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15TH ANNUAL REPORT 2002-2003

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CANA GLASS LIMITED

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ANNUAL REPORT 2002-2003

BOARD OF DIRECTORS :

Mr. P. K. Pillai	*Chairman & Managing Director*
Mr. Rajesh Pillai	*Executive Director*
Mrs. Sunita Hariharan	*Executive Director*
Mr. D. N. Gupta	*Director*

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: 2876 5570/71, Fax : 2876 5558

REGISTRAR & SHARE TRANSFER AGENTS :
M/S. PURVA SHAREREGISTRY (INDIA) PRIVATE LIMITED
33, Printing House,
28-D, Police Court Lane,
Behind Old Handloom House,
Fort, Mumbai 400 001.
Ph.No: 22617957, 22632967. Fax: 22626407
Email: busicomp@giasbm01.vsnl.in

WORKS :
Sanaswadi, Shirur Taluka,
Dist. Pune 412 208.

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CANA GLASS LIMITED

NOTICE

NOTICE is hereby given that the Fifteenth Annual General Meeting of the members of the Company will be held on Monday, 29th day of September, 2003 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, 2003 and the Audited Profit and Loss Account for the year ended 31st March, 2003 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 re-appointment.

3. To appoint Auditors of the Company and to fix their remuneration.

By Board of Directors
For CANA GLASS LIMITED

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

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MANAGING DIRECTOR

Place : Mumbai
Dated : 30th August, 2003

NOTES :

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 THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

2. The Proxy from, 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.

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ANNUAL REPORT 2002-2003

DIRECTORS' REPORT

To
The Members,

Your Directors present herewith the Fifteenth Annual Report of your Company together with the Audited Accounts for the year ended 31st March, 2003.

1. FINANCIAL RESULTS	(Rs. in Lacs) Year Ended 31/3/2003	(Rs. in Lacs) Period Ended 31/3/2002
Sales and other income	583.99	48.95
Gross loss before interest and depreciation	(290.80)	(115.14)
Add : Interest and finance charges	(191.98)	(176.60)
Depreciation	(69.64)	(62.26)
Net loss	(552.42)	(354.00)
Add : Loss brought forward	(2247.50)	(1893.50)
Loss c/f.	(2799.93)	(2247.50)

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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. OPERATIONS

The operations of the company was largely affected due to labour problem at the factory. The company also faced the problem of shortage of working capital. The Company was not able to get any financial assistance from Banks or Financial Institutions. The operations of the company has shut since 28th February 2003 due to disconnection of power by the MSEB.

The Board for Industrial & Financial Reconstruction (BIFR) in its hearing held on 4.3.2003 issued a show cause notice for winding up of the company in the absence of a fully tied up rehabilitation proposal. Further in its hearing on 21.05.2003, the Board has directed that while show cause notice issued for winding up will be subsisting, the company was asked to deposit by 22.06.2003 Rs. 1.00 crore in a no-lien account with IDBI (Operating Agency) together with a letter of undertaking to utilize the same towards implementation of a scheme to be finalized for revival of the company. The Management is trying its best to make arrangement

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for the same and are constantly in touch with the Term Lenders keeping them informed of the progress in its efforts.

4. DIRECTORS

Mr. D. N. Gupta retire by rotation at the forthcoming Annual General Meeting and being eligible offer himself for re-appointment.

During the year under review, Mr. R. G. Pai resigned from the office of Director w.e.f. 1st October 2002. Your Board appreciates the services rendered by Mr. R. G. Pai as Director of the Company. His guidance and advice was extremely valuable and appreciated.

5. 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.

6. FIXED DEPOSITS

The Company has not accepted any deposits from the public.

7. 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.

8. CORPORATE GOVERNANCE

The Board of Directors of the Company consists of Two Wholetime Directors and One Managing Director. The Chairman of the Board is a Managing Director.

The Chairman and the Two Wholetime Directors are non-retiring Directors. Out of the remaining one-third rounded off to One director retires every year and is eligible for re-appointment.

Managing and Wholetime Directors are appointed by the shareholders for a maximum period of five years and are eligible for re-appointment.

During the financial year, 2002-2003, the Board met seven times and the Share Transfer Committee of the Board met 13 times. All Board Meeting were well attended.

The Board appoints committees for specific matters as and when needed.

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The Board Members recognize that there should not be any conflict of interest in discharging their responsibilities as Directors of the Company.

The Meetings of the Board are held in Mumbai, the dates of the meeting are fixed in advance. The Board meetings are held at least once in every quarter. The Board members have access to all information regarding the Company and are free to recommend inclusion and deletion of any matter in the Agenda for discussion.

The Audit Committee consists of the Non-Executive Directors and the Managing Director. The Members of the Committee are well versed in financial matters, accounts, company law and general business practices. The Committee reviews the internal control systems, procedure, and reports received on accounts. The Committee frequently met and reviewed the progress during the year.

The Company communicates with the shareholders through direct mail, public notice and interaction at General Meetings. Purva Share Registry (India) Pvt. Ltd., the Registrar and transfer agent of the Company communicates with the investors as and when required and attends to their requests.

The Directors would like to report that there is no materially significant related party transaction during the year. There has been no incidence of non-compliance by the Company of any statutory regulations on any matter relating to the capital market since last many years.

9. LISTING OF SHARES

The Company's shares are listed on Mumbai Stock Exchange. The Company has not paid listing fees for the year 2002-2003 & 2003 - 2004.

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10. INSURANCE

The insurance cover on assets of the Company are yet to be renewed.

11. HUMAN RESOURCES

The Company is putting intensive efforts 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.

Although the operations of the company was shut down on 28th February 2003, the company declared lockout with effect from 1st April 2003. The workers in the meanwhile have left the earlier Maharashtra Labour Union and joined new Union (Pune Zilha Mazdoor Sangh) w.e.f. 30.06.2003. The management is having detailed discussions with Union and its Committee Members.

12. AUDITORS

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.

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13. DIRECTORS RESPONSIBILITY STATEMENT

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

That the directors 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. ACKNOWLEDGMENT

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

By Board of Directors
For CANA GLASS LIMITED

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

MANAGING DIRECTOR

Place : Mumbai

Dated : 30th August 2003

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ANNEXURE A TO THE DIRECTORS' REPORT

Information as per Section 217(1) (e) of the Companies Act , 1956 read with Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988.

A. CONSERVATION OF ENERGY

a. Energy conservation measures taken.

1. The company has gone in for double pass regenerative furnace which is relatively fuel efficient.

2. The factory Shed has been designed with a view to maximise utilization of natural light in the plant. The plant also has a forced ventilation system which obviates the necessity of Air Circulators thereby conserving energy.

3. Appropriate gauges have been installed to control and monitor the consumption of LPG and Furnace oil.

4. Motors of optimum capacity are being used.

b. ADDITIONAL INVESTMENTS AND PROPOSALS FOR REDUCTION OF CONSUMPTION OF ENERGY

Efforts are being made to locate the other possible areas where the conservation of energy can be effected . Further, investments will be considered after identification of these key areas

c. IMPACT OF THE ABOVE MEASURES

Energy consumption is under strict control.

d. TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION.

FORM A

	01.04.2002 to 31.03.2003	01.04.2001 to 31.03.2002
1. Power & Fuel consumption :		
Electricity		
Purchased (Units)	2,479,476	Nil
Total amount (Rs.)	11,273,742	Nil
Rate per unit (Rs.)	4.55	Nil
High Speed Diesel :		
For: Generation of Power		
Purchased (Ltrs)	62,796	Nil
Total amount (Rs.)	2,655,566	Nil
(Inclusive of Generator Rent)		
Rate per unit (Rs.)	42.29	Nil
Furnace Oil		
Consumed (Ltrs)	1,786,500	Nil
Total Amount (Rs.)	18,477,019	Nil
Rate per Ltrs (Rs.)	10.34	Nil

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