



GUJARAT BOROSIL LIMITED

TWENTY-SECOND ANNUAL REPORT
2010-2011

BOARD OF DIRECTORS

B. L. Kheruka - Chairman
P. K. Kheruka - Vice Chairman
Shashi Mehra
Jagdish Joshi
Ashok Jain - Whole-time Director
Anirudha Barwe (Expired on 05.10.10)
Ashok Kumar Doda (Appointed w.e.f. 09.11.10)

VICE PRESIDENT (LEGAL) & COMPANY SECRETARY

Arun Kumar

REGISTERED OFFICE & PLANT

Village - Govali, Taluka - Jhagadia,
District - Bharuch - 393 001 (Gujarat).
☎ : 02645-220300 (6 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

REGISTRAR & TRANSFER AGENTS

Universal Capital Securities Pvt. Ltd.
(Formally known as 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-Second 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 Tuesday, the 23rd August, 2011 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, 2011 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. P K Kheruka, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. B L Kheruka, 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 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 in the manner following:

- a. Article 111(1) be deleted
- b. Article 111(2) be deleted.
- c. Article 112(a) be deleted.
- d. In Article 114(b), the following sentences in lines 4 to 7 be deleted:

"Provided in the event of any director of the choice of BGWL vacating office for any reason including death or resignation such vacancy shall be filled up in accordance with the direction of BGWL"

- e. Article 176 (1) be substituted with the following:

"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 to registered e-mail address of the members; supplied by him to the Company for serving documents or notices on him"

- f. Article 176 (3) be substituted with the following:

"Notwithstanding anything contained herein in the case of a non-resident member, any document or notice may be given or served by fax or through e-mail address as specified by such member, and such service shall be deemed to be effected upon receipt of the fax or email confirmation by the Company"

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

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and all other applicable provisions 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), the consent of the Company be and is hereby accorded to the re-appointment of Mr. Ashok Jain, as Whole Time Director of the Company, for a period of 3(three years) with effect from 3rd January, 2012 on the terms and conditions including remuneration as set out in the item no. 6 of the Explanatory Statement, with 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 Companies Act, 1956, or otherwise as permissible at law for the time being in force.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the tenure of his service as Whole Time Director, Mr. Ashok Jain shall be paid the remuneration as set out in the Explanatory Statement as 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 such steps as may be necessary, proper or expedient to give effect to this resolution."

Place : Mumbai
Date : 27th June, 2011

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 and 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 17th August, 2011 to 23rd August, 2011 (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. Universal Capital Securities Pvt. Ltd., Unit : Gujarat Borosil Ltd., 21, Shakil Niwas, Mahakali Caves Road, Andheri (East), Mumbai 400 093, quoting their folio number(s).
- (5) **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 the initiative, we request that you may provide your e-mail address, if you wish to receive the 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 / DP Id & Client Id if you are holding shares in dematerialized form to:-

"investor.relations@gujaratborosil.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.

- (6) The details of Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting as well as that of Mr. Ashok Kumar Doda, who was appointed in casual vacancy (Pursuant to Clause 49 of the Listing Agreement) are furnished below:-

Name of Director	Mr. P K Kheruka	Mr. B L Kheruka	Mr. Ashok Jain	Mr. Ashok Kumar Doda
Date of birth	23rd July, 1951	7th November, 1930	21st February, 1958	5th November, 1946
Date of appointment	22nd December, 1988	22nd December, 1988	3rd January, 2003	9th November, 2010
Expertise in specific Professional areas	Industrialist having rich business experience of about 38 years particularly in glass industry	Industrialist having rich industrial experience of about 49 years particularly in glass industry	Chartered Accountant. 30 years in Corporate Sector	Corporate Finance, Project Appraisal, Infrastructure Financing, Power Projects, Venture Capital, Investment, Corporate Management and Corporate M & A.
Qualifications	B.com	B.com	B.com. FCA FCS	B.Tech (Honors) from IIT, Mumbai, Middle Management course from IIM, Ahmedabad
List of other Indian Public Limited Companies in which Directorship held	1 Borosil Glass Works Limited 2 Borosil International Limited	1 Borosil Glass Works Limited 2 Borosil International Limited	NIL	1 IL&FS Renewable Energy Limited 2 Sakuma Exports Limited

	3 General Magnets Limited 4 Gujarat Fusion Glass Limited 5 Window Glass Limited 6 Borosil Glass Limited	3 General Magnets Limited 4 Gujarat Fusion Glass Limited 5 Window Glass Limited 6 Borosil Glass Limited		
Chairman/Member of the Committee of Board of other Public Limited Companies	Shareholders Grievance Committee: Borosil Glass Works Limited - Member Audit Committee: Borosil Glass Works Limited - Member	Shareholders Grievance Committee: Borosil Glass Works Limited - Member	NIL	Investors Grievance Committee: Sakuma Exports Limited - Chairman Audit Committee: IL&FS Renewable Energy Limited - Chairman Sakuma Exports Limited - Member Remuneration Committee: IL&FS Renewable Energy Limited - Member
Equity Shares held in the Company as on 27.06.2011	NIL	NIL	NIL	NIL

ANNEXURE TO THE NOTICE

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

Item No. 5

In view of shareholding of Borosil Glass Works Limited (Borosil) having come down to nearly 25% of the total paid up capital of the Company, it has been felt desirable to delete/modify some clauses of Articles of Association of the Company, which confers privileges on Borosil and which, in the opinion of the Board of Directors of the Company, are no more required. Accordingly, Articles 111(1), 111(2) and 112(a) are proposed to be deleted and Article 114(b) to be modified.

Moreover, 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 Articles 176(1) and 176(3) as set out in the attached resolution.

Mr. B. L. Kheruka and Mr. P. K. Kheruka, Chairman and Vice Chairman of the Board of Directors of the Company are also Executive Chairman and Vice Chairman cum Managing Director of Borosil Glass Works Limited respectively. No other Director is concerned or interested in this Resolution.

The Board recommends passing of Resolution at Item No. 5 as a Special Resolution.

Item No. 6

The Board of Directors had re-appointed Mr. Ashok Jain as Whole Time Director for a period of 3 years with effect from 3rd January 2009, on the terms and conditions as set out in the Agreement between the Company and Mr. Ashok Jain (hereinafter referred to as "Mr. Jain") for a period of 3 years. The Board of Directors has at its meeting held on 27th June, 2011 decided to re-appoint Mr. Jain for a further period of 3 years w.e.f. 3rd January, 2012 on the terms and conditions set out below.

The re-appointment of Mr. Jain is subject to the provisions of Sections 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 (the Act) read with Schedule XIII of the Act.

The broad particulars of remuneration payable to and the terms of appointment of Mr. Jain, as approved by the Remuneration Committee are as under:-

I. Remuneration

a) Salary:

Rs.1,70,000 /- p.m. in the scale of Rs.1,50,000/- p.m. to Rs.2,50,000/-p.m. with such increments as may be decided by the Board of Directors (which includes any Committee thereof) from time to time.

b) Perquisites & allowances:

- i) Housing - Provision for hired/leased furnished accommodation or House Rent Allowance (HRA) - subject to a ceiling of 60% of salary (Starting HRA: Rs.74,000 p.m.).
 - ii) Medical Expenses
Domiciliary Treatment - At actuals subject to a ceiling of Rs.15,000/- p.a. for Mr. Jain and his family.
Hospitalisation - Mr. Jain and his dependents will be covered by the Company's medical insurance scheme.
 - iii) Premium- Personal Accident Insurance, the premium of which shall not exceed Rs.10,000/- p.a.
 - iv) Leave Travel Assistance - For Mr. Jain and his family, once in a year, incurred in accordance with the rules of the Company.
 - v) Mr. Jain 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. Jain.
 - 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. Jain 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(s) during the tenure of Mr. Jain as a Whole Time Director, 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:
- a. This appointment may be terminated by either party by giving three months' notice in writing.
 - b. Mr. Jain, as long as he functions as Whole Time Director shall not become interested or otherwise concerned directly or through his wife or minor children's in any selling agency of the Company without prior approval of the Central Government.

Statement of Information as required under Schedule XIII of the Companies Act, 1956:

I. General Information

- (1) Nature of industry : Manufacture and sale of low iron solar glass
(Sheet glass manufacturing plant cooled down from 28th July 2010)
- (2) Date of commencement of commercial production : Solar glass-16th March, 2010
Sheet glass-1st August,1994 (furnace now cooled down)

				(Rs. in lacs)	
(3)	Financial Performance	:	2008-09	2009-10	2010-11
	Gross Sales	:	10291.76	8773.20	8526.33
	Profit/(Loss) before Tax	:	1045.41	(138.25)	(2751.05)
	Net Profit/(Loss)	:	681.39	(96.80)	(1891.52)
(4)	Export performance	:	146.96	250.46	3949.84
	Net Foreign Exchange Earnings	:	(524.91)	(4044.19)	2448.43
(5)	Foreign investments or Collaborators, if any	:	NIL	NIL	NIL

II. Information about the appointee

- (1) Background details : Mr. Jain is a Chartered Accountant and Company Secretary and has over 30 years experience in industry. He has relevant experience in Finance, Commercial and General Management.
- (2) Past remuneration : a) Salary: Rs.1,70,000/- p.m. in the scale of Rs.1,10,000/- p.m. to Rs.1,80,000/- p.m.
- b) Perquisites and Allowances:
- i) Housing
Provision for hired/leased furnished accommodation or House Rent- subject to a ceiling of 60% of salary (Last House Rent: Rs.74,000/- per month)
- ii) Medical Expenses
Domiciliary Treatment - At actuals subject to a ceiling of Rs.15,000/- p.a. for Mr. Jain and his family.
Hospitalisation - Mr. Jain and his dependents covered by the Company's medical insurance scheme.
- iii) Premium - Personal Accident Insurance.
- iv) Leave Travel Assistance - For Mr. Jain and his family, once in a year, incurred in accordance with the rules of the Company.
- v) Mr. Jain to be provided with a Company maintained car with Driver.
- vi) Phone rental and call charges paid by the Company at actuals for telephone at the residence/mobile phone. Charges for personal STD/Trunk Calls borne by Mr. Jain.
- 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 are 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. Jain was further entitled to reimbursement of actual entertainment and traveling expenses incurred by him for business purposes.
- (3) Recognition or awards : --
- (4) Profile and his suitability : Mr. Jain as a Whole-time Director is required to look after overall management of the Company subject to direction, superintendence and control of the Board of Directors.
- In the view of his extensive experience in the corporate sector, the Board of Directors of the Company feels that he is suitable for the position of Whole-time Director.

- (5) Remuneration proposed : As given above in the explanatory statement
- (6) Comparative Remuneration profile with respect to industry, size of the Company, Profile of the position and person : Our Company is the only manufacturer of low iron solar glass in India and as such is not comparable with others.
- (7) Pecuniary relationship directly/indirectly with the Company or with the Managerial Personnel, if any. : None

III. Other Information

- (1) Reasons of loss or inadequate profits : - Sheet glass furnace completed its campaign and was giving lower output and generated losses. Although the Company has cooled down its sheet glass furnace w.e.f. 28th July, 2010, certain overheads connected with the said plant including depreciation are continuing.
- Teething problems faced in production of solar glass and tempering plant adversely affected the quality which resulted in large claims/rejections.
- Uncertainty in European and East Asian markets.
- High interest burden due to new loans for solar glass project.
- (2) Steps taken or proposed to be taken for improvement : - The Company is taking measures to reduce surplus workmen and also cut down on expenses related to closed operations.
- The Company has sorted out all problems connected with the tempering plant and the quality has been fully accepted by large number of domestic & overseas buyers.
- The Company has effected various improvements in production, in order to make world class products in all respects.
- Not remaining totally dependent on international markets, the Company has started focusing on the domestic market and has established contracts with almost all the Indian customers of solar glass and started business with most of them.
- (3) Expected increase in the productivity and profit in measurable terms : - With the measures already taken, the Company does not expect further cash losses from financial year 2011-12 and depending on market improvement in remaining part of the year expects to turn out better results.

The Directors recommend passing of the Resolution contained at item no. 6 of the accompanying Notice. Except Mr. Ashok Jain, no other Director is concerned or interested in the resolution.

Abstract of Terms and Conditions of Appointment and Memorandum of Interest under Section 302

The contents of item No. 6 of the Explanatory Statement set out above shall be deemed to be an abstract of the terms and conditions of re-appointment of Mr. Jain under Section 302 of the Companies Act, 1956 and the Memorandum of interest in that behalf.

Place : Mumbai
Date : 27th June, 2011

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 Second Report and Audited Statement of Accounts for the year ended 31st March, 2011.

FINANCIAL RESULTS

The financial results for the year ended 31st March, 2011 are given below :

(Rupees in Lacs)

	Year Ended 31.03.2011	Year Ended 31.03.2010
Gross Sales (including Excise Duty)	8526.33	8773.20
Profit/(Loss) before interest, depreciation and tax	(614.57)	483.11
Interest	810.62	66.43
Depreciation	1325.86	554.93
Net Profit/(loss) before tax	(2751.05)	(138.25)
Provision for Taxation (Net)	0.30	0.36
Income Tax for earlier years (net)	89.13	—
Provision for deferred tax liability /(Asset) created	(948.96)	(41.81)
Profit/(loss) after tax	(1891.52)	(96.80)
Add: Balance brought forward from last year	1921.72	2018.52
Available for appropriation	30.20	1921.72
Appropriation:		
Transferred to General Reserve	—	—
Balance carried to the Balance Sheet	30.20	1921.72

DIVIDEND

Your Directors do not recommend any dividend for the year ended 31st March, 2011 in view of loss incurred during the year.

PERFORMANCE**Sheet Glass**

The furnace was cooled down on 28th July, 2010 in 16th year of its continuous operation and it was decided not to renew the same for making sheet glass due to falling demand for sheet glass on account of abundant supply of float glass in the country which led to inadequate margins.

Voluntary retirement scheme was introduced by Company for the affected workmen which was opted by 26 persons. It has since been decided to go for partial closure of this plant for which process is under progress. For the remaining affected workmen the matter is before labour commissioner. The overheads of this plant however continued which affected the overall performance.

Solar Glass

The Low Iron Solar Glass Furnace was successfully commissioned on 16th March, 2010. In spite of it being the first project of its kind in India, the company was able to prove the quality of the glass within a very short time frame. In fact, the company received the highest U1 rating for Transmission of Energy from the prestigious SPF institute based in Rapperswill, Switzerland. This established the intrinsic quality of the Company's solar glass as amongst the best in the world.