



---

# Haldyn<sup>TM</sup> Glass Gujarat Limited

13th ANNUAL REPORT  
2003 - 2004



**Gla**

*made*  
A



## Haldyn™ Glass Gujarat Limited

### BOARD OF DIRECTORS :

Mr. N.D. Shetty	Chairman & Managing Director
Mr. Tarun N. Shetty	Executive Director
Mr. F. S. Broacha	
Mr. Rolf E. V. Bueren	
Mr. L. Rajagopalan	(Alt. to Mr. Bueren)
Mr. A.P. Sarwan	
Dr. Nayan R. Desai	Nominee of GIIC
Mr. K. George Joseph I.A.S.	Nominee of GIIC

### AUDITORS :

Chaturvedi Sohan & Co.  
Chartered Accountants

### ADMINISTRATIVE OFFICE :

Off Western Express Highway,  
Goregaon (East),  
Mumbai - 400 063.

### REGISTERED OFFICE & WORKS

Village Gavasad, Taluka Padra,  
District Vadodara,  
Pin - 391 430.

### BANKERS :

State Bank of India  
ICICI Bank Limited

### REGISTRAR & SHARE TRANSFER AGENTS :

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

**13th ANNUAL GENERAL MEETING** at the  
Registered Office of the Company, Village Gavasad,  
Taluka Padra, District Vadodara - 391 430 on  
Saturday, 11th September, 2004 at 11.00 a.m.

### CONTENTS

	Page No.
Notice	1
Directors' Report	5
Annexure to the Directors' Report	6
Corporate Governance Report	8
Auditors' Report	12
Annexure to the Auditors' Report	12
Balance Sheet	14
Profit & Loss Account	15
Cashflow Statement	16
Schedules to the Annual Accounts	17

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.

**13<sup>th</sup> ANNUAL REPORT 2003-2004****NOTICE**

**NOTICE** is hereby given that the **Thirteenth Annual General Meeting** of the Members of **HALDYN GLASS GUJARAT LIMITED** will be held on Saturday, 11<sup>th</sup> September 2004, 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:-

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2004, 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. F.S. Broacha, who retires by rotation and is eligible for reappointment.
3. To consider and, if thought fit, to pass the following Resolution, with or without modification, as an Ordinary Resolution:-

**"RESOLVED** that in accordance with the provisions of the Companies Act, 1956, Mr. K. George Joseph, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

4. To consider and, if thought fit, to pass the following Resolution, with or without modification, as a Special Resolution:-

**"RESOLVED** that consent of the Company under Sections 198, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 ("the Act") read with Schedule XIII of the Act be and is hereby accorded to the remuneration payable to Mr. N.D. Shetty, Chairman & Managing Director, as set out in the Agreement dated 3<sup>rd</sup> October 2001 executed between the Company and the said Mr. N.D. Shetty, being modified and varied with effect from 1<sup>st</sup> September 2004 in terms of the draft Supplemental Agreement placed before the Meeting and, for the purpose of identification, initialled by a Director;

**RESOLVED FURTHER** that the remuneration, modified and varied as aforesaid, shall be paid to Mr. N.D. Shetty as a minimum remuneration in case of absence or inadequacy of profits in any financial year;

**AND RESOLVED FURTHER** that the Board of Directors of the Company be and is hereby authorized to execute the Supplemental Agreement in terms of the said draft and to do all such acts deeds matters and things as it may, in its discretion, deem necessary proper or expedient to give effect to this Resolution".

5. To consider and, if thought fit, to pass the following Resolution, with or without modification, as an Ordinary Resolution:

**"RESOLVED** that consent of the Company under Sections 198, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 ("the Act") read with Schedule XIII of the Act be and is hereby accorded to the remuneration payable to Mr. T.N. Shetty, Executive Director, as set out in the Agreement dated 29<sup>th</sup> August 2001 executed between the Company and the said Mr. T. N. Shetty, being modified and varied with effect from

1<sup>st</sup> September 2004 in terms of the draft Supplemental Agreement placed before the Meeting and, for the purpose of identification, initialled by a Director;

**RESOLVED FURTHER** that the remuneration, modified and varied as aforesaid, shall be paid to Mr. T. N. Shetty as a minimum remuneration in case of absence or inadequacy of profits in any financial year;

**AND RESOLVED FURTHER** that the Board of Directors of the Company be and is hereby authorized to execute the Supplemental Agreement in terms of the said draft and to do all such acts deeds matters and things as it may, in its discretion, deem necessary proper or expedient to give effect to this Resolution".

6. To appoint Auditors to hold office from the conclusion of this Meeting till 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. Relative Explanatory Statements pursuant to Section 173(2) of the Companies Act, 1956, in respect of the business under Item. Nos. 3 to 5 set out above and the relevant details pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges are annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 4<sup>th</sup> September 2004 to 11<sup>th</sup> September 2004 (both days inclusive).
4. Members/Proxies should bring the Attendance Slips sent herewith duly filled in, for attending the Meeting.
5. 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.
6. As members are aware, equity shares of the Company are traded in electronic form for all shareholders, members who hold shares in physical form may dematerialise the same. ISIN allotted to the Company for this purpose is INE506D01012.
7. 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 : 27<sup>th</sup> July 2004.

**N.D. Shetty**

Chairman & Managing Director.

Registered Office:

Village - Gavasad, Taluka- Padra,  
District Vadodara - 391 430.



## Haldyn™ Glass Gujarat Limited

### Explanatory Statements

As required by Section 173(2) of the Companies Act, 1956 the following Explanatory Statements set out all the material facts relating to the business under Item Nos. 3 to 5, of the accompanying Notice dated 27<sup>th</sup> July 2004.

#### Item No. 3:

Mr. K. George Joseph was appointed as a Nominee Director of the Company by GIIC with effect from 31<sup>st</sup> January 2004. As per the Agreement between the Company & GIIC Mr. K. George Joseph is appointed as a Director of the Company liable to retire by rotation. Accordingly, he shall hold office upto the date of the ensuing Annual General Meeting of the Company. The Company has received a notice under Section 257 of the Companies Act, 1956 from a member proposing Mr. K. George Joseph for appointment to the office of Director along with deposit of Rs.500/-. Hence the proposal.

Mr. K. George Joseph I.A.S. is Principal Secretary, General Administration Department Government of Gujarat. He has vast experience and his appointment as a Director is considered to be in the interest of the Company.

The Directors commend the appointment of Mr. K. George Joseph as a Director of the Company.

#### Item No. 4:

At the 9<sup>th</sup> Annual General Meeting of the Company held on 9<sup>th</sup> September 2000, members had approved the re-appointment of Mr. N.D. Shetty as Chairman & Managing Director, of the Company and the remuneration payable to him for 5 years with effect from 1<sup>st</sup> September 2000. The terms and conditions of re-appointment including remuneration (and the minimum remuneration payable to him in case of absence or inadequacy of profits in any financial year) are set out in Agreement dated 3rd October 2001 entered into between the Company and Mr. N.D. Shetty.

During the period since his re-appointment the Company has progressively improved from losses before tax of Rs. 66.33 lacs and Rs. 24.96 lacs for the respective years ended 31<sup>st</sup> March 2002 and 31<sup>st</sup> March 2003 to gross profit of Rs. 311.36 lacs and a net profit (after depreciation and taxes) of Rs.118.83 lacs for the year ended 31<sup>st</sup> March 2004. Mr. N.D. Shetty has appreciatively contributed to this turnaround and excellent performance of the Company in terms of business growth, profitability and improved brand equity.

The Remuneration Committee of the Board of Directors, which met on 27<sup>th</sup> July 2004 and examined the remuneration of Mr. N.D. Shetty, observed inter alia that the remuneration paid to Mr. N.D. Shetty was inadequate and less than that paid at comparable levels in other peer group companies. Accordingly, the Remuneration Committee recommended a revision in the monthly salary paid to Mr. N.D. Shetty whereby Mr. N.D. Shetty would be entitled to and be paid a fixed salary (inclusive of dearness allowance) of Rs.12,00,000/- per annum until expiry of his period of office under the said Agreement dated 3rd October 2001; all other terms and conditions (including perquisites) of the said Agreement dated 3rd October 2001 remain unchanged.

At a Meeting of the Board of Directors of the Company, held on the same day, it was decided to revise Mr. N. D. Shetty's remuneration by way of an increased salary of Rs.12,00,000/- per annum with effect from 1<sup>st</sup> September 2004, in line with the recommendation of the Remuneration Committee, for the contributions made by him in the all-round development of the Company.

The variation in the remuneration payable to Mr. N. D. Shetty as aforesaid is set out in the draft Supplemental Agreement proposed to be entered into between the Company and Mr. N.D. Shetty. Save and except for the said fixed increased salary of Rs.12,00,000/- per annum all other terms and conditions of re-appointment (including perquisites), as set out in the Agreement dated 3rd October 2001, remain unchanged.

The Agreement dated 3rd October 2001 entered into between the Company and Mr. N.D. Shetty setting out the terms and conditions of his re-appointment as Chairman & Managing Director, as also a copy of the draft Supplemental Agreement referred to in this Resolution, are available for the inspection of members at the Registered Office of the Company between 10.30 a.m. to 12.30 p.m. on all working days (except Saturdays).

Mr. N.D. Shetty may be deemed concerned or interested in this Resolution to the extent of the increase in remuneration payable to him. Mr. T.N. Shetty, a relative of Mr. N.D. Shetty, may also be deemed concerned or interested in the passing of this Resolution to that extent. None of the other Directors is concerned or interested in the passing of this Resolution.

This Explanation, together with the accompanying Notice, is and shall be treated as an abstract of the terms of contract and memorandum of interest under Section 302 of the Companies Act, 1956.

#### Item No. 5:

At the 9<sup>th</sup> Annual General Meeting of the Company held on 9<sup>th</sup> September 2000, members had approved the appointment of Mr. T.N. Shetty as Executive Director of the Company and the remuneration payable to him for 5 years with effect from 1<sup>st</sup> September 2000. The terms and conditions of appointment including remuneration (and the minimum remuneration payable to him in case of absence or inadequacy of profits in any financial year) are set out in Agreement dated 29<sup>th</sup> August 2001 entered into between the Company and Mr. T.N. Shetty.

During the period since his appointment the Company has progressively improved from losses before tax of Rs. 66.33 lacs and Rs. 24.96 lacs for the respective years ended 31<sup>st</sup> March 2002 and 31<sup>st</sup> March 2003 to gross profit of Rs. 311.36 lacs and a net profit (after depreciation and taxes) of Rs.118.83 lacs for the year ended 31<sup>st</sup> March 2004. Mr. T.N. Shetty has appreciatively contributed to this turnaround and excellent performance of the Company in terms of business growth, profitability and improved brand equity.

The Remuneration Committee of the Board of Directors, which met on 27<sup>th</sup> July 2004 and examined the remuneration of Mr. T.N. Shetty, observed inter alia that the remuneration paid to Mr. T. N. Shetty was inadequate and less than that paid at comparable levels in other peer group companies.

13<sup>th</sup> ANNUAL REPORT 2003-2004

Accordingly, the Remuneration Committee recommended a revision in the monthly salary paid to Mr. T. N. Shetty whereby Mr. T. N. Shetty would be entitled to and be paid a fixed salary (inclusive of dearness allowance) of Rs. 4,80,000/- per annum until expiry of his period of office under the said Agreement dated 29<sup>th</sup> August 2001; all other terms and conditions (including perquisites) of the said Agreement dated 29<sup>th</sup> August 2001 remaining unchanged.

At a Meeting of the Board of Directors of the Company, held on the same day it was decided to revise Mr. T. N. Shetty's remuneration by way of an increased salary of Rs. 4,80,000/- per annum with effect from 1<sup>st</sup> September 2004, in line with the recommendation of the Remuneration Committee, for the contributions made by him in the all-round development of the Company.

The variation in the remuneration payable to Mr. T.N. Shetty as aforesaid is set out in the draft Supplemental Agreement proposed to be entered into between the Company and Mr. T. N. Shetty. Save and except for the said fixed increased salary of Rs. 4,80,000/- per annum all other terms and conditions of appointment (including perquisites), as set out in the Agreement dated 29<sup>th</sup> August 2001, remain unchanged.

The Agreement dated 29<sup>th</sup> August 2001 entered into between the Company and Mr. T. N. Shetty setting out the terms and conditions of his appointment as Executive Director, as also a copy of the draft Supplemental Agreement referred to in this Resolution, are available for the inspection of members at the Registered Office of the Company between 10.30 a.m. to 12.30 p.m. on all working days (except Saturdays).

Mr. T.N. Shetty may be deemed concerned or interested in this Resolution to the extent of the increase in remuneration payable to him. Mr. N.D. Shetty, a relative of Mr. T.N. Shetty, may also be deemed concerned or interested in the passing of this Resolution to that extent. None of the other Directors is concerned or interested in the passing of this Resolution.

This Explanation, together with the accompanying Notice, is and shall be treated as an abstract of the terms of contract and memorandum of interest under Section 302 of the Companies Act, 1956.

**By Order of the Board of Directors**

Place : Mumbai

**N.D. Shetty**

Dated : 27<sup>th</sup> July 2004

Chairman & Managing Director

Registered Office:

Village - Gavasad, Taluka- Padra,

District Vadodara - 391 430.

### Details of the Directors seeking reappointment at the forth coming Annual General Meeting

In pursuance of Clause 49 of the Listing Agreement :-

1. **Mr. F.S. Broacha** : **ADVOCATE**  
 Date of Birth : 14<sup>th</sup> June 1938  
 Date of Appointment : 25<sup>th</sup> April 1991 (Since Incrp)  
 Expertise in Specific Functional Area : Corporate Adviser  
 Directorships held in other Companies : 1. Haldyn Glass Limited  
 2. Fouress Engineering (India) Limited  
 3. The Rubber Products Ltd.  
 4. Wall Street Fin. Ltd.  
 5. Mewani Fin. Ltd.
2. **Mr. K. George Joseph I.A.S.** : **Principal Secretary, General Admn. Dept., Govt. of Gujarat.**  
 Date of Birth : 7<sup>th</sup> April 1949.  
 Date of Appointment : 31<sup>st</sup> January 2004.  
 Expertise in specific Functional Area : Business Consultant  
 Directorships held in other Companies : NONE

Additional information for the shareholders as required under Schedule XIII of the Companies Act, 1956 and to the extent applicable to the Company is given as under (Re: Item No.4 of the Notice):-

### I. General Information :

- (1) **Nature of industry:** Manufacture of Glass Bottles.
- (2) **Date or expected date of commencement of commercial production:** Already in Manufacturing.
- (3) **In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus :** Not Applicable.
- (4) **Financial performance based on given indicators:** The Company has earned Profit after Tax of Rs.118.83 lacs during the year 2003-2004 as against Rs. 25.61 lacs in 2002-2003. The profit of the Company is expected to further improve substantially during the current year 2004-2005.
- (5) **Export performance and net foreign exchange collaborations:** FOB value of Direct Exports during the year was Rs.63.19 lacs. The Company does not have any foreign exchange collaborators.
- (6) **Foreign investments or collaborators, if any:** There is no foreign exchange investment in the nature of investment from collaborators.





## Haldyn™ Glass Gujarat Limited

### II. Information about the appointee:

#### (1) Background details:

**Mr. N.D. Shetty**

Date of Birth : 12<sup>th</sup> August 1940.  
Date of Appointment : 25<sup>th</sup> April 1991 (Since Incorporation).  
Expertise in specific Functional Area : 40 years experience in the Glass Industry

Directorships held in other Company : Haldyn Glass Limited

#### (2) Past remuneration:

(Per Month)  
for year ended  
31<sup>st</sup> March 2004  
(Amount in Rs.)

**Mr. N D. Shetty**

Salary 3,60,000

#### Perquisites & Allowances

HRA 1,80,000

PF Contribution 43,200

#### Other Reimbursements

Medical 13,394

Club Membership 53,316

Electricity Charges 8,970

**Total** 6,58,880

#### (3) Recognition or awards : Not Applicable

#### (4) Job profile and his suitability: As the Promoter Director, with vast and varied experience of the glass industry, Mr. N.D. Shetty is very suitable for the appointment. Moreover, it is a case of revision of his remuneration. Mr. N.D. Shetty is having over 40 years experience in the Glass Industry.

(5) **Remuneration proposed:** Mr. N.D. Shetty will be entitled to a revised salary of Rs.1,00,000 per month and perquisites and allowances not exceeding Rs.2,00,000 per month.

(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 w.r.t. the country of his origin):** Remuneration is comparable to the industry level. Further based on the turnaround of the Company proposed revision seems to be justified.

(7) **Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:** Not Applicable. Other than the remuneration payable to such appointee in his individual capacity as the Chairman and Managing Director.

### III. Other information:

(1) **Reasons of loss or inadequate profits:** The recessionary trends of the past years prevailed over last three years engulfed the performance & resultant sluggish demand hampered the performance of the Company.

(2) **Steps taken or proposed to be taken for improvement:** The Company has taken various steps to reduce cost of production, improve the efficiency and quality and increase realizations. These efforts will result in better quality and lower cost of production.

(3) **Expected increase in productivity and profits in measurable terms:** The Company is expecting increase in productivity, quality and also the net profit during the current year 2004-2005. The various measures taken as aforesaid, indicate further improvement in the future profits of the Company.

**13<sup>th</sup> ANNUAL REPORT 2003-2004****DIRECTORS' REPORT**

Your Directors have pleasure in presenting their Thirteenth Annual Report together with the Audited Accounts of the Company for the year ended 31<sup>st</sup> March 2004.

**FINANCIAL HIGHLIGHTS:**

These are as under: -

	(Rs. in Lacs)	
	2003-2004	2002-2003
Profit before Interest and Depreciation	584.58	478.44
Less : Interest	273.22	359.56
Less : Depreciation	147.35	143.84
Profit / (Loss) before Tax	164.01	(24.96)
Less : Provision for Taxation	6.70	-
Less : Income Tax for earlier years	-	00.37
Deferred Tax Asset	(38.48)	50.94
Balance carried forward to Balance Sheet	118.83	25.61

**DIVIDEND:**

With a view to conserve the resources, your Directors do not recommend any dividend for the year ended 31<sup>st</sup> March 2004.

**COMPANY'S PERFORMANCE:**

During the year under review, your Company has registered a turnover of Rs.47.25 crores against Rs.35.16 crores in the previous year resulting in a profit after tax of Rs.118.83 lacs against Rs.25.61 lacs in 2002-2003. The Company has achieved a growth of 34.38% in turnover and 364% in net profit over the previous year.

**MANAGEMENT DISCUSSION & ANALYSIS REPORT****A. INDUSTRY STRUCTURE AND DEVELOPMENTS**

The Company is engaged in the manufacturing of glass bottles / glass containers. Its products are supplied to the beverages, beer, liquor, soft drinks and processed food industry.

**B. OPPORTUNITIES**

"HALDYN GLASS" is a major player in the glass container industry. In spite of the stiff competition, the Company has performed well during the year under review and is expected to do better during the current year.

**C. OUTLOOK**

The Company has taken various steps to reduce cost of production, improve the quality and increase realisation. These efforts will result in better quality and lower cost of production.

Directors are pleased to state that your Company has been recommended for the Certification to ISO 9001:2000 Standard.

**D. THREATS, RISK AND CONCERNS**

The glass container industry is facing the problem of recycling/ circulating of glass bottles, usage of pet bottles and aluminium canes. However, the Company is in regular touch with the Association of Glass Container Industry in an effort to find solution to the problem.

**E. SEGMENT WISE OR PRODUCT WISE PERFORMANCE**

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

**F. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has adequate system of internal controls. A Firm of Chartered Accountants has been engaged to conduct internal audit to ensure that internal controls are in place. These are being reviewed by the Audit Committee of the Board and corrective actions wherever needed, are being taken by the Company.

**G. HUMAN RESOURCE AND INDUSTRIAL RELATIONS**

The Industrial Relations between the employees and the Management have remained harmonious and cordial through out the year. During the year under review company has signed wage agreement for a period of three years with the worker's union. The Directors would like to thank all the employees for their wholehearted support and cooperation.

**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 June 6, 2001.

**LISTING:**

The Equity Shares of the Company are listed on the Vadodara and Mumbai Stock Exchanges and all the applicable listing fees have been paid against their bills. The shareholders approved voluntary delisting of shares from Ahmedabad Stock Exchange on 29.09.1999. Thus under the New Delisting Guidelines of 2003 that allows companies to delist shares without an exit opportunity, where the Companies shares continue to be listed in a Mumbai Stock Exchange having nation wide terminals, the Company made an application to Ahmedabad Stock Exchange for voluntary delisting of shares under new guidelines and has successfully delisted the shares from Ahmedabad Stock Exchange w.e.f. 21<sup>st</sup> January 2004.

**EMPLOYEE PARTICULARS:**

During the year, the Company had no employee to report to the Members of the category indicated under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended from time to time.

**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.



# Haldyn™ Glass Gujarat Limited

## DIRECTORATE:

- (a) In accordance with the provisions of the Companies Act, 1956, and the Articles of Association of the Company, Mr. F.S. Broacha, retires by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for reappointment.
- (b) Mr. K. George Joseph was appointed as a Nominee Director of GLIC with effect from 31<sup>st</sup> January 2004. As per the Agreement between the Company & GLIC, Mr. K. George Joseph is nominated by GLIC as a Director of the Company liable to retire by rotation. It is proposed to reappoint Mr. K. George Joseph as a Director of the Company at the ensuing Annual General Meeting.
- (c) The attention of the members is also drawn to Item Nos. 4 & 5 of the Notice and Explanatory Statements incorporating therein the proposal for revision of remuneration payable to Mr. N.D. Shetty & Mr. T.N. Shetty.

## DIRECTORS' RESPONSIBILITY STATEMENT:

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

- (a) In the preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanations relating to material departure;
- (b) The Directors have selected standard accounting policies and applied them consistently and made judgments 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;
- (c) 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

- (d) The Directors have prepared the annual accounts on a going concern basis.

## CORPORATE GOVERNANCE:

As per the Listing Agreements with the Stock Exchanges, the Company has complied with the requirements of Corporate Governance. A report on The Corporate Governance is attached to this Report.

## AUDITORS:

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

## ACKNOWLEDGEMENT:

- a) Your Directors are pleased to place on record their sincere appreciation for the continuing co-operation, guidance and support received from our Bankers, Financial Institution, Government of Gujarat and other Government authorities.
- b) The Directors are grateful to our shareholders, customers, suppliers and dealers for their continued support. Further, the Directors record their sincere appreciation of the valuable contribution made by the employees of the Company at all levels.

For and on behalf of the Board

Place : Mumbai  
Date : July 27, 2004

**N.D.SHETTY**  
CHAIRMAN & MANAGING DIRECTOR

## ANNEXURE TO THE DIRECTORS' REPORT

Information as per Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the Financial Year ended 31<sup>st</sup> March, 2004.

### I. CONSERVATION OF ENERGY

1. The Company continues to lay great emphasis on the conservation of energy and has been taking various measures like study, monitoring and modification of all energy consumption centres.

### 2. POWER AND FUEL CONSUMPTION

		2003-2004	2002-2003
i.	Electricity		
a.	Purchased (Units in lacs)	102.14	105.96
	Total Amount (Rs. in lacs)	528.44	544.76
	Average Rate/Unit (Rs.)	5.17	5.14
b.	Own generation (Units in lacs)	0.10	0.25
	Units/litre of HSD (Units)	2.74	2.94
	Average Cost/Unit (Rs.)	8.22	7.68
ii.	Natural Gas		
a.	Quantity (1000 SCM)	7168	7597
	Total Amount (Rs. in lacs)	312.19	268.14
	Average Rate (Rs./1000 SCM)	4355	3530
iii.	L.D.O.		
a.	Quantity (K.ltr)	29.93	-
b.	Total Amount (Rs. in lacs)	3.06	-
c.	Average Rate (Rs. /K.ltr)	10222	-
<b>CONSUMPTION PER M.T. OF PRODUCTION</b>			
i.	Electricity (Units)	317	340
ii.	Natural Gas (1000 SCM)	0.223	0.244



The Company has not acquired any imported or indigenous technology.

During the year under review, the Company continued to improve the quality of goods through its normal research and development system.

	2003-2004	2002-2003
1. Foreign Exchange used:		
a. Raw Materials	21.35	12.64
b. Stores & Spares	23.14	14.79
c. Lubricants	4.23	8.97
d. Others (Travelling, Commission, Technical fees, Foreign Bank charges, etc.)	8.37	7.50
Total	57.09	43.90
2. Foreign Exchange earned:		
F.O.B. Value of Direct Export	63.19	131.25

To  
The Members,  
Haldyn Glass Gujarat Ltd.

We have examined the compliance of conditions of 'Corporate Governance' by Haldyn Glass Gujarat Limited, for the year ended on 31<sup>st</sup> March, 2004, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

As required by the Guidance Note issued by the Institute of Chartered Accountants of India we have to state that no investor grievance were pending for a period of one month against the Company as per the records maintained by the Company.

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

**For Chaturvedi Sohan & Co.**

Place : Mumbai  
Dated : 27<sup>th</sup> July 2004

**Sohan Chaturvedi**  
Partner