

Annual Report

2001-2003



IAG Company Ltd.

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IAG COMPANY LIMITED

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. C. K. KHEMKA
MR. H. R. PARIKH

SECRETARY

MR. A. BANERJEE

BANKERS

STATE BANK OF INDIA
BANK OF INDIA
UNION BANK OF INDIA
DENA BANK
HDFC BANK LTD.
GLOBAL TRUST BANK LTD.
CORPORATION BANK
ICICI BANK LTD.

AUDITORS

D. BASU & 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-700 110
24 PARGANAS (NORTH)
WEST BENGAL

DIRECTORS' REPORT TO THE MEMBERS

The Directors have pleasure in presenting their Annual Report together with the Audited Accounts for the 18 months period ended 31st March, 2003.

	Rounded off to nearest Rs./Lakhs	
	This year (18-month-period) ended 31.03. 2003	Previous year (12-month-period) ended 30.09.2001
FINANCIAL RESULTS		
Income (Sales & Other Income)	<u>15898</u>	<u>10474</u>
Profit/(Loss) before depreciation and write back of liabilities and provisions	583	546
Depreciation	<u>563</u>	<u>314</u>
	20	232
Liabilities and Provisions No longer required written back	<u>3</u>	<u>10</u>
Profit before taxation	23	242
Deferred Tax Asset (Net)	7	—
Add : Reserve created earlier written back	<u>—</u>	<u>4520</u>
	30	4762
Less: Transfer to Revaluation Reserve	<u>—</u>	<u>3247</u>
	30	1515
Deferred Tax Asset (Net) for earlier years	1276	—
Balance brought forward from previous year	<u>(288)</u>	<u>(1803)</u>
Profit/(Loss) : Carried to Reserve and Surplus/Balance Sheet	1018	(288)

EXTENSION OF ACCOUNTING PERIOD

Consequent upon the approval by the Registrar of Companies, West Bengal, the financial period of the Company has been extended by six months to 31st March, 2003. Accordingly the Financial Results, given above, covered the 18-month period from 1st October, 2001 to 31st March, 2003.

CHANGE OF NAME OF THE COMPANY

The change of name of the Company to IAG Company Limited was effected on 19th June, 2002. The Company has already obtained the Certificate from the Registrar of Companies, West Bengal, incorporating such change.

OPERATIONS

Your Directors are pleased to mention that the Company's performance during the 18-month-period under review has been satisfactory. Sales volume of the Company had marginally increased and the production for Sheet Glass and Figured Glass had also been maintained at a satisfactory level inspite of the fact that Furnace No. II became old and uneconomical. This performance had been achieved in the backdrop of recessionary condition faced by the entire Glass Industry globally compelling many of the indigenous Companies to shut down their operations or diversify their activities.



The Furnace No. II at the Factory producing Figured Glass had undergone Cold Repair in May, 2003 rendering complete stoppage of production. In consequence thereof there had been significant reduction in earnings of revenue through the sale of products. The firing of the Furnace No. II after re-construction was carried out on 31st July, 2003 and it was expected that within a couple of months the Furnace No. II will resume normal production of Figured Glass.

The Company has been passing through serious fund crisis. This has resulted in cost and time over-run in some scheduled targets and slow-down of operational activity. However, the Company yielded positive results in some areas through the introduction of cost control measures and this exercise has been found encouraging.

PROSPECT

Owing to Cold Repair of Furnace II the Company might take some more time to attain the desired level of productivity. However, the operational results in the current year are expected to move towards betterment unless interrupted by unforeseen factors.

DIVIDEND

In view of marginal profit earned by the Company in the fiscal under review and unabsorbed depreciation of previous years, the Directors regret that they are unable to recommend dividend.

COMMENTS ON AUDITORS' REMARKS

As regards Auditors' comments in their Report on financial results for the 18-month-period, Company's submissions have been given in Schedule 'K' of the Accounts.

As regards remarks in paragraphs 10 & 15 of the Annexure to Auditors' Report — the same have been noted & efforts would be made to comply with as early as possible.

As regard paragraph 17 of the Annexure to Auditor's Report — the same was in arrears due to acute fund crisis & efforts are being made for payment at the earliest.

CORPORATE GOVERNANCE

The details of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges are given in the Annexure-I forming part of the Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Information pursuant to Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of the Directors) Rules 1988 is annexed hereto forming part of the Report.

RELATED PARTY TRANSACTIONS

A statement of related party transactions pursuant to Accounting standard 18 is given in Schedule 'M' of the Accounts.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the statement is annexed hereto forming part of the Report.

DIRECTORS

Mr. S. K. Biswas and Mr. P. K. Mallik, Directors, retire by rotation and, being eligible, offer themselves for re-appointments.

AUDITORS

M/s. D. Basu & Co., Chartered Accountants retire and are eligible for re-appointment.

PERSONNEL

Industrial relations as in the past continued to be peaceful and cordial. The Directors wish to place on records their appreciation for the co-operation received from all levels of employees during the period under review.

No employee of the Company is falling under the purview of Section 217 (2-A) of the Companies Act, 1956, as amended, read with the Companies (Particular of Employees) Rules 1975.

APPRECIATION

Your Directors wish to place on records their grateful appreciation of the continued support given by Central and State Governments, the Commercial Banks, Bharat Glass Tube Ltd., Glass Dealers and Processors.

Kolkata, 13th August, 2003

On behalf of the Board of Directors

P. N. ROY

Chairman

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REPORT ON CORPORATE GOVERNANCE

Annexure-I

1. **Company's Philosophy** : The Company believes in value-based transparency in approach and professionalism in operation. It welcomes larger participation of shareholders.
2. **Board of Directors** : The present strength of the Board is seven, comprising one Whole-time Director designated as Managing Director & six Non-Executive Directors as below :

Name of Directors	Directorship in other Companies
1. Mr. P. N. Roy Non-Executive Chairman	2
2. Mr. L. K. Kemka Managing Director	4
3. Mr. P. K. Mallik Non-Executive Director	3
4. Mr. R. Mitra Non-Executive Director	—
5. Mr. S. K. Biswas Non-Executive Director	1
6. Mr. C. K. Khemka Non-Executive Director	9
7. Mr. H. Parikh Non-Executive Director	2

Mr. N. S. Ghosh, Works Director expired on 4th March, 2002

Number & Date of Board Meetings held

12 Board Meetings were held during the 18-month-period from 01-10-2001 to 31-03-2003. Dates of the Board Meetings are :-

1st November, 2001; 30th January, 2002; 21st February, 2002; 13th March, 2002; 22nd March, 2002; 30th April, 2002; 31st May, 2002; 10th July, 2002; 30th July, 2002; 26th September, 2002; 31st October, 2002 and 31st January, 2003.

The attendance of Directors at the last AGM is also given below:

Name of Directors	Number of Board Meetings Attended (between 01/10/2001 - 31/03/2003)	Last AGM Date & Attendance 22/03/2002
Mr. P. N. Roy	12	✓
Mr. L. K. Khemka	2	—
Mr. P. K. Mallik	12	✓
Mr. R. Mitra	11	✓
Mr. S. K. Biswas	12	✓
Mr. C. K. Khemka	—	—
Mr. H. Parikh	—	—
Mr. N. S. Ghosh	2 (Since deceased)	Since deceased

Audit Committee

The Audit Committee comprises 4 Directors. The Company Secretary acts as the Secretary to this Committee. The Audit Committee met 7 times during the period from 1st October, 2001 to 31st March, 2003 i.e. on 1st November, 2001; 30th January, 2002; 21st February, 2002; 30th April, 2002; 30th July, 2002; 31st October, 2002 and 31st January, 2003. The attendance of each member of the Committee is given below :

Name of the Directors	Number of Meetings Attended
Mr. S. K. Biswas, Chairman	7
Mr. L. K. Khemka	2
Mr. P. K. Mallik	7
Mr. H. Parikh	—

Share Transfer and Investors' Grievance Committee

The Committee comprises 3 Directors. The Company Secretary who is also the Compliance Officer under Stock Exchange requirements acts as Secretary to the Committee. The Committee met 32 times during the period from 1st October, 2001 to 31st March, 2003 i.e. on 15th October, 2001; 2nd November, 2001; 16th November, 2001; 29th November, 2001; 14th December, 2001; 31st December, 2001; 15th January, 2002; 31st January, 2002; 14th February, 2002; 28th February, 2002; 8th March, 2002; 22nd March, 2002; 12th April, 2002; 2nd May, 2002; 17th May, 2002; 3rd June, 2002; 17th June, 2002; 28th June, 2002; 15th July, 2002; 31st July, 2002; 16th August, 2002; 30th August, 2002; 13th September, 2002; 27th September, 2002; 31st October, 2002; 29th November, 2002; 31st December, 2002; 15th January, 2003; 31st January, 2003; 28th February, 2003; 17th March, 2003 and 31st March, 2003.

Name of the Directors	Number of Meetings Attended
Mr. P. N. Roy, Chairman	32
Mr. P. K. Mallik	32
Mr. R. Mitra	29

Communications

Quarterly & half-yearly results are published in leading English & vernacular dailies.

General Shareholders' Information**Annual General Meeting**

Date, Time & Venue	: 19th September, 2003 at 11.30 A.M. at Kalakunj 48, Shakespeare Sarani Kolkata - 700 017
Financial Year	: 01/10/2001 - 31/03/2003 (18 months) With the approval of the Registrar of Companies, West Bengal the Financial period has been extended by six months to 31/03/2003
Book-closure Date	: 10th September, 2003 to 19th September, 2003 (both days inclusive)

Details of Last 3 AGMs

Financial Year Ended	Date	Time	Venue
30th September, 1999	22/03/2000	11.30 a.m.	Kalakunj 48, Shakespeare Sarani, Kolkata - 700 017
30th September, 2000	30/03/2001	11.30 a.m.	Kalakunj 48, Shakespeare Sarani, Kolkata - 700 017
30th September, 2001	22/03/2002	11.30 a.m.	Kalakunj 48, Shakespeare Sarani, Kolkata - 700 017

EGM

To pass Special Resolution Change of Name of the Company	31/05/2002	04.00 p.m.	Kalakunj 48, Shakespeare Sarani, Kolkata - 700 017
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Listing on Stock Exchanges

- 1) The Calcutta Stock Exchange Association Ltd.
7, Lyons Range, Kolkata - 700 001
- 2) The Stock Exchange, Mumbai
Phiroze Jeejebhoy Towers
Dalal Street, Mumbai - 400 001

The Annual listing fee as prescribed has been paid to each of the Stock Exchanges.

Depositories

- a) The National Securities Depository Ltd.
Trade World, 4th Floor, Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel, Mumbai - 400 013
- b) Central Depositories Services Ltd.
Phiroze Jeejebhoy Towers
Dalal Street, Mumbai - 400 023

Market Price (High & Low) at BSE during each month from October, 2001 to March, 2003

Month	High (Rs.)	Low (Rs.)
October, 2001	6.00	5.15
November, 2001	7.90	5.00
December, 2001	7.00	4.40
January, 2002	—	—
February, 2002	9.80	4.80
March, 2002	11.00	8.85
April, 2002	9.00	8.75
May, 2002	—	—
June, 2002	—	—
July, 2002	—	—
August, 2002	9.45	4.60
September, 2002	7.60	7.60
October, 2002	6.10	5.50
November, 2002	6.90	4.85
December, 2002	4.80	2.75
January, 2003	6.00	3.90
February, 2003	6.00	4.05
March, 2003	5.00	2.25

Number of Shareholders as on 31/03/2003 : 10280

Shareholding Pattern (as on 31/03/2003)	Status	Holding (%)
	Majority Shareholders	41.77
	Resident Individuals	41.97
	Non-resident Individuals	00.07
	Financial Institutions	10.58
	Banks & Mutual Funds	00.23
	Domestic Companies	05.38
		100.00

Share Transfer System	:	Physical transfer of Shares is effected within 15 working days of lodgement through Share Transfer and Investors' Grievance Committee. The total number of Shares transferred in physical form during the 18-month-period from 01/10/2001 to 31/03/2003 was 1,41,837.
Complaints in the Year	:	Complaints are attended within 7 days of the receipts thereof. During the period under review 20 complaints were received and all were attended.
Dematerialisation of Shares & Liquidity (as on 31/03/2003)	:	Company's ISIN is INE 831D01014
Share Transfer Agent (both physical and depository modes)	:	CB Management Services (P) Ltd. P-22 Bondel Road, Kolkata - 700 019

Compliance Certificate from Auditors of the Company

As required by Clause 49 of the Listing Agreement, the Auditors' Certificate is given as an appendix to the Report on Corporate Governance.

On behalf of the Board of Directors

Kolkata, 13th August, 2003.

P. N. ROY
Chairman