

India Forge

Report



46th Annual Report 2005-2006

INDIA FORGE AND DROP STAMPINGS LIMITED

46th Annual Report 2006

46th ANNUAL GENERAL MEETING

DAY : FRIDAY

DATE : 29.09.2006

TIME : 12.00 NOON

VENUE : REGD. OFFICE

54, FACIT AVENUE

OLD MAHABALIPURAM ROAD

KANDANCHAVADI

CHENNAI – 600 096.

INDIA FORGE & DROP STAMPINGS LTD.

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

HDFC BANK
STATE BANK OF MYSORE
BANK OF BARODA
INDIAN OVERSEAS BANK
SYNDICATE BANK

COMPANY SECRETARY

R. SUBRAMANIAN

REGISTERED OFFICE

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



PLANTS

PUNE, FARIDABAD, CHENNAI

46th Annual Report 2006

NOTICE TO THE SHAREHOLDERS

Notice is hereby given that Forty Sixth Annual General Meeting of the Members of the Company will be held at 12.00 Noon on Friday the 29th September 2006 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, 2006.
2. To elect a Director in place of Mr. V. Dwaraknath 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
28th August, 2006

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 28.09.2006 to 29.09.2006 (both days inclusive)

INDIA FORGE & DROP STAMPINGS LTD.**DIRECTORS REPORT TO THE SHAREHOLDERS**

Your Directors are pleased to present the Forty Sixth Annual Report of the Company together with the Audited Financial Statement of the Company for the year ended 31st March, 2006

FINANCIAL RESULTS

	31-03-2006	31-03-2005
	(RUPEES IN LACS)	
Total Income	9576	8640
Earning before depreciation & Tax	442	342
Depreciation	177	169
Profit for the year before Tax	265	173
Provision for Tax		
a) Current Tax	105	70
b) Deferred Tax Liability	28	8
Profit for the year after Tax	133	95
Balance brought-forward	60	65
Profit Available for Appropriation	193	160
Transferred to General Reserve	100	100
Surplus Carried to Balance Sheet	93	60

PERFORMANCE

The Company achieved a turnover of Rs.96 Crores as against Rs.86 Crores in the previous year. The market for automotive industry being highly competitive, our customers are reluctant to compensate us even on increase in direct costs. The margins, therefore, continue to be under pressure.

DIVIDEND

The Board of Directors could not recommend a Dividend on the Equity Shares of the Company in view of the increase in the working capital requirement.

OUTLOOK

The rising price of Carbon & Alloy Steels is a matter of concern. The rising price of crude in the international market will affect our internal costing and may slow down the growth in the automotive industry. A high level of engineering skill and innovative methods in manufacturing would be key to arresting erosion in profits.

DIRECTORS

Mr. 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.

46th Annual Report 2006

BUYBACK OF SHARES

During the year the Company bought back 4,12,444 Equity Shares of a face value of Rs.10/- at a premium of Rs.2/-per share. The post buy-back Equity share in the Company stands reduced to Rs.298 Lacs..

CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO.

Information required as per Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 has been given in the Annexure forming part of this Report.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors state that:

- In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- The accounting policies as listed in the Schedule 16 to the financial statements have been selected and consistently applied and reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the company as on 31st March, 2006 and of the Profit of the Company for the accounting year ended on that day.
- Proper and sufficient care for maintenance of adequate accounting records has been taken in accordance with the provisions of the Act so as to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.
- The annual accounts have been prepared on a going concern basis.

AUDITORS

The Statutory Auditors M/s Singhi & Co. Chartered Accountants, who retire at the conclusion of the forthcoming Annual General Meeting have expressed their difficulty in continuing as Statutory Auditors of the Company due to their firm's re-organisation.

The Board of Directors place on record the valuable services rendered by the Auditors in the last four decades.

The Board of Directors has considered and appointed M/s T.R. Krishnamurthy & Associates, Chartered Accountants, Chennai to be the Statutory Auditors of the Company subject to the approval of the Shareholders.

ACKNOWLEDGMENT

The Directors wish to extend their thanks and appreciation to all the employees of the company at all levels and other business associates for their continued dedication and valuable contribution to the Company's operations during the year under review.

CHENNAI
28th August, 2006

By Order of the Board
For INDIA FORGE & DROP STAMPINGS LIMITED
Sd/- (DIPAK RAJ SOOD)
Vice Chairman & Managing Director

INDIA FORGE & DROP STAMPINGS LTD.

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.

FORM A
(See Rule 2)

A. POWER AND FUEL CONSUMPTION

1. ELECTRICITY		2005-2006	2004-2005
a) Purchased	Units(in lakhs)	42.03	29.68
Total Amount	Rs.(in lakhs)	205.00	193.24
Rate /Unit	Rs.	4.87	6.51
b) Own generation			
Units/Ltr. Of Diesel Oil			
Cost per unit			
2. FURNACE OIL			
Quantity	Ltrs.(in lakhs)	27.53	28.41
Total Amount	Rs.(in lakhs)	524.00	410.12
Average	Rs.	19.03	14.43
B) CONSUMPTION PER UNIT OF PRODUCTION			
Standards (if any)			
Products -Steel forgings Unit/Mt.			
made of Steel Forging			
a) Electricity	Units	436	416
b) Furnace Oil	Ltrs	286	251

FORM B
(See Rule 2)

RESEARCH AND DEVELOPMENT (R&D)

1. Specific areas in which R&D carried out by the Company :	—	—
2. Future plan of action	—	—
3. Expenditure on R & D	—	—
a) Capital	—	—
b) Recurring	—	—
c) Total	—	—
d) Total R & D expenditure as per percentage of turnover :	—	—

TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

1. Efforts in brief, made towards technology absorption, adoption and innovation :	—	—
2. Benefits derived as a result of the above efforts e.g. production improvement, Cost reduction, product development import substitution etc.	—	—

FOREIGN EXCHANGE EARNING ANF OUTGO

1. Activities relating to Exports	:Striving to increase its exports	
2. Initiatives taken to increase exports and development of new export markets for products and services and export plans:		
3. Total Foreign Exchange		
a) Used (Rs.in Lakhs) :	14.85	10.94
b) Earned (Rs. in Lakhs) :	161.00	200.49