

# **ANNUAL REPORT**

## **2008-2009**



**IAG Company Limited**



IAG COMPANY LIMITED

## 52nd Annual Report 2008–2009

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#### **Board of Directors :**

Mr. V. Joshi – *Wholetime Director*  
 Mr. N. Champati – *Wholetime Director*  
 Mr. R. Dosi – *Wholetime Director*  
 Mr. P. K. Chatterjee – *Managing Director*  
 Mr. S. K. Biswas – *Non Executive Director*  
 Mr. P. Mittal – *Non Executive Director*  
 Mr. V. Jalan – *Non Executive Director*  
 Mr. H. Banerji – *Non Executive Director*

#### **Bankers :**

State Bank of India  
 Punjab National Bank  
 Axis Bank

#### **Auditors :**

D. Basu & Co.  
*Chartered Accountants*

#### **Solicitors & Advocates :**

Orr, Dignam & Co.

#### **Registered Office :**

3, Hungerford Street, Kolkata - 700 017  
 Phone : 033-2290-1935/1940  
 Fax : 033-2290-2319  
 E-mail : iagcompanylimited.complaints@gmail.com  
 complaints@iagcompany.in

#### **Factory :**

Bhurkunda, P.O. Bhadaninagar  
 Dist. Ramgarh, Jharkhand

IAG COMPANY LIMITED

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## CHAIRMAN'S STATEMENT

Dear Shareholders,

I extend warm greetings to all of you and have great pleasure in introducing the Fifty Second Annual Report and Audited Statement of accounts for the year ended 31st March, 2009.

As you all know that your company was closed since October, 2004 and was reopened last year. So, this was the reviving year for your company and I am very happy to announce that your company is reviving very fast. I want to give the credit of this to all my Employees, Directors, Bankers and above all to you because without your co-operation and support the revival was impossible for your company.

During this year, Punjab National Bank and State Bank of India have granted term loan to your company for various expansion and development projects, details of which are disclosed in Directors' Report. Furnace No. 1 producing Sheet Glass is running at its optimum capacity. While Furnace No. 2 producing Figured Glass has again been lit up on 28th August, 2009 after expansion and development.

Over the next decade IAG Company has committed itself to attaining global scale with optimum output and a strong regional presence. This strategic move is to become a significant glass producer in the industry which reflects the new mindset of the Company.

I wish to thank you for your ongoing support and commitment. As we look forward to another exciting year, I am sure I can continue to count on your collective support in all our endeavours.

With kind regards

VIJAY JOSHI



IAG COMPANY LIMITED

## NOTICE TO THE SHAREHOLDERS

Notice is hereby given that 52nd Annual General Meeting of IAG Company Ltd. will be held on 15th October, 2009, Thursday, at 11 AM at Kalakunj, 48, Shakespeare Sarani, Kolkata-700017 to transact the following business :

### ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Accounts together with Reports of Directors and Auditors thereon for the year ended 31st March 2009.
2. To appoint M/S D. Basu & Co., Chartered Accountants as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.
3. To appoint Director in place of those retiring by rotation and eligible for re- appointment.

### SPECIAL BUSINESS:

To consider and if thought fit to pass with or without modifications the following Resolutions :

#### 4. AS ORDINARY RESOLUTION

"Resolved that the Company hereby approves the appointment of and remuneration payable to Mr. V Joshi as a Wholetime Director of the Company for a period of five years from 12th November, 2008 on the terms and conditions set out in the Agreement to be made between the Company of the one part and Mr. V Joshi of the other part, a draft of which initialed by the Chairman for the purpose of identification is placed before the meeting."

#### 5. AS ORDINARY RESOLUTION

"Resolved that the Company hereby approves the re-appointment of and remuneration payable to Mr. N Champati as a Wholetime Director of the Company for a period of five years from 8th March, 2009 on the 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 initialed by the Chairman for the purpose of identification is placed before the meeting."

#### 6. AS SPECIAL RESOLUTION

"Resolved that pursuant to the provisions of Sections 198, 269, 309, 310 and 311 and other applicable provisions, if any, of the Companies Act, 1956, the approval of the Company be and is hereby accorded to the appointment of Mr. P K Chatterjee as Managing Director of the Company for a period of five years with effect from 1st September, 2009 on such terms and conditions as the Board may consider appropriate, provided, however, that the terms of remuneration shall not exceed the ceilings as set out in Schedule XIII to the Companies Act, 1956, as amended and the guidelines as may be issued hereafter in this regard from time to time.

Resolved further that Mr. P K Chatterjee shall not be liable to retire by rotation.

Resolved further that the Board of Directors be and is hereby authorized to take all necessary steps for the purpose of effecting this appointment and matters incidental thereto."

#### 7. AS ORDINARY RESOLUTION

"Resolved that pursuant to sections 16, 31 and 94 and other applicable provisions, if any, of the Companies Act, 1956, the Authorised Capital of the Company be and is hereby increased from Rs. 14,00,00,000 (Rupees Fourteen Crores only) divided into 1,40,00,000 shares of Rs. 10 each to Rs. 32,00,00,000 (Rupees Thirty Two Crores only) divided into 3,20,00,000 shares of Rs. 10 each, ranking pari passu with the existing shares.



## IAG COMPANY LIMITED

Resolved further that Clause V of the Memorandum of Association of the Company be and is hereby altered to read as follows :

"The Share Capital of the Company is Rs. 32,00,00,000 (Rupees Thirty Two Crores only) divided into 3,20,00,000 shares of Rs. 10 each.

The Company has the power from time to time to increase or reduce its capital in accordance with the provisions of the Companies Act, 1956."

Resolved further that the Board of Directors be and are hereby authorised to do such other acts and deeds as may be necessary for giving effect to this resolution."

### 8. AS ORDINARY RESOLUTION

"Resolved that in terms of the sanction letter no. **MCSH/RM-V/09-10/CBA/133** dated **8th May, 2009** received from the State Bank of India, Commercial Branch, Alipore, Kolkata-700027, an unsecured loan amounting to Rs. 24.5 crores be converted into Non- Cumulative 0% Dividend paying Preference Shares on or before March 2010.

Resolved further that the said Non cumulative 0% Dividend paying Preference Shares be redeemable after repayment of total Term Loan of Rs. 14.00 Crores taken from SBI.

Resolved further that Mr. N Champati, Wholtime Director of the Company be and is hereby authorized to comply with all the statutory formalities in connection with the aforesaid resolution."

The Register of Members of the Company will remain closed from 14th October, 2009 to 15th October, 2009 . (both days inclusive).

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Registered Office :  
3, Hungerford Street,  
Kolkata-700017  
Dated : 10th September, 2009

By the order of the Board  
**N Champati**  
Director

### NOTES :

- ☐ A member entitled to attend and vote at the meeting is entitled to appoint proxy to attend and to vote instead of himself and a proxy need not be a member of the Company.
- ☐ 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.
- ☐ An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the items under special business is annexed hereto.
- ☐ Members are requested to notify to the Company change of their addresses, if any.
- ☐ 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.
- ☐ Members are requested to bring their copies of annual Reports as no extra copies will be distributed at the meeting.
- ☐ CB Management Services(P) Ltd., P-22, Bondel Road, Kolkata 700019 has been functioning as common agent for transfer of Shares both physical and depository modes.



IAG 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 12th November, 2008 appointed Mr. Vijay Joshi as Additional Director of the Company with effect from 12th November, 2008 pursuant to Article 93 of the Company's Articles of Association.

Under the said Article Mr. Joshi will hold 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. Joshi as a Director of the Company.

Mr. Joshi 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 the appointment of Mr. Joshi 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 terms and conditions of his appointment as a Wholtime 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:-

The remuneration, terms and conditions of appointment of Mr. Vijay Joshi as Wholtime Director are as follows :

- a) Period of Appointment : 5 years(12-11-08 to 11-11-13)
- b) Salary(Gross) : Rs. 70,000/- per month

Perquisites:

- i) *Medical Reimbursement :*  
Expenses incurred for self and family subject to the ceiling of one months' salary in a year or five months' salary over a period of five years.
- ii) *Leave Travel Concessions :*  
For self and family once in every two years incurred in accordance with any rules of the Company.
- iii) *Leave :*  
Earned/Privileged Leave as per the rules of the Company. Encashment of leave (not availed of) at the end of the tenure will be allowed.
- iv) *Housing :*  
The expenditure by the Company on hiring furnished accommodation for the Wholtime Director will be as follows :
  - a) 60% of the salary, over and above 10% payable by the Wholtime Director.
  - b) If accommodation is otherwise provided by the Company to the Wholtime Director the expense of the Company on such accommodation will be on such terms as the Company may from time to time stipulate.
  - c) If the Company does not provide accommodation to the Wholtime Director he will be paid house rent allowance subject to the ceiling provided in (a) above.

The expenses incurred by the Company on gas, electricity, water and furnishings will be evaluated as per the Income-Tax Rules, 1962 subject to a ceiling of 10% of his salary.
- v) The Companys' contribution for him to Provident Fund, Superannuation Fund or Annuity Fund in accordance with the Rules and Regulations of the Company. Such contribution will not be included in the computation of the ceiling on perquisites to the extent these either single or put together are not taxable under the Income Tax Act, 1961.

Gratuity at a rate not exceeding half months' salary for each completed years of service.



## IAG COMPANY LIMITED

In the event of loss or inadequacy of profits in any financial year Mr. Joshi will be paid the remuneration as above as minimum remuneration subject to the stipulations contained in Schedule XIII of the Act.

The appointment and remuneration of Mr. Vijay Joshi as a Wholetime Director requires 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 the General Meeting under Section 309 of the Act.

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

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

### Item No. 5

The Board at its meeting held on 24th January, 2009 has extended the appointment of Mr. Nakula Champati as Wholetime Director of the Company for a further period of five years with effect from 8th March, 2009.

The terms and Condition of his appointment will be within parameters of Schedule XIII of the Companies Act, 1956 as modified.

The remuneration, terms and conditions of reappointment of Mr N Champati as Wholetime Director are as follows

- a) Period of Appointment : 5 years ( 8.3.09 to 7.3.14)
- b) Salary (Gross) : At the rate of Rs.25,000 /- Per month

### Perquisites

- i) *Medical Reimbursement :*  
Expenses incurred for self and family subject to the ceiling of one months' salary in a year or five months salary over the period of five years:
- ii) *Leave Travel Concession :*  
For self and family once in every two years incurred in accordance with any rules of the Company.
- iii) *Leave :*  
Earned/Privileged Leave as per the Rules of the Company. Encashment of leave (not availed of) at the end of tenure will be allowed.
- iv) *Housing :*  
The expenditure by the Company on hiring furnished accommodation for the Wholetime Director will be as follows:
  - a) 60% of the salary, over and above 10% payable by the Wholetime Director.
  - b) If accommodation is otherwise provided by the Company to the Wholetime Director the expense of the Company on such accommodation will be on such terms as the Company may from time to time stipulate.
  - c) If the Company does not provide accommodation to the Wholetime Director he will be paid house rent allowance subject to the ceiling provided in (a) above.  
The expenses incurred by the Company on gas, electricity, water and furnishings will be evaluated as per the Income-Tax Rules, 1962 subject to a ceiling of 10% of his salary.
- v) 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 single or put together, are not taxable under the Income Tax Act, 1961.

Gratuity at a rate not exceeding half months' salary for each completed years of Service.

In the event of loss or inadequacy of profits in any financial year Mr Champati will be paid the remuneration as above as minimum remuneration subject to the stipulations contained in Schedule XIII to the Act.





## IAG COMPANY LIMITED

The re-appointment and remuneration of Mr. Nakula Champati as a Wholetime Director requires 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 the General Meeting under Section 309 of the Act.

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 re-appointment of Mr. Nakula Champati as a Wholetime Director of the Company and Memorandum of interest under section 302 of the Act.

### Item No. 6

The Board at their meeting held on 31st July, 2009 appointed Mr. P K Chatterjee as the Managing Director of the Company for a period of five years effective from 1st September, 2009 on the terms and conditions and remuneration payable to Mr. Chatterjee as are specified in the draft agreement to be executed between him and the company, a copy of which duly approved by the Board will be placed before the meeting and is subject to the approval of the shareholders and other approval, if any, as may be necessary.

The principal terms and conditions and remuneration of Mr. Chatterjee are as follows :

**Salary :** Rs. 2,00,000/- (Rupees Two Lacs) per month

**Perquisites, allowances and other benefits:** Rupees 6,60,000/- (Rupees Six lacs sixty thousand) per annum

Notwithstanding anything to the contrary herein contained, where in any financial year, the company has no profit or its profits are inadequate, the company will pay Mr. Chatterjee the remuneration by way of salary, perquisites and allowances as specified above subject to the approval of the Central Government, if required.

The Managing Director shall also be entitled to reimbursement of expenses actually incurred by him for the business of the company. He shall not be paid any sitting fees for attending meetings of the Board or Committee thereof.

Mr. Chatterjee shall not be liable to retire by rotation. The resolution is recommended for your approval.

Copies of the Memorandum and Articles of Association of the Company, draft agreement to be entered into between the company and Mr. Chatterjee duly approved by the Board, and all other relevant documents and papers are open for inspection at the Registered Office of the company between 10:00 am to 12:00 noon on any working day prior to the date of the meeting.

None of the directors of the company except Mr. Chatterjee is concerned or interested in the resolution.

### Item Nos. 7 & 8

The Directors of the Company have felt that for profitable working of the company, the company needs more funds. In this regard, State Bank of India, Commercial Branch, Alipore, Kolkata-700027 agreed to give a loan to the company on the condition that unsecured loan amounting to Rs. 24.5 crores injected by the promoter should be converted into Non cumulative 0% Dividend paying Preference Shares redeemable after repayment of total Term Loan of Rs. 14.00 Crores taken from SBI.

The present authorized share capital of the company is Rs. 14,00,00,000 (Rupees Fourteen crores only) divided into 1,40,00,000 shares of Rs. 10 each and almost the entire authorized share capital has already been issued, subscribed and paid up. The Board, therefore for fulfillment of condition imposed by State Bank of India, Alipore, decided that the authorized share capital of the company be increased to 32,00,00,000 (Rupees Thirty two crores only) divided into 3,20,00,000 shares of Rs. 10 each.

Hence, the proposed resolutions are recommended for consideration of and approval by the shareholders of the company.

None of the directors is concerned or interested in the proposed resolutions.

Registered Office :  
3, Hungerford Street  
Kolkata 700017

Dated : 10th September, 2009

By Order of the Board  
**N.Champati**  
Director





IAG COMPANY LIMITED

## DIRECTORS' REPORT TO THE MEMBERS

Your Directors are pleased to present their 52nd Annual Report in respect of results of the Company for the year ended 31st March, 2009.

### 1. FINANCIAL HIGHLIGHTS :

	<i>Rs. in lakhs *</i> Current Year	<i>Rs. in lakhs *</i> Previous Year
Income [Sales]	1,380	98
Profit/(Loss) before depreciation and write back of liabilities & provisions	514	173
Depreciation	(226)	(209)
Liabilities and Provisions no longer required written back	1,004	14
Prior period adjustments	(64)	(576)
Profit/(Loss) before taxation	2,494	(598)
Deferred Tax Liabilities (Net)	1,651	—
Fringe Benefit Tax	6	—
Balance brought forward from previous year	—	—
Transfer from Revaluation Reserve	—	(598)
Transfer to Revaluation Reserve	837	—
Profit/(Loss) carried to Reserve and Surplus/ Balance Sheet	—	—

\* Note : Figures rounded off to nearest rupees.

### OPERATION AND PROSPECTS

The Commercial Production of the Company started in the month of December, 2008. The Company has also undertaken projects for modernization and expansion as well as for modification and development. The details of such projects are as under :

#### a) Projects :

During the year under review your company has undertaken following projects:-

- ◆ Revamped the production capacity of Furnace-1 to 90 TPD by modification of the furnace and its allied areas.
- ◆ In order to leverage optimum capacity of the Furnace-2, the existing 6-ft line has been converted to 7 ft, a 15% increase in production and also setting up of an additional 4-ft line in the same furnace is nearing completion. This will enhance the production capacity to 290 TPD.
- ◆ In view of rising cost of Furnace Oil your company has switched over to coal gas by installing 3 nos gassifiers imported from China.

#### b) Sodepore Project:

The Company has signed a Memorandum of Understanding with Tripti Vinimay Private Ltd. for the development-cum-modification of the Company's land at Sodepore. This project is expected to be completed in next five years.



## IAG COMPANY LIMITED

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### FINANCE

Your Company has availed loans from two different banks, namely Punjab National Bank, Mahavir Chowk, Ranchi and State Bank of India, Commercial Branch, Alipore, Kolkata, to finance the projects undertaken by your company.

For augmenting capital requirement your Company had taken your approval for additional borrowing limit upto Rs. 200 crore through the POSTAL BALLOT, the result of which was declared on 23rd June, 2009 and the same was published in the leading dailies for your information. This has raised your company's borrowing limit to 300 Cr.

### DIVIDEND

In view of the past accumulated losses and inadequate distributable surplus in the year under review the director's regret their inability to recommend any dividend.

### DIRECTORS

The Board of Directors of the company ("The Board") appointed Mr. V Joshi as a Wholtime Director with effect from 12th November, 2008 for a period for 5 years. The Company has received a Notice in writing under Section 257 of the Companies Act, 1956 ("The Act") from a Member signifying his intention to propose the appointment of Mr. V Joshi as Director of the Company.

The term of Mr. N Champati, Wholtime Director expired on 8th March, 2009. The Board on their meeting on 24th January, 2009 appointed him for a further period of 5 years.

Mr. P K Chatterjee was appointed as the Managing Director with effect from 1st September, 2009 for a period of 5 years. The Company has received a Notice in writing under Section 257 of the Act from a Member signifying his intention to propose the appointment of Mr. Chatterjee as Director of the Company.

Mr. P. Mittal, Director, retires by rotation and being eligible, offers himself for re-appointment.

### EXTRA ORDINARY GENERAL MEETING

The Board had convened an Extra Ordinary General Meeting on 21st July, 2009 to approve the Preferential Allotment of 70,00,000 equity shares of Rs. 10 each to Anjaniputra Ispat Limited and increased the Authorised Share Capital of the Company to Rs. 14,00,00,000 (Rupees Fourteen Cr only). Under instruction of Securities Exchange Board of India, this Preferential Allotment has been kept in abeyance.

### LISTING

The Equity Shares of your Company are listed in Bombay Stock Exchange Ltd. and Calcutta Stock Exchange Ltd. All efforts have been taken so that trading in the above Stock Exchanges can start shortly.

### CORPORATE GOVERNANCE

A separate report on Corporate Governance along with general shareholders information as prescribed under the Listing Agreement is annexed as a part of this report along with the Auditor's Certificate thereon.

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors hereby confirm that:

1. In the preparation of Annual Accounts for the financial year ended 31st March, 2009, applicable accounting standards have been followed along with proper explanation relating to material departures.
2. Appropriate Accounting Policies have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2009 and of the losses for the period from 1st April, 2008 to 31st March, 2009.