

23rd
ANNUAL REPORT
2013 - 2014



IYKOT HITECH TOOLROOM LIMITED

BOARD OF DIRECTORS

THIRU.S.IYEMPANDI	Managing Director
THIRU.N.K.S.KOLAPPAN	Joint Managing Director
THIRU.A.PARAMASIVAM	Director
DR.S.RAJAPANDIAN	Director
THIRU.M.S.KRISHNAN	Director
TMT. KARTHIGA KARTHIKEYAN	Director

AUDITORS**M/s. RAMADOSS & Co**

Chartered Accountants
No.7, 1st Floor,
Hindi Prachar Sabha Street
T.Nagar, Chennai - 600 017
Phone: 044 – 4212 9662
Email: ramadoss.company@gmail.com

REGISTRAR & SHARE TRANSFER AGENT**M/s.CAMEO CORPORATE SERVICES LTD**

"Subramanian Building"
1, 5th Floor, Club House Road,
Chennai – 600 002.
Phone: 044 – 64555838
Fax: 044 – 2846 0129.

BANKERS

State Bank of India, Chennai - 108
Indian Bank, Chennai - 32.
Axis Bank Limited, Chennai - 43.

REGISTERED OFFICE**M/s. IYKOT HITECH TOOLROOM LIMITED**

No.19, Block – 1, Sidco Electronics Complex,
Guindy, Chennai – 600 032.
Telefax: +91-44-2250 0280
Email: info@iykot.com/grc@iykot.com
Home Page: www.iykot.com

FACTORY

Unit - I

M/s. IYKOT HITECH TOOLROOM LIMITED

No. 131/2, Thiruneermalai Road,
Nagalkeni, Chromepet, Chennai - 600 044.

Unit - II

M/s. IYKOT HITECH TOOLROOM LIMITED

5C, Dr. Abdul Kalam Cross Street
Nagalkeni, Chromepet

IYKOT HITECH TOOLROOM LIMITED

Regd.office: No.19,block-I Sidco Electronics Complex, Thiru.vi.ka.industrial Estate, Guindy, Chennai - 32

Telefax : 044-22500280 Website: www.iykot.com email: info@iykot.com

CIN:L27209TN1991PLC021330

NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the 23rd Annual General Meeting of the shareholders of the company will be held on 27th, Saturday, September 2014 at 3.30 p.m. at HOTEL PALMGROVE, 13,Kodambakkam High Road, Chennai – 600 034, to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2014 and the Statement of profit & loss account for the year ended on that date together with the reports of the Board of Directors and Auditors thereon.
2. To reappoint M/s. Ramadoss & Co, Chartered Accountants (Firm Regn. No. 019176), as statutory auditors of the Company to hold office from the conclusion of this AGM until the conclusion of twenty sixth consecutive AGM and to fix their remuneration and to pass the following resolution thereof.

“RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 and rules made thereunder, and pursuant to the recommendations of the audit committee of the Board of Directors, M/s. Ramadoss & Co, Chartered Accountants (Firm Regn. No. 019176) be and hereby appointed as auditors of the Company, to hold office from the conclusion of this AGM to the conclusion of twenty sixth consecutive AGM (subject to ratification of the appointment by the members at every AGM held after this AGM) and that the Board of Directors be and are hereby authorized to fix such remuneration as may

be determined by the audit committee in consultation with the auditors.”

SPECIAL BUSINESS

3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 161 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) Mrs.Karthiga Karthikeyan (holding DIN 00799559), who was appointed as additional Director of the Company by the Board of Directors of the Company with effect from 31st July 2014 and who holds office until the date of AGM, in terms of the aforementioned Section of the Companies Act 2013 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mrs.Karthiga Karthikeyan as a candidate for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retirement by rotation.”

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions of the

Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act 2013, Mr. Rajapandian Sivalingam T (holding DIN: 00749035), Director of the Company and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director of the Company, be and is hereby appointed as an independent Director of the Company to hold office up to March 31, 2019, not liable to retire by rotation."

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act 2013, Mr. Muthulingam Sivarama Krishnan (holding DIN: 01980260), Director of the Company and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director of the Company, be and is hereby appointed as an independent Director of the Company to hold office up to March 31, 2019, not liable to retire by rotation."

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

"RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions of the

Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act 2013, Mr. Paramasivam Arunachala Devar (holding DIN: 02474561), Director of the Company and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director of the Company, be and is hereby appointed as an independent Director of the Company to hold office up to March 31, 2019, not liable to retire by rotation."

7. 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 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company hereby accords its consent to the Board of Directors for borrowing any sums of money from time to time from any one or more persons, firms, bodies corporate, banks or financial institutions whether by way of cash credit, advance or deposits, loans or bill discounting or otherwise and whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge of the Company's assets and properties whether movable or stock-in trade (including raw materials, stores, spare parts and components in stock or in transit) and work-in-progress or all or any of the undertakings of the Company notwithstanding that the monies to be borrowed together with monies

already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will or may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, but, so, however, that the total amount up to which the monies may be borrowed by the Board of Directors and outstanding at any time shall not exceed the sum of Rs.5 Crores (Rupees Five Crores only)" over and above the aggregate of the Paid up Capital and free reserve of the Company.

8. 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 180(1)(a) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the shareholders of the Company be and is hereby accorded for creation by the Board of Directors on behalf of the Company, of such mortgages/ charges/ hypothecation and floating charges (in addition to the existing mortgages / charges / hypothecation created by the Company in favour of the lenders) in such form and in such manner as may be agreed to between the Board of Directors and the lenders, on all or any of the present and future immovable and / or movable properties of the Company wherever situated, of every nature and kind whatsoever to secure any Indian Rupee or foreign currency loans, Debentures, advances and all other moneys

payable by the Company to the lenders concerned, subject, however, to an overall limit of Rs.5 Crores (Rupees Five Crores only) over and above the aggregate of the Paid up Capital and free reserve of the Company of loans or advances already obtained or to be obtained from, in any form including by way of subscription to debentures issued or to be issued by the Company to, any financial institution, bank, body corporate, company, insurer or to the general public."

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

"RESOLVED THAT pursuant to section 152(6) of the Companies Act, 2013, Mr. Iyempandi Subbiah (DIN 00891670), be and hereby reappointed as a director of the Company and shall continue in the office of the Managing Director, till the expiry of the period of his tenure, as per his original terms of appointment, on the same terms and conditions, mentioned therein."

"FURTHER RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with PART I AND PART II OF Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded to Mr.Iyempandi Subbiah (DIN:00891670) to act as Managing Director of the Company, for a residual period of 5 (five) years with ends on September 31,2015, on the existing terms and conditions including remuneration."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

10. To adopt new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company;

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

11. To appoint M/s Lakshmmi Subramanian & Associates, Practising Company Secretaries as Secretarial Auditors for the year ended March 31, 2015 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution** :

"RESOLVED THAT pursuant to the provisions of Section 204 and all other applicable provisions, if any, of the

Companies Act, 2013, M/s Lakshmmi Subramanian & Associates, Practising Company Secretaries, having office at "Murugesu Naicker Complex, No.81, Greaves Road, Chennai-600006" be and is hereby recommended for appointment as Secretarial Auditors of the company in order to furnish Secretarial Audit Report on and from the financial year ending 31.03.2015 as required under the provisions of said section on a remuneration to be fixed by the Board of Directors."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

NOTES:

1. A member entitled to attend and vote, at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company.
2. The instrument appointing proxy (duly completed, stamped and signed) in order to be effective must be deposited at the registered office of the company not less than 48 hours before the commencement of the 23rd Annual General Meeting of the company.
3. Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send a duly certified copy of Board Resolution on the letterhead of the Company, signed by one of the Directors or Company Secretary or any other authorized signatory and / or duly

notarized Power of Attorney, authorizing their representatives to attend and vote on their behalf at the Meeting.

4. With effect from 1st April 2014, inter alia, provisions of Section 149 of Companies Act, 2013 has been brought into force. In terms of the said section read with section 152 (6) of the Act, the provisions of retirement by rotation are not applicable to Independent Directors. Profile of Directors seeking appointment / re-appointment as stipulated in terms of Clause 49 of the listing agreement with the stock exchanges is provided in the explanatory annexed to this notice.
5. The equity shares of the Company are listed on Bombay Stock Exchange Limited
6. The Register of Members and Share Transfer books of the Company will remain closed from 14.09.2014 to 27.09.2014 (both days inclusive).
7. Members holding shares in physical form, in multiple folios in identical names or joint accounts in the same order or names, are requested to send their share certificates to the Company's Registered Office at No.19, Block -I SIDCO Electronics Complex, Thiru.Vi.Ka.Industrial Estate, Guindy, Chennai - 600032 for consolidation into one folio.
8. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants, with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address immediately to the Company/ Registrar and Transfer Agent, M/s. Cameo Corporate Services Limited.
9. Pursuant to Section 72 of the Companies Act, 2013, shareholders holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company's Registrar and Transfer Agent, M/s. Cameo Corporate Services Limited In respect of shares held in electronic / demat form, the nomination form may be filed with the respective Depository Participant.
10. The Securities and Exchange Board of India has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Registrars and Transfer Agents, M/s. Cameo Corporate Services Limited.
11. The Explanatory Statement as required under section 102 of the Companies Act, 2013 in respect of Special Business(s) is attached herewith.

By Order of the Board
For Lykot Hitech Toolroom Ltd

(S.IYEMPANDI)

Managing Director

Place: Chennai

Date : 31.07.2014

Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013:

Item No: 3

Mrs.Karthiga Karthikeyan (holding DIN 00799559) joined the Board of Directors of the Company on 31st July 2014 as an additional director of the Company. She holds directorship in Agisca Technologies Ltd. She holds 91920 shares in the Company.

Mrs Karthiga Karthikeyan joined the Board of Directors of the Company of the Company as an additional Director. She holds office until the ensuing AGM.A notice in writing has been received from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose

Mrs.Karthiga Karthikeyan as a candidate for the office of Director of the Company along with the Refundable Deposit of Rs.1,00,000/-, as required under section 160 (1) of the Companies Act, 2013.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mrs.Karthiga Karthikeyan as a Director. Accordingly, the Board recommends the resolution in relation to appointment of Mrs.Karthiga Karthikeyan, as a Director, for the approval by the shareholders of the Company.

Except Mrs.Karthiga Karthikeyan, being an appointee and Mr. Iyempandi Subbiah, being a relative of the appointee none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No.3. This Explanatory Statement may also be regarded

as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item no: 4 to 6

Your Board is of the opinion that all of the Independent Directors fulfill the conditions specified in the Act for appointment as Independent Directors of the Company. Section 149 of the Act inter alia stipulates the criteria of Independence should a company propose to appoint an Independent Director on its Board. As per the said Section 149, an Independent Director can hold office for a term up to 5 (five) consecutive years on the Board of a company and he shall not be included in the total number of Directors for retirement by rotation. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, the Directors being eligible and offering themselves for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st March, 2019 and shall not be liable to retire by rotation. A notice has been received from members proposing Mr.Rajapandian Sivalingam T, Mr. Muthulingam Sivarama Krishnan and Mr. Paramasivam Arunachala Devar as a candidate for the office of Director of the Company along with the Refundable Deposit of Rs.1,00,000/- each.

Based on the declaration received from the appointee Directors and in the opinion of the Board, the above Directors, fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for their appointment as Independent Directors of the Company and they are independent of the management. Copy of the draft letter for

appointment of all the Directors, as Independent Directors setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

Accordingly the Board has recommended for approval of the shareholders, under agenda item nos.4 to 6 of the accompanying notice, the classification of the aforementioned Directors also as Independent Directors pursuant to Section 149 of the Companies Act, 2013 read with rules made thereunder, with their respective term of Office upto a five years with effect from 1st April, 2014.

Concerned Directors are interested in their respective resolutions being related to their own appointments. Other than the aforesaid, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested in the resolutions as set out in item Nos. 4 to 6 of the accompanying notice. None of the Directors are related inter se to each other.

This explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

Item No: 7 & 8

As per Section 180(1)(c) and Section 180 (1) (a) of the Companies Act,2013 if the Company intends to borrow money which exceeds the aggregate of paid-up capital and free reserves , the consent of shareholders is required.

Therefore the Board recommends to the shareholders to pass a special resolution under Section 180(1)(c) and Section on 180(1)(a) of

the Companies Act, 2013, since the Company has proposals to expand the business activities to a larger extent. Since borrowings from banks, financial institutions etc, the term Loans are to be secured by mortgage / charge of the immovable / movable properties of the Company, present and future.

Accordingly, the proposed resolution is placed before the shareholders for their approval.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in this resolution.

Item No.9:

Mr.Iyempandi Subbiah is a Managing Director of the Company. He retires by rotation at the ensuing Annual General Meeting of the Company as a Director of the Company. However his term as Managing Director in the Company comes to an end on September 29, 2015.Since he is also a Key Managerial Personnel and as he is above 70 years of age the consent of the shareholders by way of special Resolution is required for the continuance of his position as Managing Director. He has been associated with the Company as Managing Director since 1991. During his tenure as Managing Director the company has made steady progress. Due to the above rotation under the Companies Act,2013,his term as Managing Director shall be continued and not construed as a gap since subjected to rotation.

Mr.Iyempandi Subbiah is interested in the resolution set out respectively at Item No. 9 of the Notice

Except Mr. Iyempandi Subbiah being an appointee and Mrs. Karthiga Karthikeyan,

being a relative of the appointee none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board commends the Special Resolution set out at Item No.9 of the Notice for approval by the shareholders.

Item No: 10

The existing AoA of the Company is based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AoA are no longer in conformity with the Companies Act 2013 ("The Act").

The Act is now largely in force. On September 12, 2013, the Ministry of Corporate Affairs ("MCA") had notified 98 Sections for implementation. Subsequently, on March 26, 2014, MCA notified most of the remaining Sections (barring those provisions which require sanction / confirmation of the National Company Law Tribunal ("Tribunal") such as variation of rights of holders of different classes of shares (Section 48), reduction of share capital (Section 66), compromises, arrangements and amalgamations (Chapter XV), prevention of oppression and mismanagement (Chapter XVI), revival and rehabilitation of sick companies (Chapter XIX), winding up (Chapter XX) and certain other provisions including, inter alia, relating to Investor Education and Protection Fund (Section 125) and valuation by registered valuers (Section 247). However, substantive sections of the Act which deal with the general working of companies stand notified.

With the coming into force of the Act several regulations of the existing AoA of the Company require alteration or deletions in several articles. Given this position, it is considered expedient to wholly replace the existing AoA by a new set of Articles.

The proposed new draft AoA is would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board commends the Special Resolution set out at Item No.10 of the Notice for approval by the shareholders.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 10 of the Notice.

Item No: 11

In terms of Section 204 of the Companies Act,2013 all listed Companies are mandated to appoint a Company Secretary in Whole Time Practice for the purpose of obtaining Secretarial Audit Report on and from the financial year ending 31.03.2015.

Hence the resolution for appointing M/s.Lakshmmi Subramanian & Associates, Practising Company Secretaries, Chennai is being placed before the shareholders for approval.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise in the resolution set out at Item No.11