

**HGGL**



**9<sup>th</sup>**

**ANNUAL REPORT  
1999 - 2000**

Report  junction.com



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

*made*  
**GLASS WITH CARE**

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**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

**AUDITORS**

Chaturvedi Sohan & Co.  
*Chartered Accountants*

**BANKERS**

State Bank of India  
 ICICI Bank 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.

**NINTH ANNUAL GENERAL MEETING**

at the registered office of the Company, Village  
 Gavasad, Taluka Padra, District Baroda -391 430  
 on Saturday, 9th September, 2000 at 11:00 a.m.

**NOTICE**

**NOTICE** is hereby given that the **9th Annual General Meeting** of the Members of **HALDYN GLASS GUJARAT LIMITED** will be held on Saturday, the 9th day of September, 2000 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 Audited Balance Sheet as at 31<sup>st</sup> March, 2000, 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. A. P. Sarwan who retires by rotation and, being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. N. Ganga Ram 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.

**SPECIAL BUSINESS :**

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

"RESOLVED THAT Mr. T.N. Shetty, an Additional Director, who under Section 260 of the Companies Act, 1956 holds office only upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 257 and other applicable provisions, if any, of the said Act, proposing his candidature for the office of Director, be and is hereby appointed a Director of the Company."

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

"RESOLVED THAT pursuant to the provisions of Section 17 and all other applicable provisions, if any, of the Companies Act, 1956, the Memorandum of Association of the Company be and is hereby altered in the manner following :

- (i) Existing sub-clause (11) of Part B of Clause III be and is hereby deleted and the following new sub-clause (11) be and is hereby substituted in place and stead thereof :
11. To amalgamate, enter into any partnership or partially amalgamate with or acquire interest in the business of any other Company, whether or not having objects altogether or in part similar to those of the Company, or to enter into any agreement for sharing profits, or for co-operation, or for limiting competition or for actual assistance, with any such Company, or to acquire, carry on any other business (whether manufacturing or otherwise) and to give or accept by way of consideration for any of the acts or things aforesaid or property acquired, any shares, debentures, debenture-stock or securities that may be agreed upon, and to hold and retain, debenture-stock or securities that may be agreed upon, and to hold and retain, or sell, mortgage and deal with any shares, debentures, debenture-stock or securities so received.



- (ii) Existing sub-clause (28) of Part B of Clause III be and is hereby deleted and the following new sub-clause (28) be and is hereby substituted in place and stead thereof, to read as follows :

28. To acquire and undertake all or any part of the business property and liabilities of any person or Company whether or not having objects altogether or in part similar to those of the Company or possessed of property suitable for the purposes of the Company."

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

"RESOLVED THAT pursuant to the provisions of Section 31 of the Companies Act, 1956, the Articles of Association of the Company be and are hereby altered in the manner following, namely :

- (A) The following new Article 67A together with its heading and marginal note shall be and is hereby inserted, after existing Article 67, to read as follows :

#### BUY-BACK OF SHARES

Power to buy - back      67A Subject to the provisions of Sections 77A, 77AA and 77B of the Companies Act, 1956, for the time being and from time to time in force and subject to any Rules and Regulations that may be prescribed by the Central Government, the Securities and Exchange Board of India (SEBI) or any other appropriate authority in this regard, the Company, in General Meeting, may upon the recommendation of the Board, at any time and from time to time, by a special resolution authorise buy - back of any part of the share capital of the Company fully paid-up on that date.

- (B) Existing Clauses (c) and (d) of Article 171(1) be and are hereby deleted and the following new Clauses (c) and (d) be and are hereby substituted in place and stead thereof, to read as follows:

(c) Register and Index of Members in accordance with Sections 150 and 151 and other applicable provisions of the Companies Act, 1956 and the Depositories Act, 1996 with the details of shares held in physical and dematerialised form in any media as may be permitted by law including in any form of electronic media.

(d) Register and Index of Debenture holders in accordance with Sections 150 and 151 and other applicable provisions of the Companies Act, 1956 and the Depositories Act, 1996 with the details of Debentures held in physical and dematerialised form in any media as may be permitted by law including in any form of electronic media.

- (C) The following new Articles 61-A to 61-K (both inclusive) together with its heading and the marginal notes thereto shall be and are hereby inserted, after existing Article 61, to read as follows :

#### DEMATERIALISATION OF SECURITIES

Definitions      61-A For the purposes of this Article, unless the context otherwise requires :

- (i) "Beneficial Owner" means the beneficial owner as defined in clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996;
- (ii) "Bye-laws" means bye-laws made by a Depository under Section 26 of the Depositories Act, 1996;
- (iii) "Depositories Act" means the Depositories Act, 1996, and any statutory modification or re-enactment thereof for the time being in force;



- (iv) "Depository" means a Company formed and registered under the Companies Act, 1956 (1 of 1956) ("the Act") and which has been granted a certificate of registration under sub-section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992 (15 of 1992);
- (v) "Record" includes the records maintained in the form of books or stored in a computer or in such other form as may be determined by the Regulations;
- (vi) "Regulations" means the Regulations made from time to time by SEBI;
- (vii) "SEBI" means The Securities and Exchange Board of India;
- (viii) "Security" means such security as may be specified by SEBI from time to time;
- (ix) "Shareholder" or "member" means the duly registered holder from time to time of the shares of the Company and includes every person holding Equity Shares and/or Preference Shares of the Company as also one whose name is entered as a beneficial owner of the shares in the records of a Depository.

Dematerialisation of Securities 61-B

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise or rematerialise its shares /debentures and other securities (both existing and future) held by the Depository, and to offer its shares, debentures and other Securities for subscription in a dematerialised form pursuant to the Depositories Act, 1996 and the Rules framed thereunder.

Options for Investors 61-C

Every person holding or subscribing to Securities offered by the Company shall have the option to receive the Security Certificates or to hold the Securities with a Depository. Such a person who is the beneficial owner of the Securities can at any time opt out of a Depository, if permitted by law, in respect of any Security in the manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificates of the Securities. Where a person opts to hold his Security with a Depository, the Company shall intimate such Depository the details of allotment of such Security and, on receipt of such information, the Depository shall enter in its record the name of the allottee as the beneficial owner of the Security.

Securities in Depositories to be in fungible form 61-D

All Securities held by a Depository shall be dematerialised and shall be in a fungible form. Nothing contained in Sections 153, 153A, 153B, 187A, 187B, 187C and 372 of the Act shall apply to a Depository in respect of the Securities held by it on behalf of the beneficial owners.

Rights of Depositories and Beneficial Owners 61-E

Notwithstanding anything to the contrary contained in the Act or these Articles :

- (i) A Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of Security on behalf of the beneficial owner;



## Haldyn™ Glass Gujarat Limited

- (ii) Save as otherwise provided in (i) above, the Depository as a registered owner of the Securities shall not have any voting rights or any other right in respect of the Securities held by it;
- (iii) Every person holding Securities of the Company and whose name is entered as a beneficial owner in the records of the Depository shall be deemed to be a member of the Company. The beneficial owner of the Securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his Securities held by a Depository.

Depository to furnish information	61-F	Notwithstanding anything to the contrary contained in the Act, or these Articles, where the Securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies and discs or such other mode as may be prescribed.
Right to opt out in respect of any security	61-G	<p>If a beneficial owner seeks to opt out of a Depository in respect of any Security, the beneficial owner shall inform the Depository accordingly. The Depository shall, on receipt of the information as above, make appropriate entries in its record and shall inform the Company accordingly.</p> <p>The Company shall within thirty (30) days of the receipt of intimation from the Depository and on fulfilment of such conditions and on payment of such fees as may be specified by the Regulations, issue the certificates of Security to the beneficial owner or the transferee as the case may be.</p>
Sections 83 and 108 of the Act not to apply	61-H	<p>Notwithstanding anything to the contrary contained in these Articles –</p> <ul style="list-style-type: none"> <li>(i) Section 83 of the Act shall not apply to the shares with a Depository;</li> <li>(ii) Section 108 of the Act shall not apply to transfer of Security effected by the transferor and the transferee both of whom are entered as beneficial owners in the records of a Depository.</li> </ul>
Intimation to Depository	61-I	Notwithstanding anything contained in the Act or these Articles, where Securities are dealt with in a Depository, the Company shall intimate the details of allotment of Securities to the Depository immediately on allotment of such Securities.
Applicability of the Depositories Act	61-J	In case of transfer of shares, debentures and other marketable securities, where the Company has not issued any certificate and where such shares, debentures or securities are being held in an electronic and fungible form in a Depository, the provisions of the Depositories Act, 1996 shall apply.
Company to recognise the rights of Registered holders as also the Beneficial Owners	61-K	Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share, as also the beneficial owner of the shares in records of the Depository, as the absolute owner thereof as regards receipt of dividend or bonus or service of notices and all or any other matters connected with the Company and, accordingly, the Company shall not, except as ordered by a court of competent jurisdiction or as by law required, be bound to recognise any benami trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof."



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

"RESOLVED THAT pursuant to the provisions of Section 94 (1)(e) of the Companies Act, 1956 and Article 66 of the Company's Articles of Association, the issued share capital of the Company be and is hereby reduced from Rs. 6,37,56,000 (Rupees six crores thirty seven lacs fifty six thousand) divided into 53,75,630 Equity Shares of Rs. 10 each and 1,00,000 14% Cumulative Redeemable Preference Shares of Rs. 100 each to Rs. 6,37,51,700 (Rupees six crores thirty seven lacs fifty one thousand seven hundred) divided into 53,75,170 Equity Shares of Rs. 10 each and 1,00,000 14% Cumulative Redeemable Preference Shares of Rs. 100 each, by the cancellation of 460 (four hundred sixty) issued Equity Shares of Rs. 10 each."

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

"RESOLVED THAT consent of the members be and is hereby accorded pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 ("the Act") to the re-appointment of Mr. N.D. Shetty as Managing Director of the Company for a period of five years with effect from 1st March, 2000 on the terms and conditions, including expressly the remuneration payable to him as Managing Director and the minimum remuneration payable to him in case of absence or inadequacy of profits in any year, as set out in the draft Agreement between the Company and Mr. Shetty produced at this meeting and, for the purpose of identification, initialled by the Chairman hereof;

RESOLVED FURTHER THAT the Directors be and they are hereby authorised to execute the Agreement in terms of the said draft and to increase, augment, alter, change and/or vary the remuneration payable to Mr. Shetty as may be agreed to between the Directors and Mr. Shetty, Provided that the said remuneration as altered, changed or varied shall be in accordance with the limits prescribed under Schedule XIII to the Act for the time being and from time to time in force."

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 314 and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to the appointment of Mr. Tarun N. Shetty as Whole-time Director of the Company (notwithstanding that he is a relative of Mr. N.D. Shetty, Director of the Company) for a period of five years with effect from 1st September, 2000 on the terms and conditions, including expressly the remuneration payable to him as Whole-time Director and the minimum remuneration payable to him in case of absence or inadequacy of profits in any year, as set out in the draft Agreement between the Company and Mr. T.N. Shetty produced at this meeting and, for the purpose of identification, initialled by the Chairman hereof;

RESOLVED FURTHER THAT the Directors be and they are hereby authorised to execute the Agreement in terms of the said draft and to increase, augment, alter, change and/or vary the remuneration payable to Mr. T.N. Shetty as may be agreed to between the Directors and Mr. T.N. Shetty, Provided that the said remuneration as altered, changed or varied shall be in accordance with the limits prescribed under Schedule XIII to the Act for the time being and from time to time in force."

**By Order of the Board of Directors**

Place : Mumbai  
Date : 29th June, 2000

N.D. Shetty  
Chairman & Managing Director



**Haldyn™ Glass Gujarat Limited****Registered Office :**

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

**NOTES :**

1. The relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, is annexed hereto.
2. 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.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 30th August, 2000 to 9th September, 2000 (both days inclusive).
4. Members are requested to produce the enclosed attendance slip duly signed as per the specimen signature recorded with the Company for admission to the meeting hall.
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. Members can now avail the facility of nomination in respect of shares held by them pursuant to the amendment in the Companies Act, 1956. The prescribed form (Form 2B) is being sent with the Notice. Members desiring to avail this facility, may send their nomination form, duly filled in, to the Company by quoting their respective folio numbers.

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

Mr. Tarun N. Shetty was appointed by the Board of Directors as an Additional Director with effect from 1st September, 2000. Under Section 260 of the Companies Act, 1956 read with Article 127 of the Company's Articles of Association, Mr. T. N. Shetty holds office only upto the date of this Annual General Meeting. The Company has received a notice in writing under Section 257 of the Companies Act, 1956, along with a deposit of Rs. 500 from a shareholder signifying his intention to propose the name of Mr. T.N. Shetty for the office of Director.

Mr. T.N. Shetty is a commerce graduate and has a working cum training experience with American Glass Technologies, Inc., Florida, USA as also over three and a half years experience with Haldyn Glass Limited, Mumbai, one of the Promoters of your Company. Your Directors feel that the appointment of Mr. T.N. Shetty will be in the interest of the Company and its shareholders and accordingly commend the resolution for your acceptance.

Mr. T.N. Shetty is interested and Mr. N.D. Shetty may be deemed interested in the passing of the resolution at item no. 5 of the Notice.

**Item No. 6**

Existing sub-clauses (11) and (28) of Part B of Clause III of the Company's Memorandum of Association deal with the Company's powers relating to mergers and acquisitions. These Clauses, as presently appearing in the Memorandum of Association, are narrow and limited in their scope and application so that looking to the world wide trend in mergers and acquisitions, it is deemed prudent to broaden the powers conferred upon the Company by these sub-clauses.





Accordingly, it is sought to substitute the existing sub-clauses (11) and (28) with the new sub-clauses set out in the resolution at item no. 6 which is commended for your acceptance.

None of the Directors of the Company is concerned or interested in the resolution at this item. A print of the Memorandum of Association of the Company is available for inspection of members at the registered office of the Company during the hours of 10.30 a.m and 12.30 p.m on all working days (except Saturdays).

#### **Item No. 7**

It is sought to alter the Articles of Association of the Company to bring them line with the relevant provisions of the Depositories Act, 1996 as also to reflect the changes effected by the Companies (Amendment) Act, 1999.

##### **A. Buy Back of Shares:**

Pursuant to new Sections 77A, 77AA, 77B introduced vide the Companies (Amendment) Act, 1999, effective 31st October, 1999 it is now permissible for Companies to buy-back their own shares involving a financial outlay of upto 25% of the total paid-up capital in that financial year. While your Company has no immediate plans for buy-back of own shares in the near future, it sought to insert an enabling provision therefor to facilitate the same in future.

##### **B. Dematerialisation of securities :**

Consequent upon the enactment of the Depositories Act, 1996 and having regard to the possibility of the Securities and Exchange Board of India making compulsory dematerialised trading of the Company's shares in future, it is proposed to insert an enabling Article for the Shareholders who may wish to dematerialise their shareholding in the Company. The Depositories Act, 1996 has amended some of the provisions of the Companies Act, 1956 pertaining to issue, holding, transfer, transmission and dealing in shares and other securities as also issue of relevant certificates for facilitating introduction and implementation of the depository system. The new Articles 61 - A to 61 - K reflects those changes.

The Directors recommend the resolution for approval of Members. None of the Directors of the Company is concerned or interested in the resolution.

A copy of the Memorandum and Articles of Association of the Company with the proposed amendments is available for inspection of members at the registered office of the Company during the hours of 10.30 a.m. and 12.30 p.m. on all working days (except Saturdays).

#### **Item No. 8**

The present issued equity share capital of the Company is Rs. 5,37,56,300 divided into 53,75,630 equity shares of Rs.10 each while the subscribed equity share capital is Rs. 5,37,51,700 divided into 53,75,170 equity shares of Rs. 10 each. The gap of Rs. 4,600 between the issued and subscribed share capital represents 460 unsubscribed equity shares of Rs. 10 each out of an issue of shares made by the Company pursuant to the resolution passed at an Extraordinary General Meeting held on 26th February, 1993. With a view to bring the issued equity share capital in line with the subscribed equity share capital, it is proposed to cancel the said unsubscribed 460 equity shares from the issued equity share capital. Section 94 (1)(e) permits the cancellation of shares which, at the date of passing of the resolution, have not been taken or agreed to be taken up by any person.

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

**Item No. 9**

Members will recall that at an Extraordinary General Meeting of the Company held on 20th March, 1995, members had approved the re-appointment of Mr. N.D.Shetty, as Managing Director of the Company for a period of 5 years with effect from 1st March, 1995. Mr. Shetty's tenure of appointment expired by efflux of time on 29th February, 2000. Accordingly, your Directors have, subject to the approval of the Company in general meeting, reappointed Mr. Shetty as the Managing Director of the Company for a further term of 5 years with effect from 1st March, 2000 on the terms and subject to the conditions set out in the draft Agreement between the Company and Mr. Shetty referred to in this resolution.

The material terms, including remuneration, of the said Agreement, (which remain the same as in the case of his earlier tenure) are as follows :

- (A) Period : 5 years from 1st March, 2000.
- (B) Remuneration :
- (i) A salary of Rs. 30,000 per month (inclusive of dearness allowance) in the grade of Rs. 30,000 - 5,000 - 50,000 per month, with liberty to the Board to withhold increments or to give more than one increment per year;
  - (ii) Commission at the rate of 1 (one) per cent of the Net Profits of the Company computed in the manner laid down in the Section 349 to 351 of the Companies Act, 1956 subject to the condition that the commission payable to the Managing Director in any year shall not exceed 50% of his salary for that year;
  - (iii) Use of furnished residential accommodation (with furniture, fixtures and fittings) at Baroda owned / leased or licensed by the Company (including repairs and maintenance thereof) or, in lieu of the said accommodation and if so desired by him, the Managing Director shall be entitled to, and be paid, a house rent allowance @ 50% of his monthly salary ;
  - (iv) Reimbursement of gas, electricity and water as also furnishings;
  - (v) Use of a motor car with driver for the Company's business (as also for the Managing Director's personal use) all running operation and maintenance expenses therefor to be borne and paid by the Company;
  - (vi) Benefit of the Company's Provident Fund Scheme, and the Superannuation or Annuity Fund Scheme together with the benefit of any Retirement Fund or Scheme which the Company may introduce in future;
  - (vii) Gratuity in accordance with the Rules of the Company;
  - (viii) Reimbursement of actual medical expenses incurred by the Managing Director for self and family (i.e. wife, dependent children and dependent parents);
  - (ix) Benefit of sick leave in accordance with the Rules of the Company;
  - (x) 30 (thirty) days' privilege leave with full pay and allowances for each completed year of service, the said leave being accumulatable and encashable in accordance with the Rules of the Company for the time being and from time to time in force;
  - (xi) Benefit of 1st class air / air-conditioned train and / or such other mode of conveyance as the Managing Director may opt for, for self and family, while proceeding on privilege leave, together with hotel / board and lodging expenses incurred at actuals;
  - (xii) Personal accident insurance cover at the cost of the Company provided the actual premium thereof does not exceed Rs. 4,000 per year or such other amount as the Directors think fit;
  - (xiii) Use of a telephone for the Company's business at the Managing Director's residence, Provided that the cost of personal long distance calls, if any, shall be reimbursed by the Managing Director to the Company;
  - (xiv) Fees (including entrance and subscription) of Clubs of which the Managing Director is, or may become, a member of (subject to a maximum of 2 clubs) together with the benefit of reimbursement of all expenses incurred thereat in or towards the business of the Company;