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ANNUAL REPORT 1999-2000



DEDICATED TO SERVE THE STEEL INDUSTRY

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**BOARD OF DIRECTORS**

B P BAJORIA, *Chairman*
~~S K BAJORIA~~ *(Nominee of IPICOL)*
 AKIRA INAGAKI
 Y KOIKE *(Alternate to A Inagaki)*
 D G RAJAN
 K S B SANYAL
 I SHIMIZU
 T SUNAHARA *(Alternate to I Shimizu)*
 S K BAJORIA, *Managing Director*
 P BAJORIA, *Director & Chief Executive*

COMPANY SECRETARY

R AGARWAL

BANKER

STATE BANK OF INDIA

AUDITORS

PRICE WATERHOUSE
Chartered Accountants

SOLICITOR & LEGAL ADVISOR

A P AGARWALLA, *Advocate*
 16, HARE STREET, CALCUTTA - 700 001

REGISTERED OFFICE & WORKS

SECTOR 'B'
 KALUNGA INDUSTRIAL ESTATE
 P. O. KALUNGA - 770 031
 DIST : SUNDERGARH, ORISSA

HEAD & CORPORATE OFFICE

McLEOD HOUSE
 3, NETAJI SUBHAS ROAD
 CALCUTTA - 700 001

REGISTRARS & SHARE TRANSFER AGENTS**PHYSICAL**

ABC COMPUTERS PVT LTD
 NATIONAL COUNCIL OF EDUCATION BUILDING
 2ND & 3RD FLOOR
 JADAVPUR UNIVERSITY CAMPUS
 CALCUTTA - 700 032

DEMAT

MAHESHWARI DATAMATICS PVT LTD
 6, MANGOE LANE, 2ND FLOOR
 CALCUTTA - 700 001



Notice of Annual General Meeting

Notice is hereby given that Eleventh Annual General Meeting of IFGL Refractories Limited will be held on Saturday, 28th October, 2000 at 11 AM at the Registered Office situated at Sector 'B', Kalunga Industrial Estate, P.O. Kalunga-770-031, Dist. ~~Sunoigarh~~, Orissa to transact the following business :

Ordinary Business

1. To receive, consider and adopt Profit and Loss Account for the year ended 31st March, 2000 and Balance Sheet as on that date and Schedules and Notes forming part thereof and the Reports of Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr K S B Sanyal, who retires by rotation and being eligible, offer himself for re-appointment.
3. To appoint Auditors and fix their remuneration including terms of payment. The retiring Auditors, Messrs Price Waterhouse, Chartered Accountants, being eligible offer themselves for re-appointment.

Special Business

4. To consider and if thought fit, with or without modification(s), to pass the following resolution as an Ordinary Resolution.
 "Resolved that Mr D G Rajan, who was appointed as an Additional Director in the meeting of Board of Directors of the Company held on Monday, 14th August, 2000 and whose term expires at the ensuing Annual General Meeting and in respect of whom the Company has received a Notice under Section 257 of the Companies Act, 1956 from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company whose period of office will be liable to determination by retirement by rotation."
5. To consider and if thought fit, with or without modification(s), to pass the following resolution as an Ordinary Resolution.
 "Resolved that Mr Akira Inagaki, who was appointed as a Director in the meeting of Board of Directors of the Company held on Friday, 30th July, 1999 and whose term expires at the ensuing Annual General Meeting and in respect of whom the Company has received a Notice under Section 257 of the Companies Act, 1956 from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company whose period of office will be liable to determination by retirement by rotation."
6. To consider and if thought fit, with ~~or without~~ modification(s), to pass the following resolution as an Ordinary Resolution.
 "Resolved that pursuant to provisions of Sections 198, 269, 309 and other applicable provisions of the Companies Act, 1956 including the Schedule XIII, as amended to-date and other necessary approvals, Mr Pradeep Bajoria be and is hereby appointed as the Director and Chief Executive of the Company for a period of 5 (five) years with effect from Monday, 14th August, 2000 on the terms and conditions as set out in detail in the Agreement executed between the Company and Mr Bajoria, a copy whereof is placed before the meeting and for identification is initialed by the Chairman of the meeting of the Board of Directors held on Monday, 14th August, 2000, which Agreement also authorises the Board of Directors to increase, reduce, alter or vary the remuneration and perquisites, including the monetary



Notice (Contd.)

value thereof specified in the Agreement at any time(s) and from time to time in such manner as the Board of Directors may in its absolute discretion deem fit within the maximum amount payable to Mr Bajoria, which shall not exceed the ceiling of Rs. 15,00,000/- per annum or Rs. 1,25,000/- per month as provided in Section II of Part II of Schedule XIII of the Companies Act, 1956 or such other amount and perquisites as may be provided in the Schedule XIII, as may be amended from time to time or any equivalent statutory re-enactment thereof.

Resolved further that in the event of loss or inadequate profits in any financial year during the term of Mr Bajoria's office as the Director & Chief Executive, the remuneration and perquisites per month as set out in the aforesaid Agreement be paid or granted to Mr Bajoria as 'minimum remuneration'.

Resolved further that for the purpose of giving effect to above resolutions, the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, expedient, usual or proper in the best interest of the Company."

7. To consider and if thought fit, with or without modification(s), to pass the following resolution as an Ordinary Resolution.

"Resolved that in accordance with provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions of the Companies Act, 1956, changes and or alterations in the remuneration of Mr Shishir Kumar Bajoria, Managing Director of the Company with effect from Saturday, 1st April, 2000 for the remainder of the tenure of his Appointment, i.e. upto 31st March, 2002 as set out in the Supplemental Agreement entered into between the Company and Mr Bajoria, a copy whereof is placed before the meeting and for the purpose of identification is initialled by the Chairman of the meeting of the Board of Directors held on Monday, 26th June, 2000 be and are hereby ratified and approved with specific authority to the Board of Directors of the Company (hereinafter referred to as the 'the Board') to alter and or vary the terms and conditions including remuneration of his appointment, which shall not exceed the limit as set out in Sections 198 and 309 read with Schedule XIII of the Companies Act, 1956 or any amendments thereof as may be agreed to between the Board and Mr Bajoria."

8. To consider and if thought fit, with or without modification(s), to pass the following resolution as a Special Resolution.

"Resolved that subject to the provisions of the Companies Act, 1956, Securities Contracts (Regulation) Act, 1956 and the Rules framed thereunder, Listing Agreements and all other applicable laws, rules, regulations and guidelines and subject to such approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any while granting such approvals, permissions and sanctions, which the Board of Directors of the Company (hereinafter referred to as 'the Board', which term shall be deemed to include any Committee thereof for the time being exercising the powers conferred on this Board) be and is hereby authorised to agree to if acceptable to the Board, the consent of the Company be and is hereby accorded to the Board to delist the Equity Shares and all other Securities of the Company from the Stock Exchanges at Ahmedabad, Calcutta and New Delhi".



Notice (Contd.)

9. To consider and if thought fit, with or without modification(s), to pass the following resolution as a Special Resolution.
 "Resolved that pursuant to Section 17 of the Companies Act, 1956, Memorandum of Association of the Company be and is hereby altered, modified by inserting the following sub-clauses 31 to 34 immediately after the existing sub-clause 30 of Clause III C of the Memorandum of Association of the Company"
 31. To design, develop, purchase, import, take on hire, pilot, maintain, manage, exploit, export, sell, distribute and deal in all types of Information Technology related software services used by or involving computers, data processing systems and to provide complete solutions in related business activities including providing of Computer Consultancy Services, Management Consultancy Services, running training centres for all uses and for all types of consumers.
 32. To carry on business of providers of all or any other information technology services including services such as Internet Service Provider, e-commerce, shared services, call centres, back office services, Hyper Text Mark Up Language (HTML) coding, text publishing, software development etc. or as a service provider for business processes and transactions, whether on-shore or off-shore, either on locations or otherwise, inter-alia in the areas of Geographical Information System (GIS), medical transcription, healthcare, insurance.
 33. To carry on the business in knowledge based industry such as in the field of education by establishing, managing, maintaining institution(s), providing consultancy and management services in all areas related to education whether in India or abroad for promoting education in technical field or otherwise and whether directly and/or indirectly through institution(s)/agency(s).
 34. To produce, assemble, process, develop, own, take on hire, or otherwise acquire and deal in educational programs, computer aided designs, literature and other audio video products for industrial, commercial, domestic and advertisement purposes"
10. To consider and if thought fit, with or without modification(s), to pass the following resolution as a Special Resolution.
 "Resolved that approval of the Company be and is hereby accorded in terms of Section 149 (2A) and other applicable provisions, if any, of the Companies Act, 1956 to the commencement of all or any of the businesses specified in existing sub-clauses 31 to 34 being incorporated in Clause III C of the Memorandum of Association of the Company"
11. To consider and if thought fit, with or without modification(s), to pass the following resolution as a Special Resolution.
 "Resolved that subject to approval of the Central Government pursuant to Section 21 and other applicable provisions of the Companies Act, 1956, and such other permissions, the name of the Company is hereby changed from 'IFGL Refractories Limited' to 'Indo Flogates Limited' and in this regard, the Board of Directors of Company be and is hereby authorised to take such actions which they deem fit, appropriate and necessary.
 Resolved further that subsequent to approval of change of name of the Company as above, the name 'IFGL Refractories Limited' wherever appearing in the Memorandum of Association and other documents, deeds etc. of the Company be substituted by the new name, 'Indo Flogates Limited'."

By Order of the Board

R Agarwal
Company Secretary

Calcutta, 22nd August, 2000



Notice (Contd.)

Notes :

1. A Member entitled to attend and vote at the Meeting is also entitled to appoint a Proxy to attend and vote instead of himself/herself and the proxy need not be a Member. Proxies in order to be effective, must be lodged with the Company not less than 48 hours before the commencement of the meeting.
2. The relative Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of the business under Items 4 to 11 set out above is annexed hereto.
3. The Register of Members and Share Transfer Register in respect of Equity Shares of the Company will remain closed from Tuesday, 17th October, 2000 to Saturday, 28th October, 2000, both days inclusive, in connection with the Annual General Meeting.
4. The Equity Shares of the Company are listed at the following Stock Exchanges :

Bhubaneswar Stock Exchange
A-22, Falcon House
Netaji Subhas Marg
Bhubaneswar - 751 006

The Calcutta Stock Exchange Association Ltd.
7, Lyons Range, Calcutta - 700 001

The Stock Exchange, Mumbai
Phiroze Jeejeebhoy Tower
Dalal Street, Mumbai - 400 001

The Stock Exchange, Ahmedabad
Kamdhenu Complex
Opp. Sahajanand College
Panjara Pole, Ahmedabad - 380 015

The Delhi Stock Exchange Association Ltd.
DSE House, 3/1, Asaf Ali Road
New Delhi - 110 002
5. Listing Fees for the year 2000-2001 have been paid to the Stock Exchanges, wherever the Equity Shares of the Company are listed.
6. The Company has entered into an Agreement with both National Securities Depository Ltd (NSDL) and Central Depository Services (India) Ltd (CDSL) for dematerialisation of Equity Shares.
Members are requested to notify change in their address, if any, under their signature, to the Company at its Head and Corporate Office or to the Physical Registrars and Share Transfer Agents, quoting Folio Number.
7. Pursuant to an Order passed by the Hon'ble High Court of Orissa on 3rd August, 2000, Indo Flogates Ltd. has amalgamated with effect from 1st April, 1999, with the Company. Said Company has transferred unclaimed dividend upto the financial year 1994-95 to the 'General Account' of the Central Government. Persons who have not encashed their Dividend Warrants for the said period, are requested to write to the Registrar of Companies, Orissa having an office at Chalachitra Bhawan, 2nd Floor, Buxi Bazar, Cuttack 753 001.



Notice (Contd.)

Shareholders of erstwhile Indo Flogates Ltd., who have still not encashed Dividend Warrants issued by that company for the financial year ended 31.03.96, 31.03.97 and 31.03.98 are requested to do so immediately or to contact either the Company or its Physical Registrars and Share Transfer Agents, for any assistance required.

8. The Members who are not opting for depository and are holding shares in identical order of names in more than one folio are requested to write to Physical Registrars and Share Transfer Agents of the Company for consolidation of their shareholding in one folio.
9. **All requests for transfer of shares and allied matters along with relevant Transfer Deeds and/or Share Certificates should preferably be sent direct to the Company's Physical Registrars and Share Transfer Agents. In all correspondence with the Company/Registrars, Members are requested to quote their Registered Folio numbers.**
10. Reduction and consolidation of equity share capital of the company was carried out in 1995, members who are still holding old share certificates are requested to surrender the same and obtain fresh certificates in lieu thereof.

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 (the Act) in respect of Items 4 to 11

Item No. 4

Mr D G Rajan was appointed as an Additional Director pursuant to provisions of Section 260 of the Act on 14th August, 2000. He holds office upto the ensuing Annual General Meeting only. Your Company, however, has received a Notice from a member under the provisions of Section 257 of the Act proposing the candidature of Mr Rajan for the office of Director liable to retire by rotation.

Your Directors recommend the appointment of Mr Rajan at the ensuing Annual General Meeting, whose period of office shall be liable to retire by rotation. Mr Rajan is an eminent Chartered Accountant and was a senior member of M/s. Lovelock & Lewis, Chartered Accountants.

None of the Directors of your Company, except Mr Rajan, is concerned and interested in this resolution.

Item No. 5

Mr Akira Inagaki was appointed as a Director in the casual vacancy pursuant to provisions of Section 262 of the Act on 30th July, 1999. He holds office upto the ensuing Annual General Meeting only. Your Company, however, has received a Notice from a member under the provisions of Section 257 of the Act proposing the candidature of Mr Inagaki for the office of Director liable to retire by rotation.

Your Directors recommend the appointment of Mr Inagaki at the ensuing Annual General Meeting, whose period of office shall be liable to retire by rotation. Mr Inagaki is a Senior Executive of Nissho Iwai Corporation, Japan and has vast experience of the Ceramic Industry.

None of the Directors of your Company, except Mr Inagaki, is concerned and interested in this resolution.

Item No. 6

Your Directors at its meeting held on 14th August, 2000 appointed Mr Praadeep Bajoria (Mr Bajoria) as a Whole-time Director and Chief Executive of the Company, effective that date, for a period of 5 years on the remuneration and terms and conditions as set out in the Agreement dated 14th August, 2000 executed between the Company and Mr Bajoria, subject to approval of the



Notice (Contd.)

members in the Annual General Meeting. Mr Bajoria has been a Director and Chief Executive of Indo Fogates Ltd., which has amalgamated, with effect from 1st April, 1999, pursuant to an Order passed by the Hon'ble High Court of Orissa on 3rd August, 2000. Mr Bajoria is associated with the Refractory Industry for last 20 years and accordingly, has ~~extensive~~ experience of the said industry.

The remuneration and terms and conditions of appointment of Mr Bajoria are, inter alia, as under :

- i) Salary at the rate of Rs. 60,000/- per month with liberty to the Board of Directors to review the same from time to time.
- ii) Perquisites stated below subject to the condition that the monetary value of those shall be restricted to an amount equal to annual salary of Rs. 7,20,000/-.

Part A

- a) Reimbursement of House Rent and other charges in respect of house taken by Mr Bajoria on lease from Mrs Krishna Gayen (Lessor) to which agreement the Company has signed as Guarantor for payment of rent and taxes.
- b) Reimbursement of Electricity, Gas and Water charges at actuals, in respect of aforesaid premises.
- c) Reimbursement of medical expenses for self and family upto a maximum of one month's salary in a year. Premium of Health Insurance Policy for self and family will be also reimbursed.
- d) Leave Travel Concession for self and family once in a year for any destination in India by Air.
- e) Fees of Clubs (excluding Admission and Life membership) subject to a maximum of two Clubs.
- f) Personal Accident Insurance. Premium not to exceed a sum of Rs. 5,000/- per annum.

Part B

- a) Would also be entitled to Provident Fund and Superannuation Benefits as per Company's Schemes. To the extent these were either singly or put together taxable under the Income-tax Act, 1961 would form part of salary at Clause (i) and (ii) above.
- b) Would also be entitled to Gratuity Benefit and encashment of leave at the end of the tenure, as per Company's Schemes.

Part C

- a) A motor car for Company's business and telephone at the residence. Cost of personal long distance calls and use of car for private purpose would be reimbursible at actuals by Mr Bajoria to the Company.
- b) Entertainment expenses actually and properly incurred in the course of business of the Company would be also reimbursed.

In case the Company has no profits or the profits are inadequate in any financial year, Mr Bajoria will be entitled to receive above remuneration and perquisites as 'minimum remuneration'.

Provided that total remuneration payable to Mr Bajoria shall not exceed the ceiling of Rs. 15,00,000/- per annum or Rs. 1,25,000/- per month as provided in Sec II of Part II of Schedule XIII of the Companies Act, 1956 or such other amount and perquisites as may be provided in the said Schedule XIII, as may be amended from time to time or any equivalent statutory re-enactment thereof.



Notice (Contd.)

Proposed resolution is meant for above purpose and your Directors recommend passing of the same.

None of the Directors, other than Mr Pradeep Bajoria, is concerned or interested in the said resolution.

The Explanatory Statement together with Notice may kindly be treated as an abstract of the Agreement and Memorandum of Concern or Interest under Section 302 of the Companies Act, 1956. A copy of the Agreement dated 14th August, 2000 executed between the Company and Mr Bajoria is available for inspection by the members at Registered Office of the Company between 10 AM and 12 Noon on any working day till 28th October, 2000.

Item No. 7

Mr S K Bajoria (Mr Bajoria) was appointed as the Managing Director of your Company for a period of 5 years with effect from 1st April, 1997 by passing necessary resolution at the Annual General Meeting held on 24th June, 1997. He has also been Managing Director of Indo Flogates Ltd., which has amalgamated, with effect from 1st April, 1999, with your Company pursuant to an Order passed by the Hon'ble High Court of Orissa on 3rd August, 2000. Under the stewardship of Mr Bajoria, your Company has continued to be a prominent player in the field of Specialised Refractories for the Steel Industry.

Accordingly, your Directors in their meeting held on 26th June, 2000, by exercising the authority vested in them, modified salary of Mr Bajoria with effect from 1st April, 2000 in as much as his salary was increased to Rs. 1 lac per month with consequential increase in his entitlement to perquisites and his entitlement to House Rent Allowance effective that date was reduced to Rs. 20,000/- per month.

Although approval of the members of the Company is not required to the above, your Directors as an abundant precaution recommend that Resolution proposed is passed.

None of the Directors other than Mr Shishir Kumar Bajoria himself and Mr B P Bajoria, is concerned or interested in the said resolution.

The Explanatory Statement together with Notice may kindly be treated as an abstract of the Memorandum of Concern or Interest under Section 302 of the Companies Act, 1956. A copy of the Supplemental Agreement executed between the Company and Mr Bajoria is available for inspection by the members at Registered Office of the Company between 10 AM to 12 Noon on any working day till 28th October, 2000.

Item No. 8

Presently the Company's Securities are listed on five Stock Exchanges in India, namely Bhubaneswar Stock Exchange, The Calcutta Stock Exchange Association Ltd, The Stock Exchange, Mumbai, The Stock Exchange, Ahmedabad and The Delhi Stock Exchange Association Limited. The Company's Securities are also permitted for trading on the National Stock Exchange.

As a part of cost reduction measures, your Directors propose that the Company's Securities are delisted from the Stock Exchanges at Ahmedabad, Calcutta and New Delhi. In line with the SEBI Regulations and the Listing Agreement entered into with various Stock Exchanges, your approval is being sought by a Special Resolution for enabling voluntary delisting of Company's Securities from the said Stock Exchanges. Resolution proposed is meant for this purpose and your Directors recommend passing of the same.

None of your Directors is concerned or interested in passing of proposed resolution.