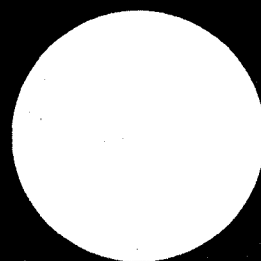


EXCEL GLASSES LIMITED



**33rd ANNUAL REPORT
2003-2004**

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EXCEL GLASSES LIMITED

33RD ANNUAL REPORT 2003-2004

BOARD OF DIRECTORS

S. J. PAREKH	— Chairman
PRASHANT SOMANI	— Managing Director
RAVINDRA SOMANI	— Executive Director
DR. V. P. SHAH	— Nominee of ICICI
SUSHEEL G. SOMANI	— Non Executive Director
SURENDRA SOMANI	— Non Executive Director
H. P. VYAS	— Non Executive Director
R. D. PRABHU	— Non Executive Director

EXECUTIVES

T. C. THOMAS	— Vice President (Technical)
B. G. AGARWAL	— Vice President (Commercial)
R. P. KHATOD	— Corporate Executive

AUDITORS

M/s JOSEPH & NAMPIATHIRI

BANKERS

STATE BANK OF TRAVANCORE
THE SOUTH INDIAN BANK LIMITED
UCO BANK

REGISTERED OFFICE & WORKS

Udaya Nagar, Pathirapally
Allapuzha-688 521 (Kerala)
Telephone : (0477) 2258671-5 Fax : (022) 2258670
Email : mail@excelglasses.com

CORPORATE OFFICE

Parijat House, 2nd Floor,
1076, Dr.E.Moses Road, Worli,
Mumbai-400 018 (Maharashtra)
Telephone : (022) 24933050 / 24920611
Fax : (022) 24937743
Email : eglmumbai@hathway.com

MARKETING OFFICES

B/1, 1st Floor, Indira Devi Apartments,
20A, Gopal Krishnan Street,
T. Nagar, Chennai – 17 (Tamilnadu)

★

591, 1st Cross, 1st Stage,
Indira Nagar,
Banglore-560 038 (Karnataka)
Mobile Nos. : 9844051954 / 9844128945

REGISTRAR AND SHARE TRANSFER AGENTS

Sharex (India) Pvt.Ltd.
17/B, Dena Bank Building, 2nd Floor, Horniman Circle,
Fort, Mumbai-400 001 (Maharashtra)
Telephone : (022) 22702485 / 22641376 Fax : (022) 22641349
Email : sharexindia@vsnl.com

BOARD COMMITTEES

Audit Committee:

H. P. Vyas – Chairman
R. D. Prabhu – Member
Dr. V. P. Shah - Member

Shareholder Grievance Committee:

H. P. Vyas – Chairman
R. D. Prabhu – Member
Dr. V. P. Shah - Member



EXCEL GLASSES LIMITED

FINANCIAL HIGHLIGHTS

	2001	2002	2003	[RS. IN LACS] 2004
FINANCIAL DATA :				
GROSS REVENUE	4838	5082	4944	4214
LESS : EXCISE DUTY	635	652	637	551
LESS : SALES TAXES	115	117	147	153
NET REVENUE	4088	4313	4160	3510
PBIDT	725	644	(499)	(66)
INTEREST & FINANCE CHARGES	360	432	333	210
DEPRECIATION	356	202	197	200
PROVISION FOR INCOME TAX	—	—	(1)	—
PROFIT (LOSS) FOR THE YEAR	9	10	(1028)	(476)
PAID UP EQUITY SHARE CAPITAL	1347	1347	1347	1347
NET WORTH	3798	3811	2805	2329
LOAN FUNDS	2428	2567	2833	3149
FIXED ASSETS (NET BLOCK)	2718	2622	2438	3228
WORKING CAPITAL	3507	3754	3199	2250
KEY RATIOS :				
PBIDT / SALES & OTHER INCOME	0.15	0.13	(0.10)	(0.02)
CURRENT RATIO	14.04	14.64	5.54	4.01
DEBT / EQUITY RATIO	0.28	0.32	0.59	0.69
BOOK VALUE PER SHARE	21.52	21.36	13.75	10.21



NOTICE

Notice is hereby given that the Thirty Third Annual General Meeting of the Members of the Excel Glasses Limited will be held at 11.00 A.M. **Saturday, the 4th September, 2004** at the Registered Office of the Company at Allapuzha (Kerala) to transact the following business :

ORDINARY BUSINESS :

1. To consider and adopt the Audited Profit and Loss Account for the Year ended 31st March, 2004 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 Susheel G. Somani, who retire by rotation and being eligible, offer himself for reappointment.
3. To appoint a Director in place of Shri Ravindra Somani, who retire by rotation and being eligible, offer himself for reappointment.
4. To appoint Auditors and to fix their remuneration. In this connection, to consider and, if thought fit, to pass the following resolution which will be proposed as a Special Resolution:

"RESOLVED that Messrs. Joseph & Nampiathiri, Chartered Accountants, be and are hereby appointed as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting, on a Remuneration of sum as may be fixed by the Audit Committee of the Directors of the Company".

SPECIAL BUSINESSES :

5. To consider and, if thought fit, to pass, with or without modification, the following resolution which will be proposed as a Special Resolution :

"RESOLVED that pursuant to the provisions of Section 61 and other applicable provisions, if any, of the Companies Act, 1956, SEBI (Delisting of Securities) Guidelines, 2003 (hereinafter referred to as Delisting Guidelines) and all other applicable laws, (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any authority while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company ("the Board") (which term shall include any Committee thereof), consent of the Company be and is hereby accorded to the Board to voluntarily de-list the equity shares of the Company from the Cochin Stock Exchange Limited."

"RESOLVED further that the Board be and is hereby authorized to settle all questions, difficulties or doubts that may arise with respect to the aforesaid voluntarily delisting of shares as it may in its absolute discretion deems fit without being required to seek any further approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval expressly by the authority of this resolution."

"RESOLVED further that the equity shares shall continue to be listed at the Stock Exchange, Mumbai having nationwide terminals and therefore in terms of Clause 5.2 of the SEBI (Delisting of Securities) Guidelines, 2003, no exit opportunity need be given to the shareholders of the Company."

"RESOLVED further that the Board be and is hereby authorized to take all necessary steps in this regard in order to comply with all the legal and procedural formalities and further to authorize any of its committees or any Directors of the Company to do all such acts, deeds or things to give effect to and enforce the aforesaid resolution."

By Order of the Board of Directors

S. J. PAREKH
CHAIRMAN

Mumbai : 30th July, 2004

NOTES :

1. **A Member entitled to attend and vote at this Annual General Meeting (AGM) may appoint a proxy to attend and vote on a poll on his behalf. A proxy need not be a member of the Company.** Proxies, in order to be effective, must be received at the registered office of the Company not less than FORTY EIGHT HOURS before the commencement of the meeting.
2. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in relation to the special business of the Meeting is annexed hereto and forms part of this Notice.
3. Additional information, pursuant to Clause 49 of the Listing Agreement with Stock Exchanges, on Directors recommended by the Board of Directors for re-appointment at the Annual General Meeting, is appearing in the Report and Accounts.
4. In accordance with the provisions of Section 205 (C) of the Companies Act, 1956, the Company has transferred unpaid / unclaimed dividend for the year ended 31.03.1996 to Investors Education and Protection Fund.
5. Members are requested to bring the admission slips along with their copy of the Report and Accounts to the Meeting.


EXCEL GLASSES LIMITED

6. Members who hold shares in dematerialized form are requested to bring their depository ID Number and Client ID Number for easier identification of attendance at the Annual General Meeting.
7. Members holding shares in physical form and desirous of making / changing nomination in respect of their shareholding in the Company, as permitted under Section 109A of the Companies Act, 1956, may submit to m/s Sharex (India) Private Limited the prescribed Form 2B, which is enclosed.
8. The Register of Members and Share Transfer Register will remain closed from 1st September, 2004 to 3rd September, 2004 (both days inclusive).
9. 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 7 days before the date of the Meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956
Item no.5 :

The equity shares of the Company are presently listed on the Stock Exchange, Mumbai (BSE) and the Cochin Stock Exchange Ltd.

It has been observed that the bulk of the trading in the Company's equity shares takes place on BSE. The trading in other stock exchange i.e. the Cochin Stock Exchange Ltd is very nominal because of the expansion of BSE with its extensive networking. The investors / members have access to online dealing in the Company's equity shares on the trading terminals provided by BSE.

The Company has been spending a considerable amount on listing fees, advertisement in news papers pursuant to listing agreements. Further the compliances, reportings and approvals under the listing agreements get multiplied and because of these multiple requirements to be complied with for each Stock Exchange separately, some of the Corporate Actions get delayed. The investors or the shareholders of the Company do not get any additional benefit by continuing the listing of the equity shares on the Cochin Stock Exchange Ltd.

In accordance with the recently notified SEBI (Delisting of Securities) Guidelines 2003, the Company can now delist the equity shares from the Cochin Stock Exchange by seeking approval of the members.

Therefore, the Company proposed to continue the listing of the Company's equity shares only on BSE and to delist the same from the Cochin Stock Exchange Ltd. subject to Company's complying with the various provisions of SEBI (Delisting of Securities) Guidelines 2003 and obtaining requisite approvals, permissions and sanctions from appropriate authorities.

Under the SEBI, (Delisting of Securities) Guidelines 2003, the aforesaid approval of shareholders by a Special Resolution.

The Board of Directors recommends the passing of this Resolutions.

None of the Directors of the Company is concerned or interested in this resolution.

By Order of the Board

Mumbai : 30th July, 2004

S. J. PAREKH
CHAIRMAN



DIRECTORS' REPORT TO THE MEMBERS

Your Directors submit their Annual Report and Audited Accounts for the year ended 31st March, 2004.

FINANCIAL HIGHLIGHTS

	2004 (In Rs. '000)	2003 (In Rs. '000)
Net Sales & Other Income	3510	4160
Profit (Loss) before Depreciation & Tax	(277)	(832)
Depreciation	199	197
Profit (Loss) after Taxation	(476)	(1029)

PERFORMANCE REVIEW

Your Company has recorded revenue of Rs. 3510 Lacs in financial year 2003-04 compared with Rs.4160 Lacs in financial year 2002-03. Loss reduced from Rs.1029 Lacs in financial year 2002-03 to Rs.476 Lacs in 2003-04.

Your Company has focused on manufacturing new shape of bottles and printed bottles which are competitively priced and give value for money.

FINANCE & CAPITAL EXPENDITURE

The share capital of the Company stood at Rs.2305 Lacs and remained unchanged from the previous year. Secured Loans increased to Rs.2598 Lacs compared with Rs.2595 Lacs showing a small increase of Rs.3 Lacs. The additions in fixed assets of Rs.1089 Lacs (mainly in priority area like rebuilding of furnace and installation of printing lines) made without taking any additional secured loans. Despite an increased turnover, working capital utilized from the bank was not allowed to exceed the sanctioned working capital limits as debtors and inventories level was maintained at a reasonable level.

Unsecured loans consists mainly of deferred credits / liabilities. Total unsecured loans increased to Rs.550 Lacs in 2003-04 from Rs.260 Lacs in 2002-03.

Interest cost reduced from Rs.333 Lacs in 2003-04 to Rs.210 Lacs in 2002-03 reflecting reduced interest rates by lenders and efficient working capital management.

MILE STONES

Your Company has successfully completed the rebuilding of furnace with a slight capacity expansion during the year under review.

Your Company has also been able to install Colour Printing Line, successfully, to cater the requirement of soft drink customers like Hindustan Coca Cola and Pepsi as well as export market.

The improvement in general market scenario, diversified product range, modernization of the facilities and cost reduction measure taken by the Company have also resulted in enhancing capital and labour productivity which are being reflected through improved margins for the last two quarters results. The management is taking action to increase the capacity utilization and marketing of new products. It is expected that these steps will contribute to the improved performance of the Company in the coming years.

DEBT RESTRUCTURING

Your Company's proposal for restructuring has been accepted by the financial institutions (except IFCI Ltd.) subject to certain conditions referred in their respective sanction letters. The Company has already complied with the most of them.

The Company has already approached to IFCI Limited for consideration of debt restructuring package and pending the sanction of the same, it has paid interest dues as per the restructuring proposal submitted by the Company till date. The management is hopeful to get the sanction of IFCI Ltd.

DIVIDEND

As the operations of the Company in the current year have resulted into loss, your directors do not recommend any dividend for the year ended March 31, 2004.

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.

VOLUNTARY DELISTING OF SHARES

The Company's equity shares are listed on the Stock Exchange at Mumbai and Cochin. SEBI has recently issued guidelines for voluntary delisting of a Company's shares subject to approval of the share holders provided, however, that the equity shares of the Company are listed on one or more of the Stock Exchanges having nation wide trading facilities.

Since, trading of the Company's shares on the Stock Exchange at Cochin is very nominal, it is proposed to delist the Company's shares from the Stock Exchange at Cochin. The Company proposes to continue its listing with the Mumbai Stock Exchange. Since BSE have nation wide trading terminals there will be no inconvenience or hardship caused to the investors.

A proposal in this respect is contained in the accompanying notice of the forthcoming Annual General Meeting.

DEPOSITORY SYSTEM

As the members are aware, your Company's Equity shares are tradable compulsorily in electronic form and your Company has established connectivity with both the depositories, i.e. National Securities Depository Limited and Central Depository Services (India) Limited through share transfer registrar. In view of the numerous advantages offered by the Depository system, members are requested to avail of the facility of dematerialisation of the Company's Equity shares.

PERSONNEL

The Company has signed long term agreement during the year, with the labour unions based on bilateral negotiations and mutual gains effective for next five years. Relations between the management and workers remained normal after signing of the agreement.

The Company also continued with its endeavour to train, develop and retain its human assets through various training and development programme initiated for the purpose.

The Company did not employ during the year under review any employee whose particulars are required to be furnished under section 217(2A) of the Companies Act, 1956.

POWER TARIFF CONCESSION

In the Report & Accounts of the last few years, your Directors have mentioned that the power consumption by the newly built glass plant of the Company installed in October, 1995 was eligible for concessional tariff under the Industrial Promotion Incentive Scheme declared by the Government of Kerala (Notification dated 6th February, 1992 and subsequent amendment thereof). The Director of Industries and Commerce certified the Company's



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eligibility on April 9, 1997 for a period of 5 years from October, 1995 but the Kerala State Electricity Board ('KSEB') granted exemption only on partial consumption of power. We, therefore, filed writ petition before the Hon. High Court of Kerala in 1999.

The KSEB extended the concessional power period by another 214 days (i.e. upto 3rd May, 2001) due to power cut in excess of 50% or more during the initial concession period of 5 years. Your Company had been advised that for period of power cut less than 50 % during the initial concession period, also, it should be eligible for extension of concessional power. Accordingly, provision for power charges in the accounts upto March 31, 2002 were made on the basis of concessional power tariff.

The KSEB has raised a demand of Rs.443 Lacs (inclusive of interest of Rs.35 Lacs) vide their demand notice dated 31st August, 2002 based on the assumption that the Company was eligible for concessional tariff only upto 3rd May, 2001. Out of Rs.443 Lacs, a sum of Rs.53 lacs is to be reimbursed by the Govt. of Kerala. Pending disposal of our original petition but to avoid the disconnection, the Company has paid a sum of Rs.363.80 Lacs against the demand upto 31st July, 2004 under protest. Balance amount will be paid in the current year in installments as approved by the KSEB.

Since your Company is contesting the above referred cases and contending that it was eligible for concessional power tariff, it does not accept any liability in this behalf. However, as a matter of prudence, it has charged the amount paid till March 31, 2004 against the above referred demand to revenue accounts. Your attention is drawn to the Note No. 9 and 10 in the Schedule "14" to accounts.

DIRECTORS

In accordance with the Articles of Association of your Company, Shri Susheel G. Somani and Shri Ravindra Somani, Directors of your Company will retire at the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment to the office of a Director on the Board of your Company.

STATUTORY AUDITORS

The Auditors of the Company, Messrs. Joseph and Nampiathiri, Chartered Accountants, Allapuzha, retire at the ensuing Annual General Meeting of the Company and have given their consent for re-appointment. The Company has also received a Certificate from them under Section 224 (1-B) of the Companies Act, 1956.

DIRECTOR'S RESPONSIBILITY STATEMENT PURSUANT TO SECTION 217(2AA) OF THE COMPANIES ACT, 1956

The Directors hereby confirm :

- that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures;
- 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;
- 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;
- that they had prepared the annual accounts on a going concern basis.

CORPORATE GOVERNANCE

Corporate Governance and Management Discussion and Analysis Reports as well as Corporate Governance Compliance Certificate are provided in separate Annexure to this report.

APPRECIATION

Your Directors take this opportunity to thank all the Financial Institutions, Bankers, Central and State Government Departments, Local Authorities, Suppliers and last but not least valued Customers for the co-operation and assistance provided to the Company.

Your Directors also wish to place on record their appreciation of the dedicated services of the employees.

On behalf of the Board

S. J. PAREKH
CHAIRMAN

Mumbai : 30th July, 2004

ANNEXURE TO THE DIRECTORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENT

The year under review was another year of difficulties for Indian glass industry to satisfy the customers due to shut down of few glass container manufacturers like Ace Glass's Pune Unit, Victory Glass, Bangalore, Cana Glass and other small players. These players had to shutdown their units due to continuous downtrend in realizations, increased raw material and fuel costs as well as increase in competition with second-hand glass bottle sellers which has resulted in heavy losses to them.

Closure of the above units created some undersupply and thereby improved realizations. However, with the Consolidation in the industry and existing player's upgrading their facilities it is expected that demand supply will match in a couple of months.

OPPORTUNITY AND THREATS

With the introduction of unique shaped bottles by various liquor manufacturers, the demand for them is continuously showing a growth rate of in excess of 8%. Your Company's ability to produce value added products like printed container glass products has increased the strength of the Company.

The Company is planning to take necessary steps to cater to the requirements of its Customers. A well planned and organized strategy is, also, being adopted to increase the productivity as well as to enter into new markets.

Threats are being faced from unorganized market supplying second hand bottles having low cost as they do not pay excise duty, sales tax etc.

OUTLOOK

Packaged food and breweries industry, one of the key consumer of Glass Bottles, are showing double digit growth and accordingly the glass industry can also expect to have a growth provided no significant capacities are added.

With the improvement in overall demand coupled with various measures initiated by the Management, your Company is hopeful of achieving good performance for the current year.

IMPACT OF BUDGET 2004-2005 PROPOSALS

Union Budget 2004-05 has not made any significant impact on the financials of the Company.



ANNEXURE TO THE DIRECTORS' REPORT

INFORMATION AS PER SECTION 217(1)(E) READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTOR'S REPORT FOR THE YEAR ENDED MARCH 31, 2004.

A. CONSERVATION OF ENERGY:

- (a) Energy conservation measures taken:
- (1) Drives with higher capacities changed to optimum capacity.
- (b) Proposals under implementation :
- (1) Automatic power factor stabilising unit proposal being evaluated.
- (c) Impact of energy conservation measures (a) and (b)
- (1) Energy consumption is coming down.
- (d) Total energy consumption and consumption per unit:
Refer Form A

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

RESEARCH & DEVELOPMENT (R & D)

- a) Work on waste sand beneficiation completed successfully.
- b) Benefits derived as a result of the above: Achieved better realisation from waste sand.
- c) Future Action Planned: To develop and adopt appropriate technology to improve quality and reduce cost of production.

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

1. Efforts made:
 - a) Neckring and plunger materials modified to reduce split finish problems on bottles.
2. Benefits derived:

Improvement in quality and elimination of complaints and rejection for pressure filled bottles. Reduction in cost of production.
3. Details of Technology imported during the last five years.

No technology was imported in the last five years.

C. FOREIGN EXCHANGE EARNINGS & OUTGO:

Activities relating to Exports: Exports of Glass Bottles

Total Foreign Exchange used and earned:

Used: Rs. 256.78 lacs (Pr. year. Rs. 249.69 lacs)

Earned: Rs. Nil (Pr. Year. Rs. 126.90 lacs)

FORM A

2003-2004 2002-2003

A. POWER & FUEL CONSUMPTION:

1. ELECTRICITY:

(a) Purchased

(i) Units ('000 KWH)	10951	17258
(ii) Amount (Rs. lacs)	442.58	595.35
(iii) Avg. Rate (Rs.)/Unit	4.04	3.44

(b) Own Generation (through Diesel Generator)

(i) Units ('000 KWH)	300	954
(ii) Units / ltr .of diesel	14.76	37.06
(iii) Avg. Rate (Rs.) / Unit	4.92	3.88

2. FUEL:

i. LPG

(i) Quantity (MT)	556	743
(ii) Amount (Rs. lacs)	125.63	149.70
(iii) Avg. Rate (Rs.)/MT	22595	20148

ii. HSD / LDO / HCR / SKO

(i) Quantity (KL)	452	598
(ii) Amount (Rs. lacs)	76.17	92.47
(iii) Avg. Rate (Rs.)/KL	16851	15475

iii. FURNACE OIL

(i) Quantity (KL)	4321	7515
(ii) Amount (Rs. lacs)	515.13	928.70
(iii) Avg. Rate (Rs.)/KL	11952	12357

B. Consumption Per Unit of Production:

Power Consumption:

KWH	300	388
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Fuel Consumption:

LPG - Kgs.	19	16
HSD/LDO/HCR/SKO - Litres	15	13
Furnace Oil - Litres	145	169



EXCEL GLASSES LIMITED

REPORT ON CORPORATE GOVERNANCE

(As required by Clause 49 of the Listing Agreement of the Stock Exchanges)

1. Company's Philosophy:

Excel Glasses Limited believes that corporate governance is essential to achieve long term goals and to enhance stakeholder's value. Your Company's philosophy on corporate governance is led by strong emphasis on transparency, professionalism and accountability in its dealing with its customers, dealers, employees, shareholders and with every individual who comes in contact with the Company.

2. Board of Directors:

The Board consists of Managing Director, one Executive Director and six non-executive directors including nominee director.

The remuneration of non-executive directors is decided by the Board of Directors.

A management Discussion and Analysis Report which forms a part of this Annual Report is given by means of a separate annexure and is attached to the Directors' Report.

None of the Director on the Board are members in more than ten committees across all companies in which they are Directors.

During the year, four Board Meetings were held on 30th April, 2003, 31st July, 2003, 31st October, 2003 and 30th January, 2004. The Maximum interval between two meetings was 91 days.

The Composition of Directors and the attendance at the Board Meetings during the year and number of other directorship in public limited companies and Committee memberships are given below.

Name of Director	Position	Board Meetings attended during the year	Attendance at last AGM	No. of other Directorship	No. of other Committee Members
S.J.Parekh	Chairman & Non-Executive Director	4	No	25	2
Prashant Somani	Managing Director	4	No	12	1
Ravindra Somani	Executive Director	3	Yes	5	–
Dr. V.P.Shah	Nominee Director	4	No	1	–
B.Chandra Shekharan Nair (Nomination withdrawn by KSIDC w.e.f. 17-01-04)	Nominee Director	2	No	N.A.	N.A.
Revi Karunakaran (Expired on 25-11-2003)	Non-Executive Director	Nil	No	N.A.	N.A.
Susheel Somani	Non-Executive Director	3	No	16	–
Surendra Somani	Non-Executive Director	4	No	19	5
H.P.Vyas	Non-Executive Director	3	Yes	6	2
R.D.Prabhu	Non-Executive Director	4	No	5	–

3. Audit Committee:

a) Terms of reference

To oversee the Company's financial reporting process and disclosure of it's financial information, to recommend the appointment of Statutory Auditors and fixation of Audit fee, to review and discuss with the Auditors about internal control systems, scope of audit including observations of the auditors and adequacy of internal control systems, major accounting policies & practices, adopting accounting standards and complying with the various requirements concerning financial statements, if any, and to review the Company's quarterly financial statements before submission to the Board of Directors.

During the year Three Audit Committee meetings were held on year ended 31st July, 2003, 31st October, 2003 and 31st January, 2004. All the Audit Committee Members attended these meetings.

b) Composition

The Audit Committee of the Board comprises of three non-executive independent Directors namely Shri H.P. Vyas, Shri V.P. Shah and Shri R.D. Prabhu.



4. Remuneration paid or payable to Directors during the financial year 2003-04:

EXECUTIVE DIRECTORS:

Name of Director	Relationship with other Directors	Sitting Fees (inclusive of Audit Committee Sitting Fees) (Amt. in Rupees)	Salary/ Commission on Profits/ Contribution to Provident Fund (Amt. in Rupees)	Perquisites (Amt. in Rupees)	Total (Amt. in Rupees)
Prashant Somani	None	N.A.	NIL	NIL	NIL
Ravindra Somani	None	N.A.	NIL	NIL	NIL

At the request the Board of Directors, Executive Directors accepted to forgo their salary till the Company achieves turnaround.

NON-EXECUTIVE DIRECTORS:

Name of Director	Relationship with other Directors	Sitting Fees (inclusive of Audit Committee Sitting Fees) (Amt. in Rupees)	Salary/ Commission on Profits/ Contribution to Provident Fund (Amt. in Rupees)	Perquisites (Amt. in Rupees)	Total (Amt. in Rupees)
S. J. Parekh	None	3000	N.A.	N.A.	3000
Dr. V.P.Shah	None	7000	N.A.	N.A.	7000
B.Chandra Shekharan Nair (Nomination withdrawn by KSIDC w.e.f. 17-01-2004)	None	2000	N.A.	N.A.	2000
Revi Karunakaran (Expired on 25-11-2003)	None	NIL	N.A.	N.A.	NIL
Susheel G. Somani	None	2000	N.A.	N.A.	2000
Surendra Somani	None	3000	N.A.	N.A.	3000
H.P.Vyas	None	6000	N.A.	N.A.	6000
R.D.Prabhu	None	7000	N.A.	N.A.	7000

The above excludes provisions for contribution to employee retirement / post retirement and other employee benefits which are based on actuarial valuation done on an overall Company basis.

5. Shareholder Grievance Committee:

The Board has formed a shareholder Grievance Committee consisting of three non-executive independent Directors namely Shri H.P. Vyas, Shri R.D. Prabhu and Shri V.P. Shah.

All investor complaints which can not be settled at the level of Mr. B.G. Agarwal, Compliance Officer and Mr. K.C. Ajith Kumar, the registrar is forwarded to the

shareholders committee for final settlement. A share holder committee meeting was held on January 31, 2004 which was attended by Shri H.P.Vyas, Shri R.D.Prabhu and Shri V.P.Shah.

The Company confirms that there were no share transfers lying pending as on 30.06.2004, and all requests for dematerialisation and rematerialisation of shares as on that date were confirmed / rejected into NSDL/CDSL system.

6. General Body Meetings:

Details of last three annual general meetings :

Financial Year ended	Date	Time	Venue
31 March, 2001	29 Sept. 2001	11.00 A.M.	Udayanagar, Pathirapally, Allapuzha (Kerala)
31 March, 2002	30 Sept. 2002	11.00 A.M.	Udayanagar, Pathirapally, Allapuzha (Kerala)
31 March, 2003	29 Sept. 2003	1.00 P.M.	Udayanagar, Pathirapally, Allapuzha (Kerala)

7. Disclosure:

There have been no materially significant related party transactions, pecuniary transaction or relationships between the Company and its Directors that may have potential conflict with the interest of the Company at large.

8. Means of Communication:

Quarterly results are published in daily news papers viz. The Free Press Journal, Navshakti and Kerala Sree. Official news are given directly to the press.

The Company's website at www.excelglasses.com is regularly updated with products and relevant information.

9. General Shareholder Information:

- Annual General Meeting is proposed to be held on 4th September, 2004 at 11.00 a.m. at Excel Glasses Compound, Udayanagar, Pathirapally, Allapuzha (Kerala).
- The share transfer Books and Register of Members of the Company will remain closed from 1st September 2004 to 3rd September 2004 (both days inclusive).
- Registrar & Share transfer agent:**
Sharex (India) Private Limited
17/B, Dena Bank Building, 2nd Floor,
Horniman Circle,
Fort, Mumbai-400 001
Tel. Nos.: 022-22702485/22641376
Fax No.: 022-22641349
Email : sharexindia@vsnl.com
- Stock Exchange Data:** Due to short quantity of floating stock the Equity Shares are not frequently traded on the Stock Exchanges. Stock Market Price