



Revathi

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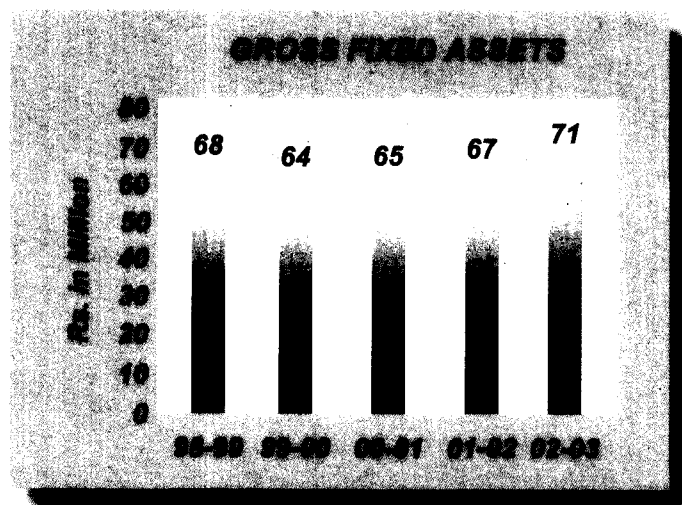
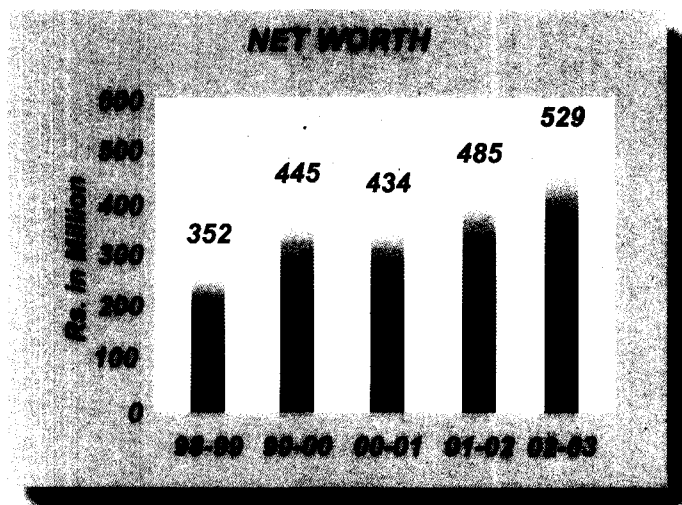
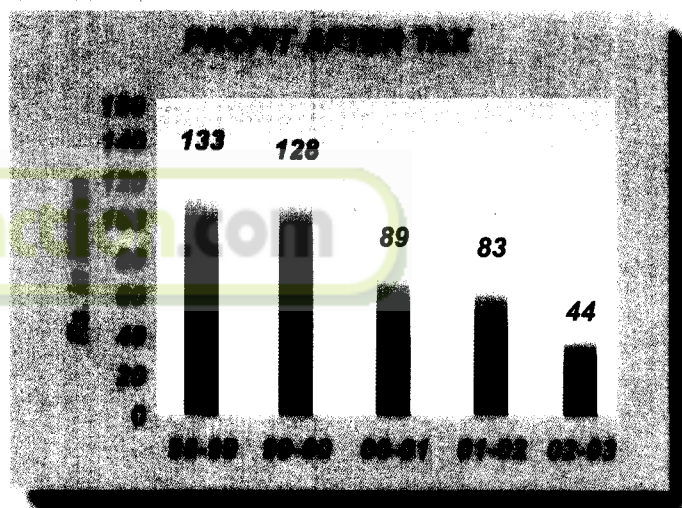
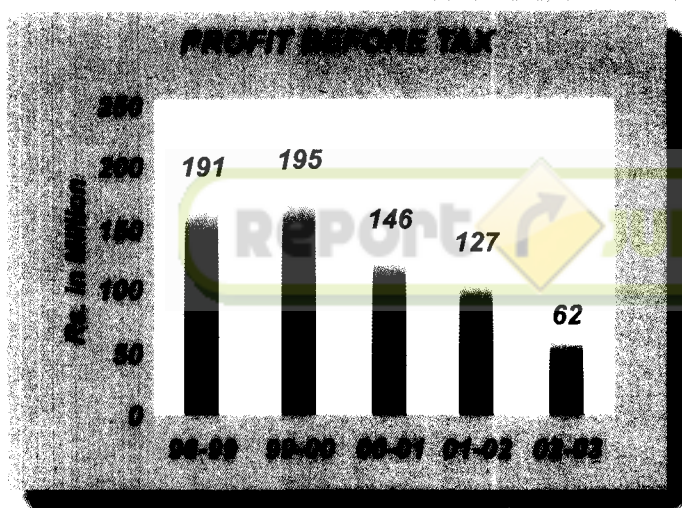
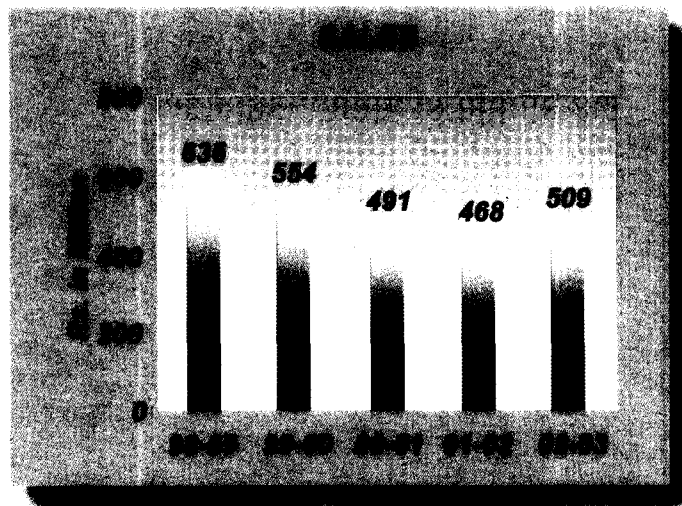
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REVATHI EQUIPMENT LIMITED



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NOTICE TO MEMBERS

NOTICE is hereby given that the twenty sixth annual general meeting of the members of Revathi Equipment Limited will be held at the Indian Chamber of Commerce and Industry, Chamber Towers, 8/732, Avanashi Road, Coimbatore - 641 018 on July 11, 2003 at 10.00 A.M. to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the directors' report and the audited balance sheet as at March 31, 2003 and the profit and loss account for the financial year ended March 31, 2003.
2. To appoint a director in the place of Mr.S.C.Katyal, who retires by rotation and being eligible, offers himself for reappointment.
- 3.. To appoint a director in the place of Mr.V.S.Rajan, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint auditors to hold office from the conclusion of this annual general meeting until the conclusion of the next annual general meeting and to fix their remuneration.

SPECIAL BUSINESS :

5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**, of which due notice in writing under section 257 of the Companies Act, 1956 has been received from a member:

"RESOLVED that Mr.Chaitanya Dalmia, whose term of office as director expires at this Annual General Meeting under clause 120 of the Articles of Association of the Company and who is eligible for reappointment, be and is hereby appointed as director of the company, whose period of office will be liable to determination by retirement of directors by rotation."

6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**.

"RESOLVED that pursuant to Section 17 and other applicable provisions of the Companies Act, 1956, (including any statutory modification or re-enactment thereof for the time being in force) the Memorandum of Association of the Company be and is hereby altered as is set out herein below:

The following new clause be inserted after the existing clause and be numbered accordingly in clause (c) of the Memorandum of Association under other objects:

Clause 66 after clause 65

"To generate electric power by conventional, non-conventional methods including coal, gas, lignite, oil, wind, solar, hydal, geo hydal and tidel waves and distribution and sale of such power."

7. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**.

"RESOLVED THAT in accordance with section 149 (2A) and other applicable provisions of the Companies Act, 1956, the company do hereby approves the commencement of new businesses as enumerated in the newly introduced subclause 66 of Object clause III (c) of the Memorandum of Association of the Company as amended upon the sub-clause becoming effective and existing clause No.57 of the Memorandum of Association."



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8. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**.

"RESOLVED that accordance with Schedule XIII read with section 198, 269,309 and other applicable provisions of the Companies Act, 1956, the consent of the company be and is hereby given to appointment of Mr.Abhishek Dalmia as Executive Chairman of the company and payment of remuneration for a period of 5 years with effect from April 1, 2003 as per the terms and conditions set out in the agreement duly approved by the Board and Remuneration Committee on April 14,2003."

9. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**.

"RESOLVED that in accordance with Schedule XIII read with section 198, 269, 309 and other applicable provisions of the Companies Act, 1956, the consent of the company be and is hereby given to the appointment of Mr.P.M.Rajanarayanan as Managing Director of the Company and payment of remuneration for a period of 5 years with effect from February 10, 2003 as per the terms and conditions set out in the agreement and the supplemental agreement duly approved by the board on January 30,2003, and on April 14,2003 respectively and by the Remuneration Committee on April 14,2003."

"RESOLVED FURTHER that the approval of the Company be and is hereby given for the minimum remuneration of Rs.487,265.15 paid to Mr.P.M.Rajanarayanan during the financial year 2002-03 under clause B of paragraph 1 of Section II of Part II of Schedule XIII under the Companies Act, 1956 as amended vide notification No.GSR 36(e) dated January 16,2003."

10. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**.

"RESOLVED that the approval of the Company be and is hereby given for the minimum remuneration of Rs.2,329,863/- paid to Mr.R.K.Raghavendra during the financial year 2002-03 under clause B of paragraph 1 of section II of Part II of Schedule XIII under the Companies Act, 1956 as amended vide notification No.GSR 36(e) dated January 16,2003."

11. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**.

"RESOLVED THAT pursuant to article 24A of the articles of association of the Company and subject to and in accordance with section 77A and all other applicable provisions of the Companies Act 1956 (hereinafter referred to as "the Act") and the Securities and Exchange Board of India (Buy Back of Securities Regulations 1998) (hereinafter referred to as the "Buyback Regulations" including any statutory modifications or re-enactment thereof for the time being in force) and subject to all other necessary approvals, sanctions, or permissions as may be required from Government or other relevant authorities and subject to such conditions, stipulations or modifications as may be prescribed or imposed by such authorities while granting such approvals, sanctions, or permissions and which may be agreed to by the Board of Directors of the company (hereinafter referred to as the Board which term shall include any person or committee to whom the Board may delegate authority to exercise the aforesaid powers) the Company hereby accords its consent for the buyback of upto 25% of the company's fully paid-up equity shares of Rs.10/- each (hereinafter after referred to as the "Buy back") in one or more tranche/tranches as specified by the Board on a date to be specified by the Board, from the open market through stock exchanges or tender offer method or as otherwise specified by the Board, out of the free reserves of the company, at a maximum price not exceeding Rs.125 per share amounting to an aggregate amount not exceeding Rs.100,306,250/- and on such other terms and conditions as the Board at its absolute discretion may deem fit".

"RESOLVED further that the Board be and is hereby authorised to finalise the specific price for Buyback within the maximum price of Rs.125 per share and the total amount to be utilised towards the Buyback shall be within a total aggregate amount of Rs.100,306,250."

"RESOLVED further that nothing contained herein above shall confer any right on any member to offer or confer any obligations on the company or the Board to Buyback any shares and/or impair any other right or power that the company or the Board may have to terminate any process relating to Buyback.

"RESOLVED FURTHER that the Buyback of shares from non-resident members shall be subject to such approvals as may be required including approvals from Reserve Bank of India under the Foreign Exchange Management Act, 1999".

"RESOLVED THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary expedient usual or proper including the appointment of merchant bankers, brokers, solicitors, registrars, advertisement agencies, compliance officer, investor service centres and other advisors, consultants or representatives; applications to the appropriate authorities for their approvals; all action that may be necessary for the preparation and issue of the public announcement, filing of public announcement with the Securities and Exchange Board of India and concerned Stock Exchanges, the filing of the declaration of solvency, filing of certificate for extinguishment



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and physical destruction of share certificates relating to the shares that are brought back, all other documents required to be filed in connection with the Buyback and to settle any questions or difficulties which may arise in relation to the Buyback and to do all other acts, or things including taking any steps and making decisions that may be necessary or incidental to the implementation of the Buyback'.

"RESOLVED FURTHER that the Board be and is hereby authorised to delegate all or any of the aforesaid powers to any other person(s) deemed fit by the Board"

Coimbatore
April 14, 2003

By Order of the Board

M.N. SRINIVASAN
COMPANY SECRETARY

NOTES :

- a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING MAY APPOINT A PROXY TO ATTEND AND VOTE ON HIS BEHALF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- b) The Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 concerning special business is annexed hereto.
- c) Pursuant to Section 154 of the Companies Act, 1956, the Register of Members and the Share Transfer Books of the Company will remain closed from July 1, 2003 to July 11, 2003 (both days inclusive).
- d) Members holding shares in physical form are requested to intimate to M/s.S.K.D.C. Consultants Limited, S.N.Layout, Tatabad, Coimbatore - 641 012, changes, if any, in their registered address along with the pincode numbers and to mention their registered folio No. invariably in all correspondence. Members holding shares in dematerialised form are requested to notify such changes to their depository participants.
- e) Queries on accounts and operations of the company, if any, may please be sent to the company ten days in advance of the meeting so that answers may be made available at the meeting.
- f) The Company's equity shares are listed in the following stock exchanges:

Coimbatore Stock Exchange Limited,
"Stock Exchange Building",
No : 683 / 686, Trichy Road,
Singanallur,
Coimbatore - 641 005.

Madras Stock Exchange Limited,
"Exchange Building",
Post Box No : 183,
No : 11, Second Line Beach Road,
Chennai - 600 001.

The Stock Exchange, Mumbai,
Phiroze Jee Jee Bhoy Towers,
Dalal Street,
Mumbai - 400 001.

Annual listing fee for the period 2003 - 2004 in respect of above stock exchanges have been paid.

- g) Unclaimed final dividend for the year 1995-96 will be transferred to Investor Education and Protection Fund on or before September 16, 2003 respectively. Members who have not claimed the dividend can claim the same early.
- h) The items relating to alteration of a clause in the object clause of memorandum of association of the company (item No.6) and buyback of shares (item No.11) as a part of the agenda of this meeting, it is mandatory for all listed companies to pass resolutions relating to alteration of memorandum of association and buyback of shares by way of postal ballot pursuant to section 192A of the Companies Act, 1956 read with Rule 4C of the Companies (passing of the resolution by postal ballot) Rules, 2001. Accordingly we are enclosing herewith postal ballot forms to enable the members to exercise their franchise.

We request you to send your assent/dissent by returning the postal ballot form duly completed in the attached pre- paid envelope addressed to the company on or before June 30, 2003 after which the same will be treated as invalid.

Your board of directors have appointed Mr.M.D.Selvaraj, Company Secretary in Practice as Scrutiniser for conducting the postal ballot process in a fair and transparent manner.



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

Mr. Chaitanya Dalmia was appointed as additional director from August 17, 2002 in the casual vacancy caused by the resignation of Mr. Charlie Ekberg. Mr. Chaitanya Dalmia holds office upto the date of this Annual General Meeting. A notice has been received under section 257 of the Companies Act, 1956 from a member, signifying his intention to propose the appointment of Mr. Chaitanya Dalmia as a director of the company at this meeting. The directors of the company are of the opinion that his inclusion on the board would be beneficial to the company.

None of the directors of the company is interested or concerned in passing the resolution except Mr. Chaitanya Dalmia and Mr. Abhishek Dalmia.

ITEM NO. 6

The wind energy technology presently available is competitive with traditional fossil-fuelled electricity generation. The cost of generating wind power is substantially low when compared to thermal power. Wind energy is clean and also eco-friendly besides investment in wind mills offers superior returns, quick pay back and sustained cash flow. In addition wind mill also offers good tax advantage.

Hence the board feels that the company may take up wind mill project at appropriate time.

For doing this business, alteration of object clause in memorandum of association requires members' approval.

None of the directors are in anyway concerned or interested in this resolution.

ITEM NO. 7

To enable the company to undertake the new business as mentioned in item No. 6 of the notice, it would be necessary for the members under section 149 (2A) of the Companies Act, 1956 to accord their approval to the company for commencing and undertaking the business as set out in the proposed clause 66 of Object clause III (c) upon the said clause becoming effective. Members approval is also sought for commencing new business as enumerated in the existing clause 57 of the Memorandum of Association.

A copy of Memorandum and Articles of Association of the Company is available for inspection of the members at the registered office of the company during business hours on any working day.

None of the directors are in anyway concerned or interested in this resolution.

ITEM NO. 8

The company has been profitable over many years. However, it has not been able to find use for those profits in its existing business of manufacturing and marketing blast-hole drilling rigs. To ensure that these surplus profits are deployed in business ventures that earn a respectable rate of return, the company has felt the need to evaluate various opportunities in allied and non-allied ventures. In this connection, Mr. Abhishek Dalmia has expertise in the field of identifying areas of growth and identifying opportunities for acquisition and takeover of businesses.

It is desirable that Mr. Abhishek Dalmia be appointed as Executive Chairman, so that his expertise and experience is put to use by the company.

He is already the Managing Director of Utkal Investments Limited, which is the holding company of Revathi Equipment Limited. He is willing to be appointed as Executive Chairman in the Company.

At the meeting of the Board of Directors of the Company and as approved by the Remuneration Committee, Mr. Abhishek Dalmia was appointed as Executive Chairman with effect from April 1, 2003 for a period of 5 years with a remuneration as give below:

1. **SALARY:** Rs.2,15,000/- (Rupees Two lakhs fifteen thousand only) p.m. with effect from April 1, 2003 with such annual increments but not exceeding 20%, as the board at its sole discretion may decide.
2. **ALLOWANCES/PERQUISITES:**

In addition to the above salary, the Executive Chairman shall be entitled to perquisites and allowances such as house maintenance, medical reimbursement, medical insurance, leave travel, club fees etc., upto 35% of his salary.

Perquisites will be valued as per Income Tax Rules wherever applicable and in the absence of such rules at actual costs.



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3. OTHER BENEFITS:

- i) Contribution to Provident Fund (PF) and Superannuation Fund as applicable to other managers of the Company.
- ii) He shall be entitled for Gratuity at the rate of one month salary for each completed year of service effective from the date of his appointment.
- iii) Provision of car for use on Company's business and telephone at residence, including long distance calls shall not be considered as perquisites.
- iv) The Executive Chairman shall be entitled to reimbursement of travelling expenses and entertainment expenses actually incurred in the course of the Company's business.
- v) One month leave per year on full pay (salary plus perquisites) with liberty to accumulate such leave upto 50% of entitlement and encashment of unavailed leave at the end of tenure. In addition, the Executive Chairman shall be entitled to such casual leave and sick leave as is applicable to other managers of the company.
- vi) The remuneration is subject to the overall ceiling under sections 198, 309 and schedule (XIII) of the Act. In the event of absence or inadequacy of profits in any financial year during the tenure of the Executive Chairman, the remuneration would be paid as above subject to Central Government's approval, if required, or subject to the ceiling under paragraph 1 of Section II of Part II of Schedule XIII of the Companies Act, 1956 (the Act.)

Contribution to PF, Superannuation, Gratuity, leave encashment, provision for car, shall not be considered as perquisites in the computation of ceiling for perquisites aforesaid in 2.

The Executive Chairman shall be entitled to set up office at his residence to conduct official business of the company which will be provided with proper official facilities like office equipments, computer, telephone, fax, air conditioner, furniture, helper etc., maintained by the company which shall not be treated as perquisites.

The remuneration to Executive Chairman is subject to section III of Part II of Schedule XIII in that total remuneration drawn from Revathi Equipment Limited and Utkal Investments Limited does not exceed the higher maximum limit admissible from any one of the said companies.

The Executive Chairman shall not be entitled to any sitting fees for attending the meetings of the Board or a committee thereof.

A copy of the agreement containing the terms and conditions of appointment of Mr. Abhishek Dalmia will be available for inspection at the registered office of the company during business hours.

None of the Directors are in any way concerned or interested in this resolution except Mr. Abhishek Dalmia as recipient and Mr. Chaitanya Dalmia as his relative.

ITEM NO.9

Mr. P.M. Rajanarayanan has been working with the company for the past 20 years and contributed significantly to the growth of the company. The Board at its meeting held on January 30, 2003 appointed him as Managing Director with effect from February 10, 2003, in the place of Mr. R.K. Raghavendra who retired on February 9, 2003, for a period of 5 years with a remuneration as given below:

A. SALARY:

Rs. 85,000/- (Rupees Eighty five thousand only) p.m. with effect from February 10, 2003 with such annual increments but not exceeding 20% as the board at its sole discretion may decide.

B. ALLOWANCES/PERQUISITES:

In addition to the above salary, the Managing Director shall be entitled to the following by way of perquisites and allowances in such form and in such manner as the directors of the company may decide:



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a) Rent free accommodation or house rent allowance (HRA) upto 30% salary in lieu thereof including expenditure on gas, electricity and water.

b) Personal allowance upto 30% of salary to meet expenses with regard to Leave travel expenses, medical reimbursement for self, spouse, dependent children and parents, club fees and other perquisites in accordance with the rules of the company as may be claimed by the Managing Director, provided that such allowance/perquisite shall be limited to such percentage of annual salary in case the HRA is availed of, so that the total value of perquisites and allowances are limited to 60% of annual salary and in the event HRA is not availed or claimed, total perquisite value inclusive of rent free accommodation shall not exceed 60% of annual salary.

Perquisites will be valued as per Income Tax Rules wherever applicable and in the absence of such rules at actual costs.

In addition to the above, the Managing Director is entitled to medical insurance cover of Rs.5,00,000/-. He is also entitled to maintenance of residential accommodation including furnishing and upkeep thereof at actuals and expenditure in this regard shall not exceed the sum of Rs.2,50,000/- for a period of 5 years.

C. COMMISSION:

1% of the net profits of the company in each year computed in accordance with section 349 of the Act subject to such limit as may be decided by the Board in accordance with such performance parameters as may be given to the Managing Director by the Board.

D. OTHER BENEFITS:

Contribution to Provident Fund and Superannuation Fund as applicable to other managers of the company.

He shall be entitled for Gratuity at the rate of one month salary for each completed year of service effective from the date of his appointment as Managing Director (i.e. from February 10, 2003).

Provision of car for use on Company's business and telephone at residence, including long distance calls shall not be considered as perquisites.

The Managing Director shall be entitled to reimbursement of travelling expenses and entertainment expenses actually incurred in the course of the Company's business.

One month leave per year on full pay (salary plus perquisites) with liberty to accumulate such leave upto 50% of entitlement and encashment of unavailed leave at the end of tenure. In addition the Managing Director shall be entitled to such casual leave and sick leave as is applicable to other managers of the company.

Salary, perquisites and commission shall be subject to the overall ceiling under sections 198, 309 and schedule (XIII) of the Act.

The Managing Director shall not be entitled to any sitting fees for attending the meetings of the Board or a committee thereof.

Personal accident insurance premium of Rs. 10,000/- per annum.

In the event of absence or inadequacy of profits in any financial year during the tenure of the Managing Director, the remuneration would be paid as above subject to Central Government's approval, if required, or subject to the ceiling under paragraph 1 of Section II of Part II of Schedule XIII of the Act.

Remuneration Committee has also approved the payment of his remuneration.



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A copy of the agreement containing the terms and conditions of appointment dated February 11, 2003 of Mr. P.M. Rajanarayanan is available for inspection at the registered office of the company during business hours. The supplemental agreement will also be available for inspection.

None of the Directors are in any way concerned or interested in this resolution except Mr. P.M. Rajanarayanan as recipient.

Additional Information relevant to Mr.P.M.Rajanarayanan, Managing Director as per clause B of paragraph 1 of Section II of Part II of Schedule XIII of the Companies Act,. 1956.

I. GENERAL INFORMATION

1. Nature of Industry

Engineering Industry

2. Date or expected date of commencement of commercial production

The company was incorporated on May 30, 1977 and commenced commercial production subsequently in the same year.

3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.

Not applicable

4. Financial performance based on given indicators

For the year ended March 31, 2003

Rs. in million

Turnover and other income 536

Net Profit before tax and extraordinary item 162

Net Worth 528

5. Export performance and Net foreign exchange collaborations

The Company's exports income was Rs.5 million in 2002-03 and there was no foreign exchange collaboration.

6. Foreign investments or collaborators if any.

Nil

II. INFORMATION ABOUT THE APPOINTEE

1. Background details

Mr.P.M.Rajanarayanan was appointed as Managing Director with effect from February 10, 2003. Prior to become Managing Director he has been associated with the company in various capacities for 20 years.

2. Past remuneration

Rs. 1,078,733/- (paid for the period as Vice President (Marketing and Engineering) from April 1, 2002 to February 9, 2003).



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3. Recognition or awards

-

4. Job profile and his suitability

Mr.P.M.Rajanarayanan is in charge of the overall management of the company. Besides being associated with the company for 20 years, he had rich experience in marketing for 10 years in Greaves Cotton & Co. Limited.

5. Remuneration proposed

Details of remuneration has been given earlier in the notice.

6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin).

Taking into consideration the size of the company, profile of the appointee, responsibility shouldered on him and the industry standard, the remuneration proposed is commensurate with the remuneration packages paid comparable to similar other companies.

7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.

Besides the remuneration being received, the Managing Director do not have any pecuniary relationship with the company and its managerial personnel.

III. OTHER INFORMATION:

1. Reasons of loss or inadequate profits

As the company incurred one time extraordinary expenditure of Rs. 10 crores, the profit arrived under section 349 of the Companies Act, 1956 for the year 2002-03 became inadequate. Otherwise, the profit would have been sufficient to make the payment of full managerial remuneration.

2. Steps taken or proposed to be taken for improvement

Not applicable as the company is making profit year after year.

3. Expected increase in productivity and profits in measurable terms

We do not expect any one time extra-ordinary charge during the financial year 2003-04 and therefore the company's operation should give normal returns barring unforeseen circumstances.

IV. DISCLOSURES:

Remuneration package for managerial personnel has been mentioned earlier in the notice.

ITEM NO.10

In view of the inadequacy of profit in the financial year 2002-03, the minimum remuneration paid to the ex-Managing Director Mr.R.K.Raghavendra, who retired on February 9, 2003, requires shareholders' approval under clause B of paragraph I of Section II of Part II of Schedule XIII of the Companies Act, 1956. Remuneration committee approved the minimum remuneration paid at its meeting held on April 14, 2003.