

Annual Report

1999 - 2000

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C A N A G L A S S L I M I T E D

ANNUAL REPORT 1999-2000

Board of Directors

Mr. P. K. Pillai	<i>Chairman & Managing Director</i>
Mr. Rajesh Pillai	<i>Executive Director</i>
Mrs. Sunita Hariharan	<i>Executive Director</i>
Mr. R. G. Pai	
Mr. D. N. Gupta	

AUDITORS

M/s. P. R. G. Pai & Co.
Chartered Accountants
 28 / 30, K. S. Nana Patil Marg,
 (Baroda Street), Iron Market,
 Masjid (E), Mumbai - 400 009.

BANKERS

Union Bank of India
 Industrial Finance Branch,
 Union Bank Bhavan,
 Nariman Point,
 Mumbai - 400 021.

REGISTERED OFFICE

66, Udyog Bhavan,
 Sonawala Road,
 Goregaon (E),
 Mumbai - 400 063.
 Ph : 876 55 70 / 71. Fax : 876 55 58.

WORKS

Sanaswadi, Shirur Taluka,
 Dist. Pune 412 208.

REGISTRAR & SHARE TRANSFER AGENTS

M/s. Purva Share Registry (India) Private Limited
 33 Printing House,
 28-D, Police Court Lane,
 Behind Old Handloom House,
 Fort, Mumbai - 400 001.
 Ph. No : 2617957, 2632967. Fax : 2626407
 Email : busicomp@glasbm01.vsnl.in

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CANA GLASS LIMITED

NOTICE

NOTICE is hereby given that the Twelfth Annual General Meeting of the members of the company will be held on Friday, 30th day of March, 2001 at the Registered Office of the Company situated at 66, Udyog Bhavan, Sonawala Road, Goregaon (East), Mumbai 400 063 at 10.30 a.m. to transact the following business.

Ordinary Business

1. To receive, consider, and adopt the Audited Balance Sheet as at 30th September, 2000 and the Audited Profit and Loss Account for the year ended 30th September, 2000 and the Report of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. R.G. Pai, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors of the Company and to fix their remuneration.

Special Business

4. To Consider and if, thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution.
 "RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 314 and other applicable provisions, if any of the Companies Act, 1956 this meeting hereby approves/ratifies the appointment of Mrs. Sunita Hariharan as Whole-time Director of the Company, for a period of 5 years with effect from 1st April, 2001 on terms and conditions including remuneration as are set out in the draft Agreement to be entered into by the company with her submitted to the meeting, which Agreement is hereby specifically sanctioned with liberty to the Directors to alter or vary the terms and conditions of the said appointment and/or Agreement, so as not to exceed the limits, if any specified in Schedule XIII to the Companies act, 1956 or any amendments thereto as may be agreed to between the Directors and Mrs. Sunita Hariharan or as may be varied by the General Meeting."
5. To Consider and if, thought fit, to pass with or without modification, the following resolution as an Ordinary resolution.
 "RESOLVED THAT subject to approval by Members in General Meeting and pursuant to the provisions of Section 198, 269, 309, 314 and other applicable provisions, if any of the Companies Act, 1956 this meeting hereby approves/ratifies the appointment of Mr. Rajesh K. Pillai as Whole-time Director of the Company, for a period of 5 years with effect from 1st April, 2001, on terms and conditions including remuneration as are set out in the draft Agreement to be entered into by the company with him submitted to the meeting, which Agreement is hereby specifically sanctioned with liberty to the Directors to alter or vary the terms and conditions of the said appointment and/or Agreement, so as not to exceed the limits, if any specified in Schedule XIII to the Companies act, 1956 or any amendments thereto as may be agreed to between the Directors and Mr. Rajesh K. Pillai or as may be varied by the General Meeting."
6. To Consider and if, thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution.
 "RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 314 and other applicable provisions, if any of the Companies Act, 1956 this meeting hereby approves/ratifies the appointment of Mr. P.K. Pillai as Managing Director of the Company, for a period of 5 years with effect from 1st April, 2001 on terms and conditions including remuneration as are set out in the draft Agreement to be entered into by the company with him submitted to the meeting, which Agreement is hereby specifically sanctioned with liberty to the Directors to alter or vary the terms and conditions of the said appointment and/or Agreement, so as not to exceed the limits, if any specified in Schedule XIII to the Companies act, 1956 or any amendments thereto as may be agreed to between the Directors and Mr. P.K. Pillai or as may be varied by the General Meeting."
7. To Consider and if, thought fit, to pass with or without modification, the following resolution as a Special Resolution.
 "RESOLVED THAT the company shall delist its Equity Shares from the Ahmedabad Stock Exchange. RESOLVED FURTHER THAT Mr. P.K. Pillai, Managing Director or any Director of the company be and is hereby authorised to do all such acts, deeds and things and execute and sign various papers, documents etc. on behalf of the Company for the purpose of giving effect to the above resolution."
8. To Consider and if, thought fit, to pass with or without modification, the following resolution as a Special Resolution.
 "RESOLVED THAT the company shall delist its Equity Shares from the Delhi Stock Exchange. RESOLVED FURTHER THAT Mr. P.K. Pillai, Managing Director or any Director of the Company be and is hereby authorised to do all such acts, deeds and things and execute and sign various papers, documents etc. on behalf of the company for the purpose of giving effect to the above resolution."

Registered Office
66, Udyog Bhavan,
Sonawala Road,
Goregaon (E), Mumbai - 63.

By Board Of Directors
For CANA GLASS LTD.

Date : February 26, 2000
Place : Mumbai

MANAGING DIRECTOR

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Notes

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The proxy, in order to be effective, should be duly completed, stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
3. Explanatory Statement Pursuant to Section 173(2) of the Companies Act, 1956, in respect of Item Nos. 4 to 8 is enclosed.
4. The Register of Members & Share Transfer Books shall remain closed from Friday, 23rd March, 2001 to Friday, 30th March, 2001.
5. The documents referred to in the Notice is available to members for inspection at the Registered Office of the company on any working day except Saturday.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**Item No. 4 to 6**

Mr. P.K. Pillai was appointed as Managing Director of the Company and Mrs. Sunita Hariharan and Mr. Rajesh Pillai, were appointed as Whole-time Directors of the Company with effect from 1st August, 1998 for a period of 5 years and their appointments and payment of remuneration were approved by the Members at the Eleventh Annual General Meeting held on 27th March, 2000.

Looking to the contributions and untiring efforts made by the above referred Executives, the Board has decided to increase in remuneration of these three Directors with effect from 1st April, 2001 as follows:

- | | |
|-----------------------------------|-------------------|
| 1. Mr. P.K. Pillai : | Rs. 50,000/- p.m. |
| 2. Mr. Rajesh Pillai : | Rs. 35,000/- p.m. |
| 3. Mrs. Sunita Hariharan : | Rs. 35,000/- p.m. |

Commission to all 3 Directors @ 1% of the net profit of the Company.

Period of Appointment : 5 years with effect from 1st April, 2001.

The other perquisites payable to these Directors are as follows:

Category A :**i. Housing:**

The Directors shall be entitled to free unfurnished accommodation or house rent in lieu thereof, gas, electricity and water in accordance with the rules of the company. The aforesaid perquisites may be in the form of reimbursement or allowance but restricted to the amount of Basic Salary. For the purpose of calculating the above ceiling, the perquisites shall be valued as per Income Tax Rules, wherever applicable.

ii. Medical Reimbursement :

Expenses incurred for self and his family subject to ceiling of Rs. 4,000/- per annum.

iii. Club Fees :

Fees in respect of three Clubs to be borne by the Company but not the admission or life membership fees payable to the clubs.

iv. Insurance :

Insurance and/or Accident Insurance for an amount, the all inclusive premium for which shall not exceed Rs. 6,000/- per annum.

Explanation :

For purpose of Category-A, "family" means the spouse, dependent children and dependent parents of the Directors.

CANA GLASS LIMITED

Category B :

i. **Provident Fund:**

The Company's contribution to Provident Fund, as per the rules of the company. Contribution to Provident Fund will not be included in the computation of the ceiling on perquisites to the extent it is not taxable under the Income Tax Act, 1961.

ii. **Gratuity:**

Gratuity not exceeding one-half month's salary for each completed year of service.

Other Conditions:

- i. If during the currency of tenure of the Directors, the Company has no profits or its profits are inadequate in any financial year, the Directors shall be entitled to remuneration by way of salary and perquisites not exceeding the limits specified above but subject to the limits prescribed under Schedule XIII of the Companies Act, 1956.
- ii. For all other terms and conditions not specifically spelt out above, the Rules and Order of the company shall apply.
- iii. The Directors hold office as such, subject to the provisions of Section 283(1) of the Companies Act, 1956.

A copy of the draft Agreement referred to in the Resolution at item No. 4 to 6 of the accompanying Notice will be open for inspection by the Members at the Registered Office of the Company between the hours of 10.00 a.m. and 1.00 p.m. on any working day except Saturday.

The Explanatory Statement together with the accompanying Notice should be treated as an abstract of the terms of the Agreement of concern or interest under Section 302 of the Companies Act, 1956.

The Resolutions are recommended for approval of the Members.

None of the Directors of the Company except, Mr. P.K. Pillai, Mr. Rajesh Pillai and Mrs. Sunita Hariharan shall be concerned or interested in these resolutions.

ITEM NO. 7 & 8

The Equity Shares of the Company are listed in their Stock Exchanges at Mumbai, New Delhi and Ahmedabad. It has been observed that other than regional Stock Exchange at Mumbai, the Shares are not being traded at the Ahmedabad and Delhi Stock Exchanges. The Number of shareholders and their holdings in that region are also not significant. Hence, it is proposed to delist the Equity Shares of the Company from Ahmedabad and Delhi Stock Exchanges. The Company will however continue to be listed in the Stock Exchange at Mumbai and the said Stock Exchange is having BOLT Terminals for trading at Ahmedabad, Delhi and all over the country. So by delisting from the Ahmedabad and Delhi Stock Exchanges will not harm the interests of Shareholders/Investors residing in this region. The Board accordingly recommend the resolutions for approval of Members mentioned at item No. 7 and 8 of the Notice.

None of the Directors of the Company is concerned or interested in the said resolutions.

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By Board of Directors
For CANA GLASS LTD

Registered Office,
66, Udyog Bhavan,
Sonawala Road,
Goregaon (East),
Mumbai 400 063

MANAGING DIRECTOR.

Place : Mumbai
Dated : 26 February, 2001.

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DIRECTORS' REPORT

To
The Members,

Your Directors present herewith the Twelfth Annual Report of your company together with the Audited Accounts for the year ended 30th September, 2000.

	(Rs. in Lacs)	
	Year Ended 30.09.2000	Year Ended 30.09.1999
1. FINANCIAL RESULTS		
Sales and other income	614.70	157.77
Gross Loss before interest and depreciation	(86.09)	(144.85)
Add : Interest & Finance charges	(165.25)	(140.51)
Depreciation	(86.82)	(69.57)
Net loss	(338.15)	(354.93)
Loss brought forward	(1364.88)	(1009.95)
Loss carried forward	(1678.03)	(1364.88)

2. **DIVIDEND**

Your Directors do not recommend any dividend on the Equity Shares Capital of the Company as the company is having accumulated losses.

3. **REVIEW OF PERFORMANCE**

The performance of the company was largely affected due to labour problems at the factory. The company also faced the problem of shortage of working capital which was compounded due to non acceptance of sales tax exemption form by Fuel Companies. As a result a substantial amount was blocked with the suppliers.

The operations of the company has been shut since 7th October 2000 due to workers unrest and subsequent disconnection of power by M.S.E.B.

4. **FINANCIAL RESTRUCTURING**

With a view to revive and revitalise the Company financially, the Company's bankers, Union Bank Of India have been approached for sanction of additional working capital. The company along with Industrial Development Bank Of India & Union Bank Of India is in the final stages of getting rehabilitation proposal passed at the Board of Industrial Financial Restructuring (BIFR).

5. **DIRECTORS**

Shri R. Q. Pai retire by rotation at the forthcoming Annual General Meeting and being eligible offer himself for re-appointment.

Mr. P. K. Pillai, Mr. Rajesh Pillai and Mrs. Sunita Hariharan, were appointed as Managing Director and Executive Directors respectively with effect from 1st August, 1998 for 5 years. In view of the increase in responsibilities and complexities in the business the company has decided to increase the remuneration of these Directors and re-appoint them in their respective capacities for a further period of 5 years with effect from 1st April, 2001. The necessary resolutions for approval of members is included in the Notice convening Twelfth Annual General Meeting.

6. **CONSERVATION OF ENERGY, TECHNOLOGICAL ABSORPTION
AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

In terms 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, your Directors wish to state that the same is given in the Annexure forming part of this Report.

7. **FIXED DEPOSITS**

The Company has not accepted any deposits from the public.

8. **PARTICULARS OF EMPLOYEES**

Particulars of Employees as required under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended is not given as there was no employee drawing the salary as per the limits mentioned in the said Section and Rules.

9. **YEAR 2000(2K) COMPLIANCE**

Your Directors are pleased to inform you that various measures taken by your Company to overcome the Y2K problem has helped it in successful transition in the new millennium, and the Company has not suffered any disruption in its business operations.