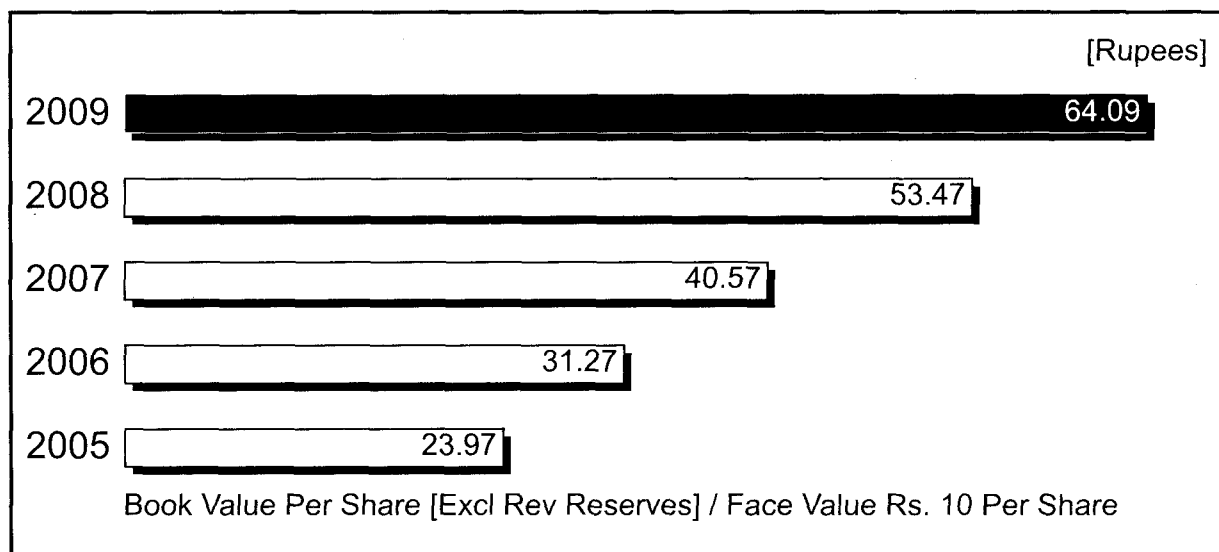
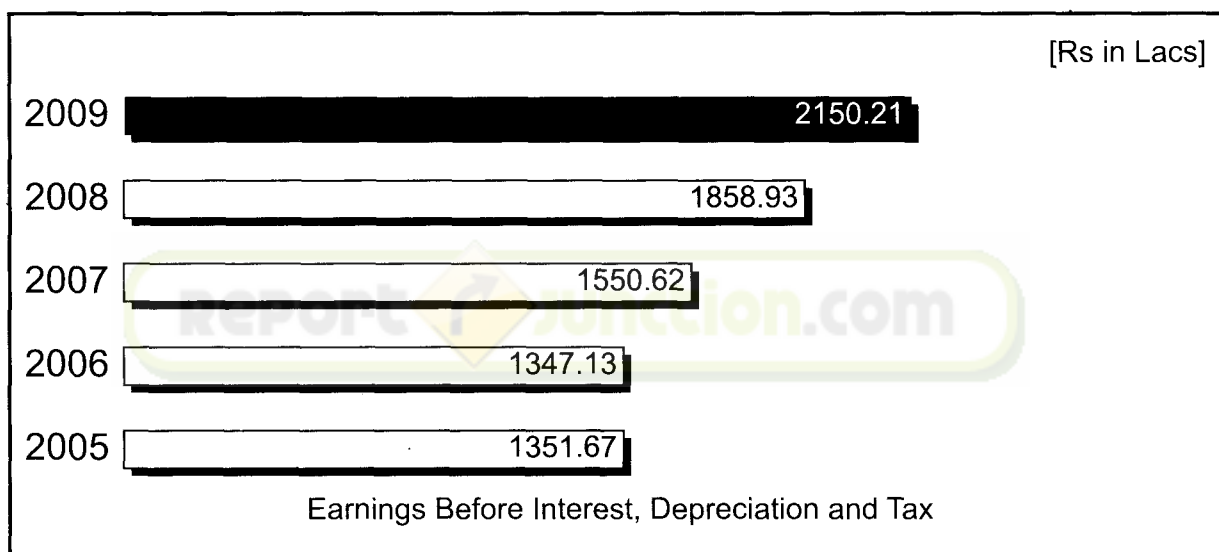
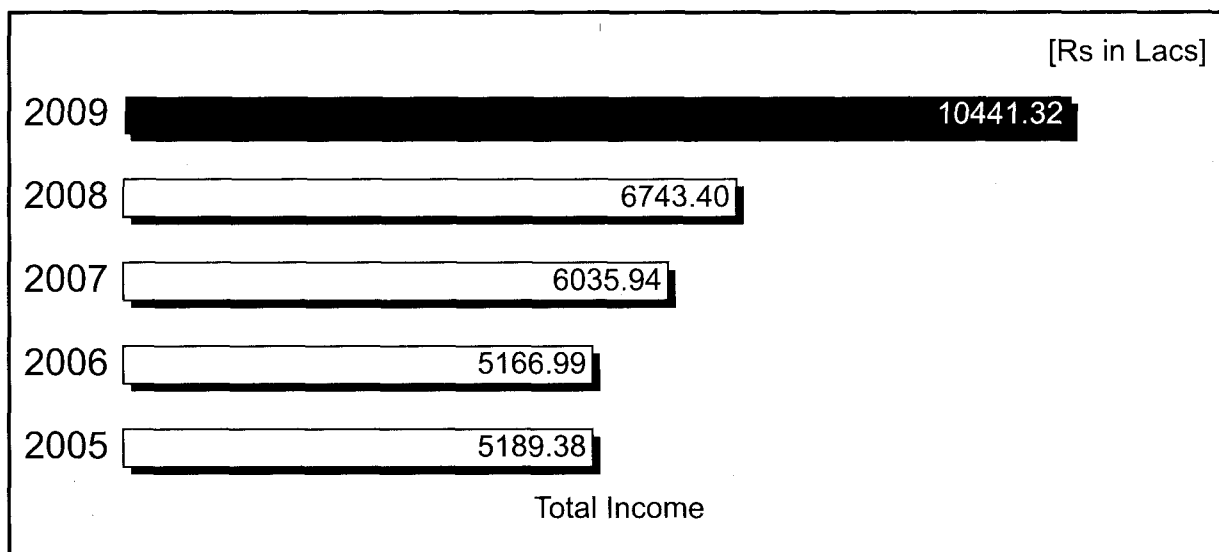




Haldyn® Glass Gujarat Limited

**Eighteenth Annual Report
2008 - 2009**



Haldyn Glass Gujarat Limited**BOARD OF DIRECTORS**

Mr. N. D. Shetty
Chairman & Managing Director

Mr. F. S. Broacha

Mr. G. C. Murmu I.A.S.
[Nominee of GILC]

Mr. K. George Joseph I.A.S.
[Nominee of GILC]

Mr. Rolf E. von Bueren

Mr. L. Rajagopalan
[Alternate to Mr. Rolf E. von Bueren]

Mrs. K. J. Udeshi

Mr. Sikandar Talwar

Mr. T. N. Shetty
[Executive Director]

Mrs. V. R. Ajila

Mr. R.Y. Ajila
[Alternate to Mrs. V.R.Ajila]

COMPANY SECRETARY

Mr. A. A. Lambay

AUDIT COMMITTEE

Mr. L. Rajagopalan [Chairman]

Mr. F. S. Broacha

Mr. G. C. Murmu

Mrs. K. J. Udeshi

REMUNERATION COMMITTEE

Mr. F. S. Broacha [Chairman]

Mr. L. Rajagopalan

Mr. K. George Joseph

SHAREHOLDERS GRIEVANCE COMMITTEE

Mr. F. S. Broacha [Chairman]

Mr. L. Rajagopalan

SHARE TRANSFER COMMITTEE

Mr. N. D. Shetty [Chairman]

Mr. F. S. Broacha

Mr. L. Rajagopalan

WEBSITE

www.haldynglass.com

REGISTERED OFFICE AND WORKS

Village Gavasad, Taluka Padra
Dist. Vadodara 391 430
E-mail : baroda@haldyn.com

ADMINISTRATIVE OFFICE

9, Gayatri Commercial Complex,
Marol Naka, Andheri Kurla Road,
Andheri [East] Mumbai 400 059.
E-mail : bombay@haldyn.com

AUDITORS

Chaturvedi Sohan & Co.
Chartered Accountants

BANKERS

State Bank of India
HDFC Bank Limited

REGISTRAR AND SHARE TRANSFER AGENTS

Mondkar Computers Pvt. Ltd.,
Unit : Haldyn Glass Gujarat Limited
21, Shakil Niwas, Mahakali Caves Road,
Andheri [East] Mumbai – 400 093
E-mail: info@mondkarcomputers.com

| C O N T E N T S | Page |
|-------------------------------|-------------|
| - Directors' Report | 02 |
| - Corporate Governance Report | 09 |
| - Auditors' Report | 18 |
| - Balance Sheet | 22 |
| - Profit and Loss Account | 23 |
| - Cash Flow Statement | 24 |
| - Schedules to Accounts | 25 |
| - Balance Sheet Abstract | 40 |

EIGHTEENTH ANNUAL GENERAL MEETING

Day : Friday
Date : September 25, 2009
Time : 11 a.m.
Venue : Registered Office situated at,
Village Gavasad, Taluka Padra,
District: Vadodara - 391 430



18th Annual Report 2008-09

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the **Eighteenth Annual Report** on the business and operations together with the Audited Statement of Accounts of the Company for the year ended on March 31, 2009.

I FINANCIAL RESULTS

[Rs in Lacs]

[For the year ended March 31]

| Particulars | 2009 | 2008 |
|--|-----------------|---------|
| Total Income | 10441.32 | 6743.40 |
| Earnings before Interest, Depreciation and Tax | 2150.21 | 1858.93 |
| Interest and Finance Charges | 583.90 | 262.59 |
| Depreciation | 697.28 | 473.32 |
| Profit before Taxation | 869.03 | 1123.02 |
| Provision for Current Tax including Fringe Benefit Tax | 118.79 | 204.57 |
| Provision for Deferred Tax | 66.06 | 111.65 |
| Income tax for earlier year | - | 0.23 |
| Profit after Tax | 684.18 | 806.57 |
| Surplus brought forward from previous year | 1011.75 | 393.37 |
| Profit available for appropriation | 1695.93 | 1199.94 |
| APPROPRIATIONS : | | |
| General Reserve | 75.00 | 75.00 |
| Proposed Dividend on Equity Shares | 96.75 | 96.75 |
| Tax on Proposed Dividend | 16.44 | 16.44 |
| Surplus carried forward to next Year | 1507.74 | 1011.75 |
| Total | 1695.93 | 1199.94 |

YEAR IN RETROSPECT

Your Company registered substantial growth of 54.84% in Total Income compared to that of the previous year. The Company achieved a **very significant milestone** with the Gross Turnover of more than Rs. 100 Crores for the first time. Turnover for the year was Rs. 11559.51 Lacs compared to Rs. 7662.41 lacs in the previous year. Earning before Interest, Depreciation and Tax was Rs.2150.21 Lacs as against Rs. 1858.93 Lacs in the previous year - a growth of 15.67%. Profit after Tax was Rs. 684.18 Lacs as against Rs. 806.57 Lacs in the previous year due to high interest cost incurred to finance the expansion and rebuilding of the furnace together with upgradation of machinery and the depreciation provision thereon.

II DIVIDEND

In order to conserve resources and taking into consideration the prevailing economic situation, and also taking an equitable view, the Board of Directors are pleased to recommend a dividend of Rs.1.80 per equity share of Rs.10 each [18%] for the year ended March 31, 2009. The dividend payment on equity shares will amount to Rs.113.19 Lacs inclusive of tax on dividend of Rs. 16.44 Lacs which will be borne by the Company. The dividend would be Tax-free in the hands of the shareholders.

Haldyn Glass Gujarat Limited**III APPROPRIATIONS**

Your Company has transferred Rs.75.00 Lacs to General Reserves during the year under review. An amount of Rs. 1507.74 Lacs is proposed to be retained in the Profit and Loss Account.

IV BUSINESS REVIEW

The new furnace operated for the full year and the existing [old] furnace was rebuilt with expanded capacity during the year after shutdown of 85 days for rebuilding and upgrading. Sales / Income from operations [Net] increased to Rs.10295.79 Lacs compared to Rs.6662.73 Lacs in the previous year registering a growth of 54.53%. The Profit after Tax decreased by 15.17% to Rs.684.18 Lacs against Rs.806.57 Lacs in the previous year.

V MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to clause 49 [VI] of the Listing Agreement with the Bombay Stock Exchange, Management Discussion and Analysis Report is given below and a Report on Corporate Governance is annexed to this Report. A declaration in regard to compliance with the Code of Conduct by the Directors and Senior Management personnel signed by the Managing Director forms part of the Annual Report.

A Certificate from the Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance is also annexed.

MACRO ECONOMIC – INDUSTRY STRUCTURE AND DEVELOPMENTS

The year 2008-09 was a very challenging year for global economy since the great depression of 1929. The financial market turbulence which originated in the United States spread to advanced economies. With the era of globalisation, the after effects gradually engulfed the rest of the manufacturing world, India being no exception. We believe that the worst is about to be over. The Indian economy is showing signs of revival with positive growth creeping back across sectors like cement, steel, auto, telecom, banking and FMCG. Demand from rural sector which was the mainstay of the economy last year is expected to continue propel growth in the current year. With a new, stable Government in place, the GDP growth in 2009-10 is expected to be in excess of seven percent.

OVERVIEW

Both Plants of your Company have been designed and built / rebuilt with increased capacities to achieve improvement in efficiencies and reduction in downtime. Your Company's glass bottles are preferred by major customers across various user industries. Your Company has full fledged design facilities and state-of-the-art own mould shop wherein general / specific demands / requirements of customers for a variety of bottles can easily be met. Excellent customer base and industrial relations are the hallmark of your Company's business deals. The index of customer satisfaction has gone up substantially during the year. More than 60% of the user industry from liquor, pharma, beverages, processed food and cosmetics industries form the base of our regular list of customers. Your Company's brand "HALDYN" is a byword in the market for quality, competitive price and timely delivery.

OUTLOOK

The year 2008-09 was an extraordinary year for economies across the world. The financial turmoil had far reaching implications on the business environment. Your Company has however, planned for growth in tandem with the expected growth in the user industry. Your Company continues to take up cost reduction measures which will help the Company in improving the competitiveness. The outlook seems to be cautiously optimistic for the current year as well as for the next year.



18th Annual Report 2008-09

CERTIFICATIONS

Your Company is accredited for Quality Management System ISO 9001: 2000 certification and for Environment Management System ISO 14001: 2004 certification.

RISKS AND CONCERNS

Your Company operates mainly in the domestic market and has limited exposure to foreign exchange risks. Apart from normal risks, there exist major risks and concerns of volatility in global economies, slowdown in Indian economy and increase in costs of inputs as applicable to Industry. Continuous process improvement and cost reduction through re-engineering of production process to counter these risks has been adopted across the organisation. Your Company complies with safety norms and has adequate insurance coverage for all assets.

CORPORATE SOCIAL RESPONSIBILITY

Your Company believes that growth has not only to be profitable and competitive, but also sustainable in a socially relevant way. Environment is a serious concern and your Company has made substantial progress on this front by reducing water wastages, captive generation of electricity using natural gas and plantation of trees. Your company has volunteered to provide relief to village people residing nearby the factory when in distress. Your Company has also voluntarily contributed donation for distribution of milk to pre-primary school students for a year in different villages of Padra Taluka.

SEGMENT-WISE / PRODUCT-WISE PERFORMANCE

Your Company's business activity falls within a single primary business segment viz. bottles/containers. As such there are no separate reportable segments as per Accounting Standard – 17 [AS -17] issued by The Institute of Chartered Accountants of India.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. These are routinely tested and certified by Statutory as well as Internal Auditors and cover the Plant and Administrative office and key areas of business. Significant audit observations and follow up actions thereon are reported to the Audit Committee. The Audit Committee reviews the adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations including those relating to strengthening of the Company's risk management policies and system.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

During the year, your Company has focused efforts to enhancing capabilities of employees, particularly in view of expanding capacities. Technical and Safety training programmes were held periodically to enhance workers knowledge and application skills. Industrial Relations continued to remain cordial and harmonious during the year.

The Shareholders had in 2006 approved Employees Stock Option Plan [ESOP] for the directors / employees. No Stock Options have been issued or offered as on date.

CAUTIONARY STATEMENT

Certain statements in the Directors' Report describing the Company's operations, objectives, projections and expectations may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ materially from those either expressed or implied, depending on the economic conditions, Government policies and other incidental factors and developments.

Haldyn Glass Gujarat Limited**VI PARTICULARS OF EMPLOYEES**

The information required under Section 217[2A] of the Companies Act, 1956 read with the Companies [Particulars of Employees] Rules 1975, as amended, is given below :

| Name / Designation | Date of Joining | Age | Experience [in years] | Remuneration [Rs. Lacs] | Particulars of previous Employment |
|---|-----------------|-------------|-----------------------|-------------------------|-------------------------------------|
| Mr.N.D.Shetty Chairman & Managing Director | April 25, 1991 | 69 Years | 45 years | 48.65 | Director Haldyn Glass Limited |

Notes :

1. Remuneration includes Salary, HRA, Reimbursement of Medical Expenses, Company's Contribution to Provident Fund and other perquisites evaluated as per the Income-tax Rules, 1962.
2. Appointment is on contractual basis. Other terms and conditions are as per the Company's Rules.
3. Mr. N.D. Shetty is related to Mr. T.N. Shetty and Mrs.V.R.Ajila, Directors of the Company.

VII CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, AND FOREIGN EXCHANGE EARNING AND OUTGO

In accordance with the provisions of 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, the information relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, is furnished in the Annexure forming part of this Report.

VIII DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to section 217[2AA] of the Companies Act, 1956, the Directors confirm that:-

- [1] In the preparation of the annual accounts, the applicable accounting standards have been followed with explanatory notes relating to material departures;
- [2] Appropriate accounting policies have been selected and applied consistently and judgments and estimates made 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 the Profit and Loss Account of the Company for that year;
- [3] Proper and sufficient care has been taken for maintaining adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- [4] The annual accounts have been prepared on a going concern basis.

IX DIRECTORATE

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Mr. K. George Joseph and Mrs.V.R. Ajila retire by rotation and being eligible, offer themselves for re-appointment.

Mrs K.J.Udeshi, was appointed as a Director of the Company with effect from July 30, 2008 in the casual vacancy caused by the resignation of a Director. She has vast knowledge and experience of the finance and administration and her continuation on the Board will be of great advantage and in the interest of the Company and, being eligible, she is proposed to be re-appointed at the ensuing Annual General Meeting.

Mr. Sikandar Talwar was appointed as an Additional Director by the Board at its Meeting held on October 31, 2008. In view of his vast knowledge and experience in the field of taxation and administration



18th Annual Report 2008-09

it is proposed to appoint him as a Director of the Company.

It is also proposed to appoint Mr. T.N.Shetty as a Wholtime Director of the Company for a period of Five [5] years effective August 1, 2009 and the approval of the Shareholders is sought to the same at the ensuing Annual General Meeting.

X AUDITORS

The Auditors of the Company, M/s Chaturvedi Sohan & Co., Chartered Accountants, will retire at the conclusion of the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept the office, if reappointed.

XI ACKNOWLEDGEMENT

Your Directors take this opportunity to place on record their appreciation of the technical, commercial and financial teams of the Company for their untiring efforts. Your Directors also wish to thank the Government of Gujarat, all Regulatory Authorities, Financial Institutions and Banks for their continued support during the year.

The Board is extremely thankful to all the customers who have been a source of strength in continued growth and progress of the Company.

Your Directors also thank the members for their confidence and faith reposed in the Company and its management for their continued support in the working of the Company.

For and on behalf of the Board of Directors

Place : Mumbai
Dated : June 25, 2009

N.D. Shetty
Chairman & Managing Director

Haldyn Glass Gujarat Limited

ANNEXURE TO THE DIRECTORS' REPORT

Information as per Section 217[1][e] of the Companies Act, 1956 read with the Companies (Disclosure of the Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended March 31, 2009.

CONSERVATION OF ENERGY

1. Energy Conservation Measures

- 1.1 Installation of Annealing Lehrs with Eclipse Burner Control System resulting in prevention of Heat Loss and consequential reduction in Natural Gas consumption and achieving better annealing of bottles.
- 1.2 Upgrading cooling Tower water pumps to reduce energy consumption.
- 1.3 Installation of Variable Frequency Drives resulting into saving of Power, reduction in Machine down time and improvement in Acceptance Efficiency.

Form – A

Form of disclosure of particulars with respect to Conservation of Energy.

A. Power and Fuel Consumption:

| Sr. No | Particulars | Units | 2008-2009 | 2007-2008 |
|--------|--|---------------------|-----------|-----------|
| A.1 | Electricity : | | | |
| A.1.a | Purchased | | | |
| | Units | Units [Kwh] in Lacs | 72.67 | 6.15 |
| | Total amount | Rupees in Lacs | 458.51 | 62.62 |
| | Rate / Unit | Rupees | 6.31 | 10.17 |
| A.1.b | Own generation | | | |
| | (i) Through Diesel Generator | | Nil | Nil |
| | (ii) Through Steam Turbine / Generator | | Nil | Nil |
| A.2 | Coal | | Nil | Nil |
| A.3 | A.3.a Furnace Oil | | | |
| | Quantity purchased | In M.T. | 350.58 | Nil |
| | Total amount | Rupees in Lacs | 64.51 | Nil |
| | Average Rate | Rupees | 18401 | Nil |
| | A.3.b LDOI | | | |
| | Quantity purchased | In Kilo Liters | 681.74 | Nil |
| | Total amount | Rupees in Lacs | 256.30 | Nil |
| | Average Rate | Rupees | 37595 | Nil |
| A.4 | Others – Natural Gas | | | |
| | Quantity purchased | In thousand SCM | 12601 | 11501 |
| | Total amount | Rupees in Lacs | 1036.00 | 626.62 |
| | Average Rate | Rupees | 8.22 | 5.45 |

B. Consumption per Unit of Production

The Company manufactures a very wide variety of glass bottles and containers of different sizes and volume. Therefore, consumption per unit of production is not measurable.



18th Annual Report 2008-09

2. TECHNOLOGY ABSORPTION

Form - B

Form of disclosure of particulars with respect to absorption.

2.A Research and development [R & D]

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

2.B Technology, absorption, adaptation and innovation

The Company has not acquired any imported or indigenous technology.

3. Exports

3.A Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services and export plans:

The Company has been making focused efforts to increase its export.

3.B Foreign Exchange Earning and outgo

During the year the Company used foreign exchange of Rs. 668.09 Lacs and earned Rs. 246.45 Lacs of foreign exchange.

For and on behalf of the Board of Directors

Place : Mumbai
Dated : June 25, 2009

N.D.Shetty
Chairman & Managing Director