

BOARD OF DIRECTORS

B. L. Kheruka - Chairman

P. K. Kheruka - Vice Chairman

Shashi Mehra

Jagdish Joshi

Ashok Jain - Whole-time Director

Ashok Kumar Doda

Raj Kumar Jain - Alternate Director to Jagdish Joshi
(from 10.05.11 to 22.06.11)

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

REGISTRAR & TRANSFER AGENTS

Universal Capital Securities Pvt. Ltd.
(Formerly 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-Third 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 14th August, 2012 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, 2012 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. Ashok Jain, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Ashok Kumar Doda, 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.

Place : Mumbai
Date : 24th May, 2012

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) Pursuant to Clause 49 of the Listing Agreement, the relevant details in respect of Item Nos. 2 & 3 set out above are annexed hereto and forms part of this Notice.
- (3) The Register of Members and Share Transfer Books of the Company will remain closed from 8th August, 2012 to 14th August, 2012 (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) Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, dividends which remain unclaimed for a period of 7 years from the date of transfer to Unpaid Dividend Account are to be transferred to the 'Investor Education and Protection Fund' established by the Government. In terms of the provisions of Section 205C of the Companies Act, 1956, no claim shall lie against the Company or the said fund after the said transfer.

All members who have either not received or have not encashed their dividend warrants for the financial years 2004-05, 2005-06, 2006-07, 2007-08 and 2008-09 are requested to approach the Company's Registrar & Transfer Agent viz. Universal Capital Securities Private Limited (formerly known as Mondkar Computers Pvt. Ltd.), immediately for claiming their unpaid dividends, if any.

During the financial year 2012-13, the Company is required to transfer the unpaid/ unclaimed dividend for the financial year 2004-05 to Investor Education and Protection Fund (IEPF). The due date for transferring the unpaid Final dividend for the financial year 2004-05 is in August, 2012.

- (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 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.

- (7) 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. Ashok Jain	Mr. Ashok Kumar Doda
Date of birth	21 st February, 1958	5 th November, 1946
Date of appointment	3 rd January, 2003	9 th November, 2010
Expertise in specific Professional areas	Chartered Accountant. 31 years in Corporate Sector	Corporate Finance, Project Appraisal, Infrastructure Financing, Power Projects, Venture Capital, Investment, Corporate Management and Corporate M&A.
Qualifications	B.com., FCA, ACS	B.Tech (Honors) from IIT, Mumbai Middle Management course from IIM, Ahmedabad
List of other Indian Public Limited Companies in which Directorship held	NIL	1 IL&FS Renewable Energy Limited 2 Sakuma Exports Limited
Chairman/Member of the Committee of Board of other Public Limited Companies	NIL	Investor Grievance Committee: Sakuma Exports Limited - Chairman Audit Committee: 1 IL&FS Renewable Energy Limited - Chairman 2 Sakuma Exports Limited - Member Remuneration Committee: IL&FS Renewable Energy Limited - Member
Equity Shares held in the Company as on 24.05.2012	NIL	NIL

Place : Mumbai
Date : 24th May, 2012

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-Third Report and Audited Statement of Accounts for the year ended 31st March, 2012.

FINANCIAL RESULTS

The financial results for the year ended 31st March, 2012 are given below :

(₹ in Lacs)

	Year Ended 31.03.2012	Year Ended 31.03.2011
Net revenue from operations	7909.50	9266.46
Profit/(Loss) before interest, depreciation and tax	(575.34)	(614.57)
Interest	1155.41	810.62
Depreciation	1390.10	1325.86
Net Profit/(loss) before tax	(3120.85)	(2751.05)
Provision for Taxation (Net)	0.25	0.30
Income Tax for earlier years (net)	56.86	89.13
Provision for deferred tax liability /(Asset) created	(1066.04)	(948.96)
Profit/(loss) after tax	(2111.92)	(1891.52)
Add: Balance brought forward from last year	30.20	1921.72
Add: Set off of loss from General Reserve	460.00	---
Balance carried to the Balance Sheet	(1621.72)	30.20

DIVIDEND

Your Directors do not recommend any dividend for the year ended 31st March, 2012 in view of loss incurred during the year.

PERFORMANCE**Sheet Glass**

The furnace was cooled down on 28th July, 2010 and it was decided not to renew the same for making sheet glass. Net revenue from operations for 2010-11 included ₹ 2639.38 lacs (Nil in 2011-12) on account of sale of sheet glass.

The surplus workmen of this plant have disputed the Company's decision to go for partial closure and Company's appeal is pending for decision by the Gujarat High Court. In the meanwhile, the overheads of this plant continue which affected the overall performance.

Solar Glass

The Low Iron Solar Glass Furnace of the Company first of its kind in the country was successfully commissioned last year on 16th March, 2010.

The Solar glass market worldwide has gone through upheavals in the last 15 months and the prices of modules and components have all crashed. The solar glass prices too crashed by almost 35% compared to 2010-11 thereby not only eroding the margins completely but also causing huge losses. Similar trend persisted in the domestic market also.

On the other hand, one of the major buyers who bought glass in huge quantities in 2010-11 did not use the glass and later raised claims on account of price drop as also quality. The customer withheld payments. Finally after examining all the claims and protracted negotiations through discussions the claim has been settled which caused additional losses to the Company.

The top 3 solar module markets i.e. Germany, Italy and Spain continue with slow down leading to closure of many units across the globe. The steps announced in the first quarter of 2011-12 by Italian Government were found short in stabilization of the solar market. The overcapacity has further gone up in view of new facilities commissioned in 2011-12 particularly in China. The demand is slightly up but the selling prices remain under pressure due to overcapacity. The company has been focusing on the domestic market and is now supplying to almost all the Indian consumers of solar glass. The production improvements made over last one year have led to improvement in quality of both Annealed and Tempered Glass and the company has seen no significant further claims on the supplies made in 2011-12.

The company is taking a series of steps to increase tempering production, further strengthen quality checks and reduce costs which will arrest the losses and improve working from the 2nd quarter onwards.

DIRECTORS

The Board of Directors of the Company appointed Mr. Raj Kumar Jain as an Alternate Director to Mr. Jagdish Joshi during the later's stay abroad and Mr. Jain held office from 10th May, 2011 to 22nd June, 2011.

Mr. Ashok Jain and Mr. Ashok Kumar Doda 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.

ISSUE OF PREFERENCE SHARES & INCREASE IN AUTHORISED CAPITAL

In order to reduce its debt liability, during the year, the Company issued fresh Capital by way of issue of 90,00,000 - 9% Cumulative Non-Convertible Redeemable Preference Shares of ₹ 100/- each, at par, through private placement, to the Promoter Company, Borosil Glass Works Limited for a sum of ₹ 90 crores. In order to do so, the Authorised Capital was increased from ₹ 50 Crores to ₹ 140 Crores by creating 90,00,000 Preference Shares of ₹ 100/- each. Since privately placed, the said Preference Shares are not listed on any Stock Exchange.

The Company has used the entire funds raised by issue of aforesaid Preference Shares in repayment of inter-corporate deposits/ loans as per stated objects of the said Issue. The Audit Committee of Board of Directors of the Company has taken note of the said utilization of funds as aforesaid.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

A. INDUSTRY STRUCTURE AND DEVELOPMENTS

The Company is engaged in low iron solar glass production for application in solar power sector. Until 2010, Solar PV market internationally has seen high growth. In India, this is gaining momentum in view of favorable Policy announcements made by the Government of India and holds huge growth potential. A number of new plants for PV Modules/Solar energy have been set up and more are in pipeline holding attractive possibility for growth.

The Company had last year decided to discontinue production of sheet glass and the furnace has not been renewed.

B. OPPORTUNITIES & THREATS**OPPORTUNITIES**

- > The Company enjoys first mover advantage in the solar glass sector and is in a position to seize the growing opportunity in the sector in domestic market. The Company will constantly watch the situation and enhance its capability to cater to growing market.

THREATS

- > Frequent fluctuation in the international market due to Government policies and Oil prices swings the demand for PV modules and consequently the solar glass requirement. The selling prices also keep fluctuating on account of this.
- > Despite impetus provided by the Government by announcing policies there is a slower than expected growth in implementation and there is a considerable time lag in approval of proposals by respective state governments to set up solar power plants. This may cause delays in the growth.

C. SEGMENTWISE OR PRODUCTWISE PERFORMANCE

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

D. OUTLOOK

The growth of solar energy in the Country is expected to accelerate which will require huge quantity of low iron glass. The solar 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 Government approval to the solar power projects should be expedited if the Country has to achieve plans to produce solar energy. The continued pressure to quote lower prices for electricity to get Government allocations is leading to lower prices for input/component manufacturers thereby making them vulnerable which will affect health of the Industry.

There are imports of solar glass and Modules from China in view of overcapacity and lower international demand. The Chinese producers resort to dumping which put added pressure on domestic prices. There is an urgent need to take measures to curb dumping.

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 working has resulted in a loss before interest and depreciation of ₹ 575.34 lacs during the year as against a loss of ₹ 614.57 lacs in the previous year. The working was adversely affected due to substantially lower selling prices, overheads of sheet glass plant, under-utilization of solar glass capacity and quality problems on shipments in 2010-11.

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

As reported last year, after cooling down sheet glass furnace, the Company offered Voluntary Retirement Scheme (VRS) to its employees/workmen. Thereafter, the Company initiated partial closure of PPG plant for which the application for permission was made to the Labour Commissioner

followed by appeal before, Industrial Tribunal and the High court of Gujarat respectively. At present, the matter is pending for hearing before the Hon'ble High Court of Gujarat.

The Settlement with worker's union expired on 31st December, 2009 and a new settlement is pending.

Number of people employed as on 31st March, 2012 were as under:

Staff :	187
Workers:	239 (Excluding contract labour)

The industrial relations continued to be cordial notwithstanding above-mentioned court case.

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, 2012.

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

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. As per provisions under Section 224(1-B) of the Companies Act, 1956, a written certificate has been obtained by the Company from the Auditors stating that if they are re-appointed as Auditors of the Company, such re-appointment would be within the limits specified in Section 224(1-B) of the Companies Act, 1956.

COST AUDITOR AND COST AUDIT REPORT

Pursuant to Section 233B(2) of the Companies Act, 1956 read with Order F.No.52/26/CAB-2010 dated 30th June, 2011 issued by the Ministry of Corporate Affairs, the Board of Directors on the recommendation of the Audit Committee had appointed M/s. Kailash Sankhlecha & Associates, Cost Accountant, 414, Saffron Complex, opp. Indian Airlines Office, Fatehgunj, Vadodara - 390 002, as Cost auditor of the Company for the Financial Year 2011-12 and again on recommendation of Audit Committee, the Board of Directors at their meeting held on 24th May, 2012, has, subject to approval of Central Government, re-appointed, M/s. Kailash Sankhlecha & Associates as Cost Auditor for the Financial Year 2012-13.

M/s. Kailash Sankhlecha & Associates has confirmed that their appointment, is within the limits of the Section 224 (1B) of the Companies Act, 1956 and has also certified that they are free from any disqualifications specified under section 233B(5) read with Section 224 sub section (3) and sub-section (4) of Section 226 of the Companies Act, 1956. The Audit Committee has also received a Certificate from the Cost Auditor certifying their independence and arm's length relationship with the Company.

Pursuant to The Companies (Cost Audit Report) Rules, 2011, the Cost Audit Report for the financial year 2011-12 shall become due for filing with the Central Government on 30th September, 2012. This report is under process and will be filed before due date. Further, as filing of said report was made mandatory to the glass industry only from 1st April, 2011, there was no requirement to file Cost Audit Report in respect of previous year.

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

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.

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 : 24th May, 2012

B.L.Kheruka
Chairman

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, 2012

FORM A

	01.4.2011 to 31.3.2012	01.4.2010 to 31.3.2011
CONSERVATION OF ENERGY		
Power and Fuel Consumption		
1. Electricity		
a. Purchased		
Unit (Kwh)-Gross	5422590	9554703
Less: Generated from Wind farm	-2440106	-2084370
Net purchased power	2982484	7470333
Total Amount (₹ in lacs)	355.95	564.87
Rate/Unit	6.56	5.91
b. Own Generation		
i. Through Diesel Generator		
Unit (Kwh)	728517	39640
Kwh/Ltrs of Diesel Oil	2.83	3.35
Cost/Unit	15.37	12.63
ii Through Wind Turbine		
Unit	2440106	2084370
Cost/Unit	0.69	0.91
iii Through Gas Genset		
Unit	7651608	Nil
Cost/Unit	3.81	NA
2. Furnace Oil/LSHS		
Quantity (KL)	Nil	1988
Total Cost (₹ in lacs)	Nil	499.66
Average Rate/KL	Nil	25128
3. Natural Gas/RLNG		
Quantity (SCM)	9790535	10957164
Total Cost (₹ in lacs)	827.17	847.54
Average Rate/SCM	8.45	7.74
4. Consumption per Sq.mtr. of Production of Company's Products on 2 mm basis		
Natural Gas/RLNG (SCM)	2.19	2.16
L.P.G. (Gms)	Nil	Nil
Furnace Oil/LSHS (Ltrs.)	Nil	0.39
Electricity (Kwh)	1.21	1.88

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 not introduced any new technology during the year.

FOREIGN EXCHANGE EARNINGS AND OUTGO

Regarding details of foreign exchange earnings and outgo, please refer Note Nos. 40 & 42 to the Financial Statements for the year ended 31st March, 2012.

For and on behalf of the Board of Directors

Place : Mumbai
Date : 24th May, 2012

B.L. Kheruka
Chairman