

**BOARD OF DIRECTORS**

B. L. Kheruka - Chairman  
P. K. Kheruka - Vice Chairman & Managing Director  
A. C. Dalal  
S. Bagai  
K. V. Krishnamurthy  
U. K. Mukhopadhyay (Additional Director w.e.f. 24.08.2009)  
Shreevar Kheruka (Additional Director w.e.f. 24.08.2009)  
V. Ramaswami - Wholetime Director

**COMPANY SECRETARY**

C. Baptista

**REGISTERED OFFICE**

Khanna Construction House, 44, Dr. R. G. Thadani Marg,  
Worli, Mumbai - 400 018.  
☎ : 6740 6300

**ZONAL SALES OFFICES**

- ☐ 403/404, Kaliandas Udyog Bhavan Premises,  
Near Century Bazar, Worli, Mumbai - 400 025.
- ☐ Dabriwala House, 10, Middleton Row,  
Kolkata - 700 071.
- ☐ Door No.22, Wheat Croft Road, Nungambakkam,  
Chennai – 600 034.
- ☐ 19/90, Connaught Circus, New Delhi - 110 001.

**AUDITORS**

Chaturvedi & Shah  
Chartered Accountants

**BANKERS**

Bank of Baroda  
Union Bank of India  
The Zoroastrian Co-operative Bank Limited  
IndusInd Bank Limited

**REGISTRAR & TRANSFER AGENTS**

Mondkar Computers 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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# BOROSIL

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## NOTICE

NOTICE is hereby given that the Forty Seventh Annual General Meeting of the Members of Borosil Glass Works Limited will be held at Textiles Committee Auditorium, Textiles Committee Building, P. Balu Road, Near Tata Press, Prabhadevi Chowk, Mumbai 400 025 on Saturday, 31st July, 2010 at 11.00 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 the Profit and Loss Account for the year ended on that date and the Directors' and Auditors' Report thereon.
2. To appoint a Director in place of Mr. A. C. Dalal who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. K. V. Krishnamurthy who retires by rotation and, being eligible, offers himself for re-appointment.
4. 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

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. U. K. Mukhopadhyay, who was 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 in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Mr. Shreevar Kheruka, who was 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."
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 the provisions of Section 314(1B) and all other applicable provisions, if any, of the Companies Act, 1956 and subject to approval of the Central Government, consent of the Company be and is hereby accorded to the appointment of Mrs. Priyanka Kheruka (a relative of Mr. B. L. Kheruka, Chairman, Mr. P. K. Kheruka, Vice-Chairman & Managing Director and Mr. Shreevar Kheruka, Director) to hold an office of profit under the Company as Marketing Consultant on a total remuneration/fees of Rs.1,05,000/- per month and on such other terms and conditions as mentioned in the draft Appointment letter, a copy whereof is placed before this meeting, for a period of three years, commencing from the date the approval of the Central Government is received or from such date as may be approved by the Central Government.

RESOLVED FURTHER that the remuneration payable to Mrs. Priyanka Kheruka as aforesaid will be subject to such modification as the Central Government may suggest or require which the Directors are hereby authorised to accept on behalf of the Company and which may be acceptable to Mrs. Priyanka Kheruka."

By Order of the Board

**C. Baptista**

*Company Secretary*

Place: Mumbai

Date: 28th May, 2010

### **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.5 to 7 as set out above and the relevant details in respect of Item Nos. 2, 3, 5 & 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 23rd July, 2010 to 31st July, 2010 (both days inclusive).
- (4) The Members are requested to notify immediately the change of address, if any, to the Company's Registrar and Transfer Agents viz. Mondkar Computers Pvt. Ltd., Unit: Borosil Glass Works Ltd., 21, Shakil Niwas, Mahakali Caves Road, Andheri (East), Mumbai – 400 093.
- (5) 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. A. C. Dalal	Mr. K. V. Krishnamurthy	Mr. U. K. Mukhopadhyay (IAS Retd.)	Mr. Shreevar Kheruka
Date of Birth	14th November, 1921	8th May, 1943	26th January, 1944	4th January, 1982
Qualification	-	B. Com, F.C.A., F.IIB.	Ph.D (Economics)	B. Sc in Economics and B. A. in International Relations from University of Pennsylvania, U.S.A.
Date of Appointment	28th August, 1989	29th September, 2006	24th August, 2009	24th August, 2009
Expertise in Specific Functional Area	Over 68 years experience in capital markets. Has been director of many reputed companies.	Over 35 years experience in domestic and international banking and finance related matters. Had been the Chairman & Managing Director of Syndicate Bank and Bank of India.	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.	About 4 years Corporate experience including position of Vice-President in our Company for 3 years. He was also briefly associated with a US based multinational group and presently is Wholtime Director in another Company.
List of other Indian Public Limited Companies in which Directorship held	1. Century Textiles and Industries Ltd. 2. SIL Investments Ltd.	1. Asset Reconstruction Company(India) Limited 2. Sundaram BNP Paribas Trustees Co. Limited 3. FCH Centrum Direct Limited 4. Essel Propack Limited 5. Essar Steels Limited 6. Thirumalai Chemicals Limited 7. Centrum Capital Limited 8. VVF Industries Limited 9. Essar Oil Limited 10.Essar Shipping Ports & Logistics Limited	1. Octaga Green Power and Sugar Co. Ltd.	1. Borosil International Limited 2. Borosil Glass Limited 3. Vyline Glass Works Limited
Chairman / Member of the Board Committees of other Public Limited Companies	Century Textiles and Industries Limited <i>Audit Committee: Member</i>  SIL Investments Limited <i>Audit Committee: Member</i>	Asset Reconstruction Company(India) Limited <i>Audit Committee: Member:</i> Sundaram BNP Paribas Trustees Co. Limited <i>Audit Committee: Member</i> Essel Propack Limited <i>Audit Committee: Member</i> Essar Steels Limited <i>Audit Committee: Member</i> Thirumalai Chemicals Limited <i>Audit Committee: Member</i> VVF Industries Limited <i>Audit Committee: Chairman</i> Essar Shipping Ports & Logistics Limited <i>Audit Committee: Member</i> Centrum Capital Limited <i>Audit Committee: Chairman</i>	NIL	NIL
No. of shares held by them	NIL	NIL	NIL	50100

## **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. U. K. Mukhopadhyay as an Additional Director of the Company with effect from 24th August, 2009 in accordance with Article 118 of the Articles of Association of the Company. Mr. U. K. Mukhopadhyay, a Ph.D in Economics, is a retired IAS Officer who held various positions in the Government of Maharashtra before retiring as Additional Chief Secretary (Home). He has experience also in managing manufacturing and service industries.

The Company has received a notice in writing from a member proposing the candidature of Mr. U. K. Mukhopadhyay 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.5 as an Ordinary Resolution.

Except Mr. U. K. Mukhopadhyay, no other Director is concerned or interested in the resolution.

#### **Item No. 6**

The Board of Directors of the Company appointed Mr. Shreevar Kheruka as an Additional Director of the Company with effect from 24th August, 2009 in accordance with Article 118 of the Articles of Association of the Company. Mr. Shreevar Kheruka has a dual degree of B.Sc. in Economics and B.A. in International Relations from the Wharton Business School of the University of Pennsylvania, USA. After completing his studies, he worked with the Monitor Group, a multinational strategic consulting firm in USA, during which he gained valuable experience in re-structuring some Fortune 500 companies. Upon his return to India, he joined Borosil Glass Works Limited as Vice-President for a period of three years before becoming Director of the Company. Presently, he is also working as a Wholtime Director of Vyline Glass Works Limited.

The Company has received a notice in writing from a member proposing the candidature of Mr. Shreevar Kheruka 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.

Mr. Shreevar Kheruka is grandson of Mr. B. L. Kheruka, Chairman and son of Mr. P. K. Kheruka, Vice-Chairman & Managing Director.

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

#### **Item No. 7**

Under Sub-Section (1B) of Section 314 of the Companies Act, 1956 read with Directors Relatives (Office or Place of Profit) Rules, 2003, it is necessary to obtain the prior consent of the Company by a special resolution and the approval of the Central Government for holding or continuing to hold office or place of profit under the Company, which carries a total monthly remuneration of Rs.50,000 or more, by a relative of Director. It is proposed to appoint Mrs. Priyanka Kheruka, who is related to Mr. B. L. Kheruka, Chairman, Mr. P. K. Kheruka, Vice Chairman & Managing Director and Mr. Shreevar Kheruka, Additional Director, as Marketing Consultant of the Company for a period of three years. Mrs. Priyanka Kheruka has obtained dual degrees in Bachelor of Science in Economics with concentrations in Marketing & Management from the Wharton School & the College of Arts & Science, of the University of Pennsylvania, United States of America (USA). Thereafter, she joined New York – Bain and Company, a top consulting firm as Associate Consultant in the private equity group, where her work included due diligence resulting in a major acquisition. She also worked in the general strategy group, providing inputs on operations, capacity management, market share growth strategies and competitive landscaping.

On her return to India, Mrs. Kheruka worked for an American NGO and then as a Whole time Director of Vyline Glass Works Limited from 1<sup>st</sup> August, 2007 to 31<sup>st</sup> March, 2009, during which assignment she provided strategic marketing inputs.

Since the Company was looking for a suitable candidate for appointment as Marketing Consultant, who can advise the Company on Product Development, Brand Enhancement and Strategy Promotions, a Selection Committee was constituted and after interviewing candidates, the said Committee found Mrs. Priyanka Kheruka suitable for the position on the following terms and conditions:

- Remuneration in form of Consultancy Fee – Rs.1,00,000 p.m.
- Phone rental and call charges will be paid by the Company at actuals for telephone at the residence/mobile phone subject to limit of Rs.5000 p.m.
- Mrs. Priyanka Kheruka will further be entitled to reimbursement of actual entertainment and travelling expenses incurred by her for business purposes.

Other terms:

The assignment may be terminated by either party by giving three months' notice in writing.

Since Mrs. Priyanka Kheruka is a grand daughter in law of the Chairman and daughter in law of Vice-Chairman & Managing Director and wife of a Director and her total fees/ remuneration will exceed Rs.50,000/- per month, the proposed special resolution is intended to obtain the consent of the members of the Company, which will be followed by approval of the Central Government, to her holding or continuing to hold office or place of profit under the Company.

The Directors recommend passing of the Resolution contained at item No. 7 of the accompanying Notice.

Mr. B. L. Kheruka, Mr. P.K. Kheruka and Mr. Shreevar Kheruka, being relatives of Mrs. Priyanka Kheruka, may be deemed to be interested in her appointment and payment of fees/remuneration as Marketing Consultant. No other Director is concerned or interested in the Resolution.

A copy of the draft Appointment letter to be entered into between the Company and 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.

By Order of the Board

Place: Mumbai

Date: 28th May, 2010

**C. Baptista**

*Company Secretary*

***Registered Office:***

Khanna Construction House,

44, Dr. R.G. Thadani Marg,

Worli, Mumbai 400 018.

## FIVE YEAR FINANCIAL HIGHLIGHTS

		2009-2010	2008-2009	2007-2008	2006-2007	2005-2006
Net Sales	(Rs. lacs)	<b>8788.83</b>	6698.77	7161.55	6825.95	6494.70
Profit/(Loss) Before Tax	(Rs. lacs)	<b>(2605.88)</b>	(937.28)	86.02	1319.15	575.44
Profit/(Loss) Before Tax as % on Sales		<b>(29.65)</b>	(13.99)	1.20	19.33	8.86
Provision for Taxation (including Deferred Tax credit of Rs. 125.54 lacs; Previous Year Rs.21.91 lacs)	(Rs. lacs)	<b>(126.74)</b>	3.56	32.43	216.57	174.41
Profit/(Loss) After Tax	(Rs. lacs)	<b>(2479.14)</b>	(940.84)	53.59	1102.58	401.03
Profit/(Loss) After Tax as % on Sales		<b>(28.21)</b>	(14.04)	0.75	16.15	6.17
Dividend	(%)	-	-	-	30.00	20.00
Net Earnings per Share	(Rs.)	<b>(62.54)</b>	(24.37)	1.49	32.12	11.12
Shareholders' Funds	(Rs. lacs)	<b>3759.13</b>	6238.27	6196.27	6142.68	4715.46
Book Value per Share	(Rs.)	<b>94.83</b>	157.38	171.71	170.23	137.51
Return on Investment	(%)	<b>(21.99)</b>	(6.24)	3.84	15.04	9.30

**DIRECTORS' REPORT**

To  
The Members of  
BOROSIL GLASS WORKS LIMITED

Your Directors present their Forty Seventh Annual Report and the Audited Accounts for the year ended 31st March, 2010.

**FINANCIAL RESULTS**

	(Rupees in lacs)	
	Year ended 31.03.2010	Year ended 31.03.2009
Gross Sales (Including Excise Duty)	<b>9109.07</b>	7127.11
Other Income	<b>185.77</b>	181.25
Profit/(Loss) for the year before Interest, Depreciation and Extra Ordinary Items	<b>(51.99)</b>	288.70
Less: Interest	<b>514.30</b>	392.78
Less: Depreciation	<b>169.61</b>	333.20
Less: Extra Ordinary Items (Net)	<b>(1869.98)</b>	(500.00)
Loss for the year before tax	<b>(2605.88)</b>	(937.28)
Less: Provision for Income Tax	—	—
Less: Provision for Wealth Tax	—	0.24
Less: Provision for Fringe Benefit Tax	—	25.23
Less: Deferred Tax (Credit)	<b>(125.54)</b>	(21.91)
Less: Write back of provision for Tax of earlier year	<b>(1.20)</b>	—
Loss for the year	<b>(2479.14)</b>	(940.84)
Add: Balance as per last year	<b>1342.38</b>	2283.22
Add: Amount Transferred from General Reserve	<b>370.15</b>	—
Amount available for Appropriation	<b>(766.61)</b>	1342.38
<b>Appropriations</b>		
Balance carried to Balance Sheet	<b>(766.61)</b>	1342.38

**DIVIDEND**

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

**PERFORMANCE**

Subsequent to the acceptance of Voluntary Retirement Scheme (VRS) by all workmen at Company's Marol plant, the Company has obtained No Objection Certificate from the Commissioner of Labour for development of the said land and thereby the property there has become available for development /sale. The Company has appointed an Agency to run a process to find out suitable buyer for the property at Marol, Mumbai and the process is underway right now. In the meantime, the Company is also seeking approval of the members U/S 293(1)(a) of the Companies Act, 1956, for transfer, sale, lease or otherwise disposal of the property belonging to the closed undertaking at Marol.

The Company is in the process of setting up a modern borosilicate glass melting furnace at a site in the Bharuch District of Gujarat and till this new plant is commissioned, market demand is being met from its own stock and by sourcing from imports as well as from domestic market.

Sales during the year under review were higher at Rs.9109.07 lacs as compared to Rs.7127.11 lacs in the previous year. In spite of improved performance by both 'Scientific & Industrial Division' and 'Consumerware Division', the Company incurred losses amounting to Rs.2479.14 lacs (which includes Extraordinary Loss of Rs.1869.98 lacs) as compared to loss of Rs.940.84 lacs (which included Extraordinary Loss of Rs.500 lacs) during the previous year.

The reasons for losses are attributed to the following factors:

1. An amount of Rs.1869.98 lacs paid under Voluntary Retirement Scheme (VRS) to the workmen at Marol Plant has been treated as extraordinary loss. On the top of this, the Company has to service the loan taken for the purpose. All these, however, helped the Company in freeing its land at Marol for development / sale.
2. Since the Company is in the process of setting up of new plant in the Bharuch District of Gujarat, although there is no

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production right now after discontinuation of manufacturing in the Marol, Mumbai Plant, the Company has been incurring fixed costs on its technical and other staff to be eventually deployed in the new project. The Company has in the interregnum period, been importing products from abroad in order to maintain its market share, inspite of lower margin.

The Company has also suspended its operations at Maraimalai Nagar, Tamil Nadu in view of obsolescence of the products being manufactured there.

Exports during the year were lower at Rs.250.93 lacs as compared to Rs.328.02 lacs in the previous year.

## **FIXED DEPOSITS**

The Company has stopped accepting fresh fixed deposits since July 2006. The total amount of unclaimed deposits as on 31st March, 2010 was Rs.14.33 lacs, out of which an amount of Rs.0.25 lacs has since been paid.

## **DIRECTORS**

During the year, Mr. U. K. Mukhopadhyay and Mr. Shreevar Kheruka were appointed as Additional Directors w.e.f. 24th August, 2009. The Company has received two separate notices from members of the Company under Section 257 of the Companies Act, 1956 in respect of the above persons, proposing their appointment as Directors, alongwith the requisite deposit.

Mr. S. Bagai was appointed as a member of the Audit Committee of the Board of Directors w.e.f.18th May, 2009.

Mr. A. C. Dalal and Mr. K. V. Krishnamurthy retire by rotation and, being eligible, offer themselves for reappointment.

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

## **AUDITORS**

M/s. Chaturvedi & Shah, 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.

## **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 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.

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **A. Industry Structure and Developments**

The Company is engaged in the business of low expansion borosilicate glassware including a wide variety of scientific, industrial, lighting, pharmaceutical and Consumerware glass items, sourced both from international and domestic markets.

The entire Research and Development Industry, Education and Health segments of the market are major users of Scientific and Industrial Products, whereas Consumerware items cater to the need of the household sector.

### **B. Opportunities and Threats**

#### **- Opportunities**

With increased emphasis by the Govt. of India in the Education and Health segments of the markets, there is opportunity for the Company to increase its presence in these areas.



Further, with increased availability of certified and graduated items and introduction of USP (United States Pharmacopoeia) range of products for the pharma industry, there are good opportunities to increase the share of business in the Research & Development and Pharma segment/s of the market. The increased presence of Contract Research organisations in the country will also contribute to increased business from the Pharma segment.

- Threats

- Owing to closing down of furnace at Marol, Mumbai, the Company is now dependent on its arrangement with another company for sourcing products domestically, till its new plant in the Bharuch District becomes operational.
- Unrestricted import and dumping of scientific and industrial products by importers from various countries.
- Availability of significant quantities of spurious goods bearing Company's brand name.
- Usage of plastics and instruments in laboratories as substitute for glassware.
- Entry of international/domestic business houses in trading of Scientific glassware with their own well established brands (sourced mainly from small and cottage scale Indian fabricators).

**C. Segmentwise or Productionwise Performance**

- Scientific and Industrial Products Division

- Sales have shown significant improvement and registered an increase of 28.73% as compared to previous year. Besides, there were significant pending orders in almost all areas – otherwise, performance of the division could have been still better.
- Relatively better availability of products coupled with increased penetration at the customer level have contributed towards this improved performance. Introduction of liquid handling systems in the range has also resulted in increased sales.
- Focused attention on exports in the second half of the year, have also helped in reasonable level of export sales.

- Consumerware Division

During the year under review, the turnover of the consumerware division has also risen significantly by 36.88%, as compared to last year in spite of fierce competition and inflationary pressure on consumers. The Company is market leader in the microwave glassware segment and has during the year under review further strengthened its presence in the said segment.

**D. Outlook**

- Scientific and Industrial Products:

The overall picture appears to be bright considering the following factors:

- The Government emphasis on Education and Health segments coupled with increased awareness.
- Increased presence of Contract Research Organisations.
- Continued growth in the pharma segment.
- Introduction of allied products in range under Borosil® brand.
- Political stability.
- Anticipated economic revival.

- Consumerware Products:

The Company sells its product under brands namely Borosil® and Borosil International. The Company imports a range of products from various international manufacturers and sells these in the domestic market along with domestically sourced products. With the rise of consumerism in India, there is continuous scope of growth in the consumerware segment. However, there is constraint on supply side. The Company is in the process of introducing new product categories in tumblers and dishes, which are likely to be launched shortly.

**E. Risks and Concerns**

- (a) In the wake of cooling down of Company's furnace at Marol, Mumbai while the Company's new plant in the Bharuch District of Gujarat is still under implementation, the Company is presently mainly dependent for its product, on outside sources including imports (apart from its own existing stock).

- (b) Increased usage of other scientific products e.g. plastics and instruments.
- (c) Increased competition from organised sector in trading of scientific and microwave glassware.
- (d) Spurious activities.
- (e) Competition from imported goods mostly from the grey market.

## **F Internal Control Systems and their Adequacy**

The Company has adequate Internal Control System commensurate with its size and nature of business. Internal Audit is periodically conducted by an external firm of Chartered Accountants and Internal Audit reports are reviewed by the Audit Committee.

## **G Material Development in Human Resources, Industrial Relations and number of people employed**

Following acceptance of Voluntary Retirement Scheme (VRS) by all workmen at its Marol plant, the Company has only a few workmen left at its Maraimalai Nagar Plant.

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

Staff	:	165
Workmen	:	23 (Excluding contract labour)

The Company of late has been laying greater emphasis on increasing skill of its marketing team and hence the Company has introduced an incentive scheme for its senior marketing personnel.

The industrial relations at M. M. Nagar Plant continued to remain cordial.

The appeal filed before High Court by 10 ex-employees of the said plant at M. M. Nagar against order of the Industrial Court rejecting their reinstatement is still pending.

## **CORPORATE GOVERNANCE REPORT**

A Report on Corporate Governance along with the Compliance Certificate from the Auditors is annexed hereto and forms part of this Report.

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.borosil.com](http://www.borosil.com). The Directors and senior Management personnel have affirmed their compliance with the Code for the year ended 31st March, 2010.

## **SAFETY, HEALTH AND ENVIRONMENT**

The Company is continuously endeavoring to ensure safe working conditions for all its employees.

The manufacturing activities of the Company do not have any negative impact on the environment.

## **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**

Information required to be disclosed under Section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 are furnished in the Annexure forming part of this Report.

## **ACKNOWLEDGEMENT**

Your Directors record their appreciation for the co-operation received from the Employees, Bankers and Customers during the year under review.

For and on behalf of the Board of Directors

Place: Mumbai  
Date : 28th May, 2010

**B. L. Kheruka**  
Chairman

## ANNEXURE TO THE DIRECTORS' REPORT

### CONSERVATION OF ENERGY

#### FORM – A

Form for Disclosure of Particulars with respect to Conservation of Energy

#### (A) Power and Fuel Consumption:

	<u>April, 2009 To</u> <u>March, 2010</u>	<u>April, 2008 To</u> <u>March, 2009</u>
1. <u>Electricity</u>		
Purchased Units ('000 KWH)	1,596	7,253
Total Amount (Rs. Thousands)	10,839	48,844
Rate Unit (Rs.)	6.79	6.73
2. <u>Fuel Oil / Gas</u>		
(a) L .D. Oil		
Quantity ('000 Litres)	7	–
Value (Rs. Thousands)	174	–
Rate/Kilo Ltr. (Rs.)	25.99	–
(b) H.S.D. (*)-		
Quantity ('000 Litres)	8	9
Value (Rs. Thousands)	283	316
Rate/Kilo Ltr. (Rs.)	33.64	33.60
(c) Furnace Oil		
Quantity ('000 Litres)	459	2,442
Value (Rs. Thousands)	7,685	57,780
Rate/Kilo Ltr. (Rs.)	16.73	23.66
(d) L.P. Gas		
Quantity ('000 Litres)	61	124
Value (Rs. Thousands)	2,015	4,692
Rate/Kilo Ltr. (Rs.)	33.25	37.95
(e) Liquid Oxygen		
Quantity ('000 Cu.Mtrs.)	60	341
Value (Rs. Thousands)	708	3,870
Rate/Kilo Ltr. (Rs.)	11.73	11.33
(f) Natural Gas		
Quantity ('000 Cu.Mtrs.)	193	1,376
Value (Rs. Thousands)	2,116	14,885
Rate/Kilo Ltr. (Rs.)	10.97	10.82

NOTE : (\*) Self generation – Diesel Generators were run during power failure and on regular intervals to maintain the equipment.

The figures are not comparable with previous year's figures since operations at the Company's plant at Marol were discontinued in June, 2009

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# BOROSIL

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## (B) Consumption Per Unit of Production

It is not feasible to determine consumption figures per unit of production owing to the large number of products and highly diverse variety of items manufactured.

### 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 and Development activities during the year.

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

The Company has not introduced any new technology during the year.

#### C. Particulars with regard to foreign exchange outgo and earnings appear at items 19 to 22 of Schedule 14 'Notes on Accounts'.

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

A. Name of the Employee(s) 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) :

Name, Age & Qualification	Designation/ Nature of Duties	Remuneration (Rs.)	Date of Joining and experience	Particulars of last Employment
P. K. Kheruka Age: 59years Qualification : B. Com.	Vice Chairman & Managing Director	28,71,574/-	As Director: 24th November, 1988 As Managing Director: 1st August, 2005  Over 38 years in industry	Gujarat Fusion Glass Limited – Managing Director

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, 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. The above employee is a relative of Mr. B. L. Kheruka, Chairman and Mr. Shreevar Kheruka, Additional Director of the Company.
3. Employment is on contractual basis from 1st August, 2008 to 31st July, 2011 which can be terminated by either party by giving three months' notice in writing.

For and on behalf of the Board of Directors

Place : Mumbai  
Date : 28th May, 2010

**B. L. Kheruka**  
Chairman

## Corporate Governance Report

### Company's philosophy on Code of Governance

The Company has adopted the Code of Corporate Governance as enumerated in Clause 49 of the Listing Agreement as amended from time to time entered into by the Company with the Stock Exchange. The Company's philosophy on Corporate Governance envisages enhancement of the long-term shareholders value while at the same time protecting the interests of other stakeholders.

### I. BOARD OF DIRECTORS

#### (A) Composition

The Company has an optimum combination of Executive and Non-Executive Directors. The Company has Non-Executive Chairman(who is also a Promoter) and half of the Directors are Independent Directors.

The Company at present has eight Directors comprising of one Managing Director, one Whole-time Director and six Non-Executive Directors.

#### (B) Non-Executive Directors' compensation and disclosures

The remuneration of Non-Executive Directors (NEDs) of the Company is decided by the Board of Directors of the Company in terms of the resolutions passed by the shareholders at the Annual General Meeting held on 29th July, 2005 and 25th August, 2006. In addition to sitting fee, NEDs are eligible for Commission as decided by the Board of Directors, subject to an overall limit of 1% of the Net Profits of the Company. Till date, the Company has not granted stock options to the Directors.

#### (C) Board and Committee Meetings, etc.

##### (i) Number of Board Meetings

The Board met seven times during the financial year 2009-2010 on 18th May, 2009, 28th May, 2009, 30th June, 2009, 29th July, 2009, 22nd August, 2009, 31st October, 2009 and 25th January, 2010.

#### Directors' attendance record and Directorship held, etc.

Name	Category of Directors	No. of Board Meetings Attended	Whether attended last AGM held on 22nd August, 2009	No. of Directorships held in other Indian Public Limited Companies	No. of Committee* Positions held in other Public Limited Companies	
					Chairman	Member
Mr. B. L. Kheruka	Chairman Promoter Non-Executive	5	Yes	7	-	1
Mr. P. K. Kheruka	Vice Chairman & Managing Director Promoter Executive	6	Yes	6	1	1
Mr. A. C. Dalal	Independent Non-Executive	7	Yes	2	-	2
Mr. S. Bagai	Independent Non-Executive	7	Yes	-	-	-
Mr. K. V. Krishnamurthy	Independent Non-Executive	7	Yes	10	2	6
Mr. V. Ramaswami	Whole-time Director Executive	7	Yes	-	-	-
Mr. U. K. Mukhopadhyay (appointed as Additional Director w.e.f. 24.08.2009)	Independent Non-Executive	2	N.A.	1	-	-
Mr. Shreevar Kheruka (appointed as Additional Director w.e.f. 24.08.2009)	Promoter Non-Executive	2	N.A.	3	-	-

\* For this purpose, only Audit Committee and Shareholders/Investors Grievance Committees have been considered.



- e. Compliance with listing and other legal requirements relating to financial statements
  - f. Disclosure of any related party transactions
  - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
  6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
  7. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
  8. Reviewing the adequacy of internal audit function, reporting, structure, coverage and frequency of internal audit.
  9. Discussion with internal auditors on any significant findings and follow up there on.
  10. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
  11. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
  12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
  13. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
  14. Such other functions as may be decided by the Board of Directors from time to time.

It may be clarified that the role of the Audit Committee includes matters specified under Clause 49 of the Listing Agreement as amended from time to time entered into between the Company and Bombay Stock Exchange Limited on which the Company's shares are listed.

**(E) Review of information by the Audit Committee**

The Audit Committee reviews inter-alia, the following matters:

1. Management, discussion and analysis of financial condition and results of operations.
2. Statement of significant related party transactions.
3. Management letters/letters of Internal Control weaknesses issued by the statutory auditors.
4. Internal Audit reports relating to Internal Control weaknesses.
5. Appointment, removal and terms of remuneration of the Internal Auditors.

**III. SUBSIDIARY COMPANIES**

The Company does not have any subsidiary company.

**IV. DISCLOSURES**

**(A) Basis of Related Party Transactions**

The details of all transactions with related parties are placed before the Audit Committee periodically, with justification wherever required.

During the year, there were no transactions of material nature with related parties that had potential conflict with the interest of the Company. Details of related party transactions entered into, are given in Note No.16 of Schedule 14 forming part of the Balance Sheet.

**(B) Disclosure of Accounting Treatment**

In the preparation of financial statements, the Company has followed the Accounting Standards notified under Companies (Accounting Standard) Rules, 2006, to the extent applicable to the Company.

**(C) Board Disclosures – Risk Management**

The Company has laid down procedures to inform Board members about the risk assessment and minimisation procedures, which are subject to review by the Management and placed before the Board on an annual basis.

# BOROSIL

## (D) Issue of shares

The Company has not made any issue of shares during the year under consideration.

## (E) Remuneration of Directors

The Board of Directors has constituted a Remuneration Committee, comprising of three independent directors, the composition of which is furnished hereunder:

Mr. A. C. Dalal - Chairman

Mr. S. Bagai

Mr. K. V. Krishnamurthy

The broad terms of reference of Remuneration Committee are to determine on behalf of Board and on behalf of shareholders with agreed terms of reference, the Company's policy on specific remuneration package(s) for executive director(s) including pension and any compensation payment.

One meeting of this Committee was held during the financial year 2009-2010 on 30<sup>th</sup> June, 2009 and all members were present at this meeting.

### (i) Details of sitting fees, remuneration, etc. paid to Directors

(Amt. in Rs.)

Name of the Directors	Sitting fee for Board / Committee Meetings
Mr. B. L. Kheruka	65,000
Mr. A. C. Dalal	1,40,000
Mr. S. Bagai	1,25,000
Mr. K. V. Krishnamurthy	1,25,000
Mr. U. K. Mukhopadhyay	20,000
Mr. Shreevar Kheruka	20,000

Name of the Directors	Remuneration
<b>i) Mr. P. K. Kheruka, Vice-Chairman &amp; Managing Director</b>	
Salary	24,00,000
Perquisites	1,83,574
Contribution to P.F.	2,88,000
(A)	28,71,574
<b>ii) Mr. V. Ramaswami, Whole-time Director</b>	
Salary (including HRA)	18,47,000
Perquisites	31,740
Contribution to P.F.	1,77,600
(B)	20,56,340
<b>Total (A + B)</b>	<b>49,27,914</b>

Notes:

- No Commission has been paid to the Non Executive Directors / Managing Director for the year.
  - The Company does not pay any Bonus or incentive to the Managing / Whole-time Director nor is any stock option granted to them. However, Mr. P. K. Kheruka, Managing Director is holding 76,415 Equity Shares of the Company.
  - The service contract of the Managing Director/Whole-time Director is for 3 years and Notice period is 3 months from either side.
- (ii) Number of shares and convertible instruments held by Non-Executive Directors:

Mr. B. L. Kheruka holds 76,415 Equity Shares and Mr. Shreevar Kheruka holds 50,100 Equity Shares of the Company. This apart, none of the non-executive Directors hold any Shares or convertible instruments of the Company.



**(F) Management**

Management, Discussion and Analysis Report containing discussion on the matters specified under above head in Clause 49 IV (F) forms part of Annual Report.

**(G) Shareholders**

(i) Relevant details of the Directors proposed to be appointed / reappointed are furnished in the Notice convening the Annual General Meeting to be held on 31st July, 2010 being sent along with the Annual Report.

(ii) Quarterly results are regularly made available on the Company's website: [www.borosil.com](http://www.borosil.com).

(iii) Share Transfer and Shareholders' / Investors' Grievance Committee

The Committee comprises of Mr. B.L. Kheruka as Chairman and Mr. P.K. Kheruka and Mr. A.C. Dalal as members.

During the year 2009-2010, the Committee met 3 times on 9th June, 2009, 31st October, 2009 and 21st December, 2009. All the Committee members were present at all the meetings on the relevant dates.

Committee members are severally authorised to approve share transfers and dematerialisation requests. The transfers are approved fortnightly or as required. All share transfer requests received upto 31st March, 2010 were processed in time.

During the year ended on 31st March, 2010, the Company received 3 complaints and 105 other correspondence from the shareholders and debentureholders, which were suitably replied. No investor grievances were pending at the end of the year.

(iv) Name & Designation of the Compliance Officer: Ms. C. Baptista  
Company Secretary

**V. CEO/CFO CERTIFICATION**

A certificate from Vice-Chairman & Managing Director and Chief Financial Officer of the Company, on the financial statements of the Company was placed before the Board.

**VI. REPORT ON CORPORATE GOVERNANCE**

The Company has complied with the mandatory requirements of Clause 49 of the Listing Agreement. The Company has also submitted the quarterly compliance report to the stock exchange.

**VII. COMPLIANCE**

A Certificate from the Auditors of the Company regarding compliance of conditions of this Clause 49 is annexed hereto.

**VIII. GENERAL BODY MEETINGS**

Location, date and time of General Meetings held during the last 3 years:

Year	Location	AGM/EGM	Day and Date	Time	No. of Special Resolution (s) passed
2008-09	Sasmira Auditorium, 3rd Floor, Sasmira Marg, Dr. Annie Besant Road, Worli, Mumbai-400 030.	AGM	Saturday 22nd August, 2009	11.00 a.m.	1
2007-08	Sasmira Auditorium, 3rd Floor, Sasmira Marg, Dr. Annie Besant Road, Worli, Mumbai-400 030.	AGM	Thursday 31st July, 2008	3.30 p.m.	1
2006-07	'Orchid', Sunville Banquet, 2nd Floor, Dr. Annie Besant Road, Worli, Mumbai-400 018.	AGM	Friday 17th August, 2007	3.00 p.m.	1
2006-07	Sasmira Auditorium, 3rd Floor, Sasmira Marg, Dr. Annie Besant Road, Worli, Mumbai-400 030.	EGM	Thursday 4th January, 2007	3.00 p.m.	1

None of the Resolutions were put through postal ballot in the last financial year. The Company has recently proposed an Ordinary Resolution under Section 293(1)(a) of the Companies Act, 1956, to be conducted through Postal Ballot.

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# BOROSIL

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## IX. MEANS OF COMMUNICATION

The quarterly and half yearly unaudited and annual audited financial results were published in the Economic Times in English and Maharashtra Times in Marathi (regional language). The quarterly financial results, shareholding pattern, etc. till the quarter ended on 31st December, 2009 are posted on SEBI's official website – [www.sebidifar.nic.in](http://www.sebidifar.nic.in), which has recently been discontinued and also on the Company's website – [www.borosil.com](http://www.borosil.com).

The Company has not made any presentation to institutional investors or analysts. As per the requirement under Clause 47 of the Listing Agreement, an exclusive email ID has been created namely, [bgw.grievances@borosil.com](mailto:bgw.grievances@borosil.com), on which the investors can register their complaints. The said email ID is also displayed on Company's website.

## X. General Shareholder Information

### Annual General Meeting

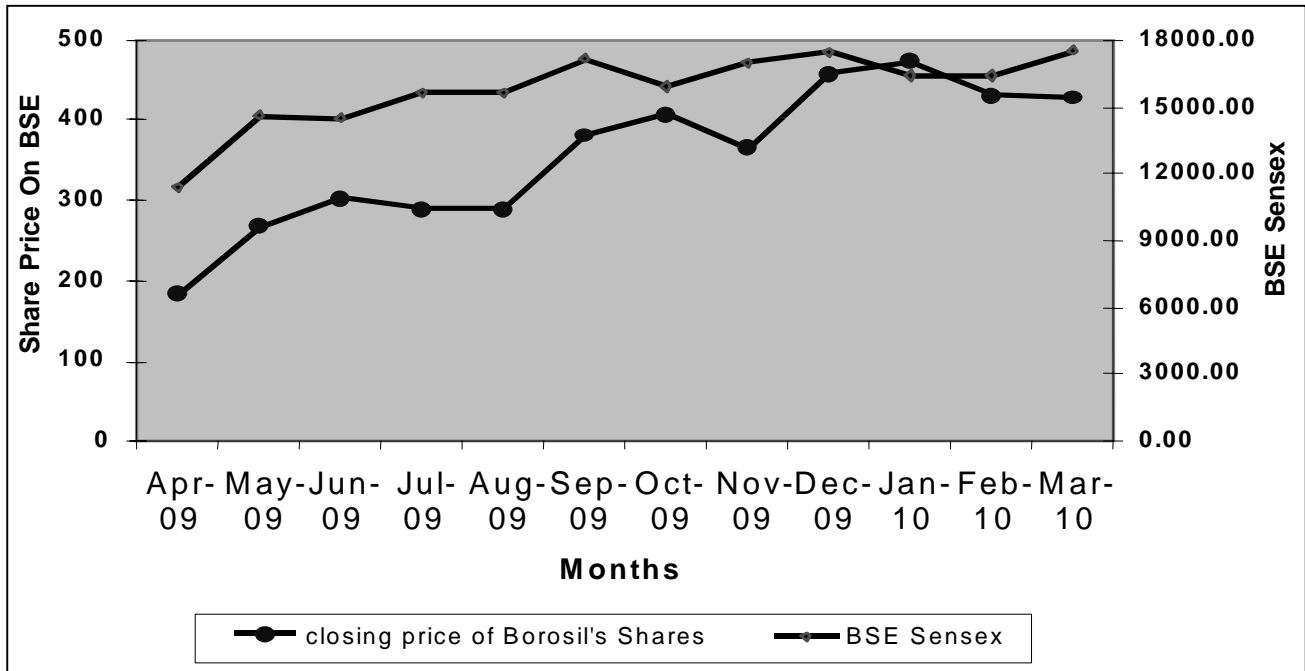
Date and time	:	31st July, 2010 at 11.00 a.m.
Venue	:	Textiles Committee Auditorium, Textiles Committee Building, P. Balu Road, Near Tata Press, Prabhadevi Chowk, Mumbai 400 025
Financial Year	:	1st April to 31st March
Financial Calendar	:	Year ending – 31st March, 2011
Quarterly Results	:	First quarter – 2nd week of August, 2010 Second quarter – 2nd week of November, 2010 Third quarter – 2nd week of February, 2011 Fourth quarter – 4th week of May, 2011
Date of book closure	:	23rd July, 2010 to 31st July, 2010 (both days inclusive)
Listing on Stock Exchange	:	Bombay Stock Exchange Limited Annual listing fees to the Stock Exchange for the financial year 2010-2011 have been paid.
Stock Code	:	502219
ISIN no.	:	INE666D01014

### Market price data

The monthly high and low quotation and the volume of shares traded on BSE are as under:

Month	Highest (Rs.)	Lowest (Rs.)	Volume of Shares traded
April, 2009	246.75	176.30	7124
May, 2009	274.90	189.95	16792
June, 2009	350.00	251.10	35321
July, 2009	314.50	235.00	4682
August, 2009	299.50	240.25	3808
September, 2009	438.00	260.00	40579
October, 2009	420.00	365.00	48612
November, 2009	395.00	345.00	6202
December, 2009	458.35	365.00	10110
January, 2010	547.75	460.00	13892
February, 2010	481.50	410.05	10666
March, 2010	462.00	410.00	100638

The Performance of the Company's scrip on the BSE compared to the BSE sensex:



#### Registrars and Transfer Agents & Share Transfer System:

Mondkar Computers Pvt. Ltd. having its office at 21, Shakil Niwas, Mahakali Caves Road, Andheri (E), Mumbai 400 093 act as the Registrar and Transfer Agents of the Company. They process, inter-alia, the share transfer requests received in physical and electronic mode and confirm dematerialisation requests and other share registry work.

The transfers are normally processed within 10-12 days from the date of receipt if the documents are complete in all respects.

#### Distribution of shareholding as at 31st March, 2010

No. of equity shares held	Number of Shareholders		Shares	
	Nos.	Percentage	Nos.	Percentage
Upto 500	3439	94.090	348796	8.799
501 to 1000	101	2.763	75013	1.892
1001 to 2000	41	1.122	56026	1.413
2001 to 3000	19	0.520	47292	1.193
3001 to 4000	12	0.328	41845	1.056
4001 to 5000	6	0.164	27329	0.689
5001 to 10000	13	0.356	89266	2.252
10001 & above	24	0.657	3278361	82.706
<b>Total</b>	<b>3655</b>	<b>100</b>	<b>3963928</b>	<b>100</b>

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# BOROSIL

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## Categories of shareholders as on 31st March, 2010

	No. of folios	No. of shares	Percentage
Individuals	3474	637878	16.09
Mutual funds & UTI	1	400	0.01
Promoters	8	2179760	54.99
Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions / Non-Govt. Institutions)	9	82240	2.08
Private Corporate Bodies	115	494228	12.47
Non Resident Individuals	33	21395	0.54
Foreign Institutional Investors & Foreign Companies	2	544412	13.73
Any other – Shares in transit	10	2640	0.07
Foreign Nationals	3	975	0.02
<b>Total</b>	<b>3655</b>	<b>3963928</b>	<b>100</b>

### Dematerialisation of shares and liquidity

As on 31st March, 2010, 37,36,361 shares of the Company representing 94.26% of the Company's total paid up share capital had been dematerialised and 2,27,567 shares representing 5.74% were in physical form.

The Company's shares are regularly traded on the Bombay Stock Exchange Limited as is indicated in the table containing market information.

### Address for Correspondence

Any communication by the Shareholders may be addressed to either of the following:

Borosil Glass Works Limited  
Khanna Construction House,  
44, Dr. R.G. Thadani Marg,  
Worli, Mumbai 400 018.

Mondkar Computers Pvt. Ltd.  
Unit: Borosil Glass Works Ltd.  
21, Shakil Niwas, Mahakali Caves Road,  
Andheri (E), Mumbai 400 093.

**Complaints/grievances may also be addressed to [bgw.grievances@borosil.com](mailto:bgw.grievances@borosil.com)**

### Outstanding GDRs/ADRs/Warrants or any convertible instruments

The Company has not issued any GDRs/ADRs and has no outstanding convertible instruments.

### Plant Locations

The Company has discontinued operations at its plants at Marol, Mumbai and M. M. Nagar, Tamil Nadu, whereas new plant in the Bharuch District of Gujarat is yet to be commissioned.

## XI Compliance with Non-Mandatory Requirements:

### (1) The Board

The Chairman has been provided office in the Company's Registered Office. However, no expenses are reimbursed. All independent directors have the requisite qualification and experience to enable them to contribute effectively to the Company in their capacity as independent directors.

### (2) Remuneration Committee

The Company already has a Remuneration Committee with terms of reference mentioned above. It comprises wholly of Independent Directors including Chairman.

### (3) Shareholders Rights

The Company's results upto the quarter ended on December, 2009 were available on SEBI's website [www.sebiedifar.nic.in](http://www.sebiedifar.nic.in), however this site has recently been discontinued. A half-yearly declaration of financial performance including summary of the significant events is presently not being sent to each household of shareholders. However, the Company's quarterly results are published in the Economic Times and Maharashtra Times, both newspapers having wide circulation.

**(4) Audit qualifications**

During the period under review, there are no audit qualifications on Company's financial statements.

**(5) Training of Board Members**

Presently the Company does not have such a training programme.

**(6) Mechanism for evaluating Non-Executive Board Members**

Presently the Company does not have such a mechanism as contemplated for evaluating the performance of Non-Executive Board Members.

**(7) Whistle Blower Policy**

The Company does not have a Whistle Blower Policy at present. However, no personnel of the Company has been denied access to the Audit Committee.

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**Declaration on Compliance of the Company's Code of Conduct**

As provided under Clause 49 of the Listing Agreement with the Stock Exchange, all Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct as applicable to them for the year ended 31st March, 2010.

For Borosil Glass Works Limited

Place : Mumbai  
Date : 28th May, 2010

**P. K. Kheruka**  
*Vice Chairman & Managing Director*

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**CERTIFICATE OF CORPORATE GOVERNANCE**

To,  
**The Members,**  
**BOROSIL GLASS WORKS LIMITED**

We have examined the compliance of conditions of Corporate Governance by BOROSIL GLASS WORKS LIMITED, for the year ended on 31<sup>st</sup> March, 2010, as stipulated in Clause 49 of the Listing Agreement of the said company with stock exchange.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us, and based on the representation made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the abovementioned Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the Management has conducted the affairs of the company.

**For CHATURVEDI & SHAH**  
Registration Number: - 101720W  
*Chartered Accountants*

Place : Mumbai  
Date : 28th May, 2010

**R. Koria**  
*Partner*  
Membership No. 35629

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# BOROSIL

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## AUDITORS' REPORT

To  
The Members of Borosil Glass Works Limited

We have audited the attached Balance Sheet of '**BOROSIL GLASS WORKS LIMITED**' ("**the Company**"), as at 31<sup>st</sup> March, 2010, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. The accounts for the year ended 31<sup>st</sup> March, 2010 have been prepared on going concern basis since the Company is setting up a modern borosilicate glass melting furnace at a site in the Bharuch District of Gujarat and also actively engaged in trading of glassware items sourced from domestic as well as international market even though all the workmen at Marol Plant have accepted Voluntary Retirement Scheme (VRS) and the Company's furnace has been dismantled and all production manufacturing activities have been suspended at that Plant (Refer note 2 of Schedule 14).
2. As required by the Companies (Auditor's Report) Order, 2003 issued by Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in the paragraphs 4 and 5 of the said Order.
3. Further to our comments in para 1 and the Annexure referred to in para 2 above, we report that:
  - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - ii. In our opinion, proper books of account, as required by law, have been kept by the Company, so far as appears from our examination of those books;
  - iii. The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - iv. In our opinion the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the mandatory Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - v. On the basis of the written representations received from the Directors as on 31<sup>st</sup> March, 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
  - vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the Significant Accounting Policies and notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2010;
    - b) in the case of the Profit & Loss Account, of the loss of the Company for the year ended on that date; and
    - c) in the case of the Cash Flow Statement, of the Cash Flows of the Company for the year ended on that date.

**For CHATURVEDI & SHAH**  
Registration Number: - 101720W  
*Chartered Accountants*

**R. KORIA**  
*Partner*  
Membership No. 35629

Place: Mumbai  
Date: 28th May, 2010

**ANNEXURE TO AUDITORS' REPORT**  
**(Referred to in paragraph 2 of our report of even date)**

- (i) In respect of its fixed assets:
- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
  - (b) As explained to us, the fixed assets have been physically verified by the management in accordance with a programme of verification, which in our opinion is reasonable, considering the size of the company and nature of its assets. No material discrepancies were noticed on such verification as compared with the available records.
  - (c) As per the information and explanation given to us, during the year, the Company has not disposed off substantial part of the fixed assets, however Company has cooled down and dismantled its furnace at Marol Plant. The above has not affected the going concern status of the Company (Refer note no. 2 of the schedule 14).
- (ii) In respect of its inventories:
- (a) Inventories have been physically verified during the year by the management. In our opinion the programme of verification is reasonable.
  - (b) In our opinion and according to the information and explanations given to us, the procedures of the physical verification of inventories followed by the management needs to be strengthened considering the size of the Company and the nature of its business.
  - (c) On the basis of our examination of inventory records, we are of the opinion that looking the nature of business the system of maintenance of inventory records needs to be strengthened. As explained to us, discrepancies noticed on physical verification between the physical inventories and book records have been dealt with in the books of account.
- (iii) In respect of loans, secured / unsecured granted or taken by the Company to / from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956: -
- (a) The Company has not given loan to Companies, firms and other parties covered in the Register maintained under section 301 of the Companies Act, 1956, hence the provisions of Clause 4 (iii) (a) to 4(iii) (d) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
  - (b) The Company has taken loans from two parties covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 76,111 thousands and year-end balance of loans taken from such parties was Rs. 10,345 thousands.
  - (c) In our opinion and according to information and explanations given to us, the rate of interest and other terms and conditions are not prima facie prejudicial to the interest of the Company.
  - (d) The interest payment are regular and the principal amount is payable on demand.
- (iv) In our opinion and according to the information and explanations given to us there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal controls.
- (v) In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956:
- (a) In our opinion and according to the information and explanations given to us, the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
  - (b) In our opinion, and according to the information and explanations given to us, the transactions made during the year in pursuance of such contracts and arrangements exceeding value of Rupees five lakhs for each party, have been made at prices which are prima facie reasonable having regard to the prevailing market price at the relevant time, except for certain transactions for sale of goods and materials of specific nature for which alternative quotations are not available and hence upon which we are unable to comment.

# BOROSIL

- (vi) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A, 58AA or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. No order has been passed by the National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- (vii) The Company has an internal audit system, which in our opinion, needs to be strengthened to make it commensurate with the size and nature of its business.
- (viii) We are informed by the management that Central Government has not prescribed the maintenance of Cost Records under section 209 (1) (d) of the Companies Act, 1956 for any of the products of the Company.
- (ix) In respect of statutory and other dues:
- (a) According to the records of the Company, the Company has generally been regular during the year in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, custom duty, excise duty, service tax and cess and other material statutory dues, as applicable with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid dues were outstanding as at 31st March, 2010 for a period of more than six months from the date they became payable except Rs. 2,515 thousand in respect of Fringe Benefit Tax.

There were no dues on account of Cess under section 441A of the Companies Act, 1956, since the date from which the aforesaid section comes into force has not yet been notified by the Central Government.

- (b) The disputed statutory dues aggregating to Rs.16,264 thousands that have not been deposited on account of matters pending before appropriate authorities are as under:-

Sr. No.	Name of the Statute	Nature of the Dues	Amount in Rs. thousands	Period	Forum where dispute is pending
1	Income Tax Act,1961	Income Tax	274 439	2000-01 2007-08	Commissioner of Income Tax ( Appeal)
2	Central Sales Tax Act and Sales Tax Act of various states	Sales Tax	34 2409* 652 74* 4 3434*	1995-96 1999-00 to 2002-03 1997-98 2003-04 2001-02 2002-03 to 2004-05	Asst. Commissioner Sales Tax  Tribunal Superintendent of Taxes JT. Commissioner Sales Tax (Appeal)
3	Central Excise Act,1944	Cenvat and Service tax	1993* 147* 2369 4043 393	2004-05 & 2005-06 2003-04 to 2005-06 2004-05 2002-03	West Bengal Appellate & Revisional Board Addl. Commissioner Commercial Tax Commissioner (Appeals) JT. Commissioner Service Tax. Appellate Tribunal
			16264		

(\*) Net of amount of Rs. 870 Thousands deposited under protest.

- (x) The Company has accumulated losses as on 31st March, 2010, which is not more than fifty percent of its net worth as on that date. The Company has incurred cash loss during the current financial year and in the immediately preceding financial year also.



- (xi) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to banks or financial institutions.
- (xii) In our opinion and according to the information and explanations given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debenture and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiv) In our opinion and according to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein in respect of dealing in shares. The investments are held by the Company in its own name.
- (xv) According to the information and explanations given to us, the Company has given guarantee for loans taken by others from bank. According to the information and explanation given to us, we are of the opinion that the terms and conditions thereof are not prima facie prejudicial to the interest of the Company.
- (xvi) To the best of our knowledge and belief and according to the information and explanations given to us, the term loans were prima facie applied for the purpose for which they were raised.
- (xvii) On the basis of review of utilization of funds, which is based on overall examination of the Balance Sheet of the Company as at 31st March, 2010, related information as made available to us and as represented to us by the management, we are of the opinion that the funds raised on short term basis have not, prima facie, been utilized for long term purpose.
- (xviii) During the year, the Company has not made preferential allotment of shares to the parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company has not issued any Debentures during the year.
- (xx) The Company has not raised any money by way of public issue during the year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

**For CHATURVEDI & SHAH**  
Registration Number:-101720W  
*Chartered Accountants*

**R. KORIA**  
*Partner*  
Membership No. 35629

Place: Mumbai  
Date: 28th May, 2010

# BOROSIL

## BALANCE SHEET AS AT 31ST MARCH, 2010

	SCHEDULE	As at 31st March, 2010 Rs. in Thousands	As at 31st March, 2009 Rs. in Thousands
<b>SOURCES OF FUNDS :</b>			
Shareholders' Fund:			
Share Capital	1	39,639	39,639
Reserves & Surplus	2	412,935	584,188
		<u>452,574</u>	<u>623,827</u>
Loan Funds:			
Secured Loans	3	418,195	159,707
Unsecured Loans	4	22,846	82,582
		<u>441,041</u>	<u>242,289</u>
Net Deferred Tax Liability (Refer Note 13 of Schedule 14)		-	12,554
<b>TOTAL</b>		<u><b>893,615</b></u>	<u><b>878,670</b></u>
<b>APPLICATION OF FUNDS :</b>			
Fixed Assets:	5		
(a) Gross Block		629,765	848,362
(b) Less: Depreciation and Impairment		325,628	505,342
(c) Net Block		<u>304,137</u>	<u>343,020</u>
(d) Capital Work in Progress		56,685	27,979
		<u>360,822</u>	<u>370,999</u>
Investments	6	194,455	194,467
Current Assets, Loans and Advances:	7		
Inventories		178,245	351,078
Sundry Debtors		161,335	116,195
Cash and Bank Balances		8,420	8,878
Other Current Assets		2,428	22
Loans and Advances		55,854	41,336
		<u>406,282</u>	<u>517,509</u>
Less: Current Liabilities and Provisions	8		
Liabilities		133,923	161,510
Provisions		10,682	42,795
		<u>144,605</u>	<u>204,305</u>
Net Current Assets		<u>261,677</u>	<u>313,204</u>
Profit & Loss Account		76,661	-
<b>TOTAL</b>		<u><b>893,615</b></u>	<u><b>878,670</b></u>
Significant accounting policies	13		
Notes on Accounts	14		

As per our report of even date  
**For CHATURVEDI & SHAH**  
*Chartered Accountants*

**R.Koria**  
*Partner*

Place : Mumbai  
Date : 28th May, 2010

**Rajesh Chaudhary**  
*Chief Financial Officer*

**C. Baptista**  
*Company Secretary*

For and on behalf of the Board of Directors

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

**P. K. Kheruka** *Vice Chairman & Managing Director*

**V. Ramaswami** *Wholtime Director*

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	SCHEDULE	For the year ended 31st March, 2010 Rs. in Thousands	For the year ended 31st March, 2009 Rs. in Thousands
<b>INCOME :</b>			
Gross Sales		910,907	712,711
Less : Excise Duty Recovered on Sales		32,024	42,834
Net Sales		<u>878,883</u>	<u>669,877</u>
Other Income	9	18,577	18,125
Increase/(Decrease) in Stock	10	(164,092)	72,113
		<u>733,368</u>	<u>760,115</u>
<b>EXPENDITURE:</b>			
Purchases (Trading)		322,758	140,924
Raw Materials and Components Consumed		25,120	27,524
Manufacturing and other expenses	11	390,689	562,797
		<u>738,567</u>	<u>731,245</u>
<b>Profit/(Loss) before Interest, Depreciation &amp; Extra Ordinary items</b>		<u>(5,199)</u>	<u>28,870</u>
Interest	12	51,430	39,278
Depreciation		16,961	33,320
Extra Ordinary Item(Refer Note 3 of Schedule 14)		186,998	50,000
<b>Loss before Tax</b>		<u>(260,588)</u>	<u>(93,728)</u>
Provision for Taxation			
Current Tax		-	-
Deferred Tax (Credit)		(12,554)	(2,191)
Wealth Tax		-	24
Fringe Benefit Tax		-	2,523
Write back of provision for Tax of earlier year		(120)	-
		<u>(12,674)</u>	<u>356</u>
<b>LOSS FOR THE YEAR</b>		<u>(247,914)</u>	<u>(94,084)</u>
Add: Balance as per last year		134,238	228,322
Add: Amount Transferred from General Reserve		37,015	-
Amount available for appropriation		<u>(76,661)</u>	<u>134,238</u>
<b>APPROPRIATION :</b>			
Balance carried to Balance Sheet		<u>(76,661)</u>	<u>134,238</u>
		<u>(76,661)</u>	<u>134,238</u>
Earning (in Rs) before extra ordinary items per Share of Rs.10/- each(Basic & Diluted)		<u>(15.37)</u>	<u>(11.42)</u>
Earning (in Rs) after extra ordinary items per Share of Rs. 10/- each(Basic & Diluted) (Refer Note 14 of Schedule 14)		<u>(62.54)</u>	<u>(24.37)</u>
Significant accounting policies	13		
Notes on Accounts	14		

As per our report of even date  
**For CHATURVEDI & SHAH**  
*Chartered Accountants*

**R.Koria**  
*Partner*

Place : Mumbai  
Date : 28th May, 2010

**Rajesh Chaudhary**  
*Chief Financial Officer*

**C. Baptista**  
*Company Secretary*

For and on behalf of the Board of Directors

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

**P. K. Kheruka** *Vice Chairman & Managing Director*

**V. Ramaswami** *Wholetime Director*

# BOROSIL

## SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH, 2010

	As at 31st March, 2010 Rs. in Thousands	As at 31st March, 2009 Rs. in Thousands
<b>SCHEDULE 1 : SHARE CAPITAL</b>		
<b>AUTHORISED :</b>		
1,20,00,000 Equity Shares of Rs 10/- each	<u>120,000</u>	<u>120,000</u>
<b>ISSUED, SUBSCRIBED AND PAID UP CAPITAL :</b>		
39,63,928 (Previous year 39,63,928) Equity Shares of Rs 10/- each fully paid up.	<u>39,639</u>	<u>39,639</u>
<b>Total :</b>	<u><u>39,639</u></u>	<u><u>39,639</u></u>
<b>NOTES:</b>		
Of the above:		
a) 8,83,563 Equity Shares were allotted as fully paid up pursuant to contracts without payments being received in cash.		
b) 7,48,031 Equity Shares were allotted as fully paid up Bonus shares by way of capitalisation of General Reserve.		
c) 11,84,984 Equity Shares were allotted as fully paid up on Conversion of Debentures.		
<b>SCHEDULE 2: RESERVES &amp; SURPLUS</b>		
<b>REVALUATION RESERVE</b>		
As Per Last Balance Sheet	<b>239,273</b>	239,273
<b>CAPITAL RESERVE</b>		
As Per Last Balance Sheet	<b>1,500</b>	1,500
<b>SHARE PREMIUM</b>		
As Per Last Balance Sheet	<b>172,162</b>	77,432
Add: Received during the year	-	94,730
	<u>172,162</u>	<u>172,162</u>
<b>GENERAL RESERVE</b>		
As Per Last Balance Sheet	<b>37,015</b>	37,015
Less: Amount Transferred to Profit & Loss A/c	<b>37,015</b>	-
	<u>-</u>	<u>-</u>
<b>PROFIT &amp; LOSS ACCOUNT</b>	<b>-</b>	134,238
<b>Total :</b>	<u><u>412,935</u></u>	<u><u>584,188</u></u>
<b>SCHEDULE 3 : SECURED LOANS</b>		
<b>A. Term Loan from Banks :</b>		
Rupee Loan	<b>246,011</b>	-
<b>B. Working Capital Loans from Banks :</b>		
Rupee Loan	<b>149,912</b>	138,825
Foreign currency Loan	<b>19,722</b>	20,829
<b>C. Car Loans from Bank</b>	<b>-</b>	53
<b>D. Interest accrued and due on loans</b>	<b>2,550</b>	-
<b>Total :</b>	<u><u>418,195</u></u>	<u><u>159,707</u></u>

## SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH, 2010

### SECURITY :

1. Term Loans referred to in A above: An amount of Rs.223,954 thousand (previous year: Nil) is secured by Hypothecation of Plant and Machinery, prior mortgage on property at Marol, Mumbai and further guaranteed by two of the Directors in their personal capacity. An amount of Rs.22,057 thousand (previous year : Nil) is secured by first pari-passu charge on movable and immovable plant and machinery of the Company, pari-passu first charge by way of equitable mortgage on Company's property at Marol, Mumbai and further guaranteed by two of the Directors in their personal capacity.
2. Working Capital facilities referred to in B above : An amount of Rs.139,634 thousand (previous year Rs.159,654 thousand) are secured by hypothecation of inventory such as raw material, stock-in-process, semi-finished & finished goods, stores & spares and book debts of the Company and additionally secured by way of second charge (equitable mortgage) on immovable properties of the Company at Marol - Andheri (Mumbai) and further guaranteed by two of the Directors in their personal capacity. An amount of Rs.30,000 thousand (previous year : Nil) is secured by hypothecation of current assets and further guaranteed by two of the Directors in their personal capacity.
3. Car Loans were secured by specific car.

<b>As at 31st March, 2010 Rs. in Thousands</b>	<b>As at 31st March, 2009 Rs. in Thousands</b>
--	--

### SCHEDULE 4 : UNSECURED LOANS

Short Term :		
Fixed Deposits	-	3,316
Inter Corporate Deposits	<b>22,846</b>	29,266
From Bank*	-	50,000
<b>Total :</b>	<b>22,846</b>	<b>82,582</b>

\*Guaranteed by a Director in his personal capacity.

### SCHEDULE 5 : FIXED ASSETS

(Rs. in Thousands)

	← GROSS BLOCK →			← DEPRECIATION →			← IMPAIRMENT →			NET BLOCK			
	As at 1st April, 2009	Additions	Deductions/ Adjustments	As at 31st March, 2010	Upto 31st March, 2009	For the Year	Deductions/ Adjustments	Upto 31st March, 2010	Upto 31st March, 2009	Deductions/ Adjustments	Upto 31st March, 2010	As at 31st March, 2010	As at 31st March, 2009
<b>Fixed Assets in use :</b>													
<b>LAND</b>													
Freehold	255,347	5,089	-	<b>260,436</b>	-	-	-	-	-	-	-	<b>260,436</b>	255,347
Leasehold	59	-	-	<b>59</b>	-	-	-	-	-	-	-	<b>59</b>	59
BUILDINGS	28,432	3,241	2,108	<b>29,565</b>	18,793	377	238	<b>18,932</b>	-	-	-	<b>10,633</b>	9,639
FURNITURE, FIXTURE AND OFFICE EQUIPMENTS	38,738	890	187	<b>39,441</b>	25,743	2,488	108	<b>28,123</b>	-	-	-	<b>11,318</b>	12,995
VEHICLES	3,629	-	-	<b>3,629</b>	1,272	335	-	<b>1,607</b>	-	-	-	<b>2,022</b>	2,357
INTANGIBLE ASSETS *	20,088	-	-	<b>20,088</b>	10,688	4,216	-	<b>14,904</b>	-	-	-	<b>5,184</b>	9,400
<b>Fixed Assets under shifting :</b>	<b>346,293</b>	<b>9,220</b>	<b>2,295</b>	<b>353,218</b>	<b>56,496</b>	<b>7,416</b>	<b>346</b>	<b>63,566</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>289,652</b>	<b>289,797</b>
<b>PLANT, MACHINERY AND EQUIPMENT</b>	<b>502,069</b>	<b>-</b>	<b>225,522</b>	<b>276,547</b>	<b>407,713</b>	<b>9,545</b>	<b>169,546</b>	<b>247,712</b>	<b>41,133</b>	<b>26,783</b>	<b>14,350</b>	<b>14,485</b>	<b>53,223</b>
<b>TOTAL</b>	<b>848,362</b>	<b>9,220</b>	<b>227,817</b>	<b>629,765</b>	<b>464,209</b>	<b>16,961</b>	<b>169,892</b>	<b>311,278</b>	<b>41,133</b>	<b>26,783</b>	<b>14,350</b>	<b>304,137</b>	<b>343,020</b>
PREVIOUS YEAR	918,831	19,437	89,906	<b>848,362</b>	431,166	33,320	277	464,209	41,133	-	41,133	343,020	-
<b>CAPITAL WORK IN PROGRESS</b>													
												56,685	27,979

#### Notes :

- 1) Buildings include cost of shares in Co-operative Societies Rs.1.75 Thousands (Previous year Rs.2 Thousands)
- 2) Net Block includes Plant, Machinery and Equipment amounting to Rs. 977 Thousands (Previous year Rs. 1,454 Thousands) constructed/installed on a rented property.
- 3) Capital WIP includes amount :
  - i) Rs. 8,504 Thousands on account of pre-operative expenses (Previous Year Rs. 2,358 Thousands)
  - ii) Rs. 23,154 Thousands on account of advance against capital expenditure (Previous Year Rs. 1,597 Thousands)
- 4) Fixed assets under shifting represents the value of assets shifted to the company's new site at Bharuch district of Gujarat and is pending for installation. Fair value of which is higher than the net block, hence no impairment is required.

\* Represents Software other than self generated.

# BOROSIL

## SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH, 2010

	As at 31st March, 2010 Rs. in Thousands	As at 31st March, 2009 Rs. in Thousands
<b>SCHEDULE 6 : INVESTMENTS - LONG TERM</b>		
A) Quoted : (Trade)		
Associate Company		
1,72,22,376	Equity Shares of Rs. 5/- each of Gujarat	
(1,72,22,376)	Borosil Limited fully paid up.	
	<b>152,795</b>	152,795
B) Unquoted : (Trade)		
Associate Company		
41,50,000	Equity Shares of Rs.10/- each of Fennel	
(41,50,000)	Investment & Finance Private Ltd fully paid up.	
	<b>41,500</b>	41,500
Others		
4,000	Equity Shares of Rs. 25/- each of	
(4,000)	Zoroastrian Co-operative Bank Limited fully paid up	
	<b>100</b>	100
C) Quoted : (Non-Trade)		
-	Equity Shares of Rs. 10/- each of Housing	
(620)	Development Finance Corporation Ltd fully paid up	
	-	8
-	Equity Shares of Rs. 10/- each of HDFC	
(400)	Bank Ltd fully paid up	
	-	4
D) Unquoted : (Non-Trade)		
	National Saving Certificate	
	<b>60</b>	60
<b>Total :</b>	<b>194,455</b>	194,467

Note :

	As at 31st March, 2010		As at 31st March, 2009	
	Book Value Rs. in Thousands	Market Vaue Rs. in Thousands	Book Value Rs. in Thousands	Market Vaue Rs. in Thousands
1) Aggregate value of -				
Quoted Investments	152,795	226,819	152,807	121,991
Unquoted Investments	41,660		41,660	
	<b>194,455</b>		<b>194,467</b>	

2) Figures in brackets represent Previous year figures

## SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH, 2010

	As at 31st March, 2010 Rs. in Thousands	As at 31st March, 2009 Rs. in Thousands
<b>SCHEDULE 7 : CURRENT ASSETS, LOANS AND ADVANCES</b>		
(a) Inventories: (Taken, Valued and Certified by Management)		
Stores, Spares and Packing Material	16,378	25,083
Raw Materials	3,772	2,430
Components	2,319	3,697
Semi-finished goods	48,012	160,487
Finished goods	101,188	119,598
Scrap(Cullet)	6,576	39,783
<b>Total :</b>	<b>178,245</b>	<b>351,078</b>
(b) Sundry Debtors (Unsecured):		
Outstanding for a period exceeding six months		
Considered good	1,406	58
Considered doubtful	2,673	2,573
	4,079	2,631
Less: Provision for doubtful debts	2,673	2,573
	1,406	58
Others, considered good	159,929	116,137
<b>Total :</b>	<b>161,335</b>	<b>116,195</b>
(c) Cash and Bank Balances :		
Cash on hand	883	481
Balance with Scheduled banks in :		
Current Accounts	3,374	3,711
In Margin Money and Fixed Deposit Accounts*	4,163	4,686
<b>Total :</b>	<b>8,420</b>	<b>8,878</b>
* Out of the above, amount pledge with the bank for letter of credit is Rs. 3,763 Thousands(Previous year Rs. 2,546 Thousands)		
(d) Other Current Assets :		
Interest accrued on Investment	28	22
Assets held for Disposal	2,400	-
	2,428	22
(e) Loans and Advances :		
(Unsecured, Considered good) :		
Advances, Recoverable in cash or in kind or for value to be received	55,149	39,355
Advance tax (Net)	276	1,125
Balance with Excise Authorities	429	856
	55,854	41,336
<b>Total :</b>	<b>406,282</b>	<b>517,509</b>

# BOROSIL

## SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH, 2010

	As at 31st March, 2010 Rs. in Thousands	As at 31st March, 2009 Rs. in Thousands
<b>SCHEDULE 8 : CURRENT LIABILITIES AND PROVISIONS</b>		
(a) Current Liabilities:		
Sundry Creditors:		
Micro, Small and Medium Enterprises*	-	-
Others**	91,837	104,510
	<u>91,837</u>	<u>104,510</u>
Unclaimed Debentures***	157	247
Unclaimed Interest on Debentures***	23	58
Unclaimed Matured Deposits***	1,433	2,106
Unclaimed Interest on Matured Deposits***	244	436
Unclaimed Dividend***	464	465
Dealers Deposit / Advance from customers	18,644	20,733
Other Liabilities	20,878	32,870
Interest accrued but not due on loans	243	85
<b>Total :</b>	<u><u>133,923</u></u>	<u><u>161,510</u></u>
(b) Provisions :		
Provision for Tax(Net)	1,814	2,547
Provision for Retirement benefits to employees	8,209	37,825
Others Provisions ****	659	2,423
	<u>10,682</u>	<u>42,795</u>
<b>Total :</b>	<u><u>144,605</u></u>	<u><u>204,305</u></u>

\* The Company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures as required by notification dated 16.11.2007 issued by the Ministry of Company Affairs have not been given.

\*\* Includes Rs. 340 Thousands (previous year Rs. 380 Thousands) for Capital expenditure.

\*\*\* These figures do not include any amounts, due and outstanding, to be credited to Investor Education and Protection Fund.

\*\*\*\* The Company has recognised liability based on substantial degree of estimation for excise duty payable on clearance of goods lying in stock as on 31st March, 2009 of Rs.2,423 Thousands as per the estimated pattern of despatches. During the year Rs. 2,089 Thousands was utilised for clearance of goods and further provision of Rs. 325 Thousands has been made. Under this clause the balance outstanding as at 31st March, 2010 is Rs. 659 Thousands.



## SCHEDULES TO THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	For the year ended 31st March, 2010 Rs. in Thousands	For the year ended 31st March, 2009 Rs. in Thousands
<b>SCHEDULE 9 : OTHER INCOME</b>		
Interest (Gross)		
From Long Term Investment(Trade)	-	18
From Long Term Investment (Non-Trade)	6	5
From Others	3,649	1,531
(Tax Deducted at Source Rs. 269 Thousands (Previous Year Rs. 75 Thousands))		
Dividend on Long term Investments	4,343	8,645
Financial Charges / Rent	468	310
Sundry Credit Balance Written Back (Net)	171	441
Profit on sale of Fixed Assets(Net)	4,614	4,557
Profit on sale of Long term Investment(Non-Trade)	2,442	-
Exchange difference (Net)	1,369	-
Miscellaneous Income	1,515	2,618
<b>Total :</b>	<b>18,577</b>	<b>18,125</b>
<b>SCHEDULE 10 : INCREASE/(DECREASE) IN STOCK</b>		
Stock at Commencement:		
Semi-finished goods	160,487	72,806
Finished goods	119,598	136,382
Scrap(Cullet)	39,783	38,567
	<b>319,868</b>	<b>247,755</b>
Less: Stock at Close:		
Semi-finished goods	48,012	160,487
Finished goods	101,188	119,598
Scrap(Cullet)	6,576	39,783
	<b>155,776</b>	<b>319,868</b>
	<b>(164,092)</b>	<b>72,113</b>

# BOROSIL

## SCHEDULES TO THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	For the year ended 31st March, 2010 Rs. in Thousands	For the year ended 31st March, 2009 Rs. in Thousands
<b>SCHEDULE 11: MANUFACTURING AND OTHER EXPENSES</b>		
Stores, Spare parts and Loose tools Consumed	5,046	11,302
Processing Charges	79,518	82,773
Packing Materials Consumed	35,165	33,439
Power, Fuel and Water	26,347	133,297
Excise Duty	(2,176)	(2,837)
Salaries, Wages, Allowances & Bonus	74,933	115,006
Contribution to Provident, Gratuity and Pension Funds	6,186	17,355
Staff Welfare Expenses	9,575	12,839
Rent	8,421	7,599
Rates and Taxes	3,122	1,333
Repairs and Maintenance to Plant and Machinery	830	1,984
Repairs to Buildings	650	722
Other Repairs	1,732	2,801
Insurance	1,776	2,281
Travelling	27,922	29,084
Communications	6,593	6,259
Commision on Sales	157	98
Additional Tax & Turnover tax	198	620
Cash Discount	13,396	11,092
Advertisement and Sales Promotion Expenses	5,830	8,552
Warehousing / Freight / Octroi	50,310	48,957
Bank Charges	3,592	2,956
Payments to Auditors	2,192	2,349
Directors Fees	495	365
Donations	5	-
Exchange difference (Net)	-	2,178
Bad Debts	930	62
Provision for Doubtful Debts	100	194
Miscellaneous Expenses	27,844	30,137
<b>Total :</b>	<b>390,689</b>	<b>562,797</b>
<b>SCHEDULE 12 : INTEREST</b>		
Interest on : Fixed Loans	32,106	16,545
Others	19,324	22,733
	<b>51,430</b>	<b>39,278</b>

**SCHEDULE 13: SIGNIFICANT ACCOUNTING POLICIES****1. BASIS OF ACCOUNTING:**

The financial statements have been prepared as a going concern under historical Cost convention, in accordance with the notified accounting standards by Companies (Accounting Standards) Rules, 2006 and the provisions of the Companies Act, 1956 as adopted consistently by the Company.

**2. REVENUE RECOGNITION:**

Revenue from sale of goods is recognised when significant risk and rewards of ownership of the goods have passed to the buyer. Turnover includes sales of goods, services, scrap, excise duty and service tax but excludes sales tax/ value added tax. Dividend Income is recognised when right to receive the payment is established by the balance sheet date. Interest income is recognised on time proportion basis taking into account the amount outstanding and rate applicable. Commission is recognised on an accrual basis in accordance with the terms of relevant agreement.

**3. USE OF ESTIMATES:**

The preparation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets, liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Although these estimates are based upon managements' best knowledge of current events and actions, actual results could differ from this estimates. Difference between the actual result and estimates are recognised in the period in which the results are known/materialised.

**4. FIXED ASSETS:**

Fixed Assets are stated at cost of acquisition or construction net of cenvat and value added tax credits and includes amounts added on revaluation, less accumulated depreciation and impairment loss, if any. All costs, including financing costs till commencement of commercial production are capitalized.

**5. DEPRECIATION:**

Depreciation on fixed assets except Plant, Machinery and Equipments situated at Company's unit at Marai Malai Nagar, Tamilnadu, has been provided on straight line method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956 on assets purchased after 1987, and on assets purchased before 1987 on straight line method at the rates then prevailing.

Depreciation on Plant, Machinery & Equipments situated at Company's unit at Marai Malai Nagar, Tamilnadu, has been provided on written down value method at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956. Leasehold improvements which are capitalized as building are depreciated during the Lease period.

The revised carrying amount of the fixed assets identified as impaired, is amortized over the estimated residual life of the respective fixed assets.

Computer software is amortized over the useful life or period of three years whichever is less.

**6. INVESTMENTS:**

Current investments are carried at lower of cost and market value/NAV, computed individually. Long-term investments are carried at cost. Provision for diminution in the value of long term investments is made only if such decline is other than temporary in the opinion of the management.

**7. INVENTORIES:**

Inventories of raw materials and semi-finished goods are stated at cost. Finished goods are stated at the lower of cost or net realisable value. Cost of inventories comprise of all cost of purchase, cost of conversion and other cost incurred in bringing the inventory to their present location and condition. Cullet is valued at raw material cost or net realisable value whichever is lower. Stores and spares are valued at cost reduced for obsolete and slow moving items. Cost is calculated on the weighted average method. Cost of work in progress and finished goods is determined on absorption costing method.

## **8. EMPLOYEE BENEFITS:**

- i) Short-term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.
- ii) Post employment and other long term employee benefits are recognized as an expense in the profit and loss account for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the profit and loss Account.
- iii) Compensated absences are accounted similar to the short term employee benefits.
- iv) Retirement benefits in the form of Provident Fund and Superannuation Fund are defined contribution scheme and the contributions are charged to the Profit & Loss account of the year when the contribution to the respective funds are due. There are no other obligations other than the contribution payable to the fund.

## **9. FOREIGN CURRENCY TRANSACTIONS:**

- (i) Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the date of transaction.
- (ii) Monetary items denominated in foreign currencies at the year end are restated at year end rates. In case of monetary items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of contract is recognised as exchange difference and the premium paid on forward contracts has been recognised over the life of the contract.
- (iii) Non monetary foreign currency items are carried at cost.
- (iv) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Profit and Loss Account.

## **10. EXPORT INCENTIVES:**

- (i) The benefit in respect of duty draw back, credit in Duty Entitlement Pass Book scheme, is recognised as and when right to receive are established as per the terms of scheme.
- (ii) The benefits in respect of Advance Licence received by the Company against the Export made by it are recognised as and when goods are imported against them.

## **11. IMPAIRMENT OF ASSETS:**

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting periods is reversed if there has been change in the estimate of recoverable amount.

## **12. DERIVATIVE TRANSACTIONS:**

In respect of derivative contract, premium paid, provision for losses on re-statement and gains/losses on settlement are recognized along with underlying transaction and charged to the profit and loss account.

## **13. PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:**

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes on accounts. Contingent Assets are neither recognised nor disclosed in the financial statements.

## **14. PROVISION FOR CURRENT AND DEFERRED TAX:**

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961. Deferred tax resulting from "timing difference" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a reasonable certainty that the assets will be realized in future. In the case of unabsorbed depreciation and carry forward tax losses, all deferred tax asset are recognised only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits. The

carrying amount of deferred tax assets are reviewed at each balance sheet date for their appropriateness.

Deferred Tax Assets and Deferred Tax Liabilities are off set if legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws.

Minimum Alternative Tax (MAT) is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in guidance Note issued by the ICAI, the said asset is created by way of a credit to the Profit & Loss Account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

#### 15. EXCISE DUTY:

Excise Duty has been accounted on the basis of both payments made in respect of goods cleared as also provision made for goods lying in bonded warehouses.

#### 16. BORROWING COST:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

#### 17. LEASES:

Lease rentals are expensed with reference to lease terms and other considerations.

#### SCHEDULE 14: NOTES ON ACCOUNTS

- Estimated amount of contracts remaining to be executed on capital account not provided for Rs.79,376 Thousands net of advance payment (Previous year Rs. 1,322 Thousands).
- Consequent upon acceptance of Voluntary Retirement Scheme (VRS) by all workmen, the Company disbanded manufacturing facilities at Marol. The Company is now in the process of dealing with the property being part of the closed factory and has appointed an Agency to run a process to find out optimum value of its Marol property in order to enable the Company to take a decision as to whether sell or to develop the said property. At the same time, the Company is setting up a modern borosilicate glass factory at a site in the Bharuch district of Gujarat. At present, the Company is catering market demand from its existing stocks as well as from import and also from local sources. In view of this, the accounts have been prepared on a going concern basis.
- During the year the Company paid an amount of Rs.1,86,998 Thousands under Voluntary Retirement Scheme (VRS) to the workmen at Marol Plant. The said amount has been fully charged to the Profit and Loss account and disclosed as an extraordinary item.
- As per revised Accounting Standard-15 'Employee Benefits', the disclosure of Employee benefits as defined in the Accounting Standard are given below:

##### Defined Contribution Plan:

Contribution to Defined Contribution Plan, recognized as expense for the year are as under:

	(Rs. in Thousands)	
<b>Particulars</b>	<b>2009-2010</b>	<b>2008-2009</b>
Employer's Contribution to Provident Fund	2,733	3,700
Employer's Contribution to Superannuation Fund	-	371
Employer's Contribution to Pension Scheme	1,509	3,255

The contribution to provident fund is made to respective Regional Provident Fund managed by Provident Fund Commissioner. Employees' Superannuation Fund is managed by Life Insurance Corporation of India.

# BOROSIL

## Defined Benefit Plan:

The employees' gratuity Fund is managed by the Life Insurance Corporation of India. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

(Rs. in Thousands)

Particulars	Gratuity(Funded)	
	2009-2010	2008-2009
<b>Actuarial assumptions</b>		
Mortality Table	1994-96	1994-96
Salary growth :-	6.00%	5.50%
Discount rate	7.75 %	7.00%
<b>Amount recognised in the income statement</b>		
Current service cost	963	2,394
Interest cost	2,574	2,285
Expected Return on Plan Assets	(857)	(1,141)
Net actuarial (gains)/losses recognised in the period	1,108	1,426
<b>Total</b>	<b>3,788</b>	<b>4,964</b>
<b>Movement in present value of defined benefit obligation</b>		
Obligation at the beginning of the year	33,213	32,639
Current service cost	963	2,394
Interest cost	2,574	2,285
Actuarial loss on obligation	1,112	1,490
Benefits paid	(30,354)	(5,595)
<b>Obligation at the end of the year</b>	<b>7,508</b>	<b>33,213</b>
<b>Movement in present value of plan assets</b>		
Fair value at the beginning of the year	12,343	15,714
Expected Return on Plan Assets	857	1,141
Contribution	(1,000)	1,020
Actuarial gains/(losses)	4	63
Benefits paid	(3,515)	(5,595)
<b>Fair value at the end of the year</b>	<b>8,689</b>	<b>12,343</b>
<b>Expected returns on plan assets</b>	<b>8.50%</b>	<b>8.50%</b>
<b>Class of assets</b>		
(Rs. in Thousands)		
<b>Fair Value of Asset</b>		
	<b>2009-2010</b>	<b>2008-2009</b>
Life Insurance Corporation	8,624	12,184
Bank Balance	56	150
TDS Credit	9	9
<b>Total</b>	<b>8,689</b>	<b>12,343</b>

**Amount recognised in the balance sheet**

(Rs. in Thousands)

	<b>2009-2010</b>	2008-2009
Present value of obligations at the end of the year	7,508	33,213
Less: Fair value of plan assets at the end of the year	8,689	12,343
Funded status	(1,181)	20,870
<b>Net liability/(assets) recognized in the balance sheet</b>	<b>(1,181)</b>	<b>20,870</b>

**Note:-**

Amounts for current and previous Three periods are as follows :

<b>Gratuity (Funded)</b>	<b>2009-10</b>	<b>2008-09</b>	<b>2007-08</b>	<b>2006-07</b>
Defined Benefit Obligation	7,508	33,213	32,639	30,766
Plan Assets	8,689	12,343	15,714	15,905
Surplus/(deficit)	1,181	(20,870)	(16,925)	(14,861)
Experience adjustment on plan Assets	(4)	(63)	(111)	(178)
Experience adjustment on plan Liabilities	1,112	1,490	1,113	5,085

Note :- The estimate of rate of escalation in Salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other retirement factors including supply & demand in the employment market. The above information is certified by the actuary.

5. In accordance with the Accounting Standards (AS-28) on "Impairment of Assets" during the year Company has reassessed its fixed assets and is of the view that no further impairment/reversal is considered to be necessary in view of its expected realizable value.
6. The expenses on account of forward premium on outstanding forward exchange contract to be recognized in the Profit and Loss account of subsequent accounting year aggregating to Rs.30 Thousands ( Previous year Rs. 181 Thousands)
7. **Contingent liabilities :**

(Rs. in Thousands)

	<b>As at 31.3.2010</b>	As at 31.3.2009
(i) Disputed liabilities in appeal:		
a. Income Tax	713	527
(Based on the decisions of the Appellate authorities and the interpretations of the other relevant provisions, the Company has been legally advised that the demands are likely to be either deleted or substantially reduced and accordingly no provision has been made).		
b. Sales Tax	9,729	8,101
(No cash outflow is expected in the near future)		
c. Cenvat credit/Service Tax	6,806	6,010
(No cash outflow is expected in the near future)		
d. Others	2,980	2,980
(No cash outflow is expected in the near future)		
(ii) Bank Guarantees	234	2,841
(Bank Guarantees are provided under contractual / legal obligation. No Cash Outflow is expected)		
(iii) Guarantee to a Bank against Term Loan facility to third party	24,000	35,000
(No cash outflow is expected)		

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(Rs. in Thousands)  
**As at 31.3.2010**      As at 31.3.2009

(iv) Letter of Credits		
Inland-	16,033	13,458
Foreign-	11,641	7,562
(Cash outflow expected on the basis of payment terms mentioned in Letter of Credit)		

(v) Bill Discounted	11,337	15,482
(No cash outflow is expected in the near future)		

8. A portion of the Land at Company's plant at Marol, Mumbai was revalued as on 31st March, 1998 by a Valuer appointed for the purpose. The resultant increase of Rs. 2,39,273 Thousands to the cost of the said land arising from the revaluation was credited to Revaluation Reserve. Consequently, the said land is stated at revalued amount in the Balance Sheet.

9. Sundry Debtors, Creditors and Loans & Advances are subject to confirmations.

10. Pre-operative expenses : (Rs. in Thousands)

	<b>2009-2010</b>	2008-2009
Balance as per last year	2,358	2,358
Addition during the year		
(i) Interest	1,110	-
(ii) Professional fees	182	-
(iii) Term loan processing fees	4,854	-
<b>Total</b>	<b>8,504</b>	<b>2,358</b>

Note : The expenses appearing in the profit and loss account are net of the above expenses.

11. **Payment to Auditors :**

(Net of Cenvat credit taken) (Rs. in Thousands)

	<b>2009-2010</b>	2008-2009
(i) Audit Fee	950	950
(ii) Tax Audit Fee	238	238
(iii) Taxation matters	869	991
(iv) Certification	135	170
<b>Total</b>	<b>2,192</b>	<b>2,349</b>

12. **Managerial Remuneration:**

a) The Company has been advised that the computation of net profits for the purpose of directors remuneration under section 349 of the Companies Act, 1956 need not be enumerated since no commission has been paid to the directors during the year 2009-10. In view of losses, only fixed monthly remuneration has been paid to directors as per Schedule XIII of the Companies Act, 1956.

b) Managing/ Wholetime Director's Remuneration

	<b>2009-2010</b>	2008-2009
i) Salary	4,247	3,687
ii) Contribution to Provident & Other Funds	466	412
iii) Other Perquisites	215	129
<b>Total :</b>	<b>4,928</b>	<b>4,228</b>



Note :-

Above remuneration excluded contribution to gratuity fund & Provision for leave encashment on retirement since the same is provided on overall basis.

13. The deferred tax liability/(assets) as at 31st March, 2010 comprise of the following: -

	(Rs. in Thousands)	
	As at 31.3.2010	As at 31.3.2009
(i) Liabilities		
Related to Fixed Assets	9,903	20,871
	<hr/>	<hr/>
Total	9,903	20,871
	<hr/>	<hr/>
(ii) Assets		
- Disallowances U/S 43(B) of Income Tax Act, 1961	2,300	3,716
- Unabsorbed Depreciation	5,662	4,511
- Voluntary Retirement Scheme	46,226	-
- Others	826	90
	<hr/>	<hr/>
Total	55,014	8,317
	<hr/>	<hr/>
Net Liability/(Asset) (i) - (ii)	(45,111)	12,554
	<hr/>	<hr/>

As at 31.03.2010 the Company has net deferred tax assets of Rs. 45,111 Thousands. However in absence of virtual/ reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized, the same has not been recognised in the books of accounts in line with Accounting Standard 22 dealing with "Accounting for Taxes on Income".

14. Earning Per Share(Basic & Diluted)

	(Rs. in Thousand)	
	Current Year	Previous Year
Net Profit/(Loss) after Tax before extra ordinary item attributable to Equity Share Holders for Basic EPS	(60,916)	(44,084)
Less: Extra ordinary item	(1,86,998)	(50,000)
Net Profit/(Loss) after extra ordinary item attributable to Equity Share Holders for Basic EPS	(2,47,914)	(94,084)
Weighted average No. of Equity Shares outstanding for Basic EPS(Nos.)	39,63,928	38,60,699
<b>Basic &amp; Diluted Earning Per Share of Rs. 10 each(Rs.)</b>		
Before extra ordinary item	(15.37)	(11.42)
After extra ordinary item	(62.54)	(24.37)



**Secondary Segment:**

Since the operation of the Company are predominantly conducted within India, as such there is no reportable Geographical Segment.

**Notes:**

- (a) Segments have been identified and reported taking into account the different risks and returns, the organization structure and the internal reporting systems. These are organized into the following:

Labware: Comprising of items used for Laboratories and Scientific ware.

Consumerware: Comprising of items for Domestic use.

Others: Comprising of items for industrial use, Miscellaneous Trading items and solar water heating system.

Unallocated: Consists of Income, expenses, assets and liabilities which can not be directly identified to any of the above segments.

- (b) Segment Revenue and Results include the respective amounts identifiable to each of the segments and amount allocated on a reasonable basis. Unallocated includes common expenditure incurred for all the segments and expenses incurred at corporate level.
- (c) Since the fixed assets are used in the Company's business interchangeably and the suppliers of raw materials and consumables are common, disclosure of segment wise assets, liabilities, capital expenditure, depreciation and non cash expenditure is not feasible.

**16. Information on Related Parties Disclosures as per Accounting Standard (AS-18) - "Related Party Disclosures" are given below:****(A) List of Related Parties :****(a) Associate Companies**

1. Fennel Investment & Finance Pvt. Ltd.
2. Gujarat Borosil Limited
3. Gujarat Fusion Glass Limited

**(b) Key Management Personnel**

1. Mr. P.K.Kheruka - Vice Chairman & Managing Director
2. Mr. V.Ramaswami - Whole-time Director

**(c) Relative of Key Management Personnel**

1. Mr. B.L.Kheruka – Chairman & Relative of Mr. P.K.Kheruka.
2. Mrs.Rekha Keruka - Relative of Mr. P.K.Kheruka.
3. Mrs. Kiran Keruka - Relative of Mr. P.K.Kheruka.
4. Mr. Shreevar Kheruka – Director & Relative of Mr. P.K.Kheruka.

**(d) Enterprises over which persons described in (b) & (c) above are able to exercise significant influence (Other Related Parties) with whom transactions have taken place:-**

1. Vylina Glass Works Limited
2. Borosil International Ltd.

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## (B) Transactions with Related Parties :

(Rs. in Thousands)

Name of Transaction	Name of the Related Party	As at 31.3.2010	As at 31.3.2009
Sale of Goods	Gujarat Borosil Limited	353	764
	Vyline Glass Works Ltd.	95,874	–
	Borosil International Ltd.	4,570	–
Sale of Trade Mark	Borosil International Ltd.	–	200
Sale of Fixed Assets	Vyline Glass Works Limited	765	–
Rent Received	Vyline Glass Works Ltd.	320	200
	Gujarat Borosil Limited	10	–
Purchase of Goods	Vyline Glass Works Ltd.	97,547	–
	Borosil International Ltd.	247	–
Warehousing Charges	Vyline Glass Works Ltd.	180	180
Job Work Charges	Vyline Glass Works Ltd.	55,380	55,169
Rent Paid	Mrs. Rekha Kheruka	720	720
	Borosil International Ltd.	324	27
	Vyline Glass Works Ltd.	240	240
Interest paid	Gujarat Borosil Limited	3,385	9,066
	Fennel Investment & Finance Pvt. Ltd.	654	-
Directors Sitting Fees	Mr. B.L.Kheruka	65	70
	Mr. Shreevar Kheruka	20	-
Remuneration	Mr. V. Ramaswami	2,056	1,671
	Mr. P. K. Kheruka	2,872	2,557
	Mr. Shreevar Kheruka	681	1,274
Reimbursement of expenses to the company	Gujarat Borosil Limited	135	2094
	Vyline Glass Works Limited	18	84
Reimbursement of expenses by the company	Gujarat Borosil Limited	10	600
	Vyline Glass Works Ltd.	125	57
	Borosil International Ltd.	125	-
Investments as on balance sheet date	Gujarat Borosil Limited	1,52,795	1,52,795
	Fennel Investment & Finance Pvt. Ltd.	41,500	41,500
Sundry Debtors	Vyline Glass Works Limited	35,114	–
	Borosil International Ltd.	2,462	173
Unsecured Loan Received	Gujarat Borosil Limited	50,000	1,28,512
	Fennel Investment & Finance Pvt. Ltd.	10,000	–
Unsecured Loan refunded	Gujarat Borosil Limited	69,766	1,94,700
Unsecured Loan Payable	Gujarat Borosil Limited	–	19,766
	Fennel Investment & Finance Pvt. Ltd.	10,589	–
Current Liabilities	Gujarat Borosil Limited	529	1,163
	Vyline Glass Works Ltd.	–	4,208
	Gujarat Fusion Glass Limited	105	105
Corporate Guarantee given for	Vyline Glass Works Ltd.	24,000	35,000
Proceeds from allotment of Equity Shares(Including Share premium)	Mr. B.L.Kheruka	–	19,003
	Mrs. Kiran Kheruka	–	19,003
	Mr. P.K. Kheruka	–	19,003
	Mrs. Rekha Kheruka	–	19,003
	Mr. Shreevar Kheruka	–	12,443

**(C) In accordance with the Clause 32 of Listing Agreement, advance in the nature of loan is/are as under:**

The Company has not given any loan to the party covered under clause 32 of the listing agreement. Loans to employees as per Company's Policy are not considered for this purpose.

**17. Excise duty :**

	(Rs. in Thousands)	
	<b>2009-2010</b>	2008-2009
(a) Excise duty shown as a reduction from turnover	32,024	42,834
(b) Excise duty charged to Profit & Loss Account:		
(i) Difference between closing & opening stock	(4,272)	(11,421)
(ii) Paid on captive consumption for Non-Dutiable Finished Goods	22	1,036
(iii) Short Recovery	2,074	7,548
	(2,176)	(2,837)

**18. (a) Licensed Capacity**

Class of goods manufactured

- i. Scientific Apparatus and Laboratory Glassware
- ii. Consumerware Glassware

Licensed capacity is not applicable in view of the Company's products having been delicensed .

- (b) Installed capacity on the basis of Glass melted (as certified by the Management but not verified by the Auditors, being a technical matter)

**As at 31.03.2010**    As at 31.03.2009

Nil\*                      12,900 Tons

\* During the year, furnace had been cooled down in view of completion of its useful life and company has disbanded manufacturing facilities at Marol.

- (c) Actual Production (packed for sale)

Class of Goods	<b>2009-2010</b>	2008-2009
	<b>Units</b>	Units
Scientific Apparatus & Laboratory ware*	1,20,51,355	78,23,895
Consumer ware**	37,70,402	58,33,451
Others	1,019	19,109

\* Includes 1,15,68,989 Units. (Previous year 55,26,658 Units) produced by Sub contractor on Job work basis.

\*\* Includes 36,40,762 Units. (Previous year 54,14,333 Units) produced by Sub contractor on Job work basis.

**19. Additional Information pursuant to the provisions of paragraphs 3, 4C and 4D of Part II – Schedule VI to the Companies Act, 1956.**

( Rs. in Thousands)

**(a) Opening Stock**

Class of Goods	2009-2010		2008-2009	
	Units	Amount	Units	Amount
Scientific Apparatus & Laboratory ware	29,83,191	63,795	90,65,172	99,986
Consumer ware	18,00,856	47,559	10,58,455	32,231
Others	42,036	8,244	25,622	4,165
<b>Total:</b>		<b>1,19,598</b>		<b>1,36,382</b>

**(b) Closing Stock**

( Rs. in Thousands)

Class of Goods	2009-2010		2008-2009	
	Units	Amount	Units	Amount
Scientific Apparatus & Laboratory ware	27,35,008	51,247	29,83,191	63,795
Consumer ware	15,13,380	46,939	18,00,856	47,559
Others	14,326	3,002	42,036	8,244
<b>Total:</b>		<b>1,01,188</b>		<b>1,19,598</b>

( Rs. in Thousands)

**(c) Purchases**

Class of Goods	2009-2010		2008-2009	
	Units	Amount	Units	Amount
Scientific Apparatus & Laboratory ware	43,93,744	1,69,849	9,50,637	56,001
Consumer ware	29,15,514	1,31,700	7,07,578	73,997
Others	56,20,039	21,209	34,372	10,926
<b>Total:</b>		<b>3,22,758</b>		<b>1,40,924</b>

( Rs. in Thousands)

**d) Turnover**

Class of goods	2009-2010		2008-2009	
	Units	Amount	Units	Amount
Scientific Apparatus & Laboratory ware	1,66,93,282	5,69,635	1,48,56,513	4,39,787
Consumer ware	69,73,392	2,77,959	57,98,628	2,03,068
Others	56,48,768	31,289	37,067	27,022
<b>Total:</b>		<b>8,78,883</b>		<b>6,69,877</b>

## e) Consumption of Raw Materials & Components

	2009-2010		2008-2009	
	M.T.	Value/Rs. in Thousands	M.T.	Value/Rs. in Thousands
1. Consumption of Raw Materials:				
i) Sand	256	730	1,871	5,106
ii) Borax	58	2,003	387	9,138
iii) Boric Acid	28	1,644	213	6,910
iv) Glass Tube	266	16,048	-	-
iv) Others	15	356	128	2,428
		20,781		23,582
2. Components		4,339		3,942
Total:		25,120		27,524

## f) Consumption of

	2009-2010		2008-2009	
	Value Rs/Thousands	Percentage of total Consumption	Value Rs/Thousands	Percentage of total Consumption
i. Raw Materials and Components				
- Imported	20,249	81	17,026	62
- Indigenous	4,871	19	10,498	38
Total:	25,120	100	27,524	100
ii. Stores, Spare parts and Loose tools				
- Imported	106	2	2,272	20
- Indigenous	4,940	98	9,030	80
Total:	5,046	100	11,302	100

## g) Value of Imports on CIF basis

	2009-2010 Rs./Thousands	2008-2009 Rs./Thousands
i. Raw Materials	17,977	11,751
ii. Components and Spare parts	158	-
iii. Capital goods	-	-
iv. Finished Goods	1,54,926	85,945

## h) Expenditure in Foreign Currency

	2009-2010 Rs./Thousands	2008-2009 Rs./Thousands
i. Travelling	2,523	1,916
ii. Professional fees	-	609
iii. Exhibition Expenses	1,946	377
iv. Others	239	158

# BOROSIL

## 20. Earnings in Foreign Exchange

i. Export of goods on F.O.B. basis	25,093	32,802
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## 21. Remittance in Foreign Currency on Account of Dividend

	2009-2010	2008-2009
i. Number of Non Resident Shareholders (On repatriation basis)	-	-
ii. Number of Equity Shares held by them	-	-
iii. Amount of Dividend Paid (Gross)(Rupees) (Tax Deducted at Source Rs. Nil)	-	-
iv. Year to which dividend relates	2008-2009	2007-2008

## 22. Financial and Derivative Instruments:

a) Derivative Contracts entered into by the Company and outstanding are as under:

Particulars	Amount Rs. Thousands	
	As at 31.3.2010	As at 31.3.2009
Forward Cover Contract	19,722	20,829

b) All Derivative and financial instruments acquired by the Company are for hedging purpose only.

c) Unhedged Foreign Currency exposure as on 31st March, 2010 are as under:

	(Rs. In Thousands)	
	As at 31.3.2010	As at 31.3.2009
Receivables	1,888	5,338
Payables	36,941	28,415

23. Previous year's figures have been re-grouped, reworked, reclassified and re-arranged wherever necessary.

As per our report of even date

**For CHATURVEDI & SHAH**  
Chartered Accountants

**R.Koria**  
Partner

Place : Mumbai  
Date : 28th May, 2010

**Rajesh Chaudhary**  
Chief Financial Officer

**C. Baptista**  
Company Secretary

For and on behalf of the Board of Directors

**B. L. Kheruka** Chairman

**P. K. Kheruka** Vice Chairman &  
Managing Director

**V. Ramaswami** Wholetime Director



**24 Additional Information as required under Part IV of Schedule VI to the Companies Act, 1956.**

**Balance Sheet Abstract and General Business Profile.**

**( i ) Registration Details :**

Registration No.	:CIN- L99999 MH1962 PLC012538	
State Code	:	11
Balance Sheet Date	:	31.03.2010

**( ii ) Capital Raised during the Year (Amount Rs. in Thousands) :**

Public Issue	:	NIL
Bonus Issue	:	NIL
Right Issue	:	NIL
Private Placement	:	NIL

**(iii) Position of Mobilisation and Deployment of Funds (Amount Rs. in Thousands)**

Total Liabilities	:	1,038,220
Total Assets	:	1,038,220

**Sources of Funds:**

Paid-up Capital	:	39,639
Reserves & Surplus	:	412,935
Secured Loans	:	418,195
Unsecured Loans	:	22,846
Current Liabilities	:	144,605
Deferred Tax Liabilities	:	-

**Application of Funds:**

Net Fixed Assets	:	360,822
Investments	:	194,455
Current Assets	:	406,282
Misc. Expenditure	:	-
Accumulated Losses	:	76,661

**(iv) Performance of Company :**

Turnover (Including Other Income)	:	897,460
Total Expenditure	:	1,158,048
Loss before Tax	:	(260,588)
Loss after Tax	:	(247,914)
Earning Per Share(Rs.)	:	(15.37)
Before extra ordinary items per Share(Basic & Diluted)	:	(62.54)
After extra ordinary items per Share(Basic & Diluted)	:	-
Dividend Rate (%)	:	-

**(v) Generic Names of Principal Products/Services of the Company**

(As per monetary terms)

Item Code No.	:	7017
Product Description	:	Laboratory Glassware
Item Code No.	:	7013
Product Description	:	Table Kitchen Glassware
Item Code No.	:	7002
Product Description	:	Glass Rods & Tubes

For and on behalf of the Board of Directors

**B. L. Kheruka**      *Chairman*

**Rajesh Chaudhary**  
*Chief Financial Officer*

**P. K. Kheruka**      *Vice Chairman & Managing Director*

Place : Mumbai  
Date : 28th May, 2010

**C. Baptista**  
*Company Secretary*

**V. Ramaswami**      *Wholetime Director*

# BOROSIL

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

	2009-2010 (Rs.in Thousands)	2008-2009 (Rs in Thousands)
<b>A. Cash Flow from Operating Activities</b>		
Net Loss before tax as per Profit & Loss Account	(260,588)	(93,728)
Extra Ordinary items	186,998	50,000
	<u>(73,590)</u>	<u>(43,728)</u>
Adjusted for :		
Depreciation	16,961	33,320
Effects of exchange rate change	(1,366)	1,716
Profit on Sale of Investment	(2,442)	-
Loss/(Profit) on sale of fixed assets (net)	(4,614)	(4,557)
Interest Expenses	51,430	39,278
Sundry balances written back (net)	(171)	(441)
Bad Debts	930	62
Provision for Bad & Doubtful Debts	100	194
Income/Interest on Investment	(6)	(23)
Dividend Income	(4,343)	(8,645)
	<u>56,479</u>	<u>60,904</u>
Operating Profit before Working Capital Changes	(17,111)	17,176
Adjusted for :		
Trade & Other Receivables	(61,537)	40,351
Inventories	172,833	(71,388)
Trade Payables	(57,598)	34,217
	<u>53,698</u>	<u>3,180</u>
Cash generated from operations	36,587	20,356
Direct taxes paid	236	(5,219)
Cash Flow before extraordinary items	36,823	15,137
Extra Ordinary items	(186,998)	(50,000)
Net Cash used in Operating Activities	<u>(150,175)</u>	<u>(34,863)</u>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(36,856)	(14,793)
Sale of Fixed Assets	33,356	94,186
Advance against Land sale	-	(27,500)
Sale of Investment	2,454	1,609
Income/Interest on Investment	-	57
Dividend Received	4,343	8,645
Net Cash from Investing Activities	<u>3,297</u>	<u>62,204</u>

	(2009-2010 (Rs.in Thousands))	2008-2009 (Rs in Thousands)
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from issue of Equity Shares	-	88,456
Proceeds from long term Loans	246,011	-
Repayment of long term Loans	(53)	(4,417)
Movement in short term Loans	(49,478)	(66,948)
Dividends Paid	(1)	(5)
Interest paid	(50,059)	(40,707)
	<hr/>	<hr/>
Net Cash from / (used in) Financing Activities	146,420	(23,621)
	<hr/>	<hr/>
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(458)	3,720
Opening Balance of Cash and Cash Equivalents	8,878	5,158
Closing Balance of Cash and Cash Equivalents	8,420	8,878

**Notes :**

1. Bracket indicates cash outflow.
2. Previous year figures are as per last audited accounts and have been regrouped / rearranged wherever necessary.
3. During the year extra ordinary item represents expenses incurred on Voluntary Retirement Scheme & in previous year Liquidated Damages.
4. The above Cash Flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard (AS-3) on Cash Flow Statement.
5. Cash and Cash Equivalents at the end of the year includes Margin Money & Fixed Deposits, as mentioned in Schedule 7c, which are held as security with the Banks.

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As per our report of even date  
**For CHATURVEDI & SHAH**  
*Chartered Accountants*

**R.Koria**  
*Partner*

Place : Mumbai  
Date : 28th May, 2010

**Rajesh Chaudhary**  
*Chief Financial Officer*

**C. Baptista**  
*Company Secretary*

For and on behalf of the Board of Directors

**B. L. Kheruka**      *Chairman*

**P. K. Kheruka**      *Vice Chairman &  
Managing Director*

**V. Ramaswami**      *Wholetime Director*

## **NOTES**

**BOROSIL GLASS WORKS LTD.**

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

**ATTENDANCE SLIP**

47th Annual General Meeting on 31st July, 2010 at 11.00 a.m.

**Folio No. /Client ID & D.P. ID No.**

Name of the Attending Member

Please tick whether member/Joint-Holder/Proxy

No. of Shares held

Member's or Proxy's Signature

**NOTE :**

Shareholder/Proxy must bring the Attendance Slip to the Meeting and hand over the same at the entrance duly signed.

**BOROSIL GLASS WORKS LTD.**

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

**PROXY FORM**

**Folio No. /Client ID & D.P. ID No.**

I/We.....

..... of

..... in the district of ..... being a member/members

of Borosil Glass Works Ltd. hereby appoint .....

..... of

..... in the district of ..... or

failing him .....

..... in the district of.....

as my/our proxy to vote for me/us on my/our behalf at the 47th Annual General Meeting of the Company to be held on Saturday the 31st July, 2010 and at any adjournment thereof.

Signed this.....day of.....2010.

**NOTE :**

The proxy form duly completed must reach the Registered Office of the Company at Mumbai not less than 48 hours before the commencement of the Meeting.

Affix Re. 1  
Revenue  
Stamp

**BOOK - POST**

**To**

*If undelivered, please return to :*

**BOROSIL GLASS WORKS LTD.**  
Khanna Construction House,  
44, Dr. R. G. Thadani Marg,  
Worli, Mumbai - 400 018.

**47th Annual Report 2009-2010**

**BOROSIL**

**BOROSIL GLASS WORKS LTD.**