

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



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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.



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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 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

By Order of the Board

A. A. LAMBAY
Company Secretary

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

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

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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.

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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 GIIC]

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

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

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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
Total Income	13181.68	10441.32
Earnings before interest, depreciation and tax	3056.80	2150.21
Interest and Finance Charges	594.53	583.90
Depreciation	775.87	697.28
Profit before Taxation	1686.40	869.03
Provision for Current Tax including Fringe Benefit Tax	287.71	118.79
Provision for Deferred Tax	297.76	66.06
Profit after Tax	1100.93	684.18
Surplus brought forward from previous year	1507.74	1011.75
Profit available for appropriation	2608.67	1695.93
APPROPRIATIONS :		
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
Total	2608.67	1695.93

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



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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 [CSR]

Your Company has actively pursued CSR activities. The areas that your Company works in include disaster response, educational assistance, promotion of sports, waste water management in the villages around the factory.

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 regularly 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

Your Company believes that its employees are the main force in driving performance and developing competitive advantage. Your Company encourages employees to foster an attitude of continuous learning and facilitates the same by conducting periodical training programmes. Industrial relations continued to remain cordial during the year.

The Shareholders had in 2006 approved Employees Stock Option Plan [ESOP] for the directors / employees. However, 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.

V 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 [₹ Lacs]	Particulars of previous Employment
Mr. N.D. Shetty Chairman & Managing Director	April 25, 1991	70 Years	46 Years	69.91	Director, Haldyn Glass Limited
Mr. T. N. Shetty Executive Director	August 1, 2009	36 Years	13 Years	29.38	Executive Director, Haldyn Glass Gujarat Limited

Haldyn Glass Gujarat Limited

Notes:

1. Remuneration includes Salary, HRA, Commission, 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 and Mr. T.N. Shetty are related to each other and also related to Mrs. V.R.Ajila, and Mr. Rohan Y. Ajila, Directors of the Company.

VI 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.

VII 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 of 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.

VIII DIRECTORATE

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Mr. F.S. Broacha and Mr. Rolf E. von Bueren retire by rotation and being eligible, offer themselves for reappointment.

IX AUDITORS

The Auditors of the Company, 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.

X ACKNOWLEDGEMENT

Your Directors would like to acknowledge and place on record their sincere appreciation of all stakeholders – shareholders, banks, dealers, vendors and other business partners for the excellent support received from them during the year. Your Directors recognise and appreciate the efforts and hard work of all employees of the Company and their continued contribution to its progress.

For and on behalf of the Board of Directors

Place : Mumbai
Date : May 28, 2010

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 the Particulars in the Report of Board of Directors] Rules, 1988 and forming part of the Directors' Report for the year ended March 31, 2010.

CONSERVATION OF ENERGY :

1. Energy Conservation Measures

- 1.1 Installation of Variable Frequency Drive for IS Machine Mould Cooling
- 1.2 Installation of Variable Frequency Drive for Compressed Air IS Machine
- 1.3 Installation of Variable Frequency Drive on Secondary Air Blower for furnace.

These installations of Variable Frequency Drives result in saving in energy consumption

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

A. Power and Fuel Consumption

Sr. No.	Particulars	Unit	2009-2010	2008-2009	
A.1		Electricity			
	A.1.a	Purchased			
		Units	Units [KWh] in Lacs	8.60	72.67
		Total amount	₹ in Lacs	81.32	458.51
		Rate / kwh	₹	9.45	6.31
	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.	Nil	350.58
		Total amount	₹ in Lacs	Nil	64.51
		Average Rate	₹	Nil	18401
	A.3.b	LDO			
		Quantity purchased	In Kilo Liters	Nil	681.74
		Total amount	₹ in Lacs	Nil	256.30
		Average Rate	₹	Nil	37595
A.4		Others – Natural Gas			
		Quantity purchased	In thousand SCM	16775	12601
		Total amount	₹ in Lacs	1411.86	1036.00
		Average Rate	₹	8.42	8.22

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.

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2. TECHNOLOGY ABSORPTION :

Form - B

Form of disclosure of particulars with respect to technology 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

Your 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 exports.

3.B Foreign Exchange Earning and outgo

During the year the Company used of ₹ 183.61 lacs and earned ₹ 119.49 lacs of foreign exchange.

For and on behalf of the Board of Directors

Place : Mumbai
Date : May 28, 2010

N.D. Shetty
Chairman & Managing Director



CORPORATE GOVERNANCE REPORT

I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE :

Your Company has been practicing the principles of good corporate governance and believes in the importance of transparency and accountability in all facets of its operations. It is following systems to support healthy business operations and endeavours continuous improvements. Your Company has implemented, to the extent possible, the recommendations of the Code of Corporate governance as per the regulatory guidelines.

II. BOARD OF DIRECTORS :

1. COMPOSITION :

The Board of Directors comprises of:-

- One Managing Director [Promoter group]
- One Executive Director [Promoter group]
- One Related Director [Not Independent]
- Four Independent / Non-Executive Directors
- Two Independent / Nominee Directors

The names and categories of the Directors on the Board, their attendance at Board Meetings during the year and at the last Annual General Meeting as also the number of Directorships and Committee Memberships held by them in other companies were as under:

Name of the Directors	Category	Number of Directorships in other public limited companies	Memberships of other Committee[s]		Number of Board Meetings attended	Last AGM Attended
			Chairman	Member		
Mr N.D. Shetty	Chairman & Managing Director [Promoter group]	1	-	-	5	Yes
Mr. T.N.Shetty *	Executive [Promoter group]	-	-	-	4	Yes
Mr. F.S.Broacha	Non Executive/ Independent	4	1	4	5	Yes
Mr. Rolf E. von Bueren	Non Executive/ Independent	-	-	-	Nil	-
Mr. L. Rajagopalan Alternate to Mr. Rolf E. von Bueren	Non Executive/ Independent	2	1	3	5	Yes
Mr. K. George Joseph I.A.S.	Nominee - GIIC/ Independent	-	-	-	2	-
Mrs. V.R. Ajila	Non Executive [Promoter group]	-	-	-	Nil	-
Mr. G.C. Murmu I.A.S.	Nominee – GIIC / Independent	10	-	8	Nil	-

Haldyn Glass Gujarat Limited

Name of the Directors	Category	Number of Directorships in other public limited companies	Memberships of other Committee[s]		Number of Board Meetings attended	Last AGM Attended
			Chairman	Member		
Mrs. K.J.Udeshi	Non Executive/ Independent	2	-	-	4	-
Mr. Sikandar Talwar	Non Executive/ Independent	-	-	-	3	-
Mr. R.Y. Ajila [Alternate to Mrs. V.R.Ajila]	Non Executive [Promoter group]	-	-	-	5	Yes

* Wholetime Director effective August 1, 2009

Note:

None of the Directors was member in more than 10 Committees or Chairman in more than 5 Committees.

2. MEETINGS OF THE BOARD OF DIRECTORS :

During the year 2009-2010, the Board met Five times on [1] May 22, 2009; [2] June 25, 2009; [3] July 30, 2009; [4] October 29, 2009 and [5] January 29, 2010

At least one Board Meeting was held during every quarter. The maximum time gap between two Board Meetings was less than four months.

III. THE BOARD COMMITTEES :

1. AUDIT COMMITTEE

Terms of Reference :

The terms of reference cover the matters specified under Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement. In brief, these are:

To oversee the Company's financial reporting process and disclosure of its financial information; to recommend the appointment of Statutory Auditors and Internal Auditors; to review and discuss with the Auditors all aspects of internal control systems and the scope of audit including the observations of the Auditors, adequacy of the internal control system, major accounting policies, practices and entries; compliance with Accounting Standards and Listing Agreement with the Stock Exchange and other legal and regulatory requirements concerning financial statements; to review the reports of the Company's Internal Auditors and to discuss with them any significant findings for follow-up action thereon; to review the financial statements audited by the Statutory Auditors as also to review financial and risk management policies and practices.

Composition and Attendance at Meetings of Audit Committee

Name of Director	Category	Meetings attended
Mr. L. Rajagopalan	Non Executive Director- Independent- Chairman	5
Mr. F. S. Broacha	Non Executive Director- Independent- Member	5
Mr. G.C. Murmu	Non Executive Director- Independent- Member	-
Mrs. K.J.Udeshi	Non Executive Director- Independent- Member	4

During the year 2009-2010, the Committee met Five times on [1] May 22, 2009; [2] June 25, 2009; [3] July 30, 2009; [4] October 29, 2009 and [5] January 29, 2010

The necessary quorum was present at the Meetings.

- All members of the Board Audit Committee are financially literate and have relevant finance and /or audit exposure.



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- At least one Audit Committee Meeting was held during every quarter.
- Internal Auditors and Statutory Auditors attended the Meetings as invitees.
- The Company Secretary acts as the Secretary of the Audit Committee.

The Chairman of the Audit Committee Mr. L. Rajagopalan was present at the 18th Annual General Meeting held on September 25, 2009.

2 REMUNERATION COMMITTEE :

Terms of reference:

- [A] Reviewing the overall compensation policy, service agreements and other employment conditions of Managing / Whole time Director[s]
- [B] Reviewing the performance of the Managing / Whole time Director[s] and recommending to the Board the quantum of annual increments and annual commission.

Composition and Attendance at Meetings of Remuneration Committee

The Composition and Attendance at the Remuneration Committee Meeting during the year were as under:

Name of Director	Category	Meetings attended
Mr. F. S. Broacha	Non Executive Director- Independent- Chairman	1
Mr. L. Rajagopalan	Non Executive Director- Independent- Member	1
Mr. K. George Joseph	Non Executive Director- Independent- Member	-

During the year 2009-2010, the Committee met once on July 30, 2009

3. SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE :

Terms of Reference:

To specifically look into complaints relating to transfer of shares, non-receipt of annual report, dividend warrants, etc. received from investors, redress them and to improve the efficiency in investors service, wherever possible.

Composition of Shareholders / Investors Grievance Committee

The Committee comprises of Two Directors, namely :

Name of Director	Category
Mr. F. S. Broacha	Non Executive Director- Independent- Chairman
Mr. L. Rajagopalan	Non Executive Director- Independent- Member

During the year 2009-2010, no Meeting of the Committee was held as there were no complaints from investors requiring the intervention of the Committee.

4. SHARE TRANSFER COMMITTEE :

Terms of Reference:

- A] Transfer / transmission / transposition of shares;
- B] Consolidation / splitting of shares
- C] Issue of duplicate share certificates, confirmation of demat / remat requests, review of shares dematerialised and all other related matters

Composition of Share Transfer Committee

Name of Director	Category
Mr. N. D. Shetty	Chairman and Managing Director - Chairman
Mr. F. S. Broacha	Non Executive Director- Independent- Member
Mr. L. Rajagopalan	Non Executive Director- Independent- Member

The Committee met twenty times during the year.

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IV. REMUNERATION OF DIRECTORS :

[₹ '000]

Name of the Director	Sitting Fees	Salary [Basic + HRA]	Perquisites & Allowance	Providend Fund Contribution	Commission	Total
Mr. N. D. Shetty	-	4500	269	432	1790	6991
Mr. T. N. Shetty	10	1969	204	168	597	2948
Mr. F. S. Broacha	60	-	-	-	-	-
Mr. Rolf E. von Bueren	-	-	-	-	-	-
Mr. L. Rajagopalan [Alternate to Mr. Rolf E. von Bueren]	60	-	-	-	-	-
Mr. K. George Joseph I.A.S.	10	-	-	-	-	-
Mrs. V. R. Ajila	-	-	-	-	-	-
Mr. G. C. Murmu I.A.S.	-	-	-	-	-	-
Mrs. K.J. Udeshi	40	-	-	-	-	-
Mr. Sikandar Talwar	15	-	-	-	-	-
Mr. R.Y.Ajila [Alternate to Mrs. V.R.Ajila]	25	-	-	-	-	-
w.e.f. May 22, 2009						

All Non-Executive Directors of the Company receive sitting fees for each Meeting of the Board or a Committee thereof attended by them. A Resolution for payment of commission at the rate of 1% of net profit was approved by the Members at the Eighteenth Annual General Meeting held on September 25, 2009. The said Resolution was for a period of five years, commencing from April 1, 2009. However, no commission has been paid so far. Other than stated above, no other remuneration is payable to the Non-Executive Directors.

1. The appointments of Mr. N. D. Shetty, as Chairman & Managing Director and Mr. T.N. Shetty, as Wholetime Director are on contractual basis.
2. Either party is entitled to terminate the Agreement by giving not less than three months' notice in writing to the other party.
3. No severance fee is payable.
4. The Company had approved a Resolution at the Fifteenth Annual General Meeting held on August 26, 2006 for Employee Stock Options Plan [ESOP] to the Directors / employees under the SEBI [Employee Stock Option Scheme and Employee Stock Purchase Scheme] Guidelines, 1999, with a view to attract, retain, motivate and reward the employees. However, no Stock Opptions have been offered or issued as on date.

V. COMPLIANCE OFFICER :

Mr. A. A. Lambay,
Company Secretary
& the Compliance officer

Administrative Office:
9, Gayatri Commercial Complex
Marol Naka, Andheri Kurla Road,
Andheri East, Mumbai 400 059
Telephone No.: + 91 22 2851 5220-22 / 28508080-81
Fax No.: +91 22 2851 4634
E-mail: cosec@haldyn.com



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VI. DISCLOSURES :

[a] **Related Party Transactions**

None of the transactions with any related parties was in conflict with the interests of the Company.

[b] **Statutory Compliance, Penalties and Strictures**

During the last three years, there were no strictures or penalties imposed by SEBI or the Stock Exchange or any Statutory Authority for 'non-compliance' of any matter related to capital markets.

[c] **Code of Conduct**

The Company has adopted a Code of Conduct for the Directors and Senior Management Personnel of the Company. The said code is also uploaded at the website of the Company.

[d] **Listing Agreement Compliance**

The Company has complied with the mandatory requirements of Clause 49 of the Listing Agreement as amended till date.

[e] **Risk Management Assessment**

The Company has reviewed the risk based control system and evolved a procedure for risk assessment and timely rectification which would help minimisation of risk associated with any strategic, operational, financial and compliance risk across all business operations. These control procedures and systems will ensure that the Board is periodically informed of the material risks faced by the Company and the steps taken by the Company to mitigate those risks.

[f] **Board Procedure**

The Company has established procedures to enable its Board to review compliance of all laws applicable to the Company as well as steps taken to rectify instances of non-compliance.

[g] **Secretarial Audit**

In line with the requirements of SEBI, Secretarial Audit is carried out on a quarterly basis by the practicing company secretary to confirm that the aggregate number of Equity Shares of the Company held in NSDL and CDSL and in physical form tally with the total number of issued/ paid up, listed and admitted capital of the Company.

VII. MEANS OF COMMUNICATION :

Your Company uses several modes of communicating to all its stakeholders such as announcements and press releases in newspapers including posting information on its website [www.haldynglass.com] and intimation to the Stock Exchange. Quarterly results are published in prominent daily newspapers in accordance with the Listing Agreement. The Company has not made any presentation to Institutional Investors or Analysts during the year.

VIII. LISTING :

The Equity Shares of the Company are listed on the Bombay Stock Exchange Limited, Mumbai.

IX. GENERAL BODY MEETINGS :

The last Three Annual General Meetings of the Company were held at the Registered Office of the Company at Village Gavasad, Taluka Padra, Dist. Vadodara, as follows:

Date of AGM	Time	Special Resolutions passed	
		No.	Nature
16 th AGM September 21, 2007	11.00 a.m.	-	None
17 th AGM September 26, 2008	11.00 a.m.	1	Alteration of Articles of Association
18 th AGM September 25, 2009	11.00 a.m.	1	Commission to Non-Executive Directors

The Chairman of the Audit Committee Mr. L. Rajagopalan was present at the 18th Annual General Meeting held on September 25, 2009.

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No Special Resolution was put through postal ballot in the previous year and no postal ballot is proposed for this year either.

During the year, there was an Extraordinary General Meeting held on Friday January 29, 2010 at Mumbai for sub-division of equity shares of ₹ 10 each into equity shares of ₹ 1 each.

X. DETAILS OF DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT :

As required under Clause 49 IV [G], the particulars of Directors seeking appointment / reappointment are given in the Explanatory Statement annexed to the Notice of the 19th Annual General Meeting to be held on September 17, 2010.

XI. GENERAL SHAREHOLDERS INFORMATION :

Date of Incorporation	April 25, 1991
Corporate Identity Number [CIN]	L 51909GJ1991PLCO15522
Registered Office and Works	Village Gavasad, Taluka Padra District Vadodara- 391430 Tel : +91 2662 242339 / 42 Fax : +91 2662 245081
Administrative Office [Address for Correspondence]	9, Gayatri Commercial Complex, Marol Naka, Andheri Kurla Road, Andheri [East], Mumbai - 400 059 Tel : + 91 22 28515220 / 28508080 Fax : + 91 22 28514634 E Mail : cosec@haldyn.com
Day and Date of the Annual General Meeting	Friday , September 17, 2010
Time and Venue of the Annual General Meeting	03.00 p.m. at the Registered Office of the Company at Vadodara.
Date of Book Closure	From September 7, 2010 to September 17, 2010 [both days inclusive]
Date of Receipt of Proxy	September 15, 2010 before 03.00 p.m.
Financial Calendar: 2010 - 2011	April 1, 2010 to March 31, 2011
First Quarter ending June 30, 2010	- By August 14, 2010
Second Quarter ending September 30, 2010	- By November 13, 2010
Third Quarter ending December 31, 2010	- By February 14, 2011
Results for the year ending March 31, 2011	Before May 30, 2011.
Listing on Stock Exchange	The Bombay Stock Exchange Ltd. Phiroze Jeejeebhoy Towers Dalal Street, MUMBAI 400 023 Listing fees for 2010-2011 have been paid.
BSE Stock Code	515147
International Security Identification Number [ISIN] Code	INE 506D01020
Dividend Payment/Credit date	On or after September 18, 2010
Outstanding GDR/ADR/Warrants	NIL



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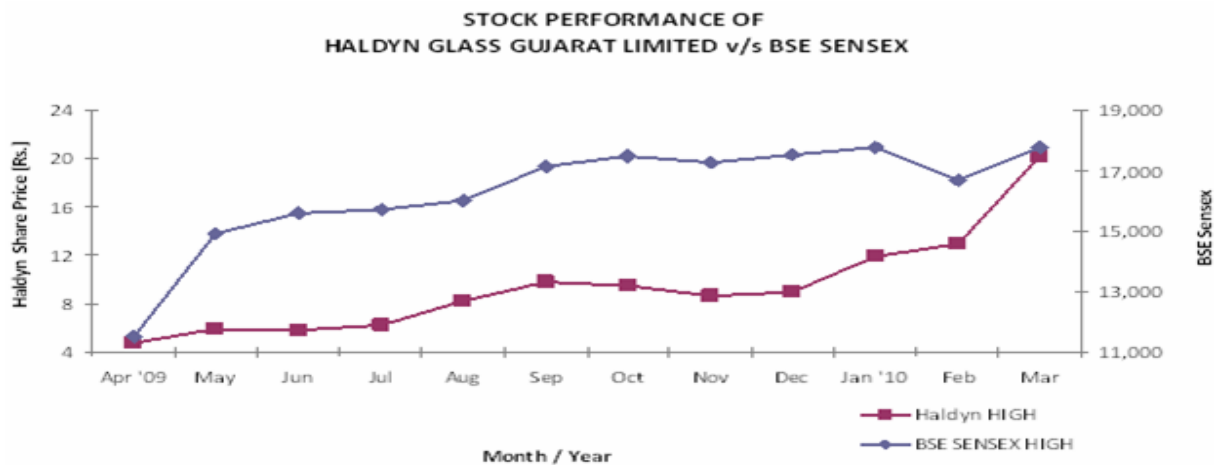
XII. MARKET PRICE DATA :

The month-wise movement [High & Low] of the equity shares of the Company at the Bombay Stock Exchange Limited, Mumbai, during each month for the year ended 31st March 2010 is given as under:

Period	H G G L Price Data		B S E Sensex	
	High [₹]	Low [₹]	High	Low
April 2009	47.40	33.80	11,492.10	9,546.29
May 2009	59.00	40.30	14,930.54	11,621.30
June 2009	57.80	45.25	15,600.30	14,016.95
July 2009	62.50	41.00	15,732.81	13,219.99
August 2009	82.20	57.50	16,002.46	14,684.45
September 2009	98.40	78.90	17,142.52	15,356.72
October 2009	94.40	78.05	17,493.17	15,805.20
November 2009	86.00	74.15	17,290.48	15,330.56
December 2009	89.90	80.00	17,530.94	16,577.78
January 2010	118.80	89.25	17,790.33	15,982.08
February 2010	130.00	11.50*	16,669.25	15,651.99
March 2010	20.25	11.11	17,793.01	16,438.45

BSE closing market price as on **March 31, 2010 - ₹ 14.54**

* Equity Shares of ₹ 10 each were 'Sub-divided' into 10 Equity Shares of ₹ 1 each and accordingly, the shares of face value of ₹ 1 each are traded on Bombay Stock Exchange effective on February 26, 2010.



Share prices of Face Value ₹ 10 per share from April 2009 to February 2010 have been re-computed considering Face Value of ₹ 1 per share consequent to sub-division effective from February 26, 2010

XIII. 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.

Tel. No. +91 22 28207203, 4, 5

Fax No. +91 22 28207207

E-mail: info@mondkarcomputers.com

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XIV. SHARE TRANSFER SYSTEM :

Share Transfers in physical form are to be lodged with Mondkar Computers Pvt.Ltd. Registrar and Share Transfer Agents at the address as mentioned on previous page. The transfers are normally processed within 21 days from the date of receipt if the relevant documents are complete in all respect. Share Transfer Committee approves the transfers.

Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participant [DP] regarding change of address, change of Bank / Bank Account number, nomination, etc.

XV. DISTRIBUTION OF EQUITY SHAREHOLDING AS ON MARCH 31, 2010

[Nominal and paid up value of each shares ₹ 1]

No of shares held	Number of shareholders	% of shareholders	Number of shares held	% of shareholding
1 - 500	2479	36.365	641332	1.193
501 - 1000	2514	36.878	2439818	4.539
1001 - 2000	674	9.887	1209962	2.251
2001 - 3000	274	4.019	762957	1.419
3001 - 4000	128	1.878	487354	0.907
4001 - 5000	206	3.022	1009572	1.878
5001 - 10000	243	3.565	2009058	3.738
10001 and above	299	4.386	45191647	84.075
Total	6817	100.000	53751700	100.000

XVI. BY CATEGORIES OF SHARE HOLDERS AS ON MARCH 31, 2010

Category	No. of Shares held	% of share holding
1. Promoters		
Haldyn Glass Limited	21929710	40.80
GIIC Ltd.	5145841	9.57
N.D. Shetty [CMD]	743960	1.38
Persons acting in Concert	829280	1.54
2. Non –Promoters		
Mutual Funds and UTI	12000	0.02
Corporate bodies	5580147	10.38
Foreign Institutional Investors	100000	0.19
Indian Public	14722563	27.40
NRI/OCB	3419956	6.36
Clearing Members	1268243	2.36
Total	53751700	100.00

XVII. DEMATERIALISATION OF SHARES :

The Company has arrangements with National Securities Depository Ltd. [NSDL] as well as the Central Depository Services [India] Ltd. [CDSL] for demat facility. 88.87 % of the paid up share capital is held in dematerialised form as on March 31, 2010.



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XVIII. DEMAT & PHYSICAL SHARES:

Particulars	As on March 31, 2010	%
No. of Shares held at NSDL	42680292	79.40
No. of Shares held at CDSL	5090398	9.47
No. of Shares held in Physical form	5981010	11.13
Total	53751700	100.00

XIX. DECLARATION BY THE MANAGING DIRECTOR OF COMPLIANCE WITH THE CODE OF CONDUCT

I, hereby declare that all the Directors and Senior Management personnel have affirmed compliance of the Code of Conduct adopted by the Company and confirmation to that effect has been received.

For and on behalf of the Board of Directors

Place: Mumbai
Date : May 28, 2010

N.D. Shetty
Chairman & Managing Director

AUDITORS' CERTIFICATE REGARDING COMPLIANCE WITH CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE NO 49 [VI] OF THE LISTING AGREEMENT WITH STOCK EXCHANGE

To the Members of
Haldyn Glass Gujarat Limited

We have examined the compliance of conditions of 'Corporate Governance' by **Haldyn Glass Gujarat Limited** for the year ended March 31, 2010, as stipulated in Clause 49 [VI] of the Listing Agreement of the Company with the Stock Exchange.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of 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 [VI] 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 was 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 future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **CHATURVEDI SOHAN & CO.**
Chartered Accountants
Firm Registration No.: 118424W

Sohan Chaturvedi
Partner

Place : Mumbai
Date : May 28, 2010

Membership No. 30760

AUDITORS' REPORT

To the Members of Haldyn Glass Gujarat Limited

1. We have audited the attached Balance Sheet of Haldyn Glass Gujarat Limited as at 31st March, 2010 and also the Profit and Loss Account and the Cash Flow statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by Companies [Auditor's Report] Order, 2003 as amended by Companies [Auditor's Report] [Amendment] Order, 2004 [together referred to as 'the Order'], issued by the Central Government of India in terms of sub-section [4A] of section 227 of the Companies Act, 1956, we give in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - [a] We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - [b] In our opinion, proper books of account, as required by law have been kept by the Company so far as it appears from our examination of such books.
 - [c] The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - [d] In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section [3C] of section 211 of the Companies Act, 1956.
 - [e] On the basis of the written representations received from the Directors and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2010 from being appointed as a Director in terms of clause [g] of sub section [1] of section 274 of the Companies Act, 1956.

Subject to above, in our opinion and to the best of our information and according to the explanations given to us, the said accounts read with significant accounting policies and other notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- i] In the case of Balance Sheet of the state of affairs of the Company as at 31st March, 2010;
- ii] In the case of Profit and Loss Account of the profit for the year ended on that date, and
- iii] In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For **CHATURVEDI SOHAN & CO.**
Chartered Accountants
Firm Registration No: 118424 W

Place : Mumbai
Date : May 28, 2010

Sohan Chaturvedi
Partner
Membership No. 30760



ANNEXURE TO THE AUDITORS' REPORT

[Referred to in paragraph 3 of our report of even date]

- i] The nature of the Company's business / activities during the year is such that clauses [viii] & [xiii] of paragraph 4 of the Companies [Auditor's Report] Order, 2003 are not applicable to the Company for the year ended on 31st March, 2010.
- ii] In respect of its Fixed assets:
 - [a] The Company has maintained proper records showing full particulars including quantitative details and the location of Fixed Assets.
 - [b] The Company has physically verified certain assets during the year in accordance with a program of verification, which in our opinion provides for physical verification of the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.
 - [c] In our opinion and according to the information and explanations given to us, the Company has not made any substantial disposals during the year.
- iii] In respect of its inventory:
 - [a] The inventory has been physically verified by management during the year. In our opinion the frequency of verification is at reasonable intervals.
 - [b] In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - [c] In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventory and no material discrepancies were noticed on physical verification.
- iv] In our opinion and according to the information and explanations given to us, during the year the Company has not granted any loans secured or unsecured to companies, firms or other parties as per Register maintained under section 301 of the Companies Act 1956. Accordingly paragraph [iii] [b], [c] and [d] of the Order are not applicable.
- v] In our Opinion and according to the information and explanations given to us, the Company has taken unsecured loan from a company as per Register maintained under section 301 of the Companies Act 1956. The amount outstanding at the year end is ₹ 7 crores. The rate of interest and other conditions for loan taken are prima facie not prejudicial to the interest of the company.
- vi] In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business with regards to purchase of inventory, fixed assets, sale of goods and services.
- vii] In respect of transactions entered in the Register maintained in pursuance of section 301 of the Companies Act, 1956;
 - [a] To the best of our knowledge and belief and according to the information and explanations given to us, transactions that needed to be entered into the Register have been so entered.
 - [b] In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the Register maintained under Section 301 of the Companies Act, 1956 exceeding the value of Rupees Five Lacs in respect of any party during the year have been made at prices which are resonable having regard to prevailing market prices at that time.
- viii] The Company has not accepted any deposits from the public. Therefore, the provisions of section 58A and 58AA of the Companies Act, 1956, and Rules framed there under and the directives issued by the Reserve Bank of India are not applicable.
- ix] In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- x] According to the information and explanations given to us in respect of statutory and other dues;
 - [a] The Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax,

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Sales Tax, Wealth- Tax, Customs Duty, Excise Duty, Cess and any other statutory dues with the appropriate authorities during the year.

- [b] According to information and explanations given to us there are no undisputed amounts payable in respect of income tax, service tax, , customs duty and excise duty at the year end for a period of more than six months from the date they became payable. However the Wealth tax arrears of ₹ 2.65 Lacs as at the last day of financial year were outstanding for a period of more than six months from the date they became payable.
- [c] Disputed dues in respect of Sales Tax – aggregating to ₹ 437.95 Lacs - pending before Sales Tax Authorities [including appeal to be filed] have not been deposited since the matters are pending before relevant Appellate Authorities, as listed below:

Authority where the dispute is pending	Assessment Year	Amount [₹ In Lacs]
DCST, Appeal - 2, Vadodara	1995 - 1996	51.12
DCST, Appeal - 2, Vadodara	1996 - 1997	124.70
DCST, Appeal - 2, Vadodara	1997 - 1998	112.15
DCST, Appeal - 2, Vadodara	1998 - 1999	4.67
DCST, Appeal - 4, Vadodara	1999 - 2000	8.31
DCST, Appeal - 4, Vadodara	2000 - 2001	35.75
DCST, Appeal - 4, Vadodara	2001 - 2002	150.96
DCST, Appeal - 4, Vadodara	2002 - 2003	214.08
DCST, Appeal - 4, Vadodara	2003 - 2004	37.81
Total		739.55
Less : Liability recognized		301.60
BALANCE		437.95

- xi] The Company does not have accumulated losses as on 31st March, 2010 and has not incurred cash losses in current year and immediately preceding financial year.
- xii] Based on our audit procedures and on the information and explanations given by the Management, we are of the opinion that the Company has not defaulted in the repayment of dues to financial institutions, banks and debentureholders.
- xiii] According to the information and explanations given to us, the Company has not given any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiv] In our opinion and according to the information and explanation given to us, the Company is not a Dealer / Trader in the securities.
- xv] In our opinion and according to the information and explanations given to us, no guarantees have been given by the Company for loans taken by others from banks and financial institutions,
- xvi] Based on information and explanation given to us by the Management, the term loans were applied for the purpose for which the loans were obtained.
- xvii] According to the information and explanation given to us and on overall examination of the Balance Sheet of the Company, we report that no funds raised on short term basis [net of cash accruals during the year] have prima facie been used during the year for long term investment for acquisition of fixed assets.
- xviii] The Company has not made any preferential allotment during the year.
- xix] According to the information and explanations given to us and the records examined by us, securities were created in respect of the debentures issued.
- xx] The Company has not raised any money by public issue during the year.
- xxi] To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

For **CHATURVEDI SOHAN & CO.**
Chartered Accountants
Firm Registration No: 118424 W

Place : Mumbai
Date : May 28, 2010

Sohan Chaturvedi
Partner
Membership No. 30760



BALANCE SHEET AS AT MARCH 31, 2010

₹ in '000

Particulars	Schedule No.	As At March 31, 2010		As At March 31, 2009	
SOURCES OF FUNDS					
SHAREHOLDERS' FUNDS					
Share Capital	1	53,752		53,752	
Reserves & Surplus	2	408,680		314,257	
			462,432		368,009
LOAN FUNDS					
Secured Loans	3	292,543		416,261	
Unsecured Loans	4	79,658		83,503	
			372,201		499,764
DEFERRED TAX LIABILITY [NET]			88,028		58,251
Total			922,661		926,024
APPLICATION OF FUNDS					
FIXED ASSETS	5				
Gross Block		1,093,775		1,060,708	
Less : Depreciation		340,213		263,038	
Net Block		753,562		797,670	
Capital Work in Progress		13,780		12,740	
			767,342		810,410
INVESTMENTS	6		622		622
CURRENT ASSETS, LOANS AND ADVANCES					
Inventories	7	90,617		103,986	
Sundry Debtors	8	210,447		147,212	
Cash & Bank Balances	9	15,109		10,210	
Loans & Advances	10	35,798		50,762	
			351,971		312,170
Less : CURRENT LIABILITIES AND PROVISIONS					
Current Liabilities	11	178,192		182,129	
Provisions	12	19,082		15,049	
			197,274		197,178
NET CURRENT ASSETS			154,697		114,992
Total			922,661		926,024
Significant Accounting Policies	20				
Notes on Accounts	21				

Schedules referred to herein form an integral part of the Balance Sheet

As per our Report of even date
FOR CHATURVEDI SOHAN & CO.
 Chartered Accountants
 Firm Registration No. 118424 W

Sohan Chaturvedi
 Partner
 Membership No. 30760

Place : Mumbai
 Date : May 28, 2010

For and on behalf of the Board

N. D. Shetty Chairman & Managing Director

T. N. Shetty Executive Director

F. S. Broacha Director

A. A. Lambay Company Secretary

Place : Mumbai
 Date : May 28, 2010

Haldyn Glass Gujarat Limited

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

₹ in '000

Particulars	Schedule No.	Year Ended March 31, 2010	Year Ended March 31, 2009
INCOME			
Sales		1,423,692	1,155,951
Less : Excise Duty		110,444	126,372
		1,313,248	1,029,579
Other Income	13	4,920	14,553
Increase in Stock	14	9,258	12,857
Total		1,327,426	1,056,989
EXPENDITURE			
Purchases		1,116	661
Manufacturing Expenses	15	785,969	649,517
Payment to and Provisions for employees	16	79,366	71,322
Administration and other expenses	17	90,251	73,529
Selling & Distribution expenses	18	65,044	46,939
Interest and Bank charges	19	59,453	58,390
Total		1,081,199	900,358
Profit before Depreciation and Tax		246,227	156,631
Depreciation		77,587	69,728
Profit before Tax		168,640	86,903
Provision for Current Tax		28,700	9,847
Provision for Wealth Tax		71	67
Provision for Deferred Tax		29,776	6,606
Provision for Fringe Benefits Tax		-	1,965
Net Profit after Tax		110,093	68,418
Balance Brought Forward from previous year		150,774	101,175
AVAILABLE FOR APPROPRIATION	Total	260,867	169,593
APPROPRIATIONS:			
General Reserve		12,500	7,500
Proposed Dividend on Equity Shares		13,438	9,675
Corporate Dividend Tax		2,232	1,644
Balance carried to Balance Sheet		232,697	150,774
Total		260,867	169,593
Basic/Diluted Earning per Share of ₹ 1 each [Previous year ₹ 10 each]		2.05	12.73
Significant Accounting Policies	20		
Notes on Accounts	21		

Schedules referred to herein form an integral part of the Profit and Loss Account.

As per our Report of even date
FOR CHATURVEDI SOHAN & CO.
Chartered Accountants
Firm Registration No. 118424 W

Sohan Chaturvedi
Partner
Membership No. 30760

Place : Mumbai
Date : May 28, 2010

For and on behalf of the Board

N. D. Shetty **Chairman & Managing Director**

T. N. Shetty **Executive Director**

F. S. Broacha **Director**

A. A. Lambay **Company Secretary**

Place : Mumbai
Date : May 28, 2010

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31 2010**

₹ in '000

Particulars	Year ended March 31, 2010	Year ended March 31, 2009
I. Cash Flow from Operating Activities		
Net Profit after Tax as per Profit and Loss Account	110093	68418
Adjustment for :		
Depreciation	77587	69728
Interest	59453	58390
Deferred Tax	29776	6606
Dividend received	[94]	[79]
Loss on sale/discard of Fixed Assets	429	3600
Profit on Sale of Investment/Assets	-	[5297]
Operating Profit before Working Capital changes	277244	201366
Adjustment for :		
Trade and other Receivables	(46938)	(32183)
Inventories	5129	[3024]
Trade Payables	15574	1153
	[26235]	[34054]
Cash generated from Operations	251009	167312
Interest paid	[59453]	[58390]
Net Cash from Operating Activities [A]	191556	108922
II. Cash Flow from Investing Activities		
Purchase of Fixed Assets	[47969]	[203726]
Sale of Fixed Assets	100	5778
Dividend received	94	79
Net Cash used in Investing Activities [B]	[47775]	[197869]
III. Cash Flow from Financing Activities		
Change in Long Term Borrowings	[73365]	81352
Change in Short Term Borrowings	[54198]	14886
Equity Dividend	[9675]	[9675]
Taxes on Dividend	[1644]	[1644]
Net Cash from Financing Activities [C]	[138882]	84919
NET INCREASE IN CASH AND CASH EQUIVALENTS [A+B+C]	4899	[4028]
CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE YEAR	10210	14238
CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR	15109	10210

As per our Report of even date
FOR CHATURVEDI SOHAN & CO.
Chartered Accountants
Firm Registration No. 118424 W

Sohan Chaturvedi
Partner
Membership No. 30760

Place : Mumbai
Date : May 28, 2010

For and on behalf of the Board

N. D. Shetty Chairman & Managing Director

T. N. Shetty Executive Director

F. S. Broacha Director

A. A. Lambay Company Secretary

Place : Mumbai
Date : May 28, 2010

Haldyn Glass Gujarat Limited

SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE 1

₹ in '000

Particulars	As At March 31, 2010	As At March 31, 2009
SHARE CAPITAL		
AUTHORISED		
6,00,00,000 Equity Shares of ₹ 1 each [P.Y. 60,00,000 Equity Shares of ₹ 10 Each]	60,000	60,000
1,00,000 14% Redeemable Preference Shares of ₹ 100 each	10,000	10,000
500,000 Optionally Convertible Cumulative Preference Shares of ₹ 100 each.	50,000	50,000
	120,000	120,000
ISSUED, SUBSCRIBED AND PAID-UP		
5,37,51,700 Equity Shares of ₹ 1 each fully paid up [P.Y. 53,75,170 Equity Shares of ₹ 10 each]	53,752	53,752
Total	53,752	53,752

SCHEDULE 2

₹ in '000

Particulars	As At March 31, 2010	As At March 31, 2009
RESERVES AND SURPLUS		
Revaluation Reserve	23,508	23,508
Share Premium Account	59,275	59,275
Debenture Redemption Reserve :		
Balance at the beginning of the year	12,500	30,000
Transfer to General Reserve	12,500	17,500
	-	12,500
Capital Redemption Reserve	8,200	8,200
General Reserve :		
Balance at the beginning of the year	60,000	35,000
Transfer from Debenture Redemption Reserve	12,500	17,500
Transfer from Profit & Loss Account	12,500	7,500
	85,000	60,000
Profit and Loss Account	232,697	150,774
Total	408,680	314,257

**SCHEDULES FORMING PART OF THE BALANCE SHEET****SCHEDULE 3**

₹ in '000

Particulars	As At March 31, 2010	As At March 31, 2009
SECURED LOANS		
1. 11% Secured Redeemable Non-Convertible Debentures *	-	22,500
2. Term Loans from Banks *		
Term Loans	208,917	253,424
Corporate Loan	-	2,783
	208,917	256,207
3. Working Capital Loan from Banks	79,085	133,283
4. Deferred Payment Liabilities *	4,541	4,271
Total	292,543	416,261

* Repayable within a year ₹ 840.13 Lacs [Previous year ₹ 645.07 Lacs]

1. Secured Loans referred to in 1 and 2 above are secured by way of first charge on all immovable assets of the company and hypothecation of all movable assets of the company, both present and future subject to prior charge created / to be created in favour of banks on stock of raw materials, packing materials, work-in-progress, finished goods, stores, spares, book debts and such other movable assets to secure the working capital facilities sanctioned by them.
2. Secured Loans referred to in 3 above are secured by hypothecation of stock of raw materials, packing materials, work-in-progress, finished goods, stores, spares, book debts and such other movable assets, both present and future and second charge on other movable and all immovable assets of the company.
3. Secured Loans referred to in 1, 2 & 3 above are guaranteed by Haldyn Glass Limited, the Promoter Company and are further guaranteed by a Director of the Company in his personal capacity except the Debentures and the Term Loans.
4. Secured Loans referred to in 4 above are secured by hypothecation of specific movable assets.

SCHEDULE 4

₹ in '000

Particulars	As At March 31, 2010	As At March 31, 2009
UNSECURED LOANS		
Deposits & Other Loans	79,658	78,361
Deferred Sales-Tax Loan	-	5,142
Total	79,658	83,503

Repayable within one year Nil. [P.Y. ₹ 51.42 lacs]

Haldyn Glass Gujarat Limited

SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE 5

₹ in '000

FIXED ASSETS

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	BALANCE AS AT April 1, 2009	ADDITIONS DURING THE YEAR	DEDUCTION DURING THE YEAR	BALANCE AS AT March 31, 2010	ACCUMULATED DEPRECIATION UP TO March 31, 2009	DEPRECIATION FOR THE YEAR	DEPRECIATION ON DEDUCTIONS DURING THE YEAR	ACCUMULATED DEPRECIATION UP TO March 31, 2010	BALANCE AS AT March 31, 2010	BALANCE AS AT March 31, 2009
LAND FREEHOLD	30,959	-	-	30,959	-	-	-	-	30,959	30,959
BUILDING	189,719	159	-	189,878	35,994	6,031	-	42,025	147,853	153,725
PLANT & MACHINERY	799,713	25,850	-	825,563	208,648	67,383	-	276,031	549,532	591,065
FURNITURE & FITTINGS	13,937	561	-	14,498	7,004	926	-	7,930	6,568	6,933
OFFICE EQUIPMENT	5,482	886	-	6,368	1,551	279	-	1,830	4,538	3,931
COMPUTERS	10,952	2,582	-	13,534	7,530	1,900	-	9,430	4,104	3,422
VEHICLES	9,946	4,152	1,123	12,975	2,311	1,068	412	2,967	10,008	7,635
TOTAL	1,060,708	34,190	1,123	1,093,775	263,038	77,587	412	340,213	753,562	797,670
PREVIOUS YEAR TOTAL	1,012,897	190,986	143,175	1,060,708	321,384	69,728	128,074	263,038	797,670	-
Capital Work-in-Progress [including advances paid for purchase of assets]									13,780	12,740
Total									767,342	810,410

SCHEDULE 6

₹ in '000

Particulars	As At March 31, 2010	As At March 31, 2009
INVESTMENTS		
LONG TERM INVESTMENT - IN EQUITY SHARES		
Quoted, Fully Paid-Up		
2080 - Industrial Development Bank of India of ₹ 10 each [P.Y. 2080 Equity Shares of ₹ 10 each]	169	169
40000 - F.D.C Ltd. of ₹ 1 each [P.Y. 40000 Equity Shares of ₹ 1 each]	200	200
15000 - Ipca Laboratories Ltd. of ₹ 2 each [P.Y. 3000 Equity Shares of ₹ 10 each]	202	202
Unquoted, Fully Paid-up		
25 - Shamarao Vithal co.op.Bank Ltd. of ₹ 25 each [P.Y. 25 Equity Shares of ₹ 25 each]	1	1
500 - Suvama Sahakari Bank Ltd. [P.Y. 500 Equity Shares of ₹ 100 each]	50	50
Total	622	622
Aggregate Book Value of Quoted Investments	571	571
Aggregate Market Value of Quoted Investments	7,560	3,153
Aggregate Book Value of Unquoted Investments	51	51

**SCHEDULES FORMING PART OF THE BALANCE SHEET****SCHEDULE 7**

₹ in '000

Particulars	As At March 31, 2010	As At March 31, 2009
INVENTORIES [Inventory taken, valued and certified by the Management]		
Raw Materials	12,027	15,086
Packing Materials-Stores and Spares	41,935	51,559
Fuel and Lubricants	2,234	2,753
Work-in-Process	2,595	2,959
Finished Goods	28,192	18,572
Others	3,634	13,057
Total	90,617	103,986

SCHEDULE 8

₹ in '000

Particulars	As At March 31, 2010	As At March 31, 2009
SUNDRY DEBTORS [Unsecured - Considered Good]		
Over six months	5,771	11,487
Others	204,676	135,725
Total	210,447	147,212

SCHEDULE 9

₹ in '000

Particulars	As At March 31, 2010	As At March 31, 2009
CASH AND BANK BALANCES		
a) Cash on hand	308	236
b) Balance with Scheduled Banks		
i) In Current Accounts	5,884	3,539
ii) In Margin Accounts	8,917	6,435
Total	15,109	10,210

SCHEDULE 10

₹ in '000

Particulars	As At March 31, 2010	As At March 31, 2009
LOANS AND ADVANCES [Unsecured - considered good]		
Advance recoverable in cash or in kind or for value to be received	14,197	29,174
Advance Tax [Net]	7,000	7,506
Deposits	13,558	13,392
Balance with Central Excise	1,043	690
Total	35,798	50,762

Haldyn Glass Gujarat Limited

SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE 11

₹ in '000

Particulars	As At March 31, 2010	As At March 31, 2009
<u>CURRENT LIABILITIES</u>		
Sundry Creditors	91,417	89,184
Creditors for Capital Goods	58,872	71,295
Advance from Customers	3,328	7,051
Other Liabilities	24,575	14,599
Total	178,192	182,129

SCHEDULE 12

₹ in '000

Particulars	As At March 31, 2010	As At March 31, 2009
<u>PROVISIONS</u>		
Provision for Wealth Tax	265	195
Provision for Gratuity	310	284
Proposed Dividend	13,438	9,675
Other Provisions	5,069	4,895
Total	19,082	15,049

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

SCHEDULE 13

₹ in '000

Particulars	As At March 31, 2010	As At March 31, 2009
<u>OTHER INCOME</u>		
Insurance claim received	313	-
Dividend received	94	79
Profit on sale of Fixed Assets	-	5,297
Earlier year excess Provisions written back	636	228
Bad Debts recovered	500	40
Miscellaneous Income	3,377	8,909
Total	4,920	14,553



SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

SCHEDULE 14

₹ in '000

Particulars	Year ended March 31, 2010		Year ended March 31, 2009	
INCREASE / [DECREASE] IN STOCK				
Opening Stock			6,793	
Finished Goods	18,571		1,879	
Work-in-Process	2,958			8,672
		21,529		
Closing Stock			18,571	
Finished Goods	28,192		2,958	
Work-in-Process	2,595			21,529
		30,787		
INCREASE / [DECREASE] IN STOCK		9,258		12,857

SCHEDULE 15

₹ in '000

Particulars	Year ended March 31, 2010	Year ended March 31, 2009
MANUFACTURING EXPENSES		
Raw Materials Consumed	434,469	345,609
Packing Material-Stores and Spares	147,163	100,872
Power and Fuel	151,490	178,973
Repairs to Machinery	39,406	16,482
Repairs to Building	7,594	2,300
Other Manufacturing Expenses	5,847	5,281
Total	785,969	649,517

SCHEDULE 16

₹ in '000

Particulars	Year ended March 31, 2010	Year ended March 31, 2009
PAYMENTS TO AND PROVISIONS FOR EMPLOYEES		
Salaries, Wages and Bonus	69,988	63,610
Contribution to Provident fund, Gratuity & ESIC	2,765	2,561
Employees' Welfare and Other Amenities	6,613	5,151
Total	79,366	71,322

Haldyn Glass Gujarat Limited

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

SCHEDULE 17

₹ in '000

Particulars	Year ended March 31, 2010	Year ended March 31, 2009
<u>ADMINISTRATION & OTHER EXPENSES</u>		
Insurance	5,992	4,227
Rent, Rates and Taxes	5,693	6,039
Legal and Professional Charges	10,253	9,866
Directors' Remuneration	9,929	4,469
Directors' Sitting Fees	220	180
Loss on Sale/Discard of Fixed Assets	429	3,600
Royalty	13,476	10,227
Donation	2,533	2,094
Miscellaneous Expenses	41,726	32,827
Total	90,251	73,529

SCHEDULE 18

₹ in '000

Particulars	Year ended March 31, 2010	Year ended March 31, 2009
<u>SELLING AND DISTRIBUTION EXPENSES</u>		
Sales Tax	30,971	26,800
Export Freight	4,659	2,689
Other Selling Expenses	25,286	13,873
Bad Debts written off	4,128	3,577
Total	65,044	46,939

SCHEDULE 19

₹ in '000

Particulars	Year ended March 31, 2010	Year ended March 31, 2009
<u>INTEREST AND FINANCIAL CHARGES</u>		
On Fixed Loans	29,800	30,059
On Other Loans	24,743	24,472
Bank Charges	4,910	3,859
Total	59,453	58,390



**SCHEDULES FORMING PART OF THE BALANCE SHEET AND
PROFIT & LOSS ACCOUNT**

SCHEDULE 20

Significant Accounting Policies

1. Basis of Preparation of Financial Statements

The Financial Statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 1956. The Company generally follows mercantile system of accounting and recognises significant items of Income and Expenditure on accrual basis.

2. Use of Estimates

The presentation of financial statements require estimates and assumptions to be made which affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of income and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known / materialised.

3. Fixed Assets

Fixed Assets are stated at cost [net of income], net of CENVAT, including the amount added on revaluation and accumulated depreciation. The expenditure during construction period and the cost of financing till the Assets are put to use is allocated to the cost of Building and Plant and Machinery.

4. Depreciation

The Company is providing depreciation on Fixed Assets on Straight Line Method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956 except in respect of Captive Power Plant where depreciation is provided on Written Down Value Method. ERP software is depreciated at the rate of 16.21% per annum for 6 years, being the useful life of the software in the view of the management.

5. Investments

Long-term investments are stated at cost. Provision for diminution in the value of such investments is made only if the decline is of a permanent nature.

6. Inventory

Inventory is valued at cost except for finished goods, which are valued at lower of cost or market value. Cost comprises of all costs of purchase [net of CENVAT], cost of conversion and other costs incurred in bringing the inventory to their present location and condition. Inventories [others] includes machinery scrap which are stated at Net Realisable Value.

7. Sales

Sales include Excise duty and Sales Tax.

8. Foreign Exchange Transactions

Transactions in Foreign Currencies are recorded at the exchange rate prevailing on the date of transaction. Premium on Forward Cover Contracts in respect of import of Materials is charged to the Profit and Loss Account over the period of the Contract. Foreign Currency Monetary items of Loans, Current Assets and Current Liabilities as at the Balance Sheet date are converted to Rupees at the Exchange Rate on that date. The resultant net loss or income is accounted in Profit and Loss Account.

9. Excise Duty

Excise duty is accounted on the basis of payments made in respect of goods cleared and provision made for goods lying in Excise Bonded Warehouse.

Haldyn Glass Gujarat Limited

10. Employee retirement Benefits

Short term employee benefits:

All short term employee benefits such as salaries, wages, bonus, allowances, medical, ex-gratia which fall due within 12 months of the period in which the employee renders the related services which entitles the employee to avail such benefits and non-accumulating compensated absences [like sick leave and maternity leave] are recognised on an undiscounted basis and charged to the Profit and Loss Account.

Defined contribution plan:

Company's contributions paid / payable during the year to Provident Fund are charged to Profit and Loss account.

Defined Benefit Plan:

Company's liability under the Payment of Gratuity Act is determined by actuarial valuation made at the end of each financial year using the projected unit credit method. Liability for leave encashment is determined by actuarial valuation based on accumulated leave credit allowed to be carried forward and outstanding to the employees as on the Balance Sheet date.

11. Lease

Operating Lease rentals are charged to Profit & Loss Account over the lease term.

12. Borrowing Cost

Borrowing costs that are attributable to qualifying assets are capitalised. All other borrowing costs are charged to Profit and Loss account.

13. Intangible Assets

Intangible assets are stated at cost of acquisition less accumulated amortisation.

14. Provisions and Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the Notes on Accounts. Contingent assets are neither recognised nor disclosed in the financial statements.

15. Impairment of assets

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to Profit & Loss Account in the year in which asset is identified as impaired.

SCHEDULE 21

NOTES ON ACCOUNTS

1. The figures for the previous year ended March 31, 2010 have been regrouped, wherever necessary.
2. Details of Deferred Tax Asset & Liabilities :

	₹ In Lacs	
Particular	2009-10	2008-09
Deferred Tax Asset		
MAT Tax Credit	44.71	98.47
Disallowances under I.T. Act	-	84.06
	44.71	182.53
Deferred Tax Liability		
Relating to Fixed Assets	[924.98]	[765.04]
Net Deferred Tax Asset / [Liability]	[880.27]	[582.51]



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3. Disclosure under Micro, Small and Medium Enterprises Development [MSMED] Act, 2006

Dues, in respect of Micro, Small and Medium Enterprises who have registered under the relevant Act and have submitted proof thereof, are being regularly met as per agreed terms and as such, according to information and explanation given by the management there is no liability towards interest.

₹ In Lacs

Particular	2009-10	2008 – 09
Principal amount payable to such Micro, Small and Medium Enterprises	NIL	55.25

4. Profit & Loss Account include

₹ In Lacs

Particulars	2009-10	2008 – 09
Net Loss on account of Foreign Exchange	1.78	4.13
Prior year Income	15.42	32.25
Prior year Expenses	2.53	6.81

5. The Company operates in one reportable business segment i.e. Glass Bottles / Containers. Exports made during the years are not significant. Hence, information in accordance with Accounting Standard 17 issued by the Institute of Chartered Accountants of India on 'Segment Reporting' is not given.

6. Earnings per share [EPS] is calculated by dividing the profit attributable to equity shareholders by the average number of equity shares outstanding during the year. Numbers used for calculating basic and diluted earning per equity share are as stated below:

Particulars	2009-10	2008 – 09
Net Profit available for Equity Shareholders : ₹ Lacs	1100.93	684.18
Equity Shares [Face value of ₹ 1 each] : Numbers [Previous Year Face value of ₹ 10 each]	53751700	5375170
Earnings Per Share : Rupees	2.05	12.73

7. In accordance with the Accounting Standard [AS-28] on " Impairment of Assets" issued by the Institute of Chartered Accountants of India, the company during the year carried out an exercise of identifying the assets that may have been impaired. After having assessed the carrying cost of assets and recoverable value over useful life, necessary provision has been made.

8. Employee Benefits

Defined Benefit Plans / Long Term Compensated Absences as per Actuarial Valuation on March 31, 2010.

₹ in Lacs

Particulars	2009-10		2008-09	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
A. Expenses recognised in Profit & Loss Account for the year				
1. Current Service Cost	3.91	15.09	3.71	14.36
2. Interest cost on Defined Benefit Obligation as on end of the previous year	-	1.07	-	0.40
3. Expected return on Plan Assets	-	-	-	-
4. Actuarial [Gain] / Loss	[4.14]	[17.54]	[3.41]	[2.71]
5. Expenses / [Gains] recognised in Profit & Loss Account	[0.23]	[1.38]	0.30	12.05

Haldyn Glass Gujarat Limited

₹ in Lacs

Particulars	2009-10		2008-09	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
B. Net Asset [Liability] recognised in Balance Sheet as at end of the year				
1. Present value of Defined Benefit Obligation as at end of the year	-	6.13	-	15.95
2. Fair value of Plan Assets as at end of the year	37.85	-	34.43	-
3. Asset / [Liability] recognised in Balance Sheet	-	[13.34]	-	[15.95]
C. Change in Defined Benefit Obligation during the year				
1. Present value of Defined Benefit Obligation as at end of the previous year.	41.84	15.95	33.33	6.13
2. Current Service cost	3.91	15.09	3.71	14.36
3. Interest cost	-	1.07	-	0.40
4. Actuarial [Gain] / Loss	[4.14]	[17.54]	[3.41]	[2.71]
5. Benefits paid	3.81	[1.22]	8.21	[2.23]
6. Present value of Defined Benefit Obligation as at end of the year	45.42	13.35	41.84	15.95
D. Change in Plan Assets during the year				
1. Present value of Plan Assets as at end of the previous year	34.43	-	36.39	-
2. Expected return on Plan Assets	-	-	-	-
3. Actuarial Gain / [Loss]	4.14	-	3.41	-
4. Actual Company contribution	3.09	1.22	2.84	2.23
5. Benefits paid	[3.81]	[1.22]	[8.21]	[2.23]
6. Plan Assets as at end of the year	37.85	-	34.43	-
E. Actuarial assumptions				
1. Discount rate	8.00%	8.00%	8.00%	7.00%
2. Expected rate of return on Plan Assets	-	-	-	-
3. Turnover rate	-	8.22%	-	8.22%
4. Salary escalation rate	6.00%	8.00%	6.00%	7.00%

9. Legal and Professional charges include Auditor's Remuneration

₹ In Lacs

Particulars	2009-10	2008 - 09
Audit Fees	6.07	5.52
Tax Audit Fees	1.82	1.65
Certification & Other Matters	1.21	1.10
Total	9.10	8.27



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Additional information pursuant to Para 4 of Part-II of Schedule-VI of the Companies Act, 1956

10. Details of managerial remuneration paid to Managing Director and Whole-Time Director.

Particulars	₹ In Lacs	
	2009 - 10	2008 - 09
Salary	64.69	42.00
Contribution to Provident Fund	6.00	3.96
Other benefits	4.73	2.69
Commission	23.87	-
Total	99.29	48.65

11. Computation of net profit in accordance with Section 349 of the Companies Act 1956.

Particulars	₹ in lacs	₹ in lacs
Profit Before Tax		1,686.40
Add: Depreciation As Per Accounts	775.87	
Loss on Sale/Discarding of Assets	4.29	
Managerial Remuneration-Salaries And Perquisites	75.42	
Managerial Remuneration-Commission	23.87	
		879.45
		2,565.85
Less: Depreciation as per Section 350 of The Companies Act 1956		775.87
Profit on Sale of Fixed Assets		-
		1,789.98
Maximum Permissible Managerial Remuneration		196.90
Remuneration Payable		
Salaries And Perquisites	75.42	
Commission Payable	23.87	
		99.29

12. Contingent Liabilities

Particulars	₹ In Lacs	
	2009 - 10	2008 - 09
Guarantees issued by Banks on behalf of the Company [Net of Margin Money]	9.11	9.11
Estimated amount of Contracts remaining to be Executed on Capital Account [Net of Advances]	17.44	17.96
Letters of Credit Outstanding [Net of Margin Money]	129.92	33.60
Sales Tax demands [Net of appeals / deposit]	437.95	425.02
Demand for Income Tax appealed by the company [Based on the opinion received and various judgements, no provision has been considered necessary in this regard.]	134.53	-

Haldyn Glass Gujarat Limited

13. Information in accordance with Accounting Standard 18 issued by the Institute of Chartered Accounts of India on 'Related Parties Disclosures'

List of Related Parties & Relationships

Enterprise owned or significantly influenced by key management personnel	Haldyn Glass Limited
Key Management Personnel and their Relatives	
Mr. N. D. Shetty	Chairman & Managing Director
Mr. Tarun N. Shetty	Executive Director
Mrs. Vinita R. Ajila	Director
Mr. R. Y. Ajila	Director
Mrs. S. N. Shetty	Relative

List of Related Party & Transactions:

₹ In Lacs

Transactions	Associates	Key Management Personnel and Relatives	Total	Outstandings As on March 31, 2010
Hire Charges		10.58	10.58	-
	-	[13.63]	[13.63]	-
Purchase of Goods	756.40	-	756.40	-
	[388.05]	-	[388.05]	-
Sale of Goods	103.98	-	103.98	-
	[125.74]	-	[125.74]	-
Purchase of Capital Goods	-	-	-	587.00
	[72.71]	-	[72.71]	[587.00]
Sale of Assets	-	-	-	-
	-	-	-	-
Receiving of Services	-	99.29	99.29	23.87
	-	[51.16]	[51.16]	-
Board Meeting fees & Out of Pocket expenses	-	0.70	0.70	-
	-	[0.30]	[0.30]	-
Royalty	134.76	-	134.76	-
	[102.27]	-	[102.27]	-
Rent	42.96	-	42.96	-
	[42.36]	-	[42.36]	-
Unsecured Loan received	-	-	-	700.00
	[300.00]	-	[300.00]	[700.00]
Interest on Unsecured Loan	76.00	-	76.00	-
	[43.01]	-	[43.01]	-
Deposit paid	-	-	-	100.00
	-	-	-	[100.00]

Note: Figures in Bracket [] are for previous year.



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14. Vehicles taken on operating lease

The total future minimum lease rentals payable at the Balance Sheet date

₹ In Lacs

Particulars	2009-10	2008 - 09
For a period not later than one year Lease Rentals are charged on the basis of agreed terms	7.88	20.25

15. Additional information certified by the Managing Director as required under Part-II Paragraphs 3[i] [a], 3[ii] [a], [b], 4[c] and 4[d] of Schedule VI of the Companies Act, 1956

(i) CAPACITY AND PRODUCTION

Particulars	Unit	2009-10	2008 - 09
Installed Capacity – Bottles	In MT.	1,08,000	1,08,000
Actual Production – Bottles	In Nos.	417258126	315585929

(ii) TURNOVER

Particulars	2009-10		2008 - 09	
	Quantity Pcs.	₹ in Lacs	Quantity Pcs.	₹ in Lacs
Clear Glass Bottles	413959525	13108.74	313156930	10286.27
Others		23.74		9.52
Total		13132.48		10295.79

(iii) OPENING AND CLOSING STOCK OF GLASS BOTTLES

Particulars	2009-10		2008 - 09	
	Quantity Pcs.	₹ In Lacs	Quantity Pcs.	₹ In Lacs
Opening Stock	5017256	185.72	2588257	67.95
Closing Stock	8315857	239.20	5017256	185.72

(iv) PURCHASES OF TRADED ITEMS

Particular	2009-10	2008 - 09
	₹ In Lacs	₹ In Lacs
Various and several items	11.16	6.61

(v) RAW MATERIALS CONSUMPTION

Particulars	2009-10			2008-09		
	M.T.	₹ in Lacs	%	M.T.	₹ in Lacs	%
INDIGENOUS						
Cullet	42373	2056.34	47.33	35909	1410.66	40.82
Minerals	44092	620.62	14.28	33040	516.84	14.95
Chemicals	11174	1621.30	37.32	7914	1400.43	40.52
Sub Total	97639	4298.26	98.93	76863	3327.93	96.29
IMPORTED						
Chemicals	250	46.43	1.07	440	128.16	3.71
Total	97889	4344.69	100.00	77303	3456.09	100.00

Haldyn Glass Gujarat Limited

(vi) PACKING MATERIALS, STORES AND COMPONENTS CONSUMED

Particulars	2009-10		2008-09	
	₹ n Lacs	% of Total consumption	₹ in Lacs	% of Total consumption
INDIGENOUS				
Packing Materials	979.54	66.56	734.69	72.84
Stores & Components	481.09	32.69	266.63	26.43
Sub Total	1460.63	99.25	1001.32	99.27
IMPORTED				
Stores & Components	10.99	0.75	7.40	0.73
Total	1471.62	100.00	1008.72	100.00

(vii) C.I.F. VALUE OF IMPORTS

Particulars	₹ In Lacs	
	2009-10	2008-09
Raw Material	32.74	97.89
Stores & Spares	61.57	1.40
I.S. Accessories	7.91	-
Repair & Maintenance [Machinery]	0.41	-
Refractories	-	39.43
Lubricants	15.25	29.84
Capital Goods	65.73	476.90
Total	183.61	645.46

(viii) EXPENDITURE IN FOREIGN CURRENCY [Payment basis]

Particulars	₹ In Lacs	
	2009-10	2008-09
Traveling	20.73	18.07
Others	4.22	4.56
Total	24.95	22.63

(ix) EARNINGS IN FOREIGN EXCHANGE

Particulars	₹ In Lacs	
	2009-10	2008-09
F.O.B. Value of Direct Export	118.21	246.45

As per our Report of even date
FOR CHATURVEDI SOHAN & CO.
 Chartered Accountants
 Firm Registration No. 118424 W

Sohan Chaturvedi
 Partner
 Membership No. 30760

Place : Mumbai
 Date : May 28, 2010

For and on behalf of the Board

N. D. Shetty Chairman & Managing Director

T. N. Shetty Executive Director

F. S. Broacha Director

A. A. Lambay Company Secretary

Place : Mumbai
 Date : May 28, 2010



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BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

Additional Information pursuant to Part IV of Schedule VI to the Companies Act, 1956:

I Registration Details

Registration No State Code
Balance Sheet Date

II Capital Raised during the year

Public Issue
Bonus Issue
Rights issue
Private Placement

III Position of Mobilisation and Deployment of Funds [Amounts in ₹ Thousands]

Total Liabilities	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="9"/> <input type="text" value="2"/> <input type="text" value="2"/> <input type="text" value="6"/> <input type="text" value="6"/> <input type="text" value="1"/>	Total Assets	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="9"/> <input type="text" value="2"/> <input type="text" value="2"/> <input type="text" value="6"/> <input type="text" value="6"/> <input type="text" value="1"/>
Sources of Funds		Application of Funds	
Paid up Capital	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="5"/> <input type="text" value="3"/> <input type="text" value="7"/> <input type="text" value="5"/> <input type="text" value="2"/>	Net Fixed Assets	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="7"/> <input type="text" value="6"/> <input type="text" value="7"/> <input type="text" value="3"/> <input type="text" value="4"/> <input type="text" value="2"/>
Reserves & Surplus	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="4"/> <input type="text" value="0"/> <input type="text" value="8"/> <input type="text" value="6"/> <input type="text" value="8"/> <input type="text" value="0"/>	Investments	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="6"/> <input type="text" value="2"/> <input type="text" value="2"/>
Secured Loans	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="2"/> <input type="text" value="9"/> <input type="text" value="2"/> <input type="text" value="5"/> <input type="text" value="4"/> <input type="text" value="3"/>	Net Current Assets	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="5"/> <input type="text" value="4"/> <input type="text" value="6"/> <input type="text" value="9"/> <input type="text" value="7"/>
Unsecured Loans	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="7"/> <input type="text" value="9"/> <input type="text" value="6"/> <input type="text" value="5"/> <input type="text" value="8"/>	Misc. Expenditure	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>
Deferred Tax liability	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="8"/> <input type="text" value="8"/> <input type="text" value="0"/> <input type="text" value="2"/> <input type="text" value="8"/>		

IV Performance of Company [Amounts in ₹ Thousands]

Turnover	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="4"/> <input type="text" value="2"/> <input type="text" value="3"/> <input type="text" value="6"/> <input type="text" value="9"/> <input type="text" value="2"/>	Total Expenditure	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="1"/> <input type="text" value="5"/> <input type="text" value="8"/> <input type="text" value="7"/> <input type="text" value="8"/> <input type="text" value="6"/>
Profit Before Tax	+ <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="6"/> <input type="text" value="8"/> <input type="text" value="6"/> <input type="text" value="4"/> <input type="text" value="0"/>	Profit After Tax	+ <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="9"/> <input type="text" value="3"/>
Earning per share in ₹	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="2"/> <input type="text" value="."/> <input type="text" value="0"/> <input type="text" value="5"/>	Dividend rate [%]	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="2"/> <input type="text" value="5"/>

V Generic Names of Three Principal Products/ Services of Company [as per monetary terms]

Item Code No. [ITC]

Product Description:

For and on behalf of the Board

N. D. Shetty Chairman & Managing Director
T. N. Shetty Executive Director
F. S. Broacha Director
A. A. Lambay Company Secretary

Place : Mumbai
Date : May 28, 2010

