

**GUJARAT BOROSIL**

**GUJARAT BOROSIL LIMITED**

***TWENTY-SEVENTH ANNUAL REPORT***  
***2015-2016***

## BOARD OF DIRECTORS

B. L. Kheruka - Chairman  
P. K. Kheruka - Vice Chairman  
Shashi Kumar Mehra  
Jagdish M Joshi  
Ashok Kumar Doda  
Ashok Jain - Whole-time Director upto 20<sup>th</sup> February, 2016 but continues as a Director  
Shalini Kamath  
Rajesh Chaudhary - Whole-time Director (with effect from 31<sup>st</sup> March, 2016)

## CHIEF FINANCIAL OFFICER

Sunil Kumar Roongta

## COMPANY SECRETARY

Kishor Talreja

## REGISTERED OFFICE & PLANT

Village - Govali, Taluka - Jhagadia,  
District - Bharuch - 393 001 (Gujarat).  
CIN: L26100GJ1988PLC011663,  
Website: [www. Gujaratborosil.com](http://www.Gujaratborosil.com)  
Ph: 02645-258100, Fax: 02645-258235

## CORPORATE OFFICE

1101, Crescenzo, G Block,  
Opp. MCA Club, Bandra Kurla Complex,  
Bandra (East), Mumbai - 400 051.  
Ph: 022- 67406300, Fax: 022-67406514

## STATUTORY AUDITORS

M/s. Singhi & Co.  
Chartered Accountants

## INTERNAL AUDITORS

Vikas Runthala

## BANKERS

Bank of Baroda  
Indusind Bank

## REGISTRAR & TRANSFER AGENTS

Universal Capital Securities Pvt. Ltd.  
Unit : Gujarat Borosil Limited  
21, Shakil Niwas, Mahakali Caves Road,  
Andheri (East), Mumbai - 400 093.  
Ph: 022- 2820 7203 / 2820 7204 / 2820 7205

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The Shareholders are requested to fill up and send back **EMAIL REGISTRATION FORM** as provided in the page no. 95 of this Annual Report.

**GUJARAT BOROSIL LIMITED**

(CIN: L26100GJ1988PLC011663)

Registered Office: Village – Govali, Taluka – Jhagadia, District – Bharuch 393 001, Gujarat

Ph: 02645-258100, Fax: 02645-258235

Website: www.gujaratborosil.com, Email: gborosil@borosil.com

**NOTICE**

Notice is hereby given that the Twenty-Seventh Annual General Meeting of members of Gujarat Borosil Limited will be held on Monday, August 08, 2016 at 2.30 p.m. at the Registered Office of the Company at Village – Govali, Taluka – Jhagadia, District – Bharuch 393 001, Gujarat State, to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended March 31, 2016 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Ashok Jain (DIN 00025125), who retires by rotation and being eligible offers himself for re-appointment.
3. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, M/s. Chaturvedi & Shah, Chartered Accountants (Firm Registration no.101720W) be and are hereby appointed as the Statutory Auditors of the Company to hold office for a period of five years from the conclusion of this Annual General Meeting (AGM) till the Conclusion of 32<sup>nd</sup> Annual General Meeting subject to ratification of their appointment at every AGM of the Company in place of M/s. Singhi & Co., Chartered Accountants, the Auditors who are unwilling to be re-appointed as Auditors of the Company and at a remuneration to be decided by the Board of Directors in consultation with the Auditors plus applicable service tax and reimbursement of out of pocket expenses incurred by them for the purpose of audit.”

**SPECIAL BUSINESS:****ITEM NO.4: Remuneration of the Cost Auditors**

To approve the remuneration of the Cost Auditors for the financial year ending March 31, 2016 and in this regard to consider and if through fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT Pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit & Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. Kailash Sankhlecha, Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the company for the financial year ending March 31, 2016 be paid the remuneration of ₹ 1,20,000/- (Rupees One Lac twenty thousand only ) plus service tax as applicable.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

**ITEM NO.5: Appointment of Mr. Rajesh Chaudhary as a Director**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT Mr. Rajesh Chaudhary (DIN 07425111), who was appointed as an Additional Director of the Company with effect from 31<sup>st</sup> March, 2016 by the Board of Directors, who holds office upto the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 (the “Act”) but who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company, liable to retire by rotation.”

**ITEM NO.6: Appointment & terms of remuneration of Mr. Rajesh Chaudhary, Whole Time Director**

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) for the time being in force), read with Schedule V to the Companies Act, 2013, the consent of the Company be and is hereby accorded to the appointment of Mr. Rajesh Chaudhary (DIN 07425111), as Whole Time Director of the Company, for a period from 31<sup>st</sup> March 2016 to 30<sup>th</sup> March, 2019 on the terms and conditions including remuneration as set out in the item no. 6 of the Statement, with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include the ‘Nomination and Remuneration Committee ‘constituted by the Board’) to alter and vary the terms and conditions of the said appointment and/or remuneration, subject to the same not exceeding the limits specified in Schedule V to the Companies Act, 2013, or otherwise as permissible by law for the time being in force.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the tenure of his service as Whole Time Director, Mr. Rajesh Chaudhary shall be paid the remuneration as set out in the Statement as minimum remuneration subject to limits laid down in Schedule V of the Companies Act, 2013, or as may be approved by the Central Government or appropriate authority(ies).

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

**ITEM NO.7: Delivery of documents**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT Pursuant to the provisions of Section 20 and all other applicable provisions of the Companies Act, 2013 (“the Act”) read with the Rules framed thereunder (“the Rules”) (including any statutory modification(s) or re-enactment(s) of the Act and/ or the Rules for the time being in force) authority be and is hereby given to the Board of Directors of the Company (the ‘Board’ which term shall include any Committee which the Board of Directors may have constituted or may hereafter constitute for the time being for exercising the powers conferred on the Board of Directors by this Resolution) to determine the fee to be charged from a member who request delivery of any documents through a particular mode.”

**ITEM NO.8: Payment of Commission to Non-executive Directors**

To approve the payment of remuneration to non-executive directors and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 197, 198 and all other applicable provisions of the Companies Act, 2013 and Rules framed thereunder, Regulation 17(6) (a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modifications(s) or re-enactment thereof for the time being in force) and pursuant to the provisions of the Article of Association of the Company, the Non-executive Directors of the Company (i.e. Directors other than the Managing Director and / or the Whole time Director) be paid remuneration, in addition to the sitting fee for attending the meetings of the Board of Directors or Committees thereof, as the Board of Directors may from time to time determine, not exceeding in aggregate one percent of the net profits of the Company for each financial year, as computed in the manner laid down in Section 198 of the Companies Act, 2013, or any statutory modification(s) or re-enactment thereof.

RESOLVED FURTHER THAT the Board of Directors of the Company (including Nomination and Remuneration Committee) be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

By Order of the Board  
**For Gujarat Borosil Limited**

Kishor Talreja  
Company Secretary

Mumbai, May 20, 2016

**NOTES**

- (1) The Statement pursuant to Section 102 of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed hereto and forms part of this Notice.
- (2) 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. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.
- (3) Members / Proxies/ Authorised Representatives should bring the duly filled Attendance Slip at the Annual General Meeting. Corporate Members are requested to send a certified copy of the Board Resolution authorising their representative(s) to attend and vote on their behalf at the Meeting.
- (4) The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, August 03, 2016 to Monday, August 08, 2016 (both days inclusive).
- (5) Members are requested to note that the Company's shares are under compulsory electronic trading for all investors. Members are, therefore, requested to dematerialise their shareholding to avoid inconvenience. Members whose shares are in electronic mode are requested to inform change of address and updates of bank account(s) to their respective Depository Participants (DP).
- (6) As per the provisions of Section 72 of the Companies Act, 2013 and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, Members holding shares in physical form may file nomination in the prescribed form SH-13 with the Company's Registrar and Share Transfer Agent. In respect of shares held in demat form, the nomination form may be filed with the respective DP.
- (7) Members wishing to claim dividends, which remain unclaimed, are requested to correspond with Universal Capital Securities Private Limited, Registrar & Transfer Agent. Members are requested to note that dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will as per Section 124 of the Companies Act, 2013 (Section 205A of the erstwhile Companies Act, 1956) be transferred to the Investor Education and Protection Fund.  
*During the financial year 2016-17, the Company is required to transfer the unpaid/unclaimed dividend for the financial year 2008-09 to Investor Education and Protection Fund (IEPF).*
- (8) Members who have not registered their e-mail address so far are requested to register their e-mail address, by sending an email stating clearly your name, folio no. if you are holding shares in physical form / DP Id & Client Id if you are holding shares in dematerialized form to:- [gbl.grievances@borosil.com](mailto:gbl.grievances@borosil.com).  
  
The Annual Report for the year 2015-16 of the Company circulated to the members of the Company will be made available on the Company's website at [www.gujaratborosil.com](http://www.gujaratborosil.com) and also on the website of the BSE Limited at [www.bseindia.com](http://www.bseindia.com).
- (9) Route map giving directions to the venue of the meeting is annexed to the Notice.
- (10) All documents referred to in the Notice will be available for inspection at the Company's registered office during normal business hours on working days up to date of the AGM.
- (11) The details of Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Regulations") and Secretarial Standard – 2 issued by The Institute of Company Secretaries of India, are furnished below:-

<b>Name of Director</b>	<b>Mr. Ashok Jain</b>	<b>Mr. Rajesh Chaudhary</b>
DIN	00025125	DIN 07425111
Date of birth	February 21, 1958	February 01, 1970
Date of appointment	January 03, 2003	March 31, 2016
Expertise in specific Professional areas	35 years in Corporate Sector – Finance, Commercial and General Management.	18 years in Corporate Sector – Finance, Commercial and General Management.
Qualifications	B.Com, FCA and FCS	B.Com & Chartered Accountant
List of other Indian Public Limited Companies in which Directorship held	Motilal Oswal Asset management Company Limited	NIL
Chairman/Member of the Committee of Board other Public Limited Companies	<b>Audit Committee:</b> Motilal Oswal Asset management Company Limited - Member	NIL
Relationship between directors interse	Not related to any Director of the Company	Not related to any Director of the Company
Number of Shares held in the Company	NIL	14,500 equity shares (held in the name of Mr. Rajesh Kumar Chaudhary- HUF)

**(12) Voting through electronic means**

In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI Regulations, as amended from time to time, the Company is pleased to offer e-voting facility which will enable the members to cast their votes electronically on all the resolutions set out in the Notice. The Company has engaged Central Depository Services (India) Limited (CDSL) to offer e-voting facility to all its members to cast their vote electronically. E-voting is optional for members. The facility for voting through ballot/polling will also be made available at the venue of the AGM. Members who have voted electronically through remote e-voting may attend the AGM but shall not be allowed to vote at the Annual General Meeting. The Board of Directors has appointed Mr. Virendra Bhatt, Practising Company Secretary as scrutinizer for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner.

**The instructions for shareholders voting electronically are as under:**

- (i) The remote e-voting period begins on August 05, 2016 (9.00 a.m. IST.) and ends on August 07, 2016 (5.00 p.m. IST.). During this period, shareholder's of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. August 02, 2016, may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number which is mentioned in address label as sr no affixed on Annual Report, in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.

- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30<sup>th</sup> June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xx) Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same. Further, they are requested to send the scanned copy of the Board Resolution/ Authority letter to the email id of Scrutinizer ([bhattvirendra1945@yahoo.co.in](mailto:bhattvirendra1945@yahoo.co.in)), RTA ([ravi@unisec.in](mailto:ravi@unisec.in)) and Company investor.relations@gujaratborosil.com
- (xxi) In case of any grievances in connection with voting by electronic means the shareholders can contact Mr. Kishor Talreja, Company Secretary at his email [kishor.talreja@borosil.com](mailto:kishor.talreja@borosil.com) or contact him at 022 6740 6502.



- (xxii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
13. The Results shall be declared within 48 hours after the Annual General Meeting (AGM) of the Company and the resolutions will be deemed to be passed on the AGM date, subject to receipt of the requisite number of votes in favor of the Resolutions. The results declared along with the Scrutinizer's Report shall be placed on the company's website [www.gujaratborosil.com](http://www.gujaratborosil.com) and on the website of CDSL [www.evotingindia.com](http://www.evotingindia.com) and the same shall also be communicated to BSE Limited.

By Order of the Board  
**For Gujarat Borosil Limited**

Mumbai, May 20, 2016

Kishor Talreja  
Company Secretary

**ANNEXURE TO THE NOTICE****Statement Pursuant to section 102 of the Companies Act, 2013****ITEM NO.4:**

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. Kailash Sankhlecha, Cost Auditors to Conduct the Audit of the cost records of the Company for the financial year ending March 31, 2016.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought by passing an Ordinary Resolution as set out at item no. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2016.

None of the Directors/Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at item no.4 of the Notice.

The Board recommends the Ordinary Resolution set out at item no.4 of the Notice for approval by the shareholders.

**ITEM NO. 5 & 6:**

The Board of Directors of the Company at its meeting held on 31<sup>st</sup> March, 2016, based on recommendation received from Nomination & Remuneration Committee of the Company, appointed Mr. Rajesh Chaudhary as an Additional Director with effect from 31<sup>st</sup> March, 2016, pursuant to Section 161(1) of the Companies Act, 2013, read with the Rules framed thereunder. Mr. Chaudhary holds office only upto the date of the ensuing Annual General Meeting, but is eligible for appointment as a Director. A notice under Section 160(1) of the Act has been received from a member alongwith a deposit of ₹ 1 lac proposing the candidature of Mr. Chaudhary as a Director of the Company.

The Board also appointed Mr. Chaudhary as Whole Time Director of the Company for the period from 31<sup>st</sup> March, 2016 to 30<sup>th</sup> March, 2019, subject to approval of the Members.

The appointment of Mr. Chaudhary is subject to the provisions of Section 196, 197 and 203 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder (including any statutory modification(s) for the time being in force), read with Schedule V to the Act.

The broad particulars of remuneration payable to and the terms of appointment of Mr. Rajesh Chaudhary on the basis of factors mentioned in Schedule V of the Companies Act, 2013, as approved by the Nomination and Remuneration Committee are as under:-

**I. Remuneration****a) Salary:**

From 31<sup>st</sup> March, 2016 to 31<sup>st</sup> May, 2016:

₹ 2,01,500/- p.m. in the scale of ₹2,00,000/- p.m. to ₹ 5,00,000/- p.m. with such increments as may be decided by the Board of Directors (which includes any Committee thereof) from time to time.

From 01<sup>st</sup> June, 2016 onwards:

₹ 2,42,000/- p.m. in the scale of ₹ 2,00,000/- p.m. to ₹ 5,00,000/- p.m. with such increments as may be decided by the Board of Directors (which includes any Committee thereof) from time to time.

**b) Allowances:**

From 31<sup>st</sup> March, 2016 to 31<sup>st</sup> May, 2016:

- i) Education allowance: ₹ 200/- pm
- ii) Transport allowance: ₹ 1,600/- pm
- iii) Additional allowance: ₹ 28,863/- pm

From 01<sup>st</sup> June, 2016 onwards:

- i) Education allowance: ₹ 200/- pm
- ii) Transport allowance: ₹ 1,600/- pm
- iii) Additional allowance: ₹ 29,792/- pm

**c) Commission:** Such percentage of the net profits of the Company or such amount as may be decided by the Board of Directors (which includes any committee thereof) for each financial year or part thereof within overall ceiling of 2% of the net profits of the Company, as also within the limit of 10% of the net profits of the Company for all the managerial personnel.

**d) Perquisites & allowances:**

i) Medical Expenses

Domiciliary Treatment - At actuals subject to a ceiling of ₹15,000/- p.a. for Mr. Rajesh Chaudhary and his family.

Hospitalisation - Mr. Rajesh Chaudhary and his dependents will be covered by the Company's medical insurance scheme.

ii) Premium - Personal Accident Insurance, the premium of which shall not exceed ₹10,000/- p.a.

iii) Leave Travel Assistance - For Mr. Rajesh Chaudhary and his family, once in a year, incurred in accordance with the rules of the Company.

iv) Mr. Rajesh Chaudhary will be provided with a Company maintained car with Driver for official purpose.

v) Phone rental and call charges will be paid by the Company at actuals for telephone at the residence/mobile phone. Charges for personal long distance Calls would be borne by Mr. Rajesh Chaudhary.

vi) Company's contribution to Provident Fund, Gratuity and encashment of leave at the end of his tenure, payable as per rules of the Company. These shall not be included in the computation of limits for the remuneration or perquisites aforesaid. In so far as Mr. Chaudhary's gratuity benefits are concerned, all the accumulated balances (if any), standing to his credit, towards gratuity for his employment with Borosil Glass Works Limited, which he had joined on 01<sup>st</sup> September, 2001 ("Original Joining Date") shall stand transferred to the Company. Subject to any approvals as may be required under the applicable laws including Companies Act, 2013, for the purposes of calculation of gratuity and its disbursement at the time of Mr. Chaudhary's exit from the Company's employment, the Company shall take into account Mr. Chaudhary's tenure with Borosil Glass Works Limited from the Original Joining Date.

vii) Leave

Leave with full pay or encashment thereof as per the Rules of the Company.

viii) Mr. Rajesh Chaudhary will further be entitled to reimbursement of actual entertainment, conveyance and travelling expenses incurred by him for business purposes.

**II.** In case of inadequacy or absence of profits in any financial year(s) during the tenure of Mr. Rajesh Chaudhary as a Whole Time Director, the remuneration payable to him in that financial year shall be calculated in a manner so that it does not exceed the limits laid down in Section II of Part II of Schedule V to the Companies Act, 2013 or as may be approved by the Central Government.

**III. Other terms and conditions:**

This appointment may be terminated by either party by giving three months' notice in writing.

**Statement of Information as required under Schedule V of the Companies Act, 2013:**

I GENERAL INFORMATION			
1	Nature of Industry	Manufacture and sale of Flat Glass	
2	Date or expected Date of commencement of commercial production	Sheet glass –August 1994 and Solar glass - 16th March, 2010.	
3	In case of new companies, expected date of commencement of new activities as per project approved by the financial institutions appearing in the prospectus	N.A.	
4	Financial performance based on given indicators	For the year ended 31 <sup>st</sup> March, 2015	₹ in lacs
		Turnover (gross)	15192
		Profit after tax	153
		Networth	13014
		Effective Capital	14673
5	Foreign Investment or collaborations, if any.	None	

II INFORMATION ABOUT THE APPOINTEE		
1.	Background Details	Mr. Rajesh Chaudhary is a Chartered Accountant and has over 18 years' experience in industry. He has relevant experience in Finance, Commercial and General Management.
2.	Past Remuneration	<p>As CFO of Borosil Glass Works Limited:</p> <p>a) Salary : ₹ 2,01,500/- p.m. Allowances: ₹ 30,663/- p.m. Bonus: ₹ 292/- p.m.</p> <p>b) Perquisites:</p> <p>i) Leave Travel Allowance: ₹ 2,01,500/- p.a.</p> <p>ii) Medical Expenses Domiciliary Treatment – At actuals subject to a ceiling of ₹15,000/- p.a. for Mr. Rajesh Chaudhary and his family. Hospitalisation – Mr. Rajesh Chaudhary and his dependents covered by the Company's medical insurance scheme.</p> <p>iii) Provident Fund and Gratuity payable as per the rules of the Company.</p>

3.	Recognition or awards	—
4.	Job profile and his suitability	Mr. Rajesh Chaudhary as a Whole-time Director is required to look after overall management of the Company subject to direction, superintendence and control of the Board of Directors. In the view of his extensive experience in the corporate sector, the Board of Directors of the Company feels that he is suitable for the position of Whole-time Director
5.	Remuneration proposed	As given above in the statement of the Notice
6.	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Since the Company is the only producer of solar glass in the country, the proposed remuneration may not be comparable with general industry trends.
7.	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Mr. Chaudhary holds 14,500 equity shares of the Company in the name of Mr. Rajesh Kumar Chaudhary - HUF

<b>III</b>	<b>OTHER INFORMATION</b>	
1.	Reasons for inadequate profits	During the financial year 2015-16, the Company posted a Net Profit of ₹12.14 crores as against a Net Profit of ₹1.53 crores during the financial year 2014-15. Reasons for inadequate profits during the financial year 2014-15: a. Under utilization of plant capacity for Solar glass due to imports. b. Absence of any import duty on Solar Glass and Dumping of cheap imports from China. Consequent inability to pass on cost increase c. Inverted duty structure causing additional unwarranted cost to the Company d. Reduction in gas supplies leading to use of costlier alternate fuel.
2.	Steps taken or proposed to be taken for Improvement	The Company has been improving working over last 3 years and is expected to generate higher profits during the coming years.
3.	Expected increase in productivity and profits in measurable terms.	With the measures already taken, the Company has already started to earn decent profit.

The Directors recommend passing of the Resolutions contained at item no.5 and 6 of the accompanying notice for approval by members of the Company.

Except, Mr. Rajesh Chaudhary, none of the Directors or Key Managerial Personnel of the Company or their relatives are in any way concerned or interested in the resolution set out at item no. 5 and 6 of the Notice.

**ITEM NO.7:**

Section 20 of the Companies Act, 2013 read with Rule 35 of the Companies (Incorporation) Rules, 2014 provides the mode of service of documents inter alia to the members of the Company. The proviso to sub-section (2) of that Section states that where a member requests for delivery of any document through a particular mode, he shall pay fees as may be determined by the Company in its Annual General Meeting.

As such fee will be determined by the mode and place of delivery of the document sought, it is not possible to quantify the amount, and hence it is appropriate that the Board of Directors be authorized to determine the fee.

The Board of Directors accordingly commends the Ordinary Resolution set out at item no.7 of the accompanying Notice for approval of the members which is an enabling resolution.

No Director / Key Managerial Personnel/ their relatives is in any way, considered concerned or interested, financially or otherwise in this resolution.

**ITEM NO. 8:**

Section 197 of Companies Act, 2013 provides for payment of remuneration to non- executive directors (i.e. directors other than Managing and Whole-time Directors) not exceeding in the aggregate one percent (1%) of the net profits of the Company for each financial year, as computed in the manner as laid down in Section 198 of the Act, in addition to the sitting fee payable to them for attending meetings of the Board and Committees thereof.

The Board of Directors of the Company proposes to pass enabling resolution in this connection.

All Non-executive directors of the Company and their relatives may deemed to be interested in the resolution. None of the other Directors / Key Managerial Personnel of the Company/ their relatives are concerned or interested, financially or otherwise, in the resolution set out at item no. 8 of the Notice.

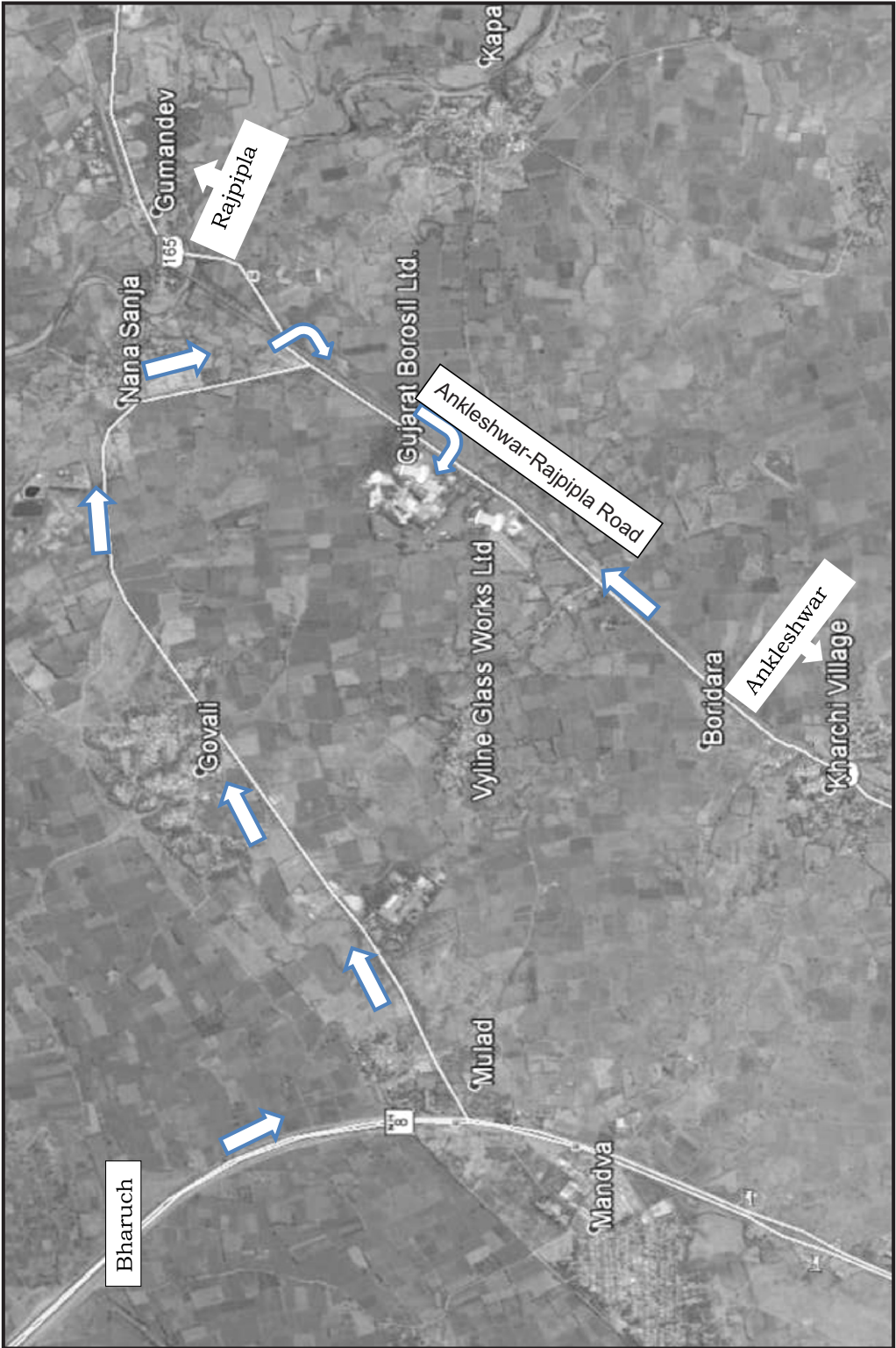
The Board recommends the Special Resolution set out at item no. 8 of the Notice for approval by the shareholders.

By Order of the Board  
**For Gujarat Borosil Limited**

Kishor Talreja  
Company Secretary

Mumbai, May 20, 2016

# AGM Venue Route Map



**DIRECTORS' REPORT**

Dear Members,

The Directors take pleasure in presenting the Twenty-Seventh Annual Report together with the Audited Financial Statements for the year ended March 31, 2016.

**Financial Highlights**

The highlights of the financial results of the Company for the financial year 2015-16 are as follows:

(₹ in lacs)

	<b>Year Ended 31.03.2016</b>	<b>Year Ended 31.03.2015</b>
Net revenue from operations	<b>18282</b>	15180
Profit/(Loss) before interest, depreciation and tax	<b>3570</b>	2280
Interest	<b>136</b>	192
Depreciation	<b>1367</b>	1297
Net Profit/(loss) before tax and exceptional items	<b>2067</b>	791
Exceptional items- Income/(Expenditure)	-	(569)
Provision for Taxation	<b>18</b>	-
Provision for deferred tax liability /(Asset) created	<b>835</b>	69
Profit/(loss) after tax	<b>1214</b>	153
Add: Balance brought forward from last year	<b>(1478)</b>	(1592)
Add: Adjustment of Depreciation	-	(39)
Balance carried to Balance Sheet	<b>(264)</b>	(1478)

**DIVIDEND**

Your Directors do not recommend any dividend for the year ended March 31, 2016 on both Equity and 9% Non-Cumulative Non-Convertible Redeemable Preference Shares, in order to conserve resources.

**SHARE CAPITAL**

The paid up Share Capital comprises of 6,82,07,500 Equity shares of ₹ 5/- each and 90,00,000 – 9% Non-Cumulative Non-Convertible Redeemable Preference shares of ₹ 100/- each. The Preference Shareholder has acquired voting rights due to non-payment of dividend for two years. During the year under review, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity.

**PERFORMANCE**

The net revenue grew from ₹ 15180 lacs to ₹ 18282 lacs registering an increase of over 20%.

The company achieved higher revenue owing to increased overall production and higher volumes in solar glass sales. Anti-reflective coating also led to increase in overall sales revenue and volume. There was an all round increase in the physical performance of the plant and accordingly production and sales both reached all time highs. The selling prices for Solar glass remained under pressure. However, selling prices for Patterned glass improved.

Profit before interest, depreciation and tax as a percentage of net revenue was 19.36% as compared to 15% (before making provision of ₹ 569.25 lacs for doubtful export debts) in the previous year. The improved working was achieved with higher volumes despite pressure on prices due to cheap imports of dumped solar glass from China, as well as rise in fuel and employees costs. The working results show a Profit before tax of ₹ 2067 lacs as compared to ₹ 791 lacs (before making provision for doubtful export debts of ₹ 569.25 lacs) in the previous year.



Fuel cost remained high as the cut in gas supplies increased for some consumers in South Gujarat, including your company, with consequent higher cost for alternate fuel to meet the demand gap.

In the budget of July 2014, excise was removed on solar tempered glass against submission of required forms/declarations by the buyers. However, despite repeated representations of the Company to grant similar exemption, Excise/CVD continues to be levied till today on the inputs for Solar glass thus continuing with the inverted duty structure. Inability to avail credit for inputs inevitably results in higher cost and continues to adversely impact margins.

The Company has been focusing mainly on the domestic market. The selling prices throughout the year were impacted due to cheap imports from China. There has been surge in such imports after EU imposed Anti-Dumping Duty on import of solar glass from China. This has led to heightened pressure on domestic prices and margins have eroded further. The matter was taken up with various Ministries of the GOI and finally a basic import duty of 5% has been levied in the recent Budget.

Exports have shown considerable improvement and the company clocked higher exports of ₹1972 lacs as against ₹ 1630 lacs in the previous year.

## **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 has faced tough times internationally in view of extraordinary capacity increase in China since 2011, resulting in an international market crash. In India, the present Government at the Centre has given enormous momentum to the use of solar power, and the Solar energy targets of 100 GW is now proposed to be realized by 2022. In encouraging investments by their own power producers and large PSUs, the Government is providing momentum to the solarisation programme.

Simultaneously, emphasis has been given to meet demands for agricultural Solar pumps and remote habitats by offering off-grid roof-top and stand alone solar power solutions. These have started to materialize and are likely to rise sharply in the near future.

The Company expects substantial increase in demand for solar glass and is working on proposals to enhance the capacity by adding new furnace and processing facilities.

The Company continues to produce Patterned glass for Architectural applications and make available a superior product with exclusive designs for shower cubicles, partitions and tabletops etc. The Company has plans to continue to serve this segment in niche applications.

### **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 constantly evaluating to grow in this sector in domestic market and remain a dominant player. Its natural advantage of offering a shorter lead time to module manufacturers works favourably in helping it to secure business.
- With Patterned glass in exclusive designs and an attractive product it is adding newer applications in the Architectural glass segment and expects to keep growing in niche segments.

#### **THREATS**

- Government policies to provide solar power at cheapest price and the methods like reverse bidding for power projects is leading to compromise on quality and long term aspects. This is putting heavy pressure on the domestic manufacturers of components and forcing them to withhold their expansion plans due to low return on investment. Some indications of realization on this front started as is evident by the fact that many players have stayed out from the recent bidding process and raised their concerns

on viability at ridiculously low prices. While getting imports at low prices may temporarily help the Government meet its objective, the inferior quality will prove very costly in the longer term and is certainly working directly against the “Make In India” campaign of the Government of India.

- Without any import duty on Solar glass it is impossible to compete with China due to heavy subsidies given by the Chinese Government. With recent imposition of 5% basic import duty the Government has shown willingness to look at domestic manufacturing in a positive way.
- There is a considerable time lag in approval of proposals to set up solar power plants despite policy push provided by the Government under JNNSM resulting in slower than expected growth in implementation. Moreover, banks are still hesitant to finance setting up of solar power farms as this industry is relatively new and in many cases the bidding has been done at artificially low prices thereby endangering viability. However, the Solar water pump and Rooftop sectors are gaining good traction and growing very fast.

## **C. SEGMENTWISE OR PRODUCTWISE PERFORMANCE**

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.

## **D. OUTLOOK**

The growth of solar energy in the Country is showing signs of gaining momentum which will require huge quantity of low iron glass. The Government plans to set up 100 GW of solar power plants by 2022. The Government has put Solar power under priority sector lending which augurs well for the growth. The action on the ground has started to follow as all the sectors i.e. Grid power, Rooftop and Solar water pumps are showing decent growth.

The solar energy produced will reduce pressure on natural resources besides being non-polluting and environment friendly and will lead to saving in Oil import bill and the sector has extremely good potential to grow.

## **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 approvals for land and readiness of power distribution companies to evacuate power needs to be focused in order to achieve ambitious growth plans to produce solar energy. The continued pressure to quote lower prices for electricity in the biddings to get Government allocations is leading to lower prices for input/component manufacturers thereby making them vulnerable which will affect health of the Industry.

There are huge imports of Modules and Solar glass from China in view of overcapacity and lower international demand. This also reduces the demand for components as the ready modules are getting imported. This is hurting the solar glass industry even more than import of glass and is against the national interest from the angle of domestic industrialization, job creation and conservation of foreign exchange.

## **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 operational performance during the year improved as record production of Solar glass was achieved.

This led to higher volume and added to the sales turnover. The selling prices for patterned glass improved. The EBITDA margins improved to 19.36 % as against 15 % in the previous year. The improvement was despite higher fuel/employees cost, non-availability of cenvat credit on inputs and decline in the selling prices for solar glass.

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

The industrial relations continued to be cordial.

Number of people employed as on 31<sup>st</sup> March, 2016 were as under:

Staff : 223

Workers : 171 (Excluding contract labours)

The Company has effective HR systems to make the performance appraisals and working more transparent. Greater operational and financial details are shared with the management cadre with a view to having their deeper involvement and for development of human resources.

#### **CORPORATE GOVERNANCE**

As required by Regulation 34 read with schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Report on Corporate Governance is appended along-with a Certificate of Compliance from the Auditors.

#### **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.

#### **SUBSIDIARY COMPANIES**

The Company does not have any subsidiary Company.

The Company is associate company of two companies namely Borosil Glass Works Limited (BGW) and Fennel Investment and Finance Private Limited by virtue of their holding of more than 20% of the equity share capital in the Company. BGW's voting rights in the Company is 79.46% of the total share capital (including preference share capital).

#### **WHISTLE BLOWER POLICY / VIGIL MECHANISM**

The Company has established a Whistle Blower (Vigil) Mechanism and formulated a Whistle Blower Policy to deal with instance of fraud and mismanagement. The details of the Policy is explained in the Corporate Governance Report, which form part of this Annual Report and also posted on the website of the Company at <http://www.gujaratborosil.com/policies.html> - click on Whistle Blower Policy.

#### **BOARD OF DIRECTORS, ITS MEETINGS, EVALUATION ETC.**

##### **Board Meetings:**

During the year, five Board Meetings and four Audit Committee Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

##### **Appointment/ re-appointment:**

Mr. Ashok Jain, Whole Time Director retired on 20<sup>th</sup> February, 2016 on reaching the age of retirement. However, he continued as Non-Executive Director on the Board of the Company.

As per the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr. Ashok Jain (DIN 00025125), Director of the Company will retire by rotation at the ensuing Annual General Meeting of the Company and being eligible offer himself for re-appointment. The Board recommends his appointment.

Mr. Rajesh Chaudhary (DIN: 07425111) was appointed as an Additional Director, Whole Time Director and Key Managerial Personnel of the Company with effect from 31<sup>st</sup> March, 2016, subject to approval of shareholders at the ensuing Annual general Meeting (AGM) of the Company. He holds office upto the date of ensuing AGM. The Company has received a notice under Section 160(1) of the Companies Act, 2013 from a member alongwith a deposit of ₹1 lac proposing the candidature of Mr. Chaudhary as a Director of the Company. The Board recommend his appointment as Whole Time Director for the period from 31<sup>st</sup> March, 2016 to 30<sup>th</sup> March, 2019.

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

#### **Declaration by Independent Directors:**

The Independent Directors have submitted the declaration of independence, as required pursuant to Section 149(7) of Companies Act, 2013, stating that they meet the Criteria of independence as provided in sub-section (6).

#### **Company's Policy on Directors Appointment and Remuneration etc.:**

Under Section 178 of the Companies Act, 2013, the Company has prepared a policy on Director's appointment and Remuneration. The Company has also laid down criteria for determining qualifications, positive attributes and independence of a Director. Policy relating to remuneration for the Directors, Key Managerial Personnel and Other employees is attached herewith as an '**Annexure A**' to this Report.

#### **Familiarization Programme for Independent Directors:**

A Familiarization programme was prepared by the Company about roles, rights and responsibilities of Independent Directors in the Company, nature of industry in which the Company operates, business model of the Company, etc., which was presented to Independent Directors on November 04, 2015. The details of the above programme are available on website of the Company at <http://www.gujaratborosil.com/directors.html> - click on Familiarization Programme for Independent Directors.

#### **Formal Annual Evaluation:**

In compliance with the Companies Act, 2013 and Regulations 17, 19 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the performance evaluation of the Board was carried out during the year under review.

#### **The Formal Annual Evaluation has been made as follows:**

1. The Company has laid down evaluation criteria separately for Board, Independent Directors, Directors other than Independent Directors and various committees of the Board. The criteria for evaluation of Directors (including the Chairman) included parameters such as willingness and commitment to fulfill duties, high professional of ethics, contribution during meetings and timely disclosure of all the notice/details required under various provisions of laws. Based on such criteria, the evaluation was done in a structured manner through peer consultation & discussion.
2. Evaluation of the Board was made by a Separate Meeting of Independent Directors held under Chairmanship of Mr. Ashok Kumar Doda, Lead Independent director (without attendance of Non – Independent Director and members of management ) on 31<sup>st</sup> March, 2016.
3. The performance evaluation of all committees namely:
  1. Audit Committee
  2. Nomination and Remuneration Committee
  3. Corporate Social Responsibility Committee
  4. Share Transfer Committee

were done by the Board of Directors at its meeting held on 31<sup>st</sup> March, 2016.

However, performance evaluation of Stakeholders Relationship Committee was done on 20<sup>th</sup> May, 2016.

4. Performance evaluation of Non-Independent Directors namely Mr. B.L. Kheruka, Mr. P. K. Kheruka and Mr. Ashok Jain was done by Separate meeting of Independent Directors.
5. Evaluation of Independent Directors namely Mr. Shashi Kumar Mehra, Mr. Jagdish M. Joshi and Mr. Ashok Kumar Doda and Mrs. Shalini Kamath was done (excluding the Director who was evaluated) by the Board of Directors of the Company at its meeting held on 31<sup>st</sup> March, 2016.
6. In addition, the Nomination and Remuneration Committee has carried out evaluation of every Director's performance at its meeting held on 31<sup>st</sup> March, 2016 as required under Section 178 (2) of Companies Act, 2013.
7. The Directors expressed their satisfaction with the evaluation process. Performance evaluation of Board/ Independent Directors/ Committees was found satisfactory.

### **KEY MANAGERIAL PERSONNEL**

Key Managerial Personnel (KMP) of the Company under Section 203 of the Companies Act, 2013, are as follows:

<b>SR NO.</b>	<b>NAME</b>	<b>DESIGNATION</b>
1	Mr. Ashok Jain	Whole Time Director (Upto 20/02/2016)
2	Mr. Rajesh Chaudhary	Whole Time Director (w.e.f 31/03/2016)
3	Mr. Sunil Roongta	Chief Financial Officer
4	Mr. Kishor Talreja	Company Secretary

### **DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY**

The Company faces various risks in form of financial risk, operational risks etc. The Company understands that it needs to survive these risks in the market and hence have made a comprehensive policy on Risk Management.

### **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

As part of its initiatives under "Corporate Social Responsibility" (CSR), the Company has undertaken projects in the area of education which were in accordance with Schedule VII of the Companies Act, 2013.

During the year, the Company contributed ₹ 3.30 lacs to SEWA RURAL TRUST, Bharuch, Gujarat, as a part of project being undertaken by them for promoting education and imparting skill development training in tribal rural areas of Bharuch and Narmada Districts of Gujarat.

In terms of Section 135 of the Companies Act, 2013 and Rules made thereunder, the Company has constituted CSR committee comprising of the following members:

1. Mr. B. L. Kheruka-Chairman
2. Mr. P. K. Kheruka
3. Mr. Jagdish Joshi

out of which Mr. Jagdish Joshi is an Independent Director.

### **Company's CSR Policy:**

The Board of Directors of the Company has approved the CSR Policy as recommended by the CSR Committee and the same has been uploaded on the Company's website at <http://www.gujaratborosil.com/policies.html> - click on CSR policy.

**Initiatives taken by the Company during the year:**

The 2% of the net profits of the Company during the immediate three preceding financial years amounts to ₹ 3.27 lacs. The Company has spent a sum of ₹ 3.30 lacs during the year. An Annual Report on CSR activities in terms of Section 134(3) (o) of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility) Rules, 2014 is attached herewith as an '**Annexure B**' to this Report.

**EXTRACT OF ANNUAL RETURN**

Pursuant to section 92(3) of the Companies Act, 2013 ('the Act') and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, extract of annual return in form MGT 9 is attached as an '**Annexure C**' to this Report.

**RELATED PARTY TRANSACTIONS**

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC 2 is not applicable.

All Related Party Transactions are placed before the Audit Committee as also the Board for approval. The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website at <http://www.gujaratborosil.com/policies.html> - click on Related Party Transaction policy.

The details of the transactions with Related Party are provided in the accompanying financial statements.

**SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

There are no significant and material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations. Certain matters related to excise duty are pending before Court / Excise Authorities, outcome of which will impact financials of the Company.

**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**

The Company's Statutory Auditors, M/s. Singhi & Company, Chartered Accountants, having completed more than 10 years terms, have expressed their unwillingness to be appointed as Statutory Auditors of the Company for the Financial Year 2016-17. Your Board recommends the appointment of the firm of M/s. Chaturvedi & Shah, Chartered Accountants, Mumbai (Firm Registration no.101720W), as Statutory Auditors of the Company from the date of 27<sup>th</sup> Annual General Meeting upto 32<sup>nd</sup> Annual General Meeting(AGM) of the Company, subject to ratification at each AGM. M/s. Chaturvedi & Shah, Chartered Accountants have confirmed that their appointment, if made, shall be in accordance with the provisions of Section 139 and will satisfy the criteria as provided in Section 141 of the Companies Act, 2013 and Rules made thereunder.

**COST AUDITORS AND COST AUDIT REPORT**

As per Rule 3 of the Companies (Cost Records and Audit) Rules, 2014 under section 148 of the Companies Act, 2013, issued by the Ministry of Corporate Affairs (MCA) vide its notification dated 30/06/2014, the Maintenance and Cost Audit of Cost Records was not applicable to the Company in financial year 2014-15. Later on, however, the Ministry of Corporate Affairs (MCA) vide its Notification dated 31/12/2014 amended the aforementioned Companies (Cost Records and Audit) Rules, 2014. As per the amended Rule 3, Company is required to maintain Cost Records and also gets its cost records audited for the financial year commencing on or after 1<sup>st</sup> April, 2015,

as Company attracts all the conditions stipulated in the amended Rules. Company's product is listed at serial no.30 (Glass industry) of item (B) – Non-regulated sector of the Amended Rules.

Pursuant to section 148 of the Companies Act 2013, the Board of Directors on the recommendation of the Audit Committee appointed M/s. Kailash Sankhlecha & Associates, Cost Accountants, as the Cost Auditors of the Company for the Financial Year 2016-17 and has recommended their remuneration to the Shareholders for their ratification at the ensuing Annual General Meeting.

The Audit Committee has also received a certificate from the Cost Auditor certifying their independence and arm's length relationship with the Company.

#### **SECRETARIAL AUDIT**

In terms of Section 204 of the Act and Rules made there under, Mr. Virendra Bhatt, Practicing Company Secretary (CP no.124) has been appointed Secretarial Auditor of the Company. The report of the Secretarial Auditor is attached as an '**Annexure D**' to this Report. The Secretarial Audit Report does not contain any qualification.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

To the best of knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3) (c) of the Companies Act, 2013:

- a. that in the preparation of the annual financial statements, the applicable accounting standards have been followed and there were no material departures.
- b. 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.
- c. that we have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d. that the annual financial statements have been prepared on a going concern basis.
- e. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- f. that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

#### **PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

Details of Loans, Guarantees and Investments are furnished in the Notes to the Financial Statements.

#### **EMPLOYEES' SAFETY**

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

The Company attaches high importance to the Occupational health and safety systems to protect all its employees. The Company has taken mediclaim policy for all its employees and their dependent family members as also personal accident insurance of appropriate amounts for the employees at various levels.

#### **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has in place a Policy for Prohibition and Redressal of Sexual Harassment at work place which is in line with the requirements of the Sexual Harassment of women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013 and Rules made thereunder. All employees (permanent, contractual, temporary and trainees) are covered under this policy. The Company has constituted an Internal Complaint Committee for its



Registered Office and Corporate Office under Section 4 of the captioned Act. No complaint has been filed before the said committee till date. The Company has filed an Annual Report with the concerned Authority.

**DISCLOSURE UNDER RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL), RULES, 2014**

A Statement containing details of disclosure as required under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014 is attached herewith as an '**Annexure E**' to this Report.

**PARTICULARS OF EMPLOYEES**

Particulars of Employees as required under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as an '**Annexure F**' to this Report.

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

Information pursuant to Section 134(3)(m) of the Companies Act, 2013 read with the Rule 8 (3) of the Companies (Accounts) Rules, 2014 is given as an '**Annexure G**' to this 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: May 20, 2016

**B. L. Kheruka**  
Chairman  
DIN-00016861



**ANNEXURE A****Policy relating to remuneration for the Directors, Key Managerial Personnel and Other employees****OBJECTIVE:**

The Board of Directors of the Company in its Meeting held on 20<sup>th</sup> May, 2016 formulated revised policy relating to remuneration for the Directors, Key managerial Personnel and Other employees in terms of the Section 178 of the Companies Act, 2013 and Rules made thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015

The remuneration policy strives to ensure:

- i) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
- ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- iii) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

**REMUNERATION OF THE BOARD OF DIRECTORS:**

The Board of Directors of the Company comprises of Executive and Non-Executive Directors, for which separate policies have been framed:

1. Executive Directors comprising of Promoter Directors and Professional Directors;
2. Non-Executive Directors comprises of Promoter (Non Independent) Director and Independent Directors

**Remuneration of Executive Directors:****Fixed remuneration:**

All Executive Directors viz Executive Chairman, Managing Director and Whole Time Director will have a component of Fixed Salary and allowances, which may be fixed for the whole tenure or in a graded pay scale basis. In addition, they will be entitled to usual perks which are normally offered to top level executives, such as Furnished/Unfurnished house / House Rent Allowance, Medical / Hospitalization reimbursement, Personal accident insurance, club fees, car with driver and retiral benefits including leave encashment at the end of the tenure.

**Variable Components:****Commission:**

Subject to the approval of the shareholders and within the overall limits prescribed in Section 197 of the Companies Act, 2013, the Executive Director may be paid commission based on nature of duties and responsibilities, as may be determined by the Board of Directors on from time to time.

**Reimbursement of Expenses:**

Directors will be entitled for actual entertainment and travelling expenses incurred for business purposes.

The above payments shall be subject to such approvals as may be necessary under the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015.

**Remuneration of Non- Executive Directors:****Fees:**

Non-Executive Directors shall be entitled to payment of fees for attending each Board and Committee Meetings

as may be decided by the Board, within the limit prescribed under the Rules made under the Companies Act, 2013. The fees may be on uniform basis, as the committee views that all directors affectively contribute to the benefit/growth of the Company.

Separate fees may be decided in respect of Board Meetings and Committee Meetings.

**Variable Components:****Commission:**

Subject to the approval of the shareholders and within the overall limit of 1% as prescribed by the Companies Act, 2013, the Non-Executive Directors may be paid commission on a *pro rata* basis.

**Reimbursement of Expenses:**

For Non-Executive Directors actual expenses in connection with Board and committee meetings are to be reimbursed. In addition, if a Non-Executive Director is travelling on Company's business, as permitted by the Board, he/she shall be entitled for his/her travelling and lodging expenses on actual basis.

**Key Managerial Personnel:**

KMPs (CFO/ CS) shall be paid salary and perquisites, like other employees of the Company based on their qualification, job experience, as may be applicable and as may be applicable to the grade, to which they belong.

**Other Employees:**

The Company has an elaborate and scientific system in place for assessing the performance and competence in order to fix the remuneration and determination of increments for the employees.

The Company has various grades starting from Officers Level to Senior Vice President. There are different departments like Production, Purchase, quality center, sales & marketing, finance & accounts, HR & administration of the level of Vice President/General Manager with their respective teams/subordinates of different grades.

Initial remunerations are decided based on an employee's qualification, past experience, suitability for the job and the level for which the position is intended.

At the start of every financial year, organizational strategy is converted into department goals which further gets converted as individual KRAs & Competencies. At the end of every financial year, individual performance is measured against these set, KRAs & Competencies. The increments then are decided on the basis of 4 parameters, viz

- 1) Individual Performance
- 2) Organizational Performance
- 3) New year's budgeted Organizational Performance
- 4) Industry benchmark

The Promotions are decided broadly on the basis of three parameters viz availability of promotable position, consistent performance, potential of the incumbent to grow to the next level.

**Loans / advances to employees:**

The Company may frame policy for granting loan/advances to its employees containing such terms & conditions including regarding interest, as it may deem fit. The Company may in special cases grant loan/advances beyond the limit prescribed in the said policy. The Company may vary said policy from time to time.

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**CRITERIA FOR APPOINTMENT- Criteria for determining Qualification, positive attributes and independence of a Director:****I. QUALIFICATIONS**

He/she shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations, or other disciplines related to Company's business.

The Company will have a blend of Directors comprising of entrepreneurs, professionals and those having administrative experience like ex-IAS officers.

**II. POSITIVE ATTRIBUTES**

- Clarity of vision
- Originality
- Objectively open to other people's ideas/points of view.
- Is analytical, can get to the core issue quickly
- Challenges the status quo
- A good communicator, both in one-to-one and group situations.
- Has the courage of their convictions- particularly in troubled times.
- Is clear on their direction - knows where they are heading and why, and how to get there
- Minimises the casualties from their decisions
- Maintains focus on the strategic direction
- Has high standards of integrity - and insists on the same from others
- Intellect - has a high level of intelligence
- Exercises sound judgement - particularly under pressure
- Knows the questions to ask
- Is a good listener, emotionally as well
- Is numerate - can read and understand financial statements
- Has a healthy self-esteem - but does not believe they are infallible
- Is strategic in thinking and outlook - but is also aware that successful implementation is what counts
- Understands the 'value proposition' of the business
- Is visionary - can see the big picture and read future trends
- Fun to work with i.e. should have good working relationship with other Board Members.
- Can make substantial contributions by taking part in deliberations during Meetings.

**III CRITERIA FOR INDEPENDENCE**

An independent director is one:

- (a) who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- (b) (i) who is/ or was not a promoter of the company or its holding, subsidiary or associate company;  
(ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
- (c) who has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- (d) none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;

- (e) who, neither himself nor any of his relatives-
- (i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
  - (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of-
    - (A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
    - (B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent. or more of the gross turnover of such firm;
  - (iii) holds together with his relatives two per cent. or more of the total voting power of the company; or
  - (iv) is a Chief Executive or director, by whatever name called, of any nonprofit organisation that receives twenty-five per cent. or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company.

**ANNEXURE B**
**Annual Report on Corporate Social Responsibility Activities for the Financial Year 2015-16**

1. Brief outline of the Company's Corporate Social Responsibility Policy (CSR Policy), including overview of projects or programs proposed to be undertaken and a reference to the web link to the CSR Policy and programs:

The Company's CSR Policy includes activities which are in line with Schedule VII of the Companies Act, 2013. The Company has taken up or shall take activities mentioned in its policy as and when fruitful opportunity exit.

The Board of Directors of the Company has approved the CSR Policy as recommended by the Committee and the same has been uploaded on the Company's website at <http://gujaratborosil.com/policies.html>

2. The Composition of the CSR Committee:

The CSR Committee of the Board consists of Mr. B.L. Kheruka, Mr. P. K. Kheruka, who are promoter Directors and Mr. Jagdish Joshi who is an Independent Director. The Chairman of the Committee is Mr. B.L. Kheruka.

3. Average net profit of the Company for last three financial years: ₹163.40 lacs.
4. Prescribed CSR expenditure (2% of the amount in item no.3) ₹ 3.27 lacs.
5. Details of CSR expenditure spent during the financial year:
  - a. Total amount spent for the financial year: ₹3.30 lacs.
  - b. Amount unspent, if any: Nil
  - c. Manner in which the amount spent during the financial year detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR projects or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or (2)Specify the State and district where projects or programs were undertaken	Amount outlay (budget) project or programs wise.	Amount spent on the projects programs Sub-heads: (1)Direct expenditure on projects or programs. (2) Overheads by the Company:	Cumulative expenditure up to the reporting period by the Company:	Amount spent: Direct or through implementing agency
1.	Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly and the differently abled and livelihood enhancement projects	Promoting Education	Tribal rural area of Bharuch and Narmada Districts of Gujarat	Original outlay: ₹ 100 lacs p.a. (along with other contribution)	₹ 3.30 lacs Direct Expenditure on programs	₹ 3.30 lacs	Implementing agency: Sewa Rural Trust Bharuch, Gujarat

**Details of Implementing Agencies**

SEWA RURAL TRUST, Bharuch, is registered under Bombay Trust Act, 1950 vide registration no. F-110 of Bharuch as a part of total cost of project which is ₹100 lakhs for 200 Students (₹ 50,000 p.a. per month). The said trust has an established track record of more than 3 years in undertaking similar programme like that of promoting education & imparting skill development training in tribal rural area of Bharuch and Narmada Districts of Gujarat. It may be mentioned that the said Trust was established in the year 1984 and since then it has been engaged in various philanthropic activities which are Free hospital services, Eye care programme, Rehabilitation of blind people, Community health project, Health training centre and various development and empowerment activities for women.

**For Gujarat Borosil Limited**  
**On behalf of the Board of Directors**

**B. L. Kheruka**  
**Chairman- CSR Committee**  
**DIN:00016861**

**Jagdish Joshi**  
**Member - CSR Committee**  
**DIN:00276041**

Place: Mumbai  
Date: 20th May, 2016

**ANNEXURE C****EXTRACT OF ANNUAL RETURN****As on financial year ended on 31.03.2016****Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.****I. REGISTRATION & OTHER DETAILS:**

1.	CIN	L26100GJ1988PLC011663
2.	Registration Date	22.12.1988
3.	Name of the Company	Gujarat Borosil Limited
4.	Category/Sub-category of the Company	Public Company Limited by shares
5.	Address of the Registered office & contact details	Village-Govali, Tal: Jhagadia, Bharuch, Gujarat-393001.
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Universal Capital Securities Pvt. Ltd. 21, Shakil Niwas, Mahakali Caves Road, Andheri(East), Mumbai-400 093. Contact Person : Mr. Rajesh Karlekar

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY** (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Solar Glass Tempered / Annealed Glass	23101	69.17%
2	Patterned (Figured) Glass	23101	30.83%

**III. Particulars of Holding, Subsidiary and Associate Companies: None**

S. No.	Name and address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section

**IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**  
 Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01 <sup>st</sup> April, 2015]				No. of Shares held at the end of the year [As on 31 <sup>st</sup> March, 2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF	0	0	0	0.00	0	0	0	0.00	0.00
b) Central Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corporate	39822376	0	39822376	58.38	39822476	0	39822476	58.38	0.00
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any other(Specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub Total(A)(1)</b>	<b>39822376</b>	<b>0</b>	<b>39822376</b>	<b>58.38</b>	<b>39822476</b>	<b>0</b>	<b>39822476</b>	<b>58.38</b>	<b>0.00</b>
(2) Foreign									
a) NRI-Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporate	11300000	0	11300000	16.57	11300000	0	11300000	16.57	0.00
d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other(Specify)	0	0	0	0.00	0	0	0	0.00	0
<b>Sub Total(A)(2)</b>	<b>11300000</b>	<b>0</b>	<b>11300000</b>	<b>16.57</b>	<b>11300000</b>	<b>0</b>	<b>11300000</b>	<b>16.57</b>	<b>0.00</b>
<b>Total Shareholding of Promoter(A)= (A)(1)+ (A)(2)</b>	<b>51122376</b>	<b>0</b>	<b>51122376</b>	<b>74.95</b>	<b>51122476</b>	<b>0</b>	<b>51122476</b>	<b>74.95</b>	<b>0.00</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks / FI	0	49300	49300	0.07	0	49300	49300	0.07	0.00
c) Central Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FII's	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub Total(B)(1)</b>	<b>0</b>	<b>49300</b>	<b>49300</b>	<b>0.07</b>	<b>0</b>	<b>49300</b>	<b>49300</b>	<b>0.07</b>	<b>0.00</b>



**IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) : (CONTD)**  
 Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01 <sup>st</sup> April, 2015]				No. of Shares held at the end of the year [As on 31 <sup>st</sup> March, 2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2. Non-Institutions</b>									
a) Bodies Corporate									
(i) Indian	2580127	27900	2608027	3.82	2383329	25000	2408329	3.53	-0.29
(ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(i) Individual shareholders holding nominal share capital upto ₹ 1 Lakh	7517084	4429249	11946333	17.51	7143891	4354976	11498867	16.86	-0.66
(ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	2112225	0	2112225	3.10	2625247	0	2625247	3.85	0.75
c) Other (specify)									
(i) Clearing Members	187537	0	187537	0.27	307312	0	307312	0.45	0.18
(ii) Director(s) & Relatives	0	0	0	0.00	14500*	0	14500	0.02	0.02
(iii) NRI/OCBs	178102	3600	181702	0.27	177869	3600	181469	0.27	0.00
(iv) Foreign Nationals	0	0	0	0.00	0	0	0	0.00	0.00
(v) Foreign Corporate Body	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub Total(B)(2)</b>	<b>12575075</b>	<b>4460749</b>	<b>17035824</b>	<b>24.98</b>	<b>12652148</b>	<b>4383576</b>	<b>17035724</b>	<b>24.98</b>	<b>0.00</b>
<b>(B) Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>12575075</b>	<b>4510049</b>	<b>17085124</b>	<b>25.05</b>	<b>12652148</b>	<b>4432876</b>	<b>17085024</b>	<b>25.05</b>	<b>0.00</b>
<b>TOTAL(A)+(B)</b>	<b>63697451</b>	<b>4510049</b>	<b>68207500</b>	<b>100.00</b>	<b>63774624</b>	<b>4432876</b>	<b>68207500</b>	<b>100.00</b>	<b>0.00</b>
<b>(C) Shares held by custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>GRAND TOTAL (A+B+C)</b>	<b>63697451</b>	<b>4510049</b>	<b>68207500</b>	<b>100.00</b>	<b>63774624</b>	<b>4432876</b>	<b>68207500</b>	<b>100.00</b>	<b>0.00</b>

\* Mr. Rajesh Chaudhary, Whole Time Director holds 14500 (0.02%) Equity Shares of the Company in the name of Rajesh Kumar Chaudhary- HUF.

**(B) Shareholding of Promoter-**

SN	Shareholder's Name	Shareholding at the beginning of the year (01.04.2015)			Shareholding at the end of the year (31.03.2016)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Fennel Investment & Finance Pvt. Ltd.	22600000	33.13	0.00	22600000	33.13	0.00	0.00
2	Borosil Glass Works Ltd.	17222376	25.25	0.00	17222376	25.25	0.00	0.00
3	Broadfield Holdings Limited	11300000	16.57	0.00	11300000	16.57	0.00	0.00
4	Croton Trading Private Limited	0	0.00	0.00	100	0.00	0.00	0.00
	<b>Total</b>	<b>51122376</b>	<b>74.95</b>	<b>0.00</b>	<b>51122476</b>	<b>74.95</b>	<b>0.00</b>	<b>0.00</b>

**(C) Change in Promoters' Shareholding (please specify, if there is no change)**

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
<b>1.</b>	<b>Fennel Investment and Finance Pvt. Ltd.</b>				
	At the beginning of the year	22600000	33.13	22600000	33.13
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	22600000	33.13	22600000	33.13
<b>2.</b>	<b>Borosil Glass Works Ltd.</b>				
	At the beginning of the year	17222376	25.25	17222376	25.25
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	17222376	25.25	17222376	25.25
<b>3.</b>	<b>Broadfield Holdings Limited</b>				
	At the beginning of the year	11300000	16.57	11300000	16.57
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	11300000	16.57	11300000	16.57
<b>4.</b>	<b>Croton Trading Private Limited</b>				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	100-31/12/2015 (Transfer)	0.00	100	0.00
	At the end of the year	100	0.00	100	0.00

**D) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs) as on 31<sup>st</sup> March, 2016:**

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
<b>1</b>	<b>Gems Flora Pvt Ltd</b>				
	At the beginning of the year	1007800	1.48	1007800	1.48
	Date wise Increase / Decrease in Shareholding of Top 10 during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	1007800	1.48	1007800	1.48
<b>2</b>	<b>Chandra Kumar Rajgarhia</b>				
	At the beginning of the year	817405	1.20	817405	1.20
	Date wise Increase / Decrease in Shareholding of Top 10 during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	12589-10/04/2015 6-05/06/2015 1862-12/06/2015 18138-19/06/2015 (Transfer)	0.02 0.00 0.00 0.03	829994 830000 831862 850000	1.22 1.22 1.22 1.25
	At the end of the year	850000	1.25	850000	1.25
<b>3</b>	<b>Shresth Enterprises Pvt. Ltd.</b>				
	At the beginning of the year	710000	1.04	710000	1.04
	Date wise Increase / Decrease in Shareholding of Top 10 during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
	At the end of the year	710000	1.04	710000	1.04
<b>4</b>	<b>Kapil Ahuja</b>				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Shareholding of Top 10 during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	37000-10/07/2015 13000-17/07/2015 46000-24/07/2015 20000-31/07/2015 21000-28/08/2015 6000-04/09/2015 43500-25/09/2015 61415-16/10/2015 29750-23/10/2015 5000-30/10/2015 52000-06/11/2015 8000-29/01/2016 (Transfer)	0.05 0.02 0.07 0.03 0.03 0.01 0.06 0.09 0.04 0.01 0.08 0.01	37000 50000 96000 116000 137000 143000 186500 247915 277665 282665 334665 342665	0.05 0.07 0.14 0.17 0.20 0.21 0.27 0.36 0.41 0.41 0.49 0.50
	At the end of the year	342665	0.50	342665	0.50
<b>5</b>	<b>Rakesh Kumar Bothra</b>				
	At the beginning of the year	262200	0.38	262200	0.38
	Date wise Increase / Decrease in Shareholding of Top 10 during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	262200	0.38	262200	0.38

**D) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs) as on 31<sup>st</sup> March, 2016:**

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
<b>6</b>	<b>Bharat Bhushan Equity Traders LTD.</b>				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Shareholding of Top 10 during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	155247-31/03/2016 (Transfer)	0.23	155247	0.23
	At the end of the year	155247	0.23	155247	0.23
<b>7</b>	<b>Naveen Bothra</b>				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Shareholding of Top 10 during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	5000 -21/08/2015 12421-28/08/2015 2579-02/10/2015 157500-30/10/2015 (-)5000-06/11/2015 (-)2500-27/11/2015 (-)120000-04/12/2015 (-)10000-08/01/2016 10000-12/02/2016 75000-19/02/2016 25000-26/02/2016 (Transfer)	0.01 0.02 0.00 0.23 -0.01 0.00 -0.18 -0.01 0.01 0.11 0.04	5000 17421 20000 177500 172500 170000 50000 40000 50000 125000 150000	0.01 0.03 0.03 0.26 0.25 0.25 0.07 0.06 0.07 0.18 0.22
	At the end of the year	150000	0.22	150000	0.22
<b>8</b>	<b>Dilipkumar Lakhi</b>				
	At the beginning of the year	5000	0.01	5000	0.01
	Date wise Increase / Decrease in Shareholding of Top 10 during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	23336-23/10/2015 58378-30/10/2015 2818-06/11/2015 1961-13/11/2015 11523-20/11/2015 (Transfer)	0.03 0.09 0.00 0.00 0.02	28336 86714 89532 91493 103016	0.04 0.13 0.13 0.13 0.15
	At the end of the year	103016	0.15	103016	0.15
<b>9</b>	<b>Kishan Gopal Motha</b>				
	At the beginning of the year	100000	0.15	100000	0.15
	Date wise Increase / Decrease in Shareholding of Top 10 during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	100000	0.15	100000	0.15
<b>10</b>	<b>Punamchand Ramnarayan Rathi</b>				
	At the beginning of the year	200000	0.29	200000	0.29
	Date wise Increase / Decrease in Shareholding of Top 10 during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	(-)100000-04/12/2015 (Transfer)	-0.15	100000	0.15
	At the end of the year	100000	0.15	100000	0.15

**D) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs) as on 31<sup>st</sup> March, 2016:**

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
<b>11</b>	<b>Balkrishna Chaturbhuj Bhartia</b>				
	At the beginning of the year	73591	0.11	73591	0.11
	Date wise Increase / Decrease in Shareholding of Top 10 during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	73591	0.11	73591	0.11
<b>12</b>	<b>Kanchan Labware Pvt Ltd</b>				
	At the beginning of the year	142359	0.21	142359	0.21
	Date wise Increase / Decrease in Shareholding of Top 10 during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	(-)142359-31/03/2016 (Transfer)	-0.21	0	0
	At the end of the year	0	0	0	0
<b>13</b>	<b>Rahul Behal</b>				
	At the beginning of the year	118955	0.17	118955	0.17
	Date wise Increase / Decrease in Shareholding of Top 10 during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	(-)7500-22/05/2015 (-)33850-10/07/2015 (-)30500-07/08/2015 (-)38105-14/08/2015 (Transfer)	-0.01 -0.05 -0.04 -0.06	111455 77605 47105 9000	0.16 0.11 0.07 0.01
	At the end of the year	9000	0.01	9000	0.01
<b>14</b>	<b>LKP Finance Limited</b>				
	At the beginning of the year	70000	0.10	70000	0.10
	Date wise Increase / Decrease in Shareholding of Top 10 during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	(-)21468-08/01/2016 (-)4145-18/03/2016 (Transfer)	-0.03 -0.01	48532 44387	0.07 0.06
	At the end of the year	44387	0.06	44387	0.06

**E) Shareholding of Directors and Key Managerial Personnel:**

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
<b>1</b>	<b>Mr. B. L. Kheruka</b>				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Shareholding of Directors & KMP during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	0	0	0	0
<b>2</b>	<b>Mr. P. K. Kheruka</b>				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Shareholding of Directors & KMP during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	0	0	0	0
<b>3</b>	<b>Mr. Ashok Jain</b>				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Shareholding of Directors & KMP during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	0	0	0	0
<b>4</b>	<b>Mr. Ashok Kumar Doda</b>				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Shareholding of Directors & KMP during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	0	0	0	0
<b>5</b>	<b>Mr. Jagdish Joshi</b>				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Shareholding of Directors & KMP during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	0	0	0	0
<b>6</b>	<b>Mr. Shashi Mehra</b>				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Shareholding of Directors & KMP during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):	-	-	-	-
	At the end of the year	0	0	0	0
<b>7</b>	<b>Mrs. Shalini Kamath</b>				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Shareholding of Directors & KMP during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	0	0	0	0

**E) Shareholding of Directors and Key Managerial Personnel:**

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
<b>8</b>	<b>Mr. Rajesh Kumar Chaudhary</b>				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Shareholding of Directors & KMP during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	4500-04/12/2015 10000-19/02/2016 (Transfer)	0.01 0.01	4500 10000	0.01 0.01
	At the end of the year	*14500	0.02	*14500	0.02
<b>9</b>	<b>Mr. Sunil Roongta</b>				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Shareholding of Directors & KMP during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	0	0	0	0
<b>10</b>	<b>Mr. Kishor Talreja</b>				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Shareholding of Directors & KMP during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	0	0	0	0

\*Mr. Rajesh Chaudhary, Whole Time Director, holds 14500 (0.02%) equity shares in the name of Rajesh Kumar Chaudhary- HUF.

**V) INDEBTEDNESS** - Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	(₹ in lacs)			
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	3007.31	-	-	3007.31
ii) Interest due but not paid	NIL	-	-	NIL
iii) Interest accrued but not due	28.00	-	-	28.00
<b>Total (i+ii+iii)</b>	<b>3035.31</b>	-	-	<b>3035.31</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	-	-	-	-
* Reduction	994.43	-	-	994.43
<b>Net Change</b>				
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	2021.08	-	-	2021.08
ii) Interest due but not paid	NIL	-	-	NIL
iii) Interest accrued but not due	19.80	-	-	19.80
<b>Total (i+ii+iii)</b>	<b>2040.88</b>	-	-	<b>2040.88</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

(₹)

SN	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Mr. Ashok Jain - WTD	Mr. Rajesh Chaudhary - WTD	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	29,39,655	7,489	29,47,144
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	18,08,333	582	18,08,915
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit-	-	-	-
	- others, specify	-	-	-
5	Others – PF Contribution	3,52,759	780	56,81,841
	Gratuity	34,90,385	-	-
	Leave encashment	18,37,917	-	-
	<b>Total (A)</b>	<b>1,04,29,049</b>	<b>8,851</b>	<b>1,04,37,900</b>
	Ceiling as per the Act	₹120 lacs as per schedule V of the Companies Act, 2013		

- Mr. Ashok Jain was Whole time Director upto 20<sup>th</sup> February, 2016 (date of retirement).
- Mr. Rajesh Chaudhary appointed as Whole time Director with effect from 31<sup>st</sup> March, 2016. His remuneration is for one day only.

**B. Remuneration to other directors**

(₹)

SN	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Shashi Mehra	Mr. Jagdish Joshi	Mr. Ashok Kumar Doda	Mrs. Shalini Kamath	
1	<b>Independent Directors</b>					
	Fee for attending board / committee meetings	2,00,000	1,80,000	1,80,000	1,00,000	6,60,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	<b>Total (1)</b>	<b>2,00,000</b>	<b>1,80,000</b>	<b>1,80,000</b>	<b>1,00,000</b>	<b>6,60,000</b>
2	<b>Other Non-Executive Directors</b>	Mr. B. L. Kheruka	Mr. P. K. Kheruka	Mr. Ashok Jain#		
	Fee for attending board committee meetings	1,40,000	2,00,000	20,000	-	3,60,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	<b>Total (2)</b>	<b>1,40,000</b>	<b>2,00,000</b>	<b>20,000</b>	<b>-</b>	<b>3,60,000</b>
	<b>Total Managerial Remuneration Total (B)=(1+2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,20,000**</b>
	Overall Ceiling as per the Act	₹16,52,670/- (being 1% of the Net Profit as per Section 198 of the Companies Act, 2013)				

\*\* Only sitting fees are paid to Independent Directors and Non-Executive Directors.

# Mr. Ashok Jain was paid Sitting fee for attending Board Meeting held on 31/03/2016.



**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

(₹)

SN	Particulars of Remuneration	Name of KMP		Total
		Mr. Kishor Talreja Company Secretary	Mr. Sunil Roongta CFO	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7,15,800	11,68,464	18,84,264
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	5,70,946	13,31,696	19,02,642
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	others, specify	-	-	-
5	Others – PF Contribution	85,896	1,40,216	2,26,112
	<b>Total</b>	<b>13,72,642</b>	<b>26,40,376</b>	<b>40,13,018</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

There were no penalties / punishment / compounding of offences under any sections of the Companies Act, 2013 against the Company or its Directors or other Officers in default, if any, during the year.

**Form No. MR-3****SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
**Gujarat Borosil Limited**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Gujarat Borosil Limited (Hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provides me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Gujarat Borosil Limited books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2016 has prima facie complied with the statutory provisions listed hereunder:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 & the rules & regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment & External Commercial Borrowings;
- (V) The following Regulations and Guidelines prescribed under Securities and Exchange Board of India Act, 1992 (SEBI Act):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - Though the following laws are prescribed in the format of Secretarial Audit Report by the Government, the same were not applicable to the Company for the financial year ended 31st March, 2016:-
    - (a) The Securities And Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009;
    - (b) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

- (c) The Securities & Exchange Board of India (Issue & listing of Debt securities) Regulations, 2008;
- (d) The Securities & Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(VI) For the other applicable laws our audit was Limited to:

- i. Factories Act, 1948
- ii. Industrial Disputes Act, 1947
- iii. The Payment of Wages Act, 1936
- iv. The Minimum Wages Act, 1948
- v. The Employees Provident Fund & Miscellaneous Provisions Act, 1952
- vi. The Payment of Bonus Act, 1965
- vii. The Payment of Gratuity Act, 1972
- viii. The Contract Labour (Regulations & Abolition) Act, 1970

On examination, we observe that the Company requires stricter fire safety and safety measures and welfare provisions, which was reported by the factory inspector & as per the information provided by the Company, they have replied to the concerned department.

I report that no provision for bonus for retrospective period has been made in view of judgment of High Court of Kerala.

I further Report that the current settlement with Worker's Union expired on 31<sup>st</sup> December, 2015.

I have also examined compliance with the applicable clauses of the following:

- (a) The Listing agreement entered into by the Company with the BSE Limited.
- (b) Secretarial Standards 1 & 2 issued by The Institute of Company Secretaries of India.

I further Report that the Company has entered into an agreement with IndusInd bank on 31<sup>st</sup> March, 2016 and filling was under process.

I further Report that Remuneration to Whole time director, appointed w.e.f. 31<sup>st</sup> March, 2016, is subject to approval of shareholders in the ensuing Annual General Meeting.

I further report that as per information and explanation given by the management, maintenance of cost records has been prescribed by the Central Government sub section 1 of section 148 of the Companies Act, 2013 and I am of the opinion that prima-facie the prescribed accounts and records are being maintained and the cost records are in process of updating for the year.

I further report that as per the information & explanation given to us the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident fund, Employee's State Insurance, Income Tax, Wealth Tax, Custom duty, Excise duty, Service tax, Sales Tax, Value Added tax, Cess and other statutory dues applicable to it. I am informed that Employee's State Insurance Act does not apply to the Company.

During the period under review the Company has prima facie complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that I rely on statutory auditor's reports in relation to the financial statements and accuracy of financial figures for Sales Tax, Wealth Tax, Value Added Tax, Related Party Transactions, Provident Fund, etc. as

disclosed under financial statements, Accounting Standard 18 & note on foreign currency transactions during our audit period.

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

I further report that as per the information provided the Company has prima facie given adequate notice to all directors to schedule the Board Meetings, agenda & detailed notes on agenda were sent at least seven days in advance & a system exists for seeking & obtaining further information & clarifications on agenda items before the meeting & for meaningful participation at the meeting.

I further report that as per the information provided decisions are carried out with the consent of all members & their views are also captured as part of the minutes.

I further report that there are prima facie adequate systems & processes in the company commensurate with the size & operations of the company to monitor & ensure compliance with applicable laws, rules, regulations & guidelines.

I further report that the management is responsible for compliances of all business laws. This responsibility includes maintenance of statutory registers/records required by the concerned authorities and internal control of the concerned department.

I further report that during the audit period the Company has no specific events like Public/ Right/ Preferential issue of shares/ debentures/ sweat equity, etc.

I further report that:

1. Maintenance of Secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these Secretarial Records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the Secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. Where ever required, I have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc.
4. The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of the Management. My examination was limited to the verification of procedures on test basis.
5. The Secretarial Audit report is neither an assurance as to the future viability of the company nor the efficacy or effectiveness with which the Management has conducted the affairs of the company.

**Virendra Bhatt**  
**ACS No – 1157**  
**COP No – 124**

Place: Mumbai  
Date: 20.05.2016

**ANNEXURE E**
**DISCLOSURE UNDER RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

1. The ratio of remuneration of each director to the median remuneration of the employee and percentage increase in remuneration of Director, CFO and CS:

Sr. No.	Name	Designation	Remuneration paid for FY 2015-16 (₹)	Remuneration paid for FY 2014-15 (₹)	% increase in remuneration in the FY 2015-16	Ratio/Times per median of employee remuneration
1	Mr. B.L. Kheruka	Director	1,40,000/-	1,50,000/-	-6.67%	0.96
2	Mr. P.K. Kheruka	Director	2,00,000/-	1,50,000/-	33.33%	1.37
3	Mr. Ashok Jain#	Director	1,04,29,049/-	51,97,200/-	100.67%	71.21
4	Mr. Rajesh Chaudhary*	Director	8,851/-	NIL	-	0.06
5	Mr. Shashi Mehra	Director	2,00,000/-	1,60,000/-	25%	1.37
6	Mr. Jagdish Joshi	Director	1,80,000/-	2,20,000/-	-18.18%	1.23
7	Mr. Ashok Kumar Doda	Director	1,80,000/-	1,70,000/-	5.88%	1.23
8	Mrs. Shalini Kamath	Director	1,00,000/-	60,000/-	66.67%	0.68
9	Mr. Sunil Roongta	CFO	26,40,376/-	22,28,000/-	18.51%	18.03
10	Mr. Kishor Talreja	Company Secretary	13,72,642/-	12,62,628/-	8.71%	9.37

# Mr. Ashok Jain was Whole time Director upto 20<sup>th</sup> February, 2016 (age of retirement). The steep increase in remuneration is largely because of payment of gratuity and leave encashment.

\*Mr. Rajesh Chaudhary appointed as Additional Director, Whole Time Director and Key Managerial Personnel with effect from 31<sup>st</sup> March, 2016.

2. Percentage increase in median remuneration:

Median remuneration of employees in FY 2015-16 (₹)	Median remuneration of employees in FY 2014-15 (₹)	Percentage increase / decrease
1,46,460/-	1,27,038/-	15.29%

3. No. of permanent employees as on 31.03.2016: Total – 394 employees.

4. Relationship between average increase in remuneration and company's performance:

There is no direct relationship between average increase in remuneration and Company's performance

5. Comparison of remuneration of KMP remuneration against the performance of the Company:

The KMP remuneration is not related to Company's performance. They are paid as per their terms of appointment.

## 6. Variation in market capitalization, PE ratio;

Particulars	As on 31.3.2016	As on 31.3.2015	As on last public offer	Percentage increase
Market capitalization of the Company	₹ 510,87,41,750/-	₹ 146,64,61,250/-	-	248.37%
PE ratio	57.62	Negative	-	NA
Market quotations of equity shares	₹ 74.90	₹ 21.50	Face Value ₹ 10/- (public offer)	649%
	₹ 74.90	₹ 21.50	Face value ₹ 5/- (on reduction of share capital)	1398%

## 7. Comparison between average percentile increase in salaries of employees (excluding managerial personnel) and percentile increase in managerial remuneration:

Average percentile increase in salaries of employees other than managerial personnel in FY 2015-16	Percentile increase in managerial personnel remuneration in FY 2015-16	Justification
12.42%	13.78%	Based on performance & small no. of managerial personnel

## 8. The key parameters for any variable component of remuneration availed by Directors:

No variable component in the remuneration paid to Directors.

## 9. There was no employee who received remuneration in excess of the highest paid director in financial year 2015-16.

## 10. This is to affirm that the above remuneration is paid as per the Remuneration Policy of the Company.

For and on behalf of the Board of Directors

Place: Mumbai  
Date : May 20, 2016

**B. L. Kheruka**  
Chairman  
DIN : 00016861

**ANNEXURE F****DISCLOSURE UNDER RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

- A.** Name of the Employee(s) employed throughout the year ended 31<sup>st</sup> March, 2016 who were in receipt of remuneration for that year which, in the aggregate is not less than ₹ 60,00,000/- per annum in terms of the said Rule.

**NONE**

- B.** Name of the Employee(s) employed for part of the financial year 2015-16, and was in receipt of remuneration for that part of the year, at a rate which, in the aggregate, was not less than ₹ 5,00,000/- per month in terms of the said Rule.

<b>Name, Age &amp; Qualification</b>	<b>Designation / Nature of Duties</b>	<b>Remuneration (₹)</b>	<b>Date of Joining and experience</b>	<b>Particulars of last Employment</b>
Ashok Jain Age: 58 years  <b>Qualification:</b> B. Com., FCA and FCS	Whole Time Director  Overall in-charge	104.29 lakhs	Date of Joining : 22 <sup>nd</sup> August, 1994  <b>Experience:</b> 35 years in Corporate Sector – Finance, Commercial and General Management.	Armour Polymers Ltd. General Manager - Finance and Company Secretary

**NOTES:**

1. Remuneration includes Salary, Perquisites, Gratuity, Leave encashment, Contribution to Provident Fund and the monetary value of perquisites calculated as per the Income Tax Act, 1961 and the Rules made therein, as applicable.
2. Mr. Ashok Jain is not related to any Director of the Company.
3. Employment was on contractual basis, which could have been terminated by either party by giving three months' notice in writing.
4. Mr. Ashok Jain does not hold any shares in the Company.
5. Mr. Ashok Jain was Whole Time Director upto 20<sup>th</sup> February, 2016 (age of retirement).

For and on behalf of the Board of Directors

Place: Mumbai  
Date : 20<sup>th</sup> May, 2016

**B. L. Kheruka**  
Chairman  
DIN : 00016861

**ANNEXURE G****Details of conservation of energy, technology absorption, foreign exchange earnings and outgo**

The Information under Section 134(3) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 for the year ended March 31, 2016 is given here below and Forms part of the Directors Report.

**(a) Conservation of energy**

(i)	the steps taken or impact on conservation of energy	<ol style="list-style-type: none"> <li>VFD Installation in Air Compressor &amp; reduce motor speed by 4%.</li> <li>30W LED Flood light replacement in place of 250W Food Light: 22 Nos.</li> <li>Preheater is being installed to recover heat from exhaust</li> </ol>
(ii)	the steps taken by the company for utilizing alternate sources of energy	Planning to install 500KW Solar plant on the rooftop of the factory.
(iii)	the capital investment on energy conservation equipments	VFD For Air Compressor : 5.30 Lacs 30W LED Tube rod : 0.33 Lacs Proposed preheater for furnace : 126.00 Lacs

**(b) Technology absorption**

(i)	the efforts made towards technology absorption	In Tempering Line-2, Zone-2 Heater capacity increased to enhance production capacity by reducing cycle time. Total Cost : ₹1.72 Lacs
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	<ol style="list-style-type: none"> <li>Increased productivity by 11% approx. in tempering Line-2 by reducing cycle time from 80 second to 72 second per batch. Number of batches per day increased by 11% approx.</li> <li>Specific Power Consumption reduced from 2.70 to 2.20 KWH/Sqmt (2mm) of glass production.</li> </ol>
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) -	
	(a) the details of technology imported	Imported Anti-reflective coating Unit-1 & Unit-2 from China to do a roller coating on solar glass to achieve value added product which gives higher efficiency on the end product.
	(b) the year of import;	1. 2013-14      2. 2015-16
	(c) whether the technology been fully absorbed	Yes
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	N.A.
(iv)	the expenditure incurred on Research and Development	No capital expenditure incurred. Revenue expenditure incurred on conducting various tests /experiments to improve technology, improve product quality and /or reduce costs.

**(c) Foreign exchange earnings and Outgo**

Particulars with regard to foreign exchange earnings and outgo are furnished under note no. 41 and 42 of 'Notes to the financial statements'

For and on behalf of the Board of Directors

Place: Mumbai  
Date : May 20, 2016

**B. L. Kheruka**  
Chairman  
DIN : 00016861



## REPORT ON CORPORATE GOVERNANCE

Pursuant to Regulation 34 read with Schedule V to the Securities and Exchange Board of India ( Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulation"), a Report on Corporate Governance is given below:

### 1. Company's Philosophy on code of governance

Your Company has been practicing the principles of good corporate governance over the years. The Company has adopted best practices for corporate governance, disclosure standards and enhanced shareholder value while protecting the interests of all other stakeholders including clients, suppliers and its employees.

The Directors present below the Company's policies and practices on corporate governance.

### 2. Board of Directors

#### Composition of the Board:

As on 31<sup>st</sup> March, 2016, the Company had Eight Directors on the Board out of which 7 were Non-executive Directors, which is much higher than the minimum requirement of 50% as per Regulation 17 of Listing Regulation. Out of these eight directors, four were Independent Directors including one woman director.

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

#### Attendance of the Directors at the Board Meetings and the last Annual General Meeting, Outside Directorships and other Membership or Chairmanship of Board Committees as on 31<sup>st</sup> March, 2016, is tabulated herein under:

Name	Category	No. of Board Meetings Attended	Attendance at last AGM held on 25/08/15	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 DIN: 00016861	Chairman Non-Executive	5	Yes	4	-	2
Mr. P. K. Kheruka DIN: 00016909	Vice Chairman Non-Executive	5	No	5	-	2
Mr. Ashok Jain** DIN:00025125	Non-Executive Director	5	Yes	1	-	1
Mr. Shashi Mehra DIN: 00032134	Independent Non-Executive	5	Yes	-	-	-
Mr. Jagdish Joshi DIN:00276041	Independent Non-Executive	4	No	-	-	-
Mr. Ashok Kumar Doda DIN:00288563	Independent Non-Executive	5	Yes	8	1	8
Mrs. Shalini Kamath DIN:06993314	Independent Non-Executive	5	Yes	1	-	-
Mr. Rajesh Chaudhary# DIN:07425111	Whole Time Director	1	NA	-	-	-

\* For this purpose, only Audit Committee and Stakeholders Relationship Committee have been considered.

\*\*Mr. Ashok Jain was Whole Time Director upto 20<sup>th</sup> February, 2016 and continued as Non-Executive Director thereafter.

# Mr. Rajesh Chaudhary was appointed as Additional Director, KMP and Whole Time Director with effect from 31<sup>st</sup> March, 2016.

None of the Directors is a Director in more than 10 Public Limited Companies or acts as an Independent Director in more than 7 Listed Companies. Further, none of the Director acts as a member of more than 10 committees or acts as a chairman of more than 5 committees across all Public Limited Companies in which he is a Director.

**Board Meetings, agenda and proceedings etc. of the Board Meeting:**

The Board met Five times on the following dates during the financial year 2015-2016:

Board Meetings were held on May 18, 2015, August 06, 2015, November 04, 2015, February 08, 2016 and March 31, 2016.

The Gap between two Board Meetings did not exceed 120 days.

The information as specified in Part A of Schedule II of Regulation 17 (7) of Listing Regulation is regularly made available to the Board, whenever applicable, for discussion and consideration.

**Disclosure of relationship between directors inter-se**

Mr. B. L. Kheruka is father of Mr. P. K. Kheruka.

**Number of shares held by Non-executive directors:**

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

**Familiarisation programme for Independent Directors**

A Familiarisation Program was conducted for Independent Directors on November 04, 2015, to familiarize the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company so that they can contribute in a meaningful way to the Company. Familiarization Program for Independent Directors had been uploaded on website of the Company at <http://www.gujaratborosil.com/directors.html>- click on Familiarization Programme for Independent Directors.

**3. Audit Committee**

The powers, role and terms of reference of the Audit Committee covers the areas as contemplated under Regulation 18 of the Listing Regulation and Section 177 of the Companies Act, 2013, as applicable, besides other terms as referred by the Board of Directors.

The powers include investigating any activity within its terms of reference as specified by the Board and seeking information from any employee, obtain professional advice from external sources and have full access to information contained in the records of the Company.

The role includes oversight of Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible; recommending the appointment, re-appointment, remuneration and terms of appointment of auditors and approval of payment for any other services rendered by statutory auditors; reviewing with the management quarterly results and annual financial statements before submission to the Board for approval; approval or any subsequent modification of any transactions of the Company with related parties; review and monitor the auditor's independence and performance and effectiveness of audit process; scrutiny of inter corporate loans and investments, if any; evaluation of internal financial controls and risk management system; and reviewing the functioning of the whistle blower mechanism.

The committee mandatorily reviews information such as internal audit reports related to internal control weakness, management discussion and analysis of financial condition and result of operations, statement of significant related party transactions and such other matters as prescribed.

#### **Composition & Meetings:**

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 March 31, 2016 comprised of four members all being Non-executive Directors. Mr. P. K. Kheruka is a non-independent director and all other are independent directors.

During the financial year 2015-16, the Committee met four times on May 18, 2015, August 06, 2015, November 04, 2015 and February 08, 2016. The detail of attendance at the aforesaid meeting is as follows:

Name of Directors / Members	Designation	No. of Meetings	
		Held	Attended
Mr. Ashok Doda	Chairman	4	4
Mr. Shashi Mehra	Member	4	4
Mr. P. K. Kheruka	Member	4	4
Mr. Jagdish Joshi	Member	4	3

All members of the Audit Committee are capable of understanding financial statements and one member possesses financial expertise in accordance with Regulation 18 of Listing Regulation.

#### **Invitees / participants:**

Apart from the members of Audit Committee, generally, meetings are also attended by Whole-time Director, Chief Financial Officer and Company Secretary. Internal Auditor and Statutory Auditor are also invited to the meetings.

The Company Secretary acts as the Secretary to the Committee.

The Chairman of the Audit Committee was present at the 26<sup>th</sup> Annual General Meeting held on August 25, 2015.

#### **4. Nomination and Remuneration Committee**

The powers, role and terms of reference of the Nomination and Remuneration Committee covers the areas as contemplated under Regulation 19 of the Listing Regulation and Section 178 of the Companies Act, 2013, besides other terms as referred by the Board of Directors. The role includes formulation of criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees; formulation of criteria for evaluation of Independent Directors and the Board; devising a policy on diversity of Board of Directors; and identification of persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of their appointment/noting and removal.

**Composition & Meetings:**

The Board of Directors has constituted a Nomination and Remuneration Committee (earlier called Remuneration Committee). The Committee comprises of three directors, all of whom are non-executive directors and at least half are independent directors.

During the financial year 2015-16, the Committee met two times on November 04, 2015 and March 31, 2016. The detail of attendance at the aforesaid meeting is as follows:

Name of Directors / Members	Designation	No. of Meetings	
		Held	Attended
Mr. Jagdish Joshi	Chairman	2	2
Mr. Shashi Mehra	Member	2	2
Mr. B L. Kheruka	Member	2	2

**PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS****Performance evaluation:**

Pursuant to the provisions of the Companies Act, 2013 and Regulations 17 & 19 read with part D of Schedule II to the Listing Regulation, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees.

The Nomination and Remuneration Committee had at its meeting held on November 03, 2014 laid down evaluation criteria for performance evaluation of each director, the Board as a whole and its Committees.

The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

**5. Remuneration of Directors:**

The Board of Directors has constituted a Nomination and Remuneration Committee. The Committee had at its meeting held on May 20, 2016 formulated revised Policy relating to remuneration for the Directors, Key Managerial Personnel and Other employees.

The broad terms of reference of Nomination and 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 2015-2016
	Sitting fees for attending Meetings of Board and/or Committee thereof Gross Amount (in ₹)
(A) Mr. B.L. Kheruka Mr. P.K. Kheruka Mr. Shashi Mehra Mr. Jagdish Joshi Mr. Ashok Doda Mrs. Shalini Kamath	1,40,000/- 2,00,000/- 2,00,000/- 1,80,000/- 1,80,000/- 1,00,000/-
<b>Sub Total - A</b>	<b>10,00,000/-</b>
(B) Mr. Ashok Jain* (Whole-time Director) Salary Perquisites Contribution to P. F. Leave encashment Gratuity	  44,89,655/- 2,58,333/- 3,52,759/- 18,37,917/- 34,90,385/-
<b>Sub Total -1</b>	<b>1,04,29,049/-</b>
<b>Sub Total -2</b> (Mr. Jain was paid sitting fee for attending Board Meeting held on 31st March, 2016)	<b>20,000/-</b>
<b>Sub Total - B (1+2)</b>	<b>1,04,49,049/-</b>
(C) Mr. Rajesh Chaudhary** (Whole-time Director) Salary Perquisites Contribution to P. F.	  7,489/- 582/- 780/-
<b>Sub Total - C</b>	<b>8,851/-</b>
<b>Total (A+B+C)</b>	<b>1,14,57,900/-</b>

\* Mr. Ashok Jain was Whole Time Director upto 20/02/2016 (age of retirement) and continued as Non-executive Director thereafter.

\*\* Mr. Rajesh Chaudhary has been appointed as Whole Time Director with effect from 31<sup>st</sup> March, 2016.

**Notes:**

- The Non-Executive Directors are paid sitting fees of ₹ 20,000/- for attending each Board and Audit Committee Meetings, ₹ 10,000/- for attending meeting of Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee Meeting. No sitting fee is paid for attending Share Transfer Committee Meeting.
- The Company does not pay bonus, pension or any incentive to the Whole-time Director (WTD). However, now the WTD is entitled for commission.
- For termination of employment, the Company / Whole-time Director, as the case may be, is required to give a notice of 3 months or salary of three months in lieu thereof.
- The Company has so far not issued any stock option to the Whole-time Director or any other Director.
- The Criteria for making payments to non-executive directors of the Company is uploaded on the website of the Company.

**6. Stakeholders Relationship Committee****Composition & Meetings:**

The Board of Directors has constituted a Stakeholders Relationship Committee. The Committee comprises of four directors, headed by Mr. P. K. Kheruka, Non-executive Director.

During the financial year 2015-16, the Committee met on April 06, 2015. The detail of attendance at the aforesaid meeting is as follows:

Name of Directors / Members	Designation	No. of Meetings	
		Held	Attended
Mr. P. K. Kheruka	Chairman	1	1
Mr. B L. Kheruka	Member	1	1
Mr. Jagdish Joshi	Member	1	1
Mr. Ashok Jain	Member	1	1

The Company Secretary acts as the Secretary to the Committee.

In order to look into the complaints redressal status in respect of year ended March 31, 2016, the Committee met on April 18, 2016. Details of complaints received, not solved and pending during the financial year 2015-16:

Particulars	Number
No. of complaints received	07
No. of complaints not solved to the satisfaction of shareholders	NIL
No. of complaints pending	NIL

**Terms of reference of Stakeholders Relationship Committee:**

The Committee has been constituted to attend to and to resolve the grievances of security holders including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends.

**7. Corporate Social Responsibility Committee**

The Corporate Social Responsibility Committee comprises of Mr. B. L. Kheruka, Chairman, Mr. P. K. Kheruka, Member and Mr. Jagdish Joshi, Member (who is an Independent Director).

One Meeting of the Committee was held on 08<sup>th</sup> February, 2016 during the year and all the members attended the meeting.

**8. Share Transfer Committee****Composition & Meetings:**

The Board of Directors has constituted a Share Transfer Committee. Committee comprises of three directors.

During the financial year 2015-16, the Committee met fifteen times on April 06, 2015, June 02, 2015, July 03, 2015, July 14 2015, July 23 2015, August 06, 2015, August 26, 2015, September 11, 2015, November 04, 2015, December 17, 2015, January 08, 2016, January 17, 2016, February 08, 2016, February 13, 2016 and March 31, 2016. The detail of attendance at the aforesaid meetings is as follows:

Name of Directors / Members	Designation	No. of Meetings	
		Held	Attended
Mr. B. L. Kheruka	Chairman	15	15
Mr. P. K. Kheruka	Member	15	15
Mr. Ashok Jain	Member	15	15

The Company Secretary acts as the Secretary to the Committee.

#### Terms of reference of Share Transfer Committee

1. To approve the transfer/transmission of shares or any other securities.
2. To issue renewed or duplicate share certificates on such terms and conditions including term as to indemnity as it deems fit; and
3. To do all acts and things and to take all steps that may be necessary and incidental thereto.

#### 9. Separate meeting of Independent Directors

As stipulated by the Code of Independent Directors under Schedule IV of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Separate Meeting of Independent Directors of the Company was held on March 31, 2016 under the Chairmanship of Mr. Ashok Doda, Lead Independent Director, to review the performance of Non-independent directors (including the Chairman) and the Board as whole. All the Independent Directors were present at the meeting. The Independent Directors also reviewed the quality, content and timelines of the flow of information between the Management and the Board and its Committees which is necessary to effectively and reasonably perform and discharge their duties.

#### 10. 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
2014-2015	Regd. Office – Village- Govali, Taluka- Jhagadia, Dist. Bharuch 393 001, Gujarat	AGM	25/08/2015	Tuesday	12.00 noon	1
2013-2014	-do-	AGM	08/08/2014	Friday	10.00 am	3
2012-2013	-do-	AGM	10/08/2013	Saturday	10.00 am	NIL

#### Postal Ballot:

Special Resolution - Item no.6 of the Notice of 26<sup>th</sup> Annual General Meeting: Variation in terms & conditions of 90,00,000 9% Cumulative Non-Convertible Redeemable Preference Shares of ₹100/- each of the Company, was passed through postal ballot on 26/08/2015 as a valid resolution. The Company appointed Mr. Virendra Bhatt, Practising Company Secretary, as the Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.

Details of voting were as under:

Description of Resolution	Votes in favour of the resolution		Votes against the resolution	
	No. of votes	% of votes in favour	No. of votes	% of votes against
Variation in terms & conditions of 90,00,000 9% Cumulative Non-Convertible Redeemable Preference Shares of Rs.100/- each of the Company	81	99.90%	5	0.10%

There is no proposal to conduct any business through Postal Ballot.

During the conduct of the Postal Ballot, the Company had in terms of Clause 35B of the then Listing Agreement provided e-voting facility to its shareholders to cast their votes electronically through the CDSL e-voting platform. Postal ballot forms and business reply envelopes were sent to shareholders to enable them to cast their vote in writing on the postal ballot. The Company also published a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Companies Act, 2013 and applicable Rules. The scrutinizer submitted his report to the Chairman, after completion of the scrutiny and the results of voting by posting ballot were then announced by the Chairman/ Authorised officers. The voting results were sent to the Stock Exchange and displayed on the Company's website. The date of declaration of the results by the Company is deemed to be the date of passing of the resolution.

### Means of Communication

The quarterly, half yearly and annual financial results were published in Business Standard (English Newspaper) and Divya Bhaskar (Gujarati Newspaper). The Company has also posted its quarterly results, shareholding pattern etc. on the Company's website i.e. [www.gujaratborosil.com](http://www.gujaratborosil.com). The financial and other information filed by the Company from time to time is also available on the website of BSE Limited. The Company has not made any presentations to the Institutional investors or analysts during the financial year 2015-16.

The Annual Report is circulated to all members and is also available on the Company's website.

## 11. General shareholder information

Annual General Meeting	
Date and time	: August 08, 2016 at 2.30 p.m.
Venue	: Regd. Office at Village – Govali, Taluka – Jhagadia, District – Bharuch – 393 001, Gujarat.
Financial Year	: 1 <sup>st</sup> April to 31 <sup>st</sup> March
Quarterly Results & Annual	: First quarter - 2 <sup>nd</sup> week of August, 2016 Second quarter - 2 <sup>nd</sup> week of November, 2016 Third quarter - 2 <sup>nd</sup> week of February, 2017 Fourth quarter - 3 <sup>rd</sup> week of May, 2017
Date of book closure	: August 03, 2016 to August 08, 2016 (both days inclusive)
Dividend payment date	: NA.
Listing on Stock Exchange & Stock Code	: BSE Limited, P J Towers, Dalal Street, Mumbai- 400001 – Stock code : 523768



Note: Annual Listing fee for the year 2016-17 has been paid to BSE Limited

Demat ISIN in NSDL and CDSL : INE059C01022

Corporate Identity Number (CIN): L26100GJ1988PLC011663

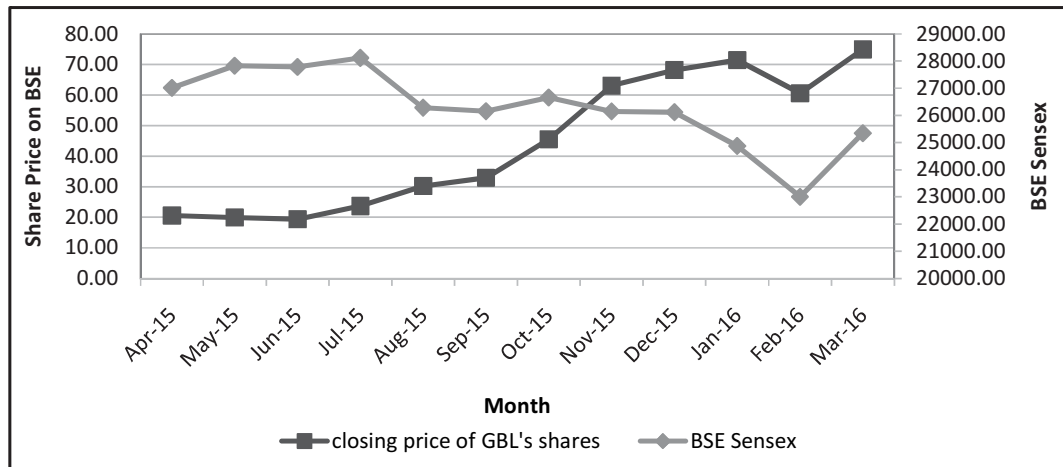
### Market price data

The monthly high and low quotation and the volume of shares traded on Stock Exchange as on March 31, 2016 are as under:

Month	Highest (₹)	Lowest (₹)	Volume of shares traded
April 2015	24.80	18.45	5,59,738
May 2015	22.75	19.35	2,56,477
June 2015	21.65	16.05	4,73,186
July 2015	26.80	19.05	12,54,586
August 2015	37.80	23.95	36,41,618
September 2015	36.00	28.00	7,14,842
October 2015	48.00	32.60	18,92,724
November 2015	63.05	40.00	19,00,844
December 2015	71.65	58.00	31,91,750
January 2016	101.95	56.70	34,66,113
February 2016	79.40	59.00	10,26,434
March 2016	88.35	60.55	7,76,889

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.

The members are requested to furnish their PAN which will help us to strengthen compliance with KYC norms and provisions of Prevention of Money Laundering Act, 2002. For registration of transfer of securities, the transferee(s) as well as transferor(s) shall furnish a copy of PAN card to the Company for registration of transfer of securities.

**Distribution of shareholding as at 31<sup>st</sup> March, 2016**

No. of equity shares held	No. of Shareholders		Shares	
	Nos.	Percentage	Nos.	Percentage
Upto 500	45195	93.57	6167568	9.04
501 to 1000	1690	3.50	1449911	2.13
1001 to 2000	701	1.45	1102181	1.62
2001 to 3000	259	0.54	666037	0.97
3001 to 4000	101	0.21	369650	0.54
4001 to 5000	109	0.23	519656	0.76
5001 to 10000	134	0.27	988198	1.45
10001 & above	110	0.23	56944299	83.49
<b>Total</b>	<b>48299</b>	<b>100.00</b>	<b>68207500</b>	<b>100.00</b>

Categories of shareholders	As on 31 <sup>st</sup> March, 2016		
	No. of folios	No. of shares	Percentage
- Resident Individuals	47843	14124114	20.71
- Promoters			
-       Indian Promoters	3	39822476	58.38
-       Foreign Promoters	1	11300000	16.57
- Banks, Financial Institutions, Insurance Companies (Central/ State Govt. Institutions/Non-Govt. Institutions)	4	49300	0.07
- Private Corporate Bodies	236	2405029	3.53
- Non Resident Individuals	117	181469	0.27
- Director(s) & Relative(s)	1	14500	0.02
- NBFC	2	2300	0.00
- LLP	1	1000	0.00
Any other – Shares in transit	91	307312	0.45
<b>Total</b>	<b>48299</b>	<b>68207500</b>	<b>100</b>

**Dematerialisation of shares and liquidity**

As on 31<sup>st</sup> March, 2016, 63,774,624 equity shares representing 93.50 % of the Company's total paid-up equity capital had been dematerialized and the balance 44,32,876 equity shares representing 6.50% 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 on March 17, 2012 on private placement basis, which are not listed on any Stock Exchange and are held in physical form.

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

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

**Commodity price risk or foreign exchange risk and hedging activities:**

The Board of Directors of the Company had formulated Risk Management Plan. 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. In line with the requirements of the Clause 49 of the Listing agreement/ Regulation 17(9) of the Listing Regulation, the Audit Committee and the Board of Directors reviewed the Management perception of the risks faced by the Company and measures taken to minimize the same. The details of foreign currency exposure are disclosed in Note No. 41 and 42 to the Annual Accounts.

**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.

An exclusive email ID has been created namely, [gbl.grievances@borosil.com](mailto:gbl.grievances@borosil.com), on which the investors can register their complaints. The said email ID has been displayed on Company's Website.

**12. Other Disclosures****Related Party Transactions**

The details of all transactions with related parties are placed before the Audit Committee periodically, with justification wherever required. The Company has formulated Related Party Transactions Policy and said policy is uploaded on the website of the Company at <http://www.gujaratborosil.com/policies.html>- click on Related Party Transaction Policy.

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.

**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.

### **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. The Board of Directors of the Company had approved & adopted Whistle Blower Policy (Vigil Mechanism) for directors and employees of the Company. No person have been denied access to the Audit Committee.

### **Subsidiary Companies**

The Board of Directors of the Company had adopted the policy and procedures with regard to determination of material Subsidiaries in accordance with the requirements of the Regulation 24 of the Listing Regulation, 2015 [earlier Clause 49 of the Listing Agreement] (including any amendments thereof). The said policy is uploaded on the website of the Company at <http://www.gujaratborosil.com/policies.html>- click on Policy for determining 'material subsidiaries'.

The Company does not have any subsidiary Company as of now.

### **Code of Conduct for Prevention of Insider Trading**

As required by the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a Code of Conduct for Prevention of Insider Trading. Mr. Kishor Talreja, Company Secretary is the Compliance Officer. The Code of Conduct is applicable to all Directors, Whole Time Director, CFO, General Manager(s), Statutory Auditors, Cost Auditors, Secretarial Auditors and Internal Auditors who are expected to have access to Unpublished price sensitive information relating to the Company.

## **13. Non-compliance of any requirement of corporate governance**

The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub – regulation (2) of Regulation 46 of the Listing Regulation.

This Corporate Governance Report of the Company for the year ended 31<sup>st</sup> March, 2016 is in compliance with the requirements of Corporate Governance under Clause 49 of the Listing Agreement with BSE Limited and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable. As required by Regulation 17(8) of the Listing Regulation, the Whole Time Director and the Chief Financial Officer have submitted a Certificate to the Board of Directors in the prescribed format for the financial year ended 31<sup>st</sup> March, 2016. The Certificate has been reviewed by the Audit Committee and taken on record by the Board of Directors. The Company has also submitted compliance report on Corporate Governance- quarterly & for the financial year ended March 31, 2016 to the BSE Limited.

## **14. Discretionary requirements-Part E of schedule II**

### **1. The Board**

The Company has provided office to the Non-executive Chairman and his official expenses are paid/reimbursed by the Company.

### **2. Shareholders Rights**

As the quarterly and half yearly financial performance are published in the newspapers and are also posted on the Company's website, the same are not being sent to the shareholders.

**3. Audit qualifications**

The Company's financial statement for the year 2016 does not contain any audit qualification.

**4. Separate posts of Chairman and CEO**

The Chairman of the Board is Non-executive Director and his position is separate from that of the Managing / Whole time Director/CEO.

**5. Reporting of Internal Auditor**

The internal Auditor reports to the Management & Audit Committee as well.

**15. Compliance**

A Certificate from the Auditors of the Company regarding compliance of condition of corporate governance for the year ended on 31<sup>st</sup> March, 2016, as stipulated in chapter IV of the Securities and Exchange Board of India ( Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed hereto.

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

I confirm that all Directors and members of the Senior Management have affirmed compliance with Company's Code of Conduct as applicable to them for the year ended 31<sup>st</sup> March, 2016.

**For Gujarat Borosil Limited**

Place: Mumbai  
Date: May 20, 2016

**Rajesh Chaudhary**  
Whole Time Director  
(DIN: 07425111)

## **Auditors' Certificate**

To  
**The Members of Gujarat Borosil Limited**

We have examined the compliance of conditions of corporate governance by Gujarat Borosil Limited, for the year ended on March 31, 2016, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with BSE Limited.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in Chapter IV Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to Listing Agreement of the said Company with BSE Limited.

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 & Co.**  
Chartered Accountants  
ICAI Firm registration number : 110283W

**Praveen Kumar Singhi**  
Partner  
Membership No.:051471

Place of Signature: Mumbai  
Date: 20<sup>th</sup> May, 2016

## **INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF**

**GUJARAT BOROSIL LIMITED**

### **Report on the Financial Statement**

We have audited the accompanying financial statements of **GUJARAT BOROSIL LIMITED**, which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

The company's Board of Directors is responsible for the matters stated in section 134 of sub section 5 of the companies Act, 2013 with respect to 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 principles generally accepted in India, including the Accounting Standards specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Account) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the 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 financial control relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the company's Directors, 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 on the financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 31<sup>st</sup> March, 2016;
- b) in the case of the Statement of Profit and Loss, of the Profit 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.

**Emphasis of Matters**

We draw attention to the following matters in the notes to the financial statements:

1. Remuneration to whole time director, appointed w.e.f.31<sup>st</sup> March 2016, is subject to approval of shareholders in the ensuing Annual general meeting.

**Report on other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (1) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**2. As required by section 143(3) of the Act, we report that:**

- a. We have sought and 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 it appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of Companies (Accounts) Rules, 2014.
- e. On the basis of written representations received from the directors as on March 31, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of sub-section (2) of section 164 of the Companies Act, 2013.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, referred to our separate Report in "**Annexure B**" and
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note 29A contingent liability and 32 VETRAD matter written off in the financial statements;
  - ii. The company has made provision as required under the applicable law for accounting standard, for material foreseeable losses, if any, on long term contracts including derivative contracts,
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For SINGHI & CO.**  
Chartered Accountants  
FRN -110283W

UNIT NO.30 NEPTUNE BUILDING,  
EVERSHINE MILLENIUM PARADISE  
THAKUR VILLAGE, KANDIVALI EAST  
MUMBAI- 400101.

**PRAVEEN KUMAR SINGHI**  
Partner  
Membership No -051471

Dated-20<sup>th</sup> DAY OF MAY, 2016



**ANNEXURE "A" REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF GUJARAT BOROSIL LIMITED ('THE COMPANY') ON THE ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016**

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

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.  
b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.  
c) According to information and explanation given to us and on the basis of our examination of records of the company the title deed of immovable properties are held in name of the company.
2. a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.  
b) According to the information and explanation 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 according to the information and explanation given to us the Company is maintaining proper records of Inventory. The discrepancies noticed on verification between the physical stocks and the book records were stands adjusted in the books of accounts. As explained inventory other than devalued if sold will not fetch less amount then stated.
3. The company has not granted any loans, secured or unsecured or unsecured to companies, firms or other parties covered in register maintained under section 189 of the Companies Act, 2013.
4. In our opinion and according to the information and explanations given to us, the company has complied with wherever applicable, the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and securities made.
5. The Company has not accepted any deposit and directive issued by the Reserve bank of India and provisions of sections 73 to 76 or any other provisions of companies act 2013 and rules frames there under will not be applicable on the company.
6. As per information and explanation given by the management, maintenance of cost records have been prescribed by the Central Government sub section 1 of section 148 of the Companies Act, 2013 and we are of the opinion that prima-facie the prescribed accounts and records are being maintained and the cost records are in process of updating for the year.
7. a) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Employee's State Insurance, Income Tax, Wealth Tax, Custom Duty, Excise Duty, Service tax, Sales Tax, Value added tax, Cess and other statutory dues applicable to it. We are informed that Employees State Insurance Act does not apply to the company and According to the information & explanations given to us, there is no arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable as at 31<sup>st</sup> March 2016.  
b) According to the information & explanations given to us, the amount dues payable in respect of Income Tax, Wealth Tax, Service tax, VAT, Customs Duty, Sales tax, Excise Duty that have not been deposited

with the appropriate authorities on account of dispute and the form where the dispute are pending are as given below –

Name of the status	Nature of Dues	Amount (₹In 'Lacs')	Period to which Amount Relates	Forum where dispute is pending
Income Tax Act 1961	Disallowance made for ₹ 47.56 Lacs	₹ 14.27	Assessment Year 13-14	CIT(A)Baroda
	Disallowance made for ₹ 48.20 Lacs	₹ 16.38	Assessment Year 12-13	CIT(A)Baroda
	Disallowance made for ₹12.48 Lacs	₹ 5.36	Assessment Year 10-11	ITAT , Ahmedabad
	Disallowance made for ₹ 404.19 Lacs	₹ 137.38	Assessment Year 09-10	ITAT , Ahmedabad
	Reduction in Unabsorbed Depreciation ₹ 246.78 Lacs	₹ 83.88	Assessment Year 03-04	Gujarat High Court
	Penalty U/S 271 (1)(c)	₹ 41.38	Assessment Year 97-98	ITAT , Ahmedabad
Gujarat Sales Tax Act	Sales Tax (Including Interest & Penalty)	₹ 550.84	F.Y.00-01 F.Y. 02-03 F.Y. 04-05	Joint Commissioner of Commercial Tax ,Vadodara
Central Excise Act, 1944	Excise Duty (Including Interest & Penalty)	₹1252.14 (Paid Under Protest ₹ 589.33)	Feb.1999 to June.2005	CESTAT Ahmedabad
	Refund of Excise duty on Secondary Packing	₹ 371.42	March 1996 to Sept 1999	CESTAT, Ahmedabad
	Refund of Interest on ₹ 371.42 Secondary Packing	₹ 207.73	July,2000 to Sept 2007	Commissioner (Appeal) Surat –II
Service tax Under Finance Act 1994	Denial of Cenvat Credit on courier/Airway bill (including Penalty)	₹ 5.34 (Including Penalty ₹ 30)	April 2013 to Oct. 2013	Commissioner (Appeal) Surat –II
	Denial of Cenvat Credit on Renting of Marketing office (including Penalty)	₹12.47 (Including Penalty ₹ 40)	Jan. 2011 to June 2012 & June 2013 to Oct. 2015	Commissioner (Appeal) Surat –II
	Denial of Cenvat Credit on sales commission (including Penalty)	₹ 6.30 (Including Penalty ₹ 315)	Jan. 2011 to June 2012 & June 2013 to Oct. 2015	Commissioner (Appeal) Surat –II
	Denial of Cenvat Credit on Renting of Marketing office (including Penalty)	₹ 16.83 (Including Penalty ₹ 8.41)	Aug. 2008 to Dec. 2010	CESTAT, Ahmedabad
	Denial of Cenvat Credit on courier/Airway bill (including Penalty)	₹ 8.28 (Including Penalty ₹ 2.74)	April 2007 to March 2013	CESTAT, Ahmedabad
	Denial of Cenvat Credit on Construction Services of colony/GH(Including Penalty )	₹1.47 (Including Penalty ₹ 74)	April 2007 to December 2011	CESTAT, Ahmedabad

- c) According to the information & explanations given to us and on the basis of our examination of the books of accounts, the amount required to be transferred to investor education and protection fund is accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.
8. In our opinion and according to the information and explanations given by management, the Company has not defaulted in repayment of term loan to a financial institution and borrowings from banks. The company does not have any borrowings from government and debentures holders.
9. Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company.
10. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
11. Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
12. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standard.
14. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For SINGHI & CO.**  
Chartered Accountants  
FRN -110283W

UNIT NO.30 NEPTUNE BUILDING,  
EVERSHINE MILLENIUM PARADISE  
THAKUR VILLAGE, KANDIVALI EAST  
MUMBAI- 400101.

Dated-20th DAY OF MAY, 2016

**PRAVEEN KUMAR SINGHI**  
Partner  
Membership No -051471

## **Annexure - B to the Auditors' Report**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **GUJARAT BOROSIL LIMITED**, as of 31<sup>st</sup> March, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For SINGHI & CO.**  
Chartered Accountants  
FRN -110283W

UNIT NO.30 NEPTUNE BUILDING,  
EVERSHINE MILLENIUM PARADISE  
THAKUR VILLAGE, KANDIVALI EAST  
MUMBAI- 400101.

**PRAVEEN KUMAR SINGHI**  
Partner  
Membership No -051471

Dated-20<sup>th</sup> DAY OF MAY, 2016

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2016**

	Note	₹ In Lacs As At 31 <sup>st</sup> March, 2016	₹ In Lacs As At 31 <sup>st</sup> March, 2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' Funds</b>			
(a) Share Capital	2	12,410.38	12,410.38
(b) Reserves & Surplus	3	1,822.43	608.65
		<b>14,232.81</b>	<b>13,019.03</b>
<b>2 Non-Current Liabilities</b>			
(a) Long Term Borrowings	4	699.72	1,907.06
(b) Long Term Provisions	6	37.70	32.35
<b>Total Non-Current Liabilities</b>		<b>737.42</b>	<b>1,939.41</b>
<b>3 Current Liabilities</b>			
(a) Short Term Borrowings	7	59.49	186.82
(b) Trade Payables	8	1,110.20	1,158.79
(c) Other Current Liabilities	9	2,097.73	1,722.86
(d) Short Term Provisions	10	228.75	95.20
<b>Total Current Liabilities</b>		<b>3,496.17</b>	<b>3,163.67</b>
<b>Total Equity &amp; Liabilities</b>		<b>18,466.40</b>	<b>18,122.11</b>
<b>II. ASSETS</b>			
<b>1 Non-Current Assets</b>			
(a) Fixed Assets	11	10,677.45	11,070.51
(i) Tangible Assets	10,435.64	10,792.88	
(ii) Intangible Assets	9.82	12.36	
(iii) Capital Work-in-Progress	231.99	265.27	
(iv) Intangible Assets Under Development	-	-	
(b) Non-Current Investments	12	4.67	2.71
(c) Deferred Tax Assets ( Net )	5	70.86	905.50
(d) Long Term Loans and Advances	13	972.41	714.42
(e) Other Non-Current Assets		-	-
<b>Total Non-Current Assets</b>		<b>11,725.39</b>	<b>12,693.14</b>
<b>2 Current Assets</b>			
(a) Current Investments	14	1,456.00	250.00
(b) Inventories	15	2,131.66	2,326.89
(c) Trade Receivables	16	2,468.40	2,117.04
(d) Cash and Bank Balances	17	76.91	128.69
(e) Short Term Loans and Advances	18	296.96	146.75
(f) Other Current Assets	19	311.08	459.60
<b>Total Current Assets</b>		<b>6,741.01</b>	<b>5,428.97</b>
<b>Total Assets</b>		<b>18,466.40</b>	<b>18,122.11</b>

Significant Accounting Policies  
Notes to the Financial Statements

**1 to 44**

As per our report of even date

**For Singhi & Company**

Chartered Accountants

FRN-110283W

**(Praveen Kr. Singhi)**

Partner

Membership No.051471

Mumbai. Dated: 20<sup>th</sup> May, 2016

For and on behalf of the Board of Directors

**Sunil Kumar Roongta**

Chief Financial Officer

**B. L. Kheruka**

Chairman

DIN-00016861

**Kishor Talreja**

Company Secretary

FCS-7064

**Rajesh Chaudhary**

Whole time Director

DIN-07425111

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2016**

	Note	₹ In Lacs For the year ended 31 <sup>st</sup> March, 2016	₹ In Lacs For the year ended 31 <sup>st</sup> March, 2015
<b>INCOME</b>			
<b>Revenue from Operations</b>			
Gross Revenue from Operations	20	18,991.04	16,182.29
Less:- Excise Duty		709.17	1,002.56
<b>(I) Net Revenue from Operations</b>		<b>18,281.87</b>	<b>15,179.73</b>
<b>(II) Other Income</b>	21	<b>92.16</b>	<b>85.22</b>
<b>(III) Total Revenue (I+II)</b>		<b>18,374.03</b>	<b>15,264.95</b>
<b>(IV) EXPENSES</b>			
Cost of Materials Consumed	22	4,625.96	3,762.70
Purchase of Stock-in-Trade		-	-
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	23	447.75	446.33
Employee Benefits Expenses	24	1,955.41	1,580.44
Finance Costs	25	135.73	192.06
Depreciation and Amortisation Expense		1,367.02	1,297.34
Selling and Distribution Expenses	26	1,885.93	2,052.56
Other Expenses	27	5,889.30	5,142.08
<b>Total Expenses</b>		<b>16,307.10</b>	<b>14,473.51</b>
<b>(V) Profit / (Loss) Before Exceptional Items and Tax</b>		<b>2,066.93</b>	<b>791.44</b>
(VI) Exceptional Item		-	(569.25)
<b>(VII) Profit / (Loss) Before Extraordinary Item and Tax (V+VI)</b>		<b>2,066.93</b>	<b>222.19</b>
(VIII) Extraordinary Item		-	-
<b>(IX) Profit / (Loss) Before Tax (VII-VIII)</b>		<b>2,066.93</b>	<b>222.19</b>
(X) Tax Expense			
(1) Current Tax		177.84	-
Less: Mat Credit Entitlement		159.34	-
(2) Wealth tax		-	0.35
(3) Deferred Tax		834.65	68.94
<b>(XI) Profit / (Loss) For the Year from Continuing Operations (IX-X)</b>		<b>1,213.78</b>	<b>152.90</b>
<b>(XII) Profit / (Loss) For the Year from Discontinuing Operations</b>		<b>-</b>	<b>-</b>
<b>(XIII) Profit ( Loss ) for the Year (XI-XII)</b>		<b>1,213.78</b>	<b>152.90</b>
<b>Earnings per Equity Share of ₹ 5 Each</b>	<b>39</b>	<b>1.30</b>	<b>(0.96)</b>
(Basic & Diluted)			
Significant Accounting Policies			
Notes to the Financial Statements			
	1 to 44		

As per our report of even date

**For Singhi & Company**

Chartered Accountants

FRN-110283W

**(Praveen Kr. Singhi)**

Partner

Membership No.051471

Mumbai. Dated: 20<sup>th</sup> May, 2016

**Sunil Kumar Roongta**

Chief Financial Officer

**Kishor Talreja**

Company Secretary

FCS-7064

For and on behalf of the Board of Directors

**B. L. Kheruka**

Chairman

DIN-00016861

**Rajesh Chaudhary**

Whole time Director

DIN-07425111

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2016**

	₹ In Lacs For the year ended 31 <sup>st</sup> March, 2016	₹ In Lacs For the year ended 31 <sup>st</sup> March, 2015
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/(Loss) before tax as per statement of Profit and Loss	2,066.93	222.19
Adjustment for :		
Depreciation & Amortization Expenses	1,367.02	1,297.34
Finance Costs	135.73	192.06
(Gain)/Loss on foreign currency transactions (Net)	(0.63)	0.53
Share in Profit from LLP	(6.03)	(0.02)
Provision for doubtful debts	-	-
Profit on sale of Investments (Net)	(2.12)	(9.29)
Income/Interest on Investment	(9.80)	(13.42)
Dividend Income	-	-
(Profit)/Loss on sale/Discarding of Fixed Assets (Net)	2.41	21.50
<b>Operating Profit/(Loss) before Working Capital Changes</b>	<b>3,553.51</b>	<b>1,710.89</b>
Adjustment for :		
Trade & Other receivables (Excl ICD's)	(726.80)	146.26
Inventories	195.23	604.36
Trade & Other Payables	242.63	(309.40)
<b>Cash Generated from Operations</b>	<b>3,264.57</b>	<b>2,152.12</b>
Direct taxes paid	(18.50)	(0.35)
<b>Cash Flow before Extraordinary Items</b>	<b>3,246.07</b>	<b>2,151.77</b>
Extraordinary Items	-	-
<b>Net Cash from Operating Activities</b>	<b>3,246.07</b>	<b>2,151.77</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(745.08)	(312.93)
Sale of Fixed Assets (Net)	0.57	4.73
Purchase of Investment	(1,207.97)	(199.92)
Share in Profit from LLP	6.03	0.02
Income/Interest on Investment	9.80	13.42
Profit on sale of Investments	2.12	9.29
Dividend Received	-	-
<b>Net Cash from/ (Used in) Investing Activities</b>	<b>(1,934.54)</b>	<b>(485.39)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of Share Capital	-	-
Repayment of Long Term Borrowings (net)	(1,100.25)	(1,379.33)
Repayment of Unsecured loan (net)	-	(130.80)
Increase/(decrease) in Bank Borrowings	(127.33)	(74.25)
Interest Paid	(135.73)	(192.06)
<b>Net Cash from Financing Activities</b>	<b>(1,363.31)</b>	<b>(1,776.44)</b>
<b>Net increase/ (decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>(51.78)</b>	<b>(110.06)</b>
Opening Balance of Cash & Cash Equivalents	128.69	238.74
Closing Balance of Cash & Cash Equivalents	<b>76.91</b>	<b>128.69</b>

**Notes:**

1. Previous year figures have been regrouped/rearranged wherever necessary.
2. Bracket 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 of even date

**For Singhi & Company**

Chartered Accountants

FRN-110283W

**(Praveen Kr. Singhi)**

Partner

Membership No.051471

Mumbai. Dated: 20<sup>th</sup> May, 2016

**Sunil Kumar Roongta**

Chief Financial Officer

**Kishor Talreja**

Company Secretary

FCS-7064

For and on behalf of the Board of Directors

**B. L. Kheruka**

Chairman

DIN-00016861

**Rajesh Chaudhary**

Whole time Director

DIN-07425111



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**Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2016****Note 1 - Significant Accounting Policies****1.1 BASIS OF ACCOUNTING:**

The financial statements have been prepared as a going concern under Historical Cost convention, in accordance with the notified accounting standards by Companies (Accounting Standards) Rules, 2006 and the provisions of the Companies Act, 2013 as adopted consistently by the Company.

**1.2 REVENUE RECOGNITION:**

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

**1.3 USE OF ESTIMATES:**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/ materialised.

**1.4 FIXED ASSETS:**

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

**1.5 DEPRECIATION:**

Depreciation on fixed assets has been provided on straight line method at the rates and in the manner prescribed in Schedule II to the Companies Act, 2013. Depreciation on adjustments on account of foreign currency fluctuation is being calculated on residual life of respective fixed assets. Depreciation on rollers for the patterned glass production has been charged at SLM rate over useful running life.

**1.6 INVESTMENTS:**

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

**1.7 INVENTORIES:**

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

**1.8 EMPLOYEE BENEFITS:**

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

**1.9 FOREIGN CURRENCY TRANSACTIONS:**

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

**1.10 EXPORT INCENTIVES:**

- i) The benefit in respect of credit in Duty Entitlement Pass Book scheme/Focus product scheme, is recognised as and when right to receive are established as per the terms of scheme.
- ii) The benefits in respect of Advance License taken by the Company are accounted for proportionate to the Exports made based on entitlement.

**1.11 IMPAIRMENT OF ASSETS:**

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

**1.12 DERIVATIVE TRANSACTIONS:**

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

**1.13 PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:**

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

**1.14 PROVISION FOR CURRENT AND DEFERRED TAX:**

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

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

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

**1.15 EXCISE DUTY:**

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

**1.16 BORROWING COST:**

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

**1.17 LEASES:**

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

**Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2016**

	₹ In Lacs As At 31 <sup>st</sup> March, 2016	₹ In Lacs As At 31 <sup>st</sup> March, 2015
<b>2 : SHARE CAPITAL</b>		
<b>A) Authorised Share Capital</b>		
<b>Equity Share Capital</b>		
9,20,00,000 Equity shares of ₹ 5/-each *	4600.00	4600.00
(Previous year same)		
Unclassified Share Capital	400.00	400.00
	<b>5000.00</b>	<b>5000.00</b>
<b>Preference Share Capital</b>		
90,00,000 - 9% Non - Cumulative Non Convertible	9000.00	9000.00
Redeemable Preference Shares of ₹ 100/- each		
<b>Total Authorised Share Capital</b>	<b>14000.00</b>	<b>14000.00</b>
<b>B) Issued, Subscribed &amp; Fully Paid Up Share Capital</b>		
<b>Equity Share Capital</b>		
6,82,07,500 Equity shares of ₹ 5/- each *	3410.38	3410.38
(Previous year same)		
<b>Preference Share Capital</b>		
90,00,000 - 9% Non - Cumulative Non Convertible **	9000.00	9000.00
Redeemable Preference Shares of ₹ 100/- each		
(Previous year same)	<b>12410.38</b>	<b>12410.38</b>

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

- \*\* i) The preference shares have the priority in case of payment of dividend and in case of winding up that of repayment of Capital and arrears of dividend.
- ii) The terms of preference shares were changed from Cumulative to Non-cumulative vide special resolution passed by the Shareholders on 26th August, 2015 through Postal ballot. Hence the dividend will be provided as and when approved by the shareholders.
- iii) Dividend on Preference Share Capital is in arrear from 17.03.2012 to 26.08.2015 amounting to ₹ 2791.64 Lacs (Previous Year ₹ 2463.20 Lacs)
- iv) These shares are redeemable not later than 7 years from the date of issue i.e. 17<sup>th</sup> March 2012 but the Company has option to redeem it any time by giving two months notice in writing.

**C) Details of Shareholders holding more than 5% of Equity Shares Capital:**

Particulars	As at 31 <sup>st</sup> March, 2016		As at 31 <sup>st</sup> March, 2015	
	% of holding	No. of Shares	% of holding	No. of Shares
Fennel Investment & Finance Pvt. Ltd.	33.13	22,600,000	33.13	22,600,000
Borosil Glass Works Limited	25.25	17,222,376	25.25	17,222,376
Broadfield Holdings Limited	16.57	11,300,000	16.57	11,300,000
	<b>74.95</b>	<b>51,122,376</b>	<b>74.95</b>	<b>51,122,376</b>

**Shareholders holding more than 5% of Preference Share**

Particulars	As at 31 <sup>st</sup> March, 2016		As at 31 <sup>st</sup> March, 2015	
	% of holding	No. of Shares	%	No. of Shares
Borosil Glass Works Limited	100.00	9,000,000	100.00	9,000,000

**Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2016**

**Reconciliation of the No. of shares outstanding and the amount of share capital as at beginning and at the end of year**

Particulars	31.03.2016		31.03.2015	
	No of shares	Amount	No of shares	Amount
<b>Equity Shares</b>				
Share outstanding at the beginning of the year	68,207,500	3,410.38	68,207,500	3,410.38
Add : Shares Issued during the Year	-	-	-	-
Share outstanding at the end of the year	<b>68,207,500</b>	<b>3,410.38</b>	<b>68,207,500</b>	<b>3,410.38</b>
<b>Preference Shares</b>				
Share outstanding at the beginning of the year	9,000,000	9,000.00	9,000,000	9,000.00
Add : Shares Issued during the Year	-	-	-	-
Share outstanding at the end of the year	<b>9,000,000</b>	<b>9,000.00</b>	<b>9,000,000</b>	<b>9,000.00</b>

- D) The Equity shareholders are entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. the distribution will be in proportion to the number of equity shares held by the shareholders.
- E) i) The Preference shareholder have acquired voting rights due to non-payment of dividend for two years  
ii) The holder of Preference Shares will have priority over Equity Shares for repayment of capital, in the event of liquidation of the company before redemption of Preference Shares.

**3: RESERVES & SURPLUS**
**Capital Reserve**
**Credited on forfeiture of shares - unpaid allotment money**

As Per Last Balance Sheet 4.73 4.73

**Capital Reserve**

As Per Last Balance Sheet 27.30 27.30

**Securities Premium Reserve**

As Per Last Balance Sheet 57.71 57.71

**General Reserve**

As Per Last Balance Sheet - -

**Surplus Arising on giving effect to BIFR Order**

As Per Last Balance Sheet 1,996.41 1,996.41

**Surplus in the Statement of Profit & Loss**

As Per Last Balance Sheet	(1,477.50)	(1,592.11)
Adjustment of depreciation	-	(38.29)
Add: Profit / ( Loss ) for the Year	1,213.78	152.90
	(263.72)	(1,477.50)
	<b>1,822.43</b>	<b>608.65</b>

**Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2016**

	₹ In Lacs As At 31st March, 2016	₹ In Lacs As At 31st March, 2015
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**4: LONG TERM BORROWINGS****SECURED****Term Loans****From Banks**

Foreign Currency Term Loan - ECB	699.72	1,907.06
	<b>699.72</b>	<b>1,907.06</b>

Note : 1. Foreign Currency Term Loan - ECB from Banks 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 bankers for working capital facilities.

2. Repayment of Foreign Currency Term Loan - ECB due within one year is ₹ 1321.35 Lacs shown under Other Current Liabilities.

3. Foreign Currency Term Loan - ECB is repayable in 10 half yearly structured installments from October 2012

4. Interest rate of Foreign Currency Term Loan - ECB is 445 bps above Libor.

**5: Deferred Tax Assets (Net)**

Deferred Tax Assets (Net) comprises of timing difference on account of :

**i) Assets**

Disallowance Under Section 35 DDA of Income Tax Act, 1961	-	1.45
Disallowance Under Section 43(B) of Income Tax Act, 1961	34.97	37.68
Adjustment of Depreciation	-	17.11
Unabsorbed Depreciation	<u>2,271.93</u>	<u>2,940.45</u>
	<u>2,306.90</u>	<u>2,996.69</u>

**ii) Liabilities**

Depreciation	<u>2,236.04</u>	<u>2,091.19</u>
Total	<u>2,236.04</u>	<u>2,091.19</u>

**iii) Net Asset (i) - (ii)**

	<b><u>70.86</u></b>	<b><u>905.50</u></b>
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**6: Long Term Provisions**

Provision for Gratuity	-	-
Provision for Leave Encashment	37.70	32.35
	<b><u>37.70</u></b>	<b><u>32.35</u></b>

**Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2016**

	₹ In Lacs As At 31st March, 2016	₹ In Lacs As At 31st March, 2015
<b>7 : Short Term Borrowings</b>		
<b>Other Loans and Advances</b>		
<b>Secured</b>		
<b>From Banks</b>		
Working Capital Facility	59.49	186.82
	<b>59.49</b>	<b>186.82</b>

Note : 1. Working Capital Facility from Banks is secured by Hypothecation on all stocks and book debts of the Company and additionally secured by way of a second charge on Fixed Assets of the Company.

2. Interest rate on Working Capital Facility is BOB Base Rate + 3% i.e. 12.65%.

**8 : Trade Payables**

Sundry Creditors- Micro. Small and Medium Enterprises	-	0.01
-Others	1,110.20	1,158.78
	<b>1,110.20</b>	<b>1,158.79</b>

**9 : Other Current Liabilities**

Creditors for Project supplies/expenses	103.33	84.12
Current maturities of Long-term Debts	1,321.35	1,100.25
(Foreign Currency Term Loan- ECB)		
Other liabilities (incl security deposits of ₹ 50.14 Lacs)	435.35	355.47
Liability Towards Employees	84.68	61.32
Statutory Liabilities	77.51	28.67
Unpaid Dividend *	6.89	18.68
Interest accrued but not due on Loans	19.80	28.00
Advances from Customers	48.82	46.35
	<b>2,097.73</b>	<b>1,722.86</b>

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

**10 : Short Term Provisions**

<b>i) For Employee Benefits</b>				
Gratuity (Funded) Refer Note 30		24.41		25.99
Leave Encashment		9.81		9.34
<b>ii) For Others</b>				
Provision for MAT / Income tax	219.21		41.38	
Less: Advance tax / TDS	<u>42.50</u>	176.71	<u>39.33</u>	2.05
Wealth tax		-		0.35
Excise duty on Uncleared Stock		17.82		57.47
		<b>228.75</b>		<b>95.20</b>

**Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2016**
**11: Fixed Assets**

(₹ in Lacs)

Description	Gross Block				Depreciation & Amortization				Net Block	
	As At 01.04.2015	Addition	Deduction/ Adjustments	As At 31.03.2016	Upto 31.03.2015	for the year	Deduction/ Adjustments	Upto 31.03.2016	As At 31.03.2016	As At 31.03.2015
<b>(i) Tangible Assets</b>										
Land (Free hold) & Site Development	118.13	-	-	118.13	-	-	-	-	118.13	118.13
Buildings	2,051.84	225.42	-	2,277.26	678.79	77.22	-	756.01	1,521.25	1,373.05
Plant and Equipments	16,601.93	736.84	13.23	17,325.54	7,432.59	1,258.36	10.58	8,680.37	8,645.17	9,169.34
Furniture and Fixtures	88.88	19.05	-	107.93	80.23	2.06	-	82.29	25.64	8.65
Vehicles	115.63	-	-	115.63	69.98	5.60	-	75.58	40.05	45.65
Office Equipments	106.47	15.18	2.49	119.16	51.15	13.07	2.16	62.06	57.10	55.32
Computers	145.65	10.84	-	156.49	122.91	5.28	-	128.19	28.30	22.74
<b>Total</b>	<b>19,228.53</b>	<b>1,007.33</b>	<b>15.72</b>	<b>20,220.14</b>	<b>8,435.65</b>	<b>1,361.59</b>	<b>12.74</b>	<b>9,784.50</b>	<b>10,435.64</b>	<b>10,792.88</b>
<b>(ii) Intangible Assets</b>										
Computer system software	90.06	2.88	-	92.94	77.70	5.43	-	83.13	9.82	12.36
<b>Total</b>	<b>90.06</b>	<b>2.88</b>	<b>-</b>	<b>92.94</b>	<b>77.70</b>	<b>5.43</b>	<b>-</b>	<b>83.13</b>	<b>9.82</b>	<b>12.36</b>
<b>(iii) Capital Work in Progress</b>	<b>265.27</b>	<b>759.45</b>	<b>792.73</b>	<b>231.99</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>231.99</b>	<b>265.27</b>
<b>(iv) Total (i) to (iii)</b>	<b>19,583.86</b>	<b>1,769.66</b>	<b>808.45</b>	<b>20,545.07</b>	<b>8,513.35</b>	<b>1,367.02</b>	<b>12.74</b>	<b>9,867.63</b>	<b>10,677.45</b>	<b>11,070.51</b>
Previous Year	19,194.12	470.23	80.49	19,583.86	7,185.65	1,297.34	(30.36)	8,513.35	11,070.51	12,008.47

Note 1: Capital Work in Progress includes Capital goods inventory of ₹ 125.90 Lacs (Previous year ₹ 139.35 lacs).

2: Additions include ₹ 137.97 Lacs capitalised on account of exchange rate difference (Net) on foreign currency loan used for financing fixed assets.

**12: Non - Current Investments**  
**Investment in Associate**

Capital Account in Swapan Properties LLP (Formerly Swapan Properties Pvt. Ltd)	4.67	2.71
Nature of Investment - Partnership		
Share in Profit/(Loss) - 46%		
	<u><u>4.67</u></u>	<u><u>2.71</u></u>



**Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2016**

	₹ In Lacs As At 31st March, 2016	₹ In Lacs As At 31st March, 2015
<b>13 : Long Term Loans &amp; Advances</b>		
Capital Advances		
Unsecured and Considered Good	117.84	20.40
Security Deposits with Govt. and Others		
Unsecured and Considered Good	61.08	60.49
Mat Credit Entitlement	159.34	-
Amount paid under protest/appeal to Gail	44.13	44.13
Excise duty/interest paid under protest/appeal	590.02	589.40
	<b>972.41</b>	<b>714.42</b>
<b>14 : Current Investments</b>		
<b>Unquoted</b>		
<b>Investment in Mutual Fund</b>	1,456.00	250.00
522769.742 (previous year 95440.178) Units of ICICI Prudential flexible income plan growth option (Face value ₹ 100)		
(Net realisable value ₹ 1492.55 lacs, previous year ₹ 251.10 lacs)		
	<b>1,456.00</b>	<b>250.00</b>
<b>15 : Inventories</b>		
Raw Material*	964.51	579.56
Work-in-Progress*	267.97	274.73
Finished Goods*	201.52	682.20
Finished Goods-goods-in-transit	-	-
Stock-in-Trade ( For Traded Goods)	-	-
Stores, Spares and consumables	473.68	502.81
Packing Materials	143.82	133.79
Others - Cullet *	80.16	153.80
	<b>2,131.66</b>	<b>2,326.89</b>
*(Valued At Cost or NRV, whichever is Less)		
Inventories are net of provisions made on slow moving items.		
<b>16 : Trade Receivables</b>		
<b>Due for a period exceeding Six Months from due date</b>		
Unsecured, Considered good	30.79	20.47
Unsecured, Considered doubtful	4.48	573.74
Less: Provision made for doubtful debts	4.48	573.74
	30.79	20.47
<b>Due for a period less than Six Months</b>		
Unsecured, considered good	2,437.61	2,096.57
	<b>2,468.40</b>	<b>2,117.04</b>

**Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2016**

	₹ In Lacs As At 31st March, 2016	₹ In Lacs As At 31st March, 2015
<b>17 : Cash &amp; Bank Balances</b>		
<b>(A) Cash and Cash Equivalents</b>		
Cash on Hand	17.21	13.28
Cheques on Hand	-	-
<b>Balances with Banks</b>		
In Current Account	7.17	27.51
In Fixed Deposits	-	-
	<b>24.38</b>	<b>40.79</b>
<b>(B) Other Bank Balances</b>		
Balances with Banks for Unpaid Dividends	6.89	18.68
Margin Money Deposits	45.64	69.22
	<b>52.53</b>	<b>87.90</b>
<b>Total</b>	<b>76.91</b>	<b>128.69</b>
<b>18 : Short Term Loans &amp; Advances</b>		
<b>Unsecured, Considered Good</b>		
Balance With Excise Authority	49.60	53.11
Interest Receivables	14.79	7.30
Other Advances Receivable in Cash / Kind	232.57	86.34
	<b>296.96</b>	<b>146.75</b>
<b>19 : Other Current Assets</b>		
Export benefits and other claims receivable	54.90	71.40
Scrap Value of Block Discarded (Valued at estimated NRV)	148.49	148.49
Other Receivables	107.69	239.71
	<b>311.08</b>	<b>459.60</b>
<b>20 : Revenue From Operations</b>		
A Sale of Products	18,872.98	16,069.31
B Other Operating Revenues	118.06	112.98
<b>Gross Revenue From Operations</b>	<b>18,991.04</b>	<b>16,182.29</b>

**Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2016**

	₹ In Lacs		₹ In Lacs	
	For the year ended		For the year ended	
	31st March, 2016		31st March, 2015	
<b>21 : Other Income</b>				
Interest Income on				
- Fixed Deposit		3.81		8.53
- Others		5.98		4.89
Profit on sale of Current Investment		2.12		9.29
Gain on foreign currency transactions (Net)		49.78		-
Share in Profit from LLP		6.03		0.02
Others		24.44		62.49
		<b>92.16</b>		<b>85.22</b>
<b>22 : Cost of Material Consumed</b>				
(A) Quartz Sand		1,211.47		912.39
(B) Soda Ash		1,871.06		1,612.33
(C) Others		1,557.98		1,311.41
		4,640.51		3,836.12
Less : Cost of Raw Material Sold	14.55		97.42	
Less: Provision made in earlier year	-	14.55	24.00	73.42
<b>Materials Consumed</b>		<b>4,625.96</b>		<b>3,762.70</b>
<b>23 : Changes in Inventories of Finished Goods, Work in Progress and Stock-in-Trade</b>				
<b>(A) Finished Goods</b>				
Opening Stock	682.20		915.68	
Less: Closing Stock	201.52	480.68	682.20	233.48
<b>(B) Work-in-Progress</b>				
Opening Stock	274.69		512.58	
Less: Closing Stock	267.97	6.72	274.69	237.89
<b>(C) Differential Excise Duty on Opening and closing Stock of Finished Goods</b>				
Opening Stock	57.47		82.51	
Less: Closing Stock	17.82	(39.65)	57.47	(25.04)
		<b>447.75</b>		<b>446.33</b>
<b>24 : Employee Benefits Expenses</b>				
Salaries, Wages , Bonus and allowances		1,656.92		1,349.52
Contribution to Provident and Gratuity Funds		148.11		91.14
Staff Welfare Expenses		150.38		139.78
		<b>1,955.41</b>		<b>1,580.44</b>
<b>25 : Finance Cost</b>				
Interest Expenses		135.73		192.06
		<b>135.73</b>		<b>192.06</b>

**Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2016**

	₹ In Lacs For the year ended 31st March, 2016	₹ In Lacs For the year ended 31st March, 2015
<b>26 : Selling &amp; Distribution Expenses</b>		
Advertisement , Publicity and Sales Promotion expenses	53.34	97.64
Carriage Outward	1,462.16	1,585.67
Commission	20.29	38.41
Cash Discount	174.38	185.58
Breakages / Rate Difference / Quality Claims	175.76	145.26
	<b>1,885.93</b>	<b>2,052.56</b>
<b>27 : Other Expenses</b>		
<b>Manufacturing expenses</b>		
Stores Consumed - Local	319.33	335.79
Stores Consumed - Imported	95.07	155.87
Packing Material Consumed	1,068.39	1,144.40
Power and Fuel	3,070.33	2,438.09
Repairs and Maintenance		
- Plant and Machinery	179.77	82.30
- Buildings	10.09	42.06
- Other Assets	67.41	44.39
Cenvat Credit Reversal	235.86	79.48
<b>Administrative and other expenses</b>		
Insurance	46.19	54.31
Rent	31.53	29.89
Rates and Taxes	6.25	6.93
Legal and Professional Fees	154.55	99.90
Directors Sitting Fees	10.20	9.10
Travelling and Conveyance Expenses (Incl. Directors' Travelling ₹ 8.46 Lacs, Pr. Yr. ₹ 13.89 Lacs)	166.24	159.66
Motor Car Expenses	64.48	78.22
Vehicle Hire Charges	66.31	68.26
Printing and Stationery	11.96	19.33
Postage and Telephones Expenses	40.09	37.46
Payment to the Auditors	17.43	17.43
Tax Audit Fees	0.85	0.85
Cost Auditor's Fees	1.20	-
Corporate Social Responsibility expenditure	3.30	-
Security expenses	34.51	31.06
Other Expenses	118.08	104.77
Loss on foreign currency transactions (Net)	-	12.14
Bad Debts	569.26	
Less: Provision for Doubtful Debts	569.26	-
Loss on Sale /Discard of assets	2.41	21.50
Bank Charges	64.26	65.75
Unrecoverable Debt/Balances written off	3.21	3.14
	<b>5,889.30</b>	<b>5,142.08</b>

**Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2016**

	₹ In Lacs For the year ended 31st March, 2016	₹ In Lacs For the year ended 31st March, 2015
<b>27.1 - Details of Payment to Auditors</b>		
Audit Fees	12.19	12.00
Certification Fees	3.20	3.40
Travelling and Out of Pocket Expenses	2.04	2.03
	<b>17.43</b>	<b>17.43</b>

**27.2 - Notes related to Corporate Social Responsibility expenditure:**

(a) Gross amount ₹ 3.27 Lacs required to be spent by the company during the year.

(b) Amount spent during the year ₹ 3.30 Lacs and Nil remained unspent.

28. Presently the Company is liable to pay MAT under Section 115JB of the Income Tax Act, 1961 (The Act) and the amount paid as MAT is allowed to be carried forward for set off against the future tax liabilities computed in accordance with the provisions of the Act, other than Section 115JB, in next Ten years. Based on the future projection of the performance, the Company will be liable to pay the income tax computed as per provisions, other than under Section 115JB, of the Act. Accordingly as advised in Guidance note on "Accounting for Credit available in respect of Minimum Alternate Tax under the Income Tax Act 1961" issued by the Institute of Chartered Accountants of India, ₹ 159.34 Lacs (Previous year ₹ Nil) being the excess of tax payable under Section 115JB of the Act over tax payable as per the provisions other than Section 115JB of the Act has been considered as MAT credit entitlement and credited to statement of profit and loss.

**Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2016**

29. A. Contingent liabilities are not recognized but are disclosed in the financial statements are as under:

S. No.	Particulars	₹ In Lacs	
		2015-16	2014-15
a)	Letters of Credit outstanding		
	• Local	160.00	104.00
	• Foreign	Nil	270.53
b)	Claims against the Company not acknowledged as debt	32.67	32.67
c)	Excise matters relating to valuation in appeal before CESTAT, Ahmedabad (matter remand back by Supreme Court) From February 1999 to June 2005 Equivalent amount of penalty, interest The company is legally advised that the disputed demands will not be sustained in view of :-	455.07	455.07
		797.06	797.06
	a) The judgment by supreme Court dismissing appeal of the department for the period July 2006 to June 2007 in its own case ,		
	b) Favorable decision of Commissioner C.E, Surat-II for the period July 2005 to June 2006, and July 2007 to March 2011. these order was accepted by Committee of Chief Commissioners.		
	c) Various legal pronouncements in similar other matters.		
	A sum of ₹ 589.33 Lacs paid under protest in respect of above dispute demand has been shown as advances recoverable.		
d)	Income tax matters in Appeal filed by the Company before	161.27	347.65
	i. ITAT Ahmedabad, in respect of assessment year 1997-98 on account of penalty ₹41.38. Lacs.		
	ii. CIT-Appeal in respect of assessment year 2012-13 and 2013-14 On account of disallowances /additions totaling to ₹ 95.76 Lacs.		
	iii. Gujarat High Court in respect of assessment year 2003-04 on account of carry forward of unabsorbed depreciation ₹246.78.		
	iv. ITAT, Ahmedabad in respect of A.Y. 2010-11 on account of Disallowances totaling to ₹15.69 Lacs. (previous year total disallowances/additions of ₹ 942.43 Lacs)		
e)	Income tax matters in Appeal filed by the department before Tribunal in respect of assessment year 2009-10.	137.38	296.35
f)	Appeal filed by the Company before Jt. Commissioner, Vadodara 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.	291.87	291.87
	No liability is expected in view of judicial pronouncement by High Court in similar matter of other Companies.	258.97	258.97

S. No.	Particulars	₹ In Lacs	
		2015-16	2014-15
g)	Service Tax matters in appeal filed by Company before Comm. (Appeal)/ CESTAT for the financial years April, 2007 to Oct, 2015. Interest & Penalty thereon.	25.58 4.59	0.74 0.74
h)	Service Tax matters appeal filed by the department before CESTAT for the financial years 2007-08 to 2012-13. Interest & Penalty thereon.	25.11 11.15	5.54 2.74
i)	Disputed amount of gas transportation charges including interest –matter pending in appeal before High Court	44.13	44.13
j)	Bill discounted with banks (Since realized)	Nil	113.23
k)	Bank Guarantee	153.15	164.05
l)	Bonus *	18.45	Nil

\* In view of change in the limit by Bonus (Amendment) Act, 2015, the company has made provision for bonus w.e.f. 1.4.2015 based on revised limits. However, no provision has been made for 2014-15 as the applicability of the revision with retrospective effect has been challenged in Honourable High Court of Kerala by some parties and stay has been granted on its retrospective operation.

B. Appeal filed by Excise department before CESTAT in 2010 against excise refund given for March 1996 to September 1999 and the appeal filed before Commissioner (Appeal) in 2009 against interest thereon allowed to the Company is pending for hearing.

30. 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:-

Particulars	₹ In Lacs	
	2015-16	2014-15
Employer's Contribution to Provident Fund	70.64	67.55

The contribution to provident fund is made to respective Regional Provident Fund Managed by Provident Fund Commissioner.

#### 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.

**Actuarial assumptions**
**Particulars**
**Gratuity (Funded)**

	2015-16	2014-2015
	Indian Assured	Indian Assured
	Lives Mortality	Lives Mortality

Mortality Table	(2006-08)Ult	(2006-08)Ult
Salary growth	5.00%	5.00%
Discount rate	7.85%	7.90%

**Amount recognised in the income statement**

	2015-16	2014-2015
Current service cost	22.72	19.78
Interest cost	13.53	14.38
Expected Return on Plan Assets	(16.47)	(11.47)
Net actuarial (gains)/losses recognized in the year	53.52	(1.40)
<b>Total</b>	<b>73.30</b>	<b>21.29</b>

**Movement in Present value of defined benefit obligation**
**Particulars**

Obligation at the beginning of the year	198.56	164.41
Current service cost		
Interest cost	22.72	19.78
	13.53	14.38
Actuarial (Gain)/loss on obligation	37.43	14.50
Benefits paid	(54.64)	(14.51)
<b>Obligation at the end of the year</b>	<b>217.60</b>	<b>198.56</b>

**Movement in Fair value of plan assets**
**Particulars**

Fair value at the beginning of the year	172.57	109.71
Adjustment to opening Fair value of plan Assets	0.51	NIL
Expected Return on Plan Assets	16.47	11.47
Contribution	74.37	50.00
Actuarial gains/(losses)	(16.09)	15.90
Benefits paid	(54.64)	(14.51)
<b>Fair value at the end of the year</b>	<b>193.19</b>	<b>172.57</b>

Expected returns on plan assets	9.0%	9.0%
---------------------------------	------	------

**Class of assets**

	2015-2016	2014-2015
Insurer Managed Fund		
Birla Sun life Insurance Corporation Ltd.	193.19	172.57
<b>Total</b>	<b>193.19</b>	<b>172.57</b>

**Amount recognised in the balance sheet**
**(₹ in Lacs)**

	2015-2016	2014-2015
Present value of obligations at the end of the year	217.59	198.56
Less: Fair value of plan assets at the end of the year	193.19	172.57
Funded status	24.40	25.99
<b>Net liability/(Asset) recognized in the balance sheet</b>	<b>24.40</b>	<b>25.99</b>
<b>Unclaimed Liabilities</b>	<b>---</b>	<b>---</b>



<b>Gratuity Funded</b>	<b>2015-16</b>	<b>2014-15</b>	<b>2013-14</b>	<b>2012-13</b>	<b>2011-12</b>
Defined benefit obligation	217.59	198.56	164.41	186.49	171.53
Plan Assets	193.19	172.57	109.71	129.15	141.00
Surplus/(deficit)	-24.40	-25.99	-54.70	-57.34	-30.53
Experience adjustments on plan liabilities	37.43	14.50	1.45	7.03	11.09
Experience adjustments on plan Assets	16.09	-15.90	-3.89	-5.84	0.07

**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 employee benefits plan – Leave Encashment are:

<b>Particulars</b>	<b>Leave Encashment</b>	
<b>Actuarial assumptions</b>		
<b>Particulars</b>	<b>2015-16 Indian Assured Lives Mortality</b>	<b>2014-2015 Indian Assured Lives Mortality</b>
Mortality Table	(2006-08)Ult	(2006-08)Ult
Salary growth :-	5.00%	5.00%
Discount rate	7.85%	7.90%
	<b>2015-2016</b>	<b>2014-2015</b>
<b>Amount recognized in the Profit &amp; Loss statement</b>		
Current service cost	17.06	16.63
Interest cost	2.24	2.63
Expected Return on Plan Assets	Nil	Nil
Net actuarial (gain)/loss recognized in the period	13.16	(3.85)
<b>Total</b>	<b>32.46</b>	<b>15.41</b>
<b>Movement in present value of defined benefit obligation</b>		
<b>Particulars</b>		
Obligation at the beginning of the year	41.69	31.20
Current service cost	17.06	16.63
Interest cost	2.24	2.63
Actuarial (gain)/ loss on obligation	13.16	(3.85)
Benefits paid	(26.65)	(4.91)
<b>Obligation at the end of the year</b>	<b>47.51</b>	<b>41.69</b>
<b>Amount recognized in the balance sheet</b>		
Present value of obligations at the end of the year	47.51	41.69
Less: Fair value of plan assets at the end of the year	NIL	NIL
Un Funded liability	47.51	41.69
<b>Un Funded liability recognized in the balance sheet</b>	<b>47.51</b>	<b>41.69</b>

31. The estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 345.83 Lacs (net of advances- ₹ 236.66 lacs). Previous year ₹ 125.97 Lacs (Net).
32. The Company had filed legal case in Amsterdam District court against one of its export debtors. The decision of court in the case against directors for their personal liability which came in favor of the Company was reversed by the Appeal court in August 2014. The debtor filed for bankruptcy and as per the information gathered from the office of liquidators the secured liability of bank is much more than the possible value of assets. In the simultaneous civil suit for recovery filed by the Company, the case for the personal liability of directors did not succeed in view of appeal court's decision and the Court was unable to proceed against the debtor Company since it was under bankruptcy. Taking into account all the factors and since there was virtually no possibility to recover anything, the entire amount of ₹ 569.25 Lacs outstanding, as per books, net of claims has been written off in the accounts and the provision made for similar amount in 2014-15 has been written back. Necessary information has been submitted to RBI through Bank.
33. No dues and unpaid balance at the end of the year payable to parties falling within the definition of entities under the Micro, Small and Medium Enterprises Development Act, 2006. There were also not claim for Interest on dues payment
34. The settlement with Worker's Union expired on 31<sup>st</sup> December, 2009; Company has signed new settlement with workers on 29/03/2013 w.e.f. January 2010. The lump sum and wage increase effective January 2013 payable to workers who have still not accepted the settlement amounting to ₹ 171.44 Lacs is lying in accounts as on 31.03.2016 (Including ₹ 33.02 Lacs provided for the year).
35. The current settlement with Worker's Union expired on 31<sup>st</sup> December, 2015. No provision has been made in this regard pending any settlement, as amount is unascertainable.
36. The Company had sold/discarded certain plant and machinery of Sheet Glass plant in the year 2013-14 and accounted for the surplus as income. A portion of these fixed assets amounting to ₹ 148.49 Lacs not lifted by the buyer are carried in the accounts at the sales value. The buyer has disputed forfeiture of deposit and matter is in Court. Shortfall, if any in realization will be accounted for after further development in court case.
37. The Company's application filed in September 2011 for electricity duty exemption w.e.f. May 2011 on generation of electricity from captive power plant for use in the Solar glass plant is pending before the Government for disposal as per the direction of the Gujarat High Court to reconsider the same. Under the old policy the exemption is available for new units/undertakings. The Company has also filed application in October, 2014 under the new policy announced in July 2014 in which there is an exemption w.e.f. 1.4.2013 for additional units set up by existing units. The matter is pending and accounting of duty exemption will be done after disposal of the Company's applications.
38. Related party disclosures under accounting standard 18:

**(A) list of related parties:**

**Associate Companies**

1. Borosil Glass Works Ltd.
2. Borosil International Ltd.
3. Broadfield Holdings Ltd.
4. Cycas Trading LLP
5. Fennel Investment & Finance Pvt. Ltd.
6. Gujarat Fusion Glass LLP
7. Sonargaon Properties LLP
8. Swapan Properties LLP
9. Vylene Glass Works Ltd.
10. Window Glass Ltd.
11. Croton Trading Private Limited (Promoter Company w.e.f. 28-12-2015)
12. Hopewell Tableware Private Limited

**Key Managerial Personnel**

Mr. B.L.Kheruka - Chairman  
Mr. Ashok Jain, Whole-time Director (up to 20-02-2016)  
Mr. Sunil Roongta - GM- Commercial & CFO

Mr. Kishor Talreja - Company Secretary  
Mr. Rajesh Chaudhary, Whole-time Director (with effect from 31-03-2016)

**Other parties related to Key Personnel**

Mrs. Kiran Kheruka

**(B) Transactions with Related Parties:**

Sr. No.	Nature of Transaction	Party	31.03.2016	31.03.2015
			₹ In Lacs	₹ In Lacs
1.	Reimbursement of expenses from	Borosil Glass Works Ltd.	10.90	2.56
		Vyline Glass Works Ltd.	9.98	3.44
2.	Amount receivable	Vyline Glass Works Ltd.	Nil	Nil
		Hopewell Tableware Pvt. Ltd	16.83	Nil
3.	Purchase of goods / services from	Borosil Glass Works Ltd.	8.24	3.98
		Vyline Glass Works Ltd.	4.60	1.37
	Payment of Guarantee Commission to	Borosil Glass Works Ltd.	Nil	4.23
	Reimbursement of expenses to	Borosil Glass Works Ltd.	29.22	12.03
		Vyline Glass Works Ltd	0.04	0.09
4.	Amount Payable to	Borosil Glass Works Ltd.	9.80	12.26
		Vyline Glass Works Ltd	Nil	0.13
5.	Inter Corporate Loans repayment Made to	Borosil Glass Works Ltd.	Nil	125.00
6.	Sale of goods/services to	Vyline Glass Works Ltd	2.15	6.21
		Borosil Glass Works Ltd.	0.33	Nil
		Hopewell Tableware Pvt. Ltd	16.83	Nil
7.	Office Rent/Maint. charges paid to	Window Glass Ltd.	2.28	2.28
8.	Interest Expense on Loans	Borosil Glass Works Ltd.	Nil	1.85
9.	Managerial Remuneration	Ashok Jain- WTD*	104.29	51.97
		Rajesh Chaudhary- WTD**	0.09	Nil
		Kishor Talreja-Company Secretary	13.73	12.62
		Sunil Roongta-CFO	26.40	22.28
10.	Rent paid to	Mrs. Kiran Kheruka	12.47	13.48
		Borosil Glass Works Ltd.	15.90	16.18
		Cycas Trading LLP	2.16	2.40

\* upto 20-02-2016

\*\* With effect from 31<sup>st</sup> March, 2016, Subject to approval at the ensuing AGM.

**39. Basic earnings per share (Basic & Diluted)**

Particulars	2015-16	2014-15
	₹ In Lacs	₹ In Lacs
Net Profit/ (Loss) after Tax	1213.78	152.90
Preference Dividend up to 26.08.2015	(328.44)	(810.00)
Net Profit/(Loss) after Tax Attributable to Equity Shareholders (₹ In Lacs)	885.34	(657.10)
Weighted average No. of Equity Shares outstanding	68207500	68207500
Basic & Diluted Earnings per Shares (₹) (Nominal value ₹ 5/- per share)	1.30	(0.96)

40. 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.

41. Foreign Currency Transactions

Particulars	2015-16	2014-15
	₹ In Lacs	₹ In Lacs
i. Value of Imports on CIF basis in respect of :		
a) Components & Spare Parts	146.41	73.27
b) Packing Material	1.51	3.28
c) Raw Material	1563.31	871.43
d) Capital Items	299.83	78.65
ii. Expenditure in Foreign Currency :		
a) Travelling expenses	13.16	13.00
b) Foreign Technician Fees/Expenses & Testing Fees	71.41	5.67
c) Foreign Legal & Professional Expenses	1.63	30.96
d) Exhibition Expenses	4.64	39.19
e) Foreign Bank Charges	6.06	11.04
f) Repairs & Maintenance- Plant & Machinery	16.29	153.93
g) Interest on ECB Loan/Buyers Credit	97.07	161.94
iii. Export Quality Claims	11.49	17.71
iv. Repayment of installment of ECB Loan	1124.20	859.88
v. Repayment of Buyers Credit	Nil	526.41
vi. Earnings in Foreign Exchange FOB Value of Exports *	1920.24	1540.8

\*Net of Sales Returns

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

Material	2015-2016		2014-2015	
	% age	Value ₹ In Lacs	% age	Value ₹ In Lacs
<b>a. Raw Material</b>				
Imported	57.79	2673.13	30.12	1133.51
Indigenous	42.21	1952.83	69.88	2629.19
	<b>100.00</b>	<b>4625.96*</b>	<b>100.00</b>	<b>3762.70</b>
<b>b. Stores &amp; Spares</b>				
Imported	22.94	95.07	31.7	155.87
Indigenous	77.06	319.33	68.3	335.79
	<b>100.00</b>	<b>414.40**</b>	<b>100.00</b>	<b>491.66</b>

\*Includes ₹ 14.25 Lacs devalued on account of non-moving & obsolete Inventory.

\*\* Includes ₹ 44.57 Lacs devalued written off on account of non-moving & obsolete Inventory.

43. Financial and Derivative Instruments:

- a) The Company has not entered into any derivative contract during the year and hence no derivative contract is outstanding.

b) Unhedged Foreign Currency exposure as on 31<sup>st</sup> March, 2016 are as under:

₹ In Lacs

Particulars	As At 31 <sup>st</sup> March, 2016	As At 31 <sup>st</sup> March, 2015
Receivables	277.79	180.99
Payables	224.20	214.78
ECB Payable	2021.08	3007.32

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

**NOTES**

# GUJARAT BOROSIL LIMITED

(CIN: L26100GJ1988PLC011663)

Registered Office: Village – Govali, Taluka – Jhagadia, District – Bharuch 393 001, Gujarat

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Joint shareholders may obtain additional Slip at the venue of the meeting.

## ATTENDANCE SLIP

DP Id \* \_\_\_\_\_

Folio No. \_\_\_\_\_

Client Id \* \_\_\_\_\_

No. of shares \_\_\_\_\_

NAME AND ADDRESS OF THE SHAREHOLDER :

NAME AND ADDRESS OF THE PROXY HOLDER:

I hereby record my presence at the **27<sup>th</sup> ANNUAL GENERAL MEETING** of the Company held on Monday, August 08, 2016 at 2.30 p.m. at the Registered Office of the Company at Village - Govali, Taluka-Jhagadia, District-Bharuch-393001, Gujarat

\*Applicable for investors holding shares in electronic form.

\_\_\_\_\_  
Signature of Shareholder/proxy



## PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

# GUJARAT BOROSIL LIMITED

(CIN: L26100GJ1988PLC011663)

Registered Office: Village – Govali, Taluka – Jhagadia, District – Bharuch 393 001, Gujarat

Name of the member(s): \_\_\_\_\_

e-mail Id: \_\_\_\_\_

Registered address: \_\_\_\_\_

Folio No/\*Client Id: \_\_\_\_\_

\*DP Id: \_\_\_\_\_

I/We, being the member(s) of .....shares of the above Company, hereby appoint:

1) Name \_\_\_\_\_ Address: \_\_\_\_\_

E-mail ID: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him

2) Name \_\_\_\_\_ Address: \_\_\_\_\_

E-mail ID: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him

3) Name \_\_\_\_\_ Address: \_\_\_\_\_

E-mail ID: \_\_\_\_\_ Signature: \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 27<sup>th</sup> Annual General Meeting of the Company, to be held on Monday, August 08, 2016 at 2.30 p.m. at the Registered Office of the Company at Village –Govali, Taluka- Jhagadia, District-Bharuch-393001, Gujarat and at any adjournment thereof in respect of such resolutions as are indicated below:



Resolutions	For	Against
1. Adoption of Audited Financial Statements, Reports of the Board of Directors and Auditors for the year ended March 31, 2016		
2. Re-appointment of Mr. Ashok Jain who retires by rotation		
3. Appointment of M/s. Chaturvedi & Shah, Chartered Accountants, as Statutory Auditors of the Company		
4. Remuneration of the Cost Auditors.		
5. Appointment of Mr. Rajesh Chaudhary as a Director.		
6. Appointment and terms of remuneration of Mr. Rajesh Chaudhary, Whole Time Director		
7. Delivery of documents		
8. Payment of Commission to Non-executive Directors		

\* Applicable for investors holding shares in electronic form.

Signed this.....day of .....2016

Signature of shareholder

Affix  
Revenue  
Stamp of  
Re.1/-

Signature of First Proxy holder

Signature of Second Proxy holder

Signature of Third Proxy holder

#### Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the Commencement of the meeting.
2. A Proxy need not be a member of the Company.
3. A Person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. This is only optional, please put a 'x' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
5. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
6. In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.



## E-MAIL REGISTRATION FORM

### FOR SHAREHOLDERS HOLDING SHARES IN PHYSICAL FORM

To  
**Universal Capital Securities Pvt. Ltd**  
Unit: Gujarat Borosil Limited,  
21, Shakil Nivas,  
Mahakali Caves Road,  
Andheri (East), Mumbai-400 093.  
Tel No.022-28207203/ 28207204/ 28207205

Dear Sir/s,

#### Re: Registration of e-mail ID for receiving communications in electronic form

I/We am/are a shareholder of the Company. I/We want to receive all communication from the Company including AGM and other General Meeting notices and explanatory statement(s) thereto, Balance Sheets, Director's reports, Auditor's Reports etc. through email. Please register my e-mail ID, set out below, in your records for sending communication through e-mail:

Folio No. : .....  
Name of 1<sup>st</sup> Registered Holder : .....  
Name of Joint Holder(s) : .....  
: .....  
Address : .....  
: .....  
Pin code : .....  
E-mail ID (to be registered) : .....  
Contact Tel. Nos. : Mobile : .....  
Land Line : .....  
PAN NO. : .....

Date: .....

Signature : .....

#### Important Notes:

- 1) On registration, all the communication will be sent to the e-mail ID registered in the folio
- 2) The form is also available on the website of the company **www.gujaratborosil.com**
- 3) Any change in email ID, from time to time, may please be registered in the records of the Company.

### FOR SHAREHOLDERS HOLDING SHARES IN DEMAT FORM

Members holding shares in demat form may register the e-mails with their respective depository participant

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**BY SPEED POST / COURIER / REGISTERED POST**

To,

**GUJARAT BOROSIL**

**GUJARAT BOROSIL LIMITED**

*If undelivered, please return to :*

**Universal Capital Securities Pvt. Ltd.**

Unit : Gujarat Borosil Limited

21, Shakil Niwas, Mahakali Caves Rd., Andheri (E), Mumbai - 400 093.

Ph: 022- 2820 7203 / 2820 7204 / 2820 7205