



ANNUAL REPORT

2007-2008

IAG Company Limited

51st *Annual Report* 2007–2008

Board of Directors :

Mr. N. Champati – *Wholetime Director*
 Mr. R. Dosi – *Wholetime Director*
 Mr. S. K. Biswas
 Mr. P. Mittal
 Mr. V. Jalan
 Mr. H. Banerji

Bankers :

State Bank of India
 Bank of India
 Union Bank of India
 HDFC Bank Ltd.
 ICICI Bank Ltd.
 ABN Amro Bank N.V.
 Central Bank of India

Auditors :

D. Basu & Co.
Chartered Accountants

Solicitors & Advocates :

Orr, Dignam & Co.

Registered Office :

3, Hungerford Street, Kolkata - 700 017
 Phone : 033-2290-2319/2290-2320
 E-mail : iagcompanylimited.complaints@gmail.com

Factory :

Bhurkunda, P.O. Bhadaninagar
 Dist. Ramgarh, 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 51st Annual General Meeting of IAG Company Ltd. will be held on Tuesday, 30th September, 2008 at 11:00 AM at Rotary Children's Welfare Trust, Rotary Sadan, 94/2, Chowringhee Road, Kolkata-700020 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, 2008.
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 the following Resolution :

4. AS ORDINARY BUSINESS

That Mr. Himadri Banerji be and is hereby appointed as a Director of the Company.

The Register of Members of the Company will remain closed from 29th September, 2008 to 30th September, 2008. (both days inclusive)

Registered Office :
3, Hungerford Street,
Kolkata-700017
Dated : 27th August, 2008

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 item 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 copy of Annual Report as no extra copy 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

Mr. Himadri Banerji ("Mr. Banerji") was appointed an Additional Director of the Company with effect from 27th August, 2008 at the Board Meeting held on 27th August, 2008 pursuant to Article 93 of the Article of Association of the Company and holds office up to the date of this Annual General Meeting. A notice has been received under Section 257 of the Companies Act, 1956 from a member signifying his intention to propose the appointment of Mr. Banerji as a Director at this meeting.

No other director, except Mr. Banerji is interested in this Resolution.

Registered Office :

3, Hungerford Street,

Kolkata-700017

Dated : 27th August, 2008

By the Order of the Board

N Champati

Director


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IAS COMPANY LIMITED**DIRECTORS' REPORT TO THE MEMBERS**

Your Directors present their 51st Annual Report in respect to business performance and operation of the Company for the year ended 31st March, 2008.

1. FINANCIAL HIGHLIGHTS :

| | <i>Round off to nearest Rs/Lakhs</i> | |
|--|--------------------------------------|----------------------|
| | <u>Current Year</u> | <u>Previous Year</u> |
| Income [Sales] | <u>98</u> | 120 |
| Profit/(Loss) before depreciation and write back of liabilities & provisions | <u>173</u> | (5) |
| Depreciation | <u>(209)</u> | (307) |
| Liabilities and Provisions no longer required written back | <u>14</u> | 13 |
| Prior period adjustments | <u>(576)</u> | (522) |
| Profit/(Loss) before taxation | <u>(598)</u> | (820) |
| Deferred Tax Asset (Net) | — | — |
| Balance brought forward from previous year | — | (254) |
| Transfer from Revaluation Reserve | <u>(598)</u> | (1074) |
| Profit/(Loss) carried to Reserve and Surplus/ Balance Sheet | <u>—</u> | — |

2. OPERATION AND PROSPECTS :

The Commercial Production of the Company is expected to start during the end of October of this year. The installation of required machinery and repairing of the furnaces is almost complete. Bearing unforeseen circumstances, we expect that the company during the current year (2008-09) will be able to reach breakeven point.

3. DIVIDEND :

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

4. DIRECTORS :

Mr. H. Banerji was appointed as Additional Director with effect from 27th August, 2008. The Company has received a Notice in writing under Section 257 of the Companies Act, 1956 from a Member signifying his intention to propose the appointment of Mr. H. Banerji as Director of the Company.

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

IAG COMPANY LIMITED**5. LISTING :**

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

6. 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.

7. DIRECTORS' RESPONSIBILITY STATEMENT :

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

1. In the preparation of Annual Accounts for the financial year ended 31st March, 2008, 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, 2008 and of the losses for the period from 1st April, 2007 to 31st March, 2008.
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The Annual Accounts for the financial year ended 31st March, 2008 have been prepared on a going concern basis.

8. COMMENT ON AUDITORS' REMARKS :

As regards Auditors' comments in their Reports on financial results for the year Company's submissions have been given as under :

As regards para 4(a) : The Company has followed the provisions of Sick Industrial Companies (Special Provisions) Act, 1985 to set off the Book loss.

As regards para 4(b) : The amount of interest could not be ascertained and since the matter is subjudice and thus no liability has been provided.

As regards para 4(c) : The process of reconciliation is under process. It is expected that the status of debtors, creditors, loans, advances and deposits would be finalised within the current financial year.

9. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO :

During the year ended 31st March, 2008, there was no commercial production, therefore no question of Conservation of Energy, Research and Development of Technology Absorption, Foreign Exchange Earning and Outgo arises.

10. AUDITORS :

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

IAG COMPANY LIMITED**11. PARTICULARS OF EMPLOYEES :**

No employee of the Company was in receipt of remuneration exceeding the limits prescribed under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

12. RELATED PARTY TRANSACTIONS :

A Statement of related party transactions pursuant to Accounting Standard 18 forms a part of this Annual Report.

13. PERSONNEL :

Industrial Relation 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.

14. APPRECIATION :

The Board wishes to place on records its sincere appreciation for the continued assistance and support extended to the Company by its customers, banks, vendors, Government authorities and employees.

Your Director acknowledge with gratitude the encouragement and support extended by our valued Shareholders.

Place : Kolkata

Date : 27th August, 2008

On Behalf of Board of Directors

N Champati

Director

IAG COMPANY LIMITED**IAG**

INFORMATION UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 READWITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS, REPORT FOR THE PERIOD ENDED 31st MARCH, 2008.

| | As at 31st March, 2008 | As at 31st March, 2007 |
|--|---------------------------|---------------------------|
| A. Conservation of Energy : | | |
| Power & Fuel Consumption | | |
| 1. Electricity : | | |
| (a) Purchased | | |
| Unit | NIL | NIL |
| Total Amount (Rs. In Lakhs) | NIL | NIL |
| Rate/Unit (Rs.) | NIL | NIL |
| (b) Own Generation through | | |
| Diesel Generator | | |
| Unit | NIL | NIL |
| KWH/LTR of Diesel Oil | NIL | NIL |
| Cost/Unit(Rs.) | NIL | NIL |
| 2. Coal : | | |
| Quantity | NIL | NIL |
| Total Cost (Rs. In Lakhs) | NIL | NIL |
| Average Rate / MT(Rs.) | NIL | NIL |
| 3. Furnace Oil : | | |
| Quantity | NIL | NIL |
| Total Cost (Rs. In Lakh) | NIL | NIL |
| Average Rate / KL (Gross)(Rs.) | NIL | NIL |
| Average Rate / KL (Net of Modvat)(Rs.) | NIL | NIL |
| 4. LPG : | | |
| Quantity | NIL | NIL |
| Total Cost (Rs. In Lakh) | NIL | NIL |
| Average Rate / MT (Gross)(Rs.) | NIL | NIL |
| Average Rate / MT (Net of Modvat)(Rs.) | NIL | NIL |
| 5. Consumption per sq. mtr. of production of Company's products on 2m/m basis | FURNANCE-I | FURNANCE-II |
| Coal | NIL | NIL |
| (Previous year) | (NIL) | (NIL) |
| L.P.G | NIL | NIL |
| (Previous year) | (NIL) | (NIL) |
| Furnance Oil | NIL | NIL |
| (Previous year) | (NIL) | (NIL) |
| Electricity | NIL | NIL |
| (Previous year) | (NIL) | (NIL) |

RESEARCH AND DEVELOPMENT AND TECHNOLOGY ABSORPTION :

The Company was closed since October, 2004 therefore there was no expense regarding Research and Development and Technology Absorption during the year ended 31st March, 2008.

Kolkata

Date : 27th August, 2008

On Behalf of the Board of Directors

N Champati

Director

IAG COMPANY LIMITED
INFORMATION RELATING TO DIRECTORS PROPOSED TO BE REAPPOINTED / APPOINTED UNDER CLAUSE 49 OF THE LISTING AGREEMENT WITH STOCK EXCHANGE

| | | |
|--|---|--|
| Name of Directors | Mr. Vinay Jalan | Mr. Himadri Banerji |
| Date of Birth | 12.02.1964 | 14.01.1951 |
| Date of Appointment | 27.06.2008 | 27.08.2008 |
| Designation | Non Executive Independent Director | Non Executive Independent Director |
| Qualification | Member of Institute of Company Secretaries of India and Practicing the profession in Ranchi | Graduate from IIT Kharagpur, MBA from XLRI |
| Experience | More than 10 years | More than 25 years |
| Directorship in any other Company | No | No |
| Shareholding on the Company | NIL | NIL |





REPORT ON CORPORATE GOVERNANCE

(PURSUANT TO CLAUSE 49 OF LISTING AGREEMENT)

1. Company's Philosophy :

The Company's philosophy on Corporate Governance endeavors the attainment of the highest level of transparency, empowerment, accountability, motivation in all operation with its shareholders, investors, lenders, employees and customers.

The Company believes that all its operation and action must serve the underlying goal of enhancing overall shareholder's value, over a sustained period of time.

2. Board of Directors :

A) *The composition of the Board of Directors as on 31st March, 2008 is as follows :*

| Name of Directors | Executive/ Non Executive | No. of other Directorship | No. of other Committee Membership |
|--------------------------|--------------------------|---------------------------|-----------------------------------|
| 1. Mr. N Champati | Whole time Director | Nil | 2 |
| 2. Mr. Rajesh Gandhi | Non Executive Director | Nil | 2 |
| 3. Mr. Gaurav Khandelwal | Non Executive Director | Nil | 1 |
| 4. Mr. Adrish Raval | Non Executive Director | Nil | 2 |

B) *Changes in the composition of the Board of Directors since last Annual General Meeting :*

There is no change in the composition of the Board of Directors since last Annual General Meeting. On 31st March, 2008 The Board comprises of one Wholetime Director and three Non-Executive Independent Directors.

C) *Meetings held in the financial year 2007-2008 and attendance of Directors :*

The company held the 6 (six) Board Meeting in the year 2007-2008 i.e. on 4th June,2007, 10th June,2007, 12th September, 2007, 28th December, 2007, 12th February, 2008 and 7th March, 2008.

| Serial No. | Name of Directors | No. of Board Meetings attended |
|------------|-------------------|--------------------------------|
| 1. | Mr. N Champati | 6 |
| 2. | Mr. R Gandhi | 6 |
| 3. | Mr. G Khandelwal | 6 |
| 4. | Mr. A Raval | 6 |