



Annual Report 2003 - 2004

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INTEGRATED HITECH LIMITED

INTEGRATED HITECH LIMITED**BOARD OF DIRECTORS**

Mr. A. Gerald Ebenezer
Chairman & Managing Director

Mr. AXN Prabhu
Director

Mr. K.V. Viswanathan
Director

Mr. R. Murugesan
Director

COMPANY SECRETARY

Mr. S.K. Rengarajan
B.A., B.T., F.I.C.W.A., A.C.S., I.D.C.S.

BANKERS

Canara Bank

AUDITORS

Mr. A. Chinnappan
M.Com., F.C.A., Grad.C.W.A., A.C.S.,
Chartered Accountant

**REGISTERED OFFICE &
SOFTWARE LAB**

150/116, Cisons Complex,
Montieth Road, III Floor,
Egmore, Chennai - 600 008.

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NOTICE

NOTICE is hereby given that the Eleventh Annual General Meeting of the members of **INTEGRATED HITECH LIMITED** will be held on Monday, the 2nd August 2004, at 10.00 a.m. at Sundaravadhini Hall, New No.115, (Old No.54), Egmore High Road, Egmore, Chennai – 600 008. to transact the following business:

Ordinary Business

1. To appoint a Director in place of Shri R. Murugesan who retires by rotation and being eligible, offers himself for re-appointment.
2. To consider, approve and adopt the Audited Balance Sheet as at 31st March 2004 and the Profit and Loss Account for the year ended on that date and the Report of the Board of Directors and Auditors thereon.
3. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting.

Special Business

4. To consider and if thought fit, to pass with or without modifications, the following resolution as Ordinary Resolution:
RESOLVED THAT pursuant to the provisions of Section 198,269,309 and read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 as amended and prevailing for the time being or any other law in force, the consent of the Company be and is hereby accorded to the increase in remuneration of Mr.A.Gerald Ebenezer, as Managing Director of the Company on the following terms and conditions:

Salary : Increase from Rs.90,000/- per month to Rs. 1,05,000/- per month with effect from 1st April 2004.

Perquisites : He shall be entitled to furnished / non furnished accommodation, gas, electricity, water, medical reimbursement, leave travel concession for self and family, club fees, personal accident insurance, Company maintained car, telephone and such other perquisites in accordance with the Company's rules, the monetary value of such perquisites to be determined in accordance with the Income Tax Rules, 1962, being restricted to Rs.2,40,000/- per annum and Company's contribution to Provident Fund and Superannuation Fund or Annuity fund, Gratuity payment as per Company's rules and encashment of leave at the end of his tenure shall not be included in the computation of ceiling on remuneration and perquisites as aforesaid.

Resolved further that in the event of inadequacy or absence of profits in any financial year the above shall be treated as the minimum remuneration payable to Mr. A. Gerald Ebenezer and shall be governed by Section II of Part II of schedule XIII to the Companies Act, 1956 as amended from time to time

By order of the Board,
For **Integrated Hitech Limited**

Place: Chennai
Date: 16-06-2004

S.K.Rengarajan
Company Secretary

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 proxy form in order to be effective must be deposited at the Registered office of the company not less than 48 hours before commencement of the meeting
3. The members' are requested to intimate to the Registrar and Transfer Agents, M/s Cameo Corporate Services Limited,

INTEGRATED HITECH LIMITED

'Subramanian Building' No:1, Club House Road, Chennai-600 002., change of address, if any, at the earliest quoting their registered folio number.

4. Members holding Shares in more than one folio in identical order of names are requested to write to R&TA enclosing their Share Certificate to enable us to consolidate their holdings in one folio to facilitate better service.
5. As per Companies Act 1956, as amended, a shareholder may nominate in the prescribed manner, a person to whom his shares in the Company shall vest in the event of his death [Form 2B of Companies, (Central Government) General Rules & forms]. In the case of joint holding, joint holders may together nominate a person to whom the share shall vest in the event of death of the joint holders. Shareholders are requested to avail the facility. Equity shares of the Company are in the Depository, set up by National Securities Depository Limited and Central Depositories Services (India) Limited. The shares of the company are in the compulsory dematerialisation list specified by SEBI and are traded in the demat mode and the share holders are requested to get their holding dematerialized as early as possible, in their own interest.
6. The Share Transfer Books will remain closed from Monday 26th July 2004 to Monday 2nd August 2004 (both days inclusive) for the purpose of Annual General Meeting.

EXPLANATORY STATEMENT

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

Item No.4 :

The Board of Directors of the Company in their meeting held on 21st April 2004 increased the remuneration of Mr. A. Gerald Ebenezer, Managing Director of the Company with effect from 1st April 2004 from Rs. 90,000/- pm to Rs. 1.05,000/- pm in addition to the existing perks whose annual value not to exceed Rs. 2,40,000/- which is within the limits as provided in Part II Schedule XIII of the Companies Act, 1956. As per provisions in Part III of Schedule this requires the approval of the Shareholders in general meeting. Hence the Company seeks the approval of the shareholders for this increased remuneration.

Mr. A. Gerald Ebenezer has vast experience in the field of software development projects in general and marketing of software products, portals etc. The Company is fully engaged in the development of Income Tax Software such as Easi Tax software for individuals as well as Tax Management Software for Corporates for bulk filing of returns for their employees. In this work, Mr. Gerald Ebenezer being a Chartered Accountant, is devoting a lot of time and effort in developing these tax-software. Also the Directors considered the risk and liabilities undertaken by him as Managing Director of the company and so they felt the need for adequately remunerating him by increasing his remuneration within the limits prescribed under Sec. 198, 269, 309 along with the provisions of Schedule XIII of the Companies Act, 1956. After discussion they refixed his remuneration subject to the approval in the general body of the company.

None other Directors of the company are interested or concerned in the proposed resolution.

A copy of the Memorandum & Articles of Association of the Company and copies of the agreements entered into with the Central Depository Services Limited and the National Securities Depository Limited are available for inspection at the Registered Office of the Company on any working day between 10 a.m. and 12 noon and will also be available for inspection at the Meeting.

By order of the Board,
For **Integrated Hitech Limited**

Place : Chennai
Date : 16-06-2004

S.K.Rengarajan.
Company Secretary



DIRECTORS' REPORT TO THE SHARE-HOLDERS

Dear Members,

Your Directors have great pleasure in presenting the ELEVENTH ANNUAL REPORT of the Company with the audited accounts for the year ended 31st March 2004.

FINANCIAL RESULTS:

	Rs.in lakhs.	
	Year ended 31/03/2004	Year ended 31/03/2003.
Income from operations	72.24	86.85
Profit before Depreciation	22.64	23.11
Profit before Tax	3.76	3.77
Profit after Tax	3.46	3.47
Balance carried to Balance-Sheet	3.46	3.47

RESERVES & SURPLUS:

The Reserves and Surplus stands at Rs.62.20 lakhs as on 31/03/2004 as against Rs.58.74 lakhs as on 31/03/2003.

DIVIDEND:

Due to inadequacy of profits, the Board has considered expedient not to recommend any dividend for the year ended 31st, March, 2004.

DEPOSITS:

The Company has not accepted any deposit from the public.

DIRECTORS:

In accordance with the provisions of The Companies Act, 1956 and the Company's Articles of Association Mr.R. Murugesan is due to retire by rotation and is eligible for reappointment

He is a member of the Audit committee of this company:

Notices have been received u/s 257 of the Companies Act proposing their names for appointment as Directors.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' responsibility Statement, it is hereby confirmed:

- (i) That in the preparation of the accounts for the financial year ended 31st March 2004, the applicable accounting standards have been followed.
- (ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 2003-2004 and of the profit or loss of the company for the year under review;
- (iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) That the Directors have prepared the accounts for the financial year ended 31st March 2004 on a 'going concern' Basis.

PROJECT IMPLEMENTATION:

Tax Return Preparation Software 'easitax 6.0' and web based 'Return Preparation software 6i' have been completed.

Your company has also developed the Bulk Return Preparation Software for BPO's and Tax Management Software for Corporate.

Your Company has taken all necessary steps to implement the projects as stated in the prospectus.

E-FILING:

The Directorate of Income Tax, Ministry of Finance, Government of India has introduced a new scheme of filing of Income tax returns of individuals without business income electronically, briefly called eFiling of income tax returns for the assessment year 2003-2004. For this purpose the Central Board of Direct Taxes has appointed banks to act as intermediaries to accept the e-returns. Your Company is glad to inform you that it has entered into agreement with M/s Bharat Overseas Bank Ltd, ICICI Bank and Corporation Bank for providing the required software and services for the e-filing. It may be noted that we were able to cover more than 75% of the e-filing cases through-out India for the assessment year 2003-2004.

INTEGRATED HITECH LIMITED

Now your company is ready with the required software to provide e-filing facilities for the assessment year 2004-2005 and is likely to enter into agreement with major banks for this purpose.

ETDS:

Also Income Tax Department has introduced a new scheme of electronically filing of TDS Returns of Corporate bodies for the assessment Year 2003-2004. Your company has provided the software and services for many major companies for electronically filing their TDS returns for the assessment year 2003-2004. Also your company is ready with the software and service facilities for e-TDS for the assessment year 2004-2005.

FUTURE PROSPECTS:

For developing the projects abroad, the company has formed its subsidiaries in USA and Singapore. The Company has firmed up plans to operate the business at both the subsidiaries during the current year.

AUDITORS AND AUDIT REPORT:

Mr. A.Chinnappan, M.Com., FCA, AICWA, ACS., Chartered Accountant, Chennai, the Auditor of the Company, holds office until the conclusion of the ensuing Annual General Meeting. The Company has received confirmation from that his appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956. Accordingly it is proposed to appoint Mr.A.Chinnappan as Auditor of the Company at the ensuing Annual General Meeting, to hold office till the conclusion of the next Annual General Meeting.

LISTING REQUIREMENTS:

The shares of the company are listed on the Chennai and Mumbai Stock Exchanges. The annual listing fee has been duly paid.

DEPOSITORY SYSTEM:

The security And Exchange Board of India (SEBI) has mandated the delivery of shares of your company under the compulsory dematerialized form with effect from 28th August 2000. Your company has entered into an agreement with the Central Depository Services and National Securities Depository Limited for dematerialization of your Company's Securities in accordance with the provisions of Depository Regulation. With this the members have the option /discretion to hold their demat shares in the company through the National Securities Depository Limited or the Central Depository Services (India) Limited.

CORPORATE GOVERNANCE:

Your directors are happy to report that your company has fully complied with the SEBI Guidelines on Corporate Governance, which have been incorporated as per the Listing Agreement with the Stock Exchanges.

A detailed report on Corporate Governance forms Annexure –A to this report. The Statutory Auditors of the Company have examined the Company's compliance as above and have certified the same as required under the SEBI guidelines. The certificate is reproduced as Annexure-B to this report. Further a separate Management Discussion and Analysis Report covering a wide range of issues relating to Industry Structure and development, opportunities and threats etc is given as Annexure-C to this report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION:

The Company has no activity relating to conservation of energy or technology absorption.

PERSONNEL:

Particulars of Employees pursuant to Section 217(2A) of the Companies Act, 1956. Mr. A. Gerald Ebenezer, Managing Director was in receipt of a remuneration of Rs. 13,20,000/- for the year 2003-2004.

ACKNOWLEDGEMENT:

The Directors wish to place on record their appreciation of the dedicated and untiring hard work put by the employees at all levels. The Directors would like to thank the Banks, Consultants, Auditors and above all the shareholders and valued customers for their continued support and patronage.

For and on behalf of the Board

Place : Chennai
Date : 16.06.2004

A. Gerald Ebenezer
Managing Director.





ANNEXURE –A

CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company's philosophy on corporate governance envisages the attainment of the highest levels of transparency, accountability and equality, in all facets of its operations and in all inter-actions with shareholders, employees, the government and lenders. Company is committed to achieve the highest international standards of corporate- governance. Company believes that all its operations and actions must serve the underlying goal of enhancing overall shareholder value, over a sustained period of time.

BOARD OF DIRECTORS:

The Board of Directors of the Company is composed of:

- Mr. A.Gerald Ebenezer - Executive Director and Managing Director.
- Mr. AXN.Prabhu – Non-Executive and independent Director.
- Mr. K.V.Viswanathan - Non-Executive and independent Director.
- Mr. R.Murugesan - Non-Executive and independent Director.

Mr. A.Gerald Ebenezer held Directorship in two companies and did not have any membership of any committee of any other Company.

Mr. AXN.Prabhu held Directorship in one company upto 31/5/2004 and also was a member of the Audt Committee and Shareholders Grievance Committee of that company.

Other Directors do not hold directorship in any other company or hold membership of committee of any other company.

During the year, 11 meetings of the Board of Directors were held and the dates of the meetings of BOD are given below:

16-04-2003	29-05-2003	10-06-2003	30-06-2003	10-07-2003	31-07-2003
17-10-2003	31-10-2003	26-12-2003	12-01-2004	31-01-2004	

Attendance details of the Directors for the Board Meetings during the year:

Name of the Director	No. of Meetings held during his tenure	No. of Meetings attended by him
Mr. Gerald Ebenezer	11	11
Mr.AXN.Prabhu	11	11
Mr.K.V.Viswanathan	11	11
Mr.R.Murugesan	11	11

AUDIT COMMITTEE:

Audit Committee is comprising three independent non-executive directors Viz. 1) Mr. K.V. Viswanathan 2) Mr. AXN.Prabhu. and 3) Mr.R.Murugesan. Mr. K.V. Viswanathan is the Chairperson of the committee. This constitution of Audit committee also meets with the requirements under Section 292A of the Companies Act, 1956.

The terms of reference stipulated by the board to the Audit Committee are, as contained under Clause 49 of the Listing Agreement.

Three meetings of the Audit Committee were held during the year and all the three members attended all the committee meetings.

REMUNERATION COMMITTEE

The remuneration committee of the Company comprises of 3 Directors viz., Mr. A. Gerald Ebenezer (Chairman), Mr.K.V.Viswanathan (member) and AXN.Prabhu (member)

Non-executive Directors are paid only sitting fees.

Mr.A.Gerald Ebenezer-Managing Director is paid a salary of Rs.90,000/-pm plus perks whose annual value is not to exceed Rs.2,40,000/-.

Mr.A.Gerald Ebenezer has been appointed as Managing Director of the company with effect from 21st, March 2002 for a period of five years.

SHARE HOLDERS / INVESTORS GREIVANCE COMMITTEE

The shareholders / investors grievance committee comprising of Mr.AXN.Prabhu and Mr. K.V.Viswanathan. The committee oversees the performance of the registrar and transfer agent and recommends measures to improve the level of investor services. The company has authorized Mr. AXN.Prabhu and Mr. K.V.Viswanathan directors severally to approve the share transfers.

The board has designated Mr. AXN.Prabhu as the Chairperson of this committee.

The board has designated Mr. S.K. Rengarajan, Company Secretary as the compliance officer.

The total number of complaints received and solved to the satisfaction of the shareholders during the year is 42.