

# IYKOT HITECH TOOLROOM LIMITED



**17<sup>th</sup> ANNUAL REPORT**  
**2007-2008**



## BOARD OF DIRECTORS

THIRU. S. IYEMPANDI	Managing Director
THIRU. N.K.S. KOLAPPAN	Joint Managing Director
PROF. ROOSHIKUMAR PANDYA	Director
THIRU. A. PARAMASIVAM	Director
Dr. S. RAJAPANDIAN	Director

## AUDITORS

### M/s. RAMADOSS & ASSOCIATES

Chartered Accountants  
Vasundhara Apartments  
III Floor, (Old 27/7), New 16/7  
Hindi Prachar Sabha Street  
T. Nagar, Chennai - 600 017.

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## BANKERS

State Bank of Indore, Chennai - 108  
Indian Bank, Chennai - 32

## REGISTERED OFFICE

No.19, Block I, Sidco Electronics Complex  
Guindy, Chennai - 600 032.  
Telephone : 2250 0280  
Telefax : 2250 0280  
Email : info@iykot.com  
Home Page : www.iykot.com

## FACTORY

131/2, Thiruneermalai Road  
Nagalkeni, Chromepet, Chennai - 600 044  
Phone : +91-44-4316 2280  
Telefax : +91-44-4316 2280

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## NOTICE TO THE SHARE HOLDERS

NOTICE is hereby given that the 17<sup>th</sup> Annual General Meeting of the shareholders of the company will be held on Saturday, the 27<sup>th</sup> September 2008 at 3.30 p.m. at HOTEL PALMGROVE, 13, Kodambakkam High Road, Chennai – 600 034, to transact the following business.

the Board and on such terms and conditions and in such manner as they deem fit.

By Order of the Board  
For **lykot Hitech Toolroom Ltd**

Place : Chennai

**S. Iyempandi**

Date : 12.07.2008

Managing Director

### 1.0 ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Statements of Accounts for the year ended 31st March 2008 and reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr.A.Paramasivam who retires by rotation and being eligible, offers himself for re-appointment. Mr.A.Parasivam has given his consent to be the director if appointed.
3. To appoint Auditors and fix their remuneration. M/s.Ramadoss & Associates, Chartered Accountants, Chennai retire at the conclusion of the Annual General Meeting and being eligible, offer themselves for re-appointment.

### 2.0 SPECIAL BUSINESS

1. **To consider and if thought fit to pass the following resolution as Special Resolution.**

Resolved that pursuant to Section 81 and other applicable provisions if any of the Companies Act, 1956 and in accordance with the provision of Articles of Association of the Company, and subject to such approvals if any that may required from the statutory authorities, to issue, out of the unissued share capital of the Company, 30,00,000 (Thirty Lakhs) equity shares of Rs.5/- each for cash and at par to such person(s) whether share holder or not, on private placement basis at the discretion of

#### Note :

1. A member entitled to attend and vote is entitled to appoint a Proxy to attend and vote. 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 No.19, Block-I, Sidco Electronics Complex, Guindy, Chennai – 600 032. 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 **14.09.2008 to 27.09.2008 (both days inclusive)**
3. Members/Proxies should bring the attendance slip sent herewith, duly filled in and signed handover the same of the entrance of the hall.
4. Shareholders are requested to bring their copy of the Annual Report for the meeting.

#### Explanatory Statement

##### 1.2 Ordinary Business

(Pursuant to Section 173 (2) of the Companies Act, 1956)

The information in respect of item No.2 of ordinary business and pursuant to SEBI code for Corporate Governance about Director seeking re-appointment in this Annual General Meeting is furnished hereunder:



## 2.1 Special Business

BIFR has approved the capital restructure of the company by issuing further share capital of Rs.150.00 Lakhs by way of private placement or right issue without any restriction covered by Section 81 of the Companies Act, 1956.

Presently, the Authorized share capital of the Company is Rs.11 Crores, divided to 2,20,00,000 Equity share of Rs.5/- each. As per the Scheme of arrangement approved by BIFR for being declared as relief under taking the BIFR has approved the Scheme for reduction of the face value of Equity Share from Rs.10/- per share to Rs.6/- per share. Accordingly the share capital of the company had been reduced. Further the share holders have also approved the re-structure and subdivided

the face value-of equity share of Rs.6/- each into Face Value Rs.5/- each.

Now the company is proposing to issue 30,00,000 shares of Rs.5/- each to raise the issued capital by Rs.150.00 Lakhs on private placement basis at the discretion of the Board and on such terms and conditions and in such manner as they deem it.

The Board commends the resolution for approval. None of the Directors is interested in the resolution.

By Order of the Board  
For **lykot Hitech Toolroom Ltd**

Place : Chennai

**S. Iyempandi**

Date : 12.07.2008

Managing Director

Particulars	
1. Name of the Director	Mr.A.Paramasivam
2. Date of Birth	25.03.1940
3. Date of Appointment	30.12.2005
4. Qualification & Experience in specific functional areas	ITI Graduate with more than 40 years hands on experience/plastic and polymer in moulding technology. Well versed in Injection Moulding Machine erection testing and maintenance. Has worked as Manager Maintenance in CIPET, Chennai. Now heads his own plastic processing unit employing more than 250 persons.
5. Chairman / Member of the committee of the Board of Director of the company	Chairman/Remuneration Committee Member, Audit Committee.



## DIRECTORS REPORT

Your directors have great pleasure in presenting their 17<sup>th</sup> Annual report and the Audited accounts of the company for the year ended 31<sup>st</sup> March 2008.

### 1.0 FINANCIAL RESULTS

Year ended	31.03.2008	31.03.2007
Profit & Loss before interest and depreciation	83.88	74.58
Interest	5.53	0.30
Depreciation	17.14	6.98
Profit and Loss after interest and depreciation	61.21	67.30
Short provision of income tax of earlier year	0.26	-
Provision for taxation	6.78	8.96
Adjustment*	202.80	-
Profit / (Loss) after taxation	54.17	58.34
Balance Brought Forward from Previous year	(491.60)	(549.94)
Balance carried to Balance Sheet	(234.63)	(491.60)

\* The paid up equity share capital was reduced from Rs.507.00 Lakhs to Rs.304.20 Lakhs as per the special resolution approved by the Annual General Meeting, consequently the carried forward loss was also adjusted.

### 2.0 BIFR:

Your directors have great pleasure in informing the members that the BIFR in their review meeting held on 21.04.2008 has observed that, your company has substantially implemented the sanctioned scheme of the BIFR and its networth has become positive and they further observed that the **company is no more a sick industrial company under Section 3 (1) (o) of SICA and directed that company**

**is discharged from the purview of SICA / BIFR.**

### 3.0 DIVIDEND:

Considering the accumulated losses, your Directors have not recommended any dividend on equity share capital of the company for the year ended 31<sup>st</sup> March 2008.

### 4.0 AUSTERITY MEASURES:

The Company continues to pursue austerity measures to achieve cost reduction.

### 5.0 CORPORATE GOVERNANCE

As per the clause 49 of the Listing Agreement and in accordance with the provisions of the said clause Audit Committee, Share holders/ Investors Grievance Committee, Remuneration Committee has met transacted business as laid down.

In pursuance of Clause 49 of the Listing Agreement with the Stock Exchanges, Corporate Governance Report along with the Auditors Certificate are given else where and form part of this report.

### 6.0 TRADING IN THE SHARES / DELISTING OF EQUITY SHARES:

The Trading in the shares of the Company is under suspension in the Bombay Stock Exchange for non payment of Listing Fee and non-Compliance with the various clauses of Listing Agreement entered into. Arrears of Listing Fee to Bombay Stock Exchange has since been paid and all the returns and certificates as requested by the Bombay Stock Exchange has been filed with Bombay Stock Exchange. The revocation of suspension imposed on the trading in the shares of the Company is under active consideration of Bombay Stock Exchange Ltd.

Your Company has appointed Registrars and Share Transfer Agents M/s.Cameo Corporate Services Limited, Chennai – 600 002. At



present the Share Transfer work is being carried in House. As and when the suspension imposed by Bombay Stock Exchange Ltd is lifted, the work will be handed over to M/s.Cameo Corporate Services Ltd.

## 7.0 DIRECTORS

Under Article 116, Thiru.A.Paramasivam, Director of the company retires from office by rotation and being eligible, offer himself for re-appointment.

**8.2** Information required under Section 217 (1) (e) is given hereunder:

- (i) Conservation of energy : All steps have been taken into conserve energy of all levels.
- (ii) Technology Absorption, Adoption and Innovation : Not applicable.

**8.3** Research and Development : Research Wing is active in developing new products

**8.4** Foreign Exchange earnings and outgo:

- (i) The Foreign Exchange earnings : NIL
- (ii) The Foreign Exchange outgo : Rs.19,19,677/-

## 9.0 DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (A) of the Companies Act, 1956 your directors confirm that in the preparation of the annual accounts the applicable accounting standards have been followed except the following AS-15. Regarding the retirement benefit to employees. The number of employees who are eligible for leave encashment are very marginal and hence in the opinion of the management, this will be accounted on cash basis. The gratuity payable on actual valuation has been provided this year.

Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, for safeguarding the assets of the Company and for preventing detecting fraud and other irregularities and the annual accounts have been prepared on a going concern basis.

## 10.0 FIXED DEPOSITS :

The Company has not accepted any Fixed Deposits from the public from the date of commencement of Business.

## 11.0 COMPANY SECRETARY:

Steps are being taken to appoint a whole-time Company Secretary under the provisions of the Companies Act, 1956.

## 8.0 INFORMATION UNDER SECTION 217(2A) & 217 (1) (E) OF THE COMPANIES ACT, 1956.

8.1 During the year no employees has drawn salary in excess of the amounts prescribed under Section 217 (2A) of the Companies Act, 1956 read with (Companies particulars of employees) Rules 1975.

**12.0 AUDITORS**

M/s.Ramadosh & Associates, Chartered Accountants, Chennai retires at the conclusion of 17<sup>th</sup> Annual General Meeting and are eligible for re-appointment.

The directors recommend their re-appointment.

**13.0 ACKNOWLEDGEMENT:**

The directors wish to thank IDBI, the Bankers & Institutions, Customers, Suppliers and Share Holders for their continued support.

The directors wish to place on record their appreciation of the good work done by the employees.

Place : Chennai

Date : 27.05.2008

**N.K.S. KOLAPPAN**

Joint Managing Director

**S. IYEMPANDI**

Managing Director





## CORPORATE GOVERNANCE REPORT

Your company aim is towards achieving good Corporate Governance, thereby ensuing truth, transparency, accountability and responsibility in all our dealings with customers, dealers, employees, share holders and with every individual who comes into contact with the Company.

### 1.0 Board of Directors:

The Board consists of 5 directors. The composition of Board confirm to clause 49 of the Listing Agreement and the details are given below:

Details about the Company's Board of Directors and the meeting attended during the period under review are tabulated hereunder:

Name of the Director	Category	Position	No of. Board Meetings attended	Attendance at the previous AGM held on 27.9.07	No.of Director ship in other public Companies	No of Committee positions (as Member/Chairman) held in other public Companies
1. Mr.S.Iyempandi	Promoter / Executive	Managing Director	4	Present	Nil	Nil
2. Mr.N.K.S.Kolappan	Promoter / Executive	Joint Managing Director	5	Present	Nil	Nil
3. Prof.Rooshikumar Pandya	Non Promoter Non Executive Independent	Director	4	Present	3	Nil
4. Mr.A.Paramasivam	Non Promoter Non Executive Independent	Director	3	-	Nil	Nil
5. Dr.S.Rajapandian	Non Promoter Non Executive Independent	Director	5	Present	Nil	Nil

### 1.1 Number of Board Meetings:

The Board of Directors met 5 times during the Financial Year 2007-2008.

### 2.0 Board Committees:

In accordance with the provisions of Clause 49 of the Listing Agreement entered into with the Stock Exchanges the following Committees has been constituted.

#### 2.1 Audit Committee:

The Audit Committee has been constituted in line with the clause 49 of the Listing Agreement

and Section 292A of the Companies Act, 1956. The broad terms of reference of the Audit Committee interalia includes:

- To review the weakness in internal Controls, if any, with the Management and Internal auditors and report to the Board the recommendations relating thereto.,
- To select and establish accounting policies.,
- Reviewing the adequacy of Internal audit function, including the structure of the Internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit