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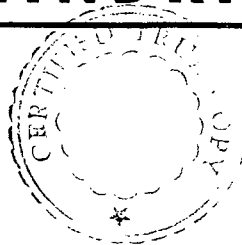
Annual Report 1996-97

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


HIGH TENSILE FASTENERS

MOHINDRA FASTENERS LTD.



for Mohindra Fasteners Limited


Authorised Signat

MOHINDRA FASTENERS LTD.

HIGH TENSILE FASTENERS

ANNUAL REPORT 1996-97

BOARD OF DIRECTORS

Sh. Deepak Arneja	Managing Director
Sh. Ravinder Mohan Juneja	Managing Director
Sh. Anuraag Arneja	Director
Sh. Jatinder Pal Narang	Director
Sh. Yogesh Munjal	Director
Sh. Hemant Chickel	Director
Sh. Ranbir Singh Narang	Director
Sh. R.K. Gupta	Nominee Director -HSIDC

AUDITOR'S

STATUTORY

M/s Amar Nath & Co.
M/s Lodha & Co.

INTERNAL

M/s GSK & Associates

BANKER'S

Bank Of India New Delhi Corporate
Banking Branch,
New Delhi.

REGISTERED OFFICE

304, Sasco Bhawan
Azadpur Commercial Complex
Delhi-33.

WORKS

60TH K.M.STONE
Delhi Rohtak N.H.No.10
V & P.O.Kharawar
District Rohtak(Haryana)

MOHINDRA FASTENERS LTD.

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NOTICE

Notice is hereby given that the Third Annual General Meeting of the members of the company will be held at Jeet Farm House BAKHTAWERPUR, DELHI-36, on Saturday the 27th day of December, 1997 at 11.00 A.M. to transact the following business :

(A) ORDINARY BUSINESS

1. To receive, consider & adopt the Audited Balance sheet as at 31st March, 1997 & Profit & Loss Account for the year ending on that date together with Directors & Auditors report thereon.
2. To appoint a director in place of Shri Anuraag Arneja who retires by rotation & being eligible, offers himself for the re-appointment.
3. To appoint a director in place of Shri Yogesh Munjal who retires by rotation & being eligible, offers himself for the re-appointment.
4. To appoint Auditors and fix their remuneration and in this connection to consider & if thought fit to pass with or without modification(s) the following resolution :-
- (5) "RESOLVED that, pursuant to the provision of section 224 of the Companies Act, 1956, M/s Amarnath & Co., Chartered Accountants hereby appointed as an Auditor's of the company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the company and the Board of Directors be and is hereby authorised to fix their remuneration for the said period :"

(B) SPECIAL BUSINESS

To consider & if thought fit to pass with or without modification(s) the following resolution as an ORDINARY RESOLUTION

5. "RESOLVED that Shri Hemant Chikhal a Director of the company who was appointed as an Additional Director in the meeting of the Board of Directors held on 25 September, 1997 and who holds office as such upto the date of this Annual General Meeting and in respect of whom notices under section 257 of the Companies Act, 1956 have been received from some members signifying their intention to propose Shri Hemant Chikhal as a candidate for the office of Director of the Company be and hereby appointed as a Director of the Company."
6. "RESOLVED that Shri Ranbir Singh Narang a Director of the company who was appointed as an Additional Director in the meeting of the Board of Directors held on 25 September, 1997 and who holds office as such upto the date of this Annual General Meeting and in respect of whom notices under section 257 of the Companies Act, 1956 have been received from some members signifying their intention to propose Shri Ranbir Singh Narang as a candidate for the office of Director of the Company be and hereby appointed as a Director of the Company."

To consider & if thought fit to pass with or without modification(s) the following resolution as an SPECIAL RESOLUTION.

7. RESOLVED that subject to the approval of Central Government & other necessary approvals under Sec. 297 & 314 and other applicable provisions of the Companies Act, 1956 or any other act, if required. The Board of Directors of the Company be & are hereby authorised to deal, (Sale/

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Purchase) with M/s Munjal Showa Limited, a company controlled by Mr. Yogesh Munjal, Managing Director as a Board deem fit according to prevailing market conditions from time to time."

8. "RESOLVED that subject to the approval of Central Government & other necessary approvals under Sec. 297 & 314 and other applicable provisions of the Companies Act, 1956 or any other act, if required The Board of Directors of the Company be & are hereby Authorised to pay to M/s C.V. Trading & Investment Co. Pvt. Ltd., a company controlled by Mr. Hemant Chickhal, Director of Company, an interested director under section 297 & 314 of the Companies Act, 1956, for using of their office alongwith other facilities at such terms & conditions which Directors as a Board deem fit."
9. "RESOLVED that subject to the approval of Central Government & other necessary approvals under sec. 297 & 314 and other applicable provisions of the Companies Act, 1956 or any other act, if required. The Board of Director of the Company be and are hereby authorised to deal with M/s Kanpur-Delhi Goods Carrier Pvt. Ltd., a company controlled by Mr. J.P. Singh Narang & Mr. Ranbir Singh Narang, Directors of the company, an interested Director for the purpose of sec. 297 & 314 of the Companies Act, 1956, for transportation services provided to the company, at such terms & conditions which Directors as a Board deem fit."
10. "RESOLVED that in consideration of Mr. Ravinder Mohan Juneja, Managing Director of the company and Mrs. Indira Juneja, having mortgaged their property situated at 1186-B DLF Colony, Rohtak, Haryana, offered as Collateral security on a parri-passu charge in favour of M/s Haryana Financial Corporation to secure a term loan of Rs.200 lacs and in favour of M/s Haryana State Industrial Development Corporation to secure a term loan of Rs.190 lacs to the company, the company shall execute necessary Deed of indemnity in favour of Mr. Ravinder Mohan Juneja & Mrs. Indira Juneja indemnifying them against all losses, costs and expenses sustained or to be incurred by him in the event of the Haryana Financial Corporation and Haryana State Industrial Development Corporation making any claims or demands against them."
11. "RESOLVED that in consideration of Mr. Gobind Lal Arneja, having mortgaged his property situated at C 1/21, Model Town (Ground Floor) and at D14A/13, Model Town (jointly owned with Mrs. Meena Arneja), offered as collateral security in favour of Bank of India, to secure the working capital facility extended by the Bank to the Company, the Company shall execute necessary Deed of idemnity in favour of Mr. Govind Lal Arneja & Mrs. Meena Arneja indemnifying him against all losses, costs and expenses sustained or to be incurred by them in the event of the Bank making any claims or demands against them."
12. "RESOLVED that in consideration of Mr. Mukesh Arneja, having mortgaged his property situated at C1/21, Model Town Delhi, (First Floor), offered as collateral security on a parri-passu charge in favour of Haryana Financial Corporation to secure a term loan of Rs. 200 Lacs and in favour of Haryana State Industrial Development Corporation to secure a term loan of Rs.190 Lacs to the company, the company shall execute necessary Deed of indemnity in favour of Mr. Mukesh Arneja indemnifying him against all losses, costs and expenses sustained or to be incurred by

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him in the event of the Haryana Financial Corporation and Haryana State Industrial Development Corporation making any claims or demands against him."

13. "RESOLVED that in consideration of Mrs. Meena Arneja, having mortgaged her property situated at C 1/21 (Second Floor), Model Town, Delhi (jointly owned with Shri Gobind Lal Arneja), offered as a collateral security in favour of Bank of India, to secure the working capital facility extended by the Bank of the Company, the Company shall execute necessary Deed of indemnity in favour of Shri Gobind Lal Arneja & Mrs. Meena Arneja indemnifying him against all losses, costs and expenses sustained or to be incurred by them in the event of the Bank making any claims or demands against them."

BY ORDER OF THE BOARD

Regd. Office: 304, Sasco Bhawan
Azadpur Commercial Complex,
New Delhi-33.

Place : Delhi

Date : 27 th October, 1997

Mang. DIRECTOR

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES ATTEND ON A POLL, TO VOTE INSTEAD OF HIMSELF. THE PROXY MUST BE RETURNED SO AS TO REACH THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR HOLDING THE AFORESAID MEETING. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Shareholders are requested to intimate change of address, if any, to the Company immediately.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT U/S 173(2) OF THE COMPANIES ACT, 1956.

ITEM NO. 5 & 6

Sh. Hemant Chikhal & Sh. Ranbir Singh Narang both are appointed as an additional director in the meeting held on dated 25th day of September, 1997 till the date of ensuing Annual General Meeting. As per the provisions of sec.260 of the Companies Act, 1956 that the appointment of an additional director holds office only up to the date the next Annual General Meeting of the Company from the date of appointment in Board Meeting. Notice u/s 257 of the Act has been obtained from the members for their appointment as a Director of the Company, if they are appointed in the ensuing General Meeting on the board they will be treated as director retire by rotation for the purpose section 256 of the Act.

Except the directors to be appointed, None of the other Director is an interested director within the meaning of sec.297 in the above resolution.

ITEM NO. 7, 8 & 9

As per the provisions of section 297 of the Companies Act, 1956, that to deal with a concern in which

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a director or any other managerial person is interested and company having paid capital of not less than Rs. One Crore require approval of central Government, further provisions of section 314 of the Companies Act, 1956 require the approval of Shareholders for dealing with the Director, etc. to hold office or place or profit.

Mr. Yogesh Munjal, Director of the Company is controlling the M/s Munjal Showa Ltd. to which the company sells its products as fasteners, Mr. Hemant Chickhal, Director of the company controlling M/s C.V. Trading & Investment Co. Pvt. Ltd., from which company is availing Facilities for its Bombay office and Mr. J.P. Singh Narang & M/s. Kanpur-Delhi Goods Carriers Pvt. Ltd. from which the company is availing transportation facilities.

Mr. Yogesh Munjal, Mr. Hemant Chickhal & Mr. J.P. Singh Narang & Ranbir Singh Narang are respectively concerned or interested in the above mentioned resolutions even though they do not have any abnormal advantage. None of the other Directors of the Company is directly or indirectly concerned or interested in the above resolutions.

ITEM NO. 10, 11, 12, & 13

Mr. Ravinder Mohan Juneja, Managing Director, Mrs. Indira Juneja, Mr. Mukesh Arneja, Mr. Gobind Lal Arneja & Smt. Meena Arneja, Promoters of the company have mortgaged their properties as collateral assistance provided by them. To indemnify them against all losses, costs and expenses sustained or to be sustained by them in the event of the Financial Institutions and Bank's making any claims or demands against them. It requires the approval of shareholders of the company"

Mr. Ravinder Mohan Juneja, Mr. Anurag Arneja & Mr. Deepak Arneja are are concerned or interested in the above mentioned resolutions even though they do not have any abnormal advantage. None of the other Directors of the Company is directly or indirectly concerned or interested in the above resolutions.



for Mohindra Fasteners Ltd. Ltd.

(Signature)
Authorised Signatory

MOHINDRA FASTENERS LTD.

HIGH TENSILE FASTENERS

DIRECTORS REPORT

TO

The Members

Your Director have a pleasure in presenting the Third Annual Report and Audited Statement of Accounts for the year ended March 31, 1997.

FINANCIAL RESULTS

	For the period 31st March '97 Rupees
Sales/Other Income	2688536
Losses before Depreciation	1955497
Depreciation for the year	1055132
Losses for the year carried over	3010634

The losses has been due to higher amount of interest payment to the financial institutions and the commercial production could be commenced only from December, 1996. The amount of loss is carried forward as debit balance in the profit & loss Account.

PROJECT

We are at pleasure to inform you that after a long efforts company had installed successfully its proposed project for manufacturing High Tensile Fasteners at Rohtak with your valuable support and of Financial Institutions too. We got first commercial production in month of December, 1996.

PRODUCT

The company is manufacturing the high tensile fasteners under the name & style of "MFL". Our product has already been approved by leaders i.e. Hero Honda, Munjal Shows, Clutch Auto, Telco & LML etc. We are trying to serve the replacement market also.

DIRECTORS

Mr. Anuraag Arneja & Mr. Yogesh Munjal, Director of the Company who retire by rotation and being eligible offers themselves for reappointment.

During the year Company has appointed Mr. Hemant Chickhal & Mr. Ranbir Singh Narang as an additional Directors, Company has received notice from members under Section 257 for candidature for appointment of Directorship.

The Board of Directors wish to place on record their appreciation of the valuable contribution made by Mr. Mukesh Arneja & Mr. Shyam L. Raheja during their association with the company, who vacated this Office during the year.

AUDITORS' REPORT

The observation made in Auditors' Report are self explanatory and do not require further clarifications.

AUDITORS

M/s. Amar Nath & Co., Auditors of the Company, retire in accordance with the provisions of Section 224 of the Companies Act, 1956 and being eligible offer themselves for reappointment in the ensuing Annual General Meeting.

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Company has received a letter from M/s Lodha & Co., Chartered Accountants regarding his unwillingness to continue to act as Auditors of the Company due to pre-occupation jointly with M/s Amar Nath & Co., Chartered Accountants. Directors wish to place on record their appreciation of the valuable services made by them during their association with the company.

EMPLOYEE RELATIONS

The company enjoyed harmonious relations with all employees in its factory and office.

FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year we have incurred for the followings in foreign exchange

Items	Amount (Rs.)
Raw Materials	17,21,210
Capital Goods	2,38,45,655
Travelling Expenses	19,651

There was no earning in the foreign exchange

PARTICULARS OF EMPLOYEES

Information in accordance with sub section 2(a) of Section 217 of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 is given as an Annexure to this Report.

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

Your Company is making all efforts to put stress on energy conservation by taking measure to ensure that plant be kept continuous running and idle time is reduced to bare minimum. For conservation of energy refer to Annexures to the Director's Report.

There is no technical collaboration.

The product "Fasteners" is used wherever any joints/or components have to be tightened/fastened. The product is being made on imported multistation Bolt formers which were imported from Taiwan. The company is using cold forging technology and has latest forging machinery backed by supporting machinery of reputed manufacturers. The company has adequate infrastructure and sufficient technical knowhow in terms of man & machine.

As the cold forging technology does not involve any loss of energy and there is no change in the technology whatsoever. It is only the machines become more advanced or fast with the passage of time keeping the cold forging technology as same.

FIXED DEPOSIT

During the year the company did not accept any Fixed Deposit covered under Section 58-A of the Companies Act, 1956.

DIVIDEND

There is no dividend recommended by the Board of Directors.

ACKNOWLEDGEMENT

The Director wish to place on record their appreciation for the dedication, commitment and enthusiasm of all the people at all levels at Mohindra Fasteners Limited. The Directors therefore wish to convey their appreciation to all employees of Mohindra for their individual and collective contribution to the Company's performance. The Directors would also like to thank Mohindra's shareholders, customers, suppliers, bankers, RCTC and financial institution for the support they have given to the Company and the confidence which they have reposed in its management.

BY ORDER OF THE BOARD

REGD. OFFICE : 304, Sasco Bhawan
Azadpur Commercial Complex,
New Delhi-33
Date : 27th October, 1997

MG. DIRECTOR