



EXCEL GLASSES LIMITED



**28th ANNUAL REPORT
1998-99**



EXCEL GLASSES LIMITED

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BOARD OF DIRECTORS

S. J. PAREKH	—	Chairman
Dr. V. P. SHAH	—	Nominee of ICICI
REVI KARUNAKARAN		
SUSHEEL G. SOMANI		
SURENDRA SOMANI		
RAVINDRA SOMANI	—	Executive Director
PRASHANT SOMANI	—	Managing Director

EXECUTIVES

T. C. THOMAS	—	Vice-President (Technical)
B. G. AGARWAL	—	Vice-President (Commercial)
SANJAY KABRA	—	G. M. (Finance)

AUDITORS

JOSEPH & NAMPIATHIRI
Chartered Accountants, Alleppey

BANKERS

STATE BANK OF TRAVANCORE
THE SOUTH INDIAN BANK LTD.
UCO BANK

REGISTERED OFFICE & WORKS

UDAYANAGAR
Pathirapally
Allapuzha - 688 521
KERALA

CORPORATE OFFICE

PARIJAT HOUSE,
2nd Floor
1076, Dr. E. Moses Road, Worli
Mumbai - 400 018

SALES OFFICES

115/34, 1st Floor,
8th Cross, Wilson Garden,
Bangalore-560 027.



EXCEL GLASSES LIMITED

NOTICE TO THE MEMBERS

NOTICE is hereby given that the 28th Annual General Meeting of the Company will be held at 11.00 a.m. on Tuesday the 29th June, 1999 at the Registered Office of the Company at Allapuzha to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Profit and Loss Account for the period ended 31st March, 1999 and the Balance Sheet as at that date and the report of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Ravindra Somani who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Shri S. J. Parekh who retires by rotation and being eligible offers himself for reappointment.
4. To consider and if thought fit, to pass with or without modification, the following Resolution as a SPECIAL Resolution.

"RESOLVED THAT pursuant to Section 224-A and other applicable provisions if any of the Companies Act, 1956. M/s, Joseph & Nampiathiri, Chartered Accountants, be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting on such remuneration as may be fixed by the Board of Directors."

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.

2. The Register of Members and Share Transfer Register will remain closed from 25th June, 1999 to 29th June, 1999 (both days inclusive)
3. Members seeking any further information about the accounts and operations of the Company are requested to send their queries to the Company at the Registered Office, at least 10 days before the date of the Meeting.

By order of the Board of Directors

Sd/-

S. J. PAREKH

Chairman

Mumbai
12th May, 1999

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

ITEM NO. 4 :

The total shareholding of the Financial Institutions and the Kerala State Industrial Development Corpn. Ltd. and Insurance Companies being more than 25% of the subscribed capital, the appointment of Auditors M/s. Joseph & Nampiathiri, Chartered Accountants should be by a Special Resolution pursuant to Section 224 of the Companies Act, 1956.

The Board of Directors recommend the Resolution for the approval of the members.

None of the Directors is in any way, concerned or interested in the said Resolution.

By order of the Board of Directors

Sd/-

S. J. PAREKH

Chairman

Mumbai
12th May, 1999.



EXCEL GLASSES LIMITED

DIRECTORS' REPORT

To
The Members,

Your Directors have pleasure in presenting the 28th Annual Report together with the Audited Statement of Accounts for the period ended 31st March, 1999.

1. FINANCIAL RESULTS :

	Period Ended 31-3-99 (9 months) (Rs. in Lacs)	Period Ended 30-6-98 (12 months)
Sales Gross	3792	4525
Gross Profit	683	661
Interest	389	644
Depreciation	276	371
Net Profit / (Loss) before taxes	18	(354)
Provision for Taxation	1	—
Net Profit / (Loss) after tax	17	(354)
(Loss) Brought Forward	(258)	(144)
Set off against General Reserves	—	210
(Loss) carried forward	(241)	(258)

2. REVIEW OF PERFORMANCE :

a. Production and Turnover :

	Period ended 31-3-99 (9 months)	Year ended 30-6-98 (12 months)	Growth % (Annualised)
Production MT.	37403	44448	12.20%
Sales MT	36588	43463	12.24%
Sales Value Rs. lacs	3792	4525	11.73%

b. Marketing :

The off take from the liquor industry was satisfactory during the period under review. This helped the Company achieve a 12% sales growth despite over capacity and intense competition.

c. Power Situation :

There was no power cut during the period under review. This compares very favourably with the situation in the previous year when the Company suffered power cuts from 30% to 75% and was constrained to avail the high cost power wheeled by KSEB from West Bengal at excessively high tariffs from December 97 to July 98.

d. Profitability :

Your Company has achieved a turnaround mainly by higher production and improved yields, lower power costs, savings in interest costs pursuant to the financial restructuring effected in September / October 98.

3. OUTLOOK FOR 1999-2000 :

Pursuant to satisfactory sales growth and barring unforeseen eventualities your Company expects

improvement in the performance in the current year.

4. INDUSTRIAL RELATIONS :

The Industrial Relations have been by and large cordial and satisfactory throughout the year.

5. PARTICULARS IN RESPECT OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EARNINGS AND OUTGO :

The information in accordance with Clause(s) of sub-section (1) of section 217 of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 and forming part of the Director's Report for the period ended 31st March, 1999 is given in Annexure 1 of this Report.

6. PARTICULARS OF EMPLOYEES :

There are no Employees in receipt of remuneration exceeding Rs. 50,000 p.m. or part thereof or Rs. 6,00,000 p.a. Accordingly no particulars furnished u/s 217 (2A).

7. AUDITORS :

M/s. Joseph and Nampiathiri, Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting. The Company has received a letter to the effect that their appointment, if made, would be within the limits under Section 224 (1-B) of the Companies Act, 1956. Accordingly you are requested to re-appoint the Auditors and fix their remuneration.

8. DIRECTORS

Shri Ravindra Somani and Shri S. J. Parekh retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

Shri C. K. Ramachandran - Nominee of KSIDC has resigned from the Board due to his other pre-occupations.

9. ACKNOWLEDGEMENT

We record our deep sense of gratitude to the Financial Institutions, Bankers, Valued Customers, Central and State Government Departments and Local Authorities for their continued support and co-operation.

We also place on record our sincere appreciation of the hard work and dedication of the employees of Excel Glasses Ltd. without whose efforts the turnaround would have been difficult.

On behalf of the Directors

S. J. Parekh
Chairman

Mumbai
Dated : 12th May, 1999.



EXCEL GLASSES LIMITED

ANNEXURE - I

FORM A

A. CONSERVATION OF ENERGY :

Period ended
31-03-1999
(9 Months)

Period ended
30-06-1998
(12 Months)

(a) Energy conservation measures taken :

1. Drives of compressors modified to reduce specific energy consumption.
2. Power factor improved.
3. Use of cullet optimised.
4. Load monitor (portable) used to monitor energy consumption of major equipments.

(b) Additional investments and proposals being implemented :

1. Proposals to introduce inverter drives for blower air is under active consideration.
2. Plans finalised for changing the glass furnace burners to sealed type to save energy.
3. Sand beneficiation project planning completed and order for imported equipments released.

(c) Impact of measures (a) & (b) :

1. Specific electricity consumption has come down.
2. Fuel consumption of glass melting furnace will come down.

(d) Total energy consumption and consumption per unit :

Please see Form A

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION :

Please see Form B

C. FOREIGN EXCHANGE EARNINGS & OUTGO :

Activities relating to Exports :
Nominal Exports only to Sri Lanka
Total Foreign Exchange, used and earned :

Used : Rs. 339.47 lacs (Pr. Yr. Rs. 415 lacs)
(including value of Material purchased on High Seas basis)

Earned : Rs. 6.62 lacs (Pr. Yr. Rs. 30 lacs.)

A. POWER & FUEL CONSUMPTION :

1. ELECTRICITY :

(a) Purchased

i. Units ('000 KWH)	14014	14668
Amount (Rs. Lacs)	248.41	307.07
ii. Avg. Rate/Rs./KWH	1.77	2.09

(b) Own generation

(through Diesel Generator)

i. Units ('000 KWH)	35	3408
Units/ltr. of Diesel	1.94	4.13
Avg rate / Rs. / KWH	5.74	2.24

2. FUEL

(i) L.S.H.S.

Quantity (MT)	—	1601
Amount (Rs. lacs)	—	127.3
Average rate (Rs. / MT)	—	7951

(ii) LPG

Quantity (MT)	555	710
Amount (Rs. lacs)	67.43	97.71
Avg. rate / (Rs. / MT)	12149	13761

(iii) HSD

Quantity (KL)	39	996
Amount (Rs. lacs)	4.34	91.54
Avg. rate / (Rs./MT)	11137	9191

(iv) Furnace Oil

Quantity (KL)	5806	5385
Amount (Rs. lacs)	376.59	331.62
Avg. rate / (Rs./MT)	6486	6158

(v) LDO

Quantity (KL)	529	480
Amount (Rs. lacs)	51.79	41.32
Average Rate (Rs./MT)	9790	8609

B. CONSUMPTION PER UNIT OF PRODUCTION :

Power Consumption :	KWH	376	407
Fuel Consumption:			
LSHS	Kgs.	—	36
LPG	Kgs.	15	16
HSD (Excluding for DC Set)		0.6	3
Furnace Oil	Litres	155	121
LDO	Litres	14	11



FORM B**A. RESEARCH & DEVELOPMENT (R & D)**

- a) **Specific area of R & D :** Inhouse work on use of melting and refining accelerators completed.
- b) **Benefits derived as a result of the above :** Glass batch cost has come down and quality maintained.
- c) **Future Action Panned :** To develop and adopt appropriate technology to improve quality and reduce cost of production.

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

- 1. **Efforts made :**
 - a) **Silica Sand beneficiation :** Equipment designs for project completed and orders are being released.
 - b) New materials for neck rings tried successfully to increase speeds.
- 2. **Benefit derived :**
Improvement in quality of glass containers and reduction in cost of production.

II. Details of Technology Imported during the past 5 years :

No technology was imported in the last five years.

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