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# India Forge

## 41st Annual Report 2000-2001



**INDIA FORGE AND DROP STAMPINGS LIMITED**

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***INDIA FORGE & DROP STAMPINGS LTD.***

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***INDIA FORGE & DROP STAMPINGS LTD.***

**41st ANNUAL GENERAL MEETING**

DAY : FRIDAY  
DATE : 21.09.2001  
TIME : 11 A.M.  
VENUE : REGD.OFFICE.  
54, FACIT AVENUE  
OLD MAHABALIPURAM ROAD  
KANDANCHAVADI  
CHENNAI - 600 096.

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INDIA FORGE & DROP STAMPINGS LTD.

DIRECTORS

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

AUDITORS

SINGHI & CO., CHENNAI

BANKERS:

SYNDICATE BANK  
BANK OF BARODA  
STATE BANK OF MYSORE

PRINCIPAL EXECUTIVES

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

REGISTERED OFFICE

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

PLANTS

PUNE, FARIDABAD, CHENNAI.

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**INDIA FORGE & DROP STAMPINGS LTD.**

**NOTICE TO THE SHAREHOLDERS**

Notice is hereby given that Forty first Annual General Meeting of the Members of the Company will be held at 11 A.M. on 21st September 2001 at the Registered Office of the Company at 54, Facit Avenue, Old Mahabalipuram Road, Kandanchavadi, Chennai - 600 096.

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 2001.
2. To elect a Director in place of Shri.G. Krishnan, who retires by rotation and is eligible for re-election.
3. To Appoint Auditors and fix their remuneration. The retiring auditors, M/s. Singhi & Co., are eligible for Re-appointment.

**SPECIAL BUSINESS**

4. To consider and if thought fit to pass with or without modification the following as a Special Resolution:  
"RESOLVED to approve reimbursement of a sum of Rs. 2,27,992/- to Mr.A.K. Mitra, Wholetime Director of the company towards Medical Expenses incurred by him during the year in excess of the sanctioned limit "

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

Chennai  
10th July 2001.

(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 from 19.09.2001 to 21.09.2001 ( both days inclusive).

**EXPLANATORY STATEMENT AS REQUIRED BY SECTION 173 OF THE COMPANIES ACT 1956**

**ITEM NO.4**

Mr. A.K. Mitra, Wholetime Director of the Company, underwent a heart surgery during the year and incurred medical expenses of Rs. 2,27,992/-. Since the amount exceeds the limit authorised by the General body, specific sanction is required from the Shareholders.

Accordingly Special Resolution set out in item No.4 is placed before the meeting for approval.

**INTEREST OF THE DIRECTORS**

Mr. A.K. Mitra is interested in the aforesaid special Resolution

**41st Annual Report 2001****DIRECTORS' REPORT TO THE SHAREHOLDERS**

Your Directors have pleasure in presenting the Forty first Annual report and Audited Balance Sheet as at 31st March, 2001

**WORKING RESULTS**

	Year ended 31-03-2001	Year ended 31-03-2000
	Rupees in Lacs	
Turnover	<b>4622</b>	5642
Gross Profit before interest and depreciation & Provision for Taxation	<b>310</b>	362
Interest	<b>103</b>	152
Depreciation	<b>106</b>	123
Provision for Taxation	<b>26</b>	36
Net Profit	<b>75</b>	51
Carried forward from Last year	<b>58</b>	7
Surplus Carried to Balance Sheet	<b>133</b>	58

**PERFORMANCE**

Due to severe recession in the Automotive Industry, the Company could achieve a Turnover of Rs.46.22 Crores only against Rs.56.42 Crores in the previous year.

**OPERATIONS**

In view of adverse marketing conditions, the Company had to exercise utmost restraint in financial outflow. All items of costs were critically reviewed to achieve economy in operations. Receivables were closely monitored by which we were able to reduce our borrowings from the banks for working capital. We were thus able to substantially reduce outflow on account of interest charges.

**DIVIDEND**

Due to prevailing conditions and financial constraints the directors are not in a position to recommend Dividend on Equity shares.

**FARIDABAD UNIT**

Mr. Rakesh Sood, Director of the Company, who was looking after the Company's Faridabad operations resigned his Directorship effective from 22-08-2000. On investigation of the Company's Faridabad operations it was revealed that Mr. Rakesh Sood exceeded his authority in;

- granting unsecured loan of Rs.120 Lacs during April 2000 as inter corporate deposits without obtaining prior approval from the Board of Directors or from the Managing Director.
- importing Plant & Machinery without proper authority and approval. Some of the machinery imported during April 2000 to June 2000 are not received in the factory premises.

The company has taken adequate legal steps for the recovery of unsecured loan and retrieve the imported machinery.

**PROSPECTS**

The Automobile Industry is still under the grip of recessionary conditions and the company is making every effort to diversify the market for its products.

**INDIA FORGE & DROP STAMPINGS LTD.**

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**EXPORTS**

During the year, the company made an export of Rs. 1.70 Crores compared to Rs.1.32 Crores achieved in the previous year.

**DIRECTORS**

Mr. G. Krishnan, Director 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 himself for re-election. Mr.A.K. Mitra, wholetime Director, underwent a heart surgery during the year and has incurred medical expenses in excess of the sanctioned limit. A special resolution is submitted for the approval of the shareholders for reimbursement of this expenditure.

**DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to Provisions of Sub-section (2AA) of Section 217 of the Companies Act, 1956, your Directors confirm;

- (i) that in the preparation of Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) that the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that 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 as on 31st March, 2001 and of the profit of the Company for that period.
- (iii) that the Directors had taken 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; and
- (iv) that the Directors had prepared the annual accounts on a going concern basis.

**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 ICICI and our Bankers 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  
for INDIA FORGE & DROP STAMPINGS LTD

Chennai  
10th July 2001.

(DIPAK RAJ SOOD)  
Vice Chairman & Managing Director

**41st Annual Report 2001****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
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A. Employed throughout the Financial year under review and were in receipt of remuneration aggregating to not less than Rs. 6 Lacs

Dipak Raj Sood	Vice Chairman & Mg. Director	14.88 Lakhs	B.Com.	39	01.02.1976	59	Mg. Director (Sudsons (P) Ltd
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B. Employed for part of financial year under review and were in receipt of remuneration not less than Rs. 0.50 Lacs 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 Smt. Rupa Sood, a Director of the Company.

Information in accordance with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988.

**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. : —