

Annual Report

2000 - 2001

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

ANNUAL REPORT 2000-2001

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 Thirteen Annual General Meeting of the members of the company will be held on Tuesday, 25th day of September, 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 31st March, 2001 and the Audited Profit and Loss Account for the period ended 31st March, 2001 and the Report of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. D.N. Gupta, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors of the Company and to fix their remuneration.

Registered Office
66, Udyog Bhavan,
Sonawala Road,
Goregaon (E),
Mumbai - 400 063
Date : June 30, 2001
Place : Mumbai

By Board Of Directors
For CANA GLASS LTD.

(P. K. Pillai)
Chairman & MANAGING DIRECTOR

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. The Register of Members & Share Transfer Books shall remain closed from Friday, 21st September, 2001 to Tuesday, 25th September, 2001.
4. 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.

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DIRECTORS' REPORT

The Members,

Your Directors present herewith the Thirteenth Annual Report of your company together with the Audited Accounts for the period ended 31st March, 2001.

	(Rs. in Lacs)	(Rs. in Lacs)
1. FINANCIAL RESULTS	Period Ended	Year Ended
	31.03.2001	30.09.2000
	(6 months)	(12 months)
Sales and other income	60.13	614.70
Gross Loss before interest and depreciation	(76.97)	(86.09)
Add : Interest & Finance charges	(79.50)	(165.25)
Add : Depreciation	(34.00)	(86.82)
Net loss	(190.47)	(338.15)
Balance brought forward	(1703.03)	(1364.88)
Balance carried forward	(1893.50)	(1,703.03)

2. **DIVIDEND**

Your Directors do not recommend any dividend on the Equity Share 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 unrest 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 10th 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 D. N. Gupta retire by rotation at the forthcoming Annual General Meeting and being eligible offer himself for re-appointment.

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. **CORPORATE GOVERNANCE**

Recently, the listing agreement with the stock exchanges have been amended by incorporating a new Clause 49 covering corporate governance, as a measure of investor protection. As per this amendment, your company is required to comply with the requirements before 2002. Your company has already commenced the process of implementation of the required provisions of corporate governance and will ensure that all mandatory provisions are fully complied with well before the due date prescribed by the stock exchanges.

CANA GLASS LIMITED

10. LISTING OF SHARES

The Company's shares are listed at Mumbai Stock Exchange. The company has already paid listing fees for the year 2001-2002.

11. INSURANCE

All the assets of the Company are adequately insured.

12. HUMAN RESOURCES

The relationship of your Company with its employees remained cordial throughout the year. The company is paying full attention in the development of Human Resources at all levels by group discussions, job related training etc. The Company appreciates the value of maintaining high morale amongst its employees and has always endeavored to keep it at highest level. However, due to outside influence, the workmen have been misled into making unreasonable demands, of late. The problems inherent in running a unit in the backward area are also contributing to the present situation. The Management had to take painful decision to lock out the factory in November, 2000. The 3 year agreement with the workmen is due to expire on Dec. 31, 2001 and negotiations are now on for a fresh 3 year agreement. It is in the final stages with a consensus having been reached on all the major points. It is hoped that the new agreement will be in place soon and production will be resumed shortly.

13. DIRECTORS' RESPONSIBILITY STATEMENT

That in the preparation of the Annual Accounts, the applicable accounting standards has been followed alongwith proper explanation relating to material departures.

That the director had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the company for that year.

That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

That the directors had prepared the Annual Accounts on a going concern basis.

14. AUDITORS

As observed by Auditors, in their Auditor's report the directors wish to report as follows :

As regards Note No. 2. The explanation given in the note is self explanatory.

As regards Note No.12. There have been some stagnant debts caused by the financial crunch faced by some of our Customers. The Company is confident of recovering these dues in due course of time.

As regards point no. 6 in annexure. The explanation given is self explanatory.

As regards Point no. 7 in annexure to Auditor's Report, because of acute shortage of working capital and the Company's Bankers unable to discount post dated cheques the Company had to raise badly needed funds by discounting these with a N.B.F.C albiet at a higher rate of interest than charged by the Banks. This interest cost was not exhorbitant or high when this is compared to the huge losses shortage of working funds could lead to. The company resorted to this extreme step only at times when it was facing an emergency especially because ours is a continuous process industry and sudden stoppage of any sort could cause huge losses.

M/s. P.R.G.Pai & Co., Chartered Accountants retire at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment. You are requested to appoint them and fix their remuneration.

15. ACKNOWLEDGEMENT

The Board wishes to place on records its appreciation to all its bankers,shareholders,customers and employees for their co-operation extended to the company.

For and on behalf of the Board

For CANA GLASS LTD

P.K. PILLAI

CHAIRMAN & MANAGING DIRECTOR

Place : Mumbai

Date : June 30, 2001.