

# Haldyn Glass Gujarat Limited

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

## NOTICE

**NOTICE** is hereby given that the **Nineteenth Annual General Meeting** of the Members of HALDYN GLASS GUJARAT LIMITED will be held at the Registered Office of the Company at **Village Gavasad, Taluka Padra, District Vadodara – 391 430 on Friday, September 17, 2010 at 03.00 p.m.** to transact the following business :

### **ORDINARY BUSINESS :**

1. To receive, consider and adopt the Audited Balance Sheet and Profit and Loss Account as at and for the year ended March 31, 2010 and the Reports of the Directors and the Auditors thereon.
2. To declare Dividend on Equity Shares.
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 a Director in place of Mr. Rolf E. von Bueren, who retires by rotation and, being eligible, offers himself for reappointment.
5. To consider and, if thought fit, to pass the following Resolution with or without modification, as an Ordinary Resolution :

“RESOLVED that Chaturvedi Sohan & Co, Chartered Accountants (ICAI Firm Registration No 118424W), the retiring Auditors of the Company be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors, in addition to reimbursement of service tax and all out of pocket expenses.”

### **SPECIAL BUSINESS :**

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

“RESOLVED that pursuant to the provisions of Sections 16, 94[1][e] and 94[1][a] read with other applicable provisions, if any, of the Companies Act, 1956, [including any statutory modifications or re-enactment thereof for the time being in force], the Authorised Share Capital of the Company 6,00,00,000 [Six crores] equity shares of ₹ 1 [Rupee one] each, 1,00,000 [One lakh] 14% Redeemable Preference Shares of ₹ 100 [Rupees one hundred] each and 5,00,000 [Five lakhs] Optionally Convertible Cumulative Preference Shares of ₹ 100 [Rupees one hundred] each aggregating ₹ 12,00,00,000 [Rupees Twelve crores only] be and is hereby reclassified into 12,00,00,000 [Twelve crores] equity shares of ₹ 1 [Rupee one] each aggregating ₹ 12,00,00,000 [Rupees Twelve crores only] and the Authorised Share Capital is further increased from ₹ 12,00,00,000 [Rupees Twelve crores only] divided into 12,00,00,000 [Twelve crores] equity shares of ₹ 1 [Rupee One] each to ₹ 15,00,00,000 [Rupees Fifteen crores only] divided into 15,00,00,000 [Fifteen crores] equity shares of ₹ 1 [Rupee One] each with the power to the Board to decide on the extent of variation in such rights and to classify and re-classify from time to time such shares into any class of shares and the new shares shall rank pari passu with the existing shares of the Company.

RESOLVED FURTHER that Clause V of the Company's Memorandum of Association be and is hereby substituted as follows :

‘The Authorised Share Capital of the Company is ₹ 15,00,00,000 [Rupees Fifteen crores only] divided into 15,00,00,000 [Fifteen crores] equity shares of ₹ 1 [Rupee One] each.’

RESOLVED FURTHER that for the purpose of giving effect to the above matter and to settle any question, difficulty or doubt that may arise in this regard Mr. N. D. Shetty, Chairman and Managing Director and



## 19th Annual Report 2009-10

Mr. A. A. Lambay, Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things and to sign, seal, execute and file all such documents, instruments and writings as they may in their sole and absolute discretion deem fit, necessary or expedient including making of all necessary filings and intimations to the Registrar of Companies and other appropriate authorities.”

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

“RESOLVED that pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956 [including any statutory modification or re-enactment thereof for the time being in force], the existing Articles of Association of the Company be and is hereby altered in the following manner:

[i] To delete the Articles 4B to 4F re: 14% Cumulative Redeemable Preference Shares and Optionally Convertible Cumulative Redeemable Preference Shares

[ii] For Article 4, substitute the following :

‘4. “The Authorised Share Capital of the Company is ₹ 15,00,00,000 [Rupees Fifteen crores only] divided into 15,00.00,000 [Fifteen crores] equity shares of ₹ 1 [Rupee One] each’.”

**Place: Mumbai**  
**Date : May 28, 2010**

By Order of the Board

**A. A. LAMBAY**  
Company Secretary

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

## Haldyn Glass Gujarat Limited

### NOTES :

- [a] The relative Explanatory Statements pursuant to Section 173 of the Companies Act, 1956, in respect of the business under Item Nos. 6 and 7 set out above and the relevant details in respect of Item Nos.3 and 4 set out above, pursuant to Clause 49 of the Listing Agreement with Bombay Stock Exchange are annexed hereto.
- [b] **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. THE INSTRUMENT OF PROXY DULY COMPLETED AND SIGNED SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY - EIGHT HOURS BEFORE THE COMMENCEMENT OF MEETING.**
- [c] Members/Proxies should bring the enclosed Attendance Slip duly filled in, along with the Annual Report for attending the Meeting.
- [d] The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, September 7, 2010 to Friday, September 17, 2010 [both days inclusive].
- [e] If dividend on shares as recommended by the Directors is approved at the Meeting, the payment will be made to the Shareholders whose names are on the Company's Register of Members on September 17, 2010. The dividend in respect of shares held in electronic form will be payable to the beneficial owners of the shares as at the end of business hours on September 6, 2010, as per details furnished by the Depositories for this purpose.
- [f] Members are requested to notify any change in their address :
- [i] to their depository participants [DPs] in respect of shares held in Demat form; and
  - [ii] to the Registrar and Share Transfer Agents of the Company, Mondkar Computers Pvt. Ltd., 21, Shakil Niwas, Mahakali Caves Road, Andheri [E], Mumbai- 400 093, in respect of shares held in physical form, quoting their folio numbers.
- As per SEBI Circular No. MRD / DOP / Cir -05 / 2009 dated May 29, 2009, it is mandatory to quote PAN No. for transfer of shares in physical form. Therefore, the transferee[s] is required to submit the self attested PAN CARD copy to the Registrar and Share Transfer Agents of the Company for registration of transfer of shares.
- [g] Members desiring any information on accounts or operations of the Company are requested to forward their queries to the Company at least eight days prior to the date of the Meeting so that the required information is made available at the Meeting.
- [h] Members who have not encashed their dividend warrants for the years 2004-2005, 2005-2006, 2006-2007, 2007-2008 and 2008-2009 are requested to write to the Company, for revalidation of dividend warrants.

**Place : Mumbai**  
**Date : May 28, 2010**

By Order of the Board

**A. A. LAMBAY**  
Company Secretary

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



## 19th Annual Report 2009-10

### EXPLANATORY STATEMENTS

As required by Section 173[2] of the Companies Act, 1956, the following Explanatory Statements set out all material facts relating to the business mentioned under Item Nos.6 and 7 of the accompanying Notice dated May 28, 2010.

#### 2. Item Nos.6 and 7

The Company, in order to meet its planned growth objectives and to strengthen its financial position, may be required to generate long term resources by issuing securities via rights issue, preferential issue/QIP or in any other manner as may be deemed appropriate to the Board. It is therefore, deemed necessary to reclassify and increase the Authorised Share Capital of the Company from the present Rupees Twelve crores to Rupees Fifteen crores and for that purpose, the Capital Clause in the Memorandum of Association of the Company is proposed to be suitably altered as set out at Item No.6 of the accompanying Notice.

As a sequel to the alteration of the Capital Clause of the Memorandum of Association and extinction of the 14% Redeemable Preference Shares and Optionally Convertible Cumulative Redeemable Preference Shares of the Company, the clauses relating to Preference Shares would become redundant. Accordingly, it is proposed to delete the said clauses of the Articles of Association of the Company in the manner mentioned in the proposed Resolution at Item No.7 of the accompanying Notice.

The provisions of the Companies Act, 1956 requires the Company to seek the approval of the shareholders for the said reclassification and increase in the Authorised Share Capital.

According to the provisions of Section 31 of the Companies Act, 1956, Articles of Association of the Company need be altered by passing a Special Resolution as set out at Item No.7 of the accompanying Notice.

The Board of Directors accordingly recommend the Resolutions set out at Item Nos.6 and 7 of the accompanying Notice for the approval of the shareholders.

None of the Directors of the Company is in any way concerned or interested in the said Resolutions except to the extent of their shareholding.

A copy of the Memorandum and Articles of Association of the Company together with the proposed alterations, is available for inspection at the Registered Office of the Company between 10.30 a.m. to 12.30 p.m. on any working day of the Company.

**Place: Mumbai**  
**Date : May 28, 2010**

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

By Order of the Board

**A. A. LAMBAY**  
Company Secretary

## Haldyn Glass Gujarat Limited

### INFORMATION OF THE DIRECTORS SEEKING REAPPOINTMENT AT THE NINETEENTH ANNUAL GENERAL MEETING

[As Required under clause 49 IV [G][i] of the Listing Agreement]

Name of the Director	Mr. Rolf E. von Bueren	Mr. F.S. Broacha
Date of Birth	August 14, 1940	June 14, 1938
Date of Appointment	September 10, 1994	April 25, 1991
Relationships between Directors' inter-se	Not related to any Director of the Company	Not related to any Director of the Company
Qualification and Expertise	Industrialist	Corporate Adviser, Advocate
Directorship held in other public companies	—	1] Haldyn Glass Limited 2] Fouress Eng. [India] Limited 3] The Rubber Products Limited 4] RAS Propack Lamipack Limited
Membership/Chairmanship of Committees across other public companies, if any	—	1] Haldyn Glass Limited, Member – Share Transfer Committee 2] Fouress Eng. [India] Limited, Member – Audit Committee 3] The Rubber Products Limited Member – Audit Committee 4] RAS Propack Lamipack Limited, Member – Audit Committee
Number of Equity Shares of ₹ 1 each held	NIL	NIL

└

└

└

└

# Haldyn Glass Gujarat Limited

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

## ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING VENUE.

Folio No. \_\_\_\_\_ DP ID No. \_\_\_\_\_ Client ID No. \_\_\_\_\_ No. of shares held \_\_\_\_\_

Name / s: \_\_\_\_\_  
[1st Holder]

\_\_\_\_\_  
[Joint Holder]

I / We record my / our presence at the **Nineteenth Annual General Meeting** of the Company at the Registered Office of the Company at Village Gavasad, Taluka Padra, District Vadodara 391 430 on Friday, September 17, 2010 at 3.00 p.m.

Signature[s] of the Shareholder[s] / Proxy: \_\_\_\_\_

Note: Only Shareholders of the Company or their Authorised Proxies whose names are registered with the Company will be allowed to attend the Meeting.

----- Tear Here -----

# Haldyn Glass Gujarat Limited

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

## FORM OF PROXY

Folio No. \_\_\_\_\_ DP ID No. \_\_\_\_\_ Client ID No. \_\_\_\_\_ No. of shares held \_\_\_\_\_

I / We \_\_\_\_\_

of \_\_\_\_\_

being a Member / Members of Haldyn Glass Gujarat Limited, hereby appoint \_\_\_\_\_

of \_\_\_\_\_ or failing him

of \_\_\_\_\_ or failing him

of \_\_\_\_\_ as

my / our Proxy to vote for me / us and on my / our behalf at the **Nineteenth Annual General Meeting** of the Company, to be held on Friday, September 17, 2010 at 3.00 p.m. and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2010

Note : 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 PROXY NEED NOT BE A MEMBER.

2. This form, duly completed and signed across the stamp, should reach the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.

Affix  
Revenue  
Stamp

Signature[s] of the  
Shareholder[s]

## 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 GLIC]

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

**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

IDBI 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

<b>C O N T E N T S</b>	<b>Page</b>
- Directors' Report	2
- Corporate Governance Report	8
- Auditors' Report	17
- Balance Sheet	20
- Profit and Loss Account	21
- Cash Flow Statement	22
- Schedules to Accounts	23
- Balance Sheet Abstract	38

### **NINETEENTH ANNUAL GENERAL MEETING**

Day : Friday

Date : September 17, 2010

Time : 3 p.m.

Venue : Registered Office situated at,  
Village Gavasad, Taluka Padra,  
District: Vadodara - 391 430



## DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the **Nineteenth Annual Report** on the business and operations together with the Audited Statement of Accounts of the Company for the year ended on March 31, 2010.

### I. FINANCIAL RESULTS

[₹ in Lacs]  
[For the year ended March 31]

Particulars	2010	2009
<b>Total Income</b>	13181.68	10441.32
<b>Earnings before interest, depreciation and tax</b>	3056.80	2150.21
Interest and Finance Charges	594.53	583.90
Depreciation	775.87	697.28
<b>Profit before Taxation</b>	1686.40	869.03
Provision for Current Tax including Fringe Benefit Tax	287.71	118.79
Provision for Deferred Tax	297.76	66.06
<b>Profit after Tax</b>	1100.93	684.18
Surplus brought forward from previous year	1507.74	1011.75
Profit available for appropriation	2608.67	1695.93
<b>APPROPRIATIONS :</b>		
General Reserve	125.00	75.00
Proposed Dividend on Equity Shares	134.38	96.75
Tax on Proposed Dividend	22.32	16.44
Surplus carried forward to next Year	2326.97	1507.74
<b>Total</b>	<b>2608.67</b>	<b>1695.93</b>

### YEAR IN RETROSPECT

The Company successfully achieved production stability for all the new machines on the new Furnace with increased capacity. Sales / Income from operations [net] increased to ₹ 13132.48 lacs as compared to ₹10295.79 lacs in the previous year registering a growth of 27.55%. Earnings before Interest, Depreciation and Tax for the year were 23.19% of total Income as compared to 20.59% for the previous year. The improvement was mainly on account of higher Sales and benefit of better scale of operations. The Profit after Tax increased by 60.91% to ₹1100.93 lacs as compared to ₹ 684.18 lacs in the previous year. The EPS [Earning per Share] improved to ₹ 2.05 on Equity Share of ₹ 1 each in the year 2009 -10 as compared to ₹12.73 on Equity Share of ₹10 each in the previous year.

### II DIVIDEND

In view of the cash Accruals and considering the need to plough back to support higher sales, the Board of Directors of your Company are pleased to recommend a dividend of ₹ 0.25 [25%] per equity Share of ₹ 1.00 each. [Previous year the dividend was ₹ 1.80 [18%] per equity share of ₹ 10 each]. The total payout on account of dividend will be ₹ 156.70 lacs inclusive of tax thereon of ₹ 22.32 lacs. The dividend will be tax free in the hands of the shareholders.

### **III APPROPRIATIONS**

For the year under review, the Board of Directors of your Company has proposed transfer of ₹ 125.00 lacs to General Reserve and an amount of ₹ 2326.97 is proposed to be retained in the Profit & Loss Account.

### **IV 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.

### **MICRO ECONOMIC-INDUSTRY STRUCTURE AND DEVELOPMENTS**

The fiscal year 2009-10 began as a difficult one. The growth rate of the gross domestic product [GDP] in 2008-09 was 6.7 per cent. Yet, over the span of the year, the economy posted a remarkable recovery, not only in terms of overall growth figures but, more importantly, in terms of certain fundamentals, which justify optimism for the Indian economy in the medium to long term.

The real turnaround came in the second quarter of 2009-10 when the economy grew by 7.9 per cent. Allowing for factors beyond the reach of domestic policymakers, such as the performance of the monsoon and rate of recovery of the global economy, the Indian GDP can be expected to grow around 8.5 +/- 0.25 per cent, with a full recovery, breaching the 9 per cent mark in 2011-12.

### **OVERVIEW**

Your Company continues to cater to all the major manufacturers in the Liquor Industry which is the major consumer for Glass Containers. Liquor industry is estimated to grow at a rate of around 15% per annum. The other major segment, your Company is catering to, is the Food & Beverages industry which is also having an estimated growth rate of more than 10%. Glass is increasingly being used for premium products to enhance the brand image. Your Company has up-to-date design facilities and its own mould shop which works closely with customers to optimise the weight and strength of glass containers to compete with alternate packaging materials. Environmental and health concerns make glass containers the preferred choice of most customers. Your Company's brand 'HALDYN' continues to enjoy patronage of all the reputed customers of glass containers.

### **OUTLOOK**

The glass container industry in India has seen a period of consolidation in recent years. Investment in new furnaces and improved technology has been the prime focus. Your Company continues to make investments in technology to improve product quality and output. The Government is increasing the selling price of Natural Gas which will adversely affect the profitability of your Company. However, steps are being taken to minimise costs to reduce the impact and to remain competitive. Your Company has a satisfactory Order Book position. The outlook seems to be optimistic for the current year as well as for the next year.

### **CERTIFICATIONS**

Your Company is accredited for Quality Management System ISO 9001: 2008 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 business 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