

# Annual Report

## 1999-2000



The Indo-Asahi Glass Company Ltd.

THE INDO-ASAHI GLASS COMPANY LIMITED

**NOTICE  
TO THE  
SHAREHOLDERS**

NOTICE is hereby given that the 44th Annual General Meeting of The Indo-Asahi Glass Company Limited will be held at Kalakunj, 48, Shakespeare Sarani, Kolkata 700 017 on Friday, the 30th March, 2001 at 11.30 a.m. to transact the following business:

1. To receive, consider and adopt the audited accounts of the Company for the accounting year from 1st October, 1999 to 30th September, 2000 together with the Directors' and Auditors' Reports thereon.
2. To appoint Directors in place of those retiring by rotation.
3. To appoint Auditors and fix their remuneration.

**AS SPECIAL BUSINESS**

To consider and if thought fit, to pass with or without modification, the following Resolution as Special Resolution :-

4. **RESOLVED** that pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the said Act, the Company hereby accords its approval to the appointment of Mr. Laxmi Kant Khemka as Managing Director of the Company for a period of 5 (five) years with effect from 30th January, 2001 on such terms and conditions including remuneration as set out in the draft Agreement proposed to be entered into between the Company of the one part and Mr. Laxmi Kant Khemka of the other part, a copy of which initialled by the Chairman for the purpose of identification is placed before the meeting.

The Register of Members of the Company will remain closed from 20th March to 30th March, 2001 (both days inclusive).

Registered Office :  
3, Hungerford Street,  
Kolkata 700 017  
Dated : February 28, 2001

By Order of the Board  
  
A. Banerjee  
Secretary

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**Notes :**

- (a) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the Company.
- (b) The instrument appointing a proxy should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- (c) Members who have not encashed the dividend warrants so far for the financial year 1995-96 are requested to make their claim to the Registered Office of the Company.
- (d) An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the items under special business is annexed hereto.
- (e) Members are requested to notify to the Company change of their addresses, if any.
- (f) Members desirous of making a nomination in respect of their shareholdings in the Company, as permitted under Section 109A of the Companies Act, 1956 are requested to submit the prescribed Form 2B for this purpose to the Company.
- (g) The Company's equity shares are listed at (i) The Kolkata Stock Exchange Association Limited, Kolkata and (ii) The Stock Exchange, Mumbai. The Annual Listing Fee as prescribed has been paid to each of the Stock Exchanges.
- (h) Members are requested to bring their copies of the Annual Report as no extra copies will be distributed at the meeting.



THE INDO-ASAHI GLASS COMPANY LIMITED**EXPLANATORY STATEMENT****Pursuant to Section 173(2) of the Companies Act, 1956 ("the Act")**Item No. 4

The Board of Directors of the Company ("the Board") at its meeting held on 14th October, 1999 appointed Mr. L. K. Khemka as Additional Director of the Company pursuant to Article 93 of the Company's Articles of Association effective from 14th October, 1999 being the date on which he joined the Company. Under the said Article 93 Mr. Khemka held the Office upto 22nd March, 2000 being the date of the 43rd Annual General Meeting of the Company. Mr. Khemka has been functioning as a Director with effect from the conclusion of the 43rd Annual General Meeting of the Company.

In exercise of the Authority contained in Article 123 of the Articles of Association of the Company, the Board at its meeting held on 30th January, 2001 has appointed Mr. L. K. Khemka as Managing Director of the Company with effect from the even date subject to the approval of the appointment and terms & conditions including remunerations of Mr. L. K. Khemka by Members of the Company in Annual General Meeting.

Mr. L. K. Khemka has considerable experience in sales activity in Glass Industry and possesses Administrative expertise. He has been holding Directorships in various companies viz. Bharat Glass Tube Limited, Him Neel Breweries Ltd, and Chandra Lakshmi Safety Glass Ltd.

The terms and conditions of Mr. Khemka's appointment as Managing Director are embodied in the draft Agreement ("the Agreement") with the Company and an extract of the Terms and Conditions as contained in the Agreement are set out below.

1. Mr. Khemka shall be the Managing Director for a period of five years from 30th January, 2001.
2. As Managing Director of the Company Mr. Khemka, shall subject to the superintendence, control and direction of the Board, have substantial powers of management and perform the duties and exercise the powers in relation or referable thereto.
3. In consideration of his services Mr. Khemka shall be entitled to the following by way of remuneration :
  - a) Salary : At the rate of Rs. 30,000/- per month.

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b) Other Allowances : At the rate of Rs. 20,000/- per month or such amount as may from time to time be determined with appropriate approvals.

c) Perquisites :

(i) Housing :

In the event of the Headquarters of the Managing Director is located at a place other than that of the Registered Office of the Company perquisites under the head "Housing" shall not be provided.

(ii) Medical Reimbursement :

Expenses actually incurred for self and family subject to a ceiling of one month's salary in a year or of as many months' salary in a block of so many years as are there in the total tenure.

(iii) Leave Travel Concession :

As per rules of the Company.

(iv) Club Fees :

Fees of Clubs subject to a maximum of two clubs. This will not include admission and life membership fees.

(v) Personal Accident Insurance :

Of an amount the premium of which shall not exceed Rs. 4,000/- per annum.

Explanation :

"Family" means the spouse, dependent children and dependent parents of the Managing Director.

(vi) Provident Fund and Superannuation Fund :

The Company's contribution for him to Provident Fund, Superannuation Fund or Annuity Fund in accordance with the Rules and Regulations of the Company. Such contributions will not be included in the computation of the ceiling on perquisites to the extent these, either singly or put together, are not taxable under the Income-Tax Act, 1961.

(vii) Gratuity :

Gratuity at a rate not exceeding half a month's salary for each completed year of service subject to a ceiling of Rs. 2.50 lakhs.

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## (viii) Car and Telephone :

Car for use on the Company's business and mobile and telephone at residence provided that personal long distance calls on the telephone and use of car for private purpose shall be billed by the Company to him. The provisions of car and telephone will not be considered as perquisites.

## (ix) Leave :

Earned/Privilege leave on full pay and allowances as per the rules of the Company, but not more than one month's leave for every twelve months of service.

## (x) Encashment of leave at the end of the tenure :

Leave accumulated but not availed of may be allowed to be encashed, subject to the provision of Income Tax Act, 1961.

- a) Contribution to the Provident Fund and Superannuation Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- b) Gratuity payable as hereinbefore, provided, and
- c) Encashment of leave at the end of tenure shall not be included in the computation of perquisites of Mr. Khemka.

In the event of loss or inadequacy of profits of the Company in any financial year Mr. Khemka shall be paid above remuneration as minimum remuneration which is permissible under Section II of Part II of Schedule XIII to the Companies Act 1956.

The Agreement provides for earlier termination by giving not less than three months' notice in writing by either party thereto to the other of them, and also sets out the mutual rights and obligations of the parties and other administrative details.

The appointment and remuneration of Mr. L. K. Khemka as the Company's Managing Director requires the approval of the members of the Company in a General Meeting by Special Resolution and compliance with any other provisions of other Acts as applicable. The Board recommends the same in the interest of the Company.

The draft of the Agreement referred to in the resolution will be available for inspection by the members of the Company at its Registered Office during the hours of 11.00 a.m. to 1.00 p.m. on any working day upto the Annual General Meeting and will also be available at the meeting.

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Mr. L. K. Khemka is concerned or interested in the resolution. Mr. C. K. Khemka, being a relative of Mr. L. K. Khemka may be deemed to be interested in the resolution. No other Director is concerned or interested in the resolution.

This may also be regarded as an abstract of the terms of appointment of Mr. L. K. Khemka as the Managing Director of the Company and Memorandum of Interest under Section 302 of the Act.

Registered Office :  
3, Hungerford Street,  
Kolkata 700 017  
Dated : February 28, 2001

By Order of the Board

A. Banerjee  
Secretary



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**Enclosures :**

Notice to the Shareholders

Proxy Form/Attendance Slip





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THE INDO-ASAHI GLASS COMPANY LTD.

#### BOARD OF DIRECTORS

MR. P. N. ROY, *Chairman*  
 MR. L. K. KHEMKA, *Managing Director*  
 MR. R. MITRA  
 MR. P. K. MALLIK  
 MR. S. K. BISWAS  
 MR. N. S. GHOSH  
 MR. C. K. KHEMKA  
 MR. H. R. PARIKH

#### SECRETARY

MR. A. BANERJEE

#### BANKERS

STATE BANK OF INDIA  
 BANK OF INDIA  
 BANK OF AMERICA  
 I.C.I.C.I. BANKING CORPORATION LTD.  
 CORPORATION BANK  
 HONGKONG & SHANGHAI BANKING  
 CORPORATION LTD.  
 UNION BANK OF INDIA  
 DENA BANK  
 HDFC BANK LTD.

#### AUDITORS

S. R. BATLIBOI & CO.  
 Chartered Accountants

#### SOLICITORS AND ADVOCATES

ORR, DIGNAM & CO.

#### REGISTERED OFFICE

3, HUNGERFORD STREET  
 KOLKATA – 700 017

#### FACTORY

BHURKUNDA  
 P.O. BHADANINAGAR  
 DIST. HAZARIBAGH  
 JHARKHAND

BARASAT ROAD  
 SODEPORE-743 178  
 24 PARGANAS (NORTH)  
 WEST BENGAL



## DIRECTORS' REPORT TO THE MEMBERS

The Directors present their Annual Report and Statement of Account for the year ended 30th September, 2000.

	This year (Rs. in lakhs)	Previous year 18 months period ended on 30.09.1999 (Rs. in lakhs)
<b>FINANCIAL RESULTS</b>		
Income (Sales & Other Income)	<u>8529.01</u>	<u>10800.30</u>
Profit/(Loss) before depreciation and write back of liabilities and provisions	(1319.80)	(1562.89)
Depreciation	<u>(434.59)</u>	<u>(560.04)</u>
	(1754.39)	(2122.93)
Liabilities and Provisions		
no longer required written back	<u>10.44</u>	<u>6.77</u>
	(1743.95)	(2116.16)
Investment Allowance Reserve written back	<u>276.38</u>	<u>2.00</u>
	(1467.57)	(2114.16)
Debit balance of Profit and Loss Account		
brought forward from previous year	<u>(385.45)</u>	<u>—</u>
	(1853.02)	(2114.16)
Operating losses recoverable		
from Asahi Glass Company Limited	<u>50.36</u>	<u>455.18</u>
	(1802.66)	(1658.98)
Transfer from Revaluation Reserve	<u>—</u>	<u>1273.53</u>
Balance transferred to Balance Sheet	<u>(1802.66)</u>	<u>(385.45)</u>

## OPERATIONS

The Financial year under review experienced another year of very difficult phase but the Company had been striving hard to steer out of the woods. In its bid to overcome the adverse situation, the Company took all possible steps and it is expected that in the coming years the Company would register improved performances.

The Glass Industry as a whole has been continuously passing through the serious recession phase resulting from uneconomic sales price, uneven demand and supply position and lower rate of growth in export due to various factors.

In spite of stiff competition the Company has registered an increase in sales over the proceeding year by 20% on an annualised basis. However, the gains have been offset as expenses have also escalated due to rise of prices of petroleum products, imposition of fuel surcharge on electricity, higher incidence of cost of basic raw materials, packing boxes, consumables and selling/distribution expenses.

For the purpose of establishing greater efficiency the Management has already introduced effective cost control drive in all spheres of activities to maintain and run the same as an on-going process. Your Company has successfully introduced the technology of "Asahi Process" for the manufacture of sheet glass keeping in view the demands and marketability of the product which would be construed as a significant re-entry into some particular sectors of the processing