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8TH ANNUAL REPORT 1998 - 99



**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
 Ms. P. S. Prema - Nominee of I. D. B. I.
 Mr. M. G. Shah - Nominee of G. I. I. C.
 Mr. G. D. Vyas - Nominee of G. I. I. C.
 Mr. L. Rajagopalan - Alternate to Mr. Rolf E. v. Bueren

COMPANY SECRETARY

Ms. Pooja Gaonkar

AUDITORS

Chaturvedi Sohan & Co.

BANKERS

State Bank of India
 ICICI Banking Corporation Limited

REGISTERED OFFICE & WORKS

Village Gavasad
 Taluka Padra
 District Baroda
 Pin - 391 430

**SHARE TRANSFER
AND ADMINISTRATIVE OFFICE**

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

EIGHTH ANNUAL GENERAL MEETING

Date : 29th September, 1999

Day : Wednesday

Time : 11.00 a.m.

Place : Village Gavasad,
 Taluka Padra,
 District Baroda - 391 430.

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NOTICE

NOTICE is hereby given that the **8th Annual General Meeting** of the Members of **HALDYN GLASS GUJARAT LIMITED** will be held on Wednesday, the 29th day of September, 1999 at 11.00 A.M. at the Registered Office of the Company at Village Gavasad, Taluka Padra, District Baroda - 391 430 to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Balance Sheet as at 31st March, 1999, Profit and Loss Account for the year ended on that date and the Reports of Directors and 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. F. S. Broacha who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS :

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

"RESOLVED THAT pursuant to the provisions of Section 80, 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 and pursuant to the Company's Articles of Association, consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as "the Board") to issue, offer and allot upto 1,00,000 14% Cumulative Redeemable Preference Shares of Rs. 100 each (hereinafter referred to as "CRPS") aggregating Rs. 1,00,00,000 for cash at par to Haldyn Glass Limited (hereinafter referred to as "HGL") subject, inter alia, to the following terms and conditions :

- (i) The entire money i.e. Rs. 100 per CRPS will be payable on application.
- (ii) The dividend payable on the said CRPS shall be on a preferential basis and shall be at the rate of 14% per annum.
- (iii) The dividend shall be cumulative and arrears, if any, shall be payable to the registered holders on the date fixed for determining to whom the dividend then declared is paid.
- (iv) The CRPS shall be redeemed at par any time after the expiry of five years from the date of issue thereof, or earlier if so determined by the Company in general meeting, but not later than twenty years from the date of issue and such redemption shall be governed by the provisions of Section 80 of the Companies Act, 1956 for the time being and from time to time in force.
- (v) The holder of the CRPS shall have the right to vote only on such resolutions placed before the Company in general meeting which directly affect the rights attached to his CRPS. Subject as aforesaid, every holder of CRPS shall also be entitled to vote on every resolution placed before the Company at any meeting, if the dividend due thereon or any part of the dividend due thereon has remained unpaid for a period of not less than two years preceding the date of commencement of the meeting.
- (vi) The CRPS so issued and allotted shall be subject to the Memorandum and Articles of Association of the Company and they will be entitled to dividend on pro-rata basis from the date of allotment.

RESOLVED FURTHER THAT towards fully effectuating this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient for the purpose including settling of any questions, difficulties or doubts that may arise in connection therewith."



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

"RESOLVED THAT pursuant to Section 31 and other applicable provisions of the Companies Act, 1956 or any statutory modification or re-enactment thereof, the Articles of Association of the Company be and are hereby altered to the extent and in the manner set out hereunder :

- (i) After the existing Article 57, the following two new Articles be inserted under the heading "Nomination Inter Vivos" :

NOMINATION INTER VIVOS

"Nomination" 57A (1) Every holder of shares in, or debentures of the Company may at any time nominate in the manner prescribed under the Act, a person to whom his shares in, or debentures of, the Company shall vest in the event of death of such holder.

- (2) Where the shares in, or debentures of the Company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, a person to whom all the rights in the shares or debentures of the Company as the case may be, held by them shall vest in the event of death of all the joint holders.

- (3) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, or in these Articles, in respect of such shares in or debentures of the Company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the shares in or debentures of the Company, the nominee shall, on the death of the holder, or as the case may be, on the death of the joint holders of shares or debentures become entitled to all the rights of the deceased holder or, as the case may be, of all the deceased joint holders in such shares or debentures to the exclusion of all other persons, unless the nomination is varied or cancelled in the manner prescribed under the provisions of the Act.

- (4) Where the nominee is a minor, it shall be lawful for the holder of the shares or debentures to make the nomination to appoint, in the manner prescribed under the provisions of the Act, any person to become entitled to shares in or debentures of the Company, in the event of his death, during the minority.

- (5) The provisions of this Article shall apply mutatis mutandis to a depositor of money with the Company as per the provisions of Section 58A of the Act.

"Transmission 57B in the name of the nominee" (1) Any person who becomes a nominee by virtue of the provisions of Article 57A, upon production of such evidence as may be required by the Board and subject as hereinafter provided, shall elect, either -

- (i) to be registered himself as holder of the shares or debentures, as the case may be; or

- (ii) to make such transfer of the shares or debentures, as the case may be, as the deceased shareholder or debenture holder, could have made.

- (2) If the nominee elects himself to be registered as holder of the shares or debentures, as the case may be, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied by the certificate of death of the deceased holder or all the joint holders and the certificate of shares or debentures as the case may be held by the deceased in the Company.

- (3) Subject to the provisions of Section 109B(3) of the Act and these Articles, the



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Board may register the relevant shares or debentures in the name of the nominee or the transferee as if the death of the registered holder of the shares or debentures had not occurred and the notice of transfer were a transfer signed by the registered holder.

(4) A nominee on becoming entitled to any shares or debentures by reason of the death of the holder or joint holders shall be entitled to the same dividends and other advantages to which he would have been entitled if he were the registered holder of the shares or debentures, except that he shall not, before being registered as holder of such shares or debentures, be entitled in respect of them to exercise any right conferred on a member or debenture holder in relation to meetings of the Company.

(5) The Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the shares or debentures, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses, interest or other moneys payable or rights accrued or accruing in respect of the relevant shares or debentures, until the requirements of the notice have been complied with. "

(ii) The existing Article 186 together with its marginal heading be substituted by the following :

"Unpaid or 186 (1) The Company shall comply with the provisions of Sections 205A and 205B read
Unclaimed with Section 205C of the Act in respect of any dividend remaining unpaid or
Dividend etc. unclaimed with the Company.

(2) The Company shall comply with the provisions of Section 205C of the Act in respect of any money remaining unpaid with the Company in the nature of (i) application moneys received by the Company for allotment of any securities and due for refund; (ii) deposits received by the Company and due for repayment; (iii) debentures issued by the Company and matured for redemption; and (iv) the interest if any, accrued on the amounts referred at items (i), (ii) and (iii) respectively.

(iii) In Article 46, the words and figures, "Subject to the provisions of Section 111 of the Act and Section 22A of the Securities Contracts (Regulation) Act, 1956" be substituted by the words and figures "Subject to the provisions of Section 111A of the Companies Act and any other law for the time being in force."

(iv) In Article 47, the word and figure, "Section 111" be substituted by the word and figure, "Section 111A".

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

"RESOLVED THAT subject to the provisions of the Companies Act, 1956 for the time being and from time to time in force, and subject to such approvals and/or permissions as may be required or necessary for the purpose, and subject to such terms and conditions including alterations and/or modifications as may be prescribed or imposed while granting such approvals and/or permissions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board" which expression shall include any Committee thereof), consent be and is hereby accorded to the Board to delist the Equity Shares of the Company from the Ahmedabad Stock Exchange."

By Order of the Board of Directors

Place : Mumbai
Date : 30th July, 1999

Pooja Gaonkar
Company Secretary

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

**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.**
2. The relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the business under Item Nos. 5, 6 and 7 set out above, is annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 21st September, 1999 to 29th September, 1999 (both days inclusive).
4. Members desiring any information with regard to the Accounts are requested to write to the Company at least 10 days before the date of the Meeting, so as to enable the Management to keep the information ready.
5. As per the provisions of the amended Companies Act, 1956, facility for making nomination is now available to the shareholders in respect of the shares held by them. Nomination forms can be obtained from the Share Transfer Office of the Company.

ANNEXURE TO THE NOTICE :**Explanatory Statement under Section 173 (2) of the Companies Act, 1956****Item No. 5**

With a view to meeting its increased working capital requirements, the Company proposes to issue upto Rs. 100 lacs of 14% Redeemable Cumulative Preference Shares of Rs. 100 each for cash at par to Haldyn Glass Ltd. (hereinafter referred to as "HGL") on the terms and conditions set out in the Resolution. Presently, HGL holds 21,58,840 Equity Shares of Rs. 10 each fully paid-up of and in the capital of the Company. Upon the proposed issue and allotment of the said Preference Shares to HGL, its holding in the issued, subscribed and paid-up capital of the Company will stand increased to the extent of Preference Shares allotted to HGL in terms of the resolution. There will be no change in the Company's Board of Directors or voting rights consequent to the proposed issue of Preference Shares and further allotment of the Preference Shares will not result in change of control over the Company.

Members may recall passing an identical resolution at the Company's Annual General Meeting held on 10th September, 1998. The SEBI Guidelines require resolutions passed in the general meetings and relating to preferential issues / allotment of securities to be acted upon within three months of their passing. As the resolution could not be acted upon within the stipulated period, a fresh resolution is required in terms of the said SEBI guidelines and hence this resolution which is commended for your approval.

Mr. N. D. Shetty and Mr. F. S. Broacha, Directors of the Company are also Directors of HGL and accordingly, they may be deemed to be interested in the proposed issue of Preference Shares to HGL. None of the other Directors is concerned or interested in the passing of this Resolution.

Item No. 6

The Companies Act, 1956 as amended by the Companies (Amendment) Act, 1999 has provided to every holder of securities of and every depositor with companies an option to nominate a person to whom the rights of the holders of any securities of, or of the depositor with, a Company shall vest in the event of the death of the holder of such securities or of the depositor.

Necessary amendments are proposed in the Articles to provide for the nomination facility to the holders of the securities of and the depositors with the Company.

The other alterations proposed at Item 6 (ii), (iii) and (iv) are in conformity with the Companies Act, 1956 as amended from time to time and by the Companies (Amendment) Act, 1999.

This Resolution is accordingly recommended for approval of the Members.

None of the Directors of the Company is concerned or interested in the passing of this Resolution.



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Memorandum and Articles of Association of the Company with the proposed amendments is available for inspection of the Members of the Company at the Registered Office of the Company between 2 p.m. to 4 p.m. on any working day upto and including the date of the Annual General Meeting.

Item No. 7

The Company's Equity Shares are listed on the following three Stock Exchanges, namely, (i) Baroda Stock Exchange (Regional), (ii) The Stock Exchange, Mumbai, and (iii) Ahmedabad Stock Exchange.

As you are aware, with the networking of centres of the Stock Exchanges, the members of the Company have access to online dealings in the Company's securities across the entire country. Besides, only a small number of members are located in the region of the Ahmedabad Stock Exchange and trading volume on the said Stock Exchange in the Company's Equity Shares, if at all, is very negligible. Therefore, the proposed delisting of the Company's Equity Shares on this Exchange will not adversely affect any investor including the members located in the region where the Ahmedabad Stock Exchange is situated.

Again, with the permission of SEBI, Stock Exchanges are now free to fix the prescribed listing fees unilaterally and it has been noted that the listing fees paid to the Ahmedabad Stock Exchange is disproportionately higher compared to the trading volumes, if any, thereat. To the best of the Company's information, no trading whatsoever has taken place during the last four years. Accordingly, with a view to better utilisation of funds and reduction of costs, the Company proposes to voluntarily delist its Equity Shares from the Ahmedabad Stock Exchange. In terms of SEBI's letter no. SMDRP/CIR-14/98 dated 29th April, 1998, the proposed voluntary delisting of Equity Shares is required to be approved by a Special Resolution passed at a general meeting of the members and, hence, the Resolution at item no. 7 of the Notice.

Your Directors are of the view that the proposed delisting is in the interest of the Company and, accordingly, commend the Resolution for your approval.

None of the Directors is concerned or interested in the passing of this resolution.

By Order of the Board of Directors

Place : Mumbai
Date : 30th July, 1999

Pooja Gaonkar
Company Secretary

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

INFORMATION FOR SHAREHOLDERS

The Company's Equity Shares are listed at the following three Stock Exchanges in India :

- | | | |
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| 1. Vadodara Stock Exchange Ltd.
(Regional Stock Exchange)
Fortune Towers, Dalal Street,
Sayajigunj, Vadodara - 390 005. | 2. The Stock Exchange, Mumbai.
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai-400 001. | 3. The Stock Exchange Ahmedabad
Kamdhenu Complex
Opp. Sahajanand College,
Ahmedabad-380 015. |
|--|--|---|

The Company has paid annual listing fees to each of the above Stock Exchanges for the financial year 1998 - 99.