

Moulding the future ...



ANNUAL REPORT 2001 - 2002

IYKOT HITECH TOOLROOM LIMITED
(FORMERLY ELCOT HITECH TOOLROOM LIMITED)

ELCOT MOUNT PROPERTIES LIMITED

BOARD OF DIRECTORS

THIRU. S. IYEMPANDI

Managing Director

THIRU. N.K.S. KOLAPPAN

Joint Managing Director

PROF. ROOSHIKUMAR PANDYA

Director

AUDITORS

M/s. CHINNASAMY GANESAN AND CO

Chartered Accountants

**Flat No.1, Spa Mount,
99, LDG Road
Little Mount, Saidapet
Chennai - 600 015**

BANKERS

**State Bank of Indore
Indian Bank
Canara Bank**

REGISTERED OFFICE

**3, Elcot Avenue, Sholinganallur,
Chennai - 600 119
Telephone : 450 0858
Telefax : 450 1872**

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NOTICE TO THE SHARE HOLDERS

NOTICE is hereby given that the 10th Annual General Meeting of the Members of the Company will be held on Friday, 27th September 2002 at 11.00 A.M. at No.3, Elcot Avenue, Sholinganallur, Chennai - 600119 to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Directors' Report and Audited Profit and Loss Account for the year ended 31st March 2002 and the Balance Sheet as at 31st March 2002 and the Auditors' Report thereon.
2. To appoint a Director in the place of Thiru.S.IYEMPANDI, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors and to fix their remuneration and for such purpose to pass the following resolution which will be proposed as SPECIAL RESOLUTION.

"Resolved that pursuant to the provisions of the Section 224A of the Companies Act, 1956, M/S.CHINNASAMY GANESAN & CO., Chartered Accountants, retiring Auditors of the Company, be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at such remuneration to be decided by the Board of Directors of the Company."

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN HIS STAND, THE PROXY NEED NOT BE A MEMBER. A MEMBER UNABLE TO ATTEND MAY APPOINT ANOTHER

PERSON (WHETHER A MEMBER OR NOT) AS HIS PROXY IN THE ENCLOSED FORM WHICH SHALL BE DEPOSITED WITH THE REGISTERED OFFICE OF THE COMPANY AT # 3, ELCOT AVENUE, SHOLINGANALLUR, CHENNAI - 600 119. THE PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.

2. The registrar of members and the share transfer books of the company will remain closed from 16.9.2002 to 27.09.2002 (both days inclusive).
3. Members / Proxies should bring the attendance slip sent herewith, duly filled in and signed handover the same at the entrance of the hall.
4. Shareholders are requested to bring their copy of the Annual Report for the meeting.

INSPECTION DOCUMENTS :

All the documents referred to in this Notice will be open for inspection by any member during the company's business hours on any working day of the company at the Registered Office of the company upto and including the date of the meeting.

By order of the Board

PLACE : CHENNAI.
DATED : 06.08.2002

S. IYEMPANDI
Managing Director

INDO HYDRO TOOL ROOM LIMITED

DIRECTORS' REPORT

Your Directors have the pleasure in presenting the Annual Report and that of the Auditors together with the audited Balance Sheet as at 31.03.2002 and the Profit and loss account for the year ended on that date.

1. FINANCIAL PERFORMANCE:

The financial results for the year ended 31st March 2002 are as under :

(Rs in Lakhs)		
Particulars	Year ended 31.3.2002	Year ended 31.3.2001
Profit before Depreciation	(387.07)	(225.45)
Less : DEPRECIATION	44.14	44.14
Profits before Taxation	(431.21)	(269.59)
Provision for taxation	0.00	0.00
Profits after taxation	(332.96)	(269.59)

2. DIRECTORS :

Mr. S.Iyempandi , who retire by rotation and being eligible offer themselves for reappointment.

3. AUDITORS :

The auditors of the Company M/S. Chinnasamy Ganesan & co., Chartered Accountants retire at the conclusion of the ensuing Annual General Meeting and are eligible for re- appointment.

4. PERSONNEL (PARTICULARS OF EMPLOYEES)

There are no employees coming under the preview of section 217(2A) of the Companies Act, 1956.

5. INFORMATION UNDER SECTION 217 (I) (E) OF THE COMPANIES ACT,1956 :

- A) CONSERVATION OF ENERGY :All steps have been taken to conserve Energy at all levels.
- B) TECHNOLOGY ABSORPTION , ADOPTION AND INNOVATION: Not Applicable

C) RESEARCH AND DEVELOPMENT :

Research wing is active.

D) FOREIGN EXCHANGE EARNING AND OUTGO:

Foreign Exchange Earnings - in Rs. NIL

Foreign Exchange Outgo - NIL

6. DIRECTORS RESPONSIBILITY STATEMENT :

Directors hereby declare that

- (i) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) that the directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;
- (iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) that the directors had prepared the annual accounts on a going concern basis.

7. FIXED DEPOSITS :

The Company has not accepted any fixed deposits during the year under review.

8. FINANCE:

Your Directors wish to place on record their sincere appreciation for assistance and services rendered to the company by its Bankers.

9. ACKNOWLEDGEMENTS:

Your Directors would like to place on record their deep sense of appreciation of the services by the Executives, Staff and Workers of the Company for its success.

For and on behalf of the Board of Directors

Place : Chennai

Date : 6.8.2002

N.K.S. KOLAPPAN
Joint Managing Director

S. IYEMPANDI
Managing Director

IYKOT HITECH TOOLROOM LIMITED**AUDITORS' REPORT**

To

The members of IYKOT HITECH TOOLROOM LIMITED

We have audited the attached Balance Sheet of M/S IYKOT Hitech Toolroom Limited as at March 31, 2002 and the annexed Profit and Loss Account for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provided a reasonable basis for our opinion.

1. As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988 issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in Paragraphs 4 and 5 of the said order.
2. Further to our comments in the Annexure referred to in Paragraph (1) above and **subject to the confirmation of balances in respect of Sundry Debtors, Sundry Creditors and certain in-operative Bank Accounts and subject to our comments in Paragraph (3) below, we report that:-**
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of the books.
 - c) The Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet and the Profit and Loss Account dealt with by this report are in compliance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956.
 - e) On the basis of written representations received from the Directors of the Company as on March

31, 2002 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31.3.2002 from being appointed as a Director, in terms of Section 274 (1) (g) of the Companies Act, 1956.

- f) In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet and the Profit and Loss Account 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 in conformity with the accounting principles generally accepted in India:-
 - (i) in the case of the Balance Sheet of the state of the Company's affairs as at March 31, 2002;
 - (ii) in the case of the Profit and Loss Account of the loss for the year ended on that date.
3. **Audit qualifications on other matters**
 - (a) **The Company does not have a qualified company secretary as required by Section 383A of the Companies Act, 1956.**
 - (b) **No audit committee was constituted by the Company as required by Section 292A of the Companies Act, 1956.**
 - (c) **The company had not complied with Clause 49 of the listing agreement with respect to corporate governance, as required by the guidelines of SEBI in this respect and hence we issue no certificate of compliance of the same.**
 - (d) **From the information and explanations given to us and based on the verification of the records of the company, we observed that the company had defaulted in complying with clause 41 of the listing agreement with respect to publishing of quarterly un-audited financial results.**
 - (e) **The company is yet to pay the renewal fees to the Madras and Ahmedabad Stock Exchanges. However, we were informed that the said exchanges have not suspended the trading of the company's shares**
 - (f) **The company had not made arrangements for de-materialisation of the shares as required by the guidelines of SEBI.**

for **CHINNASAMY GANESAN AND CO.,**
Chartered Accountants

Place : Chennai
Dated : 6.8.2002

Chinnasamy Ganesan
Partner

INNOT HITECH TOOLROOM LIMITED**ANNEXURE TO THE AUDITORS' REPORT [Referred to in Paragraph (1) of Our Report of even date]**

As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956 we further report that: -

1. The Company is maintaining proper records to show full particulars including quantitative details and situation of fixed assets. The assets have been verified by the management at reasonable intervals during the year and no material discrepancies were noticed on such verification.
2. None of the Fixed Assets have been revalued during the year.
3. As explained to us, the stock of stores, spare parts, raw materials and finished goods have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable having regard to the size of the Company and the nature of its business.
4. In our opinion and according to the information and explanations given to us, 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. As explained to us, there were no material discrepancies noticed on physical verification of the stocks of raw materials, stores and spares and finished goods having regard to the size of operation of the Company and the same have been properly dealt with in the books of the Company.
6. On the basis of our examination of stock and other records and according to the information and explanations given to us, the valuation of stock, *except in respect of finished and semi-finished stock, which were valued at selling rates in contravention of generally accepted accounting principles*, is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.
7. The Company has taken unsecured loans from Companies, firms and other parties listed in the register maintained under sec.301 of the Companies Act, 1956 and the rate of interest and other terms and conditions of the same are not prima-facie prejudicial to the interest of the Company.
8. The Company has not granted any loans, secured or unsecured to Companies, Firms and other Parties listed in the register maintained under Sec.301 and the rate of interest and other terms and conditions of the same are not prima-facie prejudicial to the interest of the Company.
9. The Company has not given any loans or advances in the nature of loans.
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 for purchase of stores, raw materials, including components, plant and machinery, equipment and other assets and for sale of goods.
11. In our opinion and according to the information and explanations given to us, the transactions of purchase of goods and materials and sale of goods, materials and services in pursuance of contract entered in the register maintained under sec.301 of the Companies Act, 1956 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 the prevailing market prices of such goods and materials, where such market prices are available or the prices at which the transactions for similar goods and materials have been made with other parties.
12. As explained to us, the Company has a regular procedure for determination of unserviceable or damaged stores, raw materials and finished goods. According to the information and explanations given to us there are no unserviceable or damaged stores, raw materials and finished goods during the year. Hence the question of determining the value of the same does not arise.
13. The company has not accepted fixed deposits from public during the year and therefore the question of compliance with the directives issued by the Reserve Bank of India and the provisions of sec.58A of the Companies Act, 1956 and the rules framed thereunder does not arise.
14. As explained to us, the Company is maintaining reasonable records for the sale and disposal of realisable scrap. As explained to us, the Company does not have any by-products.
15. *The Company does not have a separate internal audit system during the year under consideration.*
16. We have been informed that the Central Government has not prescribed the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956.
17. *According to the records of the Company, Provident Fund and Employees' State Insurance dues are not being deposited regularly with appropriate authorities within the stipulated time.*
18. According to the information and explanations given to us, there are no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty and Excise Duty which are outstanding as on March 31, 2002 for a period of more than six months from the date they became payable.
19. As per the information furnished by the Management and during the course of our examination of the books of account carried out in accordance with the generally accepted auditing practice, we have not come across any personal expenses of employees or Directors which have been charged to revenue other than those payable under contractual obligation or in accordance with generally accepted business practice.
20. *The Company is a sick industrial company within the meaning of clause 'O' of sub-section (i) of section 3 of the Sick Industrial Companies (Special provisions) Act, 1985. We were informed that the Company had already made a reference to BIFR in this regard.*

for CHINNASAMY GANESAN AND CO.,
Chartered Accountants

Place : Chennai
Dated : 6.8.2002

Chinnasamy Ganesan
Partner