



**RAJRATAN  
GUSTAV WOLF  
LIMITED**

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***Twelfth Annual Report  
1999-2000***

## BOARD OF DIRECTORS

Shri Chandanmal Chordia	<i>Chairman &amp; Whole-time Director</i>
Shri Nemnath Jain	<i>Director</i>
Shri Mofatraj Munot	<i>Director</i>
Shri Nihalchand Kothari	<i>Director</i>
Dr. Ing. Ernest Wolf	<i>Director</i>
Shri Sanjay Pasari	<i>Director</i>
Shri Sunil Chordia	<i>Managing Director</i>
Shri Dilip Deshmukh	<i>Executive Director</i>

## BANKERS

State Bank of India  
Industrial Finance Branch  
Apollo Towers  
Indore-452001.(M.P.)

## AUDITORS

Trilok Jain & Co.  
Chartered Accountants  
154/1 Imli Bazar  
Indore- 452 001.(M.P.)

## REGISTERED OFFICE

RAJRATAN HOUSE,  
11/2, Meera Path, Dhenu Market,  
Indore-452003 (M.P.), INDIA

## PLANT

Plot No.200- B,Sector I,  
Industrial Area Pithampur,  
District Dhar (M.P.), INDIA

## NOTICE

NOTICE is hereby given that the Twelfth Annual General Meeting of the members of the Company will be held on Thursday, the 25th May, 2000 at 10.15 A.M. at the registered office of the Company at 11/2, Meera Path, Dhenu Market, Indore, Madhya Pradesh- 452 003 to transact the following :

### ORDINARY BUSINESS :

1. To consider, approve and adopt the Balance Sheet as on 31st March, 2000 and the Profit and Loss Account for the year ended on that date and Auditors' Report thereon.
2. To consider payment of dividend of Rs.1/- per share on the equity shares of the Company.
3. To appoint a director in place of Mr.Mofatraj Munot, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a director in place of Mr. Dilip G. Deshmukh, who retires by rotation and being eligible offers himself for reappointment.
5. To appoint M/s Trilok Jain & Co., Chartered Accountants, Indore as Statutory Auditors, who shall hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General meeting and to fix their remuneration.

### SPECIAL BUSINESS :

#### 6. AUTHORITY TO THE BOARD TO CREATE MORTGAGE

To consider and if thought fit, to pass, with or without modification, the following resolution as an **ORDINARY RESOLUTION**:

**"RESOLVED THAT** in terms of provisions of section 293 (1) (a) and other applicable provisions of the Companies Act, 1956, approval of the members of the Company be and is hereby granted to the creation by the Board of Directors of such mortgages and charges in addition to the existing mortgages and charges created by the Company, as the Board may decide, on the assets of the Company, whether movable or immovable, both present and future in favour of the State Bank of India for their increased overall limits to the extent of Rs.11.80 crores (Rupees eleven crores eighty lacs), and Madhya Pradesh Financial Corporation for their short term loan of Rs.50 lacs (Rupees fifty lacs), (hereinafter collectively referred to as Institutions) together with interest thereon at the respective agreed rates, compound interest, liquidated damages, commitment charges, premium on pre-payment, or on redemption, and all other money's payable by the Company to the Institutions in terms of agreements entered into between the Company and the Institutions;

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to finalise with the Institutions, agreements and other documents, if any, necessary for creating mortgages and/or charges as aforesaid and to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for implementing this resolution and to resolve any question or doubt which may arise in relation thereto or otherwise considered by the Board

of Directors to be in the interest of the Company ;

**RESOLVED FURTHER THAT** mortgages and charges already created by the Board/Company in favour of Institutions in respect of above facilities be and are hereby ratified and confirmed."

#### 7. AUTHORITY TO THE BOARD TO BORROW :

To consider and if thought fit to pass with or without modification the following resolution as an **ORDINARY RESOLUTION** :

**"RESOLVED THAT** in terms of provisions of section 293(1)(d) of the Companies Act, 1956 approval of the members of the Company be and is hereby granted to the Board of Directors to borrow from time to time from such persons, institutions, banks, companies, corporations, or from any other source to a maximum extent of Rs.50 crores (Rupees fifty crores), which, together with the moneys already borrowed by the Company (apart from the temporary loans obtained from the company's bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose."

#### 8. FURTHER ISSUE OF SHARES :

To consider and if thought fit to pass, with or without modification, the following resolution as a **SPECIAL RESOLUTION** :

**"RESOLVED THAT** in accordance with the provisions of section 81 (1-A) and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification or re-enactment thereof for the time being in force) and subject to such other consent and approvals, if any, as may be necessary and which may be agreed to by the Board, the consent of the members be and is hereby accorded to the Board to make a preferential issue of 7,83,000 (seven lacs eighty three thousand) equity shares or any other security convertible into equity shares to the Indian promoters and the foreign collaborators of the Company, as permissible under the guidelines for preferential allotment, issued by the Securities and Exchange Board of India (SEBI) dt.4th August, 1994, and consent of the Reserve Bank of India, in this regard, at such price and on such terms and conditions as may be fixed by the Board in accordance with the said guidelines;

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to issue and allot such number of shares as may be required in pursuance of the above issue, and the shares so allotted shall rank in all respect paripassu with the existing ordinary equity shares of the Company, save and except that such shares shall carry the right to receive dividend, which may be declared for the financial year in which the allotment of shares shall become effective, pro-rata from the date of allotment."

**INDORE**

Dated : 22nd April, 2000

By order of the Board  
**CHANDANMAL CHORDIA**  
CHAIRMAN

**NOTES**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ALSO ENTITLED TO APPOINT A PROXY, TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY AND THE PROXY IN ORDER TO BE VALID MUST BE DEPOSITED WITH THE COMPANY AT IT'S REGISTERED OFFICE, NOT LESS THAN 48 HOURS BEFORE THE TIME FOR THE MEETING.
2. The explanatory statements setting out the material facts in respect of the business under item No.6 to 8 in terms of provisions of section 173 (2) of the Companies Act, 1956 are annexed hereto.
3. The register of members and the share transfer books of the Company will remain closed from Saturday the 20th May, 2000 to Thursday the 25th May, 2000. (Both days inclusive).
4. Shareholders desiring any information as regard the Accounts are requested to write to the Company at an early date so as to enable the Company to keep the information ready.
5. Shareholders are requested to intimate their bank account No. and address to the Company immediately through letter to enable the Company to send the dividend warrants directly to their bankers to avoid delay and loss of warrants.

**EXPLANATORY STATEMENTS**

The following Explanatory Statements relating to Special Business under Item No. 6 to 8 set out all the material facts as required under section 173 of the Companies Act, 1956.

**ITEM NO. 6**

During the month of March, 2000, Madhya Pradesh Financial Corporation sanctioned a Short Term Loan of Rs. 50 lacs and State Bank of India, bankers to the Company enhanced the overall financial facilities to the extent of Rs.11.80 crores and both the facilities have been availed by the Company.

In terms of provisions of section 293 (1) (a) of the Companies Act, 1956, approval of the members of the company is sought by way of ratification of the mortgages and charges as created by the Company, in addition to the existing mortgages and charges created on the assets of the Company, whether movable or immovable, both present and future in favour of the bank and MPFC to secure the facilities extended by them together with interest thereon at the respective agreed rates payable by the Company in terms of Agreement entered/to be entered into between the Company and State Bank of India and MPFC.

The Directors of the Company recommend passing of the Ordinary Resolution.

None of the Directors of the Company is interested in the Resolution.

**ITEM NO.7**

The present limit under section 293(1)(d) of the Companies Act, 1956 as already approved by the members at their earlier general body meeting is Rs.25 crores. However in view of the proposed

expansion programme, the Company may be required to borrow more than Rs.25 crores.

In terms of provisions of section 293(1)(d) of the Companies Act, 1956 the aforesaid limit is to be enhanced with the permission of the members to Rs.50 crores (Rupees fifty crores) by passing the Ordinary resolution as proposed under item no.7.

The Board recommends passing of the resolution.

None of the directors of the Company is interested in the resolution.

**ITEM NO.8**

The Company plans to issue 7,83,000 (seven lacs eighty three thousand) further shares at a premium of Rs.36.35 per share, aggregating to Rs.3.63 crores to the Indian promoters and the foreign collaborators of the Company, to part finance the capital requirements of the proposed steel cord project of the Company at Pithampur.

The proposed Special Resolution will enable the Company to issue equity shares to them, at the above price in accordance with the guidelines dated 4th August, 1994 issued by the Securities and Exchange Board of India in this regard, as amended from time to time.

In terms of provisions of section 81 (1A) of the Companies Act, 1956, listing agreement, the SEBI Guidelines dt. 4th August, 1994 and the provisions of the SEBI (Substantial Acquisition of Shares And Takeovers) Regulations, 1997, approval of the shareholders of the Company is sought to issue equity shares to the foreign collaborators and the Indian promoters.

As a consequence of this allotment the Indian promoters' holding in the Company will be 37.59% as against their present holding of 44% and the foreign collaborators holding will be 37.59% as against their present holding of 26% in the Company.

The Indian promoters and the foreign collaborators have entered into a separate agreement to subscribe shares of the Company in the aforesaid manner.

The allotment would not result into any change in the Board of Directors and any control over the Company.

Mr.Chandanmal Chordia, Mr.Sunil Chordia, Dr.Ing.Ernst Wolf and Mr. Sanjay Pasari, Directors of the Company are interested in the resolution.

The Directors of the Company recommend passing of the Special Resolution.

The disclosures in accordance with the Regulation 3(1)(c)(ii) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, are annexed to this Notice as Annexure I.

**INDORE**

Dated : 22nd April, 2000

By order of the Board  
**CHANDANMAL CHORDIA**  
CHAIRMAN

## ANNEXURE - I

The disclosures required to be given for the purpose of consideration of preferential allotment in accordance with Regulation 3(1)(c)(ii) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, are as under :

**I. Allottee Details**

- (a) M/s Gustav Wolf Cord and Wire Limited, the foreign collaborator and Mr. Chandanmal Chordia & relatives being the existing promoters or persons in control of Rajratan Gustav Wolf Ltd. (RGWL) shall be allotted equity shares by way of preferential shares and shall be holding more than 5% of the total equity shares in company.

M/s Gustav Wolf Cord and Wire Limited is a Company promoted and owned by Dr.Ing. Ernst Wolf, a director of RGWL and Mr. Chandanmal Chordia is a promoter director of RGWL and both the persons have control over RGWL and are acting in concert for this acquisition.

- (b) The promoter of one allottee Company i.e. M/s.Gustav Wolf Cord and Wire Limited is Dr.Ing.Ernst Wolf and he belongs to Gustav Wolf group of Germany.

**II. Acquisition Details**

- (a) 7,83,000 equity shares being 17.27% of the expanded share capital are proposed to be allotted pursuant to a special resolution passed under section 81(1)(a) by way of preferential allotment.

- (b) Such shares as mentioned at (I) above are proposed to be allotted as under :

Name of allottee	No.of Shares	% allotted
1) M/s Gustav Wolf Cord and Wire Ltd.	7,28,990	16.08%
2) Mr.Chandanmal Chordia & relatives	54,010	1.19%
	7,83,000	17.27%

- (c) Aforesaid shares of Rs. 10/- each are proposed to be allotted @ Rs. 46.35 per share i.e. at a premium of Rs. 36.35 per share which is in accordance with the SEBI Preferential Offer Guidelines dt. 4th August, 1994.

- (d) The shares are being issued to part finance the proposed Steel Cord Project of the Company to be started at Pithampur.

- (e) The allotment would not result in change in the Board of Directors of Rajratan Gustav Wolf Limited.

- (f) Consequential changes in the shareholding pattern of Rajratan Gustav Wolf Limited will be as under :

	Pre-allotment in terms of shares		Post-allotment in in terms of shares	
	No.	%	No.	%

1. Promoter group				
(a) Acquirer(s)	26,25,380	70.00	34,08,380	75.18
(b) Others	23,620	0.63	23,620	0.52
(c) Total for promoter group	26,49,000	70.63	34,32,000	75.70
2. Acquirer(s)	NIL	NIL	NIL	NIL
3. MFs / FIs / Fls	4,48,900	11.97	4,48,900	9.90
4. Public	6,52,700	17.40	6,52,700	14.40
Total paid-up equity capital of Company	Rs.3,75,06,000		Rs.4,53,36,000	

- (g) Consequential changes, in voting rights is as under :

1. Promoter group				
(a) Acquirer(s)	26,25,380	70.00	34,08,380	75.18
(b) Others	23,620	0.63	23,620	0.52
(c) Total for promoter group	26,49,000	70.63	34,32,000	75.70
2. Acquirer(s)	NIL	NIL	NIL	NIL
3. MFs / FIs / Fls	4,48,900	11.97	4,48,900	9.90
4. Public	6,52,700	17.40	6,52,700	14.40

- (h) The said allotment would not result in change in control over the Company.

INDORE

Dated : 22nd April, 2000

By order of the Board  
**CHANDANMAL CHORDIA**  
CHAIRMAN