



# **ANNUAL REPORT**

**2003 - 2004**

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## **IAG Company Limited**

**BOARD OF DIRECTORS**

MR. P. N. ROY, CHAIRMAN  
 MR. L. K. KHEMKA,  
 MR. C. K. KHEMKA  
 MR. H. R. PARIKH

**CHIEF EXECUTIVE**

MR. R. K. JAIN

**COMPANY SECRETARY**

MR. A. BANERJEE

**BANKERS**

STATE BANK OF INDIA  
 BANK OF INDIA  
 UNION BANK OF INDIA  
 HDFC BANK LTD.  
 CORPORATION BANK  
 ICICI BANK LTD.

**AUDITORS**

D. BASU & CO.  
 Chartered Accountants

**SOLICITORS & 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

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## **NOTICE TO THE SHAREHOLDERS**

NOTICE is hereby given that the 47th Annual General Meeting of IAG Company Limited will be held at Sarat Sadan, Manton Super Market, Diamond Harbour Road, Behala, Kolkata - 70 034 on Monday, the 31st January 2005 at 11:00 a.m.

1. To receive, consider and adopt the audited accounts of the Company for the accounting period from 1st April, 2003 to 31st March, 2004 together with Directors' and Auditors' reports thereon.
2. To appoint Directors in place of those retiring by rotation.
3. To appoint Auditors and fix their remuneration.

The Register of Members of the Company will remain closed from 10th December to 17th December, 2004 (both days inclusive).

Registered Office:  
3, Hungerford Street  
Kolkata – 700017  
Dated : 28th October 2004

By Order of the Board  
A. Banerjee  
Company Secretary

### **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) Pursuant to the provisions of Sections 205A of the Companies Act, 1956 as amended, dividend for the financial year ended 1995-96 which remained unpaid or unclaimed for a period of 7 years has been transferred to the "Investors Education and Protection Fund" of the Central Government.
- (d) Members are requested to notify to the Company change of their addresses, if any.
- (e) 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 prescribed Form 2B for this purpose to the Company.
- (f) Members are requested to bring their copies of Annual Report as no extra copies will be distributed at the meeting.
- (g) CB Management Services (P) Ltd., P-22, Bondel Road, Kolkata 700019 (Phone: 033 22806692) has been functioning as Common Agent for transfer of Shares both physical and depository modes.

**DIRECTORS' REPORT TO THE MEMBERS**

The Directors have pleasure in presenting their Annual Report together with the Audited Accounts for the year ended 31st March, 2004.

Rounded off to nearest Rs/Lakhs

	<b>This year (12 months period) ended 31.3.04</b>	<b>Previous year (18 months period) ended 31.3.2003</b>
<b>FINANCIAL RESULTS</b>		
Income [Sales]	<u>8413</u>	<u>15823</u>
Profit( Loss) before depreciation and write back of liabilities & provisions	<u>(181)</u>	<u>583</u>
Depreciation	<u>421</u>	<u>563</u>
	<u>(240)</u>	<u>20</u>
Liabilities and Provisions no longer required written back	<u>-</u>	<u>3</u>
Prior period adjustment	<u>(56)</u>	<u>-</u>
Profit/(Loss) before taxation	<u>(296)</u>	
Deferred Tax Asset (Net)	<u>-</u>	<u>7</u>
	<u>(296)</u>	<u>30</u>
Deferred Tax Asset (Net) for earlier years.	<u>-</u>	<u>1276</u>
	<u>(296)</u>	<u>1306</u>
Balance brought forward from previous year	<u>1018</u>	<u>(288)</u>
Profit / (Loss):Carried to Reserve and Surplus / Balance Sheet	<u>(722)</u>	<u>1018</u>

**EXTENSION OF TIME FOR HOLDING AGM**

Registrar of Companies, West Bengal has approved the extension of time for holding the 47th Annual General Meeting of the Company by three months.

**OPERATIONS**

The performance of the Company for the year under review could not be achieved at desired levels. Ever since the commencement of the current fiscal, the operation of the company received a serious setback due to inelastic market demand, rise in cost of essential raw materials and fuel and as a result the Company has suffered loss. In spite of several appeals made to the workers at factory the Company did not achieve its optimum production both in Sheet & Figured Glasses. Moreover the Cold Repair of Furnace – I producing Sheet Glass has already become due.

Under this circumstance and also for labour unrest the Company had no other alternative but to cool down both the Furnaces and laid off its workers at the factory with effect from October, 2004 subject to approval by competent authority. However the Company is striving hard to resume its production as soon as the normal situation prevails in the factory.

**PROSPECT**

Owing to uneconomical market condition the performance of the Company was not upto the mark in the year under review. However, the Management is determined to set the performance of the Company on the track of profitability and the operational result is expected to move in right direction barring unforeseen conditions.



IAG Company Limited

**DIVIDEND**

In view of the loss sustained in the year under review the Directors regret that they are unable to recommend any dividend.

**COMMENT ON AUDITORS' REMARKS**

As regards Auditors' comments in their Report on financial results for the year Company's submissions have been given in schedule 'K' of the Accounts.

**CORPORATE GOVERNANCE**

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

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING 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 in 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. P.K. Mallik, Mr. S.K. Biswas, Mr. R. Mitra, Directors had tendered resignations from the Board of Directors of the Company with effect from 30th July, 2004. The Board noted the same and recorded its appreciation for valuable guidance given and services rendered during their long tenure with the Company.

Sri. L.K. Khemka has resigned from Managing Directorship with effect from 01.10.04. However, he is continuing as a director with effect from even date.

Mr. C.K. Khemka, Director, retires by rotation and being eligible, offers himself for re-appointment.

**AUDITORS**

M/S. D. Basu & Co., Chartered Accountants retire and are eligible for reappointment.

**PERSONNEL**

Industrial relations continued to be peaceful and cordial in the year under review, barring agitation & demonstration made by a section of workers at factory. The Directors wish to place on records their appreciation for the assistance and co-operation received from them at all levels during the period.

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 the Central and the State Governments, the Commercial Banks, Bharat Glass Tube Ltd., Glass Dealers & Processors.

On behalf of the Board of Directors

P. N. Roy  
Chairman

28th October, 2004  
Kolkata

**Report on Corporate Governance**

1. Company's Philosophy : The Company believes in value-based transparency in approach and professionalism in operation. It welcomes greater participation of shareholders.
2. Board of Directors : The present strength of the Board is four Directors and all four being Non – Executive Directors as below.

	<b>Name of Directors</b>	<b>Directorship in other Companies</b>
1.	Mr. P. N. Roy Non – Executive Chairman	2
2.	Mr. L.K. Khemka Non – Executive Director	4
3.	Mr. C. K. Khemka Non – Executive Director	10
4.	Mr. H.R. Parikh Non – Executive Director	2

Mr. P.K. Mallik, Mr. R. Mitra and Mr. S.K. Biswas resigned from the Board with effect from 30-07-04. Mr. L.K. Khemka has resigned as Managing Director with effect from 01-10-04 and is continuing as a Director.

**Number and Date of Board Meetings held**

6 ( Six) Board Meetings were held during the Financial Year from 01-04-2003 to 31-03-2004. Dates of the Board Meetings are 29th April, 2003, 25th July, 2003, 13th August, 2003, 19th September, 2003, 29th October, 2003 and 28th January, 2004.

Attendance of Directors at the Board Meetings and at the last AGM is given below:

<b>Name of Directors</b>	<b>Numbers of Board Meetings attended (Between 1-4-2003 to 31-3-2004)</b>	<b>Last AGM Date 19-9-2003 Attendance</b>
Mr. P. N. Roy	6	✓
Mr. L. K. Khemka	-	-
Mr. P. K. Mallik	6	✓
Mr. R. Mitra	6	✓
Mr. S. K. Biswas	6	✓
Mr. C. K. Khemka	-	-
Mr. H. R. Parikh	-	-

Mr. P. K. Mallik, Mr. R. Mitra and Mr. S.K. Biswas resigned from the Board with effect from 30-07-2004.

**Audit Committee**

The Audit Committee comprises 5 Directors. The Company Secretary acts as the Secretary of this Committee. Audit Committee met 5 times during the period from 01-04-2003 to 31-03-2004 i.e., on 29th April, 2003, 25th July, 2003, 13th August, 2003, 29th October, 2003 & 28th January, 2004.

<b>Name of Directors</b>	<b>Numbers of Meetings attended</b>
Mr. S. K. Biswas, Chairman	5
Mr. P. K. Mallik	5
Mr. L. K. Khemka	-
Mr. H.R. Parikh	-
Mr. R. Mitra	2
( Co-opted w.e.f. 29.10.2003)	

Mr. S.K. Biswas, Mr. P.K. Mallik and Mr. R. Mitra resigned with effect from 30-07-2004.



### The Audit Committee has since been reconstituted as Follows:

Mr. L.K. Khemka  
Mr. C.K. Khemka  
Mr. H.R. 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 14 times during the period from 01-04-2003 to 31-03-2004.

Name of Directors	Numbers of Meetings attended
Mr. P. N. Roy	14
Mr. P. K. Mallik	14
Mr. R. Mitra	14

Mr. P. K. Mallik and Mr. R. Mitra have since resigned.

### The Share Transfer & Investors' Grievance Committee has been reconstituted as follows:

Mr. P. N. Roy  
Mr. L. K. Khemka  
Mr. H. R. Parikh

Complaints are attended promptly by the Company. During the period under review 27 complaints were received and all were attended.

### Means Of Communication

Quarterly results are published in leading English and vernacular dailies. As per requirement of Clause 51 of the Listing Agreement important information are also available at EDIFAR website.

### General Shareholders' Information

#### Annual General Meeting

Date, Time Venue	: 31st January, 2005 at 11.00 A.M Sarat Sadan, Manton Super Market, Diamond Harbour Road, Behala, Kolkata - 700 034
Financial Year	: 01-04-2003 – 31-03-2004
Book Closure Date	: 10th December, 2004 to 17th December, 2004 (Both days inclusive)

#### Details of last 3 AGMs

Financial Year Ended	Date	Time	Venue
30th September, 2000	30-03-2001	11.30 A.M	Kalakunj, 48, Shakespeare Sarani, Kolkata-700017
30th September, 2001	22-03-2002	11.30 A.M	do
31st March, 2003	19-09-2003	11.30 A.M	do

**Listing on Stock Exchange**

- 1) The Calcutta Stock Exchange Association Ltd.  
7, Lyons Range,  
Kolkata 700001
- 2) The Stock Exchange, Mumbai  
Phiroze Jeejeebhoy Towers,  
Dalal Street  
Mumbai 400001

**Stock Code :** 502241

(The Listing fees have been paid to the Stock Exchange.)

**Depositories**

- 1) The National Securities Depository Ltd.  
Trade World, 4th Floor,  
Kamala Mills Compound,  
Senapati Bapat Marg, Lower Parel,  
Mumbai 400013
- 2) Central Depository Services (I) Ltd  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai 400023

**Market Price (High & Low) at BSE during each month from April, 2003 to March, 2004.**

Month	High (Rs)	Low (Rs)
April, 2003	3.20	1.90
May, 2003	5.45	2.35
June, 2003	6.31	2.90
July, 2003	6.67	4.07
August, 2003	6.15	4.11
September, 2003	5.98	3.96
October, 2003	6.00	4.05
November, 2003	8.88	4.35
December, 2003	9.00	6.25
January, 2004	8.35	5.70
February, 2004	6.37	4.50
March, 2004	7.10	3.50
Number of Shareholders as on 31.03.2004		10,245





IAG Company Limited

**Shareholding Pattern**  
 (As on 31-03-2004)
**Status****Holdings %**

Majority Shareholder	41.77
Resident Individuals	42.05
Non – Resident Individuals	00.07
Financial Institutions & Banks	10.47
Mutual Funds & U.T.I	00.31
Domestic Companies	05.33
<b>Total</b>	<b>100.00</b>

- Share Transfer System Transfer** : Physical Transfer of Shares is effected within due date through Share & Investors' Grievance Committee. The total number of Shares transferred in physical form during the year from 01.04.2003 to 31.03.2004 was 88878.
- Dematerialisation of Shares & Liquidity** : As on 31st March, 2004, 69.72% of the Company's Shares are held in electronic form.  
Company's ISIN is INE 831D01014.
- Unclaimed Dividend** : During the year under review unclaimed dividend for the year 1995-96 amounting to Rs 158133.25 has been transferred to the "Investor Education and Protection Fund" of the Central Government pursuant to Section 205C of the Companies Act, 1956, as amended.
- Registrar and Share Transfer Agent** : CB Management Services (P) Ltd.,  
P-22, Bondel Road, Kolkata 700019

**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 Director

 Kolkata  
 28th October 2004

 P. N. Roy  
 Chairman

**CERTIFICATE FROM AUDITORS REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT****To the Shareholders of IAG Company Limited**

We have examined the compliance of conditions of Corporate Governance by IAG Company Limited for the period ended 31st March 2004, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementations 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.

In our opinion and to the best of our information and explanations given to us, we certify that the Company has complied with the conditions of the Corporate Governance as stipulated by the Listing Agreements.

We state that in respect of investor grievance received during the period ended 31st March 2004 no investor grievances are pending for a period exceeding one month as per records maintained by the Company which are presented to Share Transfer and Investors Grievance Committee.

We further state that such compliance is neither an assurance to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Kolkata  
28th October 2004

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For D. BASU & CO.  
Chartered Accountants  
Malay Bhaduri  
Partner