

# *6th Annual Report*

1999-2000

Report  junction.com



HIGH TENSILE FASTENERS



AN ISO-9002 CERTIFIED CO.

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**Mohindra Fasteners Ltd.**

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HIGH TENSILE FASTENERS

**Mohindra Fasteners Ltd.****BOARD OF DIRECTORS**

Sh. Deepak Arneja	Managing Director
Sh. Ravinder Mohan Juneja	Managing Director
Sh. Anuraj Arneja	Whole Time Director
Sh. Ranbir Singh Narang	Director
Sh. Jatinder Pal Singh Narang	Director
Sh. Hemant Chickel	Director
Sh. Ghanshyam Das Soni	Director
Sh. R. K. Gupta	Director (Nominee - HSIDC)
Sh. Mangal Kant Kothari	Director (Nominee - IFCI Venture Capital Fund Ltd.)

**SENIOR EXECUTIVES**

Sh. Sudhir Arneja  
 Sh. Mukesh Arneja  
 Sh. R. S. Bansi

**AUDITOR'S**

M/s. GSK & Associates  
 Chartered Accountants  
 Delhi

**BANKER'S**

Bank of India, New Delhi Corporate  
 Banking Branch, New Delhi

**REGISTERED OFFICE**

UG 3A, Sasco Bhawan,  
 Azadpur Commercial Complex, Delhi - 33

**WORKS**

60th K.M. Stone, Delhi Rohtak Road, N. H. No. 10,  
 V & P.O. Kharawar, Distt. Rohtak (Haryana)

**Mohindra Fasteners Ltd.****NOTICE**

Notice is hereby given that the Sixth Annual General Meeting of the members of the company will be held at Sachdeva Farm House, Bakhtawerpur, Delhi-36, on Saturday the 30th day of September, 2000 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, 2000 & 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. J.P. 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 as an **ORDINARY RESOLUTION**.

"RESOLVED that, pursuant to the provision of section 224 of the Companies Act, 1956, M/s GSK & Associates, Chartered Accountants, hereby appointed as an Auditors of the company, to hold the office from the conclusion of this Annual General Meeting untill 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 subject to the necessary approvals required, the consent be & is hereby accorded to the re-appointment of Mr. Deepak Arneja as Managing Director of the Company for a further period of 5 years w.e.f. 14th July, 2000 on the same terms & conditions as it was earlier."

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

6. "RESOLVED THAT subject to the approval of the Central Government pursuant to sub-section (1B) of section 314 if required and other approvals, the Authority be and is hereby accorded to the Board of Director to appoint Mr. Mukesh Arneja as Director -Marketing; holding office of profit under that company be being a relative of the Directors of the company, for a period of Five Years, pursuant to the terms & condition of the company of the one part and the said Mr. Mukesh Arneja of the other part."

REGD. OFFICE : UG-3A, SASCO BHAWAN,  
AZADPUR COMMERCIAL COMPLEX,  
NEW DELHI - 33  
PLACE : NEW DELHI  
DATE : 28TH AUG, 2000

BY ORDER OF THE BOARD

Sd/-

(Deepak Arneja)  
Mg. Director



HIGH TENSILE FASTENERS

## Mohindra Fasteners Ltd.

### 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. The register of members and share transfer book will remain closed from 25th Sept., to 30th Sept., 2000 (both days inclusive).
3. 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

Mr. Deepak Arneja was appointed as Managing Director of the Company as on 14th July, 1995 for five years. As per said resolution the terms of appointment of Mr. Deepak Arneja had already completed on 13th July, 2000. Re-appointment of Mr. Deepak Arneja as Managing Director for further five years w.e.f. 14th July, 2000 require approval of shareholder on the same terms & conditions as it was earlier.

None of the Director expect Mr. Deepak Arneja himself & Mr. Anurag Arneja are interested in the said resolution.

#### ITEM NO. 6

Mr. Mukesh Arneja was appointed as Director Marketing of the Company, Mr. Mukesh Arneja is a relative of Director, hence his appointment in place of profit or holding position and getting remuneration require approval.

None of Director except Mr. Deepak Arneja & Mr. Anurag Arneja are interested in the said resolution.



HIGH TENSILE FASTENERS

**Mohindra Fasteners Ltd.****DIRECTORS REPORT**

TO  
The Members

Your Directors have pleasure in presenting the Sixth Annual Report and Audited Statement of Accounts for the year ended March 31, 2000.

**FINANCIAL RESULTS**

	For the year ended	
	31st March '2000 Rs.	31st March '1999 Rs.
Sales/Other Income		
Profit before Intt. & Dep.	88058728	62599944
Profit before Depreciation	21580725	15945058
Depreciation for the year	8779123	3901187
Profit before Taxation	3767897	3694048
Provision for Taxation	5011226	204139
Profit for the Year	-	11000
Losses carried forward	5011226	193139
	(3519627)	(8530853)

**OPERATIONAL REVIEW**

Your company was able to give another record performance this year by registering a growth of over 40%. This has further improved the bottom line of the company. The major contribution came from the sales made to OEM'S in the Automotive segment in the Indian market. Needless to mention, we all know the kind of growth, Automobile sector has given in the last 15-18 months.

The company besides having its customers in the belt of Haryana, has also made a debut in the southern markets of Bangalore & Chennai. Your company has drawn an ambitious plan this year to sustain the sales to the above OEM'S and adding new customers and also expanding its dealer network.

At the export front, your company has added new customers in the American & Canadian markets. The company is also proud to have added new customers in Germany, U.K. etc. The major emphasis is on value added products. Keeping this philosophy in mind, we have added new product ranges and put up capacities for secondary operations to be carried out on these products which give a better value addition.

Your company is also undertaking a minor expansion activity which would increase its tonnage capacity. It is likely to be completed by October, 2000.

The company is talking to a couple of banks, who would extend loans at the current prevailing rate which would be cheap enough to give substantial savings to the company by retiring the expensive debt taken from term lending Institutions, at the time of project implementation.

**CURRENT YEAR PROSPECTS**

They appear to be good and it is expected that with the expansion taking place and with focus on better value added products, we would reach our sales turnover in 9 digits.

**ISO 9002**

Your directors are proud to announce that the company received ISO 9002 certificate in the month of Feb., 2000. The emphasis now is to improve the degree of implementation of the systems. Your company is working hard to go in for QS-9000 certification which is broadly a quality based system.



HIGH TENSILE FASTENERS

## Mohindra Fasteners Ltd.

### Y2K

The company did not have any problems at the start of year 2000 and all its computer operations ran well.

### DIRECTORS

Mr. Hemant Chickel & Sh. J.P.Singh Narang Directors of the company who retire by rotation and being eligible offers themselves for reappointment.

### AUDITORS' REPORT

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

### AUDITORS

M/s. GSK & Associates, Chartered Accounts. 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.

### 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 the followings in foreign exchange

#### EXPORTS

In FOB value Rs. 28895428

The absolute figure of FOB export though are slightly lower than previous year but the comfort factor is that the company consumed 25% lower Raw material to achieve this turnover. Another reason for a lower figure is the depressing rate of European currencies, two third's of the company's export are made to the European markets.

#### EXPENDITURE

Items	Amount(Rs.)
Raw Material	15782307
Consumable Stores	547444
Traveling Expenses	520465

#### 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.

Information required under section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988 is given in the annexure and forms an integral part of this report.



HIGH TENSILE FASTENERS

**Mohindra Fasteners Ltd.****FIXED DEPOSIT**

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

**DIVIDEND**

In view of the carry forward losses the Board of Director did not recommend dividend.

**ACKNOWLEDGEMENT**

The Directors 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 the company for their individual and collective contribution to the Company's performance. The Directors would also like to thank Mohindra Fasteners's shareholders, customers, suppliers, bankers, RCTC and financial institutions for the support they have given to the Company and the confidence which they have reposed in its management.

REGD. OFFICE:UG-3A, Sasco Bhawan  
Azadpur Commercial Complex,  
Delhi-33.  
Place : New Delhi  
Date : 4th August, 2000

BY ORDER OF THE BOARD

Sd/-  
(DEEPAK ARNEJA)  
Managing Director

**ANNEXURE TO THE DIRECTOR'S REPORT****1. CONSERVATION OF ENERGY****A. POWER & FUEL CONSUMPTION**

	Current Year 1999-2000	Previous Year 1998-1999
a) <b>Power</b>		
i) Purchase		539789
Unit (KWH)	705090	2115974
Total Amount	2763955	3.92
Rate Per Unit	3.92	Nil
ii) Own Generation	Nil	
b) <b>Fuel</b>		
Coal	Nil	Nil
Diesel Oil		
Qty. (Ltrs.)	105094	104764
Total Amount	1261124	1050780
Rate Per Ltr. (Rs.)	12.00	10.03
c) <b>Petroleum Gas</b>		
Qty. (Kgs.)	21417	16361
Total Amount	422995	277319
Rate Per Kg. (Rs.)	19.75	16.95

**B. CONSUMPTION PER UNIT OF PRODUCTION**

Production (with details) Unit		
Productivity (M.T.)	1004.00	850.76
Electricity KWH/MT	702.28	634.48
Diesel Oil Ltr/MT	104.68	123.14
Petroleum Gas Kgs./MT	21.33	19.23