



51<sup>st</sup> ANNUAL REPORT 2000 - 2001



Dear Shareholder,

Performing against odds is something ITI has learnt to live with. Despite turbulent winds of intense competition characterised by steep fall in prices, your Company has recorded the highest ever turnover of Rs. 2144.20 Cr for the year under review, earning a net profit of Rs. 27.55 Cr. Your Company's role as a significant resource for building vital infrastructure is underscored by the fact that ITI continues to maintain its leadership by being the largest supplier of Switching equipment as well as the SDH fibre-optic terminals to the country's telecom network. The recognition which has come its way like the SCOPE Award for Excellence and Bangalore Management Association's Management Excellence Award is but an inspiration to redouble its efforts for greater efficiency.

Your Company's strategy for the future is well charted. Agility and speed are the watchwords for implementing it. "Mission Sphoorti" is the current mantra for the ITI collective who have the task of imbibing the shift from manufacturing to total solutions capability. This transformation in essence is consolidating your Company's high capacity of knowledge and skills to pave the way for a well-diversified portfolio. A slew of new introductions the in-house R&D has thrown up - some of which have earned national patents - emphasise our strength in innovation. Our success in the new direction is evident from the tenders we have won for the supply of GSM infrastructure, satcom networks, etc.

As convergence markets open up enormous opportunities in new technology areas, ITI's potential is reflected in each of its current initiatives. These include a massive restructuring for transition to a zero-duty regime and changes in the global scenario. Your Company is well poised to meet the requirements of new products and services desired by our valued customers in the 10th Indian Five Year Plan.

Value to shareholders being our prime concern, the commitment to better financial rewards is deep-rooted. In order to maintain a steady level of return, the Board of Directors have recommended a dividend of 5% for the year. Your trust and confidence will be the underlying force in all our endeavours.

Lakshmi G Menon  
Chairman & Managing Director



WINNER OF MANAGEMENT EXCELLENCE AWARD  
PRESENTED BY BANGALORE MANAGEMENT ASSOCIATION IN  
THE INSTITUTIONAL - 1 CATEGORY FOR THE YEAR 2000-2001



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**BOARD OF DIRECTORS :**

**Smt. Lakshmi G. Menon**  
Chairman & Managing Director

**U.D. Paradkar**  
Director-Bangalore Plant

**S.K. Manocha**  
Director-R&D

**Smt. Anuradha Mitra**

**Vijoy Kumar**

**Air. Cmde. S.S.Motial**  
Chairman & Managing Director (Upto 31.7.2000)

**Prakash Narain** (Upto 31.8.2000)

**M.C. Jain** (Upto 9.1.2001)

**B.B. Singh** (Upto 9.1.2001)

**Rajeev Agrawal** (Upto 2.3.2001)

**A.V. Varadarajan**  
Director Finance (Upto 31.5.2001)

**Gautam Soni** (Upto 30.6.2001)

**Lt. Gen. Prakash Gokarn** (Upto 31.7.2001)

**COMPANY SECRETARY :** **C.R. Prakash**

**LEGAL ADVISERS**

**M/s. Raj & Reddy**, Advocates, Bangalore

**M/s. Holla & Holla, Patil & Nettar**, Advocates, Bangalore

**M/s. N. Jayaraman**, Advocates, Bangalore

**M/s. Rao & Joshi & Associates**, Advocates, Bangalore

**M/s. Dave & Girish & Co.**, Advocates, Bangalore

**AUDITORS**

:

**M/s. A.R. Viswanathan & Co., Bangalore****M/s. Anoop Agarwal & Co., Gorakhpur****M/s. Mittal Gupta & Co., Lucknow****M/s. Balram Chandra & Associates, Allahabad****M/s. Varier & Associates, Palghat****M/s. Khanna Puri Wadhava & Co., New Delhi****BANKERS**

:

**State Bank of India****State Bank of Patiala****State Bank of Bikaner & Jaipur****State Bank of Mysore****State Bank of Hyderabad****State Bank of Travancore****Bank of Baroda****Central Bank of India****Punjab National Bank****Development Credit Bank Limited****Indus Ind Bank Limited****UTI Bank Limited****Vijaya Bank****Indian Bank**

**MANAGEMENT :****CORPORATE OFFICE****Smt. Lakshmi G. Menon**

Chairman &amp; Managing Director

**S.K. Manocha**

Director- Research &amp; Development

**A.L. Motwani**

Executive Director (Operations)

**A. Butchiah**

Additional Director (Finance)

**G.S. Shukla**

Additional Director (Planning &amp; Projects)

**P. Vasudevan**

Additional Director (Personnel &amp; Administration)

**J. Devgan**

Additional Director (Marketing &amp; Exports)

**S. Badrinarayana**

Additional Director (DoT Marketing)

**A.K. Rangari**

Additional Director (Quality Assurance)

**PLANTS****Bangalore Plant****U.D. Paradkar**

Director

**Electronic City Plant****K.K. Sundaram**

General Manager

**Network Systems****P.K. Bandyopadhyay**

General Manager

**Rae Bareilly Plant****Pritam Singh**

General Manager

**Naini Plant****Maj. Gen. K.K. Ohri**

Executive Director

**Mankapur Plant****V.K. Chaturvedi**

Executive Director

**Palakkad Plant****J.K. Verma**

General Manager

**Srinagar (J&K) Plant****M.M. Sheikh**

Deputy General Manager

**Business Co-ordination Office, New Delhi****Mahesh Chandra**

Executive Director, DoT Marketing &amp; Business Co-ordination

**NOTICE :**

NOTICE is hereby given that the FIFTY FIRST Annual General Meeting of ITI Limited will be held on Friday, the 28<sup>th</sup> September, 2001 at 11.00 A.M. at Green Arch Hall, Woodlands Hotel Pvt. Ltd., No.5, Rajaram Mohan Roy Road, Bangalore-560 025, to transact the following business:

**ORDINARY BUSINESS :**

1. To receive, consider and adopt the Directors' Report, the Balance Sheet as at 31<sup>st</sup> March 2001, the Profit & Loss Account for the year ended on that date and the Auditors' Report thereon.
2. To declare Dividend on Equity Shares.
3. To appoint a Director in place of Shri U.D. Paradkar who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and if thought fit, to pass with or without modifications, the following as an Ordinary Resolution;

"RESOLVED to authorise the Board of Directors of ITI Limited to fix the remuneration, reimburse travelling allowance and out of pocket expenses of Statutory and Branch auditors of the Company appointed by Comptroller and Auditor General of India for the financial year 2000-2001 and to be appointed for the financial year 2001-2002.

**SPECIAL BUSINESS :**

5. To consider and, if thought fit, to pass with or without modifications, the following Resolution as an Ordinary Resolution:

"RESOLVED that Smt. Lakshmi G. Menon, who was appointed with effect from 12<sup>th</sup> October 2000 as an Additional Director of the Company with the designation of Chairman & Managing Director by the Board of Directors and who holds office upto the date of this Annual General Meeting under Section 260 of the Companies Act, 1956, and in respect of whom the Company has received a notice in writing from a Member proposing her candidature for the office of Director, be and is hereby appointed as Director of the Company".

6. To consider and, if thought fit, to pass with or without modifications, the following Resolution as an Ordinary Resolution:

"RESOLVED that Smt. Anuradha Mitra, who was appointed with effect from 9<sup>th</sup> January 2001 as an Additional Director of the Company by the Board of Directors and who holds office upto the date of this Annual General Meeting under Section 260 of the Companies Act, 1956, and in respect of whom the Company has received a notice in writing from a Member proposing her candidature for the office of Director, be and is hereby appointed as Director of the Company".



7. To consider and, if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:

“RESOLVED that pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956 the Articles of Association of the Company be altered as under to incorporate fresh Articles after the existing Article 135;

#### **136 – DEMATERIALISATION OF SECURITIES :**

Pursuant to the provisions of the Depositories Act, 1996 and rules framed thereunder:

- (a) The Company shall be entitled to dematerialise its securities (Shares, Debentures, etc.) and to offer securities in a dematerialised form;
- (b) The registered holders of the securities of the Company shall be entitled to convert such securities in a dematerialised form and to hold the same with a depository and vice-versa; and
- (c) Any one holding shares of the Company and whose name is entered as beneficial owner in the records of the depository shall be deemed to be a member of the Company and be entitled to all rights and benefits and subject to all the liabilities in respect of his/their shares held by a depository”.

#### **137 – NOMINATION FACILITY :**

- (i) Every holder(s) of shares in, or holder(s) of debentures of, the Company may, at any time, nominate, in the prescribed manner, a person to whom his shares in, or debentures of, the Company shall vest in the event of his death.
- (ii) A depositor may, in terms of Section 58A at any time, make a nomination and the above provisions shall, as far as may be, apply to the nomination made under this sub-section.

Regd. & Corporate Office  
45/1, Magrath Road,  
Bangalore-560 025

Place: Bangalore  
Date : 20th August, 2001

By Order of the Board  
For ITI LIMITED

**(C.R. PRAKASH)**  
COMPANY SECRETARY



**NOTES :**

1. Member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of himself and the Proxy need not be a Member of the Company. Proxies in order to be effective must be received at the Company's Registered Office not less than 48 hours before the commencement of the Meeting.
2. The Register of Members and the Share Transfer Books will remain closed from 14th September, 2001 to 28<sup>th</sup> September, 2001 (both days inclusive).
3. Members are requested to advise the Share Transfer Agents, M/s. Alpha systems Pvt. Ltd 30, Ramana Residency, 4<sup>th</sup> Cross, Sampige Road, Malleswaram, Bangalore-560 003. Immediately of any change in their address.
4. In accordance with the relevant provisions of the Companies Act, 1956, Shri U.D. Paradkar, Director-Bangalore Plant will retire by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.
5. ITI being a Government Company, the appointment as well as remuneration payable to Statutory and Branch Auditors are being done hitherto by the Central Government. The appointment and remuneration payable to Statutory and Branch Auditors for the financial year 2000-2001 was done by the Comptroller and Auditor General of India vide their letter dated 2<sup>nd</sup> February 2001. In addition to the remuneration, the auditors from outstations are eligible for reimbursement of actual reasonable travelling allowance and out of pocket expenses as may be approved by the Board of Directors with mutual agreement between the company and auditors.

Consequent to the amendment to Section 224 of the Companies Act, 1956, the remuneration of Auditors appointed by Comptroller and Auditor General of India under amended Section 619, shall be fixed by the Company in General Meeting or in such other manner as the Company may determine.

Accordingly, the Shareholders are requested to approve the Resolution at Item No.4 of the Notice.

6. If Dividend on the Equity shares as recommended by the Directors is declared at the Meeting, the Dividend Warrants will be sent only to those Members whose names appear in the Register of Members of the Company on the date of Annual General Meeting. In respect of Dematerialised shares, the Dividend will be payable on the basis of beneficial ownership as per details to be furnished by the National Securities Depository Limited and Central Depository Services Limited for this purpose.
7. Members requiring information on the Accounts are requested to write to the company atleast seven days before the date of the Meeting to enable the company to furnish the information.
8. Members/their Proxies/Representatives are advised to bring the Attendance Slip duly filled in and the Annual Report for attending the Meeting.
9. The relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed hereto. Documents relating to any of the items mentioned in the Notice and Explanatory Statement thereto are open for inspection at the Registered Office of the Company on any working day during business hours.



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

### **For Item No.5 – Special Business :**

Smt. Lakshmi G. Menon was appointed as Additional Director with effect from 12<sup>th</sup> October 2000 with the designation of Chairman & Managing Director, by the Board of Directors of the Company in pursuance of letter No.U-38014/1/95-FAC dated 4<sup>th</sup> October 2000 issued by Department of Telecommunications. According to the provisions of Section 260 of the Companies Act, 1956, Smt. Lakshmi G. Menon holds office of Director upto the date of this Annual General Meeting. As required by Section 257 of the Companies Act, 1956, a Notice has been received from a Member signifying his intention to propose the appointment of Smt. Lakshmi G. Menon as Director. Hence the relative resolution is placed before the Meeting for Members approval.

Smt. Lakshmi G. Menon is deemed to be interested in the proposed resolution to the extent of her appointment as Director. None of the Directors is interested in the resolution.

### **For Item No.6 – Special Business :**

Smt. Anuradha Mitra was appointed as Additional Director on the Board as Part-time Official Director with effect from 9<sup>th</sup> January 2001 in place of Shri B.B. Singh, in pursuance of letter No.U-38014/6/98-FAC/Pt. Dated 9.1.2001 issued by Department of Telecommunications. According to the provisions of Section 260 of the Companies Act, 1956, Smt. Anuradha Mitra holds office of Director upto the date of this Annual General Meeting. As required by Section 257 of the Companies Act, 1956, a notice has been received from a Member signifying his intention to propose the appointment of Smt. Anuradha Mitra as Director. Hence the relative Resolution is placed before the Meeting for Members approval.

Smt. Anuradha Mitra is deemed to be interested in the proposed Resolution to the extent of her appointment as Director. None of the Directors is interested in the Resolution.

### **For Item No.7 – Special Business :**

With the enactment of the Depositories Act, 1996 and introduction of Depository System, shareholders of the Company have been given an option to convert their shares into dematerialised form and hold the same with a Depository, that is the shares in physical form would be defaced and credit given to the account of the shareholder maintained with the participant to the Depository.

ITI entered into a Tripartite Agreement with National Securities Depository Limited and Central Depository Services Limited and Share Transfer Agent, for providing facilities to shareholders to deal with the shares in dematerialised form. Further, ITI shares are listed compulsorily for Demat form of trading by all category of investors. Hence it is necessary to make a suitable amendment to the Articles of Association of the Company to dematerialise and offer its securities in Dematerialised form.