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ANNUAL REPORT 2000-2001



DEDICATED TO SERVE THE STEEL INDUSTRY

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**BOARD OF DIRECTORS**

B P BAJORIA, *Chairman*  
 B K DAS (*Nominee of IPICOL*)  
 AKIRA INAGAKI  
 Y KOIKE (*Alternate to A Inagaki*)  
 D G RAJAN  
 A N SADHU  
 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*  
 TEMPLE CHAMBERS  
 6, OLD POST OFFICE STREET  
 GROUND FLOOR, ROOM NO. 55  
 KOLKATA - 700 001

**REGISTERED OFFICE & WORKS**

SECTOR 'B'  
 KALUNGA INDUSTRIAL ESTATE  
 P. O. KALUNGA - 770 031 (NEAR ROURKELA)  
 DIST : SUNDERGARH, ORISSA  
 PHONE : 091 661 660195/583/584/585  
 FAX : 091 661 660 173  
 EMAIL : ifglrkl@cal.vsnl.net.in

**HEAD & CORPORATE OFFICE**

McLEOD HOUSE  
 3, NETAJI SUBHAS ROAD, KOLKATA - 700 001  
 PHONE : 091 33 248 2411, FAX : 091 33 243 0886  
 EMAIL : ifglcal@cal.vsnl.net.in/info@bajoria.com  
 WEBSITE : www.bajoria.com

**REGISTRARS & SHARE TRANSFER AGENTS****PHYSICAL**

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

**DEMAT**

MAHESHWARI DATAMATICS PVT LTD  
 6, MANGO LANE, 2ND FLOOR  
 KOLKATA - 700 001



## Notice of Annual General Meeting

Notice is hereby given that Twelfth Annual General Meeting of IFGL Refractories Limited will be held on Monday, 16th July, 2001 at 11 AM at the Registered Office situated at Sector 'B', Kalunga Industrial Estate, P.O. Kalunga - 770 031, Dist : Sundergarh, Orissa to transact the following business :

### Ordinary Business

1. To receive, consider and adopt Profit and Loss Account for the year ended 31st March, 2001 and Balance Sheet as on that date together with Schedules and Notes forming part thereof and the Reports of Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr I Shimizu, 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 A N Sadhu, who was appointed as an Additional Director in the meeting of Board of Directors of the Company held on Monday, 29th January, 2001 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."

By Order of the Board  
For IFGL Refractories Limited

R Agarwal  
Company Secretary

Kolkata, 11th May, 2001





## 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. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Item 4 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 Friday, 6th July, 2001 to Monday, 16th July, 2001, 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, Kolkata - 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

Listing Fees for the financial year 2001-2002, wherever bills were received, have been paid to Stock Exchanges.

5. Equity Shares of the Company are available for dematerialisation both with the National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd.  
Members holding shares in physical form are requested to notify/send the following to Physical Registrars and Share Transfer Agents of the Company to facilitate better service :-
  - i) Any change in their address/mandate/bank details.
  - ii) Share certificate(s), held in multiple accounts in identical names or joint accounts in the same order of names, for consolidation of such shareholdings into one account.



### Notice (Contd.)

6. Unpaid or unclaimed dividend for the financial year 1994-95 relating to erstwhile Indo Flogates Ltd has been transferred to the 'General Revenue Account' of the Central Government. Persons who have not encashed their Dividend Warrants for the said year, are requested to write to the Registrar of Companies, Orissa having an office at Chalachitra Bhawan, 2nd Floor, Buxi Bazar, Cuttack - 753 001.  
Pursuant to provisions of Section 205A of the Companies Act, 1956, dividend for the financial years ended 31st March, 1996 and 31st March, 1997 of erstwhile Indo Flogates Ltd, which remains unpaid and unclaimed for a period of seven years will be transferred to the Investor Education and Protection Fund of the Central Government. Persons who have not encashed their dividend warrant(s) issued by said Company so far for the aforesaid years are requested to make their claim to the Company.
7. **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.**
8. **Reduction and consolidation of Equity Share Capital of the Company was carried out in 1995. Members still holding old Share Certificates are requested to surrender the same and obtain fresh Certificates in lieu thereof.**
9. **Persons, who have become members of the Company consequent to amalgamation of Indo Flogates Ltd, are requested to surrender Certificates relating to their holding in said Company, to the Company's Physical Registrars and Share Transfer Agents for despatch of new Certificates relating to their shareholding in the Company.**

### EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 (THE ACT) IN RESPECT OF ITEM 4

#### Item No. 4

Mr A N Sadhu was appointed as an Additional Director pursuant to provisions of Section 260 of the Act on Monday, 29th January, 2001. 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 Sadhu for the office of Director liable to retire by rotation.

Your Directors recommend the appointment of Mr Sadhu at the ensuing Annual General Meeting, whose period of office shall be liable to retire by rotation. Mr Sadhu was a senior member of M/s. Price Waterhouse, Chartered Accountants and is presently a Professor with Vinod Gupta School of Management, Kharagpur.

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



## Report of the Directors' to the Shareholders

Your Directors present the Twelfth Annual Report together with the Profit and Loss Account for the year ended 31st March, 2001 and Balance Sheet as on that date and Schedules and Notes forming part thereof.

### Issue of Equity Shares to Shareholders of erstwhile Indo Flogates Ltd

Subsequent to sanction of the Scheme for amalgamation of Indo Flogates Ltd with the Company by the Hon'ble High Court of Orissa in August, 2000, your Directors issued 229,27,330 Equity Shares of Rs. 10/- each fully paid up to the shareholders of said Company as on 19th September, 2000, being the Record Date. As a result thereof and due to cancellation of 63,26,458 Equity Shares of Rs. 10/- each of the Company held by said Company, issued, subscribed and paid up Equity Share Capital of your Company has increased to Rs. 3461.04 lacs divided into 3,46,10,472 Equity Shares of Rs. 10/- each.

### Financial Performance

Financial Performance of your Company for the year 2000-2001 has been as follows :

		(Rs. in lacs)
Net Sales		4479.55
Other Income		<u>158.34</u>
		4637.89
Less : Total Expenses	4187.98	
Interest	<u>162.66</u>	
		<u>4350.64</u>
Gross Profit after Interest but before Depreciation, Misc. Expenses written off and Taxation		<u>287.25</u>
Less : Depreciation and Misc. Expenses written off		<u>261.00</u>
Profit before Tax		26.25
Less : Provision for tax		<u>2.06</u>
Net Profit		<u>24.19</u>

### Outlook/Prospects

The Steel Industry, both in India and abroad, continued to be under recessionary conditions. Although there were signs of recovery in the first quarter but this trend did not continue. This coupled with changes in operating practices of the steel plants resulted in lower off-take of Refractories produced on the whole.

Though the Indian economy has slowed down in last two years but the signs of revival of the core sector can be seen. This optimism is based on the fact that the Government of India has put a lot of emphasis on the infrastructure development. Both the factors put together give your Directors the confidence in projecting the future.

### Corporate Governance

The Board of Directors of your Company is broad based comprising of independent directors having wide experience. Sub-committees like Shareholders/Investors Grievance Committee, Audit Committee have already been constituted with specific terms of reference to facilitate decision making.



## Directors' Report (Contd.)

### Directors' Responsibility Statement

Your Directors, in terms of Section 217(2AA) of the Companies Act, 1956 (the Act), state that :

- a) in preparation of statement of accounts for the year under review, the applicable accounting standards have been followed and in case of departures therefrom, proper explanations relating thereto have been given in the Notes forming part thereof.
- b) Accounting Policies selected have been applied consistently and judgements and estimates made are reasonable and prudent as they give true and fair state of affairs of the Company at the end of the year under review and of the profit and loss of the Company for that period.
- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) Annual Accounts have been prepared on a going concern basis.

### Directors

Director due to retire by rotation is Mr I Shimizu, who, being eligible, offer himself for re-election.

Mr A N Sadhu, who was appointed as an Additional Director on Monday, 29th January, 2001, cease to hold his office at the ensuing Annual General Meeting. He, being eligible, offer himself for re-appointment as Director, liable to retire by rotation.

### Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988

Information in accordance with provision of Section 217(1)(e) of the Act read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo is given in Annexure 'A'.

### Auditors' Report

The Auditors in their Report have referred to the notes forming part of accounts, which are self explanatory.

### Auditors

Messrs Price Waterhouse, Auditors will retire at the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment.

### Particulars of Employees

Information in accordance with sub-section (2A) of Section 217 of the Act read with Companies (Particulars of Employees) Rules, 1975, as amended to date, is given in Annexure 'B'.

### Acknowledgement

During the year under review, Industrial Relations remained cordial. Your Directors place on record their appreciation for continued support received from the shareholders, financial institutions, banks, employees and all other concerned.

On behalf of the Board of Directors

Kolkata, 11th May, 2001

P Bajoria  
Director & Chief Executive

S K Bajoria  
Managing Director





## Annexure 'A' to Directors' Report

Information under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2001

### A. Conservation of Energy

- a) Energy conservation measures taken :-
1. Adopted a special technology thereby ensuring comparatively low energy consumption.
  2. Shutting down all electrical machineries and appliances at appropriate time to avoid wastage of energy.
  3. Regular checks and preventive maintenance of all electrical equipments and installations are being conducted to avoid leakage of energy due to faulty operation.
- b) Additional investment and proposals, if any, being implemented for reduction of consumption of energy.
- Constant studies are being made to assess whether further reduction in consumption of energy in any area can be achieved. Idle running of any machine has been strictly prohibited.
- c) Impact of the measures at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.
- All efforts are being made to further reduce energy consumption and this will be a continuous process.
- d) Total energy consumption and energy consumption per unit of production.
- As per Form-A enclosed.

### B. Technology Absorption

- e) Efforts made in technology absorption.
- As per Form-B enclosed.

### C. Foreign Exchange Earnings and Outgo

- f) Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services; export plans.
- Your Company successfully executed several trial and regular orders overseas and this will be a continued endeavour.

		(Rs. in lacs)
g) Total foreign exchange used and earned		
1.	Foreign Exchange Outgo	
	(i) C.I.F. value of imports of Raw Materials, Stores and Spares and Trading goods	499.88
	(ii) Others	58.10
2.	Foreign Exchange Earnings	
	(i) FOB Value of Exports	751.80
	(ii) Commission	111.44



## Annexure 'A' to Directors' Report (Contd.)

## Form - A

## Disclosure of particulars with respect to conservation of energy

	Year ended 31st March 2001	Year ended 31st March 2000
<b>A. Power &amp; Fuel Consumption</b>		
<b>1. Electricity</b>		
a) Purchased		
Units (KWH)	2624208	3272672
Total Amount (Rs.)	9774294	10815515
Rate/Unit (Rs.)	3.72	3.30
b) Own Generation		
i) Through Diesel Generator		
Units (KWH)	73376	67043
Units per Ltr. of Diesel Oil	2.66	1.56
Cost/Unit (Rs.)	6.36	7.84
ii) Through Steam Turbine/Generator		
Units (KWH)	Nil	Nil
Units per Ltr. of Diesel Oil	Nil	Nil
Cost/Unit (Rs.)	Nil	Nil
<b>2. Coal (Specify quality and where used)</b>		
Quantity	Nil	Nil
Total Cost	Nil	Nil
Average rate	Nil	Nil
<b>3. Furnace Oil (L.D.O)</b>		
Quantity (Kilo Ltr)	1248.93	1217.02
Total Cost (Rs.)	16024620	11671779
Average Rate (Rs./Ltr)	12.83	9.59
<b>4. LPG</b>		
Quantity (MT)	53.59	55.07
Total Cost (Rs.)	940199	1012248
Average Rate (Rs./MT)	17544	18381
<b>5. Others/Internal generation (Please give details)</b>		
Quantity	Nil	Nil
Total Cost	Nil	Nil
Rate/Unit	Nil	Nil
<b>B. Consumption per unit of production</b>		
a) Products-Continuous Casting Refractories/THS		
Electricity (KWH/MT)	1137.36	1908.85
L.D.O. (Ltrs/MT)	521.72	693.73
Coal	Nil	Nil
LPG (Kgs/MT)	29.45	41.95
b) Products-Slide Gate Plate/Others		
Electricity (Units/SUP)	7.30	9.10
L.D.O. (Units/SUP)	3.94	3.34
Coal	Nil	Nil
Others	Nil	Nil