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# India Forge

Report



## **48<sup>th</sup> Annual Report 2007-2008**

**INDIA FORGE AND DROP STAMPINGS LIMITED**

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

DAY : MONDAY

DATE : 29.09.2008

TIME : 11.00 A.M.

VENUE : REGD. OFFICE

5, SRINIVASA NAGAR,  
KOTTIVAKKAM,  
CHENNAI – 600 096.

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

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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  
AMARNATH LULLA

#### **AUDITORS**

M/s. KANNAN & RAM, CHENNAI.

#### **BANKERS**

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

#### **REGISTERED OFFICE**

5, SRINIVASA NAGAR,  
KOTTIVAKKAM,  
CHENNAI – 600 096.

#### **PLANTS**

PUNE, FARIDABAD, CHENNAI, RUDRAPUR

**NOTICE TO THE SHAREHOLDERS**

Notice is hereby given that Forty Eighth Annual General Meeting of the Members of the Company will be held at 11 A.M. on Monday, the 29<sup>th</sup> September, 2008 at the Registered Office of the Company at 5, Srinivasa Nagar, Kottivakkam, 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, 2008.
2. To elect a Director in place of Mr.Amarnath Lulla & Mrs Rupa Sood, who retires by rotation and are eligible for re-election
3. To appoint Auditors and fix their remuneration.

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

CHENNAI  
27<sup>th</sup> August, 2008

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 Share Transfer Books of the Company will remain closed from 26.09.2008 to 27.09.2008 (both days inclusive)

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

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### **DIRECTORS REPORT TO THE SHAREHOLDERS**

Your Directors are pleased to present the Forty Eighth Annual Report of the Company together with the Audited Financial Statement of the Company for the year ended 31<sup>st</sup> March, 2008.

#### **FINANCIAL RESULTS**

	31-03-2008	31-03-2007
	<b>(RUPEES IN LACS)</b>	
Total Income	10436	9911
Earning before Depreciation	310	345
Depreciation	241	211
Profit for the year before Tax	69	134
Provision for Tax	50	
Fringe Benefit Tax	5	55
Deferred Tax	16	35
Profit/(Loss) for the year after Tax	(-) 2	99
Balance brought forward	102	93
Profit Available for Appropriation	100	192
Transfer to General Reserve	—	90
Surplus Carried to Balance Sheet	100	102

#### **PERFORMANCE**

Although the Company's turnover has marginally increased from Rs.99.11 Crores to Rs.104.36 Crores, the profit margins declined due to steep increase in the cost of steel without corresponding reimbursement from the customers.

Another factor that has severely eroded profits of the year under review was a compelling need for the company to shift partially its manufacturing facilities to service annex customers' on their new locations at Rudrapur and Singur in the States of Uttaranchal & West Bengal. The operational benefits from these locations can only be expected over a period of time.

#### **DIVIDEND**

Due to sustained pressure on cash flow, the Board of Directors do not recommend any Dividend on the Equity Capital of the Company.

#### **OUTLOOK**

The entire automotive industry is slowing down since the beginning of this year. Our customers have dropped their production volumes by 15 to 40%, This has had a serious impact on our operations of the first quarter of the current year.

The Company is reorienting its manufacturing activities to combat the down turn and attempting to cut costs to meet the revised aspirations of the customers.

## **DIRECTORS**

Mr. Amarnath Lulla & Mrs. Rupa Sood, 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.

## **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:

- 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 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 31<sup>st</sup> March, 2008 and of the Profit of the Company for the accounting year ended on that day.
- c. 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.
- d. The annual accounts have been prepared on a going concern basis.

## **AUDITORS**

The Statutory Auditors M/s Kannan & Ram & Ram, Chartered Accountants, Chennai retire at the conclusion of the forthcoming Annual General Meeting and are eligible for reappointment. They will also conduct the branch audit of Faridabad, Pune, Rudrapur and Singur.

## **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 support, dedication and valuable contribution to the Company's operations during the year under review.

CHENNAI  
27<sup>th</sup> August, 2008

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		2007-2008	2006-2007
a) Purchased	Units(in lakhs)	53.65	49.65
Total Amount	Rs.(in lakhs)	266.64	246.93
Rate /Unit	Rs.	4.97	4.97
b) Own generation			
Units/Ltr. Of Diesel Oil			
Cost per unit			
2. FURNACE OIL			
Quantity	Ltrs.(in lakhs)	23.53	27.53
Total Amount	Rs.(in lakhs)	459.50	524.00
Average	Rs.	19.57	19.03

#### B) CONSUMPTION PER UNIT OF PRODUCTION

Standards (if any)			
Products -Steel forgings Unit/Mt. made of Steel Forging			
a) Electricity	Units	354	313
b) Furnace Oil	Ltrs	313	286

### 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 AND 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) :	12.64	20.85
b) Earned (Rs. In Lakhs) :	513.38	176