

BOARD OF DIRECTORS

B. L. Kheruka - Chairman & Managing Director

P. K. Kheruka - Vice Chairman

Shashi Mehra

Jagdish Joshi

V. A. Gore (expired on 02.12.09)

Ashok Jain - Whole-time Director

Anirudha Barwe (Appointed w.e.f. 29.05.10)

VICE PRESIDENT(LEGAL) & COMPANY SECRETARY

Arun Kumar

REGISTERED OFFICE & PLANT

Village - Govali, Taluka - Jhagadia,
District - Bharuch - 393 001 (Gujarat).
☎ : 02645-220300 (8 Lines)

HEAD OFFICE

Khanna Construction House,
44, Dr. R. G. Thadani Marg,
Worli, Mumbai - 400 018.
☎ : 022-67406300

AUDITORS

Singhi & Co.
Chartered Accountants

BANKERS

Bank of Baroda
Andhra Bank
Union Bank of India

REGISTRAR & TRANSFER AGENTS

Mondkar Computers Pvt. Ltd.
Unit : Gujarat Borosil Limited
21, Shakil Niwas,
Mahakali Caves Road,
Andheri (East),
Mumbai - 400 093.
☎ : 2820 7203, 2820 7204, 2820 7205

NOTICE

Notice is hereby given that the Twenty-First Annual General Meeting of members of Gujarat Borosil Limited will be held at the Registered Office of the Company at Village - Govali, Taluka - Jhagadia, District - Bharuch 393 001, Gujarat State on Monday, the 26th July, 2010 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 31st March, 2010 and Profit and Loss Account for the year ended on that date and the reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Jagdish Joshi, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Shashi Mehra, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this meeting, until the conclusion of the next Annual General Meeting of the Company 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. Anirudha Ramakrishna Barwe who has been 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 pursuant to Section 293 (1) (a) and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter called “the Board” and which term shall be deemed to include any Committee, which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution and with the power to delegate such authority to any person or persons) to hypothecate, mortgage, charge and/or in any other way encumber all or any of the movable and immovable assets of the Company both present and future whatsoever and wheresoever situated, and the whole or any part of the undertaking of the Company in favour of the Banks namely:

1. Union Bank of India (UBI)
2. Bank of Baroda (BOB)
3. Andhra Bank (AB)

to secure repayment of term loan of

- i. Rs. 5.40 crores granted by UBI to the Company

and to secure repayment of additional working capital facilities of

- i. Rs. 13.46 crores granted by BOB to the Company
- ii Rs. 4.00 crores granted by AB to the Company

together with all interest at the respective agreed rate, additional interest, liquidated damages, commitment charges, premium on prepayment or on redemption, costs, charges, expenses and all other moneys payable by the Company to Banks in terms of their Loan Agreements, Hypothecation Agreements, Letters of Sanction, Memorandum of terms and Conditions, entered into/to be entered

into by the Company, in respect of any and all the said loans/facilities."

Date: 29th May, 2010

By Order of the Board

Registered Office:

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

ARUN KUMAR
Vice President (Legal)
& Company Secretary

NOTES

- (1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- (2) The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business under item No. 5 & 6 as set out above, and the relevant details in respect of Item Nos.2, 3 & 5 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 20th July, 2010 to 26th July, 2010 (both days inclusive).
- (4) The Members are requested to notify immediately the change of address, if any, to the Company's Share Transfer Agents i.e. Mondkar Computers Pvt. Ltd., Unit : Gujarat Borosil Ltd., 21, Shakil Niwas, Mahakali Caves Road, Andheri (East), Mumbai 400 093, quoting their folio number(s).
- (5) 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 Director	Mr. Jagdish Joshi	Mr. Shashi Mehra	Mr. Anirudha Ramakrishna Barwe
Date of birth	23 rd February, 1944	19 th December, 1952	6 th October, 1938
Date of appointment	25 th October, 2005	29 th June, 2002	29 th May, 2010
Expertise in specific Professional areas	Mr. Jagdish Joshi is a retired I.A.S. officer having vast experience in administration as well as good knowledge of industry	Chartered Accountant having vast experience in accounting, auditing & taxation	Has wide experience in banking and finance having worked for nearly 37 years in various capacity with State Bank of India and finally retired as Managing Director of SBI Capital Markets Limited. Has been on Board of many reputed companies.
Qualifications	B.A.(Hons.)	B.Com. FCA	M.SC. - Mathematics, C.A.I.I.B (Certified Associate of Indian Institute of Bankers)
List of other Indian Public Limited Companies in which Directorship held.	NIL	NIL	1. Jain Irrigation Systems Limited 2. Zenith Birla (India) Limited 3. Kotak Mahindra Trustee Company Limited 4. MSPL Limited 5. Sigma Laboratories Limited 6. Kotak Mahindra Pension Fund Limited 7. Entegra Limited
Chairman/Member of the Committee of Board of other Public Limited Companies	NIL	NIL	Audit Committee: 1. Jain Irrigation Systems Limited - Chairman 2. MSPL Limited-Chairman 3. Kotak Mahindra Trustee Company Limited-Member 4. Zenith Birla (India) Limited-Member 5. Entegra Limited- Member Shareholders Grievance Committee: Jain Irrigation Systems Limited-Member
Equity Shares held in the Company as on 29.05.2010	NIL	NIL	NIL

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. Anirudha Ramakrishna Barwe, as an Additional Director of the Company with effect from 29th May, 2010 in accordance with the Article 114(a) of the Articles of Association of the Company. Pursuant to the provisions of Section 260 of the Companies Act, 1956 ("the Act"), Mr. Barwe will hold office of Additional Director upto the date of the forthcoming Annual General Meeting. The Company has received a notice in writing from a member proposing the candidature of Mr. Barwe for the office of Director under the provisions of Section 257 of the Act.

Mr. Anirudha Ramakrishna Barwe, aged 71 years, holds a post-graduate degree in Mathematics and is an associate of the Indian Institute of Bankers in Mumbai. After holding various positions, he was named Managing Director of SBI Capital Markets Limited in 1996. He also held the position of Chief Financial Officer of IDFC Limited. He is currently advising a number of entities including foreign bodies in the financial field and is represented on several Government economic committees and as member of other listed companies' Board.

Except Mr. Barwe, no other Director is concerned or interested in the resolution.

Your directors recommend the resolution for your approval.

Item No. 6

Bank of Baroda and Andhra Bank have granted additional Working Capital Credit Facility of Rs.13.46 crores and Rs. 4.00 crores respectively. Union Bank of India has granted a short term loan of Rs. 5.40 crores.

The Company has created mortgage/charge over assets of the Company including immovable properties.

It is considered desirable to obtain the approval of the members of the Company under Section 293(1)(a) of the Companies Act, 1956 in the manner set out in item no. 6 of the accompanying notice.

Your Directors therefore recommend passing of the said resolution.

None of the Directors of the Company is in any way concerned or interested in the resolution.

Date: 29th May, 2010

By Order of the Board

Registered Office:

Village - Govali

Taluka - Jhagadia

District - Bharuch 393 001

Gujarat

ARUN KUMAR
Vice President (Legal)
& Company Secretary

DIRECTORS' REPORT

To
The Members of
Gujarat Borosil Limited

Your Directors are pleased to present their Twenty-First Report and Audited Statement of Accounts for the year ended 31st March, 2010.

FINANCIAL RESULTS

The financial results for the year ended 31st March, 2010 are given below :

	(Rupees in Lacs)	
	Year Ended 31.03.2010	Year Ended 31.03.2009
Gross Sales (including Excise Duty)	8773.20	10291.76
Profit before interest, depreciation and tax	483.11	1590.22
Interest	66.43	11.54
Depreciation	554.93	533.27
Net Profit/(loss) before tax	(138.25)	1045.41
Provision for Taxation (Net)	0.36	230.19
Provision for fringe benefit tax	—	10.91
Provision for deferred tax liability /(Asset)	(41.81)	122.92
Profit/(loss) after tax	(96.80)	681.39
Add: Balance brought forward from last year	2018.52	1636.63
Available for appropriation	1921.72	2318.02

Appropriation:

Transferred to General Reserve	—	100.00
Proposed Dividend	—	170.52
Dividend distribution tax	—	28.98
Balance carried to the Balance Sheet	1921.72	2018.52

DIVIDEND

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

PERFORMANCE

The decline in demand due to slowdown in economy coupled with the pressure of supply from three new float glass producers caused a drop in selling prices of sheet glass and adversely impacted the Company's performance.

NEW PROJECT

The Low Iron Glass Project to manufacture 105 TPD has been commissioned from 16th March, 2010 after trial runs from middle of January. The project cost has been financed by a mix of internal accruals, Rupee loan and foreign currency loan. Production of glass from the new plant and sale/export of the finished goods has started. The plant is gradually attaining full production.

The tempering facility is being installed and will be commissioned shortly. In the meantime the Company is selling annealed glass to buyers/processors both in exports to Europe and in domestic market. The high solar energy transmission of our glass has been appreciated by our customers.

DIRECTORS

Mr. V. A. Gore, an Independent Director of the Company and member of the Audit and Remuneration Committees of the Board of Directors, expired on 2nd December, 2009. The Board placed on the record its appreciation for his valuable contribution to the Company.

Mr. A.R. Barwe was appointed as an Additional Director w.e.f. 29th May, 2010. The Company has received notice from a member of the Company under Section 257 of the Companies Act, 1956, alongwith the requisite deposit, in respect of Mr. Barwe, proposing his appointment as Director.

Mr. Jagdish Joshi and Mr. Shashi Mehra retire by rotation and being eligible offer themselves for re-appointment.

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

MANAGEMENT DISCUSSION & ANALYSIS REPORT**A. INDUSTRY STRUCTURE AND DEVELOPMENTS**

The Flat Glass Industry consists of float glass, sheet glass and figured glass as well as processed glass like tempered glass, mirrors etc. In last few years due to demographical changes, growth of middle class and higher disposable income levels, the demand has increased in view of high growth in Housing and Automobile sectors. This has led to setting up of further float glass capacities in the country and the supply today is far in excess of demand. In view of Global technological changes in past few years, capacity growth in the transparent flat glass market has occurred only in the float glass sector. However, a portion of the Indian market continues to be cost conscious, and there is adequate demand for the Company's production of sheet glass.

For the first time in the country, the Company has commenced manufacture of low iron solar patterned glass for application in solar power sector. Solar PV market internationally has seen high growth. In India this is gaining momentum in view of favorable Policy announcements made recently by the Government of India and holds huge growth potential.

B. OPPORTUNITIES & THREATS**OPPORTUNITIES**

- The Company is a major player in the sheet glass market and has a good brand image. The Company has recently set up a facility to manufacture low iron patterned glass in order to diversify the product range.
- The Company has a large and established network of dealers and has successively shown its ability to market its products at the time of cut-throat competition.
- The Company's sheet glass operations are cost effective and compare favorably with others.

THREATS

- Cheaper imports of float/sheet glass, recent expansion by some of the large manufacturers of float glass and setting up of new plants has already disturbed the demand supply equation and led to destabilization in selling prices.
- Constraints of Product mix in sheet glass segment and value added items.
- Increase in fuel cost due to gradual deregulation of prices of natural gas/furnace oil and linkage to international prices and increase in soda ash prices due to changes in international situation.

C. SEGMENTWISE OR PRODUCTWISE PERFORMANCE

The Company's business activity falls within a single primary business segment viz. Manufacture of flat glass. As such, there are no separate reportable segments as per Accounting Standard 17.

D. OUTLOOK

Sheet glass produced by the Company continues to be in demand and we do not foresee much difficulty in selling.

The outlook for Industry appears to be reasonable in view of recovery in India. Government's thrust on infrastructure and housing will augur well for growth in housing sector supported by lower interest rates on housing loans as the growing middle class is aspiring to own houses both in urban and rural areas.

The Government has announced long term policy measures which will accelerate the growth of solar energy in the Country which will require huge quantity of low iron glass. The energy produced will be more dependable by this non-conventional route and will reduce pressure on natural resources besides being non-polluting and environment friendly.

E. RISK AND CONCERNS

The absence of mandatory Building Code regarding uses of glass is an area of concern, where Government intervention is required to ensure better quality of construction with higher safety.

F. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has adequate Internal Control System commensurate with its size and nature of business. The internal control systems are designed to ensure that the financial statements are prepared based on reliable information. The Internal Audit is continuously conducted by in house Internal Audit department of the Company and Internal Audit Reports are reviewed by the Audit Committee.

G. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The operating performance during the year suffered setback though Capacity utilisation was almost same. The sales value was lower due to 12% fall in the selling prices. The profit before interest, depreciation and tax was Rs. 483.11 lacs compared to Rs. 1590.22 lacs in the previous year due to lower selling prices despite reduction in Soda ash (key input) prices.

H. MATERIAL DEVELOPMENT IN HUMAN RESOURCES, INDUSTRIAL RELATION FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

The industrial relations continued to be cordial.

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

Staff	:	181
Workers	:	275 (Excluding contract labour)

CORPORATE GOVERNANCE REPORT

A separate section on Corporate Governance is included in the Annual Report and the Certificate from Company's auditors confirming the compliance with the code of Corporate Governance as enumerated in Clause 49 of the listing agreement with the Stock Exchange is annexed hereto.

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.gujaratborosil.com. The Directors and Senior Management personnel have affirmed their compliance with the code for the year ended 31st March, 2010.

DEPOSITS

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

POLLUTION CONTROL

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

AUDITORS & AUDITORS' REPORT

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. The remarks made by the Auditor in their report are self explanatory.

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 profit or 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.

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

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.

ACKNOWLEDGMENT

Your Directors would like to express their deep appreciation for the co-operation received from employees and Company's bankers during the year under review. Directors also place on record their appreciation for the confidence reposed by the shareholders.

For and on behalf of the Board of Directors

Place : Mumbai
Date : 29th May, 2010

B.L.Kheruka
Chairman & Managing Director

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, 2010

FORM A

01.04.2009 to 01.04.2008 to
31.03.2010 31.03.2009

CONSERVATION OF ENERGY

Power and Fuel Consumption

1. Electricity

a. Purchased		
Unit (Kwh)-Gross	7512028	5952025
Less: Generated from Wind farm	-2634566	<u>-2772028</u>
Net purchased power	4877462	3179997
Total Amount (Rs. in lacs)	305.01	204.23
Rate/Unit	6.25	6.42
b. Own Generation		
i. Through Diesel Generator		
Unit(Kwh)	42720	56256
Kwh/Ltrs of Diesel Oil	3.35	3.35
Cost/Unit	9.99	10.18
ii Through Wind Turbine		
Unit	2634566	2772028
Cost/Unit	0.71	0.38

2. Furnace Oil/LSHS

Quantity (KL)	3141	1546
Total Cost (Rs. in lacs)	733.82	371
Average Rate/KL	23363	24018

3. Natural Gas/RLNG

Quantity (SCM)	16326414	16371231
Total Cost (Rs. in lacs)	879.67	890.39
Average Rate/SCM	5.39	5.44

**4. Consumption per Sq.mtr. of
Production of Company's
Products on 2 mm basis**

Natural Gas/RLNG (SCM)	1.26	1.35
L.P.G. (Gms)	—	—
Furnace Oil/LSHS(Ltrs.)	0.24	0.13
Electricity (Kwh)	0.58	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

The Company has developed its in-house sophisticated technology for manufacture of low iron textured glass.

FOREIGN EXCHANGE EARNINGS AND OUTGO

Regarding details of foreign exchange earnings and outgo, please refer Note Nos. B-18, 20 & 21 in Notes to the Accounts forming part of the Balance Sheet as at 31st March, 2010.

ANNEXURE TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2010 PER SECTION 217(2A) OF THE COMPANIES ACT, 1956:

- A) Name of the Employees employed throughout the year ended 31st March, 2010 who were in receipt of remuneration of not less than Rs. 24,00,000/- per annum in terms of Section 217(2A) (a)(i) :

Sr. No.	Name, Age & Qualification	Designation/ Nature of Duties	Remuneration (Rs.)	Date of Joining and experience	Particulars of last Employment
1.	B. L. Kheruka Age: 79 years Qualification : Graduate	Chairman & Managing Director	28,92,348	As Director 22.12.1988 As Managing Director 01.08.2005 Over 48 years in industry	Gujarat Fusion Glass Limited – Chairman & Managing Director
2.	Ashok Jain Age : 52 years Qualification : B. Com, FCA, FCS	Wholetime Director	24,30,618	22.08.1994 29 years in Corporate Sector	Armour Polymer Ltd. -- General Manager Finance

- B) Name of the Employees employed for the part of the year and who were in receipt of remuneration not less than Rs. 2,00,000/- per month in terms of Section 217 (2A) (a)(ii):

None

NOTES:

1. Remuneration includes Salary, House Rent Allowance, Company's contribution to Provident Fund, Medical Expenses and the monetary value of perquisites calculated as per the Income Tax Act, 1961 and the rules made therein.
2. Mr. B.L. Kheruka is relative of Mr. P.K. Kheruka, Vice - Chairman of the Company.
3. Employment is on contractual basis, which can be terminated by either parties by giving three months' notice in writing.

For and on behalf of the Board of Directors

Place : Mumbai
Date : 29th May, 2010

B.L. Kheruka
Chairman & Managing Director