

# India Forge

## 44<sup>th</sup> Annual Report 2003-2004

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**INDIA FORGE AND DROP STAMPINGS LIMITED**

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**INDIA FORGE & DROP STAMPINGS LTD.**

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**INDIA FORGE & DROP STAMPINGS LTD.**

**44<sup>th</sup> ANNUAL GENERAL MEETING**

DAY : THURSDAY

DATE : 15.07.2004

TIME : 11 A.M.

VENUE : REGD. OFFICE

54, FACIT AVENUE

OLD MAHABALIPURAM ROAD

KANDANCHAVADI

CHENNAI – 600 096.

**44th Annual Report 2004**

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**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.**

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**NOTICE TO THE SHARE HOLDERS**

Notice is hereby given that Forty Fourth Annual General Meeting of the Members of the Company will be held at 11 A.M. on Thursday the 15<sup>th</sup> July 2004 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 31<sup>st</sup> March, 2004.
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.

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

CHENNAI  
15<sup>st</sup> May, 2004

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 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 13.07.2004 to 15.07.2004 (both days inclusive)

**44th Annual Report 2004****DIRECTORS' REPORT TO THE SHAREHOLDERS**

Your Directors have pleasure in presenting the Forty Fourth Annual Report and Audited Balance Sheet as at 31<sup>st</sup> March, 2004.

WORKING RESULTS	31-03-2004	31-03-2003
	<b>(RUPEES IN LACS)</b>	
Profit before Depreciation and Provision for Taxation	251	205
Depreciation	154	142
Gross Profit	97	63
Provision for Taxation including for earlier years	65	43
Deferred Tax Liability	(14)	(11)
Excess provision of Tax for earlier years	(19)	-
	-	32
Net Profit	65	31
Carried forward from last Year	100	369
	-	-
	165	400
	<hr/>	<hr/>
Transfer to General Reserve	100	300
Surplus carried to Balance Sheet	65	100
	<hr/>	<hr/>
	165	400
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**PERFORMANCE**

The turnover of the company for the year under review was Rs.63.48 crores as compared with Rs. 49.29 Crores in the previous year. During the year we witnessed abnormal increase in prices of steel which went up by almost 60% from the levels at which they stood in the previous year. These increases were not wholly compensated by all our customers which resulted in reduced profit margins.

**DIVIDEND**

Due to reduced margins and with a view to conserve working capital, the Board of Directors have decided not to declare a Dividend on the Equity Shares this year.

**OUT LOOK**

Though demand has picked-up, the rapid rise in the cost of steel and the impending increase in fuel and power costs, our margins will continue to be under pressure. Operating in a very competitive environment, our customers find it extremely difficult to accommodate these additional costs.

Consequently their response to our request is not only delayed but insufficient. The steel manufacturers on the other hand are continuously increasing their prices taking advantage of the current boom conditions. The increase on account of steel alone amounts to 100 % from what steel prices were two years ago. The only redeeming feature to offset the increased costs to some degree was due to a certain increase in the volume of business from the customers.

**EXPORTS**

During the year the company made export sales of Rs.130 Lacs compared with Rs.99 Lacs achieved in the previous year. Here again the present steel costs in India inhibits exports which has largely diluted the potential for export of auto components from India. Nevertheless the Company's efforts on the export front are relentless and the Company is hopeful of bringing this segment to the forefront.

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

Shri G. Krishnan, 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**

Over the years due to high cost of inputs and a competitive market our profit margins are declining. Servicing a large capital base is becoming onerous. It is therefore decided to further reduce the capital of the company through buy-back scheme. In the extra-ordinary General Meeting of the Company held on 24-03-2004, the shareholders have approved buy-back to an extent of 15% of the present equity capital of the company.

Their approval was for an amount not exceeding Rs.50,86,870/=for the purchase of Equity Shares upto a maximum of Rs.12/=per share. The necessary steps have been taken to obtain approval from SEBI. The buy-back scheme would commence during the 2<sup>nd</sup> half of the calendar year 2004.

**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 31<sup>st</sup> March, 2004 and the Profit for the year ended 31<sup>st</sup> March, 2004.
- 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 continues to ensure transparency, fairness in all its business practice and dealings. 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..

**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 LIMITED

CHENNAI 600 096

(DIPAK RAJ SOOD)

15th May,2004

Vice Chairman & Managing Director

**44th Annual Report 2004****ANNEXURE I****CORPORATE GOVERNANCE**

A. The Company continues 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 31<sup>st</sup> March, 2004 is as follows:

Category	No. of Directors	%
Executive and Promoter 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 Last attended	AGM attendance Yes/No
Shri D.R. Sood	6	6	Yes
Shri G. Krishnan	6	6	Yes
Shri V. Dwarknath Reddy	6	4	Yes
Shri V.R. Ramakrishnan	6	5	Yes
Smt Rupa Sood	6	4	Yes

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

Six Board Meetings were held during the year from April 2003 to March 31<sup>st</sup> 2004. The date on which the meetings were held are as follows: 23<sup>rd</sup> April 2003, 31<sup>st</sup> July 2003, 29<sup>th</sup> September 2003, 17<sup>th</sup> January 2004 and 24<sup>th</sup> March 2004

Number of Meetings held, dates on which held.

During the year under review, Three Committee meeting were held on 28<sup>th</sup> July 2003, 27<sup>th</sup> October 2003, 16<sup>th</sup> January 2004.

**Composition**

Name	No. of Audit Committee Meeting held	No. of A.C. Meeting Attended
Shri G. Krishnan	3	3
Shri V. Dwarknath Reddy	3	3

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

The Board has not constituted Remuneration Committee. 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.

**SHAREHOLDERS GRIEVANCE COMMITTEE**

During the year the Committee had Five Meetings on 23rd April 2003, 30<sup>th</sup> May 2003, 15<sup>th</sup> September 2003, 31<sup>st</sup> December 2003, 15<sup>th</sup> March 2004.

**Composition**

Name	No. of Shareholders Grievance Committee Meetings held	No. of Meeting Attended
Mr. G. Krishnan	5	5
Mr. V. Dwaraknath Reddy	5	5

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

**VI GENERAL BODY MEETINGS**

Financial Year	Date	Time	Location
2000-2001	21-9-2002	11 AM	At the Regd. Office
2001-2002	11-9-2002	11 AM	At the Regd. Office
2002-2003	29-9-2003	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 Thursday, the 15<sup>th</sup> July 2004 at 11 AM at the Registered Office of the Company at 54, Facit Avenue, Kandanchavadi, Chennai 600 096.

2. Financial Year - 1<sup>st</sup> April 2003 to 31<sup>st</sup> March 2004