity****a. Purchased**

Unit (Kwh)	4589942	4635445
Total Amount (Rs. in lacs)	235.35	194.69
Rate/Unit	5.13	4.20

**b. Own Generation****i. Through Diesel Generator**

Unit (Kwh)	50541	90416
Kwh/Ltrs of Diesel Oil	2.35	2.63
Cost/Unit	5.58	4.20

**ii Through Steam Turbine**

Unit	—	—
Cost/Unit	—	—

**2. Furnace Oil/LSHS**

Quantity (KL)	338.405	95.272
Total Cost (Rs. in lacs)	24.18	5.09
Average Rate/KL	7145	5343

**3. L.P.G.**

Quantity (MT)	0.362	—
Total Cost (Rs. in lacs)	0.06	—
Average Rate/MT	15213	—

**4. Natural Gas**

Quantity (SCM)	13821122	13750360
Total Cost (Rs. in lacs)	542.90	481.32
Average Rate/SCM	3.93	3.50

**5. Consumption per Sq. Mtr. of  
Production of Company's products  
on 2 mm basis**

Natural Gas (SCN)	1.48	1.41
L. P. G. (Gms)	—	—
Furnace Oil / LSHS (Ltrs)	0.04	0.01
Electricity (Kwh)	0.50	0.49

**FORM - B**

**FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO R&D AND ABSORPTION OF TECHNOLOGY**

**A. Research and Development (R&D)**

The Company has not carried out any Research & Development activities during the year.

**B. Technology Absorption, Adaptation and Innovation**

No new technology absorbed during the year.

**FOREIGN EXCHANGE EARNINGS AND OUTGO**

Regarding details of foreign exchange earnings and outgo, please refer Note Nos. B-13 & 15 in Notes to the Accounts forming part of the Balance Sheet as at 31st March, 2000.

For and on behalf of the Board of Directors

Place : Mumbai  
Date : 19th August, 2000

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

