



IID FORGINGS LIMITED

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For IID Forgings Ltd.

[Signature]
Director.

21ST

ANNUAL REPORT

Report 2001-2002 .com

Regd. Office :

VIKAS, 11, BANK STREET, MUMBAI-400 023.

Factory :

B-86, M. J. D. C., INDUSTRIAL ESTATE, AMBAD, NASHIK.

IID FORGINGS LIMITED

NOTICE

TO
THE SHAREHOLDERS

NOTICE is hereby given that the Twenty First ANNUAL GENERAL MEETING of the Members of IID FORGINGS LIMITED, will be held on Monday 30th September, 2002 at the Registered Office of the Company at "Vikas" 11 Bank Street, Fort, Mumbai - 400 001 at 5 p.m. to transact the following business :

AS ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet as on 31st March, 2002 and the audited Profit & Loss Account for the year ended on that date and the Directors and Auditors Reports thereon.
2. To appoint a Director in place of Shri. Vihari Parekh, who retire by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors for the current year and fix their remuneration.

AS SPECIAL BUSINESS :

4. "RESOLVED THAT due notice in writing signifying the intention of a member to propose Mr. Uttam Patel as an additional Director of the Company having been received pursuant to Section 257 of the Companies Act, 1956, Mr. Uttam Patel be and is hereby appointed as a director of the company liable to retire by rotation.

FOR AND ON BEHALF OF THE
BOARD OF DIRECTORS

(VIHARI PAREKH)
CHAIRMAN

MUMBAI :

DATED : 4th September, 2002

Registered Office :
"Vikas", 11 Bank Street,
Fort, Mumbai - 400 001.

NOTE : A Member entitled to attend and vote, is also entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member.

EXPLANATORY STATEMENT UNDER SECTION 173 OF THE COMPANIES ACT, 1956 :

1. As required by Section 173 of the Companies Act, 1956, the following Explanatory Statement sets out all the material facts relating to Item Nos.4 of the Notice.
2. A Notice has been received from a member of the company alongwith a deposit of Rs.500/- proposing Mr. Uttam Patel as the Director of the Company liable to retire by rotation pursuant to provisions of Section 257 of the Companies Act, 1956.

IID FORGINGS LIMITED
DIRECTOR'S REPORT

TO,

THE MEMBERS,

Your Directors have pleasure in presenting herewith the Twenty First Annual Report and the Audited Statement of Account of the Company for the year ended 31st March, 2002. The salient features of the Company's working for the year are summarized below :-

1. FINANCIAL RESULTS :

| | CURRENT YEAR ENDED 31ST MARCH, 2002 (RS. IN LAKHS) | PREVIOUS YEAR ENDED 31ST MARCH, 2001 (RS. IN LAKHS) |
|----------------------------------------|----------------------------------------------------------------|-----------------------------------------------------------------|
| Turnover | 388.09 | 453.91 |
| Profit before tax | 59.82 | 16.96 |
| Less : Provision for Income Tax | 26.58 | 1.30 |
| Net profit/loss after tax for the year | 33.24 | 15.66 |
| Add : Brought forward profit | 27.85 | 12.19 |
| Deferred tax on initial recognition | 17.60 | -- |
| Balance carried to Balance Sheet | 78.69 | 27.85 |

II. OPERATIONS :

- a. The Company's plant at Nashik continues to remain closed due to suspension of activities thereat in the earlier year. However, your Directors are contemplating to explore the possibilities of restarting the same or putting the manufacturing facilities to alternate use in the near future.
- b. The Sales Turnover for the year under review decreased from Rs.453.91 Lakhs to Rs.388.09 Lakhs. However, the profit before tax for the year increased from Rs.16.96 Lakhs to Rs.59.82 Lakhs, mainly because of lower depreciation due to non provision thereof in respect of plant and machinery at Nasik factory.
- c. The Directors are hopeful of achieving better turnover and profitability during the current year by taking appropriate steps in that direction.

III. DIVIDEND :

Your Directors do not recommend any dividend in order to conserve the resources for the expansion and development of the Company.

IV. EMPLOYEES :

The Company did not have any employee drawing a remuneration more than Rs. 50,000 per month and as such, particulars required under Section 217(2A) of the Companies Act, 1956, are not applicable.

V. **STATUTORY STATEMENT :**

- | | | | |
|-----|---------------------------|---|-------------------------------------------------------------------------------------------------------------------------------------------------------|
| (a) | Conservation of Energy; | } | Since the company during the year was not engaged in the manufacturing activities at its plant at Nasik, these requirements are not applicable to it. |
| (b) | Technology absorption; | } | |
| (c) | Technology absorption; | } | |
| | adaptation and innovation | } | |

(d) **FOREIGN EXCHANGE EARNINGS AND OUTGO :**

There were no foreign exchange earnings or outgo during the year

VI. **LISTING COMPLIANCE :**

The Equity Shares of the Company are listed at Mumbai Stock Exchange and the Company has complied with all formalities and listing fees has been paid by the Company.

VII. **DIRECTORS**

During the year, Mr. Sushil Agrawal, Mr. Rakesh Ghuwalewala and Mrs. Neeta Dharnidharka resigned as Directors effective from 01.11.01. Your Directors wish to place on record the services rendered by them during their tenure as Directors of the company.

Mr. Uttam Patel was appointed as Additional Director of the company effective from 29th April, 2002. You are requested to appoint him as a Director of the company.

VIII. **DIRECTOR'S RESPONSIBILITY STATEMENT**

Pursuant to Section 217(2AA) of the Companies (Amendment) Act, 2000, the Directors confirm that :

- In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- The accounting policies have been selected and applied consistently the judgements and estimates made, are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.
- 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.
- The accounts of the Company have been prepared on a going concern basis in view of the intention of the management to restart the manufacturing activities or put up the same in alternate use in near future, as also Company's trading activities and other relevant factors.

IX. AUDITORS

You are requested to appoint auditors for the current year and fix their remuneration. M/s. M.A. Parikh & Co., Chartered Accountants, the current auditors are eligible for reappointment.

X. AUDITOR'S REPORT

Since the gratuity provision required to be made in respect of the existing employees is not material, the company continues to follow its earlier practice of charging gratuity in the year of payment.

The company has granted loan with interest to a relative of ex-Directors in order to earn from temporary surplus of funds. The relative Directors of the said party have since resigned. Your Directors shall take necessary steps to ensure recovery of the said amount with interest in near future.

XI. LISTING REQUIREMENTS AND CORPORATE GOVERNANCE :

The company has complied with the requirements of the Listing Agreements of the Stock Exchange. The company has also paid the Listing Fees to the Stock Exchange.

Clause 49 of the Listing Requirements of the Stock Exchange as regards "Corporate Governance" is not applicable to the company as the paid-up capital of the company is less than Rs.10 Crores and the net-worth of the company as on 31st March, 2002 is less than Rs.25 Crores.

The requirement of having an "Audit Committee" as per the provisions of Section 292 A of the Companies Act, 1956, is also not applicable to the company as paid-up capital of the company is less than Rs. 5 Crores.

XII. APPRECIATION

Your Directors place on record their appreciation of the services rendered by the staff and executive of your Company.

**FOR AND ON BEHALF OF THE BOARD
OF DIRECTORS**

**VIHARI PAREKH
(CHAIRMAN)**

PLACE : MUMBAI
DATE : 4TH SEPTEMBER, 2002

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF**I I D FORGINGS LIMITED**

We have audited the attached Balance Sheet of IID FORGINGS LIMITED as at 31st March, 2002 and also the annexed Profit & Loss Account of the Company for the year ended on that date:

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our report.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and on the basis of information and explanations given to us, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order:
2. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
3. In our opinion, subject to non-provision of gratuity payable under The Payment of Gratuity Act, 1972, proper books of account as required by law, have been kept by the Company so far as it appears from our examination of the books.
4. The Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of account.
5. In our opinion, the Profit and Loss Account and the Balance Sheet comply with the "Accounting Standards" referred in Sub-Section (3C) of Section 211 of the Companies Act, 1956, except for non-provision of gratuity payable to its employees on their retirement.
6. On the basis of the information and explanations given to us and representations obtained by the Company, there are no directors of the Company, who as at 31st March, 2002 are disqualified U/s.274(1)(g) of the Companies Act, 1956, from being appointed as directors.

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7. *In our opinion, and to the best of our information and according to the explanations given to us, the accounts subject to Note No.3 regarding non-provision of gratuity, and Note No.4 regarding loan granted in contravention of Section 295 of the Companies Act, 1956, read with other notes thereon and with the accounting policies, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:*

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2002

And

- (b) in the case of the Profit and Loss Account, of the profit for the year ended on that date.

**For M. A. PARIKH & CO.
CHARTERED ACCOUNTANTS**

**MANUBHAI A. PARIKH
PARTNER**

PLACE :MUMBAI

DATED :4TH SEPTEMBER, 2002