



ZF STEERING GEAR (INDIA) LTD.

**21ST ANNUAL REPORT
2000-2001**



**BOARD OF DIRECTORS****Chairman**

A. H. Firodia

Managing Director

Dinesh Munot

Executive Director

J. H. Munot

Directors

B. N. Deshmukh

D. S. Bomrah

Dr. Hermann Strecker
(up to 31-03-2001)

Dr. Wolfgang Zeitz

Abhay Firodia

Manish Motwani

Werner Speier

Dr. Dinesh Bothra
(w.e.f. 28-07-2000)

Mr. Walter Salvasohn
(w.e.f. 16-06-2001)

AUDITORS

M/S. N. F. Karnavat & Co.
Chartered Accountants
Pune.

BANKERS

Bank of Maharashtra
Canara Bank

REGISTERED OFFICE & WORKS

Gat No. 1242 & 1244,
Village Vadu Budruk,
Taluka Shirur, Dist. Pune-412216
Maharashtra
Telephones : 02137-52223/52459/52433
Fax : 02137-52302
E-Mail : zfindia@giaspn01.vsnl.net.in

COMPANY SECRETARY

Satish Mehta



NOTICE

NOTICE is hereby given that the Twenty First Annual General Meeting of the Members of ZF STEERING GEAR (INDIA) LIMITED will be held as scheduled below:

DAY : Tuesday

DATE : July 31, 2001

TIME : 5-00 p.m.

PLACE : Regd. Office of the Company :

Gat Nos. 1242/44, Village Vadu Budruk,

Tal. Shirur, Dist. Pune-412 216.

The Agenda for the Meeting will be as under :

ORDINARY BUSINESS :

- 1) To receive and adopt the Directors' Report and Audited Balance Sheet and Profit and Loss Account for the year ended March 31, 2001 together with the Auditors' Report thereon.
- 2) To declare a dividend.
- 3) To appoint a Director in place of Mr. B. N. Deshmukh, who retires by rotation, and is eligible for reappointment.
- 4) To appoint a Director in place of Mr. D. S. Bomrah, who retires by rotation, and is eligible for reappointment.
- 5) To appoint a Director in place of Mr. Manish Motwani, who retires by rotation, and is eligible for reappointment.
- 6) To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS :

- 7) To consider and, if thought fit, to pass, with or without modification/s, the following resolution as an **Ordinary Resolution** :

"RESOLVED THAT Dr. Dinesh Bothra, who was appointed as an Additional Director of the Company by the Board of Directors of the Company, pursuant to Article 89 of the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting by reason of Section 260 of the Companies Act, 1956, and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956, in writing proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, subject to retirement by rotation under the Articles of Association of the Company."

- 8) To consider and, if thought fit, to pass, with or without modification/s, the following resolution as a **Special Resolution** :

"RESOLVED THAT Pursuant to the provisions of Section 17 and all other applicable provisions of the Companies Act, 1956, and subject to confirmation by the Registrar of Companies, Maharashtra, the Objects Clause III(c) of the Memorandum of Association of the Company be altered by insertion of the following new sub-clause 55 after the existing sub-clause 54 of the Memorandum of Association of the Company :

55. To carry on all or any of business of power generation by means of conventional as well as non conventional methods including power generation by petrol, diesel, coal, oil, hydraulic, magnetic, electronic, solar, windmill, vegetation and its distribution."

- 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 the provisions of Section 149(2A) and all other applicable provisions of the Companies Act, 1956, approval of the members be and is hereby accorded to the Board of Directors for commencing and carrying on the business activities of power generation by wind mill and other related activities as more specifically stated in new sub-clause 55 of Clause III(c) of the Objects Clause of the Memorandum of Association of the Company as and when deemed fit by the Board of Directors upon the aforesaid sub-clause becoming effective.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things, as may be considered necessary, desirable or expedient for the purpose of giving effect to this resolution."

- 10) To consider and, if thought fit, to pass, with or without modification/s, the following resolution as a **Special Resolution** :

"RESOLVED THAT the Articles of Association of the Company be altered pursuant to Section 31 of the Companies Act, 1956 as set out below :

- i) In Articles 2 under the heading "interpretation", the following new definitions shall be inserted



at their respective places in alphabetical order:

"Beneficial Owner" means the beneficial owner as defined in clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996.

"Depositories Act" means the Depositories Act, 1996 and shall include any statutory modification thereto or re-enactment thereof for the time being in force.

"Depository" means a Depository as defined under clause (e) of sub-section (1) of Section 2 of the Depositories Act, 1996.

ii) After exiting Article 4, the following new Article 4A shall be inserted:

4A. Notwithstanding anything contained in these Articles, the Company shall in accordance with the provisions of the Depositories Act, be entitled to dematerialise its shares, debentures and other securities or rematerialise its shares, debentures and other securities held with Depository and offer its shares, debentures and other securities in a dematerialised form pursuant to the Depositories Act and the rules framed thereunder, if any.

iii) After existing Article 10, the following new Article 10A shall be inserted:

10A. The Company shall maintain a Register and Index of Members in accordance with Sections 150 and 151 of the Act, and the Depositories Act, with details of shares held in material and dematerialised forms, in any media (including electronic media) as may be permitted by law. The Register and Index of Beneficial Owners maintained by the Depository under Section 11 of the Depositories Act shall be deemed to be Register and Index of Members for the purpose of the Act.

iv) Existing Article 13 shall be deleted and substituted by the following:

13. The shares in the capital shall be numbered progressively, provided however, that the provisions relating to progressive numbering shall not apply to the shares of the Company which are dematerialised or may be dematerialised in future or issued in future in dematerialised form. No share

shall be sub-divided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.

v) Existing Article 18 shall be deleted and substituted by the following:

18. The Company is not bound to recognise any interest in share other than that of registered holder or beneficial owner, except as ordered by a court of competent jurisdiction or as required by law. The Company shall be entitled to treat the person whose name appears on the Register of Members as holder of any share or where the name appears as the beneficial owner in the records of the Depository as the absolute owner thereof and accordingly shall not be bound or be compelled in any way to recognise, even when having notice thereof, any benami trust or equitable, contingent, future or partial interest in any share or (except only as is by these Articles otherwise expressly provided) any right in respect of any share other than an absolute right thereto, in accordance with these Articles on the part of any other person whether or not it shall however have express or implied notice thereof, but the Board shall be at liberty at their sole discretion to register any share in the joint names of any two or more persons or the survivors of them. Provided that the Depository as the registered holder shall not have any voting rights or any other rights in respect of the shares held by the Depository and the beneficial owner shall be entitled to all such voting rights and other rights and benefits in respect of the shares held with Depository.

vi) After Article 18, the following new Article 18A shall be inserted:

18A. The provisions of Sections 153, 153A, 153B, 187B, 187C and 372A of the Act shall not apply to the shares, debentures and securities held by a Depository on behalf of the beneficial owners.

vii) In Article 19A, the following proviso shall be inserted:

"Provided however, that no Share Certificate(s) shall be issued for shares held with Depository."



- viii) Existing Article 46 be deleted and substituted by the following:
46. The Company shall keep a book to be called the 'Register of Transfers' and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any share held in a material form.
- ix) In Article 47, after the words "shares and the registration thereof", the following words be added:
"except in case of transfer of securities effected by the transferor and the transferee, both of whom are entered as beneficial owners in the records of the Depository."
- x) In Article 51, after the words "shares standing in the name of the deceased member", the following words be added:
"or held in dematerialised form"
- xi) After Article 52, the following new Article be inserted as Article 52A:
52A. Notwithstanding anything contained in any other Articles or in any other law for the time being in force, where a nomination has been made in the manner prescribed in Section 109A of the Act, purporting 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 holder of debentures of the Company or as the case may be, on the death of the joint holders, become entitled to all the rights in the shares or debentures of the Company as the case may be, to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner and the provisions contained in Sections 109A and 109B of the Act shall be applicable to such cases.
- xii) After Article 56, the following Article be inserted as Article 56A as follows:
56A. In the case of transfer of shares, debentures or other marketable securities, where such shares or debentures or securities are being held in an electronic and fungible form, the provisions of the Depositories Act shall apply."

By Order of the Board of Directors

Pune
June 16, 2001

Satish Mehta
Company Secretary

NOTES :

- 1) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
- 2) The Explanatory Statement setting out the material facts in respect of the special business under item Nos. 7 to 10 is annexed hereto.
- 3) The Company has already notified closure of Register of Members and Share Transfer Books of the Company from Saturday, July 28, 2001 to Tuesday, July 31, 2001 (both days inclusive), for payment of dividend. In respect of shares held in electronic form, the dividend will be paid on the basis of beneficial ownership as per details furnished by the Depositories for this purpose.
- 4) Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions to the Company so as to reach it at least ten days before the date of the Meeting, so that information can be made available at the Meeting.
- 5) Members are requested to notify immediately change in their address, if any, to the Company at its registered office specifying therein the Pin Code Number.
- 6) The Company has transferred Unpaid dividend up to the financial year ended March 31, 1995 to General Revenue Account of Central Government in accordance with Section 205A (5) of the Companies Act, 1956. Those Members who have so far not claimed or collected their dividend up to the aforesaid financial year may claim their dividend from the Registrar of Companies, Maharashtra, PMT Building, Deccan Gymkhana, Pune-411 004. In case any assistance is required, please write to the Company.
- 7) Pursuant to provisions of Section 205A (5) of the Companies Act, 1956, as amended with effect from October 31, 1998 dividends for the financial year ended March 31, 1996 and thereafter, which remain unpaid or unclaimed for a period of 7 years from the date of transfer of the same under sub-section (1) of the Section, will be transferred to the investor Education and Protection Fund of the Central Government established under Section 205C of the Act. According to the provisions of the Act as amended, no claim shall lie against the said Fund or the Company for the amounts of dividend so transferred nor shall any payment be made in respect of such claim.
- 8) Under the provisions of the Companies Act, 1956 as amended with effect from October 31, 1998, Members may file Nomination Forms in respect of their shareholdings. Any Member willing to avail of this facility may submit to the Company the prescribed Form 2B.
- 9) Members are advised to avail of the facility of Electronic Credit of Dividend.



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

Item No. 7

Dr. Dinesh Bothra was appointed as an Additional Director of the Company effective July 28, 2000 and his term of office expires at the conclusion of this Annual General Meeting. Dr. Bothra is B.Tech from IIT, Delhi. He has also done his M.S. and Ph.D. from U.S.A.

The Company has received a notice from a member under Section 257 of the Companies Act, 1956 proposing the candidature of Dr. Dinesh Bothra as a Director of the Company. The Directors recommend the appointment of Dr. Dinesh Bothra as Director of the Company. None of the Directors except Dr. Dinesh Bothra and Mr. Dinesh Munot (Dr. Bothra being relative of Mr. Dinesh Munot), is interested in the Resolution.

Item No. 8

The Company is in the system of manufacturing, marketing and otherwise dealing in Steering Gears for the automotive industry.

As part of its diversification plans, your Company also intends to carry on the business of generating power through Wind-turbine mills. The Company is studying the various options available in wind-mill projects and the incentives offered by the Central and the State Governments.

Your Directors are of the view that it will be beneficial for the Company to conveniently and advantageously combine the proposed object, with the existing business of the Company. Accordingly, the Directors propose to amend Clause III of the Memorandum of Association of the Company as set out in at Item No. 8 of this Notice to enable the Company to take this new line of activity. For this purpose, alteration in the Objects Clause of the Memorandum of Association is necessary. Your Directors would like to assure you that the manufacturing and marketing of Steering Gears will continue to be the Main business of the Company.

As per the provisions of Section 17 of the Companies Act, 1956, the Objects Clause of the Company can be amended only by a Special resolution passed by the shareholders in the General Meeting. This is subject to the confirmation by the Registrar of Companies, Maharashtra.

Your Directors recommend the Resolution for adoption by the members. None of the Directors of the Company is in any way concerned or interested in the Resolution, except to the extent of their shareholdings.

Item No. 9

As per the provisions of Section 149(2A) of the Companies Act, 1956, approval of the members is required for commencement of any business as set out in the Other Objects under Clause III(c) of the Memorandum of Association. Your Directors recommend passing of the Resolution as set out in Item No. 9.

Item No. 10

As per the directive of the Securities and Exchange Board of India (SEBI), the shares of the Company are included in the list in which trading in dematerialised form has been made compulsory for all the investors with effect from March 26, 2001. The Company has entered into agreements with both the Depositories, National Securities Depository Limited (NSDL) and Central Depository Services (India) limited (CDSL) in order to facilitate the holding and transfer of securities of the Company in dematerialised form.

Consequent to the passing of the Depository Act, 1996 and with the introduction of the Depository system, certain provisions of the Companies Act, 1956 have been amended to facilitate implementation of the Depository system. As the Company has joined the Depository system, suitable modifications are required to be made in the Articles of Association of the Company, pertaining to the issue, holding, transfer of shares and other related matters and certain new Articles are also required to be inserted in the Articles of Association in view of the provisions of the Depository Act, 1996. The amendment to Articles of Association of the Company proposed at Item Nos. 10 of the Notice of the Meeting are considered necessary so as to bring the Articles of Association in conformity with the provisions of the Depositories Act and those of the Companies Act, as have been amended by the Depositories Act.

It is proposed to insert new Article 56A in the Articles of Association of the Company in line with the provisions of Section 109A and 109B introduced vide the Companies Amendment Act, 1999 which permits a member of the Company to appoint nominee to whom the shares held by the member shall vest in the event of the member's death.

None of the Directors of the Company is concerned or interested in passing of this Special Resolution.

By Order of the Board of Directors

Pune
June 16, 2001

Satish Mehta
Company Secretary