

*Fourteenth Annual Report*  
*2001-2002*

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**RAJRATAN**  
**GUSTAV WOLF**  
**LIMITED**

## BOARD OF DIRECTORS

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

## COMPANY SECRETARY

Mrs. Anjali Javeri

## BANKERS

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

## AUDITORS

Trilok Jain & Co.  
Chartered Accountants  
Bansi Plaza, M.G. Road,  
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 Fourteenth Annual General Meeting of the Members of the Company will be held on Monday the 10th June, 2002 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:

**1. ORDINARY BUSINESS :**

1. To consider, approve and adopt the Balance Sheet as at 31st March 2002 and the Profit and Loss Account for the year ended on that date and the Directors and the Auditor's Report thereon.
2. To consider and approve payment of dividend.
3. To appoint a director in place of Mr. Nemnath Jain, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a director in place of Mr. Sanjay Pasari, 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.

By Order of the Board  
**Chandanmal Chordia**  
Chairman

Indore

Dated : 11th April, 2002

**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 Register of Members and the share transfer book of the Company will remain closed from Saturday the 18th Day of May, 2002 to Wednesday the 22nd day of May, 2002. (Both days inclusive).
3. Payment of dividend as recommended by the Board of Directors, if approved at the Annual General Meeting, will be made payable on or after 10th June, 2002 in respect of shares held in physical form to those members whose name appear in the Company's Register of Members as on 22nd May, 2002 and in respect of shares held in electronic form, to those "deemed members" whose name appear in the statement of Beneficial Ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) at the close of business hours on 17th May, 2002.

4. Members holding shares in physical form and desirous of making nomination in respect of their shareholding in the Company, as permitted under Section 109A of the Companies Act, 1956, may kindly write to the Company for nomination form quoting their Folio no.
5. Pursuant to the provisions of Section 205A of the Companies Act, 1956, as amended, dividend for the financial year 1995-96 and thereafter which remained unpaid/unclaimed for a period of 7 (Seven) years will be transferred to the Investor Education and Protection Fund to be constituted by the Central Government under Section 205C of the Companies Act, 1956.
6. Those members who have not received/encashed dividend warrants for the financial years 1995-96 and onwards may return the time barred dividend warrants or write to the Company for the issue of duplicate dividend warrants. It may kindly be noted that once the unpaid/unclaimed dividend is transferred to the Central Government, as above, no claim shall lie in respect thereof
7. 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 Sundays prior to the date of the Annual General Meeting.
8. 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.
9. In order to prevent the possibility of interception in transit & fraudulent encashment of Dividend Warrants sent to Members, Members holding shares in physical form 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.
10. Members holding shares in electronic form are advised that address/bank details as furnished to the Company by the respective Depositories viz. NSDL & CDSL, will be printed on the Dividend warrants. Members are requested to inform the concerned Depository participants of the change in address, dividend mandates etc.
11. Members are requested to bring their copy of the Annual Report to the Meeting as the practice of distributing copies of accounts in the meeting has been discontinued.
12. The equity shares of the Company are listed on The Stock Exchange, Mumbai and Madhya Pradesh Stock Exchange, Indore. The Company has paid annual listing fees for the financial year 2002-03 to both Exchanges.

Indore

Dated : 11th April, 2002

By Order of the Board  
**Chandanmal Chordia**  
Chairman

## DIRECTORS' REPORT

The Directors hereby present their Fourteenth Annual Report on the state of affairs and the audited accounts for the financial year ended on 31st March 2002.

### FINANCIAL RESULTS :

	(Rs in lacs)	
	2001-2002	2000 -2001
Profit before Depreciation	488.83	355.07
Less: Depreciation	79.45	71.80
Profit before Taxation	409.38	283.27
Less: Provision for Taxation	87.00	21.50
Profit for the year	322.38	261.77
Less: Income Tax pertaining to Previous Years	4.05	-
Add: Surplus of Previous Year	65.34	53.08
Amount available for appropriation	383.67	314.85

### APPROPRIATION

Proposed Dividend	56.26	45.01
Dividend Tax	-	4.50
Transfer to General Reserve	250.00	200.00
Balance carried to Balance Sheet	77.41	65.34

### PERFORMANCE HIGHLIGHTS/OPERATIONS

Despite a very difficult economic environment which has been continuing for over two years now, the Company's performance has been extremely satisfactory. This has been possible due to total customer focus, assured performance of our product, a spirited team work and effective cost control.

During the year the turnover of the Company grew from Rs. 48.29 crores to Rs. 52.03 crores recording a growth of 8%. The profit before tax has also increased by 45% from Rs. 2.83 crores in the previous year to Rs. 4.09 crores in the year under review. In substance, the Company believes that the results of the year 2002 vindicate the strategies that were pursued.

### DIVIDEND

The Directors are pleased to recommend a dividend @ 15% (previous year 12%) on the equity shares for the financial year 2001 - 2002, subject however to proposed amendment in the Finance Bill, 2002 relating to TDS.

### FUTURE PROSPECTS

In spite of the current depressed economic conditions, your Company sees lot of growth opportunities, particularly on the export front. The Company's recent efforts in the export business have given extremely encouraging results.

To stay ahead in the competitive market, your Company is continuously expanding its tyre bead wire production capacity. In the year 2002-03 also, the Company plans to increase the

capacity to 20400 MT.

Your directors feel that continuous improvement in quality, increased production efficiencies, cost saving measures, offering innovative product ideas to our customers, both locally and internationally would enable the Company to better its overall performance.

### DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association Mr. Nemnath Jain and Mr. Sanjay Pasari, Directors of the Company retire by rotation at the Fourteenth Annual General Meeting and they are eligible for re-appointment. The Board recommends their re-appointment.

### AUDITORS

M/s. Trilok Jain & Co, Chartered Accountants, Indore, the Statutory Auditors of the Company, are retiring at the conclusion of Fourteenth Annual General Meeting. The Auditors has furnished a Certificate as required under Section 224(1B) of the Companies Act, 1956 and has consented to continue to act as auditors of the Company for the current year, if re-appointed.

### AUDITORS' REPORT

Report of the Auditors and their observations and notes to the accounts of the Company for the year under review are attached herewith which are self explanatory and does not require further explanation.

### PARTICULARS OF EMPLOYEES

None of the employees of the Company drew a remuneration of Rs.24,00,000.00 for the full year or Rs. 2,00,000.00 per month for a part of the year and hence do not fall under the category as specified under section 217(2A) of the Companies Act, 1956. read with the Companies (Particulars of the Employees) rules, 1975.

### FIXED DEPOSITS

The Company has not accepted any deposit during the year from the public and has no Public Deposits outstanding as on 31st March 2002.

### LISTING

The shares of the Company are listed on Madhya Pradesh Stock Exchange and The Stock Exchange, Mumbai and the Company is regular in payment of the listing fees to them. There was no suspension of trading during the year under review.

### ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The details of energy conservation, technology absorption etc in form A and B as required under section 217 (1) (e) are annexed to and forming part of the Report of the Board.

### INDUSTRIAL RELATIONS

Your Directors are pleased to report that the relations with the employees and workers continued to be cordial during the year under review.

**CORPORATE GOVERNANCE**

Your Company has always followed the philosophy of conducting its business with the compliance of laws, rules, regulations and sound internal control system and procedures. The Company has started taking effective steps to implement the mandatory requirement of Corporate Governance Code as prescribed by Securities and Exchange Board of India effective from 1st April, 2002 as applicable in case of your Company.

**DIRECTOR'S RESPONSIBILITY STATEMENT****The Directors confirm:**

1. That in the preparation of the annual accounts, the applicable accounting standards have been followed, along with proper explanation relating to material departures.
2. That the directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company

for that period.

3. That the directors have taken proper and sufficient care for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
4. That the directors have prepared the annual accounts on a going concern basis.

**ACKNOWLEDGEMENT**

Your Directors place on record their deep appreciation to the Company's banker, financial institutions, suppliers, customers and also our esteemed shareholders for their continued support.

Indore

Dated : 11th April, 2002

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

**ANNEXURE TO THE REPORT OF THE BOARD OF DIRECTORS****PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO:**

The Company has incurred an expenditure of Rs. 157001/- (Rs. 174775/-) on foreign travels, Rs. 8601/- (Rs. 9484/-) on purchase of books & periodicals, Rs. 15504/- (Rs. Nil) on purchase of office equipment & Rs. 3574990/- (Rs. 12428867/-) on import of raw material in foreign exchange during the year. The F.O.B. value of exports during the year was Rs. 27385986/- (Rs. 10425541/-).

The Company is employing indigenous technology for its operations. Constant watch is kept on the consumption of energy & fuel to effect economy wherever possible.

The details regarding consumption of energy are given below:-

<b>Power &amp; Fuel Consumed</b>	<b>2001 - 02</b>	<b>2000-01</b>
1. Electricity		
(a) Purchased Units (KWH)	5939801	6261074
Total Amount	26087013	26436205
Rate/Unit	4.39	4.22
(b) Own Generation ( Through diesel Generator )		
Units (KWH)	2096298	1515816
Units/ Litre of Diesel	2.91	2.76
Cost / Unit	5.37	5.88
2. L.P.G.		
Quantity (Kgs)	556705	567460
Total Amount	9403873	9621582
Average Rate ( Per Kg)	16.89	16.956
3. DIESEL :		
Quantity ( Ltrs)	422675	433445
Total Amount	6600910	7020831
Average Rate	15.62	16.20
Consumption per Unit of production		
Electricity ( Units)	469	392
L.P.G. ( Kgs)	56	61

Indore

Dated 11th April, 2002

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