



Haldyn Glass Limited

CIN No: L51909GJ1991PLC015522

Registered Office: Village Gavasad, Taluka Padra, Dist. Vadodara - 391 430, Gujarat

Phone: 02662 242339, **Fax:** 02662 245081, **Web:** www.haldynglass.com, **Email:** baroda@haldyn.com

POSTAL BALLOT

Notice pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014

Dear Members,

Notice is hereby given pursuant to Section 110 of Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for time being in force), read with the Rule 22 and any other applicable Rules of the Companies (Management and Administration) Rules, 2014 and other applicable provisions, if any, that the Company is seeking the Members' consent to pass the proposed Special Resolutions as enclosed herewith by way of Postal Ballot, more specifically described in the Statement annexed to the Notice.

Accordingly, the said Resolutions along with the Statement annexed to the Notice are being sent to you along with a Postal Ballot Form for your consideration.

The Board has appointed CS Ashish Doshi, Partner, SPANJ & ASSOCIATES, Company Secretaries, Ahmedabad as Scrutinizer for conducting the voting process through Postal Ballot in accordance with the law and in a fair and transparent manner.

The Board has appointed Mr. Narendra Shetty, Executive Chairman and Mr. Tarun Shetty, Managing Director of the Company as the persons responsible for the entire Postal Ballot process.

As per the requirement of Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR"), the Company has given an option to the members holding shares in demat form and in physical form, to vote on the postal ballot by way of electronic voting / e-voting to enable members to cast their votes electronically. Voting by electronic mode may be a more convenient means for exercising the voting rights and may help to increase members' participation in the decision-making process.

The Company has appointed e-voting agency, Central Depository Services (India) Limited ("CDSL") at www.evotingindia.com to provide e-voting facility to its members. Members having shares in demat form and in physical form may vote either by way of Postal Ballot Form or by way of e-voting. In case any member has exercised the vote in physical as well as electronic modes, the vote by electronic mode only will be considered.

You are requested to carefully read the e-voting instructions attached with the Postal Ballot Form before casting your vote on e-voting site: www.evotingindia.com and return the same duly completed (no other form or photocopy thereof is permitted) -in case of physical voting, in the attached self-addressed business reply envelope (if posted in India) so as to reach the Scrutinizer or cast the votes by electronic mode, as applicable, not later than the close of working hours (5.00 p.m.) on March 04, 2019. Upon completion of the scrutiny of the forms, the Scrutinizer shall submit his report to the Executive Chairman or the Managing Director of the Company.

Mr. Narendra Shetty, Executive Chairman, Mr. Tarun Shetty, Managing Director, Mr. Ganesh Chaturvedi, CFO and Mr. Anwar Lambay, Company Secretary are severally authorized to announce the result of the postal ballot on or after March 07, 2019, at the Registered Office of the Company, besides being communicated to the Stock Exchange on which the Company's Equity Shares are listed. The results will also be published in the newspaper circulating in the district in which the Registered Office of the Company is located and will be displayed on the web-site of the Company at www.haldynglass.com for the information of the Members. The date of declaration of the results of postal ballot will be taken to be the date of passing of the Resolution.

Accordingly, this Notice is hereby given to the Members of the Company for seeking the approval of the members by way of Postal Ballot, for the following Special Resolutions, together with the Statements as required under Section 102 of the Companies Act, 2013 setting out the material facts and reasons for the Resolutions, along with a Postal Ballot Form for your consideration:

- 1] To consider and, if thought fit, to pass, with or without modification, the following Resolution as a Special Resolution:
"RESOLVED THAT, pursuant to the provisions of Section 197 of the Companies Act, 2013 as amended vide Companies (Amendment) Act, 2017 and made effective vide Notification No. S.O. 4823 (E) dated September 12, 2018 issued by the Ministry of Corporate Affairs, Government of India ("the Act"), and the amended provisions of Schedule V to the Act, notified by the Ministry of Corporate Affairs, Government of India, vide Notification No. S.O. 4822 (E) dated September 12, 2018 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactments thereof for the time being in force), and other applicable Laws, Rules and Regulations and pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors ("Board"), the remuneration payable to Mr. N. D. Shetty, [DIN 00025868], ("NDS"), Executive Chairman of the Company, for a period of three years with effect from August 16, 2017 upto August 15, 2020, as approved by the Members of the Company vide the Special Resolution passed at the 26th Annual General Meeting of the Company held on September 27, 2017, as set out in the explanatory statement annexed

hereto, be and is hereby re-confirmed and approved;

RESOLVED FURTHER THAT the Board (including any committee constituted by the Board) be and is hereby authorised to revise, amend, alter and vary the said remuneration as it may deem fit and as may be agreed to between the Company and NDS, Executive Chairman, subject to the provisions of the Act, Rules made thereunder and other statutory provisions, for the time being in force;

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things as may be necessary, proper and expedient to give effect to this Resolution.”

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

“RESOLVED THAT pursuant to the provisions of Section 197 of the Companies Act, 2013 (“the Act”) as amended vide Companies (Amendment) Act, 2017 and made effective vide Notification No. S.O. 4823 (E) dated September 12, 2018 issued by the Ministry of Corporate Affairs, Government of India (“the Act”) and the amended provisions of Schedule V to the Act, notified by the Ministry of Corporate Affairs, Government of India, vide Notification No. S.O. 4822 (E) dated September 12, 2018 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactments thereof for the time being in force), and other applicable Laws, Rules and Regulations and pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors (“Board”), the remuneration payable to Mr. T. N. Shetty, [DIN 00587108], (“TNS”), Managing Director of the Company, for a period of three years with effect from August 16, 2017 upto August 15, 2020, as approved by the Members of the Company vide the Special Resolution passed at the 26th Annual General Meeting of the Company held on September 27, 2017, as set out in the explanatory statement annexed hereto, be and is hereby re-confirmed and approved.

RESOLVED FURTHER THAT the Board (including any committee constituted by the Board) be and is hereby authorised to revise, amend, alter and vary the said remuneration as it may deem fit and as may be agreed to between the Company and TNS, Managing Director, subject to the provisions of the Act, Rules made thereunder and other statutory provisions, for the time being in force;

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things as may be necessary, proper and expedient to give effect to this Resolution.”

Place : Mumbai

Date : 30.01.2019

By Order of the Board

Registered Office:

A. A. Lambay

Village Gavasad, Taluka Padra

Company Secretary

Dist. Vadodara 391430

FCS 8569

NOTES:

1. The relative Statement under Section 102 of the Companies Act, 2013, as applicable and in force, setting out the material facts is annexed hereto.
2. All documents referred to in the accompanying Notice and the Statement are open for inspection at the Registered Office of the Company by any member, without payment of any fee, on working days between 11:00 a.m. to 4:00 p.m. up to March 04, 2019.
3. A member desiring to exercise vote by e-voting / physical Postal Ballot Form is requested to carefully read the instructions printed on the Postal Ballot Form, as applicable, and cast his/her votes in electronic mode / return the duly completed form in the attached self-addressed business reply envelope, so as to reach the Scrutinizer at Universal Capital Securities Private Limited, Unit: Haldyn Glass Limited, 21, Shakil Niwas, Mahakali Caves Road, Andheri (East), Mumbai – 400 093 at or before 5:00 p.m. on March 04, 2019. The Postal Ballot Forms received after this date and time will be treated as if the reply from the member has not been received.
4. Only a Member entitled to vote is entitled to exercise his/her vote through Postal Ballot. Any person other than the member of the Company who receives this notice should treat it as intimation only.

Statement pursuant to Section 102 of the Companies Act, 2013 as applicable and in force:

Item Nos. 1 and 2

Members of the Company had, at the 26th Annual General Meeting of the Company held on September 27, 2017, accorded their consent by way of Special Resolutions to the:

- a] Re-appointment of to Mr. N. D. Shetty, [DIN 00025868] (“NDS”), Executive Chairman of the Company for a period of three years with effect from August 16, 2017 upto August 15, 2020 and remuneration payable to him; and
- b] Re-appointment of Mr. T. N. Shetty, [DIN 00587108] (“TNS”), Managing Director, for a period of three years with effect from August 16, 2017 upto August 15, 2020 and remuneration payable to him.

The remuneration of NDS and TNS as approved by the Members was payable as minimum remuneration in the event of the Company not earning profit or inadequacy of profit in any financial year, subject to the approval of the Central Government as per the then applicable provisions of Section 197 and Schedule V of the Companies Act, 2013 (“the Act”)

The Companies (Amendment) Act 2017 (“CA Amendment Act”) amended sub-sections (1), (3), (9), (10) (11) and inserted sub sections (16) and (17) of Section 197 of the Act, which were made effective vide Notification No S.O. 4823 (E) dated September 12, 2018 issued by the Ministry of Corporate Affairs, Government of India. The Ministry of Corporate Affairs had also amended corresponding provisions of Schedule V to the Act vide Notification No. S.O.

4822 (E) dated September 12, 2018. The amended provisions have done away with the requirement of obtaining approval of the Central Government for payment of remuneration to directors and given power in the hands of the shareholders of the companies. In terms of the amended provisions of Section 197(3) of the Act read with Schedule V to the Act, if in any financial year, a company has no profits or its profits are inadequate, the company may pay to its directors, including any managing or whole time director or manager, by way of remuneration any sum in excess of the limits specified in Part A of Section II of Part II of Schedule V, provided approval of the Shareholders is obtained by way of Special Resolutions.

The Shareholders of the Company have already approved the remuneration payable to NDS and TNS by way of Special Resolutions passed at the 26th Annual General Meeting held on September 27, 2017. However, since the applicable legal provisions have been amended vide the CA Amendment Act and notified thereafter, the Shareholders of the Company are hereby requested to reconfirm and approve the remuneration payable to NDS and TNS in terms of the amended provisions of Section 197 and Schedule V to the Act.

Details of remuneration payable to NDS and TNS are set out below for ease of reference:

A] Remuneration Payable to NDS

- 1] **Salary:** A salary of ₹ 12,00,000 per month in the scale of ₹ 12,00,000 to ₹ 15,00,000 per month.
- 2] **Perquisites:** In addition to salary, the Appointee shall also be entitled to perquisites which would include furnished accommodation or house rent allowance in lieu thereof, gas, electricity, water, furnishings, medical reimbursement, and leave travel concession for self and family, club fees, use of Company car, medical and personal accidental insurance and other benefits, amenities and facilities in accordance with the Rules of the Company. The value of the Perquisites will be evaluated as per the Income-tax Rules, 1962 wherever applicable, and at actual cost in the absence of any such Rule.
- 3] Contribution to Provident Fund, Superannuation Fund, Annuity Fund and Gratuity shall not be included in the computation of ceiling on remuneration to the extent these, either singly or put together, are not taxable under the Income-tax Act, 1961.
- 4] Encashment of earned leave at the end of the tenure as per Rules of the Company shall not be included in the computation of ceiling on remuneration.
- 5] Provision of car for use on Company's business, telephone and other communication facilities at residence will not be considered as perquisites.
- 6] **Commission:** In addition to the salary and perquisites, the Appointee shall be entitled to Commission, based on the net profits of the Company in any financial year, not exceeding 1% [one percent] as the Nomination and Remuneration Committee shall determine having regard to the performance of the Company.

Brief Profile of NDS

The information in pursuance of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

NDS, Executive Chairman of the Company, has a very rich experience of over five decades in the manufacture of exclusive quality glass containers. He is the core promoter and founder of the Company who had established the Company and was instrumental in its growth since inception. He is a visionary, who has been running the Company as a debt free company for years together and has achieved the highest level of efficiency. He is an expert in the field of manufacture of glass and glass products.

With the knowledge, expertise and experience of NDS, the Company expects growth over the next few years in the Indian as well as the international markets.

NDS satisfies all the conditions set out in Part I of Schedule V of the Companies Act, 2013 ("the Act") except that he is over 70 years, and is eligible for re-appointment, subject to the passing of Special Resolutions set out at Items No. 1.

As required under the provisions of the Act, approval of the members is being sought by passing Special Resolutions for ratification, re-appointment of and the remuneration payable to NDS, as Executive Chairman.

NDS holds 763960 Shares in the Company and is related to Mr. T. N. Shetty, Managing Director and Mr. R. Y. Ajila, Director of the Company.

B] Remuneration Payable to TNS

- 1] **Salary:** A salary of ₹ 15,00,000 per month in the scale of ₹ 15,00,000 to ₹ 18,00,000 per month
- 2] **Perquisites:** In addition to salary, the Appointee shall also be entitled to perquisites which would include furnished accommodation or house rent allowance in lieu thereof, gas, electricity, water, furnishings, medical reimbursement, and leave travel concession for self and family, club fees, use of Company car, medical and personal accidental insurance and other benefits, amenities and facilities in accordance with the Rules of the Company. The value of the Perquisites will be evaluated as per the Income-tax Rules, 1962 wherever applicable, and at actual cost in the absence of any such Rule.
- 3] Contribution to Provident Fund, Superannuation Fund, Annuity Fund and Gratuity shall not be included in the computation of ceiling on remuneration to the extent these, either singly or put together, are not taxable under the Income-tax Act, 1961.
- 4] Encashment of earned leave at the end of the tenure as per Rules of the Company shall not be included in the computation of ceiling on remuneration.

- 5) Provision of car for use on Company's business, telephone and other communication facilities at residence will not be considered as perquisites.
- 6) **Commission:** In addition to the salary and perquisites, the Appointee shall be entitled to Commission, based on the net profits of the Company in any financial year not exceeding 1% (one percent) as the Nomination and Remuneration Committee shall determine having regard to the performance of the Company.

Brief Profile of TNS

The information in pursuance of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

TNS, Managing Director of the Company, has a very rich experience of around two decades in the manufacturing of exclusive quality glass containers. He is a Commerce Graduate (Mumbai), and a Management Graduate (MBA) from Australian School of Management. He has had practical training and work experience at American Glass Technologies Inc., USA. He is a core promoter of the Company who had been taking keen interest in the management and administration of the Company and was instrumental in its growth since the last 20 years. He is a young management professional having vision to diversify into the finer and value added products segment in the glass industry. With the expert knowledge and experience of TNS, the Company expects growth over the next few years in the Indian as well as international markets. With the dedicated efforts of TNS, the Company has been able to diversify into production of wide-mouthed jars, through Press & Blow technology. Value-addition is also facilitated through the decoration facilities, consisting of modern multi-colour printing machines, recently commissioned.

TNS satisfies all the conditions set out in Part I of Schedule V of the Companies Act, 2013 ("the Act") and is eligible for re-appointment subject to the passing of Special Resolutions set out at Items No. 2.

As required under the provisions of the Act, approval of the members is being sought by passing the special resolutions for ratification, re-appointment of and the remuneration payable to TNS as Managing Director.

TNS holds 278600 shares in the Company and is related to Mr. N.D. Shetty, Executive Chairman and Mr. R. Y. Ajila, Director of the Company

STATEMENT PURSUANT TO THE PROVISIONS OF PART II SECTION II (B) (IV) OF SCHEDULE V OF THE COMPANIES ACT, 2013 IN RESPECT OF ITEM NOS. 1 AND 2 OF THE POSTAL BALLOT NOTICE

The additional information as per Section II of Part II of Schedule V of the Act is given below:

I. General Information				
1.	Nature of Industry	Haldyn Glass Limited ("HGL") produces the most sophisticated and modern designs to suit the quality standard of clients in short lead times. The Company creates new designs and shapes of bottles to give cutting-edge advantage to the products for its clients of Food, Pharmaceutical, Beverages, Liquor and Beer industries. HGL has total melting capacity of 350 tons per day comprising of two Glass Melting Furnaces of (200 + 150 tons per day capacity) and 10 I.S. machines which give it leverage over the competition in manufacturing a very wide range of containers from 10 ml to 1000 ml. The I.S. machines are capable of producing 1.5 million high quality containers every day. Manufacturing of quality glass is ensured by proper glass conditioning with the aid of Automatic Temperature Control System for fore-hearths. Furnaces are built with high quality imported refractory, Electronic Furnace Control equipment including CC cameras imported from Europe which are installed inside the furnaces. HGL has successfully implemented the "Integrated Quality Management System" comprising ISO 9001:2000 and ISO 14001:2004 enabling consistent quality supplies with environment focus.		
2.	Date or expected date of commencement of commercial production	Commercial Production Commenced on 12th July, 1991		
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable		
4.	Financial performance based on given indicators	Particulars	2015-16	2016-17
				2017-18
			(₹ in lakhs)	
		Revenue from Operations (Net)	14,065.21	17,307.49
		Other Income	331.49	269.67
		Total Revenue	14,396.70	17,577.16
		Profit / (Loss) before depreciation, finance cost and tax	1,997.20	3,165.78
	Profit / (Loss) after tax	666.40	1,238.95	
			647.22	

5.	Foreign investments or collaborations, if any	The Company has a Joint Venture with Heinz Glas International GmbH & Co. KGaA, Germany
II. Information about the Appointee : (NDS)		
1.	Background details	A brief profile of Mr. N. D. Shetty is given herein above.
2.	Past remuneration	The remuneration drawn by Mr. N. D. Shetty during the past 3 (three) years is as follows
	Year	(₹ in lakhs)
	2015-16	123.98
	2016-17	124.40
	2017-18	128.37
3.	Recognition or awards	N.A
4.	Job profile and his suitability	NDS' major focus has been and will continue to be on business development both in the domestic and international markets and in product development. He shall be responsible for the overall conduct and management of the Company's business and the affairs of the Company and shall also provide strategic direction to the Company. With his qualifications and experience in the field of Glass Industry , NDS will add value to the Company as Executive Chairman
5.	Remuneration proposed	The remuneration proposed is set out in the Statement pursuant to Section 102 of the Companies Act, 2013 above.
6.	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person	While deciding the remuneration payable to NDS, the Nomination and Remuneration Committee and the Board inter alia considered the compensation levels for similar positions in the glass industry and comparable organisations and found the proposed level appropriate and reasonable.
7.	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	NDS, is a founder promoter of the Company, is interested in the transaction with his son, Mr. T. N. Shetty, Managing Director and son-in-law, Mr. Rohan Ajila, a non-executive Director.

III. Information about the Appointee : (TNS)		
1.	Background details	A brief profile of TNS is given herein above
2.	Past remuneration	The remuneration drawn by TNS during the past 3 (three) years is as follows
	Year	(₹ in lakhs)
	2015-16	122.97
	2016-17	122.53
	2017-18	126.05
3.	Recognition or awards	N.A
4.	Job profile and his suitability	TNS, with major focus on business development (domestic and international), cost optimisation and profitability, sales and marketing, and product development, would be responsible for the overall conduct and management of the business and the affairs of the Company and also for providing strategic direction to the business of the Company. TNS, with his qualifications and vast experience in the field of Glass Industry, business development, sales and marketing, engineering, manufacturing and general management, is expected to add considerable value to the Company from the position of the Managing Director.
5.	Remuneration proposed	The remuneration proposed is set out in the Statement pursuant to Section 102 of the Companies Act, 2013 above.
6.	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person	While deciding the remuneration payable to Mr. Shetty, the Nomination and Remuneration Committee and the Board inter alia considered the compensation levels for similar positions in the glass industry and comparable organisations and have considered the proposed level as appropriate and reasonable.
7.	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	TNS is a promoter of the Company and interested in related party transactions with Mr. N. D. Shetty, Executive Chairman (father of TNS) and Mr. Rohan Ajila (brother-in-law)

IV. Other Information

1.	Reasons of loss or inadequate profits	– Economic slowdown in the Indian and global markets – Order of Supreme Court banning sale of liquor on highways – Demonetisation effect on demand. – Lower margins on projects under execution due to highly competitive environment – Slower growth in the order entries due to volatile business environment.
2.	Steps taken or proposed to be taken for improvement	All efforts are now being focused on improving order book position by sourcing new orders from domestic as well as overseas customers and improving operational efficiency. The manufacturing facilities have been restructured for better productivity and cost-saving. Greater emphasis is placed on optimization of various processes to improve operational efficiency across the Company. These proactive steps are aimed at improving profitability in the face of a challenging environment in the industry.
3.	Expected increase in productivity and profits in measurable terms	Barring unforeseen circumstances, the Company expects to increase the revenue and profits in the current year.

Except Mr. N. D. Shetty, Mr. T. N. Shetty and Mr. Rohan Ajila, none of the Directors or Key Managerial Personnel of the Company and their respective relatives is in any way concerned or interested, financially or otherwise, in the proposed Special Resolutions.

The Board recommends the Resolutions set forth in Items No. 1 and 2 for the approval of the members as Special Resolutions.

Place : Mumbai
Date : 30.01.2019
Registered Office:
Village Gavasad, Taluka Padra
Dist. Vadodara 391430

By Order of the Board

A. A. Lambay
Company Secretary
FCS 8569