

E L E V E N T H

*Annual
Report
1999-2000*

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INNOVATIVE

TECH PACK LIMITED

BOARD OF DIRECTORS**Chairman**

Mr. P.S. Ramamohan Rao

Managing Director

Mr. K. Sayaji Rao

Director

Dr. P. A. Arimilli

AVM (Retd) R.K. Malhotra

Mr. Raj Kumar Gupta

(Nominee of HSIDC)

Mr. S. S. Virdi

(Nominee of HFC)

COMPANY SECRETARY

Mr. Deepak Bansal

AUDITORS

Bhandari Gupta & Associates

202, Raj Tower 1, G-I

Alaknanda Community Centre

New Delhi-110 019.

BANKERS

Punjab National Bank

Nehru Place

New Delhi - 110 019.

REGISTERED OFFICE

51, Roz-Ka-Meo Industrial Area

Sohna, Distt. Gurgaon

Haryana.

CORPORATE OFFICE

1109-1110, Chiranjiv Tower

43, Nehru Place

New Delhi - 110 019.

FACTORIES

1. 51, Roz-Ka-Meo Industrial Area

Sohna, Distt. Gurgaon, Haryana

2. 33, Roz-ka-Meo Industrial Area

Sohna, Distt. Gurgaon

Haryana

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INNOVATIVE TECH PACK LIMITED**NOTICE**

Notice is hereby given that the Eleventh Annual General Meeting of the members of Innovative Tech Pack Ltd. will be held on Thursday, the 28th September 2000 at 10.00 A.M. at 51, Roz Ka Meo Industrial Area, Sohna, Distt. Gurgaon, Haryana to transact the following business.

ORDINARY BUSINESS

1. To receive consider and adopt the Balance sheet as at 31st March, 2000, Profit & Loss Account of Company for the year ended on that date and report of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Dr. P.A. Arimilli, who retires by rotation and being eligible offer himself for reappointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting and authorise Board of Directors to fix their remuneration.

SPECIAL BUSINESS

4. To consider and, if thought 'fit, to pass with or without modification, the following resolution as a SPECIAL RESOLUTION :

"RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, or any re-enactments thereof and provisions of other statutes as may be applicable, the Articles of Association of the company be and are hereby altered as follows :

- a) After Article 5 a new Article 5A with heading be inserted

Article 5A - Buy back of shares and other specified Securities

1. Notwithstanding anything contained in the Act, or any other provisions under the Articles of Association, but subject to provisions of sub-Section (2) of Section 77A and in accordance therewith and the provisions of Section 77B of the Act, the company may purchase its own shares or other specified securities (hereinafter referred to as 'buy back') out of

- i) its free reserves; or
- ii) the securities premium account; or
- iii) the proceeds of any shares or other specified securities;

Provided that no buy back of any kind of shares or other specified securities shall be made out of the proceeds of any earlier issue of the same kind of shares or same kind of other specified securities.

2. The Company shall not purchase its own shares or other specified securities under sub-clause (1) of this Article unless -

- i) a special resolution has been passed in General Meeting of the company authorising the buy back,
 - ii) the buy back is less than twenty five percent of the total paid-up capital and free reserves of the company.
- Provided that the buy back of equity shares in any financial shall not exceed twenty five percent, of the total paid-up equity capital in that financial year.

- iii) the ratio of the debt owed by the company is not more than twice the capital and its free reserves after such buy back or at such ratio as may be fixed by the Central Government from time to time in this regard,

Explanation :- For the purpose of this Article, the expression 'debt' includes all amounts of unsecured and secured debts.

- iv) all the shares or other specified securities for buy back shall be fully paid-up,
- v) the buy back of shares or other specified securities shall be made in accordance with the guidelines issued by SEBI in this behalf.

- b) After Article 9 a new Article 9A with heading be inserted

Article 9A - Sweat Equity Shares

1. Notwithstanding anything contained in Section 79 of the Act, the company may issue sweat equity shares of a class of shares already issued subject to the conditions that -

- i) the issue of sweat equity shares is authorized by a special resolution passed by the company in the General Meeting;

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- ii) the resolution shall specify the number of shares, current market price, consideration, if any, and the class or classes of Directors or employees to whom such equity shares are to be issued;
- iii) the sweat equity shares of the company shall be issued in accordance with regulations made by the Securities & Exchange Board of India (SEBI) and the Stock Exchange in this behalf.

For the purpose of this clause "Sweat Equity Shares" means equity shares issued by the company to employees or Directors at a discount or for consideration other than cash for providing know-how or making available rights in the nature of intellectual property rights or value addition by whatever name called.

- 2. All the limitations, restrictions and provisions relating to equity shares shall be applicable to sweat equity shares by the company.

- c) After Article 9A a new Article 9B with heading be inserted

Article 9B Employees Stock Option

In addition to but without restricting the powers conferred under Articles 8, 9 & 9A the Company may, by a special resolution passed by the shareholders, provide for offering shares to the employees of the company and shall make necessary reservations for this purpose in the proposed offer of securities on Rights basis subject to the regulations by SEBI in this regard from time to time.

- d) After Article 18 a new Article 18A with heading be inserted

Article 18A - Dematerialisation of Securities

- 1. "Beneficial Owner" shall have the meaning assigned thereto in Section 2 of the Depositories Act, 1996.

"Depositories Act" shall mean the Depositories Act, 1996 or any statutory modification(s) or re-enactment thereof.

"Depository" means a company formed and registered under the Companies Act, 1956, and which has been granted a certificate or registration to act as a depository under the Securities and Exchange Board of India Act, 1992.

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

- 2. 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.
- 3. Every person subscribing to/or acquiring 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.

If a person opts to hold this 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.

- 4. 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 owner.
- 5. i) 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 security on behalf of the beneficial owner.
 ii) Save as otherwise provided in (i) 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.
 iii) 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 and be subject to all the liabilities in respect of his securities which are held by a depository.
- 6. 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.

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7. Notwithstanding anything contained in Section 108 of the Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.
 8. 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.
 9. Nothing contained in the Act or these Articles regarding necessity of having distinctive numbers for securities issued by the company shall apply to securities held in a depository.
 10. 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 Securities holders for the purposes of these Articles."
- e) Insert the following heading and Article as Article 54A after 54

Article 54A Nomination of Shares/Debentures

1. Notwithstanding anything contained in these Articles, a shareholder or debenture holder of the company may at any time nominate in the form and manner prescribed by the company in accordance with the rules if any framed by the Central Government under Section 109A of the Act, a person to whom his shares in, or debentures of, the company shall vest in the event of his death.
 2. Where the shares in, or debentures of, the company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, a person to whom all the rights in the shares or debentures of the company shall vest in the event of death of all the joint holders.
 3. Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of such shares in or debentures of the company, where a nomination made in the prescribed manner purports 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 the debenture holder 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 or, as the case may be, all the joint holders in relation to such shares in or debentures of the company to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner.
 4. Where the nominee is a minor, it shall be lawful for the holder of the shares, or holder of debentures to make the nomination to appoint in the prescribed manner any person, to become entitled to share in or debentures of the company, in the event of his death, during the minority.
- f) Insert the following heading and Article 54B after 54A

Article 54B Transmission of Shares / Debentures

1. Notwithstanding anything contained in these Articles, any person who becomes a nominee by virtue of the provisions of the preceding Articles, upon the production of such evidence as may be required by the Board and subject as hereinafter provided elect, either -
 - i) to be registered himself as holder of the share or debenture, as the case may be, or
 - ii) to make such transfer of the shares or debenture, as the case may be, as the deceased shareholder or debentureholder, could have made.
2. If the person being the nominee, so becoming entitled, elects to be registered as a shareholder or debentureholder 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 elects and such notice shall be accompanied with the death certificate of the deceased shareholder or debentureholder, as the case may be.
3. All the limitations, restrictions and provisions of the Act or these Articles, relating to the right to transfer and the registration of transfer of shares or debentures shall be applicable to any such notice or transfer as aforesaid as if the death of the member had not occurred and the notice or transfer were a transfer signed by that shareholder or debentureholder, as the case may be.
4. A person being a nominee, becoming entitled to a share or debenture by reason of the death of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share or debenture, except that he shall not, before being registered a member in respect of his share or debenture, be entitled in respect of it to exercise any right conferred by membership in relation to

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meetings of the company. Provided 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 shares or debentures, until the requirements of the notice have been complied with.

By order of the Board
for INNOVATIVE TECH PACK LTD.

Place : New Delhi
Date : 25th July, 2000

(DEEPAK BANSAL)
COMPANY SECRETARY

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXY IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HRS. BEFORE THE MEETING.
2. All documents referred to in the accompanying notice are open for inspection at the Registered office of the Company during office hours on all working days between 11.00 A.M. to 1.00 P.M. upto the date of Annual General Meeting.
3. The Register of Members and share transfer books shall remain closed from 25th September, 2000 to 28th September, 2000 (both days inclusive) for the purpose of the Annual General Meeting.
4. The explanatory statement setting out material facts, in respect of the business under item no. 4 is annexed here to.
5. Shareholder desiring any information with regard to Accounts are requested to write to the company atleast 10 days before the meeting so as to enable the management to keep the information ready.
6. Member/Proxies should bring the Attendance slip duly filled in for attending the meeting.

EXPLANATORY STATEMENT
(pursuant to Section 173 (2) of the Companies Act 1956)

ITEM NO. 4

Consequent to the enactment of Depositories Act, 1996, National Securities Depository Limited (NSDL)/Central Depository Services (India) Limited (CDSL) have been established, which provide investors the facility for dealing in securities in electronic mode. The company envisages that at a later date, their equity shares will have to be admitted in NSDL/CDSL for dematerialisation.

The Companies Act, 1956 was amended vide the Companies (Amendment) Act, 1999. The amendments include Section 77A giving power to the company to purchase its own shares viz. Buy Back of Shares Section 109A and 109B regarding Nomination Facility in respect of shares/debentures and Section 79A for issuing of Sweat Equity Shares.

Hence, it is proposed to suitably amend the Articles of Association, as set out in the resolution.

In terms of Section 31 of the Companies Act, 1956, the special resolution for amending/altering the provisions of the Articles of Association is placed before the shareholders for approval.

The Board recommend the resolution for approval of the shareholders.

None of the Directors, in any way, is interested or concerned in this resolution.

By order of the Board
for INNOVATIVE TECH PACK LTD.

Place : New Delhi
Date : 25th July, 2000

(DEEPAK BANSAL)
COMPANY SECRETARY

Note : A copy of Articles of Association is available for inspection at the registered office of the Company between 11.00 a.m. to 1.00 p.m. on working days.