

India Forge

43rd Annual Report 2002-2003

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INDIA FORGE AND DROP STAMPINGS LIMITED

INDIA FORGE & DROP STAMPINGS LTD.

INDIA FORGE & DROP STAMPINGS LTD.

43rd ANNUAL GENERAL MEETING

DAY : MONDAY

DATE : 29.09.2003

TIME : 11 A.M.

VENUE : REGD.OFFICE.

54, FACIT AVENUE

OLD MAHABALIPURAM ROAD

KANDANCHAVADI

CHENNAI - 600 096.

INDIA FORGE & DROP STAMPINGS LTD.

DIRECTORS

DIPAK RAJ SOOD,
Vice Chairman & Managing Director
V. DWARAKNATH REDDY
V.R. RAMAKRISHNAN
(Nominee of LIC of India)
G.KRISHNAN
RUPA SOOD

AUDITORS

SINGHI & CO., CHENNAI

BANKERS:

SYNDICATE BANK
BANK OF BARODA
STATE BANK OF MYSORE
HDFC BANK

COMPANY SECRETARY

R. SUBRAMANIAN

REGISTERED OFFICE

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

PLANTS

PUNE, FARIDABAD, CHENNAI.

INDIA FORGE & DROP STAMPINGS LTD.

NOTICE TO THE SHARE HOLDERS

Notice is hereby given that Forty Third Annual General Meeting of the Members of the Company will be held at 11 A.M. on Monday the 29th September, 2003 at the Registered Office of the Company at 54, Facit Avenue, Old Mahabalipuram Road, Kandanchavadi, Chennai 600 096.

1. To receive and adopt the Directors Report, the Audited Profit and Loss Account and the Balance Sheet for the year ended 31st March, 2003.
2. To elect a Director in place of Shri V. Dwarknath Reddy who retires by rotation and is eligible for re-election.
3. To appoint Auditors and fix their remuneration.

By Order of the Board
for India Forge & Drop Stampings Limited

CHENNAI
29th July, 2003

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 Hrs. 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 26 -09-2003 to 29 -09-2003 (both days inclusive)

43rd Annual Report 2003**DIRECTORS' REPORT TO THE SHAREHOLDERS**

Your Directors have pleasure in presenting the Forty third Annual report and Audited Balance Sheet as at 31st March, 2003.

WORKING RESULTS

	Year ended 31-03-2003	Year ended 31-03-2002
	(Rupees in Lacs)	
Turnover	4929	5378
Gross Profit before Interest and depreciation & Provision for Taxation	216	361
Depreciation	142	152
Provision for Taxation	43	67
Net Profit	31	142
Carried forward from last Year	275	133
Transfer to General Reserve	300	—
Surplus carried to Balance Sheet	100	275

PERFORMANCE

The turnover of the company for the year under review was Rs.49.29 crores as compared with Rs.53.78 Crores in the previous year. The decline was mainly due to reduced off-take by customers manufacturing Commercial Vehicles and Agricultural Tractors.

DIVIDEND

Considering the uncertain market conditions and reducing margins, the Board of Directors are not in a position to recommend any Dividend on the Equity Shares.

OUT LOOK

While there was some increase in level of activity in the two wheeler and car segment, the commercial vehicle and Tractor industry saw a decline, which has affected our prospects. Most importantly, the cost of steel has surged over the past one year, creating serious in-roads to our profitability. This ,without adequate compensation from our customers, has eroded the little margins left with us. The Company is taking immediate steps to obtain reimbursement of increases incurred and also widen its market horizons to ensure profitability in the coming years.

EXPORTS

During the year the company made an export of Rs. 99 Lacs compared to Rs. 117 Lacs achieved in the previous year. Efforts are being made to improve the export performance and we are confident that the current year level of exports will be at a much higher platform

DIRECTORS

Shri V. Dwarknath Reddy, Director of the Company retires 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 .

SHARE CAPITAL

As decided in the last Annual General Meeting , the Company bought back 3,58,753 Equity Shares of Rs.10/- each at a premium of Rs.2/- per Share from 482 Equity Shareholders. After this Buy-back the present Paid-up Share Capital stands at Rs.339.23 Lacs.

INDIA FORGE & DROP STAMPINGS LTD.

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with Section 217(2AA) of the Companies Act, 1956, the Directors confirm that:

- a. In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b. the accounting policies have been consistently applied and reasonable and prudent judgement and estimates have been made so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2003 and the Profit for the year ended 31st March, 2003.
- c. Proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, has been taken including that for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities and
- d. the annual accounts have been prepared on a going concern basis.

PARTICULARS OF EMPLOYEES

During the year under report, no employee, throughout the year or part of the year was in receipt of remuneration of Rs.24,00,000/-per annum or Rs.2,00,000/- per month or in excess thereof respectively.

CORPORATE GOVERNANCE

Your company endeavour to ensure transparency, fairness in all its business practices and dealings. The Guidelines prescribed by SEBI were applicable to your Company from the previous financial year. Detailed reports are provided in Annexure I which forms part of this report.

LABOUR RELATIONS

Generally industrial relations with the employees continue to be cordial. During the year the company settled the demands of the workmen of the Pune unit. The company had also to reduce the total number of the employees in the Pune unit due to decline in their operations.

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 are grateful to our valued customers for their continued patronage and support. We also wish to place on record our appreciation the valuable contribution made by all ranks of employees throughout the year.

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

Chennai
31st July 2003.

(DIPAK RAJ SOOD)
Vice Chairman & Managing Director

43rd Annual Report 2003**ANNEXURE I****CORPORATE GOVERNANCE**

A. The Company endeavors to ensure transparency in all its business practices and dealings

The following is the brief report of matters required to be stated pursuant to Clause 49 of the listing agreement entered into with the Madras Stock Exchange.

BOARD OF DIRECTORS

1. The Composition and Category of Directors as of 31st March, 2003 is as follows:

Category	No. of Directors	%
Executive and Promotor Directors	2	40
Non Executive Independent Directors	2	40
Nominee Director	1	20
Total	5	100

2. Attendance of each Director at the Board Meetings and the Last AGM

Name of the Director	No. of Board Meetings held	No. of Board Meetings attended	Last AGM attendance Yes/No
Shri D.R. Sood	5	4	Yes
Shri G. Krishnan	5	5	Yes
Shri V. Dwaraknath Reddy	5	4	Yes
Shri V.R. Ramakrishnan	5	4	Yes
Smt Rupa Sood	5	2	Yes

i. Number of Board Meetings held, dates on which held:

Five Board Meetings were held during the year from April 2002 to March 31st 2003. The date on which the meetings were held are as follows: 28th April, 2002, 29th July, 2002, 28th October, 2002, 11th September, 2002, and 27th January, 2003.

AUDIT COMMITTEE**Formation and Scope**

The Audit Committee of the Board was formed on 27th January, 2003 and it functions include reviewing the Company's internal control system, audit procedures, compliance with statutory and regulatory requirements, financial reporting process and the disclosure of its financial information to ensure that the financial statements are true and correct. It also review half yearly and the annual financial statements with the management before submission to the Board

The Statutory Auditors, M/s Singhi & Co. were invited to the meetings.

Number of Meetings held, dates on which held.

During the year under review, One Committee meeting was held on 24th March, 2003

Composition

Name	No. of Audit Committee Meeting held	No. of A.C. Meeting Attended
Shri G. Krishnan	1	1
Shri V. Dwarknath Reddy	1	1

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

The Board has not constituted Remuneration Committee during the year. The matters relating to review and approval of compensation payable to the Executive Directors are considered by the Board within the overall limits approved by the Members.

The details of remuneration under review are included in the notes of accounts, refer Page No . 18

SHAREHOLDERS GRIEVANCE COMMITTEE

The shareholders grievance committee of the Board was formed on 27th January, 2003 to redress the grievances of Shareholders and to consider share transfers, transmission of shares and issue of Duplicate Share Certificates.

During the year the Committee had One Meeting on 24th March, 2003.

Composition

Name	No. of Shareholders Grievance Committee Meetings held	No. of Meeting Attended
Mr. G. Krishnan	1	1
Mr. V. Dwaraknath Reddy	1	1

No material complaints were received from the Shareholders. Mr. R. Subramanian, Company Secretary is the Compliance Officer.

GENERAL BODY MEETINGS

Financial Year	Date	Time	Location
1999-2000	26-9-2000	11 AM	At the Regd. Office
2000-2001	21-9-2001	11 AM	At the Regd. Office
2001-2002	11-9-2002	11 AM	At the Regd. Office

No special resolution was required to be put through postal ballot last year. No special resolution on matter requiring postal balloting as recommended under Clause 49 of the Listing Agreement entered with Madras Stock Exchange is placed for shareholder's approval at this meeting.

DISCLOSURES

There were no transactions of material nature with the Directors or the management or their subsidiaries or relatives of the Directors during the year.

Means of Communication :

The quarterly results were published in financial dailies viz. News To-day (English) & Malai Sudar (Tamil vernacular)

GENERAL SHAREHOLDERS INFORMATION

1. Date, time and venue of Annual General Meeting:

Annual General Meeting proposed to be held on Monday, 29th September, 2003 at 11 AM the Registered Office of the Company at 54, Facit Avenue, Kandanchavadi, Chennai 600 096.

2. Financial Year - 1st April 2002 to 31st March 2003