

GUJARAT BOROSIL

GUJARAT BOROSIL LIMITED

TWENTY-FOURTH ANNUAL REPORT
2012-2013

BOARD OF DIRECTORS

B. L. Kheruka - Chairman
P. K. Kheruka - Vice Chairman
Shashi Mehra
Jagdish Joshi
Ashok Jain - Whole-time Director
Ashok Kumar Doda

COMPANY SECRETARY

Kishor Talreja

REGISTERED OFFICE & PLANT

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

CORPORATE OFFICE

1101, Crescenzo, G Block,
Opp. MCA Club, Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051.
☎: 022-67406300

AUDITORS

M/s. Singhi & Co.
Chartered Accountants

BANKERS

Bank of Baroda

REGISTRAR & TRANSFER AGENTS

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

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NOTICE

Notice is hereby given that the Twenty-Fourth 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 Saturday, the 10th August, 2013 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, 2013 and the Statement of Profit and Loss 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. Shashi Mehra, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Jagdish Joshi, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this meeting, until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

Place: Mumbai
Date : 20th May, 2013

By Order of the Board

Registered Office:

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

KISHOR TALREJA
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) Disclosure pursuant to Clause 49 of the Listing Agreement with respect to the Directors seeking appointment / re-appointment at the forthcoming Annual General Meeting are annexed hereto and forms part of this Notice.
- (3) The Register of Members and Share Transfer Books of the Company will remain closed from 03rd August, 2013 to 10th August, 2013 (both days inclusive).
- (4) Members are requested to furnish their updated Bank Account details, 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). If the shares are held in electronic form, then the said particulars should be furnished to their respective Depository Participants (DPs).
- (5) Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, dividends which remain unclaimed for a period of 7 years from the date of transfer to Unpaid Dividend Account are to be transferred to the 'Investor Education and Protection Fund' established by the Government. In terms of the provisions of Section 205C of the Companies Act, 1956, no claim shall lie against the Company or the said fund after the said transfer.

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

During the financial year 2013-14, the Company is required to transfer the unpaid/ unclaimed dividend for the financial year 2005-06 to Investor Education and Protection Fund (IEPF) on September 19, 2013.

The last date for claiming the unpaid dividend amount for the financial year 2005-06 is on or before August 20, 2013.

- (6) Corporate members intending to send their authorized representative to attend the meeting are requested to send to the Company a certified copy of the Board Resolution pursuant to Section 187 of the Companies Act, 1956 authorizing their representative to attend and vote on their behalf at the meeting
- (7) Members are advised to avail of nomination facility in respect of shares held by them. Nomination forms can be obtained from the Company's Share Transfer Agents.
- (8) The Ministry of Corporate Affairs ("MCA") has taken a 'Green Initiative in Corporate Governance', allowing paperless compliances by companies and has issued a circular to this effect on April 21, 2011 stating that the service of documents/notices by a company can be made through electronic mode.

We at GBL welcome this move from the Government and see this as a Golden opportunity not only for the Company but also for every shareholder of the Company to contribute its might to the greener environment. This will also help in prompt receiving of communications and reduce paper consumption.

The Notice of the Twenty-Fourth Annual General Meeting along with the Annual Report for the Corporate Financial Year 2013 is sent to all the Members whose e-mail id is registered with the Company. Such Members who wish to receive the Notice and the Annual Report copy in physical form may make a requisition at "investor.relations@gujaratborosil.com"

Members who have not registered their e-mail address so far are requested to register the same, by sending an email to "investor.relations@gujaratborosil.com" stating clearly their name & folio No., if shares are held in physical form and if the shares are held in dematerialized form, the e-mail address can be registered with their respective Depository Participants (DPs).

The Annual Report 2012-13 of the Company circulated to the members of the Company will be made available on the Company's website at www.gujaratborosil.com and also on the website of the stock exchange at www.bseindia.com.

- (9) The details of Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting (Pursuant to Clause 49 of the Listing Agreement) are furnished below:-

Name of Director	Mr. Shashi Mehra	Mr. Jagdish Joshi
Date of birth	December 19, 1952	February 23, 1944
Date of appointment	June 29, 2002	October 25, 2005
Qualifications	B.com., FCA	B.A. (Hons.)
Expertise in Functional areas	Vast experience in accounting, auditing & taxation	Mr. Jagdish Joshi, an I.A.S. Officer, retired as Additional Chief Secretary (Planning) Government of Maharashtra and has vast experience in administration as well as good knowledge of industry.
Directorship held in other Companies	NIL	NIL
Chairman/Member of the Committee of Board of other Public Limited Companies	NIL	NIL
Number of Shares held in the Company	NIL	NIL

Place : Mumbai
Date : 20th May, 2013

By Order of the Board

Registered Office:

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

KISHOR TALREJA
Company Secretary

DIRECTORS' REPORT

Dear Members,

The Directors present the Twenty-Fourth Annual Report with the audited statements of accounts of the Company for the financial year ended March 31, 2013.

Financial Highlights

The highlights of the financial results of the Company for the financial year 2012-13 are as follows:

	Year Ended 31.03.2013	Year Ended 31.03.2012
		(₹ in Lacs)
Net revenue from operations	9553.19	7909.50
Profit/(Loss) before interest, depreciation and tax	617.31	(575.34)
Interest	343.71	1155.41
Depreciation	1486.94	1390.10
Net Profit/(loss) before tax	(1213.34)	(3120.85)
Provision for Taxation	0.25	0.25
Income Tax for earlier years (net)	0	56.86
Provision for deferred tax liability /(Asset) created	(414.56)	(1066.04)
Profit/(loss) after tax	(799.03)	(2111.92)
Add: Balance brought forward from last year	(1621.72)	30.20
Add: Set off of loss from General Reserve	0	460.00
Balance carried to the Balance Sheet	(2420.75)	(1621.72)

DIVIDEND

Your Directors do not recommend any dividend for the year ended March 31, 2013 on both Equity and 9% Cumulative Non-Convertible Redeemable Preference Shares, in view of loss incurred during the year.

PERFORMANCE**Sheet Glass**

The furnace was cooled down on 28th July, 2010 and it was decided not to renew the same for making sheet glass.

The surplus workmen of the sheet glass plant had disputed the Company's decision to go for partial closure against which the Company had filed appeal before the Gujarat High Court. In the meanwhile, the said workmen have been absorbed in the Solar Glass operations and Company has since withdrawn the appeal. A settlement with the recognized Workers union has been signed in March 2013.

Solar Glass

The Solar glass market worldwide continues to remain sluggish since March 2011 and the prices of modules and components are very low. Consequently, the prices of solar glass also are low and there is overcapacity in international market. The company started focusing on the domestic market and is now

supplying to almost all the Indian consumers of solar glass. However the domestic market also remained uncertain after March 2012 and the company had to rethink its strategy. In September 2012 the Company introduced Patterned glass for Architectural applications and has gradually added new designs. The experience to produce patterned glass led to significant improvement on operations and even solar glass production could be increased substantially with economies in consumptions and costs.

One of the major international customer who had bought lot of glass until December 2011, but due to drop in prices and quality had held back payments, on the pretext of claims. Finally after examining all the claims and protracted negotiations through discussions, a settlement was drafted. However, the customer did not sign the settlement and offered delayed payment schedules and wanted to leave the settlement open ended which was not agreed to. Finally a case has been filed in Court at Netherlands for recovery. Provision has been made in accounts for 2011-12 for the amount agreed to be allowed as discounts/claims and the amount recoverable has been shown as doubtful in 2012-13.

DIRECTORS

As per the provisions of the Companies Act, 1956 and Articles of Association of the Company, Mr. Shashi Mehra and Mr. Jagdish Joshi, Directors of the Company retire by rotation and being eligible offer themselves for re-appointment.

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

MANAGEMENT DISCUSSION & ANALYSIS REPORT

A. INDUSTRY STRUCTURE AND DEVELOPMENTS

The Company is engaged in low iron solar glass production for application in solar power sector. Solar PV market internationally is facing tough times in view of recession in European countries. In India, Solar power is gaining momentum in view of policy push by the Government of India and is expected to grow.

In view of uncertain demand for solar glass the Company has started to produce Patterned glass for Architectural applications and the product has been well accepted in the market. The Company has plans to continue to serve this segment. In fact the Company is able to sell its Patterned glass at a premium over the competition owing to its superior quality.

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

B. OPPORTUNITIES & THREATS

OPPORTUNITIES

- The Company is the only producer of solar glass in the country and the product is well accepted. The Company is in a position to seize the growing opportunity in the sector in domestic market. The Company will constantly watch the situation and enhance its capability to cater to growing market.
- With Patterned glass in new designs it has added capacity to serve Architectural glass segment and this market is expected to keep growing.

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. Moreover banks are still hesitant to finance setting up of solar power farms as this industry is relatively new.

C. SEGMENTWISE OR PRODUCTWISE PERFORMANCE

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

D. OUTLOOK

The growth of solar energy in the Country is expected to accelerate which will require huge quantity of low iron glass. The solar energy produced will be more dependable by this non-conventional route and will reduce pressure on natural resources besides being non-polluting and environment friendly.

E. RISK AND CONCERNS

The Company is exposed to normal industry risk factors of competition, economic cycle and uncertainties in the international and domestic markets.

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

It is also necessary for commercial banks to extend finance for solar projects.

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

F. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has adequate Internal Control System commensurate with its size and nature of business. All transactions are properly authorized, recorded and reported to the management. 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 of the Board periodically.

G. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The working has resulted in a profit before interest and depreciation of ` 617.31 lacs (net of ` 91.65 lacs debited on account of amounts payable under wage settlement) during the year as against a loss of ` 575.34 lacs in the previous year. The working has improved in the second half of the year after starting production of Patterned glass and the Company expects better performance in 2013-14.

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

As stated the Company has reached settlement with the Workers' Union. The industrial relations continued to be cordial.

Number of people employed as on 31st March, 2013 were as under:

Staff	:	188
Workers	:	207 (Excluding contract labours)

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, 2013.

DEPOSITS

The Company has not accepted any deposits and as such, no amount of principal or interest was outstanding on the date of the Balance Sheet.

POLLUTION CONTROL

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

AUDITORS:**STATUTORY AUDITORS**

M/s. Singhi & Company, Chartered Accountants, Statutory Auditors of the Company (FRN 110283W) will retire at the ensuing Annual General Meeting and are eligible for re-appointment. M/s. Singhi & Company, Chartered Accountants, have confirmed that their re-appointment, if made, shall be within the limits of Section 224(1B) of the Companies Act, 1956.

The Board recommends their re-appointment as Statutory Auditors and to fix their remuneration.

COST AUDITORS AND COST AUDIT REPORT

Pursuant to section 233B (2) of the Companies Act, 1956, the Board of Directors on the recommendation of the Audit Committee appointed M/s. Kailash Sankhlecha & Associates, Cost Accountant, as the Cost Auditors of the Company for the Financial year 2013-14. M/s. Kailash Sankhlecha & Associates have confirmed that their appointment is within the limits of the Section 224 (1B) of the Companies Act, 1956 and have also certified that they are free from any disqualifications specified under section 233B(5) read with Section 224 sub section (3) and sub-section (4) of Section 226 of the Companies Act, 1956.

The Audit Committee has also received a Certificate from the Cost Auditor Certifying their independence and arm's length relationship with the Company. Pursuant to The Companies (Cost Audit Report) Rules, 2011, the Cost Audit Report for the financial year 2011-12 was filed on 28/02/2013 vide SRN No.S20426086 with the Ministry of Corporate Affairs.

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

PARTICULARS OF EMPLOYEES

Statement pursuant to Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are not applicable to the Company as there was no employee drawing remuneration to the extent mentioned therein.

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

Information pursuant to Section 217(1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given in the Annexure to the Directors' Report.

ACKNOWLEDGMENT

Your Directors would like to convey their deep appreciation for the co-operation received from employees, Company's bankers, Customers and Government Authorities 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 : 9th May, 2013

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 BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2013

FORM A

01.4.2012 to 01.4.2011 to
31.3.2013 31.3.2012

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

a. Purchased		
Unit (Kwh)-Gross	3696058	5422590
Less: Generated from Wind farm	-2314481	-2440106
	<hr/>	<hr/>
Net purchased power	1381577	2982484
Total Amount (` in lacs)	275.34	355.95
Rate/Unit	7.45	6.56
b. Own Generation		
i. Through Diesel Generator		
Unit (Kwh)	38080	728517
Kwh/Ltrs of Diesel Oil	1.79	2.83
Cost/Unit	28.41	15.37
ii Through Wind Turbine		
Unit	2314481	2440106
Cost/Unit	0.92	0.69
iii Through Gas Genset		
Unit	10895760	7651608
Cost/Unit	2.93	3.81
iv Through Gas Genset (Hired)		
Unit	1210932	Nil
Cost/Unit	2.64	Nil

2. Furnace Oil/LSHS

Quantity (KL)	Nil	Nil
Total Cost (` in lacs)	Nil	Nil
Average Rate/KL	Nil	Nil

3. Natural Gas/RLNG

Quantity (SCM)	11890427	9790535
Total Cost (` in lacs)	1081.34	827.17
Average Rate/SCM	9.09	8.45

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

Natural Gas/RLNG (SCM)	1.62	2.19
L.P.G. (Gms)	Nil	Nil
Furnace Oil/LSHS(Ltrs.)	Nil	Nil
Electricity (Kwh)	0.51	1.21
Electricity+ CPP (Kwh)	1.99	2.92

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. 42 & 44 to the Financial Statements for the year ended 31st March, 2013.

For and on behalf of the Board of Directors

Place : Mumbai
Date : 9th May, 2013

B. L. Kheruka
Chairman

Corporate Governance Report
(As per by Clause 49 of the Listing Agreement of the Stock Exchange)

Company's Philosophy on Corporate Governance:

Your Company believes that good Corporate Governance primarily concerns transparency, full disclosure of material facts, independence of Board and compliance with the applicable laws and regulations. The Company is committed to the adoption of good Corporate Governance practices 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.

I. Board of Directors

(A) Composition:

As on 31st March, 2013, 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. The NEDs are paid remuneration by way of sitting fees for each meeting of the Board and its Committees attended by them.

(C) Board and Committee Meetings etc.

(i) Number of Board Meetings:

The Board met four times on the following dates during the financial year 2012-2013:
24th May, 2012, 10th August, 2012, 12th November, 2012 and 9th February, 2013.

Composition of our Board and the number of Directorships held by each Director:

Name	Category	No. of Board Meetings Attended	Attendance at Last AGM held on 14/08/12	No. of Directorships held in other Indian Public Limited Companies	No. of Committee Positions held in other Indian Public Limited Companies*	
					Chairman	Member
Mr. B.L. Kheruka	Chairman Non-Executive	4	Yes	5	–	1
Mr. P.K.Kheruka	Vice Chairman Non-Executive	3	Yes	5	–	2
Mr. Shashi Mehra	Independent Non-Executive	4	Yes	–	–	–
Mr. Jagdish Joshi	Independent Non-Executive	4	Yes	–	–	–
Mr. Ashok Jain	Whole-time Director Executive	4	Yes	1	–	1
Mr. Ashok Kumar Doda	Independent Non-Executive	4	Yes	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.
- (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 attached and forms part of the Annual Report.

(E) Prevention of Insider Trading

As per SEBI (Prevention of Insider Trading) Regulation, 1992, the Company has adopted a Code of conduct for Prevention of Insider Trading. All Directors, employees at senior management level and other employees who could have access to the unpublished price sensitive information of the Company are governed by this Code. During the year under review, there has been due compliance with the said Code.

II. Audit Committee

(A) Composition, name of members and chairperson:

Your Company has an Audit Committee at the Board level, which acts as a link between the Management, the Statutory and Internal Auditors and the Board of Directors and it oversees the financial reporting process.

The Audit Committee of the Company as on 31st March, 2013 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 four times during the financial year ended on 31st March, 2013 on the following dates:

24th May, 2012, 10th August, 2012, 12th November, 2012 and 9th February, 2013.

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

(C) Role and Terms of reference of Audit Committee:

1. To review the quarterly financial results of the Company before submission to the Board.
2. Recommending to the Board, the appointment, re-appointment, replacement or removal of the Statutory Auditor, Internal Auditor and Cost Auditor and the fixation of audit fees/remuneration.
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) To look into matters pertaining to the Directors' Responsibility Statement with respect to compliance with Accounting Standards and accounting entries.
 - b) Major accounting entries and reviewing changes, if any, in accounting policies and practices.
 - c) Significant adjustments made in the financial statements arising out of audit findings.
 - d) Compliance with listing and other legal requirements relating to financial statements.
 - e) Disclosure of any related party transactions.
 - f) Qualifications in the draft audit report.
5. Review of the statement of uses / application of funds raised through an issue and to make sure the funds utilized are as per objects stated for the said Issue.
6. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal audit function and internal control systems.
7. Discussion with internal auditors any significant findings and follow up there on.
8. 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.
9. Approval of appointment of CFO after assessing the qualifications, experience & background, etc. of the candidate.
10. To investigate and obtain Expert advice on any activity within its terms of reference.
11. To look into substantial defaults, if any.
12. Such other functions as may be decided by the Board of Directors from time to time.

It may be clarified that the power, role and review 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

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) Proceeds from Preferential issue

The Company had made an issue of 90,00,000 - 9% Cumulative Non-Convertible Redeemable Preference Shares of ₹100/- each at par, through private placement in the previous year and all related Compliances were made.

(E) Remuneration of Directors

The Board of Directors has constituted a Remuneration Committee. No meeting was held during the year under review.

Composition of Committee:

Mr. Jagdish Joshi - Chairman

Mr. Shashi Mehra

Mr. Ashok Kumar Doda

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 2012-2013
	Sitting fees for attending Meetings of Board and/or Committee thereof Gross Amount (in ₹)
(A) Mr. B.L. Kheruka	70,000/-
Mr. P.K. Kheruka	90,000/-
Mr. Shashi Mehra	80,000/-
Mr. Jagdish Joshi	1,10,000/-
Mr. Ashok Doda	40,000/-
Sub Total	3,90,000/-
(B) Mr. Ashok Jain (Whole-time Director)	
Salary	22,20,000/-
Perquisites	11,45,000/-
Contribution to P.F	2,66,400/-
Sub Total	36,31,400/-
Total	40,21,400/-

Notes:

- i. The Company does not pay bonus, pension or any incentive to the Whole-time Director.
- ii. For termination of employment, the Company, Whole-time Director are required to give a notice of 3 months or salary of three months in lieu thereof.
- iii. The Company has so far not issued any stock option to the 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

A 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 10th August, 2013 being sent along-with 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 three times during the financial year ended on 31st March, 2013 on the following dates:

30th April, 2012 , 01st October, 2012 and 13th February, 2013

All the members were present in three meetings.

All share transfer applications received upto 31st March, 2013 have been processed in time.

During the year ended on 31st March, 2013, the Company received 12 complaints and 102 other correspondence from the shareholders/investors, which were suitably resolved or replied.

Compliance Officer: Mr. Kishor Talreja
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.

(H) Non-compliance /strictures/penalties imposed

No non-compliance / strictures / penalties have been imposed on the Company by Stock Exchange(s) or the SEBI or any statutory authority on any matters related to capital markets during the last three years.

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 yet looking out for a new CEO.

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
2011-2012	Regd. Office – Village- Govali, Taluka- Jhagadia, Dist. Bharuch 393 001, Gujarat	AGM	14 th August, 2012	Tuesday	10.00 a.m.	Nil
2011-2012	-do-	EGM	12 th March, 2012	Monday	10.00 a.m.	2
2010-2011	-do-	AGM	23 rd August, 2011	Tuesday	10.00 a.m.	2
2009-2010	-do-	AGM	26 th July, 2010	Monday	10.00 a.m.	Nil

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

IX. Means of communications

The quarterly and half yearly unaudited financial results were published in Business Standard in English and Jansatta Loksatta 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	:	10 th August, 2013 at 10.00 a.m
Venue	:	Regd. Office at Village – Govali, Taluka – Jhagadia, District – Bharuch – 393 001, Gujarat.
Financial Year	:	1 st April to 31 st March
Financial Calendar	:	Year ending - March 31, 2014

Quarterly Results : First quarter - 2nd week of August, 2013
 Second quarter - 2nd week of November, 2013
 Third quarter - 2nd week of February, 2014
 Fourth quarter & Annual - 4th week of May, 2014

Date of book closure : 03rd August, 2013 to 10th August, 2013(both days inclusive)

Listing on Stock Exchange & Stock Code : BSE Limited – 523768

Note: Annual Listing fee for the year 2013-14 has been paid to Bombay Stock Exchange Ltd.

Demat ISIN in NSDL and CDSL : INE059C01022
 Corporate Identity Number (CIN) : L26100GJ1988PLC011663

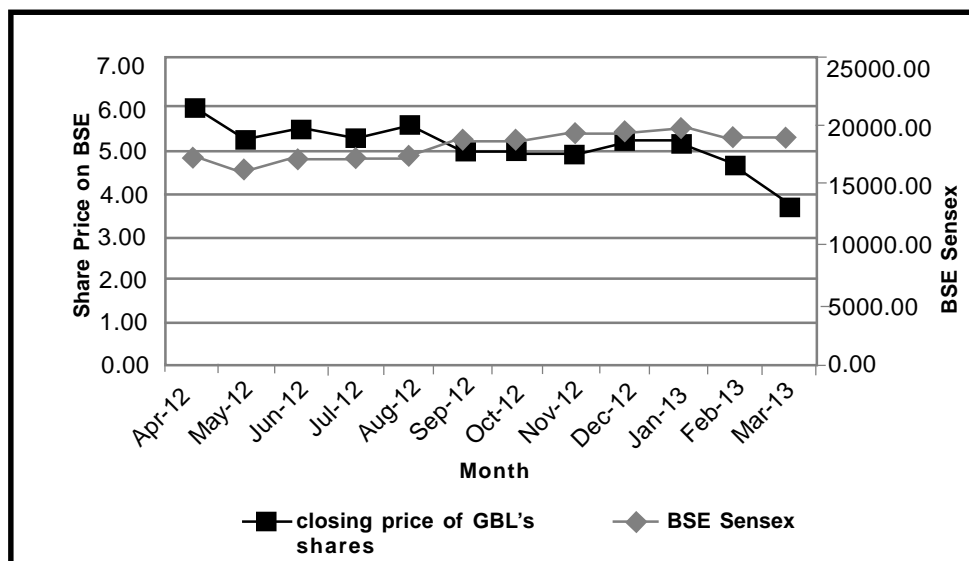
Market price data

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

Month	Highest (₹)	Lowest (₹)	Volume of shares traded
April, 2012	6.70	5.85	44074
May, 2012	6.98	4.88	58096
June, 2012	6.36	4.90	40580
July, 2012	6.64	4.94	83048
August, 2012	5.77	4.86	57551
September, 2012	6.11	4.86	108902
October, 2012	5.60	4.85	133813
November, 2012	5.77	4.21	122909
December, 2012	6.00	4.82	97924
January, 2013	5.93	4.25	154440
February, 2013	5.43	4.25	44882
March, 2013	5.51	3.36	112391

The paid up value of equity shares of the Company is ₹ 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.

Unit: Gujarat Borosil Ltd.
21, Shakil Niwas
Mahakali Caves Road
Andheri (East), Mumbai - 400 093.

The transfers are normally processed within 10-15 days from the date of receipt if the documents are complete in all respects.

Distribution of shareholding as at 31st March, 2013

No. of equity shares held	No. of Shareholders		Shares	
	Nos.	Percentage	Nos.	Percentage
Upto 500	45212	93.49	6260262	9.18
501 to 1000	1720	3.56	1507867	2.21
1001 to 2000	716	1.48	1154835	1.69
2001 to 3000	271	0.56	695970	1.02
3001 to 4000	98	0.20	353476	0.52
4001 to 5000	111	0.23	530337	0.78
5001 to 10000	127	0.26	965376	1.41
10001 & above	104	0.22	56739377	83.19
Total	48359	100.00	68207500	100.00

Categories of shareholders

	As on 31 st March, 2013		
	No. of folios	No. of shares	Percentage
- Resident Individuals	48044	14192351	20.81
- 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	49300	0.07
- Private Corporate Bodies	234	2700077	3.96
- Non Resident Individuals	52	72610	0.11
- Others (Shares in transit)	22	70786	0.10
Total	48359	68207500	100.00

Dematerialisation of shares and liquidity

As on 31st March, 2013, 6,35,85,551 equity shares representing 93.22% of the Company's total paid-up equity capital had been dematerialized and the balance 46,21,949 equity shares representing 6.78% of the total equity capital of the Company were held in physical form. The Company's shares are regularly traded on BSE Limited.

The Company issued 90,00,000 preference shares during the previous year on private placement basis, which are not listed on any Stock Exchange and are held in physical form.

Plant Location

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

Address for correspondence

Shareholders correspondence may be addressed either to the Corporate Office at 1101, Crescenzo, G Block, Opp. MCA Club, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051.

or at the office of Registrar and Transfer agents of the Company – Universal Capital Securities 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/Corporate Office but he is not entitled to reimbursement of other expenses except some telephone bills.

No maximum tenure for Independent Directors has been specifically determined.

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

As the quarterly and half yearly financial performance are published in the news papers and are also posted on the Companies website, the same are not being sent to the shareholders.

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

The Company is committed to provide an open, honest and transparent working environment and seeks to eliminate fraudulent activities in its operations. Though, the Company has not adopted Whistle Blower Policy, the Company follows an open door policy wherein all the employees are free to express their feedback, suggestions and/or complaints.

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, 2013.

For Gujarat Borosil Limited

Place: Mumbai
Date : 9th May, 2013

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,

GUJARAT BOROSIL LIMITED

We have examined the compliance of conditions of Corporate Governance by GUJARAT BOROSIL LIMITED ('the company'), for the year ended on 31st March, 2013, as stipulated in Clause 49 of the Listing Agreement of the said company with stock exchange.

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

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

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.

FOR SINGHI & COMPANY
Chartered Accountants
FRN 110283W

9TH FLOOR, TWIN TOWER,
LOKHANDWALA COMPLEX
ANDHERI(W), MUMBAI-400053

PRAVEEN KUMAR SINGHI
Partner
Membership No. 051471

Date : 9th May, 2013

AUDITORS' REPORT**To the Shareholders of
GUJRAT BOROSIL LIMITED
Report on the financial statement**

We have audited the accompanying financial statements of **GUJRAT BOROSIL LIMITED**, which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for financial statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the Profit and Loss Account, of the loss for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, 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 purpose of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

- c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- e. On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

9TH FLOOR, TWIN TOWER,
LOKHANDWALA COMPLEX
ANDHERI(W), MUMBAI-400053
MAHARASHTRA,INDIA

Dated : 9th May, 2013

For SINGHI & CO.
Chartered Accountants
FRN: 110283W

PRAVEEN KUMAR SINGHI
Partner
Membership No. : 051471

THE ANNEXURE REFERRED TO IN PARAGRAPH 1 OF THE OUR REPORT OF EVEN DATE TO THE MEMBERS OF GUJARAT BOROSIL LIMITED ('THE COMPANY') ON THE ACCOUNTS OF THE COMPANY FOR THE YEAR ENDED 31ST MARCH, 2013

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
(b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
(c) In our opinion and according to the information and explanations given to us, no fixed asset has been disposed during the year and therefore does not affect the going concern assumption.
2. (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.
(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
(c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
3. (a) The company has granted unsecured loans to one company in earlier year covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was ` 10263 (In thousands) [P.Y. ` 9167(In thousands)] and the year ended Balance of Loan granted to such Companies was ` 3328 (In thousands) [P.Y. ` 9167(In thousands)].
(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/ICD has been extended by three years, in previous year and no loan other than aforesaid has been granted to company covered in register maintained under section 301 of the Companies Act, 1956.
(d) The company has taken loan from one party listed in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year in such transaction is ` 137784 (In thousands). [P.Y. ` 955296 (In thousands)] and the year end balance of loan taken from such companies was ` 116082(In thousands) [P.Y. ` 58705(In thousands)]

- (e) In our opinion and according to the information & explanation given to us, the rate of interest and other terms and conditions on which loans have been taken from companies listed in the register maintained under Section 301 of the Companies Act, 1956 are not prima facie prejudicial to the interest of the company.
4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
5. (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that Section.
- (b) As per information & explanations given to us and in our opinion, the transactions, contract & arrangement entered into by the company with parties covered u/s 301 of the Companies Act, 1956 exceeds five lacs rupees in respect of any party, in a financial year have been made at prices/rate which are reasonable having regard to prevailing market price/rate at the relevant time.
6. The Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956.
7. As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.
8. As per information & explanation given by the management, maintenance of cost records has been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act and we are of the opinion that prima facie the prescribed accounts and records are being maintained.
9. (a) According to the information and explanation 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 including Provident Fund, Investor Education and Protection Fund, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any 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, wealth tax, service tax, sales tax, customs duty, excise duty and cess were outstanding for the period of more than 6 month from the date they become payable as at 31st March 2013.
- (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 dispute are pending are as given below:-

Name of the Status	Nature of Dues	Amount (₹ In Thousands)	Period to which amount Relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty (Including Interest & Penalty)	Against the Demand of ₹ 125,214 paid under protest ₹ 58,933	Feb. 99 to June 2005	SUPREME COURT OF INDIA
Central Excise Act, 1944	Excise Duty (Including Interest & Penalty)	Against demand of ₹ 65087 (L.Y. 65087)	July 2005 to June, 2006	Commissioner Central Excise & Custom Surat-II (matter Remand back by CESTAT)

Name of the Status	Nature of Dues	Amount (` In Thousands)	Period to which amount Relates	Forum where dispute is pending
Gujarat Sales Tax Act	Sales Tax (Including Interest & Penalty)	` 55084	2000-01, 2002-03 and 2004-2005	Joint Commissioner of Commercial Tax, Vadodara
Income Tax Act, 1961	Disallowance made for ` 5387	` 1831	Asst. Year 2010-11	CIT(A) Baroda
The Service Tax under the finance act, 1994	Service tax (including interest & penalty)	Against the demand of ` 660 Paid ` 365	2008-2009	Commissioner (Appeals), Surat-II

10. The Company has accumulated losses at the end of financial year which is not more than fifty percent of its Net Worth and has not incurred cash loss during the financial year covered by our audit. In the immediately preceding financial year the company has suffered cash loss.
11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution or bank.
12. According to the information and explanations 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. The Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
14. According to information and explanations given to us, the Company is not trading in Shares, Mutual funds & other Investments. However the company has made investment in mutual fund during the year of the surplus funds for short duration. Proper records and timely entries have been maintained in this regard & further investments specified are held in their own name.
15. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution
16. Based on our audit procedures and on the information given by the management, we report that the company has not raised any term loans during the year.
17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2013, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
18. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares during the year.
19. The Company has not issued any debentures.
20. The Company has not raised any money by public issue during the year.
21. Based on the audit procedures performed and the information and explanations given to us, we report that no material fraud on or by the Company has been noticed or reported during the course of our audit year, nor have we been informed of such case by the management.

9TH FLOOR, TWIN TOWER,
LOKHANDWALA COMPLEX
ANDHERI(W), MUMBAI-400053
MAHARASHTRA, INDIA

Dated: 9th May, 2013

For SINGHI & CO
Chartered Accountants
FRN: 110283W

PRAVEEN KUMAR SINGHI
Partner
Membership No. : 051471

BALANCE SHEET AS AT 31ST MARCH, 2013

	Notes	₹ In Thousands As At 31 st March, 2013	₹ In Thousands As At 31 st March, 2012
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	1241038	1241038
Reserves & Surplus	2	-33460	46443
		1207578	1287481
Non Current Liabilities			
Long Term Borrowings	3	457127	432303
Long Term Provisions	5	2261	1856
		459388	434159
Current Liabilities			
Short Term Borrowings	6	109515	33439
Trade Payables	7	159627	116243
Other Current Liabilities	8	46466	37987
Short Term Provisions	9	6110	3503
		321718	191172
		1988684	1912812
ASSETS			
Non Current Assets			
Fixed Assets	10	1260889	1205964
Tangible Assets		1227771	1191487
Intangible Assets		1260	1663
Capital Work in Progress		31858	12814
Intangible Assets Under Development		Nil	Nil
Non Current Investments - Long Term	11	243	231
Deferred Tax Assets (Net)	4	137414	95958
Long Term Loans & Advances	12	86556	132250
Other Non Current Assets		Nil	Nil
		1485102	1434403
Current Assets			
Current Investments -Short Term	13	30233	Nil
Inventories	14	233452	218934
Trade Receivables	15	171392	156817
Cash & Bank Balance	16	9224	10558
Short Term Loans & Advances	17	30158	49367
Other Current Assets	18	29123	42733
		503582	478409
		1988684	1912812
Significant Accounting Policies			
Notes on Financial Statements	1 to 45		

As per our report annexed
For Singhi & Company
Chartered Accountants

For and on behalf of the Board of Directors

(Praveen Kr. Singhi)
Partner

B. L. Kheruka
Chairman

Mumbai.
Dated: 9th May, 2013

Kishor Talreja
Company Secretary

Ashok Jain
Whole-time Director & CFO

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2013

	Notes	₹ In Thousands For The Year ended 31 ST March, 2013	₹ In Thousands For The Year ended 31 ST March, 2012
INCOME			
Revenue from Operations	19	955319	790950
Other Income	20	13159	18786
Total Revenues		968478	809736
EXPENDITURE			
Cost of Materials Consumed	21	258016	227026
Purchase of Stock in Trade		Nil	Nil
Changes in Inventories of Finished Goods, WIP & Stock in Trade	22	5982	10094
Employee Benefits Expenses	23	141626	115699
Finance Cost	24	34371	115541
Depreciation & Amortisation Expense		148694	139010
Selling & Distribution Expenses	25	135473	176163
Other Expenses	26	365650	338288
		1089812	1121821
Profit / (Loss) Before Exceptional and Extraordinary Items and Tax		-121334	-312085
Exceptional Items		Nil	Nil
Profit / (Loss) Before Extraordinary Items and Tax		-121334	-312085
Extraordinary Items		Nil	Nil
Profit / (Loss) Before Tax		-121334	-312085
Tax Expense			
Short/ (Excess) provision for taxation - earlier years(Net)		Nil	5686
Wealth tax		25	25
Deferred Tax		-41456	-106604
Profit / (Loss) For the Year from Continuing Operations		-79903	-211192
Profit / (Loss) For the Year from Discontinuing Operations		Nil	Nil
Profit / (Loss) for the Year		-79903	-211192
Basic Earning per share - Refer Note No. 38		-2.36	-3.14
Diluted Earning per share - Refer Note No. 38		-2.36	-3.14

Significant Accounting Policies
Notes on Financial Statements 1 to 45

As per our report annexed
For Singhi & Company
Chartered Accountants

For and on behalf of the Board of Directors

(Praveen Kr. Singhi)
Partner

B. L. Kheruka
Chairman

Mumbai.
Dated: 9th May, 2013

Kishor Talreja
Company Secretary

Ashok Jain
Whole-time Director & CFO

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

	` In thousands For the year ended 31.03.2013	` In thousands For the year ended 31.03.2012
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before tax and extraordinary items	(86,963)	(196,544)
Adjustment for :		
Depreciation	148,694	139,010
Foreign Exchange		
Investments (Diminution in value)		
Interest received	(1,756)	(2,256)
Dividend received		
Profit on sale of Investments		
Miscellaneous Expenditure Written off		
Operating Profit/(Loss) before Working Capital Changes	59,975	(59,790)
Adjustment for :		
Trade & other receivables (Excl ICD's)	63,938	(5,180)
Inventories	(14,518)	19,991
Trade Payables	54,875	(12,010)
Cash Generated from Operations	164,270	(56,989)
Direct taxes paid	(25)	(5,716)
Cash Flow before Extraordinary Items	164,245	(62,705)
Extraordinary Items		
Income / Exps relating to earlier years		
Previous Year Expenses		
Net Cash from Operating Activities	164,245	(62,705)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchases of Fixed Assets	(205,665)	(71,128)
Sale of Fixed Assets	2,046	359
Acquisitions of Companies		
Purchase of Investments	(30,245)	0
Increase(-)/decrease in Intercompany deposits		
Sale of Investment		
Interest Received	1,756	2,256
Profit on sale of Investments		
Dividend Received		
Net Cash used in Investing Activities	(232,108)	(68,513)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Share Capital	0	900,000
Increase in reserves		
Proceeds from Long Term Borrowings (net)	56,189	48,450
Proceeds from Unsecured loan	57,377	
Repayment of Unsecured Loan		(599,769)
Increase/(decrease) in Bank Borrowings	(12,666)	(101,146)
Dividend paid		
Interest Paid	(34,371)	(115,541)
Net Cash from Financing Activities	66,529	131,994
Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)	(1,334)	776
Cash & Cash Equivalents as at 01.04.2012 (Opening balance)	10,558	9,782
Cash & Cash Equivalents as at 31.03.2013 (Closing balance)	9,224	10,558

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

For and on behalf of the Board of Directors

(Praveen Kr. Singhi)
Partner

B. L. Kheruka
Chairman

Mumbai
Dated : 9th May, 2013

Kishor Talreja
Company Secretary

Ashok Jain
Whole-time Director & CFO

SIGNIFICANT ACCOUNTING POLICIES

1. Fixed Assets are recorded at cost of acquisition (Net of Cenvat) inclusive of related expenses thereon towards putting the assets in to use.
2. (i) Foreign currency transactions are recorded at the exchange rate prevailing on the date of transaction.
(ii) All monetary foreign currency assets/liabilities are translated at the rates prevailing on the date of balance sheet.
(iii) The exchange difference between the rates prevailing on the date of transaction and on the date of settlement as also on translation of monetary items at the end of the year (other than those relating to long term foreign currency monetary items) is recognized as income or expense, as the case may be.
(iv) Exchange Rate differences relating to long term foreign currency monetary items, to the extent they are used for financing the acquisition of fixed assets are added to or subtracted from the cost of such fixed assets and amortized over the residual life of the respective fixed assets.
3. a) 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.
b) Depreciation on rollers for the patterned glass production has been charged at SLM rate over useful running life.
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. (A) **Inventories: are valued as under**
 - Raw Materials - At Cost or net realisable value whichever is lower.
 - Own Cullet - At Cost or net realisable value whichever is lower.
 - Stores and Spare Parts - At Cost or net realisable value whichever is lower.
 - Work in Progress - At Cost or net realisable value whichever is lower.
 - Finished Goods - At Cost or net realisable value whichever is lower.
 - Traded Goods - At Cost or net realisable value whichever is lower.(B) **Cost Formula Used :** -Weighted average or specific identification as applicable.
Due allowance is estimated and made for defective and Obsolete items wherever necessary.
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. (i) Sales are net of Sales tax, return and quantity discounts .
(ii) Sale of Goods is recognized when significant risks and rewards of ownership have passed to the buyer.
9. Cenvat on Raw Materials / Stores is credited to respective purchase account on accrual basis. Accordingly, inventory is valued at net of Cenvat 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. Projected Unit Credit Method used as Stipulated in AS-15 (Revised 2005) to determine the plan Liability as on Valuation date and current Service Cost.
11. Interest and other costs in connection with the borrowing of the funds to the extent related / attributed 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.

Notes on Financial Statements for the year ended 31st March, 2013

	` In Thousands As At 31 st March, 2013	` In Thousands As At 31 st March, 2012
1: Share Capital		
A) Authorised Share Capital		
Equity Share Capital		
9,20,00,000 Equity shares of ` 5/-each *	460000	460000
Unclassified Share Capital	40000	40000
	500000	500000
Preference Share Capital		
90,00,000 - 9% Cumulative Non Convertible Redeemable Preference Shares of ` 100/- each	900000	900000
Total Authorised Share Capital	1400000	1400000
B) Issued, Subscribed & Fully Paid Up Share Capital		
Equity Share Capital		
6,82,07,500 Equity shares of ` 5/- each * (Previous year same)	341038	341038
Preference Share Capital		
90,00,000 - 9% Cumulative Non Convertible ** Redeemable Preference Shares of ` 100/- each (Previous year same)	900000	900000
	1241038	1241038

* Face value reduced From ` 10/- to ` 5/- per share as per approval of shareholders in the EGM held on 14th February, 2003.

** The preference shares has the priority in case of payment of dividend and in case of winding up that of repayment of Capital and arrears of dividend.

Voting Rights attached to these shares are as per provisions of Sec. 87 of the Companies Act, 1956.

These shares are redeemable not later than 7 years from the date of issue i.e 17th March, 2012 but the Company has option to redeem it any time by giving two months notice in writing.

Shareholders holding More Than 5% Of Equity Shares	%	No. of Shares	%	No. of Shares
1 Fennel Investment & Finance Pvt. Ltd.	33.13	22600000	33.13	22600000
2 Borosil Glass Workd Limited	25.25	17222376	25.25	17222376
3 Broadfield Holdings Limited	16.57	11300000	16.57	11300000
	74.95	51122376	74.95	51122376
Shareholders holding More Than 5% of Preference Shares	%	No. of Shares Held	%	No. of Shares Held
1 Borosil Glass Works Limited	100.00	9000000	100.00	9000000

` in Thousands
As at
31st March, 2013

` in Thousands
As at
31st March, 2012

C) Reconciliation of the No of shares outstanding and the amount of share capital as at March 31, 2013 and March 31, 2012

Particulars	31.03.2013		31.03.2012	
	No of shares	Amount	No of shares	Amount
Equity Shares				
Number of shares at the beginning	68,207,500	341,038	68,207,500	341,038
Add : Shares Issued during the Year	Nil	Nil	Nil	Nil
Number of shares at the end	68,207,500	341,038	68,207,500	341,038
Preference Shares				
Number of shares at the beginning	9,000,000	900,000	Nil	Nil
Add : Shares Issued during the Year	Nil	Nil	9,000,000	900,000
Number of shares at the end	9,000,000	900,000	9,000,000	900,000

**2: Reserves & Surplus
Capital Reserve**

Credited on forfeiture of shares - unpaid allotment money
As Per Last Balance Sheet

473

473

Capital Reserve

As Per Last Balance Sheet

2730

2500

Add: Amount transferred during the year

NIL

230

Closing Balance

2730

2730

Securities Premium Reserve

As Per Last Balance Sheet

5771

5771

General Reserve

As Per Last Balance Sheet

NIL

46000

Less: Amount Withdrawn during the year

NIL

46000

Closing Balance

NIL

NIL

Surplus Arising On Giving Effect to BIFR Order

As Per Last Balance Sheet

199641

199641

Surplus - Balance in Statement of Profit & Loss

As Per Last Balance Sheet

-162172

3020

Amount transferred during the year from

General Reserve

NIL

46000

Profit / (Loss) for the Year

-79903

-211192

-242075

-162172

-33460

46443

	` In Thousands As At 31 st March, 2013	` In Thousands As At 31 st March, 2012
3: Long Term Borrowings		
Secured		
Term Loans		
From Banks		
Foreign Currency Term Loan - ECB	341045	373598
Loan from Related Parties		
Unsecured Loans		
Inter Corporate Deposits	116082	58705
	<u>457127</u>	<u>432303</u>
Note :		
1. Foreign Currency Term Loan - ECB from Bank is 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 banker for working capital facilities. The same is further secured by personal guarantee of two directors.		
2. Repayment of Foreign Currency Term Loan - ECB due within one year is ` 55949 Thousands shown under short term borrowings.		
3. Foreign Currency Term Loan - ECB is repayable in 10 half yearly structured instalments commencing from October 2012		
4: Deferred Tax Assets (Net)		
Deferred Tax Assets (Net) comprises of timing difference on account of :		
i) Assets		
Disallowance U/s. 35 DDA of Income Tax Act, 1961	904	797
Disallowance U/s. 43(B) of Income Tax Act, 1961	7400	3286
Unabsorbed Depreciation	424201	392449
	<u>432505</u>	<u>396532</u>
ii) Liabilities		
Depreciation	271551	278049
Allowance U/s. 35 DDA on Payment Basis	471	319
Allowance U/s. 43(B) on Payment Basis	23069	22206
Total	<u>295091</u>	<u>300574</u>
iii) Net Asset (i) - (ii)	<u>137414</u>	<u>95958</u>
5: Long Term Provisions		
Provision for Gratuity	Nil	Nil
Provision for Leave Encashment	2261	1856
	<u>2261</u>	<u>1856</u>

	` In Thousands As At 31 st March, 2013	` In Thousands As At 31 st March, 2012
6: Short Term Borrowings		
Loans Repayable on Demand		
Loans and Advances from Related Parties		
Unsecured Loans		
Inter Corporate Deposits	Nil	Nil
Other Loans & Advances		
Secured		
From Banks		
Foreign Currency Term Loan - ECB	55949	12052
Buyer's Credit on capital equipment	44845	Nil
Working Capital Facility	8721	21387
	<u>109515</u>	<u>33439</u>
Note :		
1. Foreign Currency Term Loan - ECB from Bank is 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 banker for working capital facilities. The same is further secured by personal guarantee of two directors.		
2. Buyers credit is taken from Indusind bank and is secured by securities pledged by Borosil Glass Works Ltd.		
3. Working Capital Facility from Bank 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.		
7: Trade Payables		
Sundry Creditors- Micro, Small and Medium Enterprises	68	108
-Others	159559	116135
	<u>159627</u>	<u>116243</u>
8: Other Current Liabilities		
Creditors for Project supplies/expenses	15653	7559
Excise duty on Uncleared Stock	7148	1323
Other liabilities	1740	369
Liability Towards Employees	5635	5048
Statutory Liabilities	3582	8497
Retention Money on Project	525	351
Unpaid Dividend *	4078	5173
Interest accrued but not due on Loans	3765	3839
Advances from Customers	4340	5828
	<u>46466</u>	<u>37987</u>

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

	In Thousands As At 31 st March, 2013	In Thousands As At 31 st March, 2012
9: Short Term Provisions		
i) For Employee Benefit		
For Gratuity	5733	3052
For Leave Encashment	352	426
ii) For Others		
For Income tax	32078	32078
Less: Advance tax / TDS	32078	32078
For Wealth tax	25	25
	6110	3503

PARTICULARS	<----- GROSS BLOCK ----->				<----- DEPRECIATION ----->				<-- NET BLOCK -->	
	Gross Block	Addition	Deduction	Gross Block	Dep Fund	Provided	Dep Fund of	Total	Net Block	Net Block
	As At 01.04.2012	during the year	during the year	As At 31.03.2013	As At 01.04.2012	for the Year	Adjustments /Sales	upto 31.03.2013	As At 31.03.2013	As At 31.03.2012
(i) Tangible Assets										
Land (Free hold) & Site Development	11458	355	0	11813	0	0	0	0	11813	11458
Building	202808	643	0	203451	49287	5810	0	55097	148354	153521
Plant & Machinery	1928907	183338	7077	2105168	911073	140676	6751	1044998	1060170	1017834
Furniture, Fixtures & Fittings	8454	71	0	8525	7830	38	0	7868	657	624
Motor Vehicles	12830	1889	3706	11013	6709	1451	2026	6134	4879	6121
Computers	13039	325	40	13324	11110	316	0	11426	1898	1929
Total	2177486	186621	10823	2353294	996009	148291	877	1125523	1227771	1191487
(ii) Intangible Assets										
Computer system software	7990	0	0	7990	6327	403	0	6730	1260	1663
Total	7990	0	0	7990	6327	403	0	6730	1260	1663
(iii) Capital work in progress	12814	19120	76	31858					31858	12814
(iv) Total (i) to (iii)	2196300	205741	10899	2393142	992336	148694	877	1132253	1260889	1205964
Previous Year	2129556	142424	73680	2198300	855351	139010	2025	992336	1205964	1274205

Note 1: Capital Work in Progress includes Capital goods inventory of ₹ 14835 thousands (Previous year ₹ 353 thousands).

	` In Thousands As At 31 st March, 2013	` In Thousands As At 31 st March, 2012
11: Non Current Investments - Long Term		
Investment in Associate		
Capital Account in Swapan Properties LLP (Formerly Swapan Properties Pvt. Ltd) Nature of Investment - Partnership Share in Profit /(Loss) - 46%	243	231
	<u>243</u>	<u>231</u>
Partners in Swapan Properties LLP (% share of Profit/Loss):		
1 Mrs Kiran Kheruka (23%)		
2 Mrs Rekha Kheruka (23%)		
3 Gujarat Borosil Limited (46%)		
4 Cyclamen Trading Pvt Ltd. (4%)		
5 Borosil Holdings Ltd. (4%)		
Total Capital of LLP firm is ` 527 thousands and General Reserve ` 483 thousands as on 31 st March, 2013.		
12: Long Term Loans & Advances		
A Capital Advances		
Unsecured and Considered Good	852	29870
B Loans to Related Parties		
Borosil International Limited		
Unsecured and Considered Good	3328	9167
C Security Deposits with Govt. & Others		
Unsecured and Considered Good	19030	24280
D Amount paid under protest/appeal to Gail	4413	Nil
E Excise duty/interest paid under protest/appeal	58933	68933
	<u>86556</u>	<u>132250</u>
13: Current Investments		
Unquoted		
Investment in Mutual Fund	30233	Nil
138088.225 Units of ICICI Prudential flexible income plan growth option (Face value ` 100)		
	<u>30233</u>	<u>Nil</u>
14: Inventories		
A Raw Material (Valued At Cost or NRV, whichever is Less)	55997	40217
B Work in Progress (Valued At Cost or NRV, whichever is Less)	12453	57024
C Finished Goods (Valued At Cost or NRV, whichever is Less)	84176	45589
Goods in Transit	Nil	Nil
D Stock - in - Trade (For Traded Goods) (Valued At Cost or NRV, whichever is Less)	Nil	Nil
E Stores & Spares	73012	68494
F Others - Cullet (Valued At Cost or NRV, whichever is Less)	7814	7610
	<u>233452</u>	<u>218934</u>

Note: Inventories are net of provision made on slow moving items.

	` In Thousands As At 31 st March, 2013		` In Thousands As At 31 st March, 2012	
15: Trade Receivables				
Outstanding For a Period Exceeding 6 Months *				
Unsecured, Considered good		3580		1679
Unsecured, Considered doubtful	60519		1146	
Less: Provision made for doubtful debts	976	59543	1146	Nil
		<u>63123</u>		<u>1679</u>
Outstanding For a Period Less than 6 Months				
Unsecured, considered good		108269		155138
		<u>171392</u>		<u>156817</u>
*Including under litigation ` 60519 thousands.(Pr.Yr. 1146)				
16: Cash & Bank Balances				
A Cash & Cash Equivalents				
Cash on Hand		709		646
Balances with Banks				
In Current Account		1012		837
In Fixed Deposits		Nil		1711
Earmarked Balances with Banks				
		<u>1721</u>		<u>3194</u>
B Other Bank Balances				
Balances with Banks for Unpaid Dividends		4078		5173
Margin Money Deposits		3425		1501
Bank Fixed Deposit with more than 12 Months Maturity		Nil		690
		<u>7503</u>		<u>7364</u>
Total		<u>9224</u>		<u>10558</u>
17: Short Term Loans & Advances				
Unsecured, Considered Good				
Prepaid expenses		3726		2110
Cenvat credit receivable		7618		6940
Advance tax / TDS / MAT paid		3990		9592
Other Advances Receivable in Cash / Kind		14824		30725
Unsecured, Considered Doubtful	411		411	
Less: Provision made	411	Nil	411	Nil
		<u>30158</u>		<u>49367</u>
18: Other Current Assets				
Export benefits & other claims receivable		3664		1448
Balance with Excise / VAT Authorities		3533		14704
Other Receivable		21926		26581
		<u>29123</u>		<u>42733</u>

	` In Thousands For the year ended 31 st March, 2013	` In Thousands For the year ended 31 st March, 2012
19: Revenue From Operations		
A Sale of Products	1023661	796350
B Other Operating Revenues		
Scrap Sales	3912	13256
Export Incentive Income	1833	1412
Unclaimed balances/ Excess provisions written back	2648	537
	<u>1032054</u>	<u>811555</u>
Less : Excise Duty	76735	20605
Net Revenue From Operations	<u>955319</u>	<u>790950</u>
20: Other Income		
Rent	Nil	8
Interest (Gross) (TDS ` 195 Thousand)	1756	2256
Profit on Sale of Assets	6155	127
Profit on Sale of Investment in shares/units	233	Nil
Share of Profit in LLP	12	1
Others	3739	1371
Foreign Currency Exchange Rate Fluctuation	1264	15023
	<u>13159</u>	<u>18786</u>
21: Cost of Material Consumed		
A Quartz Sand	64164	75478
B Soda Ash	120270	75443
C Silica Sand	8851	118
D Sodium Antimonate	16680	38303
E Cullet	13890	17162
F Others	34250	28183
	<u>258105</u>	<u>234687</u>
Less : Cost of Raw Material Sold	89	7661
Materials Consumed	<u>258016</u>	<u>227026</u>
22: Changes in Finished Goods & Work in Progress		
A Finished Goods		
Opening Stock	44265	89344
Less: Closing Stock	77029	44265
	<u>32764</u>	<u>-45079</u>
B Work in Progress		
Opening Stock	57024	21527
Less: Closing Stock	12453	57024
	<u>-44571</u>	<u>35497</u>
C Excise Duty on Stock		
Opening Stock	1323	1835
Less: Closing Stock	7148	1323
	<u>5825</u>	<u>-512</u>
	<u>-5982</u>	<u>-10094</u>

	` In Thousands For the year ended 31 st March, 2013	` In Thousands For the year ended 31 st March, 2012
23: Employee Benefits Expenses		
Salaries, Wages, Bonus etc.	118491	96029
Contribution to Provident, Gratuity Funds etc.	12539	10339
Staff Welfare Expenses	10596	9331
	<u>141626</u>	<u>115699</u>
24: Finance Cost		
Interest Expenses	34371	115541
	<u>34371</u>	<u>115541</u>
25: Selling & Distribution Cost		
Advertisement, Publicity & Sales promotion exps.	4661	6358
Carriage Outward	101690	82410
Commission	3133	2953
Cash Discount	16305	4005
Breakages / Rate Difference / Quality Claims	9684	80437
	<u>135473</u>	<u>176163</u>
26: Other Expenses		
Stores Consumed - Local	29775	27986
Stores Consumed - Imported	6417	19478
Packing Material Consumed	96232	65303
Power and Fuel	129229	120820
D.G.Set Hire charges	6616	2521
Repairs & Maintenance		
- Plant & Machinery	17982	19801
- Buildings	284	672
- Other Assets	3855	4456
Insurance	3276	2487
Rent	3026	3806
Rates & Taxes	585	623
Legal & Professional Charges	8241	9649
Director's Fees	390	520
Travelling and Conveyance Expenses (Incl. Directors' Travelling ` 908 thousands, Pr. Yr. ` 976 thousands)	18498	19244
Motor Car Expenses	8124	7199
Vehicle Hire Charges	6453	6135
Printing & Stationery	1025	1130
Postage, Telegrams, Telephones & Telex	3658	4297
Payment to the Auditors - Audit Fees	1180	1067
- Certification Fees	233	200
- Travelling & Out of Pocket Expenses	210	157
Tax Audit Fees	51	51
Cost Auditor's Fees	100	100
Raw Materials Handling & Shifting Exp.	2646	926
Security expenses	3237	2299
Other Expenses	7967	7431
Fee & stamp duty for increase in Authorised Share Capital	Nil	4970
Loss on Sale /Discard of assets	21	34
Bank Charges	6339	4698
Unrecoverable Debt/Balances written off	Nil	228
	<u>365650</u>	<u>338288</u>

Note: Stores consumption includes provision on slow moving items ` 1543 thousands.

27. No provision for Income Tax/MAT has been made in view of loss for the year.

28. Contingent liabilities not provided for:-

	` In Thousands	
	2012-13	2011-12
a) Letters of Credit outstanding	29972	71953
b) Claims against the Company not acknowledged as debt	1766	1026
c) i) Excise matters relating to valuation in appeal before Supreme Court From February 1999 to June 2005	455	455
Equivalent amount of penalty, interest	797	797
ii) Excise matters relating to valuation in appeal before Commissioner-Surat From July 2005 to June 2006	200	200
Equivalent amount of penalty, interest & redemption fine.	450	450
<p>The Company is legally advised that the disputed demands will not be sustained in view of the judgment by Supreme Court dismissing appeal of the department for the period July 2006 to June 2007 in its own case as also various legal pronouncements in similar other matters.</p> <p>A sum of ` 58933 thousands paid under protest in respect of i) above disputed demand has been shown as advances recoverable.</p>		
d) Income tax matter in Appeal filed by the Company before CIT-Appeals in respect of assessment year 2010-11 on account of disallowances/ additions amounting to ` 5387 thousands (previous year ` 93671 thousands)	1831	35121
e) Appeal filed by the Company in Sales tax matter relating to purchase of fuel and Additional Tax for financial years 2000-01, 2002-03 and 2004-05 Interest and penalty thereon.	29187 25897	29187 25897
<p>No liability is expected in view of judicial pronouncement by High Court in similar matter of other Companies.</p>		
f) Order of Commissioner appeals in Service tax matter taken in further appeal before CESTAT. Equivalent penalty and interest	295 365	1137 1206
g) Arrears of dividend on Preference Share Capital from 17.3.12 to 31.3.13.	84320	3320
h) Disputed amount of gas transportation charges including interest –matter pending in appeal before High Court	4413	Nil

29. 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;

` In Thousands

Particulars	2012-13	2011-12
Employer's Contribution to Provident Fund	6249	6830

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	
<u>Actuarial assumptions</u>		2012-2013	2011-2012
Particulars			
Mortality Table		1994-96	1994-96
Salary growth		5.00%	5.00%
Discount rate		8.05%	8.50%
Expected return on plan assets			
<u>Amount recognised in the income statement</u>		2012-2013	2011-2012
Current service cost		1,932	1,819
Interest cost		1,357	1,229
Expected Return on Plan Assets	Expected return on plan assets	(1,194)	(1,210)
Net actuarial (gains)/losses recognised in the period		1,287	1,103
Total		3,382	2,941
<u>Movement in Present value of defined benefit obligation</u>			
Particulars			
Obligation at the beginning of the year		17,153	15,492
Current service cost		1,932	1,819
Interest cost		1,357	1,229
Actuarial (Gain)/loss on obligation		584	(07)
Benefits paid		(2,377)	(1,380)
Obligation at the end of the year		18,649	17,153

Movement in Fair value of plan assets

Particulars		
Fair value at the beginning of the year	14,100	12,871
Adjustment to opening Fair value of plan assets	-	08
Expected Return on plan assets	1194	1,210
Contribution	701	2500
Actuarial gains/(losses)	(703)	(1109)
Benefits paid	(2377)	(1380)
Fair value at the end of the year	12915	14,100
Expected returns on plan assets	9.0%	9.0%

Class of assets
Fair Value of Asset
Insurer Managed Fund

Birla Sunlife Insurance Corporation Ltd.

Total

	(` In Thousands)	
	2012-2013	2011-2012
	12,915	14,100
Total	12,915	14,100

Amount recognised in the balance sheet

	(` In Thousands)	
	2012-2013	2011-2012
Present value of obligations at the end of the year	18,649	17,152
Less: Fair value of plan assets at the end of the year	12,915	14,100
Funded status	5733	3052
Net liability/(Asset) recognized in the balance sheet	5733	3052
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	
	2012-2013	2011-2012
Actuarial assumptions		
Particulars		
Mortality Table	1994-96	1994-96
Salary growth :-	5.00%	5.00%
Discount rate	8.05%	8.50%
Amount recognised in the Profit & Loss statement	2012-2013	2011-2012
Current service cost	929	844
Interest cost	140	143
Expected Return on Plan Assets	Nil	Nil
Net actuarial (gains)/losses recognized in the period	541	(306)
Total	1610	681

Movement in present value of defined benefit obligation

Particulars		
Obligation at the beginning of the year	2282	1,854
Current service cost	929	844
Interest cost	140	143
Actuarial gains/ (losses) on obligation	542	(306)
Benefits paid	(1279)	(253)
Obligation at the end of the year	2612	2,282

Amount recognised in the balance sheet

Present value of obligations at the end of the year	2612	2,282
Less: Fair value of plan assets at the end of the year	NIL	Nil
Un Funded liability	2612	2,282

Un Funded liability recognized in the balance sheet

	2612	2,282
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30. The Company has accounted for estimated credit, towards expected Export Benefits entitlements amounting to ` 1823 thousands under the head other income in respect of exports. Variation, if any on actual receipt/utilization of licenses will be dealt with in the accounts of that year.
31. The estimated amount of contracts remaining to be executed on capital account and not provided for ` 14002 thousands (net of advances- ` 11355 thousands). Previous year ` 98991 thousands (Net).
32. 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 ` 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 ` 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. The appeal filed by GAIL in the District Court Bharuch against the majority Arbitration award has been decided against the Company and an appeal filed by Company before Gujarat High Court was admitted on 29/03/2012 and is pending hearing.
33. The settlement with Worker's Union expired on 31st December, 2009. Company has signed new settlement with workers on 29/3/2013 w.e.f. January 2010 and lump sum and wage increase effective January 2013 for amounting to ` 9167 thousands has been provided in accounts.
34. A sum of ` 68 thousands was due and unpaid at the end of the year to M/s. Rajnikant & Co. 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.
35. 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 LLP
4. Fennel Investment & Finance Pvt. Ltd.
5. Broadfield Holdings Ltd.
6. Sonargaon Properties LLP
7. Gujarat Fusion Glass Ltd.
8. Vylene Glass Works Ltd.
9. Borosil International Ltd.
10. Cycas Trading LLP

Key Managerial Personnel

Mr. B.L.Kheruka

Mr. Ashok Jain, Whole-time Director

Other parties related to Key Personnel

Mrs. Kiran Kheruka

Mrs. Pratibha Jain

(B) Transactions with Related Parties:
₹ In Thousands

Sr. No.	Nature of Transaction	Party	31.03.2013	31.03.2012
1	Reimbursement of expenses from	Borosil Glass Works Ltd.	1036	412
		Vyline Glass Works Ltd.	705	374
		Borosil International Ltd.	0	6
2	Amount receivable	Borosil Glass Works Ltd.	0	788
		Window Glass Ltd.	0	204
		Borosil International Ltd	4	3
		Gujarat Fusion Glass Ltd.	0	14
		Vyline Glass Works Ltd.	1318	1446
3	Purchase of goods / services from	Borosil Glass Works Ltd.	317	490
	Payment of Guarantee Commission to	Borosil Glass Works Ltd.	596	0
	Reimbursement of exps to	Borosil Glass Works Ltd.	2154	126
		Vyline Glass Works Ltd	8	20
4	Amount Payable	Borosil Glass Works Ltd.	668	1332
		Window Glass Ltd.	0	19
5	Inter Corporate Loans repayment received from	Borosil International Ltd.	7000	0
6	Inter Corporate Loans repayment Made to	Borosil Glass Works Ltd.	17000	842905
7	Inter Corporate Loans (Assets) Including Accrued Interest (Net of TDS ₹ 99 Thousand) Outstanding From	Borosil International Ltd	3328	9167
8	Inter Corporate Loans Taken From	Borosil Glass Works Ltd.	69000	265300
9	Inter Corporate Loans (Liability) Including Accrued Interest Outstanding To	Borosil Glass Works Ltd.	116082	58705
10	Sale of goods/services to	Window Glass Ltd.	0	329
		Vyline Glass Works Ltd	4848	2586
11	Office Rent/Maint. charges paid to	Window Glass Ltd.	228	228
12	Interest Income on loans	Borosil International Ltd	1161	993
13	Rent Income	Borosil International Ltd	0	8
14	Interest Expense on Loans	Borosil Glass Works Ltd.	14086	94368
15	Managerial Remuneration	Mr. Ashok Jain- WTD	3631	3323
16	Rent paid	Mrs Kiran Kheruka	1348	1200
		Borosil Glass Works Ltd.	1577	1204
		Cycas Trading LLP	240	240
17	Deposit given for accommodation	Mrs Kiran Kheruka	13370	14450
18	Retainer ship Fees	Mrs Pratibha Jain	114	114
19	Preference Shares Issued to	Borosil Glass Works Ltd.	Nil	900000
20	Guarantee Given in favour of GBL by	Borosil Glass Works Ltd.	55000	53000

36. 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-28 of the ICAI.

37. Managerial Remuneration

	2012-13	2011-12
	(` In Thousands)	(` In Thousands)
<u>Whole-time Director's Remuneration</u>		
Salary	2220	2040
Contribution to Provident Fund	266	245
Perquisites	1145	1038
	3631	3323
	3631	3323

* 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 :

		(` In Thousands)
	2012-13	2011-12
Profit/Loss before taxation	(119169)	(312085)
Add: Depreciation as per Accounts	148685	139010
Managerial Remuneration	3631	3323
Director's Sitting Fees	390	520
Loss on Sale of Fixed Assets (Net)	21	34
Provision made for slow moving stores/Raw material	1543	8634
	35101	(160564)
Less : Depreciation as per Section 350 of The Companies Act, 1956	148685	139010
Profit on sale of investments	Nil	Nil
	(113584)	(299574)
	(113584)	(299574)

In view of inadequacy of profit the remuneration paid to Whole-time Director is considered as minimum remuneration payable for 2012-13.

38. Basic earnings per share (Basic & Diluted)

	31.3.2013	31.3.2012
Net Profit/(Loss) after Tax	(79903)	(211192)
Preference Dividend For The Year	(81000)	(3320)
Net Profit/(Loss) after Tax Attributable to Equity Shareholders (` In Thousands)	(160903)	(214512)
Weighted average No. of Equity Shares outstanding	68207500	68207500
Basic & Diluted Earning per Share (`) (Nominal value ` 5 per share)	(2.36)	(3.14)

39. 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.

40. Details of Installed Capacity

	2012-2013	2011-2012
I. Sheet Glass on 2 mm basis in Sq. mtrs.		
a) Installed Capacity	12500000*	12500000*
b) Actual Production	Nil	Nil
II. Low Iron Textured/Patterned Glass on 2 mm basis in Sq. mtrs.		
a) Installed Capacity	7665000	7665000
b) Actual Production	7317201	4475664

* Furnace cooled down on 28.7.2010 and not yet renewed.

41. Quantities and Value of Stocks, Purchase and Sale of Finished Goods

	2012-2013		2011-2012	
	Qty Sq.mtr	Value In Thousands	Qty Sq.mtr	Value In Thousands
a) Opening Stock (actual Sq. mtrs.)				
Sheet Glass	1924	226	1924	226
Low Iron Textured/Patterned Glass	314902	45363	506312	90953
		45589		91179
b) Closing Stock (actual Sq.mtrs.)				
Sheet Glass	1924	192	1924	226
Low Iron Textured/Patterned Glass	464360	83984	314902	45363
		84176		45589
c) Sales* (Sq.mtrs. in 2 mm)				
Sheet Glass	Nil	Nil	Nil	Nil
Low Iron Textured/Patterned Glass	7094570	1023661	4815827	796350
		1023661		796350

* Net of sales tax, returns and quantity discounts

42. Foreign Currency Transactions

	In Thousands 2012-2013	In Thousands 2011-2012
i. Value of Imports on CIF basis in respect of :		
a) Components & Spare Parts	26495	16865
b) Packing Material	1510	1012
c) Raw Material	49900	45696
d) Capital Items	102147	2985
ii. Expenditure in Foreign Currency :		
a) Travelling expenses	1666	7109
b) Foreign Technician Fees & Expenses	353	929
c) Foreign Legal & Professional Expenses	750	1778
d) Foreign Marketing Expenses	61	1174
e) Exhibition Expenses	1952	1559
f) Foreign Bank Charges	1876	1137
g) Repairs & Maintenance- Plant & Machinery	15457	9799
h) Interest on ECB Loan	20785	18326
iii. Earnings in Foreign Exchange		
FOB Value of Exports *	73141	358616
iv. Export Quality Claims	3901	62499

*Net of Sales Returns

43. Quantitative details of raw materials which individually account for 10% or more of the total value of raw materials consumed:

	2012-2013		2011-2012	
	Qty. M.T.	Value ` In Thousands	Qty. M.T.	Value ` In Thousands
Silica Sand	6754	8851	168	118
Quartz Sand	16396	64164	17707	75478
Soda Ash	6836	120270	4723	75443
Glass Cullet	2600	13890	3407	17162
Sodium Antimonite	53	16680	121	38303
Others		34250		28183
Total		258105		234687
Less : Sold		89		7661
		258016		227026

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

	2012-2013		2011-2012	
	% age	Value ` In Thousands	% age	Value ` In Thousands
a. Raw Material				
Imported	14.02	36164	19.54	44356
Indigenous	85.98	221851	80.46	182670
	100.00	258015	100.00	227026
b. Stores Spares				
Imported	17.73	6417	41.03	19478
Indigenous	82.27	29775	58.97	27986
	100.00	36192	100.00	47464

45. Previous year figures have been regrouped and rearranged wherever necessary.

GUJARAT BOROSIL LIMITED

Registered Office : Village-Goval, Taluka-Jhagadia, District - Bharuch - 393 001. Gujarat.

ATTENDANCE SLIP

24th Annual General Meeting on 10th August, 2013 at 10.00 a.m.

Folio No. / Client ID No. & DP ID No.

Name of the Attending Member

Please tick whether member/Joint-Holder/Proxy

No. of Shares held

Member's or Proxy's Signature

NOTE :

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

GUJARAT BOROSIL LIMITED

Registered Office : Village - Goval, Taluka-Jhagadia, District - Bharuch - 393 001. Gujarat.

PROXY FORM

Folio No./Client ID No. & DP ID No.

I/We.....

of.....

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

of Gujarat Borosil Limited hereby appoint of

..... in the district of or

failing him of

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

as my/our proxy to vote for me/us on my/our behalf at the Twenty-Fourth Annual General Meeting of the Company to be held on Saturday, the 10th August, 2013 and at any adjournment thereof.

Signed this.....day of.....2013.

Affix 1 Rupee revenue Stamp

NOTE :

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

BOOK-POST

To.

If undelivered, please return to :
Universal Capital Securities Pvt. Ltd.
Unit : Gujarat Borosil Limited
21, Shakil Niwas,
Mahakali Caves Road, Andheri (East)
Mumbai - 400 093.

FORM A

1	Name of the company	Gujarat Borosil Limited
2	Annual Financial statements for the year ended	31 st March, 2013
3	Type of Audit observation	Un-qualified
4	Frequency of observation	Not Applicable
5	To be signed by –	
	<ul style="list-style-type: none"> • CFO & Whole-time Director 	<p align="right"><i>Ashok Jain</i></p> <hr/> <p>Ashok Jain</p>
	<ul style="list-style-type: none"> • Auditors of the company 	<p>For Singhi & Co. Chartered Accountants</p> <p align="right"><i>Praveen Singhi</i></p> <hr/> <p>Praveen Singhi Partner M.No. 051471</p>
	<ul style="list-style-type: none"> • Audit Committee Chairman 	<p align="right"><i>Shashi Mehra</i></p> <hr/> <p>Shashi Mehra</p>

