

EXCEL GLASSES LIMITED



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**30th ANNUAL REPORT
2000-2001**



EXCEL GLASSES LIMITED

FINANCIAL HIGHLIGHTS

[RS. IN LACS]

Financial Year / Period	1996-97 (15 months)	1997-98	1998-99 (9 months)	1999-2000	2000-2001
FINANCIAL DATA :					
SALES & OTHER INCOME	4162	4578	3849	5372	4838
PBIDT	289	661	682	881	725
INTEREST	504	644	389	480	360
DEPRECIATION	370	371	275	377	356
TAXATION	0	0	1	7	0
PAID UP EQUITY SHARE CAPITAL	434	434	434	434	1347
NET WORTH	2291	1938	2859	2878	3798
LOAN FUNDS	3339	3544	3257	3341	2428
FIXED ASSETS (NET BLOCK)	3668	3370	3130	2987	2718
WORKING CAPITAL	1962	2516	2986	3232	3507
KEY RATIOS :					
PBIDT / SALES & OTHER INCOME	0.07	0.14	0.18	0.16	0.15
CURRENT RATIO	3.19	3.89	5.25	6.86	14.04
DEBT / EQUITY RATIO	0.92	0.90	0.56	0.61	0.28
BOOK VALUE PER SHARE	52.98	44.96	45.34	45.78	21.27



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30TH ANNUAL REPORT 2000-2001

BOARD OF DIRECTORS

S. J. PAREKH	—	Chairman
Dr. V. P. SHAH	—	Nominee of ICICI
B. CHANDRASHEKHARAN NAIR	—	Nominee of KSIDC
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)
R. P. KHATOD	—	Corporate Executive

AUDITORS

JOSEPH & NAMPIATHIRI
Chartered Accountants,
Allapuzha, Kerala

BANKERS

STATE BANK OF TRAVANCORE
THE SOUTH INDIAN BANK LIMITED
UCO BANK

REGISTERED OFFICE & WORKS

UDAYA NAGAR
Pathirapally
Allapuzha - 688 521
KERALA

CORPORATE OFFICE

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

MARKETING OFFICE

591, 1st Cross, 1st Stage,
Indira Nagar,
Bangalore-560 027 (Karnataka)



GENERAL SHAREHOLDER INFORMATION

1. The Annual General Meeting is proposed to be held on Saturday, 29th September, 2001 at 11 a.m. at the registered office of the Company situated at at Udayanagar, Pathirapally, Allapuzha (Kerala).
2. **Dates of Book Closure** : 26th September 2001 to 29th September 2001, both days inclusive.
3. **Registrar & Share transfer agent** :
 Sharex (India) Private Limited
 17/B, Dena Bank Building
 2nd Floor, Horniman Circle,
 Fort, Mumbai-400 001
 Tel. Nos.: 022-2702485/2641376
 Fax No.: 022-2641349
 Email : sharexindia@vsnl.com
4. **Share Transfer Status** : There are no pending share transfers as on 30th June,2001.
5. **Stock Exchange Data** : Due to small quantity of floating stock the Equity Shares are not frequently traded on the Stock Exchanges. Annual High/Low Prices of Equity Shares of the Company for the last year were as under:

05.07.2000	25.00	Annual Low Price
23.10.2000	26.95	Annual High Price
6. **Listing of Equity Shares on Stock Exchanges at** :
 The Stock Exchange, Mumbai
 The Cochin Stock Exchange Limited, Cochin
 The Madras Stock Exchange Limited, Chennai
7. ISIN No. For Dematerialisation : INE664C01011



NOTICE :

Notice is hereby given that the 30th Annual General Meeting of the Company will be held at 11.00 a.m on **Saturday, the 29th September, 2001** at the Registered Office of the Company at Allapuzha (Kerala) to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Profit and Loss Account for the Year ended 31st March, 2001 and the Balance Sheet as at that date and the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Revi Karunakaran 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 until the conclusion of the next Annual General Meeting, on a Remuneration of sum as may be fixed by the Board of Directors".

5. To consider and if thought fit, to pass with or without modification, the following Resolution as a **SPECIAL Resolution** :

"**RESOLVED** that pursuant to section 198,269,303,310,311 and other applicable provisions, if any, of the Companies Act, 1956 and subject to such sanctions as may be necessary, approval is hereby given to the reappointment of Mr. Prashant Somani as Managing Director of the Company for the 5-Year term commencing from 10th August, 2001 till 9th August, 2006 on the terms and conditions including remuneration and minimum remuneration in the event of absence or adequacy of profits as set out in explanatory statement relating to this resolution and in the agreement dated 31st July, 2001 entered into by the company with Mr. Prashant Somani, with liberty to the Board of Directors, to alter and vary terms and conditions and remuneration including minimum remuneration in such manner as the Board may deem fit and is acceptable to Mr. Prashant Somani".

FURTHER RESOLVED that in the event of any statutory amendment, modification or relaxation by the Central Government to Schedule XIII to the Companies Act, 1956, the Board of Directors be and is hereby authorized to vary or increase the remuneration

including salary, commission, perquisites, allowances etc. within such prescribed limit or ceiling and the agreement between the Company and Mr. Prashant Somani be suitably amended to give effect to such modification, relaxation or variation without any further reference to the members of the Company in general meeting.

AND FURTHER RESOLVED that the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary to give effect to this resolution.

6. To consider and if thought fit, to pass with or without modification, the following Resolution as a **SPECIAL Resolution**.

"**RESOLVED** that pursuant to Section 198, 269, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956 and subject to such sanctions as may be necessary, approval is hereby given to the reappointment of Mr. Ravindra Somani as Executive Director of the Company for the 5-Year term commencing from 10th August, 2001 till 9th August, 2006 on the terms and conditions including remuneration and minimum remuneration in the event of absence or adequacy of profits as set out in explanatory statement relating to this resolution and in the agreement dated 31st July, 2001 entered into by the Company with Mr. Ravindra Somani, with liberty to the Board of Directors, to alter and vary terms and conditions and remuneration including minimum remuneration in such manner as the Board may deem fit and is acceptable to Mr. Ravindra Somani.

FURTHER RESOLVED that in the event of any statutory amendment, modification or relaxation by the Central Government to Schedule XIII to the Companies Act, 1956, the Board of Directors be and is hereby authorized to vary or increase the remuneration including salary, commission, perquisites, allowances etc. within such prescribed limit or ceiling and the agreement between the Company and Mr. Ravindra be suitably amended to give effect to such modification, relaxation or variation without any further reference to the members of the Company in general meeting.

AND FURTHER RESOLVED that the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary to give effect to this resolution".

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.



EXCEL GLASSES LIMITED

2. The Register of Members and Share Transfer Register will remain closed from 26th September, 2001 to 29th September, 2001 (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.
4. The relative explanatory statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of special Business is annexed hereto.

By Order of the Board of Directors

Place : Mumbai

Dated : 31st July, 2001

S. J. PAREKH
Chairman

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 Corporation 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 recommends the Resolution for the approval of the members.

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

Item no. 5 :

At an Extra Ordinary General Meeting of the Shareholders of the Company held on 5th May, 1997, Mr. Prashant Somani was reappointed as a whole time director with the designation as managing director for a term of 5 years with effect from 10th August, 1996.

The Board of Directors decided to reappoint Mr. Prashant Somani as a whole time director with the same designation as managing director for a further term of 5 years in continuation of the present term which would expire on 9th August, 2001. The reappointment effective from 10th August, 2001 to 9th August, 2006 and the remuneration payable to Mr. Prashant Somani during that term, fixed in accordance with Schedule XIII to the Companies Act, 1956 is subject to the approval of the share holders for which purpose the resolution as set out in the notice is proposed.

The Board of Directors has fixed the following remuneration to be paid to Mr. Prashant Somani during the fresh term, with powers to make such variation or increase therein as may be thought fit from time to time, but within the ceiling/s laid down in Schedule XIII to the Companies Act, 1956 or any statutory amendment or relaxation thereof.

1. Salary :

Rs. 27,500 (Rupees Twenty Seven Thousand) per month, with such increases as may be decided by the Board of Directors.

2. Commission :

Payable for each financial year, up to one percent of net profits of the Company for that year, subject to such ceiling as may be fixed by the Board of Directors from time to time. The amount of commission shall be payable after the annual accounts are approved by the Board of Directors and adopted by the share holders. The Board has presently fixed a ceiling on commission equivalent to twice the annual salary.

3. Perquisites :

The managing Director shall be entitled to the following perquisites restricted to an amount equal to the amount of the annual salary or Rs. 4,50,000 per annum, whichever is less.

- i) Company's contribution to provident fund, Superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act.
- ii) Gratuity at the rate of half month's salary for each completed year of service. Past service of Mr. Prashant Somani in the Company will be taken into account for the purpose of calculating gratuity.
- iii) Leave with full pay as per the rules of the Company, encashment of unavailed leave being allowed at the end of the tenure.
- iv) House Rent Allowance : Rs. 16,500 (Rs. Sixteen Thousand Five Hundred) per month with such increases as may be decided by the Board of Directors.
- v) Reimbursement of medical expenses incurred for self and family in India or abroad, including hospitalization, nursing home and surgical charges and in case of any medical treatment abroad, the airfare, boarding/lodging for patient and attendant subject to one month's salary in a year or three month's salary over a period of three years.



- vi) Leave travel Concession : Reimbursement of actual traveling expenses for proceeding on leave from Mumbai to any place in India and return therefrom once in a year in respect of himself and family.
 - vii) Reimbursement of membership fees including admission/life membership fees for clubs in India and abroad subject to maximum of two clubs.
 - viii) Reimbursement of Personal Accident Insurance to the extent of Rs. 4,000 (Rupees Four Thousand) per annum.
 - ix) Reimbursement of entertainment expenses incurred in the course of business of the Company.
 - x) Free use of company's car for company's work.
 - xi) Telephone, Fax and other communication facilities at residence at Company's cost but personal long distance calls on telephone shall be billed by the Company.
4. Evaluation of Perquisites :
- Perquisites/allowances shall be evaluated as per Income tax Rules, wherever applicable, and in the absence of any such rules shall be evaluated at actual cost.
5. Minimum Remuneration :
- In the event of loss or inadequacy of profit in any financial year during the tenure of the appointment, the managing director shall be paid salary and perquisites as set out above, as the minimum remuneration, subject to the approval of the Central Government as may be required in accordance with the provisions of the Act/Schedule XIII.
6. Computation of Ceiling :
- The following shall not be included in the computation of perquisites for the purposes of the ceiling :
- a. Company's contribution to provident fund, Superannuation fund or annuity fund referred to in para 3 (i) above.
 - b. Gratuity payable as per para 3 (ii) above.
 - c. Encashment of Leave at the end of the tenure as per para 3 (iii) above.
- The Company has entered into an agreement with Mr. Prashant Somani laying down, inter alia, the aforesaid terms of remuneration and the powers

and authorities delegated to him. A copy of the said agreement dated 31st July, 2001 is available for inspection by the members during business hours on any working day between 10.00 a.m. to 12.00 noon at the registered office of the Company up to the date of the meeting.

Mr. Prashant Somani, 50 is a commerce graduate from the Mumbai University with specialization in accountancy and finance and has over 26 years of business experience.

Except Mr. Prashant Somani, the proposed appointee, no other director is interested in the said resolution.

The above may also be deemed to be an extract of the terms of appointment of managing director and the nature of the concern or interest of the director therein, as required by section 302 of the Companies Act, 1956.

Item No. 6 :

At an Extra Ordinary General Meeting of the Shareholders of the Company held on 5th May 1997, Mr. Ravindra somani was reappointed as a whole time director with the designation as managing director for a term of 5 years with effect from 10th August, 1996.

The Board of Directors decided to reappoint Mr. Ravindra Somani as a whole time director with the same designation as Executive Director for a further term of 5 years in continuation of the present term which would expire on 9th August, 2001. The reappointment effective from 10th August, 2001 to 9th August, 2006 and the remuneration payable to Mr. Ravindra Somani during that term, fixed in accordance with Schedule XIII to the Companies Act, 1956 is subject to the approval of the share holders for which purpose the resolution as set out in the notice is proposed.

The Board of Directors has fixed the following remuneration to be paid to Mr. Ravindra Somani during the fresh term, with powers to make such variation or increase therein as may be thought fit from time to time, but within the ceiling/s laid down in Schedule XIII to the Companies Act, 1956 or any statutory amendment or relaxation thereof.

1. Salary :

Rs. 22,000 (Rupees Twenty two Thousand) per month, with such increases as may be decided by the Board of Directors.

2. Commission :

Payable for each financial year, up to one percent of net profits of the Company for that year, subject



to such ceiling as may be fixed by the Board of Directors from time to time. The amount of commission shall be payable after the annual accounts are approved by the Board of Directors and adopted by the share holders. the Board has presently fixed a ceiling on commission equivalent to twice the annual salary.

3. Perquisites :

The Executive Director shall be entitled to the following perquisites restricted to an amount equal to the amount of the annual salary or Rs. 4,50,000 per annum, whichever is less.

- i) Company's contribution to provident fund, Superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act.
- ii) Gratuity at the rate of half month's salary for each completed year of service. Past service of Mr. Ravindra Somani in the Company will be taken into account for the purpose of calculating gratuity.
- iii) Leave with full pay as per the rules of the Company, encashment of unavailed leave being allowed at the end of the tenure.
- iv) House Rent Allowance : Rs. 13,200 (Rs. Thirteen Thousand Two Hundred) per month with such increases as may be decided by the Board of Directors.
- v) Reimbursement of medical expenses incurred for self and family in India or abroad, including hospitalization, nursing home and surgical charges and in case of any medical treatment abroad, the airfare, boarding/lodging for patient and attendant subject to one month's salary in a year or three month's salary over a period of three years.
- vi) Leave travel Concession : Reimbursement of actual traveling expenses for proceeding on leave from Mumbai to any place in India and return therefrom once in a year in respect of himself and family.
- vii) Reimbursement of membership fees including admission/life membership fees for clubs in India and abroad subject to maximum of two clubs.
- viii) Reimbursement of Personal Accident Insurance to the extent of Rs. 4,000 (Rupees Four Thousand) per annum.
- ix) Reimbursement of entertainment expenses incurred in the course of business of the Company.
- x) Free use of company's car for company's work.

- xi) Telephone, Fax and other communication facilities at residence at Company's cost but personal long distance calls on telephone shall be billed by the Company.

4. Evaluation of Perquisites :

Perquisites/allowances shall be evaluated as per Income tax Rules, wherever applicable, and in the absence of any such rules shall be evaluated at actual cost.

5. Minimum Remuneration :

In the event of loss or inadequacy of profit in any financial year during the tenure of the appointment, the Executive director shall be paid salary and perquisites as set out above, as the minimum remuneration, subject to the approval of the Central Government as may be required in accordance with the provisions of the Act/Schedule XIII.

6. Computation of Ceiling :

The following shall not be included in the computation of perquisites for the purposes of the ceiling :

- a. Company's contribution to provident fund, Superannuation fund or annuity fund referred to in para 3 (i) above.
- b) Gratuity payable as per para 3 (ii) above.
- c) Encashment of Leave at the end of the tenure as per para 3 (iii) above.

The Company has entered into an agreement with Mr. Ravindra Somani laying down, inter alia, the aforesaid terms of remuneration and the powers and authorities delegated to him. A copy of the said agreement dated 31st July, 2001 is available for inspection by the members during business hours on any working day between 10.00 a.m. to 12.00 noon at the registered office of the Company up to the date of the meeting.

Mr. Ravindra Somani, 54 is an industrialist with specification in accountancy and finance and has over 30 years of business experience.

Except Mr. Ravindra Somani, the proposed appointee, no other director is interested in the said resolution.

The above may also be deemed to be an extract of the terms of appointment of Executive director and the nature of the concern or interest of the director therein, as required by section 302 of the Companies Act, 1956.



DIRECTORS' REPORT

To
The Members,

Your Directors have pleasure in presenting the 30th Annual Report and the Audited Statement of Accounts for the year ended 31st March, 2001.

1. WORKING OF THE COMPANY :

Financial Results

In the year under review, the Company's total income was Rs. 4838 Lacs as compared to previous year's income of Rs. 5372 Lacs. Profit before Interest, Depreciation and taxation was Rs. 725.15 Lacs as against Rs. 879.58 Lacs for the previous year.

Production fell by 5.39 per cent because of the temporary capacity constraints caused by production of smaller bottles. The production limitation coupled with slow down in demand from liquor industry, resulted in a 9.85% fall in sales value.

Dividend

In view of the inadequate profit, your Directors regret their inability to recommend any dividend.

Director's Responsibility Statement

In compliance to the Provisions of Section 217 (2AA) of the Companies Act, 1956, your Directors wish to place on record :

- a) that in the preparation of the annual accounts, the applicable accounting standards have been followed and no material departures have been made from the same;
- b) that they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a 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 period;
- c) that they 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 frauds and other irregularities.
- d) that they had prepared the annual accounts on a going concern basis.

Industrial Relations

Cordial and harmonious Industrial Relations prevailed throughout the year at the manufacturing plant of the Company.

Prospects for the Current Year

The recessionary environment being faced by the economy in general and the Glass Industry in particular is challenging. Added emphasis is given to the export effort in view of the uncertain domestic market. The Company is also developing wider range of products to tide over the difficult industry environment.

2. FIXED DEPOSITS :

Your company has not accepted any fixed deposits and, as such, no amount of principal or interest was outstanding as of the balance sheet date.

3. RIGHT ISSUE OF EQUITY SHARES :

During the Year the Company came out with a right issue of 53,60,625 Equity Shares of Rs. 10/- each at par. The right issue was subscribed to the extent of 93.65% and accordingly 50,20,338 Equity Shares were allotted to the applicants. The Company has obtained the listing permission of the stock exchanges where the existing Equity Shares of the Company are listed.

4. CONVERSION OF TERM LOANS INTO EQUITY SHARES OF THE COMPANY :

During the Year the financial institutions (ICICI, IDBI and IFCI) exercised their right of conversion as per the loan agreements entered with them and accordingly 41,61,500 Equity Shares of Rs. 10/- each at par were allotted to them. The Company has applied to the stock exchanges where the existing Equity Shares of the Company are listed, for listing of the aforesaid shares.

5. HUMAN RESOURCE DEVELOPMENT :

Human resources are the intangible assets of the Company and efforts are being made to upgrade the skills of the employees to face global changes. Several training programmes were conducted during the year to improve the efficiency and quality of our HR.

6. CORPORATE GOVERNANCE :

Corporate Governance has to be implemented in the Financial year 2001-2002. As a first step towards implementation of Corporate Governance, the Board of Directors has constituted Audit Committee, Remuneration Committee and Shareholders/Investors Grievance Committee at their meeting held on 31st July, 2001.

7. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND EXCHANGE EARNINGS AND OUTGO :

Particulars required u/s 217(l)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules 1988 are set out in Annexure " I " included in this report.