

16TH ANNUAL REPORT 2003-2004

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CANA GLASS LIMITED

ANNUAL REPORT 2003-2004

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: 2686 53 38/39. Fax: 2686 53 40.

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.

CANA GLASS LIMITED

NOTICE

NOTICE is hereby given that the Sixteenth Annual General Meeting of the members of the Company will be held on Thursday, 30th day of September, 2004 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, 2004 and the Audited Profit and Loss Account for the period ended 31st March, 2004 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.

MANAGING DIRECTOR.

Place: Mumbai
Dated: 30th August 2004

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.

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DIRECTOR'S REPORT

To
The Members,

Your Directors present herewith the Sixteenth Annual Report of your Company together with the Audited Accounts for the period ended 31st March 2004.

1. FINANCIAL RESULTS

(Rs. in Lacs)

	Year Ended 31/3/2004	Year Ended 31/3/2003
Sales and other income	0.00	583.99
Gross loss before interest and depreciation	(58.39)	(290.80)
Add: Interest and finance charges	(205.84)	(191.98)
Depreciation	(43.72)	(69.64)
Net loss	(307.95)	(552.42)
Add: Loss brought forward	(2799.93)	(2247.50)
Loss C/F.	(3107.88)	(2799.93)

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 has shut since 28th February 2003 due to disconnection of power by the MSEB. The management is constantly trying to raise funds from private financiers for the purpose of One Time Settlement with the IDBI and UBI and for restart of the production operations at the plant.

The Board for Industrial & Financial Reconstruction (BIFR) in its hearing held on 21.5.2003 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. Further, the Board in its hearing held on 01.07.2004, issued an order for winding up of the Company u/s. 20(1) of the Sick Industrial Companies (Special Provisions) Act, 1985. The Company has filed an appeal with the Appellate Authority of Industrial and Financial Reconstruction under section 25 of the Sick Industrial Companies (Special Provisions) Act, 1985 along with a suitable Rehabilitation Scheme. The Rehabilitation Scheme envisages an One Time Settlement with the IDBI & UBI. The management is constantly trying to raise funds required for OTS and restart of the production operations. The management is also in constant touch with the IDBI & UBI for arriving at a suitable OTS amount

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4. DIRECTORS

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

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, 2003-2004, the Board met seven times and the Share Transfer Committee of the Board met 16 times. All Board Meeting were well attended.

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

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

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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 & 2004-2005.

10. INSURANCE

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

11. HUMAN RESOURCES

The Company appreciates the value of maintaining high morale amongst its employees and has always endeavored to keep it at highest level.

The management is having detailed discussions with Union and its Committee Members for arriving at a settlement amount of the dues payable to the workers.

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 Actual 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, creditors, 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 2004

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

	01.04.2003 to 31.03.2004	01.04.2002 to 31.03.2003
1. Power & Fuel consumption :		
Electricity -		
Purchased (Units)	Nil	2,479,476
Total amount (Rs.)	Nil	11,273,742
Rate per unit (Rs.)	Nil	4.55
High Speed Diesel :		
For: Generation of Power		
Purchased (Ltrs)	Nil	62,796
Total amount (Rs.)	Nil	2,655,566
(Inclusive of Generator Rent)		
Rate per unit (Rs.)	Nil	42.29

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	1.04.2003 to 31.3.2004	1.04.2002 to 31.3.2003
Furnace Oil		
Consumed (Ltrs)	Nil	1,786,500
Total Amount (Rs.)	Nil	18,477,019
Rate per Ltrs (Rs.)	Nil	10.34
Liquified Petroleum Gas		
Consumed (Kgs)	Nil	301,560
Total amount (Rs.)	Nil	5,565,119
Rate per Kgs (Rs.)	Nil	18.45
Light Diesel Oil		
Consumed (Ltrs)	Nil	201,600
Total amount (Rs.)	Nil	2,526,164
Rate per Ltrs (Rs.)	Nil	12.53

2. Consumption of power and fuel per unit of production not ascertainable as the company's products are of assorted sizes.

B. TECHNOLOGY ABSORPTION

e. Efforts made in technology absorption are as under:

FORM B

RESEARCH & DEVELOPMENT (R & D)

1. Specific areas in which R & D carried out by the company – Thrust areas identified for carrying out R & D activities included :-

a. Product improvement b. Product development c. Process improvement

2. Benefits derived as a result of above efforts – R & D efforts undertaken by the company have produced positive results and the quality of the product has been accepted by the Consumer industries.

3. Future plans of action : To effect further improvements in the areas already selected for carrying out R & D.

TECHNOLOGY ABSORPTION , ADAPTION AND INNOVATION

1. Efforts in brief , made towards technology absorption , adaptation and innovation :-
The company has fully absorbed the technology for production .

2. Benefits derived as a result of above efforts:
The aforesaid efforts has resulted in attainment of satisfactory quality standards

3. Information regarding imported technology :
Wholly indigenous technology is being used.