

MD	<input checked="" type="checkbox"/>		BKC	<input checked="" type="checkbox"/>
CS	NA		DPY	NA
RO	<input checked="" type="checkbox"/>		DIV	NA
TRA	NA		AC	<input checked="" type="checkbox"/>
AGM	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	SHI	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>

Annual Report 1997-98

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HIGH TENSILE FASTENERS

MOHINDRA FASTENERS LTD.



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HIGH TENSILE FASTENERS

ANNUAL REPORT

1997-98

BOARD OF DIRECTORS

Sh. Deepak Arneja	Managing Director
Sh. Ravinder Mohan Juneja	Managing Director
Sh. Anurag Arneja	Whole Time Director
Sh. Jatinder Pal Singh Narang	Director
Sh. Yogesh Munjal	Director
Sh. Hemant Chickel	Director
Sh. Ranbir Singh Narang	Director
Sh. Ghanshyam Das Soni	Director
Sh. Mangal Kant Kothari	Director (Nominee -RCTC)
Sh. R.K. Gupta	Director (Nominee -HSIDC)

AUDITOR'S

STATUTORY

INTERNAL

M/s Amar Nath & Co.

M/s GSK & Associates

BANKER'S

Bank of India

New Delhi Corporate
Banking Branch,
New Delhi.

REGISTERED OFFICE

UG-3A, Sasco Bhawan,
Azadpur Commercial Complex
Delhi-110 033

WORKS

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

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NOTICE

Notice is hereby given that the Fourth Annual General Meeting of the members of the company will be held at Jeet Farm House, Bakhatwerpur, Delhi-36, on Saturday the 14th day of November, 1998 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, 1998 & Profit Loss Account for the year ending on that date together with Directors & Auditors report thereon.
2. To appoint a director in place of Sh. Jatinder Pal Singh Narang who retires by rotation & being eligible, offers himself for the re-appointment.
3. To appoint a director in place of Sh. Hemant Chickel 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 as an ORDINARY RESOLUTION.
"RESOLVED" that, pursuant to the provision of section 224 of the Companies Act, 1956, M/S Amarnath & Co., Chartered Accountants hereby appointed as Auditors of the company to hold office from 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 Sh. Ghanshyam Das Soni, Director of the company who was appointed as an Additional Director in the meeting of the Board of Directors held on 2nd March, 1998 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 Sh. Ghanshyam Das Soni 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.

6. "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/ Purchase/Job Work) with M/s. R. R. Metal & Surface Finishers, Rohtak, a firm controlled by relatives

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of Sh. Ravinder Mohan Juneja, Managing Director of the Company is an interested Director under sec. 297 & 314 of the Companies Act, 1956, at such terms & conditions, which Directors as a Board deem fit according to prevailing market conditions from time to time."

7. "RESOLVED that subject to all applicable provisions of the Companies Act, 1956, (including any statutory modification(s) or re-enactment thereof and any Ordinance promulgated in this regard for the time being in force and as may be enacted/promulgated from time to time) and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granted such approvals, permissions and sanctions, which may be agreed to, by the Board of Directors of the Companies (hereinafter referred to as the "Board"), the consent of the company be and is hereby accorded to the Board to buy-back, from the existing holders of Shares of the Company, on a proportionate basis and/or from the open market and/or from the lots smaller than market lots of the Securities (odd lots), the shares or such other securities or securities having such underlying voting rights as may hereafter be notified by the Central Government or any other regulatory authority, from time to time (herein for brevity's Sake referred to as "the Securities)", of the Company, from out of its free reserves or out of the proceeds of any issue made by the Company specifically for the purpose, or from such other sources as may be permitted by law, on such terms, conditions and in such manner as may be prescribed by law from time to time of the Company."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts and thinks and deal with all such matters and take all such steps in this regard as it may, in its absolute discretion, deem necessary fit for proper."

By Order of the Board

Place : Rohtak
Date : 29th Aug. 1998

SD/-
(DEEPAK ARNEJA)
Mg. Director

NOTES :

1. 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. Register of members and share transfer books of the Company will remain closed from 28th Sept., 1998 to 29th Sept. 1998 (both days inclusive.)
3. Shareholders are requested to intimate change of address, if any, to the Company immediately.

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ANNEXURE TO THE NOTICE

Explanatory Statement U/S 173 (2) of the Companies Act, 1956.

ITEM NO. 5

Sh. Ghanshyam Das Soni was appointed as an additional director in the meeting of Board of Director held on dated 2nd day of March, 1998 til 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 received from members for his appointment as a Director of the Company, if he is appointed in the ensuing Annual General Meeting, on the board he will be treated as director retire by rotation for the purpose of 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. 6

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

Mr. Ravinder Mohan Juneja, Managing Director of the Company whose relatives are controlling the business of M/s R.R. Metal & Surface Finishers situated at Rohtak from which your company is obtaining services on Job work basis.

Mr. Ravinder Mohan Juneja is concerned or interested in the above mentioned resolution even though he does not have any abnormal advantage. None of the other Directors of the Company is directly or indirectly concerned or interested in the above resolution.

ITEM NO. 7

Buy Back of Own shares by the Companies is presently not allowed under the Companies Act, 1956. The Companies bill, 1997, sought to lay down the operative provisions to regulate the buy back of shares/securities by companies. The said bill has not yet become the law. It is expected that, in due course of time, the law will be amended to allow such buy back.

It is proposed to buy back own shares from the existing shares holders on a proportionate basis and/or from the open market and/or from the lots smaller than market lots of the securities (odd lots), subject to necessary enactment in this regard.

The buy back of shares as aforesaid would entail investing of an amount which would not be less than this market value of the shares shall be met out of the free reserves and/or out of the proceeds of an issue specifically made for the purpose or from such other sources as may be permitted by law. The shares so bought back shall be dealt with as per the then prevailing law/regulation.

The Board is of the opinion that it will be in the best interest of the Company if shareholders approve the said resolution, permitting such buy back, so that the Company will be able to implement this resolution once the law is amended.

The resolution, if approved, will be operative and given effect to from the applicable date as may be prescribed in this regard.

None of the Directors of the Company is, in any way, concerned or interested in the resolution.

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DIRECTORS REPORT

To

The Members

Your Directors feel pleasure in presenting the Fourth Annual Report and Audited Statement of Accounts for the year ended March 31, 1998

FINANCIAL RESULTS

	<i>For the period</i>	
	<i>31st March '98</i>	<i>31st March '97</i>
	<i>Rupees</i>	
Sales/Other Income	32470728	2688536
Profit/(Losses) before Intt. & Dep.	8467351	546921
Profit/(Losses) before Depreciation	(2233854)	(1955497)
Depreciation for the year	3479504	1055132
Losses for the year	(5713358)	(3010634)
Total (Losses) carried forward	(8723992)	(3010634)

The recession in the world economy especially in the South Asian countries & in the Automobiles segment has badly affected the profitability of the company inspite of the tremendous achievement on the Export front. The company was sanctioned & disbursed Term Loans in the tight money market conditions and hence the debt, being expensive, has been an instrumental reason for the company not being able to achieve the desired bottom line of profitability as envisaged originally. The amount of loss is carried forward as debit balance in the profit & loss account.

BUSINESS REVIEW

The Company achieved a total turnover of Rs. 25.00 Lacs (Appx.) as on 31st March, 1998 and Rs. 110.00 Lacs (Appx.) within 4 months for the period ended as on 31st July 1998 in Export and the Company having good export orders in hand. Your Company is currently supplying standard & special fasteners to Austria, Germany, Belgium, Holland, Norway, Switzerland & U.S. and U.A.E. markets. The Company has been able to start the supplies to reputed companies like Hero Honda Motors Ltd., Subros Ltd., LML, Gabrial, Munjal Showa Ltd. & many other customers. The Company has also made a sizeable presence in the replacement market.

DIRECTORS

Mr. Jatinder Pal Singh Narang & Mr. Hemant Chickel, Director of the company who retire by rotation and being eligible offers themselves for reappointment. During the year Company has appointed Mr. Ghanshyam

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Das Soni as an Additional Director, Company has received notice from members under Section 257 for candidature for appointment of directorship and Mr. Mangal Kant Kothai has been appointed as nominee Director of Risk Capital Technology Corporation Limited.

The Board of Directors wish to place on record their appreciation for the valuable contribution and moral support made by Mr. Yogesh Munjal during his association with the company, who vacated this office during the year, Mr. Yogesh Munjal remained a guiding spirit for the company throughout his tenure.

AUDITORS REPORT

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

AUDITORS

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

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 earned / incurred following in foreign exchange.

EXPORTS

Export in F.O.B. value Rs. 28,75,068/-

EXPENDITURES

ITEMS	AMOUNT (RS.)
Raw Materials	70,49,121
Consumable Stores	2,77,908
Travelling Exp.	27,540

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

MFL is committed to energy conservation at every stage of its operations. Energy conservation is a sincere priority for the entire team at MFL. Energy conservation features are incorporated in every dimension,

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starting from the design stage of the plant itself and then maintaining and improving it in the normal plant operations.

Energy savings in an energy scarce country like India assume a national priority. MFL efforts in this area are not merely driven by commercial considerations. A continued overall commitment to national priorities is at the heart of MFL's energy conservation policies and practices.

MFL's world class plants imported from Taiwan help it to achieve economies of scale leading to optimisation of energy usage in operations. MFL is using cold forging technology which does not generate any loss of energy and has latest forging machinery backed by supporting machinery of reputed manufacturers.

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, due to losses.

ACKNOWLEDGEMENT

Your Director would like to express their grateful appreciation for the assistance and co-operation received from the Financial institutions and Banks, during the year under review.

The Directors also wish to place on record their deep sense of 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 MFL for their individual and collective contribution to the Company's performance.

By Order of the Board

Place : Rohtak

Date : 29th Aug. 1998

SD/-
(DEEPAK ARNEJA)
Mg. Director