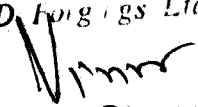




I I D F O R G I N G S L I M I T E D

CERTIFIED TRUE COPY

For IID Forgings Ltd.

Director.

23 RD
ANNUAL REPORT

2003 – 2004

Report Junction.com

Regd. Office :

VIKAS, 11, BANK STREET, MUMBAI – 400 023

Factory :

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

**IID FORGINGS LIMITED
NOTICE**

TO

THE SHAREHOLDERS

NOTICE is hereby given that the Twenty third ANNUAL GENERAL MEETING of the Members of IID FORGINGS LIMITED, will be held on 30th September, 2004 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, 2004 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 Chandrakant Lakhani, who retire by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors for the current year and fix their remuneration.

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

**(UTTAM PATEL)
CHAIRMAN**

MUMBAI:

DATED : 6th September, 2004

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.

IID FORGINGS LIMITED**DIRECTOR'S REPORT**

TO

THE MEMBERS,

Your Directors have pleasure in presenting herewith the Twenty Third Annual Report and the Audited Statement of Account of the Company for the year ended 31st March 2004. The salient features of the Company's working for the year are summarized below:

I. FINANCIAL RESULTS:

	CURRENT YEAR ENDED 31ST MARCH, 2004 (RS. IN LAKHS)	PREVIOUS YEAR ENDED 31ST MARCH, 2003 (RS. IN LAKHS)
Turnover	77.57	354.08
Profit before tax	5.37	60.59
Less: Provision for Income Tax	1.88	23.37
Net profit/loss after tax for the year	3.48	37.22
Less:- Prior period tax adjustments	-	0.30
Add: Brought forward profit	117.02	78.69
Deferred tax on initial recognition	-	1.41
Balance carried to Balance Sheet	120.50	117.02

II. OPERATIONS:

The Company's plant at Nashik continues to remain closed due to suspension of activities thereat in the earlier year. However, the Company's activity of trading in Alloy Steel continues.

The sales turnover for the year under review decreased from Rs.354.08 lakhs to Rs.77.57 lakhs . The profit before tax for the year decreased from Rs.60.59 Lakhs to Rs. 5.37 Lakhs.

III DIVIDEND:

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

IV. **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.

V. **STATUTORY STATEMENT**

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

VII. **LISTING REQUIREMENT AND CORPORATE GOVERNANCE :-**

The Equity Shares of the Company is listed at Mumbai Stock Exchange. The Company has complied with the requirement of the Listing Agreement of the Stock Exchange. The Company has also paid the Listing Fees to the Stock Exchange.

Clause 49 of the Listing Agreement 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 2004 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.

VIII. **DIRECTORS**

Chandrakant Lakhani, the Director of the Company, retiring by rotation and being eligible for reappointment, offers himself to be re-elected as the Director of the Company.

IX. **DIRECTORS' RESPONSIBILITY STATEMENT**

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

- In the operation 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 and the 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.

X **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.

XI **AUDITORS 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.

XII **APPRECIATION**

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

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

**UTTAM PATEL
(CHAIRMAN)**

MUMBAI:

DATE : 6th September, 2004

M. A. PARIKH & CO.
CHARTERED ACCOUNTANTS
Auditors' Report

**To the Members of,
IID Forgings Limited**

We have audited the attached Balance Sheet of IID FORGINGS LIMITED as of 31st March, 2004 and the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. 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 audit.

We have 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 financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the 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. As required by the Companies (Auditor's Report) Order, 2003 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 necessary and as per the 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. Further to our comments in the Annexure referred to in paragraph 1 above, we report that:
 - a) We have obtained all information and explanations, which to the best of our knowledge and belief, were necessary for the purpose of the audit;
 - b) In our opinion, proper books of account, as required by law, have been kept by the Company, so far as appears from our examination of those books, *except for non-provision of gratuity liability* (Refer to Note No. 2 in Schedule 16 to the Accounts).
 - c) The Balance Sheet, Profit Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.