

24th

Annual Report

2007



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HARIG

HARIG CRANKSHAFTS LIMITED

BOARD OF DIRECTORS

Mr Deshbir Singh

Chairman cum Managing Director

Mr J.W Tetteroo

Mr Anil Sharma

Mr N.S Parulekar

Mr Devender Singh

Mr N.Sinha

Mr. Gopal Patwardhan

Mr. Sushil Nanda

COMPANY SECRETARY

Mr. Hemant Singhal

REGISTERED OFFICE & WORKS

C-49, Phase II, Noida,
Distt. Gautam Budh Nagar - 201 305
Uttar Pradesh

STATUTORY AUDITORS

M/s J.K Arora & Co.
Chartered Accountants

BANKERS

Bank of India

REGISTRAR & SHARE TRANSFER AGENT

Beetal Financial & Services (P) Ltd
Beetal House, 3rd Floor, 99, Madangir,
Behind Local Shopping Centre,
Near Dada Harsukhdas Mandir,
New Delhi - 110062.

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 Twenty Forth Annual General Meeting of HARIG CRANKSHAFTS LIMITED (the "Company") will be held on Saturday, 29th September 2007 at 11.00 A.M. at C-49, NOIDA Phase II, Dist. Gautam Budh Nagar 201 305 U.P. to transact the following business.

ORDINARY BUSINESS

1. To consider, receive and adopt the Balance Sheet as at 31st March, 2007 and the Profit and Loss Account of the Company for the year ended on that date and the report of the Directors and the Auditor's 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. N. Sinha, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a director in place of Mr. J.W. Tetterroo, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To consider and approve appointment of Auditors.

SPECIAL BUSINESS

6. Appointment of Director

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

"RESOLVED THAT Mr. Sushil Nanda, be and is hereby appointed as a Director of the Company, liable to retire by rotation".

Place: NOIDA

Date: 31st July 2007

By order of the Board

For HARIG CRANKSHAFTS LIMITED

HEMANT SINGHAL
COMPANY SECRETARY

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY (IS) 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 HOLDING THE MEETING.
2. The Members are requested to notify change in their addresses, if any, specifying clearly the PIN CODE No.
3. The Register of Members and Share Transfer Books of the Company relevant thereto shall remain close from 25th September 2007 till 28th September 2007 (both days inclusive).
4. Members who hold shares in the dematerialized form are requested to indicate without fail their DP ID and Client ID Numbers in the attendance slip.
5. Members holding shares in the physical form are encouraged to nominate a person to whom his shares in the company shall vest in the event of his death.
6. Members are requested to affix their signature at the space provided on the attendance slip annexed to the proxy form and hand over the slip at the entrance to the place of the meeting.

7. As the Equity Shares of the Company of the nominal value of Rs. 10/- each has been sub-divided into 10 (Ten) Equity Shares of Re. 1/- each, the members who hold the shares in physical form are requested to surrender their share certificates to Beetal Financial & Services Pvt. Limited (Registrar & Transfer Agent of the Company) for getting new share certificates issued in lieu of the old certificates consequent upon the split of equity shares.
8. The relative explanatory statement pursuant to Section 173 of the Companies Act 1956 in respect of item No. 6 is annexed hereto:

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT 1956**IN RESPECT OF ITEM NO. 6.**

Mr. Sushil Nanda was appointed as an Additional Director to hold office until the conclusion of ensuing Annual General Meeting. Mr. Sushil Nanda is an Engineering Professional and has rich and varied experience in management of Industrial Enterprises. The Board of Directors are of the opinion that association of Mr. Nanda shall immensely benefit the company, and accordingly, recommend to the members his candidature for the position of Director of the Company.

The Company has received notice under Section 257 of the Companies Act 1956 proposing the candidature of Mr. Nanda as a Director of the Company.

No other Director except Mr. Sushil Nanda himself may be deemed to be interested in the said item of business.



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

Your Directors are pleased to present the Annual Report for the year 2006-07 on the business and operations of the Company together with Balance Sheet as at 31st March 2007 and Profit and Loss Account for the year ended on that date.

FINANCIAL PERFORMANCE**(Rs. in Lacs)**

	2006-07	2005-06
Total Income	5603.87	4768.17
Operating Profit	728.56	573.17
Less: Interest	173.51	196.58
Cash Accruals	555.05	376.59
Less: Depreciation	299.68	278.30
Profit before Tax	255.37	102.48
Provision for Taxation (including FBT)	3.43	4.19
Profit after Tax	251.94	98.29

During the year the company registered a growth of 17% in total income and 27% in Operating Profit as compared to the previous year. The Net Profit for the year increased by 156% from Rs. 98.29 lacs in 2005-06 to Rs. 251.94 lacs in the Current year. The same was achieved due to constant monitoring of operations and inspite of fierce competition prevailing in the Auto Component industry.

FUTURE OUTLOOK AND PROSPECTS

The country has been identified as cost effective option for manufacture of Auto components by Automobile majors. This shall result in cost benefit advantages to the Company. The Company has undertaken expansion of Crankshaft Machining facilities and the same are likely to be operational by the end of 2007. This expansion shall place your company as a leading Crankshaft Manufacturer for heavier vehicles.

The above expansion project is being financed by raising Equity Share Capital and availing Rupee Term Loan from Banks.

However, the availability and price of steel the major cause of concern for the industry.

SHARE CAPITAL

The issued and subscribed Share Capital of the Company was increased by Rs. 150 lacs on account of conversion of 150 lacs Warrants in to Equity Shares. During the year under review the Company issued 2,00,00,000 Equity Shares of Re. 1/- each at a total price of Re. 3.10 per share, and also issued 6,00,00,000 Warrants convertible in to Equity Shares at a price of Rs. 3.10 per share, within 18 months from the date of allotment. The issued and subscribed Share Capital at the close of the financial year stands at Rs. 3943.89 lacs.

DIVIDEND

Your Directors do not recommend any dividend for the year.

DIRECTORS

Mr. Sushil Nanda was appointed as an Additional Director on the Board of the Company and he holds office until the conclusion of the ensuing Annual General Meeting of the Company. Mr. Nanda being eligible offers himself for re-appointment.

Mr. Anil Sharma, Mr. N. Sinha and Mr. J.W. Tetterroo, Directors retire by rotation and being eligible offer themselves for re-election.

HARIG**REPORT OF DIRECTORS & MANAGEMENT DISCUSSION****AUDITORS AND AUDITORS' REPORT**

M/s. J.K. Arora & Co. Chartered Accountants hold office until the conclusion of the ensuing Annual general Meeting and have signified that they are eligible for re-appointment.

The observations of the auditors have been explained by way of notes to accounts.

PERSONNEL

During the year, none of the employee was in receipt of remuneration as prescribed under section 217(2A) of the Companies Act, 1956.

DIRECTORS RESPONSIBILITY STATEMENT

Your Directors' declare:

1. that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
2. that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and Fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period.
3. that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities.
4. that the directors had prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENTS

Your Directors" place on record the assistance extended by All India Financial Institutions, Banks, PICUP, the Central and State Government of Uttar Pradesh, and customers of the company.

Your Directors are grateful to the shareholders for their continued support.

For and on Behalf of the Board

Place: NOIDA

Dated: 31st July 2007

DESHBIR SINGH

CHAIRMAN & MANAGING DIRECTOR

ANNEXURE TO THE DIRECTOR REPORT**HARIG**

INFORMATION AS PER SECTION 217(E) READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTOR'S REPORT FOR THE YEAR ENDED 31ST MARCH, 2007.

1. Conservation of Energy

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

FORM 'A'

Form of disclosure of Particulars with respect to Conservation of Energy.

A Power and Fuel Consumption

	For the year ending March 2007	For the year ending March, 2006
a 1. Electricity Purchase		
Units (Lacs)	44.39	36.28
Total/Amount (Rs. In Lacs)	203.80	170.90
Rate /Unit	4.57	4.71
2. Diesel Oil		
Quantity (Kltrs.)	1.97	1.99
Total Amount (Rs. In Lacs)	21.91	17.60
Average Rate/unit per ltr.	9.01	8.84

b. Consumption per unit of Production

	Machined Crankshafts (per Crankshafts)			Forgings (Per k.g.)		
	Standard (if Any)	Current Year	Previous Year	Standard (if any)	Current Year	Previous Year
Electricity (Kwt)		180.50	187.27	-	2.48	2.52

B. TECHNOLOGY ABSORPTION**FORM 'B'**

Disclosure of Particulars with respect to absorption, research & development (R&D)

A Research and Development (R&D)**1. Specific areas in which R & D carried out by the Company**

Research & Development is carried out for development of new products and for the improvement in the production process and quality of products.

2. Benefits derived as a results of the above R & D

The Company has improved the quality of existing products and entered into new products and has also been able to reduce the cost of production.

3. Future Plan of Action

The Management is committed to strengthen R & D activities to improve its competitiveness in times to come.

4. Expenditure on R & D

(i) Capital (ii) Recurring (iii) Total (iv) Total R & D expenditure as a percentage of total turnover.

The Company intends to make R&D integral part of the Corporate Philosophy and attains to develop consciousness for devising new technologies and processes at all levels and with this objective in view, the expenditure incurred on Research & Development has not been quantified and segregated.

C Technology Absorption, Adoption and Innovation**1. Efforts in brief, made towards technology absorption, adaptation and innovation**

The company has continued with its efforts to absorb the Press Forgings Technology and manufacture of Forging dies for it, with the help of Computer Aided Design/Computer Aided Manufacturing (CAD/CAM) for efficient and precise manufacture of Forging Dies. In addition, the new processes and technologies developed through R&D have been adapted and absorbed in manufacturing techniques.

ANNEXURE TO THE DIRECTOR REPORT

2. Benefits derived as a result of the above efforts e.g. Product Improvement, Cost Reduction, Product development, Import substitution etc.

By virtue of the measures adopted by the Company and which are in process, the efforts shall result in optimization of Raw Material utilization, lesser machining time, consequent reduction in energy consumption, better metallurgical properties, significant reduction in cost of production and also consumer satisfaction.

C. Foreign Exchange Earnings & Outgo

During the year, the Company has spent Rs. 124298 (Traveling) and Rs. 10154427 (capital goods) in foreign exchange.

SHAREHOLDERS INFORMATION

The Companies Securities are listed at the following two Stock Exchanges in India:

1. The Delhi Stock Exchange Association Limited
2. The Stock Exchange, Mumbai