

17th

Annual Report
2000



HARIG

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HARIG CRANKSHAFTS LIMITED

BOARD OF DIRECTORS

(As on 29th September, 2000)

Mr. Anup Pandey	<i>Chairman</i>
Mr. Deshbir Singh	<i>Managing Director</i>
Mr. J. W. Tetteroo	
Mr. Anil Sharma	
Mr. N. S. Parulekar	
Mr. C. A. Venkateshwaran	
Mr. U. S. Shah	<i>Nominee IDBI</i>
Mr. M. M. Sikka	<i>Nominee IFCI</i>
Mr. N. Sinha	

COMPANY SECRETARY **Neelam Gupta**

REGISTERED OFFICE 607, Ansal Bhawan
16, Kasturba Gandhi Marg
New Delhi-110 001

WORKS C-49, Phase II, NOIDA
Distt.Ghaziabad (U.P.)

STATUTORY AUDITORS **M/s. J. K. Arora & Co.**
Chartered Accountants

BANKERS Bank of India
Central Bank of India
ANZ Grindlays Bank

MEMBERS MAY PLEASE NOTE

THAT NO GIFTS/COUPONS

SHALL BE DISTRIBUTED

AT THE MEETING

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NOTICE**HARIG**

Notice is hereby given that the Seventeenth Annual General Meeting of the Company will be held on Tuesday, the 28th November, 2000 at 9.30 A.M. at Charming Meadows, A-18, Ansal Farm Villas, Satbari (Dist. Mehrauli), New Delhi-110 030, to transact the following business :

ORDINARY BUSINESS

1. To consider, receive and adopt the Balance Sheet as at 31st March, 2000 and the Profit & Loss Account of the Company for the year ended on that date and the reports of the Directors' and the Auditors' thereon.
2. To appoint a Director in place of Mr. Anil Sharma who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. C. A. Venkateshwaran who retires by rotation and, being eligible, offers himself for re-appointment.
4. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an ORDINARY RESOLUTION :
"RESOLVED THAT pursuant to the provisions of Section 224A and other applicable provisions, if any, of the Companies Act, 1956, M/s. J. K. Arora & Co., Chartered Accountants, New Delhi, be and are hereby appointed as Auditors of the Company to hold office from conclusion of this meeting until the conclusion of next Annual General Meeting at a remuneration to be decided by the Board of Directors. Further, resolved that they be paid out of pocket expenses incurred in

the conduct of audit and duties performed by them other than those in their capacity as Statutory Auditors as approved by the Managing Director."

SPECIAL BUSINESS

5. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT Mr. Anup Pandey who was appointed as a Director on the Board of Directors to fill in the casual vacancy caused by the resignation of Mr. Ganga Din Yadav and who holds office upto the date of this Annual General Meeting and is eligible for appointment and in respect of whom the Company has received a Notice in writing, pursuant to Section 257 of the Companies Act, 1956, from a Member of Company proposing his appointment as Director of the Company and who has consented, if appointed, to act as Director of the Company and whose period of office shall be liable to determination by retirement of Directors by rotation be and is hereby appointed as a Director of the Company."

By Order of the Board
for HARIG CRANKSHAFTS LIMITED

(NEELAM GUPTA)
Company Secretary

Date : 29.9.2000

Place : New Delhi

Registered Office :

607, Ansal Bhawan

16, Kasturba Gandhi Marg

New Delhi-110 001

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING MAY APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY(IES) FORM(S) IN ORDER TO BE EFFECTIVE, DULY STAMPED, MUST REACH THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR THE MEETING.
2. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed hereto.
3. The Members are requested to notify change in their addresses, if any, specifying clearly the PINCODE NO.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 16th November, 2000 till Tuesday, 28th November, 2000 (both days inclusive).

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**ITEM NO. (5)**

Mr. Anup Pandey was appointed as a Director on the Board of Directors of the Company with effect from 2nd November, 1999 to fill in the Casual Vacancy caused by the resignation of Mr. Ganga Din Yadav and holds office upto the date of the ensuing Annual General Meeting of the Company.

Mr. Anup Pandey is an IAS Officer and holds at present the position of Jt. Managing Director, PICUP. Your Directors feel that it will be in the Company's interest and benefit to have his association and to gain from his wise counsel and hence recommend his appointment as a Director of the Company.

A notice has been received from a member as required in the terms of the provisions contained in Section 257 of the Companies Act, 1956, proposing Mr. Anup Pandey as the candidate for the office of Director liable to retire by rotation.

None of the Directors except Mr. Anup Pandey may be deemed to be concerned or interested in passing this Resolution.

HARIG**DIRECTORS' REPORT****TO THE MEMBERS**

Your Directors are pleased to present the Seventeenth Annual Report on the business and operations of the Company together with the audited Balance Sheet as at 31st March, 2000 and the Profit and Loss Account for the year ended on that date.

FINANCIAL RESULTS

Your Directors are pleased to inform that inspite of the difficult economic and industrial situation, the Company has registered a growth of 32% in the turnover of the Company.

The sales and total income of the Company for the year stood at Rs.1298.13 Lacs resulting in operating profit of Rs.154.02 Lacs. The net loss is Rs.2951.17 Lacs, after providing Rs.2669.38 lacs for interest and Rs.435.81 Lacs for depreciation and deferred revenue expenses.

FORGING INDUSTRY SCENARIO

Our Forging Plant is a Service industry catering to the HCV/LCV and Tractor segments. Both these sectors have shown very poor demand and there has been stagnation in their performance. In spite of this, the Company has achieved an increase in production of 46% in forgings and 24% in finished machined crankshafts. This is primarily due to development of new products. The Company could not attain higher production levels because of Working Capital constraints.

MARKETING

During the year under review, your Company has launched new products both in forgings as well as machined crankshafts. Regular supplies are being made to all major OEMs and State Road Transport Undertakings. The Company during the current financial year is scheduled to launch new products catering to the demands of heavy vehicles thereby increasing its manufacturing range. Your Company, during the current financial year will achieve further increase in its production and sales through larger volumes of new products developed.

DIVIDEND

Keeping in view the accumulated losses, your Directors regret their inability to recommend any dividend.

FIXED DEPOSITS

Your Company, during the year under review, has not accepted any deposit from the public within the meaning of Section 58A of the Companies Act, 1956.

APPOINTMENT OF AUDITORS

M/s. J. K. Arora & Co., Chartered Accountants hold the office until conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. The Company has received the requisite Certificate from M/s. J. K. Arora

& Co., Chartered Accountants to the effect that their re-appointment, if effected, would be within the limits prescribed under Section 224 (1-B) of the Companies Act, 1956.

AUDITORS' REPORT

Regarding Note 16, delays in payments of Provident Fund and Employees State Insurance dues on few occasions is due to deficient cash flow as a consequence of recessionary conditions in the market. Steps are being taken to bring the arrears up to date.

Rest of the Notes referred to in the Auditors' Report are self-explanatory and require no elucidation.

BIFR STATUS

The Company has negotiated for a One time settlement with the Financial Institutions leading to waiver of Rs.125.00 Crores towards Principal and Interest. This is subject to the approval of the Rehabilitation package by BIFR. The concessions will have a positive impact on the Company's Balance Sheet.

YEAR 2000

With all round steps taken through in-house expertise and outside agencies, your Company has smoothly migrated to the Year 2000 (Y2K) with Zero disruption in the operations, both hardware and software.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Energy Conservation continues to be an area of major emphasis in your Company. The Company has adopted the strategy of bringing about general awareness among all its employees regarding energy conservation. Particulars with respect to Conservation of Energy and other areas as per Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are annexed hereto and form part of this report.

There is no employee within the limits prescribed under Section 217 (2A) of the Companies Act, 1956 during the year.

DIRECTORS

In accordance with the provisions of Section 256 of the Companies Act, 1956 and Article 108 of the Articles of Association of the Company, Shri Anil Sharma and Shri C. A. Venkateshwaran, Directors retire by rotation and being eligible offer themselves for re-election.

During the year under review, Shri Ganga Din Yadav, Chairman of your Company resigned from the Board of Directors on 2nd November, 1999 and Shri Anup Pandey, Jt. Managing Director, PICUP was appointed as a Director to fill in the casual vacancy so caused and he ceases to

ANNEXURE TO THE DIRECTORS' REPORT**HARIG**

hold office on commencement of the ensuing Annual General Meeting but has consented to be appointed as a Director on the Board of Directors of your Company, liable to retire by rotation.

PERSONNEL

Your Directors record their deep appreciation of the valuable contribution and dedicated support and co-operation received from all sections of employees.

ACKNOWLEDGEMENTS

Your Directors wish to thank and acknowledge the support and assistance extended by PICUP, IFCL, IDBI, ICICI, Bank of India, the Central Government, Government of Uttar Pradesh and the local authorities.

Your Directors wish to place on record their appreciation for the continued help and co-operation extended by the Foreign Collaborator and Harig India Limited to our Company.

Your Directors also wish to place on record their admiration of the dedicated efforts put in by the officers and staff at all levels.

The Directors are grateful to you, the shareholders for your continued patronage.

for and behalf of the Board of Directors

Deshbir Singh
Managing Director
Anil Sharma
Director

Place : New Delhi
Date : 29.9.2000

INFORMATION AS PER SECTION 217 (1) (e) READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2000 :

A. CONSERVATION OF ENERGY

The Company has over the previous years taken several steps to conserve energy wherever possible. This continues to remain an area with studies, discussions and analysis being undertaken regularly for further improvements.

FORM 'A'

Form for Disclosure of Particulars with respect to Conservation of Energy.

	For the Year Ending March, 2000	For the Year Ending March, 1999
A. Power and Fuel Consumption		
1. Electricity		
Purchased		
Unit (Lacs)	14.75	21.52
Total Amount (In Lacs)	Rs. 107.98	Rs.123.84
Rate/Unit	Rs. 7.32	Rs.5.75
2. Diesel Oil		
Quantity (Kltrs.)	14.32	455.20
Total Amount (in Lacs)	Rs.1.95	Rs.36.89
Average Rate/Unit per Ltr.	Rs.13.62	Rs.8.10
3. Own Generation		
Through Diesel Generator		
Unit (Lacs)	0.50	0.26
Total Cost (Lacs)	1.95	1.48
Cost per Unit (Rs.)	3.90	5.75