SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

HGGL

10th

ANNUAL REPORT

2000 - 2001

Report Junction.com

Haldyn™ Glass Gujarat Limited

GLASS made WITH CARE

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

Haldyn™ Glass Gujarat Limited

CONTENTS

	PAGE NOS.
Notice	1
Directors' Report	2-3
Annex. to the Directors' Report	4
Corporate Governance Report	5-7
Auditors' Report	8
Annex. to the Auditors' Report	8-9
Balance Sheet	10
Profit and Loss Account	11
Schedules 1 to 12 forming part of Balance Sheet	12-15
Schedules 13 to 19 forming part of Profit & Loss Account	15-16
Schedule 20 Significant Accounting Policies	17-18
Schedule 21 Notes on Accounts	18-20
Balance Sheet Abstract and General Business Profile	21
Cash Flow Statement	22
Nomination Form	23
Attendance Slip and Proxy Form	

BOARD OF DIRECTORS

Mr. N. D. Shetty, *Chairman & Managing Director*
Mr. F. S. Broacha
Mr. Vikram Tannan
Mr. Rolf E. v. Bueren
Mr. N. Ganga Ram
Mr. A. P. Sarwan
Mr. M. G. Shah, *Nominee of G.I.I.C.*
Mr. N. J. Dave, *Nominee of G.I.I.C.*
Mr. L. Rajagopalan *(Alternate to Mr. Rolf E. v. Bueren)*
Mr. Tarun N. Shetty, *Executive Director*
Mr. N.A. Bhandarkar, *Director – Finance*

ASST. COMPANY SECRETARY
Ravindra B. More

AUDITORS
Chaturvedi Sohan & Co.
Chartered Accountants

BANKERS
State Bank of India
ICICI Bank Limited

REGISTERED OFFICE & WORKS
Village Gavasad, Taluka Padra, District Vadodara,
Pin – 391 430.

ADMINISTRATIVE OFFICE
Off Western Express Highway,
Goregaon (East),
Mumbai – 400 063.

REGISTRAR & SHARE TRANSFER AGENTS
M/s. Mondkar Computers Pvt. Ltd.
21, Shakil Niwas,
Mahakali Caves Road,
Andheri (E),
Mumbai- 400 093.

10TH ANNUAL GENERAL MEETING at the registered office of the Company, Village Gavasad, Taluka Padra, District Vadodara - 391 430 on **Friday, 14th September, 2001 at 11.00 a.m.**

As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested to kindly bring their copies to the Meeting.

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

Haldyn™ Glass Gujarat Limited

NOTICE

NOTICE is hereby given that the **10th Annual General Meeting** of the Members of **HALDYN GLASS GUJARAT LIMITED** will be held on Friday, the 14th day of September, 2001 at 11.00 A.M. at the Registered Office of the Company at Village Gavasad, Taluka Padra, District Vadodara - 391 430 to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2001, Profit and Loss Account for the year ended on that date and the Reports of the Directors and the Auditors' thereon.
2. To appoint a Director in place of Mr. Rolf E. v. Bueren who retires by rotation and, being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. Vikram Tannan, who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint Auditors to hold office from the conclusion of this Meeting untill the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF, AND A PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, 7th September 2001 to Friday, 14th September 2001 (both days inclusive).
3. Members/Proxies should bring the Attendance Slips sent herewith duly filled in, for attending the Meeting.
4. Members desiring any information on accounts or operations of the Company are requested to forward his/her queries to the Company at least 10 days prior to the date of the Meeting, so that the required information is made available at the Meeting.
5. Members can now avail the facility of nomination in respect of shares held by them pursuant to the Companies Act, 1956.
6. Members are requested to immediately notify any change in their address to Registrar and Transfer Agents namely, M/s Mondkar Computers Pvt. Ltd., 21, Shakil Niwas, Mahakali Caves Road, Andheri (E), Mumbai- 400 093.

By Order of the Board of Directors

Place : Mumbai
Date : 26th June, 2001

Ravindra More
Asst. Company Secretary

Registered Office:
Village - Gavasad,
Taluka- Padra,
District Vadodara – 391 430.

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

Haldyn™ Glass Gujarat Limited

DIRECTORS' REPORT

Your Directors have pleasure in presenting the 10th Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2001.

FINANCIAL HIGHLIGHTS

(Rs. in Lacs)

	2000-2001	1999-2000
Profit before Interest and Depreciation	**731.12**	706.50
Less : Interest	**414.27**	405.37
Less : Depreciation	**266.73**	260.02
Profit / (Loss) before Tax	**50.12**	41.11
Less : Provision for Taxation	**4.35**	4.75
Net Profit / (Net Loss)	**45.77**	36.36
Less : Income Tax for earlier years	**-**	1.82
Balance carried forward to Balance Sheet	**45.77**	34.54

DIVIDEND

In view of inadequacy of profit, your Directors are unable to recommend dividend for the year ended 31st March, 2001.

COMPANY PERFORMANCE

Net profit improved by 33% to Rs. 45.77 lac as against Rs. 34.54 lac recorded for the previous year. This was achieved on a lower sales turnover of Rs. 40.30 crore as compared to Rs. 42.13 crore last year, thanks to cost control measures initiated by the Management and consequent improvement in operating margins. Like other units in the glass bottle industry, the Company is faced with supply-demand imbalance with supply far outstripping demand, aggravated by rampant use of second hand bottles in the liquor industry. This situation has led to stiff competition and under-cutting of prices. We have been able to withstand these pressures because of our inherent strengths.

COST OF POWER

When the Company commenced its operations at Gavasad in 1995-96, the cost of power supplied by Gujarat Electricity Board (GEB) was Rs. 2.44 per unit. Over the years, this has increased to Rs. 4.98 per unit in 2000-2001, a rise of more than 100% in 6 years. In fact, so far as the year under review is concerned, electric power has become expensive to the extent of Rs. 73.44 lac as compared to the previous year. With a view to bringing down the power cost, the Company is taking steps to set up a Captive Power Plant. The Power Plant is expected to be commissioned around the end of the current financial year. It is estimated that subsequent to the commissioning of the Power Plant, the cost of in-house power would work out to about Rs. 3.80 per unit during the first 4 years, substantially reducing the total expenditure on power by about Rs. 2.22 crore per annum.

DEMATERIALISATION OF SHARES

The Company has entered into separate agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), for the trading of its equity shares in dematerialised mode, effective from 6th June, 2001. Your Directors recommend that all shareholders avail of this facility.

LISTING

The Equity Shares of the Company are listed on the Vadodara, Mumbai, and Ahmedabad Stock Exchanges and all the applicable listing fees have been paid up-to-date.

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

FIXED DEPOSITS

The Company has not accepted any deposits from the public within the meaning of Section 58-A of the Companies Act, 1956 in the year under review.

PERSONNEL

During the year, none of the employees was in receipt of remuneration exceeding Rs. 12,00,000 per annum or Rs. 1,00,000 per month and accordingly, the Company has no information to report to the Members under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended from time to time.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956, Mr. Rolf E. v. Bueren and Mr. Vikram Tannan, Directors retire by rotation at the ensuing Annual General Meeting and, being eligible, offer themselves for reappointment.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956, your Directors confirm that -

- in the preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanations relating to material departure;
- the Directors have selected standard accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of financial year;
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for detecting and preventing frauds and other irregularities and
- the Directors have prepared the annual accounts on a going concern basis.

AUDIT COMMITTEE

In terms of the requirement of the Companies Act, 1956 as amended recently, your Board has constituted an Audit Committee effective from 30th April, 2001 with the following Directors: -
Mr. L. Rajagopalan
Mr. F.S. Broacha
Mr. N. Ganga Ram
The scope and functions of the Audit Committee are in accordance with the provisions of the Companies Act, 1956.

AUDITORS

The Auditors of the Company, M/s Chaturvedi Sohan & Co., Chartered Accountants retire at the ensuing Annual General Meeting and are eligible for reappointment.

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

In accordance with the provisions of Section 217 (1) (e) of the Companies Act, 1956, read with Rule 2 of the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, information relating to conservation of energy, technology absorption, foreign exchange earnings and outgo is furnished in the Annexure forming part of this Report.

ACKNOWLEDGEMENT

The Directors are grateful to the Company's Bankers, customers and shareholders as also to the Government of Gujarat for their continued support. Further, the Directors record their appreciation of the valuable contribution made by employees at all levels.

For and on behalf of the Board

N.D.SHETTY
Chairman & Managing Director

Place : Mumbai
Date : 26th June, 2001

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

ANNEXURE TO THE DIRECTORS' REPORT

Information as per Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 and forming part of the Directors' Report for the Financial Year ended 31st March, 2001.

I. CONSERVATION OF ENERGY

1. During the year under review, energy audit was carried out in-house to identify power intensive areas and steps were taken to reduce consumption. In respect of Natural Gas, a system to reduce consumption in the furnace was under implementation.

2. **(A) POWER AND FUEL CONSUMPTION**

			2000-2001	1999-2000
i.	Electricity			
	a. Purchased	(Units in lacs)	**120.23**	124.22
	Total Amount	(Rs. in lacs)	**598.50**	514.09
	Average Rate/Unit	(Rs.)	**4.98**	4.14
	b. Own generation	(Units in lacs)	**0.24**	0.66
	Units/litre of HSD	(Units)	**3.52**	3.31
	Average Cost/Unit	(Rs.)	**5.37**	3.28
ii.	Natural Gas			
	a. Quantity	(1000 SCM)	**7769**	7808
	Total Amount	(Rs. in lacs)	**257.39**	238.68
	Average Rate	(Rs./1000 SCM)	**3347**	3057
iii	L.D.O.			
	Quantity	(K.Ltr)	**6.780**	265.45
	Total Amount	(Rs. in lacs)	**0.62**	24.12
	Average Rate	(Rs. Per K.Ltr)	**9145**	9086
(B)	**CONSUMPTION PER M.T. OF PRODUCTION**			
	i. Electricity	(Units)	**321**	331
	ii. Natural Gas	(1000 SCM)	**0.207**	0.207

II. TECHNOLOGY ABSORPTION

The Company has not acquired any imported or indigenous technology during the year under review.

III. RESEARCH AND DEVELOPMENT

There was no expenditure under this head nor any benefit accrued thereunder as no Research and Development work was carried out during the year under review. There are no immediate plans for Research and Development.

IV. FOREIGN EXCHANGE EARNINGS AND OUTGO

(Rs. in lacs)

	2000-2001	1999-2000
1. Foreign Exchange used :		
a. Raw Materials	-	-
b. Stores & Spares	**7.17**	12.15
c. Lubricants	**8.49**	8.90
d. Others (Travelling, Commission, Technical fees, Foreign Bank charges, etc.)	**4.37**	5.74
Total	**20.03**	26.79
2. Foreign Exchange earned :		
F.O.B. Value of Direct Export	**177.97**	115.06

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Securities Exchange Board of India (SEBI) has introduced a comprehensive code on Corporate Governance. The Code is required to be implemented by us on or before 31st March, 2003. Haldyn has voluntarily complied with a substantial portion of the code for corporate governance in the year ended March 31, 2001 itself. The Company exercises good corporate practices like having professionals on the Board, holding Board Meetings at regular intervals and greater involvement of the Board in decision making. The Company continues to be committed to the principles of good corporate governance.

BOARD OF DIRECTORS

COMPOSITION

The Board of Directors comprise a combination of Executive and Non-Executive Directors who are professionals in their respective fields and bring in a wide range of skills and experience. The composition and attendance at the Board Meetings and AGM during the year were as under:

Name	Category	No of Board Meetings attended	Last AGM attended (Yes/No)
Mr. N D Shetty	Chairman & Managing Director	6	Yes
Mr. F S Broacha	Non-Executive	4	No
Mr. N Ganga Ram	Non-Executive	4	No
Mr. L Rajagopalan (Alternate to Mr Bueren)	Non-Executive	5	No
Mr. Vikram Tannan	Non-Executive	-	No
Mr. A P Sarwan	Non-Executive	1	No
Mr. M G Shah	Nominee of GIIC	3	No
Mr. N J Dave	Nominee of GIIC	-	No
Mr. Tarun N Shetty	Executive	5	Yes
Mr. N A Bhandarkar	Executive	3	Yes

MEETINGS OF THE BOARD OF DIRECTORS

During the year, 6 Board Meetings were held on the following dates:

1. 28/04/2000
2. 29/06/2000
3. 28/07/2000
4. 23/10/2000
5. 09/12/2000
6. 30/01/2001

The maximum time gap between any two meetings was not more than three calendar months.

AUDIT COMMITTEE

The Audit Committee constituted by the Board of Directors consists of three independent directors, namely, Mr. L. Rajagopalan, Chairman, Mr. F.S. Broacha, and Mr. N. Ganga Ram, Directors meet with the requirement of Section 292A of the Companies Act, 1956.

The Audit Committee of the Board was formed on April 30, 2001. The Committee met once on 26th June, 2001 and all members were present. Its functions include review of the Company's internal control system, audit procedures, compliance with statutory and regulatory requirements, financial reporting process and internal investigations. Further, the Committee reviews risk management polices and half-yearly results and annual financial statements before submission to the Board.

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

SHARE TRANSFER COMMITTEE

The Committee comprises Chairman & Managing Director, 2 Executive Directors and 3 Independent Directors. The Share Transfer Committee considers transfers/transmission of shares issued by the Company, issue of duplicate share certificates and certificates after split/consolidation/renewal. During the financial year 2000-2001, the Committee had 12 meetings.

GENERAL BODY MEETINGS

Financial Year	Date	Time	Place
2000	09/09/2000	11.00 a.m.	Gavasad, Vadodara
1999	29/09/1999	11.00 a.m.	Gavasad, Vadodara
1998	10/09/1998	11.00 a.m.	Gavasad, Vadodara

No special resolutions were passed through postal ballot, since it was not mandatory. No special resolutions on matters requiring postal balloting as required u/s 192A of the Companies Act, 1956 are placed for shareholders approval at this meeting.

DISCLOSURES

a) Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large.

None of the transactions with any of the related parties were in conflict with the interests of the Company.

b) Details of non-compliance by the Company, penalties, strictures, imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

There were no instances of non-compliance of any matter related to the capital markets during the last three years.

MEANS OF COMMUNICATION

Quarterly results are published in prominent daily newspapers viz. Asian Age, Financial Express and Loksatta – Jansatta. The notice of Board Meetings are published in the Asian Age and Loksatta-Jansatta newspapers, which is not a mandatory requirement. The Company has its website www.haldynglass.com. The Company has published the audited accounts of 2000-2001 on its website. The Company has not made any presentations to Institutional Investors or Analysts.

GENERAL SHAREHOLDERS INFORMATION

AGM Date : September 14, 2001
Book Closure Date : 07.09.2001 to 14.09.2001
R&T Agents Address : M/s. Mondkar Computers Pvt. Ltd.
21, Shakil Niwas,
Mahakali Caves Road,
Andheri (East),
Mumbai – 400 093.

ReportJunction.com

SHARE TRANSFER SYSTEM

Share Transfers in physical form can be lodged with M/s Mondkar Computers Pvt Ltd. at the above mentioned address. The Transfers are normally processed within 30 days from the date of receipt if the documents are complete in all respects. Share Transfer Committee is formed to approve transfers. The Company also offers transfer-cum-demat facility for the convenience of the investors.

Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participant (DP) regarding change of address, change of Bank Account/Bank, nomination, etc.

www.reportjunction.com