

GUJARAT BOROSIL

GUJARAT BOROSIL LIMITED

***TWENTY-SECOND ANNUAL REPORT
2010-2011***

BOARD OF DIRECTORS

B. L. Kheruka - Chairman

P. K. Kheruka - Vice Chairman

Shashi Mehra

Jagdish Joshi

Ashok Jain - Whole-time Director

Anirudha Barwe (Expired on 05.10.10)

Ashok Kumar Doda (Appointed w.e.f. 09.11.10)

VICE PRESIDENT (LEGAL) & COMPANY SECRETARY

Arun Kumar

REGISTERED OFFICE & PLANT

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

HEAD OFFICE

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

AUDITORS

Singhi & Co.
Chartered Accountants

BANKERS

Bank of Baroda

REGISTRAR & TRANSFER AGENTS

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

NOTICE

Notice is hereby given that the Twenty-Second Annual General Meeting of members of Gujarat Borosil Limited will be held at the Registered Office of the Company at Village - Govali, Taluka - Jhagadia, District - Bharuch 393 001, Gujarat State on Tuesday, the 23rd August, 2011 at 10.00 a.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider, approve and adopt the audited Balance Sheet as at 31st March, 2011 and Profit and Loss Account for the year ended on that date and the reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. P K Kheruka, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. B L Kheruka, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this meeting, until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be and are hereby amended or altered in the manner following:

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

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

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

"A document or notice may be served or given by the Company on any Member either personally or by sending it by post to him to his registered address or (if he has no registered address in India) to the address, if any, in India or to registered e-mail address of the members; supplied by him to the Company for serving documents or notices on him"

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

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

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

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (hereinafter referred to as the 'Act'; which includes any statutory modification(s) or re-enactment thereof, for the time being in force), the consent of the Company be and is hereby accorded to the re-appointment of Mr. Ashok Jain, as Whole Time Director of the Company, for a period of 3(three years) with effect from 3rd January, 2012 on the terms and conditions including remuneration as set out in the item no. 6 of the Explanatory Statement, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Remuneration Committee constituted by the Board) to alter and vary the terms and conditions of the said appointment and/or remuneration, subject to the same not exceeding the limits specified in Schedule XIII to the Companies Act, 1956, or otherwise as permissible at law for the time being in force.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the tenure of his service as Whole Time Director, Mr. Ashok Jain shall be paid the remuneration as set out in the Explanatory Statement as minimum remuneration subject to limits laid down in Schedule XIII of the Companies Act, 1956, or as may be approved by the Central Government.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

Place : Mumbai
Date : 27th June, 2011

By Order of the Board

Registered Office:

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

ARUN KUMAR
Vice President (Legal)
& Company Secretary

NOTES

- (1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- (2) The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business under item No. 5 & 6 as set out above, and the relevant details in respect of Item Nos. 2, 3 and 6 set out above pursuant to Clause 49 of the Listing Agreement are annexed hereto and form part of this Notice.
- (3) The Register of Members and Share Transfer Books of the Company will remain closed from 17th August, 2011 to 23rd August, 2011 (both days inclusive).
- (4) The Members are requested to notify immediately the change of address, if any, to the Company's Share Transfer Agents i.e. Universal Capital Securities Pvt. Ltd., Unit : Gujarat Borosil Ltd., 21, Shakil Niwas, Mahakali Caves Road, Andheri (East), Mumbai 400 093, quoting their folio number(s).
- (5) **The Ministry of Corporate Affairs ("MCA") has taken a 'Green Initiative in Corporate Governance' recently, allowing paperless compliances by companies and has issued a circular to this effect on April 21, 2011 stating that the service of documents/notices by a company can be made through electronic mode.**

With a view to participate in the initiative, we request that you may provide your e-mail address, if you wish to receive the documents/notices etc., through electronic mode. You may please send us your e-mail address stating clearly your name, folio no. if you are holding shares in physical form / DP Id & Client Id if you are holding shares in dematerialized form to:-

"investor.relations@gujaratborosil.com"

However, please note that, as a member of the Company, you will be entitled to receive, free of cost, a printed copy of the Annual Report/other documents of the Company, upon receipt of a requisition from you, at any time.

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

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

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

ANNEXURE TO THE NOTICE
EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.
Item No. 5

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

Moreover, the Ministry of Corporate Affairs ("MCA") has, as part of its Green Initiatives, recently clarified vide its Circular No.17/2011 dated April 21, 2011 that a company would have complied with Section 53 of the Companies Act, 1956, if the service of document has been made through electronic mode provided the company has obtained e-mail addresses of its members in the manner prescribed therein.

In order to make provision for the same in the Articles of Association, it is proposed to amend the relevant Articles 176(1) and 176(3) as set out in the attached resolution.

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

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

Item No. 6

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

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

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

I. Remuneration**a) Salary:**

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

b) Perquisites & allowances:

- i) Housing - Provision for hired/leased furnished accommodation or House Rent Allowance (HRA) - subject to a ceiling of 60% of salary (Starting HRA: Rs.74,000 p.m.).
 - ii) Medical Expenses
Domiciliary Treatment - At actuals subject to a ceiling of Rs.15,000/- p.a. for Mr. Jain and his family.
Hospitalisation - Mr. Jain and his dependents will be covered by the Company's medical insurance scheme.
 - iii) Premium- Personal Accident Insurance, the premium of which shall not exceed Rs.10,000/- p.a.
 - iv) Leave Travel Assistance - For Mr. Jain and his family, once in a year, incurred in accordance with the rules of the Company.
 - v) Mr. Jain will be provided with a Company maintained car with Driver.
 - vi) Phone rental and call charges will be paid by the Company at actuals for telephone at the residence/mobile phone. Charges for personal STD/Trunk Calls would be borne by Mr. Jain.
 - vii) Company's contribution to Provident Fund, Gratuity and encashment of leave at the end of his tenure, payable as per rules of the Company. These shall not be included in the computation of limits for the remuneration or perquisites aforesaid.
 - viii) Leave
Leave with full pay or encashment thereof as per the Rules of the Company.
 - ix) Mr. Jain will further be entitled to reimbursement of actual entertainment and travelling expenses incurred by him for business purposes.
- II. In case of inadequacy or absence of profits in any financial year(s) during the tenure of Mr. Jain as a Whole Time Director, the remuneration payable to him in that financial year shall be calculated in a manner so that it does not exceed the limits laid down in Section II of Part II of Schedule XIII to the Companies Act, 1956 or as may be approved by the Central Government.

III. Other terms and conditions:

- a. This appointment may be terminated by either party by giving three months' notice in writing.
- b. Mr. Jain, as long as he functions as Whole Time Director shall not become interested or otherwise concerned directly or through his wife or minor children's in any selling agency of the Company without prior approval of the Central Government.

Statement of Information as required under Schedule XIII of the Companies Act, 1956:**I. General Information**

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

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

II. Information about the appointee

- (1) Background details : Mr. Jain is a Chartered Accountant and Company Secretary and has over 30 years experience in industry. He has relevant experience in Finance, Commercial and General Management.
- (2) Past remuneration : a) Salary: Rs.1,70,000/- p.m. in the scale of Rs.1,10,000/- p.m. to Rs.1,80,000/- p.m.
- b) Perquisites and Allowances:
- i) Housing
Provision for hired/leased furnished accommodation or House Rent- subject to a ceiling of 60% of salary (Last House Rent: Rs.74,000/- per month)
- ii) Medical Expenses
Domiciliary Treatment - At actuals subject to a ceiling of Rs.15,000/- p.a. for Mr. Jain and his family.
Hospitalisation - Mr. Jain and his dependents covered by the Company's medical insurance scheme.
- iii) Premium - Personal Accident Insurance.
- iv) Leave Travel Assistance - For Mr. Jain and his family, once in a year, incurred in accordance with the rules of the Company.
- v) Mr. Jain to be provided with a Company maintained car with Driver.
- vi) Phone rental and call charges paid by the Company at actuals for telephone at the residence/mobile phone. Charges for personal STD/Trunk Calls borne by Mr. Jain.
- vii) Company's contribution to Provident Fund, Gratuity and encashment of leave at the end of his tenure, payable as per rules of the Company. These are not be included in the computation of limits for the remuneration or perquisites aforesaid.
- viii) Leave - Leave with full pay or encashment thereof as per the Rules of the Company.
- ix) Mr. Jain was further entitled to reimbursement of actual entertainment and traveling expenses incurred by him for business purposes.
- (3) Recognition or awards : --
- (4) Profile and his suitability : Mr. Jain as a Whole-time Director is required to look after overall management of the Company subject to direction, superintendence and control of the Board of Directors.
- In the view of his extensive experience in the corporate sector, the Board of Directors of the Company feels that he is suitable for the position of Whole-time Director.

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

III. Other Information

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

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

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

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

Place : Mumbai
Date : 27th June, 2011

By Order of the Board

Registered Office:

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

ARUN KUMAR
Vice President (Legal)
& Company Secretary

DIRECTORS' REPORT

To:

The Members of
Gujarat Borosil Limited

Your Directors are pleased to present their Twenty Second Report and Audited Statement of Accounts for the year ended 31st March, 2011.

FINANCIAL RESULTS

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

(Rupees in Lacs)

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

DIVIDEND

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

PERFORMANCE**Sheet Glass**

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

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

Solar Glass

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

Glass for solar photo voltaic(PV) applications is an engineered product, used as a component in the total assembly. The PV panels must be guaranteed for 25 years. They are subjected to very rigorous testing in internationally certified laboratories in USA and Europe, before they can be sold. Once a panel has been approved by such a laboratory, not a single component can be changed. As such, they are extremely particular about each and every component which is used in their panel. Whereas there were printed specifications to which the glass must adhere, we discovered after starting production that there were numerous additional specifications against which the users measured the glass, but which were not written down anywhere. Most of these were cosmetic, and of no relevance to the intended use of the panel, which is on a rooftop away from anyone's gaze. However, if the buyer rejected the glass, there was little that could be done. Time and again, we would learn of the rejection of a consignment for a cosmetic reason which had never even been mentioned as a requirement in the purchase order.

Secondly, the approval process takes over a year in most cases. A small pocket book piece of glass is laminated to a photo voltaic cell, and put into a test chamber where it is subjected to heating and cooling cycles. If it passes a minimum of 1000 hours in this test, the user calls for full size samples. They prepare PV panels using these samples, and wait for their result, in some cases after 3000 hours. Thereafter, they order a single or perhaps two containers to study the delivery and usage pattern by their own manufacturing plant. The glass must come out of the packing and go straight to their production line. Only after that do they accept the glass for regular use in their manufacturing programme.

The Company has undergone a very sharp learning curve through the course of the year.

Since we are in the initial stages of establishing ourselves, we had to pay the invoice value as claim. Now we have overcome the problem. Our product has been accepted by some of the largest PV Panel manufacturers in the world.

The Chinese supplier of the tempering equipment delayed deliveries of the tempering line by about 6 months. Owing to this, the Company was forced to supply annealed glass to glass processors in Europe at less remunerative prices. Moreover, owing to heavy monsoon rains and port congestion during the last year, a large portion of the glass remained inside containers for much longer periods than ideal. The high content of moisture caused white patches to develop on the glass and was consequently rejected by the customer after the glass reached Europe. This problem has since been resolved by taking several steps, including changing the packing material from timber to plywood, and using a high quality of silica gel to absorb any excess water vapor in the atmosphere.

After tempering operations commenced, the Company began to supply glass to module manufacturers in Europe and East Asia. Here, the company suffered another setback as a large portion of the glass for one customer was delivered 1 mm over the permitted tolerance. On further investigation, it was found that the glass had expanded an inordinate amount during the tempering operation. Since the glass was correct in all other aspects except for the marginal length increase, discussions were had with the end customer to accept this glass as a one time deviation. Owing to poor market conditions prevailing in Europe and large stocks of unsold product lying in the customer's warehouse, the Company was forced to accept the claim and take the goods back. The Company will make all efforts to resell these goods to other customers. However, the Company has provided for a loss of 3 crores out of an abundance of caution on account of these returns. The tempering expansion issue has since been taken up with the Chinese supplier and an acceptable interim solution has been found. A long term solution has also been found. This will take two months to implement.

The last quarter of the financial year also saw the Italian government announce a cessation of the popular feed-in-tariff subsidy for end consumers, which caused a sharp slowdown in the market for solar glass. Sales in Italy slowed down overnight. This slowdown in Italy, being one of the top 3 largest markets in Europe, has caused stress for the solar markets worldwide with inventories of finished goods piling up and module manufacturers going slow in the purchase of all components, including glass.

The first quarter of the new financial year has seen some measure of stabilization for the solar market in general with the Italian government announcing a new subsidy in the first week of May. It is expected that this market will pick up soon and demand will resume from the 2nd quarter of this financial year. In the meanwhile,

the Company has been focusing on the domestic market and has established relationships with large Indian consumers of solar glass. Shipments to these customers have started and are expected to contribute to a significant percentage of sales through the course of the year. After the various production improvements which have been made over the course of the year, the Company has seen no significant further claims since the month of March. Glass delivered since then has been accepted by customers as being world class in all aspects. Consequently, the Company expects a much better financial performance from the 2nd quarter onwards.

All the above issues seriously affected the performance of the Company, resulting in a loss of about Rs 27.50 crores including the loss on sheet glass before it was shut down.

DIRECTORS

Mr. A. R. Barwe, an independent Director expired on 5th October, 2010. The Board placed on record its appreciation for guidance received from Mr. A. R. Barwe during his brief stint as a Director of the Company. Mr. Ashok Kumar Doda was appointed as a Director of the Company w.e.f. 9th November, 2010 to fill casual vacancy caused by the sad demise of Mr. A. R. Barwe. Mr. B. L. Kheruka, owing to his preoccupation, relinquished his office of Managing Director w.e.f. 17th March, 2011, while continuing as non-executive Chairman of the Company.

Mr. P. K. Kheruka and Mr. B. L. Kheruka retire by rotation and being eligible offer themselves for re-appointment.

Brief details of the Directors being appointed/reappointed are being incorporated in the Notice for the forthcoming Annual General Meeting. In addition, brief details of Mr. Ashok Kumar Doda are also being furnished there.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

A. INDUSTRY STRUCTURE AND DEVELOPMENTS

The Company has commenced manufacture of low iron solar glass for application in solar power sector. Solar PV market internationally has seen high growth. In India this is gaining momentum in view of favorable Policy announcements made by the Government of India and holds huge growth potential. A number of new plants for PV Modules/Solar energy are in pipeline and even large industrial houses have shown interest in the sector with huge capex planned.

It was hitherto operating a sheet glass plant in the Flat Glass sector consisting of float glass, sheet glass and figured glass as well as processed glass like tempered glass, mirrors etc. On completion of a prolonged campaign of its sheet glass plant the Company has decided to discontinue production of sheet glass and the furnace has not been renewed.

B. OPPORTUNITIES & THREATS

OPPORTUNITIES

- > The Company enjoys first mover advantage in the solar glass sector and is in a position to seize the growing opportunity in the sector in domestic market. The Company is already assessing possibility of enhancing capacity by setting up a new furnace on the existing sheet glass facility.

THREATS

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

C. SEGMENTWISE OR PRODUCTWISE PERFORMANCE

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

D. OUTLOOK

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

E. RISK AND CONCERNS

The Government approval to the solar power projects should be expedited if the Country has to achieve plans to produce solar energy.

F. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

G. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The operating performance during the year suffered serious setback on account of shut down of sheet glass furnace, under utilisation of solar glass capacity and quality problems. The sales value was almost the same despite new solar glass plant with increased expenditure. The Company faced loss before interest and depreciation of Rs. 614.57 lacs as against a profit of Rs. 483.11 lacs in the previous year.

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

Consequent upon cooling down of Company's sheet glass furnace, the Company offered Voluntary Retirement Scheme (VRS) to its employees/workmen connected with the said plant in Govali (Bharuch) during the year, which has been accepted by 26 employees/workmen. The Company is rationalizing its workforce in order to effectively use it for Company's newly set up Low Iron Solar Glass plant. The Company has started partial closure process for its sheet glass plant and the surplus workmen will be suitably compensated as per legal provisions.

Number of people employed as on 31st March, 2011 were as under:

Staff	:	188
Workers	:	243 (Excluding contract labour)

The industrial relations continued to be cordial though negotiations for compensation to sheet glass plant workmen are underway.

CORPORATE GOVERNANCE REPORT

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

The Board of Directors of the Company has evolved and adopted a Code of Conduct and posted the same on the Company's website www.gujaratborosil.com. The Directors and Senior Management personnel have affirmed their compliance with the code for the year ended 31st March, 2011.

DEPOSITS

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

POLLUTION CONTROL

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

AUDITORS

M/s. Singhi & Company, Chartered Accountants, will retire as Auditors of the Company at the conclusion of the ensuing Annual General Meeting and being eligible have expressed their willingness for re-appointment. As required per provisions under Section 224(1-B) of the Companies Act, 1956, a written certificate has been obtained by the Company from the Auditors stating that if they are re-appointed as Auditors of the Company, such re-appointment would be within the limits specified in Section 224(1-B) of the Companies Act, 1956.

DIRECTORS' RESPONSIBILITY STATEMENT

Subject to disclosures in the Annual accounts and also on the basis of the discussion with the Statutory Auditors of the Company from time to time, the Board of Directors state as under:

- i) that in the preparation of the annual accounts, the applicable accounting standards have been followed and there were no material departures.
- ii) that we have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.
- iii) that we have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) that we have prepared the annual accounts on a going concern basis.

PARTICULARS OF EMPLOYEES

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

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

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

ACKNOWLEDGMENT

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

For and on behalf of the Board of Directors

Place : Mumbai

Date : 27th May, 2011

B. L. Kheruka

Chairman

INFORMATION UNDER SECTION 217(1) (e) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31st MARCH, 2011

FORM A

01.04.2010 to 01.04.2009 to
31.03.2011 31.03.2010

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

a. Purchased

Unit (Kwh)-Gross	9554703	7512028
Less: Generated from Wind farm	-2084370	-2634566
	<hr/>	<hr/>
Net purchased power	7470333	4877462
Total Amount (Rs. in lacs)	564.87	305.01
Rate/Unit	5.91	6.25

b. Own Generation

i. Through Diesel Generator

Unit(Kwh)	39640	42720
Kwh/Ltrs of Diesel Oil	3.35	3.35
Cost/Unit	12.63	9.99

ii Through Wind Turbine

Unit	2084370	2634566
Cost/Unit	0.91	0.71

2. Furnace Oil/LSHS

Quantity (KL)	1988	3141
Total Cost (Rs. in lacs)	499.66	733.82
Average Rate/KL	25128	23363

3. Natural Gas/RLNG

Quantity (SCM)	10957164	16326414
Total Cost (Rs. in lacs)	847.54	879.67
Average Rate/SCM	7.74	5.39

4. Consumption per Sq.mtr. of

Production of Company's
Products on 2 mm basis

Natural Gas/RLNG (SCM)	2.16	1.26
L.P.G. (Gms)	—	—
Furnace Oil/LSHS(Ltrs.)	0.39	0.24
Electricity (Kwh)	1.88	0.58

FORM - B**FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO R&D AND ABSORPTION OF TECHNOLOGY****A. Research and Development (R&D)**

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

B. Technology Absorption, Adaptation and Innovation

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

FOREIGN EXCHANGE EARNINGS AND OUTGO

Regarding details of foreign exchange earnings and outgo, please refer Note Nos. B-18, 20 & 22 in Notes to the Accounts forming part of the Balance Sheet as at 31st March, 2011.

For and on behalf of the Board of Directors

Place : Mumbai

B. L. Kheruka

Date : 27th May, 2011

Chairman

Corporate Governance Report**(As required by Clause 49 of the Listing Agreement of the Stock Exchange)****Company's philosophy on code of governance**

The Board has adopted the principles of good Corporate Governance in line with the requirements of the corporate practices 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 aims to achieve greater transparency by making adequate disclosures.

I. Board of Directors**(A) Composition:**

As on 31st March, 2011, the Company had six Directors on the Board out of which 5 were Non-executive Directors, which is much higher than the minimum requirement of 50% as per Listing Agreement. Out of these six directors, three were Independent Directors.

The Company's Board now comprises of one Whole-time Director and Five Non-Executive Directors (NEDs). None of the Non-Executive Directors have any material pecuniary relationship or transactions with the Company.

(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 resolution passed by the shareholders at the Annual General Meeting held on 28th July, 2005 and 14th August, 2007. The NEDs are paid remuneration by way of sitting fees for each meeting of the Board and its Committees attended by them. They are also eligible for commission as decided by the Board of Directors of the Company.

(C) Board and Committee Meetings etc.:**(i) Number of Board Meetings:**

The Board met six times on the following dates during the financial year 2010-2011:

24th May, 2010, 29th May, 2010, 10th August, 2010, 21st October, 2010, 9th November, 2010 and 5th February, 2011.

Directors' attendance record and directorships held:

Name	Category	No. of Board Meetings Attended	Whether Last AGM held on 26 th July, 2010 attended	No. of Directorships held in other Indian Public Limited Companies	No. of Committee Positions held in other Indian Public Limited Companies *	
					Chairman	Member
					As prescribed in the explanation under Clause 49(1)(c) of the Listing Agreement	
Mr. B. L. Kheruka	Non-Executive Chairman	6	Yes	6	–	1
Mr. P. K. Kheruka	Vice Chairman Non-Executive	3	No	6	–	2
Mr. Shashi Mehra	Independent Non-Executive	6	Yes	–	–	–
Mr. Jagdish Joshi	Independent Non-Executive	5	Yes	–	–	–
Mr. Ashok Jain	Executive Whole-time Director	6	Yes	–	–	–
Mr. A. R. Barwe (Expired on 5th October, 2010)	Independent Non-Executive	2	No	–	–	–
Mr. Ashok Kumar Doda (w.e.f. 9th November, 2010)	Independent Non-Executive	2	N.A. Appointed after the AGM.	2	2	1

* For this purpose, only Audit Committee and Share Transfer & Shareholders/ Investors' Grievance Committee have been considered.

(ii) Mr. B. L. Kheruka is father of Mr. P. K. Kheruka. He resigned as Managing Director of the Company w.e.f. 17th March, 2011. However, he continues to hold the position of Non-Executive Chairman of the Company.

- (iii) None of the Directors on the Board is a Member on more than 10 Committees or Chairman of more than 5 Committees [as per Clause 49 I C (ii)] across all the companies in which he is a Director. All the Directors have made requisite disclosures regarding committee positions occupied by them in other companies.
- (iv) Compliance Reports of laws applicable to the Company are periodically placed before the Board of Directors of the Company. There has been no instance of non-compliance.

(D) Code of Conduct

All the Directors and Senior Management personnel have affirmed compliance with the Code of Conduct as approved and adopted by the Board of Directors. A declaration to this effect signed by the Whole time Director of the Company is given elsewhere in the Annual Report.

II. Audit Committee

(A) Composition, name of members and chairperson:

The Audit Committee of the Company as on 31st March, 2011 comprised of three members all being Non-Executive Directors. Mr. P. K. Kheruka is a non-independent director and all other are independent directors.

Mr. Shashi Mehra - Chairman

Mr. P. K. Kheruka

Mr. Jagdish Joshi

All members of the Audit Committee are capable of understanding financial statements and one member possesses financial expertise in accordance with Clause 49.

Apart from the members of Audit Committee, generally, meetings are also attended by Chief Financial Officer (Whole Time Director) and Company Secretary. Representatives of Internal Auditors and Statutory Auditors are invited to the meetings.

The Company Secretary acts as the Secretary to the Committee.

(B) Meetings and attendance during the year:

The Committee met five times during the financial year ended on 31st March, 2011 on the following dates:

24th May, 2010, 29th May, 2010, 10th August, 2010, 9th November, 2010 and 5th February, 2011.

Mr. Jagdish Joshi and Mr. Shashi Mehra were present in all the five meetings and Mr. P. K. Kheruka was present in three meetings.

(C) Powers of Audit Committee:

The Audit Committee has been vested with the following powers:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

(D) Role of Audit Committee

The role of Audit Committee includes the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:

- (a) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act, 1956.
 - (b) Changes, if any, in accounting policies and practices and reasons for the same.
 - (c) Major accounting entries involving estimates based on the exercise of judgment by management.
 - (d) Significant adjustments made in the financial statements arising out of audit findings.
 - (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, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
 9. Discussion with internal auditors 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 Audit Committee

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

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

No material transaction has been entered into by the Company with related parties that may have a potential conflict with interest of the Company. The details of related party transactions have been given in the Notes to the Accounts 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 Standards) 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 minimization procedures, which is subject to review by the Management and is required to be placed before the Board on an annual basis.

(D) Issue of shares

The Company has not made any issue of shares in the recent past.

(E) Remuneration of Directors

The Board of Directors has constituted a Remuneration Committee. However, the said Committee did not meet during the financial year 2010-2011.

Composition of Committee:

Mr. Shashi Mehra

Mr. Jagdish Joshi

Mr. A. R. Barwe (From 10th August, 2010 to 5th October, 2010)

Mr. Ashok Kumar Doda (w.e.f. 9th November, 2010)

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).

Details of sitting fees, remuneration etc. paid to Directors.

Name of Directors	Remuneration paid during 2010-2011
	Sitting fees for attending Meetings of Board and/or Committee thereof Gross Amount (in Rs.)
(A) Mr. P. K. Kheruka	130000
Mr. Shashi Mehra	110000
Mr. Jagdish Joshi	160000
Mr. A. R. Barwe (deceased)	20000
Mr. Ashok Doda	20000
Sub Total	440000
(B) Mr. B. L. Kheruka* (Managing Director till 16.03.11)	
Salary	1827500
Perquisites	2755
Contribution to P.F.	219300
*Now a Non-Executive Chairman	
Sub Total	2049555
(C) Mr. Ashok Jain (Whole-time Director)	
Salary	1680000
Perquisites	703710
Contribution to P.F.	201600
Sub Total	2585310
Total	5074865

Notes:

- i. In view of loss, no commission has been paid to the Managing Director for the financial year 2010-2011.
- ii. The Company does not pay bonus, pension or any incentive to the Whole-time Director.
- iii. For termination of employment, the Company, Managing/Whole-time Director are required to give a notice of 3 months or salary of three months in lieu thereof.
- iv. The Company has so far not issued any stock option to the Managing/Whole-time Director or any other Director.

No. of shares held by Non-Executive Director:

None of the Non-Executive Directors hold any share in the Company.

(F) Management

Management Discussion and Analysis Report containing discussion on the matters specified in clause 49 IV (F) forms part of the annual report.

(G) Shareholders

- (i) Details about Directors: Relevant details of Directors proposed to be appointed/reappointed are being furnished in the Notice convening the Annual General Meeting to be held on 23rd August, 2011 being sent alongwith the Annual Report.
- (ii) Quarterly results, Shareholding Pattern and other reports as directed by Clause 54 are regularly made available on Company's website: www.gujaratborosil.com.
- (iii) Share Transfer and Shareholders/Investors Grievance Committee:

The Committee approves and monitors transfers, transmission, splitting and consolidation of shares issued by the Company. The Committee also monitors redressal/replies to investors' complaints, queries and requests relating to transfer of shares, non-receipt of annual report etc.

Composition of Committee:

Mr. P. K. Kheruka - Chairman

Mr. B. L. Kheruka

Mr. Jagdish Joshi

Mr. Ashok Jain

The Committee met seven times during the financial year ended on 31st March, 2011 on the following dates:

28th May, 2010, 10th August, 2010, 11th October, 2010, 8th November, 2010, 17th December 2010, 3rd February 2011 and 10th March 2011.

Mr. P. K. Kheruka, Mr. B. L. Kheruka and Mr. Ashok Jain, Committee Members were present in all the seven meetings and Mr. Jagdish Joshi was present in six meetings.

All share transfer applications received upto 31st March, 2011 have been processed in time.

During the year ended on 31st March, 2011, the Company received 16 complaints and 292 other correspondence from the shareholders/investors, which were suitably resolved or replied.

Compliance Officer: Mr. Arun Kumar

Vice President (Legal) & Company Secretary

- (iv) Mr. B. L. Kheruka and Mr. P. K. Kheruka, Directors are severally authorised to approve share transfers in physical form upto one percent of paid up capital for each case. The power to approve share transfers requests of more than one percent of paid up capital for each case has been given to the Share Transfer and Shareholders/Investors Grievance committee. Share transfers are attended normally on fortnight basis.

V. CEO/CFO Certification:

A certificate from Whole-time Director (who is head of Financial functions also), on the financial statements of the Company was placed before the Board. The Company is on look out for a new CEO, consequent upon relinquishment of the said position by Mr. B. L. Kheruka w.e.f. 17th March, 2011.

VI. Report on Corporate Governance

The Company has complied with mandatory requirements of this clause. The Company has also submitted quarterly compliance report to the Bombay Stock Exchange Ltd.

VII. Compliance

A Certificate from the Auditors of the Company regarding compliance of condition 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	Date	Day	Time	No. of Special Resolutions passed
2009-2010	Regd. Office – Village- Govali, Taluka- Jhagadia, Dist. Bharuch 393 001 Gujarat	AGM	26th July, 2010	Monday	10.00 a.m.	NIL
2008-2009	- do -	AGM	20th August, 2009	Thursday	10.00 a.m.	NIL
2007-2008	- do -	AGM	30th July, 2008	Wednesday	10.00 a.m.	2

None of the Resolutions were put through postal ballot and no resolution is proposed to be conducted through Post Ballot at the ensuing Annual General Meeting.

IX. Means of communications

The quarterly and half yearly unaudited financial results were published in The Economic Times in English and The Economic Times in Gujarati (regional language). The Company has also posted its quarterly results, shareholding pattern etc on the Company's website i.e. www.gujaratborosil.com in terms of Clause 54 of the Listing Agreement.

X. General shareholder Information

Annual General Meeting

Date and time	:	23rd August, 2011 at 10 a.m.
Venue	:	Regd. Office at Village - Govali, Taluka - Jhagadia, District – Bharuch 393 001, Gujarat
Financial Year	:	1st April to 31st March
Financial Calendar	:	Year ending - March, 31
Quarterly Results	:	First quarter - 2nd week of August, 2011 Second quarter - 2nd week of November, 2011 Third quarter - 2nd week of February, 2012 Fourth quarter & Annual - 4th week of May, 2012
Date of book closure	:	17th August, 2011 to 23rd August, 2011(both days inclusive)
Listing on Stock Exchange & Stock Code	:	Bombay Stock Exchange Limited - 523768

Note: Annual Listing fee for the year 2011-12 has been paid to Bombay Stock Exchange Ltd.

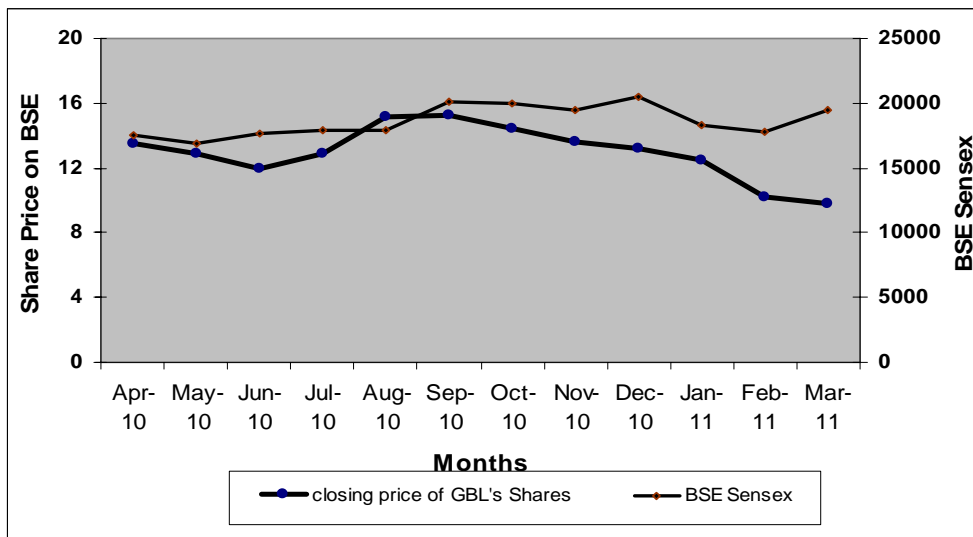
Demat ISIN in NSDL and CDSL : INE059C01022

Market price data

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

Month	Highest (Rs.)	Lowest (Rs.)	Volume of shares traded
April, 2010	15.01	13.06	611930
May, 2010	13.95	12.20	353106
June, 2010	13.20	11.50	434446
July, 2010	14.60	11.31	892913
August, 2010	15.40	12.50	764217
September, 2010	20.85	13.50	2271940
October, 2010	18.20	14.20	798031
November, 2010	15.45	12.60	659510
December, 2010	14.50	12.45	283777
January, 2011	14.55	12.10	251316
February, 2011	12.75	9.90	480655
March, 2011	11.33	9.02	284553

The paid up value of equity shares of the Company is Rs.5/- per share

The Performance of the Company's scrip on the BSE compared to BSE Sensex:**Share Transfer System:**

Share Transfers in physical form can be lodged with the Registrar and Transfer Agents of the Company – Universal Capital Securities Pvt. Ltd. (formerly known as Mondkar Computers Pvt. Ltd).

Unit: Gujarat Borosil Ltd.

21, Shakil Niwas

Mahakali Caves Road

Andheri (East), Mumbai - 400 093.

The transfers are normally processed within 10-20 days from the date of receipt if the documents are complete in all respects.

Distribution of shareholding as at 31st March, 2011

No. of equity shares held	No. of Shareholders		Shares	
	Nos.	Percentage	Nos.	Percentage
Upto 500	46541	93.39	6495990	9.52
501 to 1000	1839	3.69	1615296	2.37
1001 to 2000	754	1.51	1235759	1.81
2001 to 3000	258	0.52	667481	0.98
3001 to 4000	88	0.18	322247	0.47
4001 to 5000	127	0.25	609434	0.89
5001 to 10000	121	0.24	919141	1.35
10001 & above	107	0.22	56342152	82.61
Total	49835	100.00	68207500	100.00

Categories of shareholders

As on 31st March, 2011			
	No. of folios	No. of shares	Percentage
- Resident Individuals	49433	14225237	20.86
- Promoters			
- Indian Promoters	02	39822376	58.38
- Foreign Promoters	01	11300000	16.57
- Banks, Financial Institutions, Insurance Companies (Central/ State Govt. Institutions/Non-Govt. Institutions)	04	49500	0.07
- Private Corporate Bodies	291	2631496	3.86
- Non Resident Individuals	56	69641	0.10
- Trusts	0	0	0.00
- Others (Shares in transit)	48	109250	0.16
Total	49835	68207500	100.00

Dematerialisation of shares and liquidity

As on 31st March, 2011, 2,07,52,475 shares representing 30.43 % of the Company's total paid-up capital had been dematerialised. The Company's shares are regularly traded on Bombay Stock Exchange Ltd.

Plant Location

Village – Govali
Taluka – Jhagadia
District – Bharuch 393 001.
Gujarat.

Address for correspondence

Shareholders correspondence may be addressed either to the Head Office at “Khanna Construction House”, 44, Dr. R. G. Thadani Marg, Worli, Mumbai- 400 018 or at the office of Registrar and Transfer agents of the Company – Universal Capital Securities Pvt Ltd. (formerly known as Mondkar Computers Pvt. Ltd.), Unit: Gujarat Borosil Ltd., 21, Shakil Niwas, Mahakali Caves Road, Andheri (East), Mumbai - 400 093.

As per requirement of Listing Agreement, an exclusive email ID has been created namely, gbl.grievances@borosil.com, on which the investors can register their complaints. The said email ID has been displayed on Company's Website.

Outstanding GDRs/ADRs/Warrants or any convertible instruments:-

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments.

Compliance with Non-Mandatory Requirements

1. The Board

The Chairman has been provided office in the Company's Registered/Head Office but he is not entitled to reimbursement of expenses consequent upon his relinquishing the office of Managing Director since 17th March, 2011.

As on date, there is no independent Director having a term of office exceeding nine years on the Board of the Company. Nevertheless, the Company has not yet adopted the concept of limiting tenure of independent directors to an aggregate period of nine years.

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 has a remuneration committee with terms of reference mentioned above, which comprises wholly of Independent Directors.

3. Shareholders Rights

The Company's results are available on website www.gujaratborosil.com. 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 half yearly results are published in English newspaper (having a wide circulation) and in Gujarati newspaper.

4. Audit qualifications

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

5. Training of Board Members

Presently, the Company does not have any training programme.

6. Mechanism for evaluating non-executive Board Members

Presently, Company does not have such mechanism as contemplated for evaluating the performance of non-executive Board members.

7. Whistle Blower Policy

Presently, the Company does not have a whistle blower policy.

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 Code of Conduct as applicable to them for the year ended 31st March, 2011.

For Gujarat Borosil Limited

Place: Mumbai
Date : 27th May, 2011

Ashok Jain
Whole time Director & CFO

AUDITORS' CERTIFICATE OF COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT (S).**TO THE MEMBERS OF GUJARAT BOROSIL LIMITED.**

We have examined the compliance of conditions of Corporate Governance by **GUJARAT BOROSIL LIMITED** (the Company) for the year ended 31st March 2011, as stipulated in clause 49 of the listing agreement of the said company with the Stock Exchange in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance. 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 explanations given to us, and 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 the above-mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we state that as per records maintained by the Shareholders/ Investor Grievance Committee based on reports furnished by the Share Transfer Registrar of the Company to the said Committee, there was no Investors grievance matter pending for a period exceeding one month against the company as on 31st March, 2011.

We further 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.

9TH FLOOR, TWIN TOWERS,
LOKHANDWALA COMPLEX,
ANDHERI (W), MUMBAI - 400 053.
MAHARASHTRA, INDIA
DATED 27th DAY OF MAY, 2011

FOR SINGHI & COMPANY
CHARTERED ACCOUNTANTS
FRN 110283W

(PRAVEEN KUMAR SINGHI)
PARTNER
(M. No. 051471)

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the attached Balance Sheet of **GUJARAT BOROSIL LIMITED** as at 31st March 2011, the Profit & Loss Account and the Cash Flow Statement for the year ended on that date, annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's Management. Our responsibility is to express our opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. These 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 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.

As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies Auditor's Report (Amendment) Order, 2004 issued by the Central Government of India in terms of Sub Section (4A) of Section 227 of the Companies Act, 1956, we enclose as Annexure, a statement on the matters specified in paragraphs 4 & 5 of the said Order.

Further to our comments in the Annexure referred above, we report that:

- a) 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;
- b) In our opinion, proper books of account as required by the Companies Act, 1956 (as amended) have been kept by the Company so far as appears from our examination of such books;
- c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d) In our opinion, the Balance Sheet, the Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards issued by the Institute of Chartered Accountants of India, to the extent applicable to the company, as referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
- e) On the basis of the written representation received from directors and taken on record by the Board of Directors, we report that none of the Directors is disqualified, as on 31st March, 2011 from being appointed as a Director in term of clause (g) of Sub Section (1) of Section, 274 of the Companies Act, 1956; and
- f) In our opinion and to the best of our information and according to the explanations given to us, the said Accounts read together with the notes thereon in particular note no. B- 2(c) in Schedule 19, give the information required by the Companies Act, 1956 (as amended) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - I) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
 - II) In the case of the Profit & Loss Account, of the Loss of the Company for the year ended on that date; and
 - III) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

9TH FLOOR, TWIN TOWERS,
LOKHANDWALA COMPLEX,
ANDHERI (W), MUMBAI - 400 053.
MAHARASHTRA, INDIA
DATED: 27th DAY OF MAY, 2011

FOR SINGHI & COMPANY
CHARTERED ACCOUNTANTS
FRN 110283W

(PRAVEEN KUMAR SINGHI)
PARTNER
(M. No. 051471)

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011 OF GUJARAT BOROSIL LIMITED.

On the basis of the information and explanations furnished to us and the books & records examined by us in the normal course of audit and to the best of our knowledge and belief, we report that:

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of its Fixed Assets.
b) According to the information and explanations given to us, the management during the year has physically verified the Fixed Assets, and no material discrepancies were noticed on such verifications with book records.
c) During the year, the Company has not disposed off any major part of the Fixed Assets, so as to affect its going concern.
2. a) The stock of raw material, stores & spare parts and finished goods have been physically verified by the management at reasonable intervals during the year.
b) In our opinion and according to the information, and explanation given to us, the procedure, followed by the management for physical verification of stock are reasonable and adequate in relation to the size of the Company and nature of its business.
c) The Company is maintaining proper records of inventory & the discrepancies, not material, between the physical verification of stock as compared to book stock have been properly dealt with in books of account.
3. a) The Company has granted unsecured loans to two Companies covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.56627 (In thousand) (P.Y. Rs.122310) (In thousand) and the year-end balance of loan granted to such Companies was Rs.8273 (In thousand) (P.Y. Rs.56457) (In thousand).
b) In our opinion, the rate of interest and other terms and condition on which loans are given by the Company are not, prima facie, prejudicial to the interest of the Company.
c) The terms of repayment of this loan is on demand and as explained by the Company it has exercised the option and to that extent have recovered from these companies. No loan other than aforesaid loans has been granted to Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
d) The company has taken loan from one party listed in register maintained u/s 301 of Companies Act, 1956 the maximum amount involved during the year in such transactions is Rs.658473 (In thousand) (P.Y. Rs.Nil) and the year end balance of loan taken from such party was Rs.658473 (In thousand) (P.Y. Rs.Nil).
e) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions on which loans have been taken from companies, Firm or Other Parties listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the company.
f) The loan and interest repayment is not due up to 31-3-2011.
4. In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to the purchases of raw material, stores & spare parts, components, plant and machinery, equipment, other assets and with regard to the sale of goods and services.
5. a) According to the all information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements 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 & explanations given to us, the transactions made in pursuance of contracts or arrangement entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public; accordingly clause 6 of the Order is not applicable.
7. In our opinion, the Company has an internal audit system, commensurate with its size and the nature of its business.
8. As informed to us by the Company's management the maintenance of cost records has not been prescribed by the Central Government under Section 209(1) (d) of the Companies Act, 1956.
9. a) According to the information & explanations given to us and on the basis of our examination of the books of accounts of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident fund, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Service Tax, Cess and other material statutory dues applicable to it. We are informed that Employees State Insurance Act does not apply to the Company.
- b) According to the information and explanations given to us, no undisputed amount payable in respect of Income Tax, Sales tax, Wealth Tax, Custom Duty, Excise Duty, Service Tax and Cess were outstanding for a period of more than six months from the date they become payable as at 31st March, 2011.
- c) According to the information and explanations given to us, the dues in respect of Income -Tax, Wealth Tax, Custom duty, Excise duty, Sales Tax and Service Tax that have not been deposited with the appropriate authorities on account of dispute and the forum where the disputes are pending are as given below:

Statement of disputed dues as on 31.03.2011:

Name of the statute	Nature of Dues	Amount (Rs. In Thousands)	Period to which Amount Relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty (Including Interest & Penalty)	Against demand of Rs.125214. Paid Rs.58933	Feb.99 to June.2005	SUPREME COURT OF INDIA
Central Excise Act, 1944	Excise Duty (Including Interest & Penalty)	Against demand of Rs.65087 (L.Y.135128) Paid Rs.10000 (L.Y.21129)	July 2005 to June.2006(L. Y. July 2005 to June 2007)	Commissioner Central Excise & Custom Surat-II (matter refers back by CESTAT)
Gujarat Sales Tax Act	Sales Tax (Including Interest & Penalty)	55084	2000-01, 2002-03 and 2004-2005	Joint Commissioner of Commercial Tax, Vadodra.
Income Tax Act,1961	Penalty u/s 271(1) (c)	Against demand of Rs.2555 (L.Y.2555) Paid Rs.2555 (L.Y.Nil)	A.Y. 2005-06	CIT (Appeal) Vadodara.

10. The company does not have accumulated losses neither at the end of the financial year nor in the immediately preceding financial year. The Company has incurred cash losses, during the financial year covered by our audit report. The Company has not incurred cash losses in the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
12. According to the information and explanation given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other Securities.
13. 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.
14. In respect of shares, securities, or other investments dealt in or traded by the Company, proper records are the maintained in respect of the transactions and contracts, and timely entries have been made therein. All the investments are held by the company in its own name.
15. In our opinion and according to the information and explanation given to us, the Company has not given guarantees for loans taken by others from banks or financial institutions; accordingly clause 4(XV) of the Companies (Auditor's Report) Order, 2003 is not applicable.
16. In our opinion, the term loans have been applied for the purpose for which they were raised.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company in our opinion no funds raised on short-term basis have been used for long term purpose.
18. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under Section 301 of the Act.
19. According to the information and explanations given to us during the year of audit report, the Company has not issued debentures.
20. The Company has not raised any money by public issues during the year; accordingly clause 4(XX) of the Companies (Auditor's Report) Order, 2003 is not applicable.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

9TH FLOOR, TWIN TOWERS,
LOKHANDWALA COMPLEX,
ANDHERI (W), MUMBAI - 400 053.
MAHARASHTRA, INDIA
DATED: 27th DAY OF MAY, 2011

FOR SINGHI & COMPANY
CHARTERED ACCOUNTANTS
FRN. 110283W

(PRAVEEN KUMAR SINGHI)
PARTNER
(M. No. 051471)

BALANCE SHEET AS AT 31ST MARCH, 2011

	Schedule	Rs in thousands As At 31st March, 2011	Rs in thousands As At 31st March, 2010
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	341038	341038
Reserves & Surplus	2	257405	446557
		<u>598443</u>	<u>787595</u>
Loan Funds			
Secured Loans	3a	459733	767752
Unsecured Loans	3b	658474	0
		<u>1118207</u>	<u>767752</u>
Net Deferred tax liability (Refer note no. B-13 of Schedule 19)		10646	105542
Total		<u><u>1727296</u></u>	<u><u>1660889</u></u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	4	2066307	1973051
Less : Depreciation		855351	722940
Net Block		<u>1210956</u>	<u>1250111</u>
Capital Work in Progress		67954	74678
		<u>1278910</u>	<u>1324789</u>
Investments	5		1
Current Assets, Loans and Advances			30009
Inventories	6	238925	164962
Sundry Debtors	7	155122	81500
Cash and Bank Balances	8	9782	32761
Loans & Advances	9	216160	277490
		<u>619989</u>	<u>556713</u>
Less: Current Liabilities & Provisions	10		
Current Liabilities		167099	248712
Provisions		4505	1910
		<u>171604</u>	<u>250622</u>
Net Current Assets		<u>448385</u>	<u>306091</u>
Total		<u><u>1727296</u></u>	<u><u>1660889</u></u>
Accounting Policies and Notes to the Accounts	19		

Schedules referred to above form an integral part of the Accounts.

For and on behalf of the Board of Directors

As per our report annexed
for Singhi & Company
Chartered Accountants

B. L. Kheruka
Chairman

(Praveen Kr. Singhi)
Partner

Mumbai.
Dated: 27th May, 2011

Arun Kumar
Company Secretary

Ashok Jain
Whole-time Director & CFO

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

		Rs in thousands For The Year Ended	Rs in thousands For The Year Ended
	Schedule	31st March, 2011	31st March, 2010
INCOME			
Sales (Net of Sales tax, Claims/Discounts)		852633	877320
Less: Excise duty		33895	51301
Net Sales		<u>818738</u>	<u>826019</u>
Credit for captive consumption		697	0
Other Income	11	15836	22611
Increase/(Decrease) in Stock	12	62303	3399
		<u>897574</u>	<u>852029</u>
EXPENDITURE			
Raw Materials Consumed	13	286893	245681
Payments to and Provision for Employees	14	112976	83169
Manufacturing and Other Expenses	15	363050	272366
Administrative and Other Expenses	16	58269	52671
Selling and Distribution Expenses	17	137843	149831
		<u>959031</u>	<u>803718</u>
PROFIT/(LOSS) BEFORE INTEREST & DEPRECIATION		<u>-61457</u>	48311
Less : Interest	18	81062	6643
: Depreciation		132586	55493
PROFIT/(LOSS) BEFORE TAX		<u>-275105</u>	-13825
Less : Provision for Taxation - Current		0	0
Less : Income tax of earlier years (Net)		8913	0
Less : Provision for Wealth tax		30	36
Less : Provision for Deferred tax		-94896	-4181
PROFIT/(LOSS) AFTER TAX		<u>-189152</u>	-9680
Add : Balance brought forward from last year		192172	201852
Amount available for appropriation		<u>3020</u>	<u>192172</u>
Appropriation :			
Transferred to General Reserve		0	0
Balance carried to Balance Sheet		3020	192172
		<u>3020</u>	<u>192172</u>
Earning per share (Basic)-Refer note no. B-14, Sch.19		<u>-2.77</u>	-0.14

Accounting Policies and Notes to the Accounts 19

Schedules referred to above form an integral part of the Accounts.

For and on behalf of the Board of Directors

As per our report annexed
for Singhi & Company
Chartered Accountants

B. L. Kheruka
Chairman

(Praveen Kr. Singhi)
Partner

Mumbai.
Dated: 27th May, 2011

Arun Kumar
Company Secretary

Ashok Jain
Whole-time Director & CFO

SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH, 2011

	Rs in thousands As At 31st March, 2011	Rs in thousands As At 31st March, 2010
SCHEDULE - 1 : SHARE CAPITAL		
AUTHORISED		
9,20,00,000 Equity shares of Rs 5/-each *		
(Previous year same)	460000	460000
Unclassified Share Capital	40000	40000
	500000	500000
ISSUED, SUBSCRIBED & PAID UP		
6,82,07,500 Equity shares of Rs. 5/- each *		
(Previous year same)	341038	341038
	341038	341038

* Face value reduced to Rs.5/- as per approval of shareholders in the EGM held on 14th February, 2003.

SCHEDULE - 2 : RESERVES & SURPLUS

SHARE PREMIUM ACCOUNT

As per last Account **5771** 5771

GENERAL RESERVE

As per last Account **46000** 46000

CAPITAL RESERVE - SUBSIDY

As per last Account **2500** 2500

CAPITAL RESERVE

Credited on forfeiture of shares - unpaid

allotment money- As per last Account **473** 473

Surplus arising on giving effect to BIFR order

As per last Account **199641** 199641

PROFIT & LOSS ACCOUNT

3020 192172

257405 446557

	Rs in thousands As At 31st March, 2011	Rs in thousands As At 31st March, 2010
SCHEDULE - 3-a: SECURED LOANS		
RUPEE TERM LOAN FROM BANKS	0	330000
FOREIGN CURRENCY TERM LOAN - ECB	337200	340800
WORKING CAPITAL FACILITY FROM BANKS	122533	95049
INTEREST ACCRUED AND DUE ON TERM LOANS	0	1903
	459733	767752

- Note : 1. Rupee Term Loans/ ECB from Banks are secured by way of mortgage of all the fixed assets of the Company both present and future, ranking pari passu and by way of Hypothecation of all the moveables (save & except book debts) present & future, subject to prior charges created in favor of Company's bankers for working capital facilities and are further secured by personal guarantee of two Directors.
2. Working Capital Facility from Banks is secured by Hypothecation on all stocks and book debts of the Company and additionally secured by way of a second charge on Fixed Assets of the Company. The said facilities are further secured by personal guarantee of two Directors.
3. Repayment of ECB due within one year Rs.Nil.

SCHEDULE - 3-b : UNSECURED LOANS

INTERCORPORATE DEPOSIT	658474	0
	658474	0

SCHEDULE - 4 : FIXED ASSETS

PARTICULARS	<----- GROSS BLOCK ----->			<----- DEPRECIATION ----->			<- NET BLOCK ->			
	As at 31.3.2010	Addition during the year	Deduction during the year	Total upto 31.3.2011	As at 31.3.2010	Provided for the year	On Adjustments/ Sales	Total upto 31.3.2011	As at 31.3.2011	As at 31.3.2010
Land (Free hold) & Site Development	11458			11458	0		0	11458	11458	
Building	181736	8832		190568	38159	5394	43553	147015	143577	
Plant & Machinery	1737934	82884		1820818	657540	123543	781083	1039735	1080394	
Furniture, Fixtures & Fittings	7783	646		8429	6506	733	7239	1190	1277	
Motor Vehicles	14179	809	548	14440	6164	1401	175	7390	7050	8015
Computers	11971	633		12604	10649	219	10868	1736	1322	
Computer systems	7990			7990	3922	1296	5218	2772	4068	
Total	1973051	93804	548	2066307	722940	132586	175	855351	1210956	1250111
Capital work in progress	74678	82708	89432	67954				67954	74678	
Total	2047729	176512	89980	2134261	722940	132586	175	855351	1278910	1324789
Previous Year	1280387	1710098	942756	2047729	667745	55493	298	722940	1324789	612642

Note 1: Capital work in progress includes Rs.46019 thousands towards Captive power plant. The same includes capital goods inventory of Rs.2417 thousands and advances of Rs.4705 thousands.

	Rs in thousands As At 31st March, 2011	Rs in thousands As At 31st March, 2010
SCHEDULE - 5 : INVESTMENTS		
<u>Current Investments (At Lower of Cost and Fair value)</u>		
Other than Trade, Unquoted		
<u>In Mutual Fund</u>		
HDFC Cash Management Fund - Treasury Advantage Plan	0	8
Dividend option (Nil, Pr yr 753.43 Units of Rs 10/- each) (Market value Rs Nil , Prev. year Rs 8 thousands)		
<u>Long term Investment (At cost)</u>		
Other than Trade , Unquoted		
In Shares of Swapan Properties Ltd.	1	1
2300 Equity Shares of Rs.100/- each fully paid (Pr. Yr. same)		
In Shares of Gujarat Fusion Glass Ltd.	0	30000
Nil, 7.5%Non Cumulative Redeemable Preference Shares of Rs.10/- Each fully paid (Pr. Yr. 3000000)-Redeemable at par on or before 5 years from allotment i.e. 20.03.2007 (Redeemed)	<u>1</u>	<u>30009</u>
	<u><u>1</u></u>	<u><u>30009</u></u>
SCHEDULE - 6 : INVENTORIES		
(As Valued & Certified by the Management)		
Finished Goods	91179	32929
(At Cost or net realisable value whichever is lower)		
Work in Progress (At Cost)	21527	17474
Raw Materials (At Cost)	27833	35889
Less: Provision for Slow moving Raw Materials	0	551
	<u>27833</u>	<u>35338</u>
Glass Cullet (including own generated)		
(At Cost or net realisable value whichever is lower)	23169	33147
Stores & Spare parts (At Cost)	78092	47776
Less: Provision for Slow moving Stores & Spares	2875	1702
	<u>75217</u>	<u>46074</u>
	<u><u>238925</u></u>	<u><u>164962</u></u>

	Rs in thousands As At 31st March, 2011	Rs in thousands As At 31st March, 2010
SCHEDULE - 7 : SUNDRY DEBTORS		
(Unsecured)		
More than 6 Months *		
Considered good	1075	70
Considered doubtful	1146	1146
Less: Provision made for doubtful debts	1146	1146
	<u>0</u>	<u>0</u>
	<u>1075</u>	<u>70</u>
Others, considered good	154047	81430
	<u>155122</u>	<u>81500</u>
*Including under litigation Rs.1146 thousands.(Pr.Yr. Same)		
SCHEDULE - 8 : CASH AND BANK BALANCES		
Cash In Hand (As certified)	898	959
Balance with Scheduled Banks -In Current Account	946	7422
-In Foreign Currency Current Account	0	14934
-In Unpaid Dividend Accounts	5184	5217
-In Fixed Deposits	2754	4229
(In Margin Money Accounts)		
	<u>9782</u>	<u>32761</u>
SCHEDULE - 9 : LOANS & ADVANCES		
(Unsecured, Considered Good)		
Inter Corporate deposits		
(Including Interest Rs.808 thousands, Pr.Yr - 9790 thousands)	8273	57359
Advances recoverable in Cash or in kind		
or for value to be received		
Considered Doubtful	411	411
Less: Provision made	411	411
	0	0
Others *	5919	6684
Export benefits & other claims receivable	1588	1997
Prepaid expenses	2491	3515
Deposits with Govt. & Others	26320	27421

	Rs in thousands As At 31st March, 2011	Rs in thousands As At 31st March, 2010
SCHEDULE - 9 : LOANS & ADVANCES (Contd.)		
Balance with Excise/VAT Authorities	50959	10480
Cenvat credit receivable	35452	56464
Excise duty/interest paid under protest/appeal (refer note B -2 c, Schedule 19)	68933	80062
MAT credit entitlement	8886	8886
Advance tax / TDS / MAT paid (Incl Penalty in appeal 2555-refer note B-2d, Schedule 19)	7339	24622
	<u>216160</u>	<u>277490</u>
* Includes Rs.Nil on account of net surplus in fair value of gratuity assets (P.Y. Rs.526 thousands)-Refer note B-3 in Schedule 19.		
SCHEDULE-10:CURRENT LIABILITIES & PROVISIONS		
CURRENT LIABILITIES		
Sundry Creditors - Micro, Small and Medium Enterprises (Refer Note B-7 schedule 19)	2464	5251
- Others *	123585	173442
Creditors for Project supplies/expenses	13986	46667
For Excise duty on Stock	1835	1224
Other liabilities	9578	4552
Retention Money on Project	2086	2449
Sales tax payable	0	433
Unpaid Dividend *	5184	5217
Interest accrued but not due on Loans	3260	3341
Advances from Customers	5121	6136
	<u>167099</u>	<u>248712</u>
PROVISIONS		
For Income tax	30704	57639
Less: Advance tax / TDS	30704	57639
	<u>0</u>	<u>0</u>
For Wealth tax	30	36
For Gratuity	2621	0
For Leave Encashment	1854	1874
	<u>4505</u>	<u>1910</u>
	<u>171604</u>	<u>250622</u>

* Does not include any amounts, due and outstanding, to be credited to investor protection fund.

SCHEDULES ATTACHED TO AND FORMING PART OF THE PROFIT AND LOSS ACCOUNT

	Rs in thousands For The Year Ended 31st March, 2011	Rs in thousands For The Year Ended 31st March, 2010
SCHEDULE - 11 : OTHER INCOME		
Interest (Gross)		
(Tax deducted at source Rs.371 thousands)	4109	11237
Miscellaneous Sales*	3356	1621
Dividend received	0	22
Profit on sale of Investment in shares/units	6038	328
Unclaimed balances/Excess provisions written back	376	5176
Others	1957	4227
	<u>15836</u>	<u>22611</u>
* Includes surplus on sale of raw materials Rs.2054 thousands(Pr yr Nil)		
SCHEDULE - 12 : INCREASE (+)/DECREASE (-) IN STOCK		
CLOSING STOCK		
Finished Goods	91179	32929
Work in Progress	21527	17474
Total	<u>112706</u>	<u>50403</u>
OPENING STOCK		
Finished Goods	32929	9938
Work in Progress	17474	9300
Total	<u>50403</u>	<u>19238</u>
	<u>62303</u>	<u>31165</u>
Less: Capitalised	0	27766
	<u>62303</u>	<u>3399</u>
SCHEDULE - 13 : RAW MATERIALS CONSUMED		
Opening Stock(including own cullet)	68485	22217
Add: Purchases	276010	321937
	<u>344495</u>	<u>344154</u>
Deduct: Closing Stock *	51002	68485
Consumption	<u>293493</u>	<u>275669</u>
Less: Capitalised	0	29988
Less: Sold	6600	0
	<u>286893</u>	<u>245681</u>

* (Net of Provision for slow-moving inventory Nil, Prev year Rs.551 thousands)

	Rs in thousands For The Year Ended 31st March, 2011	Rs in thousands For The Year Ended 31st March, 2010
SCHEDULE - 14 : PAYMENTS TO AND PROVISION FOR EMPLOYEES		
Salaries, Wages, Bonus etc.	92149	70747
Contribution to Provident , Gratuity Funds etc.	11162	4434
Staff Welfare Expenses	9665	7988
	<u>112976</u>	<u>83169</u>
SCHEDULE-15 : MANUFACTURING AND OTHER EXPENSES		
Stores Consumed - Local *	27953	11398
Stores Consumed - Imported	10257	282
Packing Material Consumed	93786	93788
Power and Fuel	205795	156643
D.G.Set hiring charges	7125	0
Repairs & Maintenance		
- Plant & Machinery	10078	1829
- Buildings	1135	4246
- Other Assets	4621	1700
Insurance	2300	2480
	<u>363050</u>	<u>272366</u>
<p>* Includes provision made for slow moving materials Rs.1321 thousands (Pr. Yr. Nil)</p>		
SCHEDULE-16 : ADMINISTRATIVE AND OTHER EXPENSES		
Rent	4322	3559
Rates & Taxes *	1842	419
Legal & Professional Charges	7112	5766
Director's Fees	440	335
Travelling and Conveyance Expenses (Incl. Directors' Travelling Rs.1374 thousands, Pr. Yr. Rs.1199 thousands)	14152	10788
Motor Car Expenses	6524	5578
Vehicle Hire Charges	6134	5131
Printing & Stationery	1289	1430

	Rs in thousands For The Year Ended 31st March, 2011	Rs in thousands For The Year Ended 31st March, 2010
SCHEDULE-16 : ADMINISTRATIVE AND OTHER EXPENSES (Contd.)		
Postage, Telegrams, Telephones & Telex	3584	3080
Auditor's Remuneration-Audit Fees (Incl. Service tax Rs.87 thousands)	937	937
- Certification Fees	200	165
- Travelling & Out of Pocket Expenses	142	128
Tax Audit Fees	51	56
Exchange rate diff (net)	-12543	-2091
Other Expenses**	16290	14637
Loss on Sale/Discard of assets	154	258
Bank Charges***	7608	1247
Unrecoverable Debt/Balances written off	31	1248
	58269	52671
	58269	52671
* Including Rs.1207 thousands for earlier years (Previous year Nil)		
** Including Rs.1428 thousands for earlier years (Previous year 368 thousands)		
*** Including Rs.905 thousands for earlier years (Previous year Nil)		
SCHEDULE -17 : SELLING AND DISTRIBUTION EXPENSES		
Advertisement, Publicity & Sales promotion exps.	7618	1174
Carriage Outward	119768	123865
Commission	157	1882
Cash Discount	10300	22910
	137843	149831
	137843	149831
SCHEDULE - 18 : INTEREST		
On Term Loans	42613	2430
On Cash Credit	11030	4202
On Other loans	24786	0
Others	2633	11
	81062	6643
	81062	6643

SCHEDULE 19 : SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS**A) ACCOUNTING POLICIES**

1. Fixed assets are recorded at cost of acquisition (Net of Modvat) inclusive of related expenses thereon towards putting the assets into use.
2. Foreign Currency Assets and liabilities are converted at the rate prevailing on the last day of the accounting year and transactions completed during the year are accounted for at the then ruling rate.
3. Depreciation on all the fixed assets has been calculated at the SLM rates prescribed in Schedule XIV of the Companies Act, 1956 as per notification dated 16-12-1993 and on adjustments on account of foreign currency fluctuation is being calculated on residual life of respective fixed assets.
4. Income and Expenses are accounted for on accrual basis except interest on delayed payments which is accounted on receipt basis.
5. Investments are classified into current and long term investments. Current investments are stated at lower of cost and fair market value. Long term investments are stated at cost. A provision for diminution is made to recognize a decline, other than temporary, in the value of long term investment.
6. Inventories: are valued as under

Raw Materials	- At Cost
Own Cullet	- At Cost or net realisable value whichever is lower.
Stores and Spare Parts	- At Cost
Work in Progress	- At Cost
Finished Goods	- At Cost or net realisable value whichever is lower.
Traded Goods	- At Cost or net realisable value whichever is lower.
7. An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Profit & Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.
8. Sales are net of Sales tax, claims/returns, discounts & breakages.
9. Modvat on Raw Materials/Stores is credited to respective purchase account on accrual basis. Accordingly, inventory is valued at net of Modvat benefits.
10. Liability in respect of gratuity & leave encashment to employees is actuarially assessed as at the Balance Sheet date and the incremental/decremental liability arising on such valuation is provided for.
11. Interest and other costs in connection with the borrowing of the funds to the extent related/attribution to the acquisition/construction of qualifying fixed assets ready for its intended use are capitalised.
12. Provisions involving substantial degree of estimation in measurement are recognized 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 recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.
13. Lease rentals are expensed with reference to lease terms and other considerations.

B) NOTES TO THE ACCOUNTS

1. No provision for Income Tax/MAT has been made for the year in view of loss.
2. Contingent liabilities not provided for:-

	Rs. In thousands	
	2010-11	2009-10
a) Letters of Credit outstanding	17573	29155
b) Claims against the Company not acknowledged as debt	1209	1209

c) Excise matters relating to valuation in appeal before Supreme Court/Commissioner, excise From February 1999 to June 2006	65551	88071
Equivalent amount of penalty, interest & redemption fine	124750	172270
Excise amount on same basis from 1.7.2007 to 31.3.2011.	48454	51687

The Company is legally advised that the disputed demands will not be sustained in view of the judgment by Supreme Court dismissing Dept's appeal for the period July 2006 to June 2007 in its own case as also various legal pronouncements in similar other matters.

Further a sum of Rs.68933 thousands paid under protest in respect of above disputed demand have been shown as advances recoverable.

d) Income tax matters in Appeals filed by the Company before CIT-Appeals in respect of Assessment Years 2008-09 on account of disallowances/additions amounting to Rs.43351 thousands (previous year Rs.45762 thousands) and penalty of Rs.2555 thousands in respect of Assessment year 2005-06.	17290	15554
e) Appeal filed by the Company before Jt commissioner in Sales tax matter relating to purchase of fuel and Additional Tax for F.Y 2000-01, 2002-03 and 2004-05	29187	29187
Interest and penalty thereon.	25897	25897
No liability is expected in view of judicial pronouncement by High Court in similar matter of other Companies.		
f) Bills discounted with banks	Nil	3732

3. 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	
Particulars	2010-2011	2009-2010
Employer's Contribution to Provident Fund	7,465	5,632

The contribution to provident fund is made to respective Regional Provident Fund Managed by Provident Fund Commissioner and Gujarat Borosil Employees Provident Fund.

Defined Benefit Plan:

The Employees gratuity Fund Scheme is managed by Birla Sun Life Insurance Corporation. 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. The obligation for leave encashment is recognized in the same manner as the gratuity.

	Gratuity	
Particulars	2010-2011	2009-2010
Mortality Table	1994-96	1994-96
Salary growth	5.00%	5.00%
Discount rate	8.30%	7.50%

<u>Amount recognised in the income statement</u>	2010-2011	2009-2010
Current service cost	1,697	1,374
Interest cost	983	851
Expected Return on Plan Assets	(1,229)	(1,090)
Net actuarial (gains)/losses recognised in the period	1,721	3,118
Total	3,172	4,253

Movement in Present value of defined benefit obligation
Particulars

Obligation at the beginning of the year	14,785	13,853
Current service cost	1,697	1,374
Interest cost	983	1,006
Actuarial (Gain)/loss on obligation	1385	(572)
Benefits paid	(3358)	(875)
Obligation at the end of the year	15,492	14,786

Movement in Fair value of plan assets
Particulars

Fair value at the beginning of the year	15,311	12,551
Adjustment to opening Fair value of plan Assets	25	-
Expected Return on Plan Assets	1,229	1,090
Contribution	-	-
Actuarial gains/(losses)	(336)	2,545
Benefits paid	(3358)	(875)
Fair value at the end of the year	12,871	15,311

Expected returns on plan assets

9.0% 9.0%

Class of assets
Fair Value of Asset

(Rs. in Thousands)

	2010-2011	2009-2010
<u>Insurer Managed Fund</u>		
Birla Sunlife Insurance Corporation Ltd.	12,871	15,311
Total	12,871	15,311

Amount recognised in the balance sheet

(Rs. in Thousands)

	2010-2011	2009-2010
Present value of obligations at the end of the year	15,492	14,785
Less: Fair value of plan assets at the end of the year	12,871	15,311
Funded status	2621	(526)
Net liability/(Asset) recognized in the balance sheet	2621	(526)
Unclaimed Liabilities	-	-

Leave Encashment (Unfunded):

In accordance with revised AS-15 'Employee Benefits', the company has provided the liability on actuarial basis.

As per the actuarial certificate (on which auditors have relied), the details of the employees; benefits plan – Leave Encashment are:

Particulars	Leave Encashment	
<u>Actuarial assumptions</u>		
Particulars	2010-11	2009-10
Mortality Table	1994-96	1994-96
Salary growth	5.00%	5.00%
Discount rate	8.30%	7.50%
	2010-2011	2009-2010
<u>Amount recognised in the Profit & Loss statement</u>		
Current service cost	788	894
Interest cost	141	133
Expected Return on Plan Assets	Nil	Nil
Net actuarial (gains)/losses recognised in the period	(949)	(880)
Total	(20)	147
<u>Movement in present value of defined benefit obligation</u>		
Particulars		
Obligation at the beginning of the year	1,874	1,817
Current service cost	788	894
Interest cost	141	133
Actuarial loss on obligation	(949)	(880)
Benefits paid	Nil	(90)
Obligation at the end of the year	1,854	1,874
<u>Amount recognised in the balance sheet</u>		
Present value of obligations at the end of the year	1,854	1,874
Less: Fair value of plan assets at the end of the year	Nil	Nil
Un Funded liability	1,854	1,874
Un Funded liability recognised in the balance sheet	1,854	1,874

4. The Company has accounted for estimated credit, towards expected import benefit amounting to Rs.350 thousands under the head raw materials in respect of import entitlements. Variation, if any on actual utilization of licenses will be dealt with in the accounts of that year.
5. The estimated amount of contracts remaining to be executed on capital account and not provided for thousand Rs.9643 thousands (net of advances of Rs.1970 thousands). Previous year Rs.33285 thousands (Net).
6. An award was received in the arbitration matter with GAIL India Ltd. in an earlier year involving disputes regarding i) revision in Capital cost of pipe line by Rs.2334 thousands and consequent higher transportation charges; and ii) additional transportation charges from January, 1997 under the supplementary agreement for additional quantity of Gas which was not recognized as income as the award was not accepted by GAIL. However as a part of revision in transportation/compression charges done by GAIL for various customers, a sum of Rs.38546 thousand received by the Company in the F.Y 2007-08 was shown as exceptional income. The balance relief as per award has not been accounted as GAIL has disputed the matter in court.
7. A sum of Rs.2464 thousands was due and unpaid at the end of the year to M/s. Chotila Silica Pvt Ltd, M/s. Bombay Rubber & Carbon works and M/s. Vashi Electricals Pvt Ltd. falling within the definition of entities under the Micro, Small and Medium Enterprises Development Act, 2006. However, there were no claims for interest on delayed payments.

8. Related party disclosures under accounting standard 18:
(A) List of related parties:
Associate Companies

1. Borosil Glass Works Ltd.
2. Window Glass Ltd.
3. Swapan Properties Ltd.
4. Fennel Investment & Finance Pvt. Ltd.
5. Broadfield Holdings Ltd.
6. Sonargaon Properties Pvt. Ltd.
7. Gujarat Fusion Glass Ltd.
8. Vyline Glass Works Ltd.
9. Borosil International Ltd.

Key Managerial Personnel

Mr. B. L. Kheruka, Managing Director (Resigned from 17.3.2011, Remuneration upto 15.12.2010)
Mr. Ashok Jain, Whole-time Director

Other parties related to Key Personnel

Mrs. Kiran Kheruka

(B) Transactions with Related Parties:

		Rs in thousands		
		1.4.2010 to 31.3.2011	1.4.2009 to 31.3.2010	
1	Reimbursement of expenses from	Borosil Glass Works Ltd.	1,009	10
		Vyline Glass Works Ltd.	1,710	107
		Borosil International Ltd.	6	0
2	Amount receivable	Borosil Glass Works Ltd.	546	529
		Window Glass Ltd.	24	1,901
		Borosil International Ltd.	71	0
		Vyline Glass Works Ltd.	0	1,060
3	Purchase of goods from	Borosil Glass Works Ltd.	106	353
		Window Glass Ltd.	136	433
	Reimbursement of expenses to	Borosil Glass Works Ltd.	106	135
		Vyline Glass Works Ltd.	208	316
	Purchase of fixed assets from	Borosil Glass Works Ltd.	72	0
		Window Glass Ltd.	43	0
		Sonargaon Properties Pvt. Ltd.	0	297
4	Amount Payable to	Vyline Glass Works Ltd.	1,438	0
5	Inter Corporate Loans given to	Borosil Glass Works Ltd.	0	50,000
		Vyline Glass Works Ltd.	0	2,400
		Borosil International Ltd.	0	5
6	Inter Corporate Loans repayment received (incl TDS) from	Borosil Glass Works Ltd.	0	73,151
		Vyline Glass Works Ltd.	51,004	2,541
		Borosil International Ltd.	728	88

(Contd.)
Rs in thousands

		1.4.2010 to 31.3.2011	1.4.2009 to 31.3.2010	
7	Inter Corporate Loans (Assets) including accrued interest thereon outstanding from	Vyline Glass Works Ltd. Borosil International Ltd.	0 8,273	48,354 8,103
8	Inter Corporate Loans Taken From	Borosil Glass Works Ltd.	634,800	0
9	Inter Corporate Loans repaid (incl TDS) to	Borosil Glass Works Ltd.	2630	0
10	Inter Corporate Loans (Liability) including accrued interest thereon outstanding to	Borosil Glass Works Ltd.	658,474	0
11	Investment made in Preference shares	Gujarat Fusion Glass Ltd.	0	30,000
12	Sale of goods/services to	Window Glass Ltd. Vyline Glass Works Ltd.	19,804 0	88,200 637
13	Office Rent/Maint. charges paid to	Window Glass Ltd.	228	228
14	Interest Income on loans	Borosil Glass Works Ltd. Vyline Glass Works Ltd. Borosil International Ltd.	0 2,650 898	3,385 5,406 878
15	Rent Income	Borosil International Ltd.	65	0
16	Interest Expense on Loans	Borosil Glass Works Ltd.	26,304	0
17	Managerial Remuneration	B.L.Kheruka- MD(upto 15.12.2010) Ashok Jain- WTD	2050 2,585	2,892 2,431
18	Rent paid	Mrs Kiran Kheruka	1,200	1,200
	Lease Rent	Sonargaon Properties Pvt. Ltd.	0	3
	Rent paid	Borosil Glass Works Ltd.	240	10
19	Deposit given for accommodation	Mrs Kiran Kheruka	15,530	16,574

9. a) The Company has started commercial production of low iron textured glass w.e.f. 16th March, 2010. The operations of Sheet glass plant have been suspended w.e.f. 28th July, 2010. Hence the previous year figures are strictly not comparable.
- b) The recoverable value of Fixed Assets of Sheet Glass plant is higher than the book value. Hence no impairment loss has been provided for in terms of Accounting standard AS-22 of the ICAI.
- c) A sum of Rs.2345 thousands paid under the voluntary retirement scheme to rationalize the workforce has been charged in the Accounts for the year. Compensation payable to remaining workers will be accounted for on settlement (works out to Rs.11660 thousands on the basis of legal provisions).

10. Break up of Trial production loss is as under:	2010-11 (Rs. in thousands)	2009-10 (Rs. in thousands)
Expenditure		
Salaries & Wages	Nil	1243
Power & fuel	Nil	37822
Insurance	Nil	22
Repairs & maintenance	Nil	135
Stores consumed	Nil	433
Raw materials consumed	Nil	29988
Packing materials consumed	Nil	5059
Excise duty on sales	Nil	2364
Selling & distribution expenses	Nil	3392
Administrative expenses	Nil	2399
Total	Nil	82857
Less : Sale of Trial production	Nil	23354
: Stock Increase	Nil	27766
: Other Income	Nil	26
Net Loss	Nil	31711

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

11. Expenditure during construction period pending allocation:	2010-11 (Rs. In thousands)	2009-10 (Rs. In thousands)
Balance brought forward	Nil	21913
Salaries & Wages	Nil	3546
Staff Welfare	Nil	409
Power & Fuel-Electricity charges	Nil	1375
Insurance	Nil	764
Rent	Nil	103
Rates & Taxes	Nil	0
Bank charges	Nil	-245
Legal & Professional Charges	Nil	5496
Travelling and Conveyance Expenses (Incl. Directors' Travelling Rs.Nil, Pr. Yr. Rs.3724 thousands)	Nil	6847
Advertisement, Publicity & Sales promotion exps.	Nil	1337
Other Expenses	Nil	1252
Interest on Term loans/ICD's	1518	37062
Total	1518	79859
Add: Trial period loss (Refer note no.10 above)	Nil	31711
Total	1518	111570
Less: Allocated	Nil	111570
Balance	1518	Nil

12. Managerial Remuneration	2010-11 (Rs.in thousands)	2009-10 (Rs.in thousands)
<u>Managing Director's Remuneration*</u>		
Salary	1828	2580
Contribution to Provident Fund	219	310
Perquisites	3	2
Commission	—	—
	2050	2892
<u>Whole-time Director's Remuneration</u>		
Salary	1680	1500
Contribution to Provident Fund	202	180
Perquisites	704	751
	2586	2431
Total	**4636	**5323

* Remuneration upto 15.12.2010.

** Excluding Gratuity/Leave Liability on actuarial basis.

Computation of net profit in accordance with Section 198 read with Section 309(5) of the Companies Act, 1956 :

	(Rs.in Thousands)	
	2010-11	2009-10
Profit/Loss before taxation	(275105)	(13825)
Add: Depreciation as per Accounts	132586	55493
Managerial Remuneration	4636	5323
Director's Sitting Fees	440	335
Loss on Sale of Fixed Assets (Net)	154	258
Provision made for slow moving stores	1173	—
	(136116)	47584
Less: Depreciation as per Section 350 of The Companies Act, 1956	132586	55493
Prior period income (Net)	—	532
Profit on sale of investments	6038	328
	(274740)	(8769)
Commission payable to Managing Director as per Terms of appointment as determined by Board of Directors	Nil	Nil

In view of inadequacy of profit, the remuneration paid to Managing Director/ Whole time Director is considered as minimum remuneration payable.

13. Deferred tax liability as at 31st March, 2011 comprise of the following:

	31.3.2011	31.3.2010
(i) Liabilities		
Depreciation	266741	200276
Allowance U/S 43 (B) on Payment Basis	21780	26363
Total	288521	226639

		(Contd.)			
		31.3.2011	31.3.2010		
(ii)	Assets				
	Disallowance U/S 43 (B) of Income Tax Act, 1961	2081	2081		
	Unabsorbed Depreciation	275794	119016		
	Total	<u>277875</u>	<u>121097</u>		
(iii)	Net Liability/(Asset) (i)-(ii)	10646	105542		
14.	Basic earning per share (Basic & Diluted)				
		31.3.2011	31.3.2010		
	Net Profit/(Loss) after Tax attributable to Equity Shareholders (Rs in thousand)	(189152)	(9680)		
	Weighted average No. of Equity Shares outstanding	68207500	68207500		
	Basic & Diluted Earning per Share (Rs.)				
	Nominal value Rs.5 per share)	(2.77)	(0.14)		
15.	The Company's business activity falls within a single primary business segment viz. Manufacture of Flat glass. As such, there are no separate reportable segments as per Accounting Standard 17.				
16.	Details of Installed Capacity				
		2010-2011	2009-2010		
I.	Sheet Glass on 2 mm basis in Sq.mtrs.				
a)	Installed Capacity	12500000	12500000		
b)	Actual Production	3492315	12208456		
II.	Low Iron Textured Glass on 2 mm basis in sq.mtrs.*				
a)	Installed Capacity	7665000	7665000		
b)	Actual Production	5047564	765968**		
*	Commercial production started on 16th March, 2010.				
**	Out of this 608610 Sq.mtrs was produced during trial period which is considered in working of trial period loss.				
17.	Quantities and Value of Stocks, Purchase and Sales of Finished Goods (Sheet Glass)				
		2010-2011		2009-2010	
		Qty	Value	Qty	Value
		Sq.mtr	Rs in thousands	Sq.mtr	Rs in thousands
a)	Opening Stock (actual Sq. mtrs.)				
	Sheet Glass	102371	13904	76546	9938
	Low Iron Textured Glass	178589	19025	—	—
			<u>32929</u>		<u>9938</u>
b)	Closing Stock (actual Sq.mtrs.)				
	Sheet Glass	1924	226	102371	13904
	Low Iron Textured Glass	506312	90953	178589	19025
			<u>91179</u>		<u>32929</u>

		31.3.2011	(Contd.) 31.3.2010
c) Sales* (Sq.mtrs. in 2 mm)			
Sheet Glass	3748033	263938 12133583	868128
Low Iron Textured Glass	4404717	588695 503469	**32546
		852633	900674

* Net of Sales Tax, Returns, Rebate, Quantity Discounts and Claims (incl. Provisions)

** Of this 328823 Sq.mtrs sold for Rs 23354 thousands under trial period and considered in the working of trial period loss.

18. Foreign Currency Transactions	Rs.in thousands 2010-2011	Rs.in thousands 2009-2010
i. Value of Imports on CIF basis in respect of :		
a) Components & Spare Parts	27106	57
b) Packing Material	837	465
c) Raw Material	30528	41576
d) Glass Cullet	-	2734
e) Capital Items	7140	334322
ii. Expenditure in Foreign Currency (on payment basis):		
a) Travelling expenses	1053	Nil
b) Foreign Technician Fees	7839	Nil
c) <u>C.W.I.P. – Projects</u>		
Project items	-	4358
Travelling expenses	-	2320
Professional/Foreign technicians fees	-	34002
d) Interest on ECB	17059	9608
e) Others	-	23
f) Export claims (Provision, deducted from Sales)	58579	-
iii. Earnings in Foreign Exchange		
FOB Value of Exports (net of returns)	394984	25046
19. Quantitative details of raw materials which individually account for 10% or more of the total value of raw materials consumed:		

	2010-2011		2009-2010	
	Qty. M.T.	Value Rs.in thousands	Qty. M.T.	Value Rs.in thousands
Silica Sand	15773	11522	39835	26885
Quartz Sand	17976	78033	5181	20688
Soda Ash	8697	125043	12894	167521
Glass Cullet	1918	12634	11996	24217
Sodium Antimonate	127	25020		-
Others		41241		36358
Total		293493		275669
Less : Capitalised		0		29988
Less : Sold		6600		0
		286893		245681

20. Value of Imported and Indigenous Raw Material and Components consumed percentage of each to total consumption

	2010-2011		2009-2010	
	% age	Value Rs.in thousands	% age	Value Rs.in thousands
a. Raw Material				
Imported	8.22	24125	26.49	71405
Indigenous	91.78	269368	73.51	204264
	<u>100.00</u>	<u>293493</u>	<u>100.00</u>	<u>275669</u>
b. Stores Spares				
Imported	26.84	10257	2.42	282
Indigenous	73.16	27953	97.58	11398
	<u>100.00</u>	<u>38210</u>	<u>100.00</u>	<u>11680</u>

21. Details of investment in shares which have been acquired and sold during the year:

Sr no.	Name of Company	No of shares	Acquisition cost Rs.in thousands
1.	Coal India Ltd.	68369	16750

22. Remittance in Foreign Currency on account of Dividend

	2010-11	2009-10
i) Number of Non Resident Shareholders (On repatriation basis)	Nil	1
ii) Number of Equity Shares held by them	Nil	1,13,00,000
iii) Amount of Dividend Paid, Gross (Rupees) (Tax deducted at source Rs Nil)	Nil	28,25,000
iv) Year to which dividend relates	NA	2008-09

23. Previous years figures have been regrouped and rearranged wherever necessary.

Signature to Schedules 1 to 19

As per our report annexed
For SINGHI & COMPANY
Chartered Accountants

For and on behalf of Board of Directors

(Praveen Kr. Singhi)
Partner

B. L. Kheruka
Chairman

Mumbai :
Dated : 27th May, 2011

Arun Kumar
Company Secretary

Ashok Jain
Whole time Director & CFO

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**I. REGISTRATION DETAILS**

Registration No. : 11663 State Code : 04
Balance Sheet Date : 31st March, 2011

II. CAPITAL RAISED DURING THE YEAR

(Amount in Rs. Thousands)

Public Issue : NIL Rights Issue : NIL
Bonus Issue : NIL Private Placement : NIL

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS

(Amount in Rs. Thousands)

Total Liabilities : 1727296 Total Assets : 1727296

Source of Funds

Paid – up Capital : 341038 Reserves & Surplus : 257405
Secured Loans : 459733 Unsecured Loans : 658474
Deferred tax liability : 10646

Application of Funds

Net Fixed Assets : 1278910 Investments : 1
Net Current Assets : 448385 Misc. Expenditure : NIL

IV. PERFORMANCE OF COMPANY

(Amount in Rs. Thousands)

Turnover & Other Income : 834574 Total Expenditure : 1109679
Profit / (Loss) before Tax : (275105) Tax : 85953
Earning per Share in Rs. : (2.77) Dividend Rate % : 0

V. GENERIC NAME OF PRINCIPAL PRODUCT OF THE COMPANY

Item Code No.(ITC Code) : 70.03
Product Description : SOLAR GLASS ANNEALED
Item Code No.(ITC Code) : 70.03
Product Description : SOLAR GLASS TEMPERED
Item Code No.(ITC Code) : 70.04
Product Description : DRAWN SHEET GLASS

For and on behalf of the Board of Directors

B. L. Kheruka
Chairman

Mumbai
Dated : 27th May,2011

Arun Kumar
Company Secretary

Ashok Jain
Whole – time Director & CFO

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

	Rs in thousands For the year ended 31.03.2011	Rs in thousands For the year ended 31.03.2010
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax and extraordinary items	-194043	-7182
Adjustment for :		
Depreciation	132586	55493
Foreign Exchange		
Investments (Diminution in value)		
Interest received	-4109	-11237
Dividend received	0	-22
Profit on sale of Investments	-6038	-328
Miscellaneous Expenditure Written off		
Operating Profit before Working Capital Changes	-71604	36724
Adjustment for :		
Trade & other receivables (Excl ICD's)	-61378	-65951
Inventories	-73963	-90739
Trade Payables	-79012	145790
Cash Generated from Operations	-285957	25824
Direct taxes paid	-8949	-54
MAT Credit entitlement	0	0
Cash Flow before Extraordinary Items	-294906	25770
Extraordinary Items	0	0
Income/Exps relating to earlier years		
Previous Year Expenses		
Net Cash from Operating Activities	-294906	25770
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchases of Fixed Assets	-87080	-768122
Sale of Fixed Assets	373	482
Acquisitions of Companies		
Redemption/sale of investment	30008	10653
Increase(-)/decrease in Intercorporate deposits	49086	14672
Interest Received	4109	11237
Profit on sale of Investments	6038	328
Dividend Received	0	22
Net Cash used in Investing Activities	2534	-730728
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Share Capital		
Increase in reserves		
Proceeds from Long Term Borrowings (net)	-335503	672703
Proceeds from Unsecured loan	658474	0
Increase/(decrease) in Bank Borrowings	27484	47775
Dividend paid	0	-19950
Interest Paid	-81062	-6643
Net Cash from Financing Activities	269393	693885
Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)	-22979	-11073
Cash & Cash Equivalents as at 01.04.2010	32761	43834
(Opening balance)		
Cash & Cash Equivalents as at 31.03.2011	9782	32761
(Closing balance)		

Notes:

1. Previous year figures have been regrouped/rearranged wherever necessary.
2. Negative sign indicates cash outflow.
3. The above cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard (AS-3) on Cash Flow Statement.

As per our report annexed
for **SINGHI & COMPANY**
Chartered Accountants

(Praveen Kr. Singhi)
Partner

For and on behalf of the Board of Directors

B. L. Kheruka
Chairman

Mumbai.
Dated: 27th May, 2011

Arun Kumar
Company Secretary

Ashok Jain
Whole-time Director & CFO