

India Forge

| | | | | |
|-----|----|---|-----|---|
| MD | ✓ | | BKC | ✓ |
| CS | ✓ | | DPY | ✓ |
| RO | ✓ | | DIV | ✓ |
| TRA | NA | | AC | ✓ |
| AGM | ✓ | ✓ | SHI | ✓ |
| YE | ✓ | ✓ | | ✓ |

38th Annual Report 1997-98

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INDIA FORGE AND DROP STAMPINGS LIMITED

INDIA FORGE & DROP STAMPINGS LTD.**38th ANNUAL GENERAL MEETING**

DAY : TUESDAY
DATE : 29TH SEPTEMBER 1998
TIME : 11 A.M
VENUE : REGD. OFFICE.
54, FACIT AVENUE
OLD MAHABALIPURAM ROAD
KANDANCHAVADI
CHENNAI - 600 096.

The Company has arranged transport for the benefit of Shareholders which will leave from Madhya Kailash Temple located at the entrance of Old Mahabalipuram Road at 10.30 a.m. on 29.09.98.

INDIA FORGE & DROP STAMPINGS LTD.

DIRECTORS

DIPAK RAJ SOOD, *Vice Chairman & Managing Director*
V. DWARAKNATH REDDY
R.G.PRESSWALA
(*Nominee of LIC of India*)
G.KRISHNAN
RAKESH SOOD
A.K.MITRA, *Whole Time Director*
RUPA SOOD

PRINCIPAL EXECUTIVES

D.R.SOOD, *Vice Chairman & Managing Director*
RAKESH SOOD, *Director*
A.K. MITRA, *Whole Time Director*
M. CHANDIRAMANI, *Executive Director*
SAMIR SOOD, *Executive Director*
R. SUBRAMANIAN, *Secretary*

AUDITORS

SINGHI & CO., CHENNAI

BANKERS:

SYNDICATE BANK
BANK OF BARODA
STATE BANK OF MYSORE

REGISTERED OFFICE

54, FACIT AVENUE,
KANDANCHAVADI,
CHENNAI - 600 096.

PLANTS

PUNE, FARIDABAD,
CHENNAI.

INDIA FORGE AND DROP STAMPINGS LIMITED**India Forge and Drop Stampings Limited**

Regd. Office 54, Facit Avenue, Kandanchavadi, Chennai - 600 096.

NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the Thirty Eighth Annual General Meeting of the Members of the Company will be held at 11 A.M. on Tuesday the 29th September, 1998 at the Registered Office of the Company at 54, Facit Avenue, Old Mahabalipuram Road, Kandanchavadi, Chennai-600 096 to transact the following business:

1. To receive and adopt the Director's Report, the Audited Profit and Loss Account and the Balance Sheet for the year ended 31st March 1998.
2. To elect a Director in place of Shri V.Dwaraknath Reddy who retires by rotation and is eligible for re-election.
3. To elect a Director in place of Shri A.K.Mitra who retires by rotation and is eligible for re-election.
4. To appoint Auditors and fix their remuneration. The retiring Auditors, M/s. Singhi & Co., are eligible for reappointment.
5. To consider and if thought fit to pass with or without modification the following Resolution as Ordinary Resolution: "RESOLVED that Smt. Rupa Sood, a Director of the company appointed under Article 126 of the Company's Articles of Association and who holds office till the date of this Annual General Meeting and in respect of whom the company has received a notice in writing proposing her candidature for the office of a Director be and is hereby appointed a Director of the Company, whose period of office is liable to termination through retirement of Directors by rotation".
6. Special Business :
To consider and if thought fit to pass, with or without modification, the following resolution as Special Resolution : "RESOLVED that sanction be and is hereby accorded under section 314(1) of the Companies Act 1956 to the appointment of Shri Samir Sood as Executive Director of the company with effect from 1.4.1998 or under such other designation as the Board of Directors may at any time and from time to time deem fit at a remuneration of Rs.25000/- (Rupees Twenty five thousand only) per month in the scale of Rs.25,000- 5,000- 45,000 together with other facilities and perquisites including Provident Fund, leave, medical benefits as are applicable to other executives of the Company in the same category.
"FURTHER RESOLVED that the Board of Directors of the Company be and are hereby authorised to give any such increments or promotion that may be deemed suitable, subject to the rules and guidelines provided in the Companies Act 1956".

By order of the Board
for INDIA FORGE & DROP STAMPINGS LTD

Chennai
4th August 1998

(Sd/-) (DIPAK RAJ SOOD)
Vice Chairman & Managing Director

Notes

1. A member entitled to attend and vote is entitled to appoint one or more proxies to attend instead of himself and the proxy need not be a member.
2. The instrument appointing a proxy shall be deposited at the Registered Office of the Company not less than 48 hours before the time of holding the aforesaid Meeting.
3. The Register of Members and the Share Transfer books of the Company will remain closed on 28.09.98 and 29.09.98 (both days inclusive)
4. The relative Explanatory Statement pursuant to section 173 of the Companies Act, 1956 in respect of Special Business under items 5 & 6 set out above, is annexed here to.

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173 OF THE COMPANIES ACT, 1956

ITEM 5 :

The Board of Directors by a Resolution dt. 23.05.98 appointed Smt. Rupa Sood as Additional Director. Under section 260 of the Companies Act any person appointed as Additional Director of the Board of Directors will hold office only upto the date of the next Annual General Meeting. Accordingly, the period of her office will terminate on the date of this Annual General Meeting and she will vacate office as Additional Director on that date.

Smt. Rupa Sood, at the request of the Directors, has stated that she is agreeable to serve as Director if she is appointed at this Annual General Meeting. The Company has received a Notice from a Member of his intention to propose the appointment of Smt. Rupa Sood as a Director of the Company at this Meeting.

Accordingly resolution set out as item no. 5 in the Notice convening this Annual General Meeting is submitted to this meeting.

INTEREST OF THE DIRECTORS :

Smt. Rupa Sood is interested in her re-appointment as Director. Sarvasri D.R. Sood and Rakesh Sood being related are deemed to be interested in her re-appointment.

ITEM 6:

Shri. Samir Sood is an Engineer obtained Master's Degree in Mechanical Engineering from the Tufts University, USA. He has undergone training in various companies for over 5 years both in India and abroad. In view of the increased operations of the Faridabad Unit, a need was felt to have additional managerial strength. The Company therefore appointed Shri. Samir Sood as Executive Director of the Company with effect from 01.04.98 as per terms of remuneration set out in the Resolution. The Board of Directors consider that in the light of his qualification, the said remuneration payable to him is fair and reasonable.

Section 314(1) of the Companies Act 1956 specifies that no relative of Director shall hold any office or place of Profit carrying a total monthly remuneration of Rs.5000/- or more except with the consent of the Company accorded by a Special Resolution.

Shri. Samir Sood is the son of Shri. D.R. Sood Vice-chairman & Managing Director and Smt. Rupa Sood, Director of the Company.

Accordingly, Special Resolution set out in the Notice as item No.6 is submitted to this meeting.

INTEREST OF DIRECTORS

Shri. D.R. Sood, Vice Chairman & Managing Director and Smt. Rupa Sood, Director of the Company are interested in the said appointment and in the remuneration fixed for Shri. Samir Sood by reason of their relationship as their son. Shri Rakesh Sood being related, deemed to be interested in the said appointment.

INDIA FORGE AND DROP STAMPINGS LIMITED**DIRECTORS' REPORT TO THE SHAREHOLDERS**

Your Directors have pleasure in presenting the Thirty-Eighth Annual Report and Audited Balance Sheet as at 31st March 1998.

WORKING RESULTS

| | Year ended 31-03-1998 | Year ended 31-03-1997 |
|---|--------------------------|--------------------------|
| | Rupees in Lakhs | |
| Turnover | 4854 | 5486 |
| Gross Profit before interest and depreciation & Provision for Taxation | 406 | 457 |
| Interest | 223 | 197 |
| Depreciation | 172 | 156 |
| Provision for Taxation | 11 | 40 |
| (including Rs.4 lakhs for earlier Years) | | |
| Net Loss / Profit | (0.22) | 64 |
| Carried forward from last year | 7 | 2 |
| Transfer to General Reserve | - | 60 |
| Surplus carried to Balance Sheet | 7 | 7 |

PERFORMANCE:

A steep decline in demand in the Automobile industry with a pronounced fall in the sale of heavy and light commercial vehicles resulted in lower offtake of our products during the year. This resulted in our turnover being only Rs.48.54 crores as against Rs.54.86 crores achieved in the previous year.

DIVIDEND

There being no surplus for distribution, the Board of Directors are unable to recommend a Dividend on the Equity Capital.

PROSPECTS

The recession in the Automobile industry is continuing with no immediate relief in sight. This has forced some of our customers manufacturing heavy and light commercial vehicles to order drastic cutback in their production programme. As a sequel, the Automobile component industry and manufacturers of Bearings have resorted to reduced buying from suppliers like us. Our domestic market having thus shrunk, we have focused our attention on export markets. However the lack of demand from domestic industry has rendered a large part of our capacity idle.

EXPORTS

Our products have gained acceptance abroad. Several customers in Europe & USA have evinced keen interest in our products and we have already commenced exports to these customers. We are hopeful of building a longterm relationship with them.

DIRECTORS

Shri. V. Dwaraknath Reddy and Shri. A.K. Mitra, Directors of the Company retire by rotation from the Board under Article 138 of the Articles of Association of the Company at the ensuing Annual General Meeting and being eligible, offer themselves for re-election.

Mrs. Rupa Sood was appointed as an Additional Director with effect from 23rd May 1998. Pursuant to Article 126 of the Articles of Association of the Company, she retires at this Annual General Meeting and is eligible for reappointment. Special notice has been received for her reappointment as per section 257 of the Company's Act of 1956.

PARTICULARS OF EMPLOYEES

The details pertaining to employees as required by Section 217(2A) of the Companies Act, 1956 are furnished in the statement annexed hereto which forms a part of this report.

AUDITORS

The Statutory Auditors M/s Singhi & Co., Chartered Accountants retire and are eligible for reappointment. They will also audit branch accounts of the Company at Faridabad and Pune.

ACKNOWLEDGEMENT

We wish to convey our grateful thanks to our bankers and all the financial institutions for their continued support and co-operation. We also wish to place on record our appreciation of the excellent contribution made by all ranks of employees throughout the year. We are grateful to our valued customers for their continued support.

By order of the Board

CHENNAI

Date:04.08.1998

D.R. SOOD

Vice Chairman & Managing Director

INDIA FORGE AND DROP STAMPINGS LIMITED**ANNEXURE TO DIRECTORS' REPORT**

Statement Pursuant to Section 217(2A) of the Companies Act, 1956 as amended by the Companies (Amendment) Act, 1988 and Companies (Particulars of Employees) Rules 1975.

| Name | Designation Nature of duties | Remuneration (Rs.in lakhs) | Qualification | Experience (Years) | Date of Commencement of Employment | Age (Years) | Previous Employment |
|--|------------------------------------|-------------------------------|---------------|-----------------------|---------------------------------------|----------------|----------------------------------|
| A. Employed throughout the Financial year under review and were in receipt of remuneration aggregating to not less than Rs. 3,00,000 | | | | | | | |
| Dipak Raj Sood | Vice Chairman & Mg. Director | 4.35 | B.Com. | 36 | 01.02.1976 | 56 | Mg. Director (Sudsons (P) Ltd |
| B. Employed for part of financial year under review and were in receipt of remuneration not less than Rs. 25,000 per month. | | | | | | | |
| NIL | | | | | | | |

Notes:

1. Remuneration includes Salary, House Rent, Medical Allowance and Contribution to Provident Fund.
2. The post is contractual.
3. Shri. Dipak Raj Sood is related to Shri. Rakesh Sood and Rupa Sood Directors of the Company.

Information in accordance with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1998.

CONSERVATION OF ENERGY

1. Energy Conservation measure taken : Power and fuel consumption are monitored regularly and control measures are taken to reduce consumption
2. Additional Investments and proposals, if any being implemented for reduction of consumption of energy. :
3. Impact of the Measures at (1) and (2) above for reduction of energy consumption and consequent impact on the cost of production of goods. :