

Thirteenth Annual Report
2000-2001



RAJRATAN
GUSTAV WOLF
LIMITED

BOARD OF DIRECTORS

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

COMPANY SECRETARY

Smt. Anjali Javeri

BANKERS

State Bank of India
Industrial Finance Branch
Apollo Towers,
Indore - 452 001 (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 - 452 003 (M.P.) INDIA

PLANT

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

NOTICE

NOTICE is hereby given that Thirteenth Annual General Meeting of the Members of the Company will be held on Saturday the 28th July, 2001 at 10.00 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 :

I. ORDINARY BUSINESS :

1. To consider, approve and adopt the Balance Sheet as at 31st March, 2001 and the Profit and Loss Account for the year ended on that date and the Director's and the Auditor's Report thereon.
2. To consider and approve payment of dividend
3. To appoint a director in place of Dr. Ing. Ernst Wolf, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a director in place of Shri Nihalchand Kothari, who retires by rotation and being eligible offers himself for re- appointment.
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.

II. SPECIAL BUSINESS BY ORDINARY RESOLUTION:

6. To consider and if thought fit to pass with or without modification(s) if any, the following resolution as an **ORDINARY RESOLUTION** for revision of remuneration of Shri Chandanmal Chordia :

"RESOLVED THAT pursuant to provisions of Section 198, 269, 302, 309, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, approval of Members be and is hereby accorded for revision and increase in the remuneration of Shri Chandanmal Chordia, whole-time Director, with the effect from 1st April, 2001 for the remaining tenure of his appointment as under :

- a) Basic Salary Rs. 40,000/- per month
- b) House Rent Allowance equivalent to 25% of salary
- c) Leave Travel Allowance : Reimbursement once in a year subject to maximum of one month's salary.
- d) Medical Allowance : Subject to a ceiling of one month's salary.
- e) Ex-Gratia : Equivalent to one month's Salary."
7. To consider and if thought fit, to pass with or without modification(s) if any, the following resolution as an **ORDINARY RESOLUTION** for revision of remuneration of Shri Sunil Chordia :

"RESOLVED THAT pursuant to provisions of Section 198, 269, 309, 302, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 , approval of Members be and is hereby accorded for the revision and increase in the remuneration of Shri Sunil Chordia, the Managing Director, w.e.f 1st April, 2001 for the remaining tenure of his appointment as under :

- a) Basic Salary : Rs. 50,000/- per month
- b) House Rent Allowance : Equivalent to 25% of salary
- c) Leave Travel Allowance : Reimbursement once in a year subject to maximum of one month's salary.
- d) Medical Allowance : Subject to a ceiling of one month's salary.
- e) Ex-Gratia : Equivalent to one month's Salary."

8. To consider and if thought fit, to pass with or without modification(s) if any, the following resolution as an **ORDINARY RESOLUTION** for revision of remuneration of Shri Dilip G.Deshmukh :

"RESOLVED THAT pursuant to provisions of Section 198, 269, 309, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, approval of Members be and is hereby accorded for the revision and increase in the remuneration of Shri Dilip G. Deshmukh, Executive Director of the Company w.e.f. 1st April, 2001 to 31st May, 2001 i.e. for the remaining tenure of his appointment as under :

- a) Basic Salary : Rs. 45,000/- per month
- b) House Rent Allowance : Equivalent to 25% of salary or actual rent free accomodation whichever is less.
- c) Leave Travel Allowance : Reimbursement once in a year subject to maximum of one month's salary.
- d) Medical Allowance : Subject to a ceiling of one month's salary
- e) Ex-Gratia : Equivalent to one month's Salary."

9. To consider and if thought fit to pass with or without modification(s), if any, the following resolution as an **ORDINARY RESOLUTION** for re-appointment of Shri Dilip G. Deshmukh as the Executive Director :

"RESOLVED THAT in terms of provisions of Sections 198, 269, 309, 310 read with provisions of Schedule XIII to the Companies Act, 1956 approval of the members of the Company be and is hereby granted, for the re-appointment of Shri Dilip G. Deshmukh as Executive Director for a further period of two years w.e.f 1.6.2001 on the following remuneration :

- a) Basic Salary: Rs. 45000/- per month.
- b) House Rent Allowance: Equivalent to 25% of salary or actual rent free accommodation whichever is less.
- c) Leave Travel Allowance : Reimbursement once in a year subject to maximum of one month's salary.
- d) Medical Allowance : Subject to a ceiling of one months's salary.
- e) Ex-Gratia: Equivalent to one month's salary

RESOLVED FURTHER THAT all the decisions and actions taken by Shri Dilip G.Deshmukh, as Executive Director of the Company from the date of re-appointment till the date of the Annual General Meeting be and are hereby ratified and confirmed."

III SPECIAL BUSINESS BY SPECIAL RESOLUTION ;

10 To consider and if thought fit to pass with or without modification the following resolution as **SPECIAL RESOLUTION** for alteration in Articles of Association of the Company :

“RESOLVED THAT pursuant to Section 31 of the Companies Act, 1956 and all other applicable provisions, if any, the Articles of Association of the Company be and is hereby amended and/or altered in the manner specified below;

In Article 2, the following definitions be inserted along with the marginal notes :-

Member

‘Member’ in respect of dematerialised shares, means the beneficial owner thereof, that is the person whose name is recorded as a beneficial owner in the Register maintained by a Depository under the Depositories Act, 1996 and in respect of other shares, the person whose name is duly registered as a holder of a share in the Company from time to time and includes the subscribers to the Memorandum of Association.

Beneficial Owner

‘Beneficial Owner’ means a person or persons whose name is recorded as such with the depository.

SEBI

‘SEBI’ means the Securities and Exchange Board of India established under Securities and Exchange Board of India, Act, 1992.

Depository

‘Depository’ means a Company formed and registered under the Companies Act, 1956 and which has been granted a certificate of registration to act as a Depository under the SEBI Act, 1992.

Depositories Act

‘Depositories Act’ means the Depositories Act, 1996 or any statutory modification or re-enactment thereof.

Registered Owner

‘Registered Owner’ means a Depository whose name is entered as such in the records of the Company.

Security

‘Security’ means such security as may be specified by the SEBI from time to time.

Register and Index of Beneficial Owners

‘Register and Index of Beneficial Owners’ means such Register and Index of Beneficial Owners maintained by a Depository under the Depositories Act, 1996 which shall be deemed to be the Register and index of members and other security holders for the purposes of these Articles.

The following Article 3(A) be inserted after the existing Article 3

Buy Back of Own Shares.

3(A). Notwithstanding anything contained in these Articles, but subject to provisions of Sections 77A and 77B of the Act, the Company may purchase its own shares or other specified securities (hereinafter referred to “Buy-Back”) out of-

- a) its Free Reserves or
- b) the Securities Premium Account or
- c) the proceeds of any Shares or other specified securities.

The following Article 13(A) be inserted after the existing Article 13

Dematerialisation of Securities

13(A) (i) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise/ rematerialise its securities and to offer securities in the dematerialised form pursuant to the Depositories Act, 1996.

Allotment of Securities dealt with by a Depository

13(A) (ii) Notwithstanding anything contained in the Act or these Articles, where the securities are dealt with in or by a Depository, the Company shall intimate the details of allotment of relevant securities to the depository immediately on allotment of such securities.

Distinctive Number of Securities held in a Depository

13(A) (iii) Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for Securities issued by the Company shall apply to Securities held with a depository.

Option for Investors

13(A) (iv) (a) Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a Depository. Such a person who is the beneficial owner of the Securities can at any time opt out of a depository, if permitted by law, in respect of any security in the manner provided by the Depositories Act, 1996 as may be amended from time to time and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of the securities.

13(A) (iv) (b) If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its record, the name of the allottee as the beneficial owner of the security.

Securities in Depositories to be in Fungible Form

13(A) (v) All securities held by depository shall be dematerialised and shall be in fungible form. No certificates shall be issued for the securities held by the Depository. Nothing contained in Sections 153, 153A, 153B, 187C and 372 of the Companies Act, 1956 shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owners.

Rights of Depositories and Beneficial Owner

13(A) (vi) (a) Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the Registered Owner for the purpose of effecting transfer of Ownership of Securities on behalf of the Beneficial Owner.

13(A) (vi) (b) Save as otherwise provided in Article 13(A)(vi)(a) above the Depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the Securities held by it.

13(A) (vi) (c) Every person holding Securities of the Company and whose name is entered as the beneficial owner in the records of the Depository shall be deemed to be a member of the Company. The beneficial owners of securities shall be entitled to all rights and benefits and be subject to all the liabilities in respect of their securities which are held by the Depository.

Service of Documents

13(A) (vii) Notwithstanding anything contained in the Act or these Articles to the contrary where the Securities are held in a Depository the records of the beneficial ownership may be served by such Depository on the Company by means of Electronic mode

or by delivery of floppies or discs.

The following Article 41(A) be inserted after the existing Article 41

Transfer of Securities

41(A) (i) Nothing contained in Section 108 of the Companies Act, 1956, or these Articles shall apply to a transfer of securities effected by the transferor and transferee, both of whom are entered as beneficial owners in the records of a depository.

41(A) (ii) Notwithstanding anything to the contrary contained in the Companies Act, 1956 or these Articles, a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owner.

The following Article 44(A) be inserted after the existing Article 44

Nomination

44(A) (i) Subject to the provisions of Section 109 of the Companies Act, 1956 every shareholder or debenture holder of the Company, may at any time, nominate in the prescribed manner a person to whom his/her shares in, or debentures of the Company shall vest in the event of his/her death.

44(A) (ii) Where the shares in, or debentures of the Company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, a person to whom all the rights in the shares or debentures of the Company as the case may be, shall vest in the event of the death of all the joint holders.

44(A) (iii) Where the nominee is a minor, it shall be lawful for the holder of the shares or debentures, to make a nomination to appoint, in the prescribed manner, any person to become entitled to shares in or debentures of the Company, in the event of his/her death during the minority.

Transmission of Securities

44(A) (iv) (a) A nominee, upon production of such evidence as may be required by the Board as per the relevant laws and subject to as hereinafter provided, elect either :

- (a) To be registered himself/herself as holder of the share or debenture as the case may be ; or
- (b) To make such transfer of the share or debenture, as the case may be, as the deceased share holder or debenture holder, could have made.

44(A) (iv) (b) If the nominee elects to be registered as holder of the share or debenture, himself/herself, as the case may be, he/she shall deliver or send to the Company, a notice in writing signed by him/her stating that he/she so elects and such notice shall be accompanied with the death certificate of the deceased shareholder or debenture holder as the case may be.

44(A) (iv) (c) A nominee shall be entitled to the same dividends and other advantage to which she/he would be entitled to if he/she were the registered holder of the share or debenture except that he/she shall not, before being registered as a member in respect of his/her share or debenture, be entitled in respect of it to exercise any right referred by membership in relation to meetings of the Company. Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself/herself or to transfer the share or debenture, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends,

bonuses or other monies payable or rights accruing in respect of such share or debenture, until the requirements of the notice have been complied with.

44(A) (iv) (d) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of such shares in or debentures of the Company where the nomination made in the prescribed manner purports to confer on any person the right to vest the shares in or debentures of the Company, the nominee shall, on the death of the shareholder or debenture holder, or as the case may be, on the death of the joint holders, become entitled to all the rights in such shares or debentures, or as the case may be, all the joint holders, in relation to such shares or debentures, to the exclusion of all other person, unless the nomination is varied or cancelled in the manner as may be prescribed under the Act.

The following Article 80(A) be inserted after the existing Article 80

Resolution by Postal Ballot

80(A) (i) Notwithstanding anything contained in the forgoing provisions of the Act and these Articles of Association, the Company may, and in case of resolutions relating to such business as the Central Government may, by notification, declare to be conducted only by postal ballot, shall, get any resolution passed by means of a postal ballot, instead of transacting the business in general meeting of the Company.

80(A) (ii) Where the Company decides to pass any resolution by resorting to postal ballot, it shall send a notice to all the shareholders, alongwith the draft resolution explaining the reasons therefore, and requesting them to send their assent or dissent in writing on a postal ballot within a period of thirty days from the date of posting of the letter and such resolution shall be passed in the manner as specified in accordance with the provisions of Section 192A of the Act."

Indore

Dated : 22nd June, 2001

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 ITS 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 Nos. 6 to 10 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 book of the Company, will remain closed from **Wednesday the 25th July 2001 to Friday the 27th July 2001**. (Both days inclusive).
4. The accounts, the reports and all other documents required under the law to be annexed thereto will be available for inspection during working hours at the Registered Office of the Company on any working day except Saturdays and Sundays prior to the date of the Annual General Meeting.
5. Members desiring to seek any information on the Annual

Accounts to be explained at the meeting are requested to send their queries in writing to the Company at the Registered Office so as to reach at least 7 days before the date of the meeting to make the required information available.

6. In order to prevent the possibility of interception in transit & fraudulent encashment of Dividend Warrants sent to Members, Members are requested to inform Bank Account No. & name of their bankers which would be incorporated in the Dividend Warrants. Information may be sent in this respect to the Registered Office of the Company at the earliest, in the format attached herewith.
7. Members are requested to :
 - a) Bring their copy of the Annual Report to the Meeting as the practice of distributing copies of accounts in the meeting has been discontinued.
 - b) Notify immediately the change of address, if any, to the Company, in the format enclosed herewith.
 - c) The Company has obtained connectivity with the CDSL and NSDL and has obtained security code Number INE451D01011 for the equity shares of the Company. Members are advised to get benefit to hold their shares in the dematerialised form by availing the option.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956.

ITEM NO. 6 to 8

Having regard to the increasing complexities in the business and whole time devotion towards the growth of the Company, the Board is of the view that the remuneration of Shri Chandanmal Chordia, the Whole Time Director, Shri Sunil Chordia, the Managing Director and Shri Dilip G. Deshmukh, the Executive Director, should be sufficiently increased and revised.

The members at the time of their respective appointments have sanctioned the following remuneration which is proposed to be increased as under :

<u>Name of the Director</u>	<u>Existing remuneration</u>	<u>Proposed revised remuneration</u>
1. Shri Chandanmal Chordia (Whole Time Director)	31,000.00	40,000.00
2. Shri Sunil Chordia (Managing Director)	40,000.00	50,000.00
3. Shri Dilip G. Deshmukh (Executive Director)	35,000.00	45,000.00

The revision as set out in the resolution has been approved by the Board of Directors at their meeting held on 22nd June, 2001.

In terms of provisions of the Companies Act, 1956, approval of the Members being sought to increase and revise their remunerations as set out in the item No. 6 to 8 of the notice by way of ORDINARY RESOLUTIONS.

Shri Chandanmal Chordia and Shri Sunil Chordia are interested in the resolution to the extent of their remuneration and may be deemed to be concerned or interested being relatives to each other for item No. 6 & 7. In case of items No. 8 except, Shri Dilip G. Deshmukh, none of the Directors of the Company are concerned or interested in the resolution.

The explanatory statement may be treated as an abstract under Section 302 of the Companies Act, 1956.

ITEM NO. 9 :

Shri Dilip G Deshmukh was appointed as Executive Director of the Company by the members for a period to two years w.e.f 31st May, 1997 and further appointed w.e.f 31st May, 1999 for a further period of two years, and his period of appointment has expired on 30th May, 2001. He has contributed significantly for the growth and development of the Company. In view of this, the Board is of the opinion that Shri Dilip G. Deshmukh should continue as Executive Director of the Company on the remuneration, terms and conditions as contained in the resolution.

The Board of Directors recommend passing of resolution set out in item no. 9 as an ORDINARY RESOLUTION.

Shri Dilip G. Deshmukh may be deemed interested in the resolution.

This explanatory statement is and may be treated as an abstract under Section 302 of the Companies Act, 1956.

ITEM NO. 10

With the enactment of the Depositories Act, 1996 and the introduction of the Depository system, certain provisions of the Companies Act, 1956 pertaining to issue, holding, transfer, transmission of shares and other securities have been amended with a view to facilitating the operation of the Depository system. The Depository system of holding securities in the electronic form is far safer and more convenient method for holding and trading in the securities of the Company.

After compulsory D-mat by the Stock Exchange, Mumbai and keeping in view the benefits for the investors and shareholders, the Company's equity shares have been admitted to the depositories viz CDSL & NSDL and available for trading in electronic mode as well as may be held in D-mat form. Such act of the Company will enable the shareholders of the Company to exercise this option whether to keep the shares in physical or in the electronic form.

Further, recent amendments in the Companies Act, 1956 have enabled buy back of securities by the Company, nomination by the holders of securities etc. In order to bring Articles of Association of the Company in line with the provisions of the Companies Act, 1956 it is proposed to amend certain Articles as contained in the resolution.

Pursuant to Section 31 of the Companies Act, 1956 a Company may by a Special Resolution alter its Articles of Association. Accordingly your Directors recommend the Special Resolution as set out under item no. 10 of the notice.

An amended draft of Articles of Association shall be available for inspection at the Registered office during business hours on any working day upto the date of Annual General Meeting.

None of the Directors of the Company is concerned or interested in the Resolution except, as member of the Company.

Indore
Date : 22nd June, 2001

By Order of the Board
Chandanmal Chordia
Chairman