



**ANNUAL REPORT**  
**2004 - 2005**

**IAG Company Limited**

# 48TH ANNUAL REPORT 2004 - 2005

## Board of Directors

Mr. L. K. Khemka  
Mr. C. K. Khemka  
Mr. N. Champati - *Wholetime Director*  
Mr. G. Khandelwal  
Mr. R. Gandhi  
Mr. A. Raval

## 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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IAG COMPANY LIMITED



## NOTICE

### TO THE SHAREHOLDERS

Notice is hereby given that 48th Annual General Meeting of IAG Company Ltd. will be held at Subarnabanik Samaj of Calcutta Trust, 47, Ganesh Chandra Avenue, Kolkata-700 013 on Friday, 10th March, 2006 at 1.00 p.m. to transact the following business :

1. To receive consider and adopt the audited accounts of the Company for the accounting period from 1st April, 2004 to 31st March, 2005 together with Directors' and Auditors' reports thereon.
2. To appoint Director in place of whom retiring by rotation.
3. To appoint Auditors & fix their remuneration.

#### **As Special Business**

To consider and if thought fit to pass with or without modification the following resolutions :

#### **4. As an Ordinary Resolution**

That Mr. N. Champati be and is hereby appointed a Director of the Company.

#### **5. As an Ordinary Resolution**

That the Company hereby approves the appointment and remuneration payable Sri N. Champati as a Wholtime Director of the Company for a period of two years from 8th March, 2005 pursuant to section 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 on terms and conditions set out in the Agreement to be made between the Company of the one part and Mr. N. Champati of the other part, a draft of which initialled by Sri L.K. Khemka, Director for the purpose of identification is placed before the meeting.

#### **6. As an Ordinary Resolution**

That Mr. Gaurav Khandelwal be and is hereby appointed as a Director of the Company.

#### **7. As an Ordinary Resolution**

That Mr. Rajesh Gandhi be and is hereby appointed as a Director of the Company.

#### **8. As an Ordinary Resolution**

That Mr. Adrish Raval be and is hereby appointed as a Director of the Company.

The Register of Members of the Company will remain closed from 7th March to 10th March, 2006. (both days inclusive).

#### *Registered Office*

3, Hungerford Street,  
Kolkata - 700017.

Dated : 20th January, 2006

By Order of the Board

L.K. Khemka  
Director

#### **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) An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the items under special business in annexed hereto.
- (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.

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**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 28th February, 2005 appointed Mr.N.Champati as Additional Director of the Company with effect from 8th March, 2005 pursuant to Article 93 of Company's Articles of Association .

Under the said Article Mr.Champati will held office upto the date of the forthcoming Annual General Meeting.

The Company has received a Notice in writing in terms of Section 257 of the Companies Act, 1956 ("the Act") from a member signifying his intention to propose the appointment of Mr.Champati as a Director of the Company.

Mr.Champati has filed with the Company his consent pursuant to Section 264(1) of the Act to act as a Director, if appointed.

The Board considers that appointment of Mr.N.Champati will be beneficial to the Company and accordingly recommends the resolution set out in Item No. 4 of the Notice convening the Annual General Meeting of the Company ("the convening Notice").

No Director of the Company except Mr. Champati is concerned or interested in the resolution.

**Item No.5**

The Board at its meeting held on 28th February, 2005 appointed Mr.N.Champati as a Wholetime Director for a period of 2 years with effect from 8th March, 2005.

The terms and conditions of Mr.Champati's appointment as a Wholetime Director are embodied in his proposed Agreement ("the Agreement") with the Company and an abstract of the terms and conditions as contained in the Agreement are set out below :

In consideration of his services as a Wholetime Director of the Company Mr.Champati is entitled to the following remuneration:

**SECTION -1**

Salary : At the rate of Rs. 21,000/- per month.

**CATEGORY-A****(i) Medical Reimbursement:**

Expenses incurred for self and family subject to a ceiling of one month's salary in a year or two months' salary over the period of two years.

**(ii) Leave Travel Concession :**

For self and family once in a year incurred in accordance with any rules of the Company.

**(iii) Leave :**

Earned/Privilege leave as per the Rules of the Company. Encashment of leave (not availed of) at the end of the tenure will be allowed.

**CATEGORY-B**

(i) The Company's contribution for him to Provident Fund, Superannuation Fund or Annuity Fund shall be 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.

(ii) Gratuity at a rate not exceeding half a month's salary for each completed year of service.

IAG COMPANY LIMITED

**SECTION - II**

In the event of loss or inadequacy of profits of the Company in any financial year during the term of Wholetime Director's appointment, he shall be paid remuneration as above as minimum remuneration subject to stipulation contained in Schedule XIII to the Act.

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. Champati as a Wholetime Director require the approval of the members of the Company in General Meeting in terms of Part III of Schedule XIII to the Act and his remuneration also requires the approval of the Company in general meeting under Section 309 of the Act.

The resolution set out in Item No.5 of the convening Notice has to be considered accordingly and the Board recommends the same.

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.

No Director of the company except Mr. Champati is concerned or interested in the resolution.

This may also be regarded as an abstract of the terms of appointment of Mr. Champati as a Wholetime Director of the Company and Memorandum of interest under Section 302 of the Act.

**Item No. 6 to 8**

The Board at its meeting held on 31-12-05 appointed Mr. Gaurav Khandelwal, Mr. Rajesh Gandhi and Mr. Adrish Raval as Additional Directors of the Company pursuant to Article 93 of the Company's Articles of Association. Under the said Article Mr. Gaurav Khandelwal, Mr. Rajesh Gandhi, Mr. Adrish Raval will hold office upto forthcoming Annual General Meeting of the Company. The Company has received Notices in writing in terms of Section 257 of the Act from certain members of the Company signifying their intentions to propose the appointments of them as Directors of the Company. Mr. Gaurav Khandelwal, Mr. Rajesh Gandhi, Mr. Adrish Raval are willing to act as Directors of the Company if appointed, and have filed with the Company their respective consents pursuant to Section 264 (1) of the Companies Act. Having regard to their vast exposure in this field the Board considers that their appointments would be beneficial to the Company. The Board accordingly recommends a resolutions set out in Item Nos. 6 to 8 of the Notice convening the meeting ("the convening Notice").

Mr. Gaurav Khandelwal, Mr. Rajesh Gandhi, Mr. Adrish Raval are concerned or interested in the relative resolutions concerning their respective appointments.

Save as aforesaid no other Director is concerned or interested in the aforesaid resolutions.

*Registered Office :*

3, Hungerford Street,  
Kolkata 700017

Dated: 20-01-2006

By Order of the Board

L.K. Khemka  
Director

IAG COMPANY LIMITED

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**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, 2005.

*Round off to nearest Rs./Lakhs*

	<b>This year ended 31.3.05</b>	<b>Previous year ended 31.3.2004</b>
<b>FINANCIAL RESULTS :</b>		
Income [Sales]	<b>4333</b>	8413
Profit (Loss) before depreciation and write back of liabilities & provisions	<b>(616)</b>	(181)
Depreciation	<b>282</b>	421
	<b>(898)</b>	(240)
Liabilities and Provisions no longer required written back	<b>—</b>	—
Prior period adjustment	<b>—</b>	(56)
Profit/(Loss) before taxation	<b>(898)</b>	(296)
Deferred Tax Asset (Net)	<b>—</b>	—
Balance brought forward from previous year	<b>722</b>	1018
Profit/(Loss):Carried to Reserve and Surplus/Balance Sheet	<b>(176)</b>	722

**OPERATIONS**

During this year under review there has hardly any operations . There has been complete suspension of Company's Commercial and Industrial activities. However the Company is striving hard to start its commercial activities.

**PROSPECT**

The Management is making efforts to revamp the Company stretching all its resources.

**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 annexed herewith 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.

**IAG COMPANY LIMITED****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. N. Roy, Chairman had tendered his resignation from the Board with effect from 15.11.04.

Mr. P. K. Mallik, Mr. S. K. Biswas, Mr. R. Mitra had tendered resignation with effect from 30.7.2004.

Mr. H. R. Parikh had tendered his resignation from the Board with effect from 28.2.05.

Mr. 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.

The Board places on record the wise counsel rendered by them during their tenure in the Company.

Mr. R. K. Jain was appointed as Wholetime Director of the Company with effect from 30.12.04 and relinquished the post on 8.3.05. He also joined as non-executive Director with effect from 20.8.2005 but relinquished his post on 14.10.2005. Mr. K. S. Vipani joined as non-executive Director with effect from 20.8.2005 and relinquished his post on 10.10.2005.

Mr. N. Champati was appointed as Additional Director of the Company with effect from 8th March, 2005 and will hold the Office upto forthcoming Annual General Meeting of the Company. A notice has been received from a member under Section 257 of the Companies Act, 1956 signifying his intention of proposing Mr. Champati as a Director of the Company at this meeting.

The Board also appointed Mr.N. Champati as Wholetime Director of the Company for a period of 2 years effective from 8th March,2005 subject to the approval of the appointment and other terms and conditions by the Company in General Meeting. Mr. N. Champati has vast experience in glass industry and has been in this Company for last 15 years, before which he had served many Organisation in coveted positions.

Mr. L. 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 during the year.

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

25th October, 2005.  
Kolkata

On behalf of the Board of Directors  
L.K. Khemka  
Director



IAG COMPANY LIMITED

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## 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 as on 31st March, 2005 is three Directors out of which two are Non-Executive Directors and one is a Wholetime Director.

Name of Directors	Directorship in other Companies
1. Mr. L. K. Khemka Non-Executive Director	4
2. Mr. C. K. Khemka Non-Executive Director	10
3. Mr. N. Champati Wholetime Director (with effect from 8.3.05)	—

Mr. P.N. Roy had resigned as Chairman with effect from 15.11.2004. Mr. P. K. Mallik, Mr. R. Mitra and Mr. S. K. Biswas have tendered resignations with effect from 30.7.2004. Mr. H. R. Parikh had also tendered his resignation with effect from 28.2.2005. Mr. N. Champati has been appointed as Wholetime Director with effect from 8.3.2005. Mr. R. K. Jain has also tendered his resignation as Wholetime Director with effect from 8.3.2005.

### Number and Date of Board Meetings held :

8 (Eight) Board Meetings were held during the Financial Year from 01-04-2004 to 31-03-2005. Dates of the Board Meetings are 29th April, 2004, 30th July, 2004, 1st October, 2004, 26th October, 2004, 28th October, 2004, 6th December, 2004, 15th December, 2004, 28th February, 2005.

Attendance of Directors at the Board Meetings is given below :

Name of Directors	Numbers of Board Meetings attended (Between 1-4-2004 to 31-3-2005)
Mr. P. N. Roy	2
Mr. L. K. Khemka	6
Mr. P. K. Mallik	2
Mr. R. Mitra	—
Mr. S. K. Biswas	2
Mr. C. K. Khemka	6
Mr. H. R. Parikh	5
Mr. N. Champati (w.e.f. 8.3.05)	—
Mr. R.K. Jain	1

Mr. P. K. Mallik, Mr. R. Mitra and Mr. S. K. Biswas have resigned from the Board with effect from 30.7.2004. Mr. P. N. Roy, Mr. H. R. Parikh resigned from Board with effect from 15.11.04 & 28.2.05 respectively. Mr. R. K. Jain was appointed as Wholetime Director on 30.12.2004 but relinquished with effect from 8.3.2005.



**Audit Committee :**

The Audit Committee met 4 times during the period from 01-04-2004 to 31-03-2005 i.e. on 29th April, 2004, 30th July, 2004, 28th Oct, 2004, 28th February, 2005. The Audit Committee comprised of following directors.

Name of Directors	Numbers of Meetings attended
1. Mr. S.K. Biswas, Chairman	2
2. Mr. P.K. Mallik	2
3. Mr. L.K. Khemka	2
4. Mr. H.R. Parikh	1
5. Mr. R. Mitra	—
6. Mr. C.K. Khemka(w.e.f. 1-10-04)	2
7. Mr. N. Champati (w.e.f. 8-3-05)	—
8. Mr. R.K. Jain	1

Mr. S. K. Biswas, Mr. P. K. Mallik, Mr. R. Mitra resigned with effect from 30-07-2004. Mr. H. R. Parikh resigned with effect from 28-2-05. Mr. R. K. Jain was appointed on 30-12-04 and relinquished with effect from 8-3-2005.

**The Audit Committee has since been reconstituted as follows :**

Mr. L. K. Khemka
Mr. C. K. Khemka
Mr. N. Champati

**Share Transfer and Investors' Grievance Committee :**

The Committee met 13 times during the period from 01-04-2004 to 31-03-2005. The Committee comprised of following directors.

Names of Directors	Numbers of Meetings attended
Mr. P. N. Roy	7
Mr. P. K. Mallik	5
Mr. R. Mitra	2
Mr. L. K. Khemka	7
Mr. C. K. Khemka	5
Mr. N. Champati	1
Mr. H.R. Parikh	5
Mr. R.K. Jain	3

Mr. P. K. Mallik, Mr. R. Mitra, Mr. P. N. Roy Mr. H. R. Parikh have since resigned. Mr. R. K. Jain was appointed with effect from 30.12.2004 and relinquished with effect from 8.3.05.

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

Mr. L. K. Khemka
Mr. C. K. Khemka
Mr. N. Champati

**IAG COMPANY LIMITED****IAG**

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

**Means of Communication :**

Quarterly results are published in leading English and vernacular dailies during the operational period. 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	: 10-03-2006 at 1-00 p.m. at Subarnabanik Samaj of Calcutta Trust 47, Ganesh Chandra Avenue, Kolkata - 700 013
Financial Year	: 01-04-2004 to 31-03-2005.
Book Closure Date	: 7th March to 10th March, 2006 (both days inclusive)

**Details of last AGMs :**

Financial Year Ended	Date	Time	Venue
30th September, 2001	22-03-2002	11.30 A.M.	Kalakunj, 48, Shakespeare Sarani, Kolkata - 700017
31st March, 2003	19-09-2003	11.30 A.M.	- DO -
31st March, 2004	31-01-2005	11.00 A.M.	Sarat Sadan Manton Super Market, Diamond Harbour Road, Behala, Kolkata - 700 034 (The scheduled AGM on said date could not be held but had to be postponed due to unavoidable circumstances has been refixed to be held on 10-03-2006 at Subarnabanik Samaj of Calcutta Trust, 47, Ganesh Chandra Avenue, Kolkata - 700 013)

**Listing on Stock Exchange :**

- The Calcutta Stock Exchange Association Ltd.**  
7, Lyons Range, Kolkata 700001
- 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 :**

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