

**IID FORGINGS LIMITED
NOTICE**

TO THE SHAREHOLDERS

NOTICE is hereby given that the Twenty Second ANNUAL GENERAL MEETING of the Members of IID FORGINGS LIMITED , will be held on Tuesday , the 30th September, 2003 at the Registered Office of the Company at "Vikas" 11 Bank Street, Fort, Mumbai – 400 001 at 2 p.m. to transact the following business :

AS ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as on 31st March, 2003 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. Vinod S. Naithani , who retire by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors for the current year and fix their remuneration.

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

**(VIHARI PAREKH)
CHAIRMAN**

MUMBAI ;

DATED : 6TH SEPTEMBER, 2003

Registered Office :

"Vikas" , 11 Bank Street,
Fort, Mumbai – 400 001

NOTES :

1. 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.
2. The Register of Members and Share Transfer Books of the Company will remain closed on Monday, the 29th September, 2003 and Tuesday , 30th September, 2003.

IID FORGINGS LIMITED DIRECTORS REPORT

**TO,
THE MEMBERS,**

Your Directors have pleasure in presenting herewith the Twenty Second Annual Report and the Audited Statement of Account of the Company for the year ended 31st March, 2003. The salient features of the Company's working for the year are summarized below :-

1. **FINANCIAL RESULTS :-**

	Current year ended 31 st March,2003 (Rs. In Lakhs)	Previous year ended 31 st March,2002 (Rs. In Lakhs)
Turnover	354.08	388.09
Profit before tax	60.59	59.82
Less : Provision for Income Tax	23.37	26.58
Net profit / loss after tax for the year	37.22	33.24
Less : - Prior period tax adjustments	0.30	--
Add : - Brought forward profit	78.69	27.85
Deferred tax on initial recognition	1.41	17.60
Balance carried to Balance Sheet	117.02	78.69

2. **OPERATIONS :-**

- a. The Company's plant at Nashik continues to remain closed due to suspension of activities thereat earlier. However, your Directors are contemplating to explore the possibilities of putting the manufacturing facilities to alternate use in the near future.
- b. The Sales Turnover for the year under review decreased from Rs.388.09 Lakhs to Rs. 354.08 Lakhs. However, the profit before tax for the year increased from Rs. 59.82 Lakhs to Rs. 60.59 Lakhs, mainly because of lower overheads.

3. **DIVIDEND :-**

Your Directors do not recommend any dividend for the year to conserve the resources for the future expansion and diversification.

4. **EMPLOYEES :-**

The Company did not have any employee drawing a remuneration more than Rs.2,00,000 per month and as such, particulars required under section 217(2A) of the Companies Act, 1956, are not applicable.

5. **STATUTORY STATEMENT :-**

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

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

There were no foreign exchange earnings or outgo during the year.

6. **LISTING COMPLAINT :-**

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.

7. **DIRECTORS :-**

Mr.Vinod S.Naithani , a Director of the Company retires by rotation and being eligible for re-appointment , offers himself to be re-elected as the Director of the Company.

8. **DIRECTORS' 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 Directors have been selected and applied consistently the judgments 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 of the Company for that period.
- Proper and sufficient care 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.

9. **AUDITORS :-**

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

10. **AUDITOR'S REPORT :-**

Gratuity is being charged in the year of payment. The Company does not have any material liability towards gratuity and hence the same is not provided for.

11. **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 Agreements 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, 2003 is less than Rs. 25 Crores.

The requirement of having an "Audit Committee" as per the provisions of Section 292A 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.

12. **APPRECIATION :-**

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

FOR AND ON BEHALF OF THE BOARD

(VIHARI PAREKH)

CHAIRMAN

MUMBAI

DATED: 6TH SEPTEMBER,2003

M. A. PARIKH & CO.
CHARTERED ACCOUNTANTS

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

We have audited the attached Balance Sheet of **I I D FORGINGS LIMITED** as at 31st March, 2003 and also the annexed Profit & Loss Account of the Company for the year ended on that date Cash Flow Statement for the year ended on that date, annexed hereto.

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 misstatement. An audit includes examining on a test basis, evidences 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.

We report that :

1. The accounts of the Company have been prepared on a "Going Concern Basis" though the Company has discontinued its manufacturing activities (Refer to Note No. 1 in Notes to Accounts).
2. 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 in the matters specified in paragraphs 4 and 5 of the said Order.
3. 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.
4. In our opinion, subject to non-provision of gratuity payable under The Payment 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.
5. The Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of account.
6. 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, which are paid on their retirement.

7. In our opinion, and to the best of our information and according to the explanations given to us, the accounts subject to No.4 regarding non-provision of gratuity, the amounts whereof has not been ascertained, read alongwith the accounting policies and the notes thereon 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, 2003;
- (b) In the case of the Profit and Loss Account, of the profit for the year ended on that date;

AND

- (c) In the case of the Cash Flow Statement, of cash flows for the year ended on that date.

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



**MUMBAI
DATED: 6TH SEPTEMBER, 2003**