



# **EXCEL GLASSES LIMITED**

**39<sup>th</sup> ANNUAL REPORT  
2009-2010**



# EXCEL GLASSES LIMITED

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### BOARD OF DIRECTORS

Mr. Prashant Somani	- Managing Director
Mr. Ramesh Prabhu	- Non Executive Independent Director
Mr. Gopal Das Mantri	- Non Executive Independent Director
Mr. Vishnu Narayan Khanna	- Non Executive Independent Director

### AUDITORS

M/s Joseph & Nampiathiri  
Chartered Accountants,  
Alappuzha (Kerala)

### REGISTERED OFFICE & WORKS

Udayanagar, Pathirapally,  
Allapuzha – 688 521 (Kerala)  
Tel. : (91 477) 2258671 – 5  
Fax. (91 477) 2258670  
Web Address: excelglasses.com  
Email Address : mail@excelglasses.com

### CORPORATE OFFICE

Parijat House, 1<sup>st</sup> Floor,  
1076 Dr. E. Moses Road, Worli,  
Mumbai – 400 018 (Maharashtra)  
Tel. : (91 22) 24933050/24920611  
Fax. (91 22) 24937743  
Email Address : eglmumbai@hathway.com

### REGISTRAR AND SHARE TRANSFER AGENTS

Sharex Dynamic (India) Pvt. Ltd.  
17/B, Dena Bank Building, 2<sup>nd</sup> Floor,  
Horniman Circle, Fort, Mumbai – 400 001  
Tel. : (022) 22702485/22641376  
Fax. (022) 22641349  
Email Address : sharexindia@vsnl.com

### EXECUTIVES :

Mr. Mathew Tharakkan – Advisor(Tech.)  
Mr. B.Rajgopal – G.M.(Commercial)  
Mr. Ram Prakash Khatod – G.M.(Finance & Corporate Affairs)



## NOTICE

Notice is hereby given that the Thirty Ninth Annual General Meeting of the Members of the Excel Glasses Limited will be held at 11.30 A.M. on Friday, the 31<sup>st</sup> December, 2010 at the Registered Office of the Company situated at Udayanagar, Pathirapally, Alappuzha - 688521 (Kerala) to transact the following business :

### ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 30<sup>th</sup> September, 2010 and the Profit and Loss Account for the year ended 30<sup>th</sup> September, 2010 and the Report of the Directors' and the Auditors' thereon.
2. To appoint a Director in place of Mr. Gopal Das Mantri, who retires from office by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s Joseph & Nampiathiri, Chartered Accountants, Alappuzha, as Statutory Auditors of the Company for the period commencing from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration and reimbursement of out of pocket expenses.

**By Order of the Board**

**Prashant Somani**  
**Managing Director**

**Mumbai: December 1, 2010**

### 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 valid, must be received at the registered office / Corporate Office of the Company not less than forty eight hours before the commencement of the meeting.
2. Additional information, pursuant to Clause 49 of the Listing Agreement with Stock Exchanges, on Director recommended by the Board of Directors for re-appointment at the ensuing Annual General Meeting, is appearing in the Report and Accounts.
3. Members are requested to bring the admission slips along with their copy of the Report and Accounts to the Meeting.
4. Members who hold shares in demat form are requested to bring their depository ID Number and Client ID Number for easier identification of attendance at the Annual General Meeting.
5. Members holding shares in the demat form are requested to intimate all changes pertaining to their bank accounts, mandates, nominations, power of attorney, change of address / name etc. to their depository participant only.
6. Members holding shares in physical form are requested to intimate all changes pertaining to their bank accounts, mandates, nominations, power of attorney, change of address / name etc. to the Company's Registrar and Transfer Agent.
7. The Register of Members and Share Transfer Register will remain closed from 27<sup>th</sup> December, 2010 to 30<sup>th</sup> December, 2010 (both days inclusive).
8. 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.



## DIRECTORS' REPORT TO THE MEMBERS

Your Directors present the Annual Report, together with the audited Accounts of your Company for the year ended 30<sup>th</sup> September, 2010.

### REVIEW OF PERFORMANCE (Rs. in Lacs)

	2009-10 (12 months)	2008-09 (18 months)
Net Sales & Other Income	—	2620
Profit (Loss) Before Extra Ordinary Items	(585)	(1314)
Extra Ordinary Items	1823	(69)
Interest	565	864
Depreciation and Impairment of Fixed Assets	595	418
Provision for Taxation	—	3
Profit / (Loss) after Taxation	78	(2530)

Company's only plant located at Alappuzha (Kerala) remained closed for last whole year. The financial figures for the year under review are 12 months as compared to the previous accounting period of 18 Months, hence not comparable.

### FINANCE

The equity share capital and preference share capital of the Company stood at Rs.1409 Lacs and Rs.953 Lacs respectively and remained unchanged from the previous year.

Secured Loans stood at Rs.2596 Lacs as at 30<sup>th</sup> September, 2010 as compared with Rs.3672 Lacs as at 30.09.2009. The reduction is due to one time settlement of the dues of some of the secured lenders.

### REVIVAL PLAN

Promoters of the Company with the help of Government of Kerala have planned a revival plan for the Company. The entire revival plan involve an estimated financial requirements of Rs.2400 Lacs in addition to the waiver of minimum demand charges for closure period, interest and penalties on deferred sales tax and rescheduling of the deferred sales tax installments. The Company proposes to restart the operations by the end of March, 2011.

### DIVIDEND

Your Directors regret their inability to recommend any dividend in view of the losses suffered by the Company during the accounting period under review.

### FIXED DEPOSITS

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

## DIRECTORS

Mr. Gopal Das Mantri, will retire by rotation, in accordance with the Articles of Association, at the forthcoming Annual General Meeting, and being eligible, offer himself for reappointment.

Brief resume of Director to be re-appointed, nature of his expertise in specific functional areas etc., as stipulated under Clause 49 of the listing agreement with the Stock Exchange is given alongwith the section on Corporate Governance in the Annual Report.

## AUDITORS & AUDITOR'S REPORT

M/s. Joseph and Nampiathiri, Chartered Accountants, statutory auditors of the Company will retire at the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

The Company has received a certificate from the Auditors to the effect that their re-appointment, if made would be in accordance with section 224(1B) of the Companies Act, 1956. The Board recommend their appointment. As regards observations / qualifications mentioned in the auditors report read with the notes on accounts are self explanatory except those points which are being explained in the addendum to the director report

## CORPORATE GOVERNANCE

A separate report on the practices followed by the Company on Corporate Governance along with Auditor's certificate on its compliance is annexed and forms part of this report.

## RESPONSIBILITY STATEMENT

The Directors confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures;
- the Company had selected such accounting policies and applied them consistently and made judgments 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 year;
- the Company 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;
- the Company had prepared the annual accounts on a going concern basis.

**PERSONNEL**

Relations between the management and workers were not cordial during the year under review in view of the continuous closure of the plant. The Company management with the help of various department of Government of Kerala have been able to explain the current position of the Company to workers unions. The workers unions of the Company have agreed not to put additional financial burden for a period of one year after the restarting of the operations and accordingly those disputed issues were largely sorted out amicably. The management is hopeful that the workers unions shall extend their whole hearted support during the period of construction and thereafter in future.

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

**DEPOSITORY SYSTEM**

Equity shares of the Company are tradable compulsorily in demat 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 demat facility of the Company's Equity shares.

**APPRECIATION**

The Board places on record its sincere gratitude to the Company's valued Customers, Suppliers, Business Associates, Government of Kerala and the Shareholders for their continued support, confidence and faith in the Company.

The Board wishes to place on record its appreciation of the total commitment, dedication, wholehearted efforts and impressive contribution made by the employees at all levels during this difficult year.

On behalf of the Board

Mumbai: December 1, 2010

**Prashant Somani**  
**Managing Director**



## **ANNXURE TO THE DIRECTORS' REPORT**

### **MANAGEMENT DISCUSSION AND ANALYSIS**

#### **INDUSTRY STRUCTURE AND DEVELOPMENT**

The year under review was good for overall glass industry due to increased growth in the user industries. However, the Company could not derive any benefit as it remained closed during the year.

#### **OPPORTUNITY**

With the increased importance of brand building exercise by the liquor industry (one of the biggest customer segment of the glass industry), the demand for unique shaped bottles for various brands will increase demand for glass bottles in liquor industry. The leading liquor manufacturers have started using most modern and fast moving filling lines and are opting for larger quantity of new bottles, which is positive opportunity for Bottle manufacturers like us. We are expecting the factory to restart the operations by the end of the March, 2010.

#### **THREATS**

The Growth in the industry may result in some players entering in this market. Any new additions in the capacity either by existing players or through new entrants will always remain a concern. Increase in input costs like soda ash, petro products etc. is a major concern for industry. Threats are also being continuously faced from unorganized market supplying second hand bottles having low cost as they do not pay taxes.

#### **OUTLOOK**

Though the long-term business outlook remains progressive, realization and margins may come under pressure in the future due to increased input cost mainly fuel prices.

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

#### **COSTS AND PROFITABILITY**

The Company is committed to improve its profitability by de-bottlenecking and by producing qualitative products on re-built.

#### **INTERNAL CONTROL SYSTEM & ADEQUACY**

The Company's internal control system has been adequate to ensure that all its assets are safeguarded and protected against loss from unauthorized use and disposition.

## **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 PERIOD ENDED SEPTEMBER, 2009.**

### **A. CONSERVATION OF ENERGY:**

- Energy conservation measures taken
- Proposals under implementation
- Impact of energy conservation measures (a) and (b)
- Total energy consumption and consumption per unit

Since the Operation of the Company are closed during the year, there is nothing significant to report.

### **B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:**

Since the operations of the Company are closed during the year under review, there is nothing significant to report.

### **C. FOREIGN EXCHANGE EARNINGS & OUTGO: Nil**

## **ANNEXURE TO THE DIRECTORS' REPORT**

### **REPORT ON CORPORATE GOVERNANCE**

#### **1. Company's Philosophy**

The Company's philosophy is to aim at the highest level of quality management through transparency and commitment to all the stakeholders. Management ensures that its day to day business transactions are conducted in an open and honest manner.

#### **2. Board of Directors**

The Board of Directors provide the strategic direction and thrust to the operations of the Company. The Board comprises of four Directors including one Managing Director and three non-executive independent Directors. The Managing Director with the help of key executives looks after day-to-day management of the Company subject to the supervision and control of the Board.

In the financial year ended 30.09.2010, the Board met 4 times (on 1<sup>st</sup> December, 2010, 30<sup>th</sup> January, 2010, 30<sup>th</sup> April, 2010 and 30<sup>th</sup> July, 2010) with clearly defined agenda, circulated well in advance before each meeting. The Maximum interval between two meetings was 90 days. Attendance record of the Directors during the year ended 30.09.2010 is as follows:

Name of Director	Position	Board Meeting held during their tenure (during the period)	Board Meeting attended during the period	Attendance at last AGM	No. of other Director-ship	No. of other Committee Members
Mr. Prashant Somani	Managing Director	4	4	No	7	—
Mr. Ramesh Prabhu	Non-Executive Director	4	4	No	—	—
Mr. Gopal Das Mantri	Non-Executive Director	4	4	No	6	—
Mr. Vishnu Narayan Khanna	Non-Executive Director	4	4	No	4	1

**Management Discussion and Analysis Report:**

Management Discussion and Analysis Report giving an overview of the Company's business and its financials is provided separately as part of this Annual Report.

**3. Code of Business Conduct and Ethics**

The Board of Directors of the Company has laid a code of conduct for Directors and the senior management. The Code of Conduct has been designed to put values into practice. This Code isn't merely a set of rules for specific circumstances but an intentionally expansive statement of principles meant to inform all the actions of the Board of Directors and senior management.

**4. Board Committees****Audit Committee:**

The Board constituted the Audit Committee with three Non Executive Independent Directors namely Mr. Gopal Das Mantri, Mr. Ramesh Prabhu and Mr. Vishnunarayan Khanna. The Committee met four times at reasonable intervals. All the members attended the meetings. The Audit Committee is responsible for the areas specified by Clause 49 of the Listing Agreement & section 292-A of the Companies Act, 1956, besides other roles as may be referred by the Board of Directors.

**Investor Grievance Committee:**

The Board constituted the Investor Grievance Committee with three Non Executive Independent Directors namely Mr. Gopal Das Mantri, Mr. Ramesh Prabhu and Mr. Vishnunarayan Khanna. The Committee is responsible for transmission of Shares, issuance of duplicate share certificates, unattended Complaints of share holders etc. The Committee met twice during the period under review and all the members attended the meetings.

Matters relating to the shares operations are handled entirely at the office premises of M/s Sharex Dynamics (India) Private Limited, the R&T Agents of the Company. There was no unattended complaint pending as on 30<sup>th</sup> September, 2010.

**Remuneration Committee:**

The Board constituted the Remuneration Committee with three Non Executive Independent Directors namely Mr. Gopal Das Mantri, Mr. Ramesh Prabhu and Mr. Vishnunarayan Khanna. The Remuneration Committee has been constituted to recommend / review the remuneration package of Managing Director / whole time directors in line with the Company's remuneration policy and requirement of the Companies Act, 1956.

**5. Remuneration paid or payable to Directors during the year 2009-10**

**Executive Director: Nil**

**Non Executive Directors:**

Non Executive Directors of the Company do not draw any remuneration except sitting fees for attending Board Meetings/ Audit Committee Meetings, from the Company. The Details of the sitting fees paid to Non-Executive Directors are as under:

Name of Director	Relationship with other Directors	Sitting Fees (inclusive of Audit Committee Sitting Fees) (Rs. in Lacs)
Mr. G.D. Mantri	None	16,500
Mr. V.N. Khanna	None	16,500
Mr. R.D. Prabhu	None	16,500
<b>Total</b>		<b>49,500</b>

**6. General Body Meetings**

(a) Details of last three annual general meetings held :

Financial Year ended	Date	Time	Venue
31 March, 2007	22 Dec. 2007	11.30 A.M.	Udayanagar, Pathirapally, Allapuzha (Kerala)
31 March, 2008	30 Sept. 2008	11.30 A.M.	Udayanagar, Pathirapally, Allapuzha (Kerala)
30 Sept. 2009	31 Dec. 2009	11.30 A.M.	Udayanagar, Pathirapally, Allapuzha (Kerala)

(b) Details of Extra Ordinary General Meeting held during last three Years:

Date	Venue	Purpose
July 15, 2009	Udayanagar, Pathirapally, Allapuzha (Kerala)	To consider written back of 90% of the Equity Share Capital and Securities Premium accounts against the accumulated losses and deferred tax Assets
January 30, 2010	Udayanagar, Pathirapally, Allapuzha (Kerala)	To consider the fact that the networth of the Company has been eroded more than 50%.

No resolution was passed through postal ballot during previous Annual General Meetings and no resolution is proposed to be passed through postal ballot in the ensuing AGM.


**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 / Bombay Stock Exchange.

**9. General Shareholder Information**

- Annual General Meeting is proposed to be held on Friday, the 31<sup>st</sup> December, 2010 at 11.30 A.M. at Excel Glasses Office Compound, Udayanagar, Pathirapally, Allapuzha - 688521 (Kerala).
- The share transfer Books and Register of Members of the Company will remain closed from 26<sup>th</sup> December, 2010 to 30<sup>th</sup> December, 2010 (both days inclusive).
- Registrar & Share transfer agent:**  
Sharex Dynamics (India) Private Limited  
Unit -1, Luthra Ind. Premises,  
Safed Pool, Andheri Kurla Road,  
Andheri (E), Mumbai – 400 072  
Tel. Nos.: 91 22 -28515606 / 2851 5644  
Fax No.: 91 22 – 2851 2885  
Email : investor@sharexindia.com
- Stock Exchange Data:** Stock Market Price Data for the Company's Equity Shares on BSE are as under:

Month	High (Rs.)	Low (Rs.)	No. of Shares Traded
October, 2009	4.49	3.45	179470
November, 2009	4.21	3.33	183527
December, 2009	8.47	3.95	1370371
January, 2010	7.55	6.00	377968
February, 2010	7.05	4.75	228821
March, 2010	6.24	4.61	224314
April, 2010	6.65	5.00	296475
May, 2010	7.17	4.70	404651
June, 2010	6.35	5.05	212593
July, 2010	8.19	4.86	1006459
August, 2010	6.87	5.06	557453
September, 2010	6.20	4.66	1211324

- Listing of Equity Shares:** The Equity shares of the Company are listed at the Stock Exchange, Mumbai. The Company has paid listing fees to the stock exchange for the financial year 2010-11. The ISIN Number of Equity Shares of the Company on both the NSDL and the CDSL is **INE664C01011**

**6. Distribution of Shareholding:**

As on 30th September, 2010				
No. of Shares	No. of Share-holders	No. of Shares	% of Total Nos. to	
			No. of Shares holders	No. of Shares
1-100	1318	95812	26.44	0.68
101-200	830	158567	16.65	1.12
201-500	12020	502159	24.12	3.56
501-1000	720	654538	14.45	4.64
1001-5000	693	1739733	13.90	12.34
5001-10000	124	988494	2.49	7.01
10001-100000	79	2144127	1.59	15.21
100001 And Above	18	7813603	0.36	55.43
<b>Total Nos.</b>	<b>4984</b>	<b>14097033</b>	<b>100.00</b>	<b>100.00</b>

**7. Pattern Of Shareholding:**

As on 30th September, 2010			
Category	No. of Share holders	No. of Shares	% of Total No. of Shares
Directors, Promoters & their relatives and Persons Acting in Concert	9	2407304	17.08
Bank, financial Institutions, Mutual Funds & Insurance Companies	10	2052269	14.56
Bodies Corporate	182	3796412	26.93
Individuals & Others	4783	5841048	41.43
<b>Total</b>	<b>4984</b>	<b>14097033</b>	<b>100.00</b>

**8. Share Transfer System:**

The Company's shares are traded on stock Exchanges in compulsory demat mode. The Company's Share Transfer Committee is authorized to approve transfer of shares. Share transfers which are received in physical form are processed and share certificates returned within a period of 14 days from the date of receipt, subject to the documents being valid and complete in all respects. The dematerialized shares are transferred directly to the beneficiaries by the depositories.

**9. Percentage of Equity Shares held in Physical & Electronics form as on September 30, 2010:**

S.No.	Particulars	No. of Shares	% of the Total
1	Demat Mode		
	NSDL	1,36,77,991	97.029
	CDSL	15,584	0.111
	<b>Total</b>	<b>1,36,93,775</b>	<b>97.139</b>
2	Physical Mode	4,03,258	2.861
	<b>Grand Total</b>	<b>1,40,97,033</b>	<b>100.00</b>



**10. Secretarial Audit:**

A Secretarial Audit was carried out by a qualified Practicing Company Secretary for reconciling the total admitted capital with NSDL and CDSL and the total issued and listed capital. The audit confirmed that the total issued / paid up capital is in agreement with the total number of shares held in physical form and dematerialized form held with NSDL and CDSL. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchange.

**11. Information Submitted to the Board :**

Among others, this includes:

- Review of the operating plan, capital budgets, updates
- Quarterly results for the company,
- Minutes of meetings of audit committee and other committees,
- Information on recruitment and remuneration of senior officers
- Materially important Show causes, demands and prosecution notices
- Significant labour problems and their solutions thereof
- Non-compliance of any regulatory, statutory nature or listing requirements

**12. Details of Directors seeking Appointment / Re-appointment in the forthcoming Annual General Meeting**

Name of the Director	Mr. Gopal Das Mantri
Date of Birth	30.11.1941
Date of Appointment	05.11.2007
Expertise in specific functional areas	Accounts and Administration
Qualifications	Commerce Graduate
List of Companies in which outside Directorship	1. Sampada Chemicals Limited 2. USL Shinrai Automobiles Ltd. 3. Kopran Laboratories Ltd. 4. Himalaya Builders Pvt. Ltd. 5. Sorabh Trading Pvt. Ltd. 6. The United Mercantile Pvt. Ltd.
Chairman / Member of the Committee of the Board of Public	—

**For and On behalf of the Board**

**Prashant Somani**  
**Managing Director**

Mumbai : 1<sup>st</sup> December, 2010

**CERTIFICATE FROM AUDITORS REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**

To the Shareholders of Excel Glasses Limited

1. I have examined the compliance of conditions of Corporate Governance by Excel Glasses Limited, for the year ended on 30<sup>th</sup> September, 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchange.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In my opinion and to the best of my information and explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.
4. As required by the Guidance Note issued by the Institute of Chartered Accountants of India, I have to state that as per the records maintained by the Company and produced before me, there were no investor grievances remaining unattended / pending for more than 30 days.
5. I, further, state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For JOSEPH & NAMPIATHIRI**  
**Chartered Accountants**

**CA.BIJU NARAYANAN, A.C.A.**  
**Proprietor**  
M. No. 219427

Alappuzha : December 1, 2010