

ANNUAL REPORT 1999-2000

Leaders in Metal Sawing



ITL INDUSTRIES LIMITED
(FORMERLY INDORE TOOLS LIMITED)

Certified True Copy
For ITL INDUSTRIES LTD.,

M. G. Law
DIRECTOR.

ITL INDUSTRIES LIMITED

DIRECTORS

MADAN SINGH JAIN	
MANOHAR SINGH JAIN	
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
DINESH JAIN	
N.CHAKRABORTY	

AUDITORS

M/s. MAHAVEER M. JAIN & CO.
Mishra Chambers,
2nd Floor,
187, Jail Road,
INDORE-452007 (M.P.)

REGISTERED OFFICE & WORKS

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

Report  junction.com

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

Dr. S.K. Kapoor
Mr. M.K. Badjatya

DIVISIONS

INDTOOLS SALES & SERVICES
ITL SAWS & TOOLS

ITL INDUSTRIES LIMITED

NOTICE

NOTICE is hereby given that the 12th Annual General Meeting of the members of ITL INDUSTRIES LIMITED will be held on Thursday day the 28th September, 2000 at 11.30 A.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, 2000 and the Profit and Loss Account for the Financial year ended on that date along with the Report of Directors and Auditors thereon.
2. To elect Director in place of Shri Atul Moonat, who retires by rotation and being eligible offer himself for reappointment.
3. To elect Director in place of Shri Madan Singh 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 and without modification the following resolution as ordinary resolution:-

"RESOLVED THAT pursuant to section 198, 269 and 309 read with schedule XIII and other applicable provisions, if any of the Companies Act, 1956 including any statutory modification or re-enactment thereof, approval be and is hereby granted to the re-appointment of Shri Rahul Modi, Director of the Company for a period of 5 (five) years w.e.f. 16.08.2000 on the terms & conditions and remuneration as provided here under :-

- (1) Salary of Rs.17,500/- per month with an annual increment of Rs.2000/- per month.

- (2) Perquisites :

Perquisites shall be restricted to an amount equal to the annual salary.

Category-A

i) Housing

- a) The expenses incurred by the Company on hiring furnished accommodation will be subject to a ceiling of 50% of the salary.
- b) In case of accommodation owned by the Company 10% of the salary shall be deducted by the Company.
- c) In case of no accommodation is owned by the Company, the said Director shall be entitled to house rent allowance subject to the ceiling laid down in Housing.

Explanation:

The expenditure incurred on gas, electricity, water and furnishings shall be valued as per Income-Tax Rules, 1962 subject to ceiling of 10% of the salary.

ii) Medical Reimbursement:

Reimbursement of expenses incurred for self and family subject to a ceiling of one month's salary in a year or three months salary over a period of three years.

iii) Leave Travel Concession:

Leave Travel Concession for self and family once in a year incurred, in accordance with the Rules of the Company.

Explanation :

Family means the spouse, the dependent children and dependent parents.

iv) Children Education Allowance:

Children studying in or outside India an allowance will be paid up to maximum of Rs. 2,000/- per month per child or actual expenses incurred on it, whichever is less upto maximum two child.

v) Club Fees

Fee of clubs subject to a maximum of two clubs. No life membership fees will be paid.

vii) Personal Accident Insurance :

Personal Accident Insurance of an amount, the annual premium not exceeding Rs. 2000/- per month.

Category - B

a) Company's contribution towards Provident Fund / Public Provident Fund :

Company's contribution towards Provident Fund / Public Provident Fund as per the Rules of the Company.

b) Gratuity:

Gratuity as per the rules of the Company, but shall not exceed half-a-month's salary for each completed year of service.

c) Company's contribution towards Superannuation fund:

Company's contribution towards Superannuation Fund as per the rules of the Company but it shall not together with Company's contribution to Provident Fund/Public Provident Fund, exceed 25% of the salary.

The aforesaid perquisites stated in Category-B (a), (b) and (c) will not be included in the computation of the aforesaid ceiling on perquisites to the extent these either singly or put together are not taxable under the Income-Tax Act, 1961.

d) Earned Leave:

On full pay allowance and perquisites as per the Rules of the Company, but not exceeding one month's leave for every eleven months of service and leave accumulated shall be encashable at the end of the tenure. Encashment of leave at the end of the tenure will not be included in the computation of the aforesaid ceiling on perquisites and or salary.

Category - C

Company Car and Telephone at Residence

Car for use on company's business and telephone at residence will not be considered as perquisites. Personal long distance calls and use of car for private purpose shall be billed by the Company.

6. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution :

RESOLVED THAT pursuant to section 31 and all other applicable provisions, if any, of the Companies Act, 1956 the Articles of Association of the Company be altered in the following manner:

A) Insert the following definitions in the Article 2 after the Article 2 (u)

"Member" in respect of dematerialised shares, means the beneficial owner thereof i.e. 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" means a person or persons whose name is recorded as such with a depository;

"SEBI" means the Securities and Exchange Board of India;

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"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 Securities and Exchange Board of India, Act, 1992;

"Security" means such security as may be specified by SEBI from time to time.

- B) Insert the following heading and Article as Article 2(v) after Article 2(u).

DEMATERIALISATION OF SECURITIES

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

Options for investors

- (ii) 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, and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities.

(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

- (iii) All securities held by a depository shall be dematerialised and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

Rights of depositories and beneficial owners

- (iv) 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 shall not have any voting rights or any other right in respect of the securities held by it.
- b) Save as otherwise provided in (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.
- 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 owner of the securities shall be entitled to all the rights and benefits owner of the securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.

Service of documents

- (v) Notwithstanding anything in the Act or these Articles to the contrary, where 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.

Transfer of securities

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

Allotment of securities dealt with by a depository

- (vii) Notwithstanding anything in the Act or these Articles, where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.

Distinctive numbers of securities held in a depository

- (viii) 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.

Register and index of beneficial owners

- (ix) The Register and index of Beneficial Owners, maintained by a depository under the Depositories Act, 1996 shall be deemed to be the Register and Index of Members and Security holders for the purposes of these Articles.

TRANSMISSION OF SECURITIES

- (1) A nominee, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either
- To register himself as holder of the share or debenture, as the case may be; or
 - To make such transfer of the share or debenture, as the deceased shareholder or debenture holder, as the case may be, could have made.
- (2) If the nominee elects to be registered as holder of the share or debenture, himself, as the case may be, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elect and such notice shall be accompanied with the death certificate of the deceased shareholder or debenture holder, as the case may be.
- (3) A nominee shall be entitled to dividend on shares/interest on debentures and other advantages to which he would be entitled if he has the registered holder of the share or debenture. Provided that he shall not, before being registered as a member, be entitled to exercise any right conferred by membership in relation to meeting 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 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 moneys payable in respect of the share or debenture, until the requirements of the notice have been complied with.

(C) Substitute the following in place of the existing Article 5

Subject to the provisions of Sections 77A and 77B of the Act and Securities and Exchange Board of India (Buy-back of securities), Regulation, 1998 as may be in force at any time and

ITL INDUSTRIES LIMITED

from time to time, the company may acquire, purchase, own, resale any of its own redeemable share and any other security as may be specified under the Act, Rules and Regulations from time to time and may make payment thereof out of funds at its disposal or in any manner as may be permissible or in respect of such acquisition/purchase on such terms and conditions and at such time or times in one or more instalments as the board may in its discretion decide and deem fit. Such shares which are so bought back by the Company may either be extinguished and destroyed or reissued as may be permitted under the Act or the Regulations as may prevail at the relevant time subject to such terms and conditions as may be decided by the Board and subject further to the rules and regulations governing such issue.

(D) Insert the following heading and Articles as Articles 2(w) and after Article 2(u).

NOMINATION

- (1) Every Shareholder or debenture holder of the Company, may at any time, nominate a person to whom his shares or debentures shall vest in the event of his death in such manner as may be prescribed under the Act.
- (2) Where the shares or debentures of the Company are held by more than one person jointly, joint holders may together nominate a person to whom all the rights in the shares or debentures, as the case may be shall vest in the event of death of all the rights in manner as may be prescribed under the Act.
- (3) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, where a nomination made in the manner aforesaid purpose to confer on any person the right to vest the shares or debentures, 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 persons, unless the nomination is varied or cancelled in the manner as may be prescribed under the Act.
- (4) Where the nominee is a minor, it shall be lawful for the holder of the shares or debentures to make the nomination to appoint any person to become entitled to shares in, or debentures of the company in the manner prescribed under the Act, in the event of his death, during the minority.

Regd Office

111, Sector-B
Sanwer Road
INDORE-452015 (M.P.)
DATED : 08.08.2000

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 25.09.2000 to 27.09.2000 (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**

The terms of office of Shri Rahul Modi, the Whole Time Director of the Company shall be expired on 15.08.2000. The Board of Directors of the Company has re-appointed the aforesaid Directors for a further period of 5 years w.e.f. 16/08/2000. The revised remuneration package of Shri Rahul Modi is contained in the body of the resolution. The re-appointment of Shri Rahul Modi shall be in the interest of the Company. Your Director therefore commend the resolutions set out at item No.5 of the notice for your approval.

The above may also be treated as an abstract of the terms of the contract / agreement between the Company and above Director pursuant to section 302 of the Companies Act, 1956.

Save and except as above, none of the Directors of the Company is in any way, concerned or interested in the said resolutions.

ITEM NO.6

With the introduction of Depositories Act, 1996 and the Depository System, some of the provisions of the Companies Act, 1956 relating to the issue, holding transfer, transmission of shares and other securities have been amended to facilitate the implementation of the new system. The Depository System of holding securities in an electronic form is far safer and more convenient method for holding and trading in the securities of the Company.

Though the Company is not compulsarily required at this stage to get its shares dematerialised but keeping in view of the benefits

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for the Investors & Shareholders, it is proposed to voluntarily get the shares of the Company dematerialised. Such act of the Company will enable the shareholders of the Company to exercise this option whether to keep the shares in physical form or in the electronic form. To get the shares of the Company dematerialised certain enabling provisions are required to be incorporated in the Articles of Association of the Company, which requires approval of the Members.

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.

Your Directors recommend the resolution for your approval.

None of the Directors may be deemed to be concerned or interested in the aforesaid resolution.

A copy of the Memorandum & Articles of Association of the Company is available for inspection at the Registered Office at the Company during office hours on all working days except Saturdays between 10.00 A.M. and 1.00 P.M. upto the date of Annual General Meeting.

Your Directors have pleasure in presenting the 12th Annual Report of the Company and the Audited statement of accounts for the year ended 31st March, 2000.

01. FINANCIAL RESULTS :

	Financial year ended <u>31.03.2000</u>	(In Rs.) Financial Year ended <u>31.03.99</u>
a) Sales & other Income.	12,84,86,960	12,12,14,215
b) Profit before interest, depreciation & tax	1,16,85,540	1,18,64,233
c) Less: Interest	79,89,127	89,49,139
Depreciation	16,70,401	17,91,411
d) Profit before tax	20,26,012	11,23,683
e) Provision for taxation	2,50,000	1,40,000
f) Profit brought forward	25,01,103	30,17,420
g) Profit available for appropriations	42,77,115	40,01,103
h) Transferred to General Reserve	15,00,000	15,00,000
i) Balance carried to Balance Sheet	27,77,115	25,01,103

02. DIRECTORS :

Shri Atul Moonat and Shri Rahul Modi, retire by rotation and being eligible, offers themselves for re-appointment.

03. 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.

04. PERSONNEL :

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

05. 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.

06. 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 Directors) Rules, 1988 is given in the Annexure forming part of this report.

Regd Office

111, Sector-B
Sanwer Road
INDORE-452015 (M.P.)
DATED : 08.08.2000

For and On behalf of the Board

RAJENDRA SINGH JAIN
(CHAIRMAN & MANAGING DIRECTOR)