

|     |    |   |     |    |
|-----|----|---|-----|----|
| MD  | ✓  |   | BKC | ✓  |
| CS  | NA |   | DPY | NA |
| RO  | ✓  |   | DIV | NA |
| TRA | NA |   | AC  | ✓  |
| ACM | ✓  | ✓ | SHI | ✓  |
| YE  | ✓  | ✓ |     | ✓  |

## ANNUAL REPORT 1996-97

# Leaders in Metal Sawing

Report  junction.com



### ITL INDUSTRIES LIMITED

[FORMERLY INDORE TOOLS LIMITED]

Certified True Copy  
For ITL INDUSTRIES LTD.,

  
Managing Director/Director,



**ITL INDUSTRIES LTD.**

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**DIRECTORS**

|                     |                              |
|---------------------|------------------------------|
| RAJENDRA SINGH JAIN | Chairman & Managing Director |
| MAHENDRA SINGH JAIN | Whole Time Director          |
| VIJAY KASAT         | Whole Time Director          |
| ATUL MOONAT         | Whole Time Director          |
| RAHUL MODI          | Whole Time Director          |
| MANOHAR SINGH JAIN  |                              |
| MADAN SINGH JAIN    |                              |
| GOPAL KASAT         |                              |
| DINESH JAIN         |                              |

**AUDITORS**

M/s MAHAVEER M. JAIN & CO.  
Mishra Chambers,  
2nd Floor,  
187, Jail Road,  
INDORE-452 007 (M.P.)

**REGISTERED OFFICE & WORKS**

111, Sector-B,  
Sanwer Road,  
Industrial Area,  
INDORE-452 003 (M.P.)

**BANKERS**

STATE BANK OF INDORE  
Industrial Finance Branch,  
Khel Prashal,  
Race Course Road,  
INDORE (M.P.)

STATE BANK OF INDIA  
Industrial Finance Branch,  
Apollo Tower,  
2-M.G. Road,  
INDORE (M.P.)

**ADVISORS/CONSULTANTS**

Mr. J.G. Jagwani  
Dr. S.K. Kapoor  
Mr. M.K. Badjatya

**DIVISIONS**

INDTOOLS SALES & SERVICES  
ITL SAWS & TOOLS  
ITL AGRO PRODUCTS  
INTERNATIONAL AGENCY DIVISION

**ITL INDUSTRIES LTD.****NOTICE**

NOTICE is hereby given that the 9th Annual General Meeting of the members of ITL INDUSTRIES LIMITED will be held on MONDAY the 29th September, 1997 at 3.00 P.M. at the Registered Office of the Company, 111, Sector-B, Sanwer Road, Indore (M.P.) to transact the following business :

**ORDINARY BUSINESS**

1. To receive, Consider and adopt the Audited Balance Sheet as at 31st March, 1997 and the Profit and Loss Account for the Financial year ended on that date alongwith the Report of Directors and Auditors thereon.
2. To elect Director in place of Shri Rahul Modi, who retires by rotation and being eligible offer himself for reappointment.
3. To elect Director in place of Shri Dinesh Jain, who retires by rotation and being eligible offer himself for reappointment.
4. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

**SPECIAL BUSINESS**

5. To consider and if thought fit, to pass with or without modification, the following resolutions as ordinary resolution. "RESOLVED that in partial modification of the resolution passed in earlier Annual General Meeting pursuant to section 198, 268, 269, 309, 310, read with schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to other necessary approvals, the remuneration of Shri Rajendra Singh Jain, Chairman & Managing Director, Shri Mahendra Singh Jain, Shri Vijay Kasat, Shri Atul Moonat & Shri Rahul Modi the whole time directors of the Company be and are hereby modified with effect from 1st April, 1997 as per details given below.
  - i. Salary (including Dearness and all other Allowances) :-
 

|  |   |
|--|---|
| Shri Rajendra Singh Jain, Chairman & Managing Director | - Rs. 27,500/- Per Month with an annual increment of Rs. 4,000/-. |
| Shri Mahendra Singh Jain, Whole Time Director          | - Rs. 13,500/- Per Month with an annual increment of Rs. 2,000/-. |
| Shri Vijay Kasat, Whole Time Director                  | - Rs. 13,500/- Per Month with an annual increment of Rs. 2,000/-. |
| Shri Atul Moonat, Whole Time Director                  | - Rs. 13,500/- Per Month with an annual increment of Rs. 2,000/-. |
| Shri Rahul Modi, Whole Time Director                   | - Rs. 13,500/- Per Month with an annual increment of Rs. 2,000/-. |
  - ii. The above remuneration shall be applicable for the Balance term of their appointment. All other terms and conditions of the appointment including perquisites shall remain unchanged. "RESOLVED FURTHER that the Board of Directors of the Company be and is hereby empowered in their absolute discretion to alter and modify the terms and conditions of payment of above salary and perquisites within the overall monetary ceiling mentioned hereinabove".

Regd. Office  
111, Sector-B  
Sanwer Road  
Indore-452003 (M.P.)  
Dated : 09.08.1997

For and On behalf of the Board  
**RAJENDRA SINGH JAIN**  
(Chairman & Managing Director)

**NOTES**

01. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIM AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE MEETING.
02. The relative explanatory statement pursuant to section 173(2) of the Companies Act, 1956 is annexed hereto.
03. The Register of Members and the Share Transfer Books of the Company shall remain closed from 24.09.1997 to 29.09.97 (Both days inclusive).
04. Members are requested to send their queries if any at least 7 days in advance of the meeting, so that the information can be made available at the meeting.
05. The Share holders are hereby informed that all the correspondence in connection with the shares be addressed to the Registered Office of the Company only, as the Company is handling all such services inhouse from its Registered Office.
06. Members holding shares in identical order of names in more than one folio are requested to write to the Company's Share Department enclosing their Share Certificates to enable the Company to consolidate their holding in one folio.
07. Members/proxies should bring the Attendance slip sent herewith, duly filled, for attending the Meeting.

**EXPLANATORY STATEMENT****ITEM NO. 5**

In earlier Annual General Meeting the Shareholders had approved the appointments and remunerations of Shri Rajendra Singh Jain, Chairman & Managing Director, Shri Mahendra Singh Jain, Shri Vijay Kasat, Shri Atul Moonat & Shri Rahul Modi, Whole Time Directors of the Company, keeping in view the overall increase in the remuneration of Managerial persons all over the Country, your Board of Directors thinks it expedient to revise suitably the existing remuneration of all the aforesaid Directors. The other terms and conditions mentioned in their original appointments subject to further modification, if any, shall remain unchanged. The details of the revision in the remuneration of respective directors are set out in the body of the resolution. You are requested to consider the revised remuneration of all the aforesaid directors.

The above may be treated as an abstracts of the terms of appointments of all the Directors pursuant to Section 302 of the Companies Act, 1956. All the Directors are interested in the aforesaid resolution to the extent of the revised remuneration payable to them. Shri Manohar Singh Jain and Shri Madan Singh Jain are relatives of Shri Rajendra Singh Jain and Shri Mahendra Singh Jain are also interested in the above resolution. None of the other Directors of the Company are in any way concerned or interested in the aforesaid resolution.

Regd. Office  
111, Sector-B  
Sanwer Road  
Indore-452003 (M.P.)  
Dated : 09.08.1997

For and On behalf of the Board  
**RAJENDRA SINGH JAIN**  
(Chairman & Managing Director)

**ANNUAL REPORT 1996-97****DIRECTORS' REPORT**

Your Directors have pleasure in presenting the 9th Annual Report of the Company and the Audited statement of accounts for the year ended 31st March, 1997.

**01. PERFORMANCE DURING THE YEAR :**

|   | (In Rs.)         |                     |
|---|------------------|---------------------|
|   | Year ended       | Previous Year ended |
|   | <b>31.03.97</b>  | <b>31.03.96</b>     |
| a) Profit before interest, depreciation & tax | 1,34,04,423      | 1,34,31,017         |
| b) Less : Interest                            | 78,17,119        | 60,66,937           |
| Depreciation                                  | <u>15,65,298</u> | <u>11,17,466</u>    |
| c) Profit before tax                          | 40,22,006        | 62,46,614           |
| d) Provision for taxation                     | 4,00,000         | 7,50,000            |
| e) Provision for taxation for earlier year    | 92,603           | 7,25,000            |
| f) Profit brought forward                     | <u>39,287</u>    | <u>67,673</u>       |
| g) Profit available for appropriations        | <u>35,68,689</u> | <u>48,39,287</u>    |
| h) Transferred to General Reserve             | 15,00,000        | 48,00,000           |
| i) Balance carried to Balance Sheet           | <u>20,68,689</u> | <u>39,287</u>       |

**02. EXPORTS :**

During the year under review, your company has exported machines worth Rs. 62.91 Lacs as against Rs. 8.43 in previous year and it hopes to earn sizeable export turnover during the current financial year.

**03. NEW PRODUCTS :**

During the year under review, the Company has developed and supplied **India's 1st ALUMINIUM SLAB CUTTING PLANT** with Bandsaw cutting technology and the Company expects a good market for the same in the current financial year.

**04. DIRECTORS :**

During the year Shri Vipin Kasat resigned from the Board of Directors and Shri Gopal Das Kasat stepped-down from the position of Joint Managing Director to an Ordinary Director of the Company due to their preoccupation. Shri Rahul Modi and Shri Dinesh Jain, retire by rotation and being eligible, offers themselves for re-appointment.

**05. INDUSTRIAL RELATIONS :**

Industrial relations during the period were by and large satisfactory.

Your Directors, wish to place on record, once again, there appreciations of the contribution made by the employees at all levels to the continued growth and prosperity of the company.

**06. PUBLIC DEPOSIT :**

During the year under review, your company neither invited nor accepted any deposit under the provisions of Section 58-A of the Companies Act, 1956 and rules formed there under.

**07. PARTICULARS OF EMPLOYEES :**

No employee is in receipts of remuneration exceeding the limits set out under section 217 (2A) of the Companies Act, 1956.

**08. AUDITORS :**

The Auditors M/S Mahaveer M. Jain & Company, Chartered Accountants, Indore shall cease to hold office at the end of the ensuing Annual General Meeting and being eligible offers themselves for re-appointment.

**09. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE :**

Information in accordance with the provisions of Section 217 (1)(e) of the Companies Act, 1956 read with the Companies (Disclosures of Particulars in the Report of Board of Director) Rules, 1988 is given in the Annexure forming part of this report.

**10. ACKNOWLEDGEMENT :**

The Board is thankful to the Bankers of the Company and the Financial Institutions for their continued support and co-operation.

For and on behalf of the Board

**RAJENDRA SINGH JAIN**  
CHAIRMAN & MANAGING DIRECTOR

**INDORE**

**DATED : AUGUST 9TH, 1997**

**ITL INDUSTRIES LTD.****ANNEXURE TO THE DIRECTORS' REPORT**

Disclosure relating to research and Development (R & D) & Technology Absorption.

**RESEARCH & DEVELOPMENT :**

1. Specific areas in which R & D carried out by the Company. The Research & Development activities resulted in the development of range of products of the Company and absorption of technology for Machine.
2. Benefits derived as a result. Better Market coverage, cost reduction, saving of foreign exchange on account of further indigenization.
3. Future plan on R & D To develop special purpose Machines/Plants.
4. Expenditure on R & D (In Rs.)
  - a) Capital --
  - b) Recurring 4,52,628
  - Total : 4,52,628

Total R & D expenditure as a percentage of total turnover 0.44%

**TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION :**

1. Efforts in brief made towards technology absorption Technology developed by R & D Deptt. is fully absorbed for manufacturing of special purpose machine.
2. Benefits derived as a result of the efforts, e.g. product improvement, Cost reduction, product development, import substitution etc. Import substitution in the areas of special purpose machinery resulting in cost reduction and conservation of foreign exchange.

3. a. Technology imported Import of Technology from M/S KEURO Maschinenbau GmbH & Co., KG., Germany.
- b. Year of Import 1996-97
- c. Has technology been fully absorbed Yes
- d. If no fully absorbed areas where this has not taken place reasons thereof and future plans of action. Not Applicable

**CONSERVATION OF ENERGY :**

- a. Energy Conservation Measures taken The Company has no major scope for conservation energy.
- b. Additional investments and proposals, if any, being implemented for reduction of consumption of energy. NIL
- c. Impact of the measures (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods. NIL
- d. Total energy consumption and energy consumption per unit of production as per Form A of the Annexure in respect of Industries specified in the schedule thereto. NOT APPLICABLE

**FOREIGN EXCHANGE EARNING AND OUT GO**

The information of Foreign Exchange Earnings and out go is given in item No. 06 & 07 in Notes to Accounts.

For and on behalf of the Board

INDORE

DATED : AUGUST 9TH, 1997

**RAJENDRA SINGH JAIN**  
CHAIRMAN & MANAGING DIRECTOR

**ANNUAL REPORT 1996-97****AUDITOR'S REPORT**

To,

The Members,

We have audited the Balance Sheet of M/S. ITL INDUSTRIES LIMITED as at 31st March, 1997 and the Profit and Loss Account of the said Company for the year ended on that date, both annexed hereto and report that :

- (1) As required by the Manufacturing and Other Companies (Auditor's Report) Order 1988 issued by the Company Law Board in terms of Section 227 (4a) of the Companies Act, 1956 we enclose in the annexure a Statement of matters specified in paragraph 4 and 5 of the said order.
- (2) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (3) In our opinion proper books of accounts as required by law have been kept by the Company so far as appears from our examination of such books.
- (4) The Balance Sheet and the Profit and Loss Account referred to in this report are in agreement with the books of accounts.
- (5) In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and the Profit and Loss Account read together with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :
  - (a) In so far as it relates to the Balance Sheet of the state of affairs of the Company as at 31st March, 1997 and
  - (b) In so far as it relates to the Profit and Loss Account of the Profit of the Company for the year ended on that date.

For MAHAVEER M. JAIN & CO.  
CHARTERED ACCOUNTANTS

DATED : 09.08.1997  
PLACE : INDORE

(M.K.JAIN)  
PROPRIETOR

**ANNEXURE**

Referred to in Paragraph 1 of our report of even date on the account of

**ITL INDUSTRIES LIMITED**  
for the year ended 31st March, 1997

- (1) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets upto 31.03.1996. Entries in the Fixed Assets Register for additions made during accounting year 01.04.1996 to 31.03.1997 were under progress. We have been reported that physical verification of Fixed Assets was carried out during the year by the management. No material discrepancies have been noticed on such verification.

- (2) None of the fixed assets have been revalued during the year.
- (3) The stocks of finished goods, stores, spare parts and raw materials have been physically verified by the management at reasonable intervals.
- (4) In our opinion, the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (5) The discrepancies noticed on verification between physical stocks and book records were not material and the same have been properly dealt with in the books of accounts.
- (6) In our opinion and on the basis of our examination, the valuation of stocks is fair and proper in accordance with the normally accepted accounting principles.
- (7) In our opinion the rate of interest and the terms and conditions on which loans have been obtained from parties listed in the register maintained under Section 301 of the Companies Act, 1956 are prima facie not prejudicial to the interest of the Company. The Company has not taken any Loans from Companies under the same management as defined under sub section (1B) of Section 370 of the Companies Act, 1956.
- (8) The Company has not granted loans to firms and other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
- (9) The parties to whom loans or advance in the nature of loans have been given by the Company are generally repaying amounts as stipulated, except in some cases where advances have been granted to staff/ex-staff, and also regular in payment of interest wherever applicable.
- (10) In our opinion and according to the information and explanations given to us there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of stores, raw materials and other assets and for the sale of goods.
- (11) The transactions of purchase of goods and materials and sale of goods, materials and services in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 as aggregating during the year to Rs.50,000/- or more in respect of each party have been made at prices which are reasonable having regard to prevailing market prices for such goods, materials or services.
- (12) In our opinion, the procedure for the determination of unserviceable or damaged stores, raw materials and finished goods requires to be strengthened.
- (13) The Company has not accepted any Fixed Deposits from the public during the year.
- (14) The Company has maintained reasonable record for the sale and disposal of realisable scraps. There are no by products arising out of the manufacturing process of the company.