



# Annual Report 2005 - 2006

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## INTEGRATED HITECH LIMITED

**INTEGRATED HITECH LIMITED**

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## BOARD OF DIRECTORS

**Mr. A. Gerald Ebenezer**

*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.

**INTEGRATED HITECH LIMITED****NOTICE**

**NOTICE** is hereby given that the Thirteenth Annual General Meeting of the members of **INTEGRATED HITECH LIMITED** will be held on Thursday the 31<sup>st</sup> August 2006, 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 K.V.Viswanathan who retires by rotation and being eligible, offers himself for re-appointment.
2. To consider, approve and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2006 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 Special Resolution:  
 "RESOLVED THAT pursuant to Section 17 and all other applicable provisions, if any, of the Companies Act 1956 (including any statutory modification or re-enactment thereto for the time being in force) the Memorandum of Association of the Company be and is amended as follows:

Under the heading

**A. THE MAIN OBJECTS TO BE PURSUED BY THE COMPANY :**

After Clause 5 insert New Clause 6:

6. To carry on the business of property development, real estate development and infrastructure development in all its manifestos, including acquisition, construction and development of I.T. Parks, SEZs (Special Economic Zone) Bio-Tech Parks, Residential and Commercial property developments, Satellite Township development, development of layouts etc.

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

Place: Chennai  
Date: 31-07-2006

**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, '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 Depository 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 Thursday the 24<sup>th</sup>, August 2006 to Thursday the 31<sup>st</sup> August 2006 (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 31/07/2006 had a discussion on the addition of new objects in the Main Objective Clause in the Memorandum of the Company so as to include property and/or infrastructure development relating to software and other industries . They felt that the Company can take up and combine this type of work with the existing software business of the company conveniently and advantageously. So it is proposed to include it as one of the main objectives of the Company. Section 17 of the Companies Act 1956 requires a special resolution by the members to alter the provisions of its Memorandum with respect to its objects clause. Hence the consent of the members is sought for this special 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: 31-07-2006

**S.K.Rengarajan**  
Company Secretary

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**INTEGRATED HITECH LIMITED****DIRECTORS' REPORT TO THE SHARE-HOLDERS**

Dear Members,

Your Directors have great pleasure in presenting the THIRTEENTH ANNUAL REPORT of the Company with the audited accounts for the year ended 31<sup>st</sup> March 2006.

**FINANCIAL RESULTS:**

	Rs. in lakhs	
	Year ended 31/03/2006	Year ended 31/03/2005
Income from operations	38.23	37.68
Other Income	9.27	2.12
Profit before Depreciation	20.58	14.43
Profit before Tax	4.32	2.23
Profit after Tax	3.32	1.73
Balance carried to Balance-Sheet	3.32	1.73

**RESERVES & SURPLUS:**

The Reserves and Surplus stands at Rs.67.25 lakhs as on 31/03/2006 as against Rs. 63.93 lakhs as on 31/03/2005.

**DIVIDEND:**

Due to inadequacy of profits, the Board has considered expedient not to recommend any dividend for the year ended 31<sup>st</sup>, March, 2006.

**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 K.V.Viswanathan is due to retire by rotation and is eligible for reappointment.

He is the Chairman of the Audit committee of this company:

Notice have been received u/s 257 of the Companies Act proposing his name for appointment as Director.

**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 31<sup>st</sup> March 2006, 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 2005-2006 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;
- (iii) That the Directors have prepared the accounts for the financial year ended 31<sup>st</sup> March 2006 on a 'going concern' basis.

**PROJECT IMPLEMENTATION:**

**ETDS:** Income Tax Department has introduced a new scheme of electronically filing of TDS Returns of Corporate bodies. Your company has provided the software and services for major companies for electronically filing their TDS returns. There



was good response for filing the eTDS returns as on 31<sup>st</sup> March 2006. The company is planning to expand its operation and provision of eTDS software and services for the future.

#### **FUTURE PROSPECTS:**

You are aware, your Company is the Developer of the official Return Preparation Software "SAMPARK" for the Directorate of Income Tax Ministry of Finance New Delhi. Now your company plans to establish more than 100 Associate/Net work branches to distribute and service the preparation of Income Tax-e>Returns" for Individuals and Corporates for the Assessment Year 2007-2008 and is planning strategic arrangements with Banks and Chartered Accountant Firms for establishing this network.

You are also aware about the mandatory e-filing of Returns by Corporates under MCA 21 project of the Ministry of Company Affairs for e-filing of returns with the Registrar of Companies from the year 2006 to ensure simpler e-governance.

Your Company is involved in the development of various software and services for e-filing of Corporate Statutory Returns and have chalked plans to be a major player in the Corporate eReturn filing.

#### **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 him 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; 88 88 28 1.**

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 28<sup>th</sup> 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.

#### **MANAGEMENT DISCUSSION & ANALYSIS REPORT**

##### **THE INDUSTRY:**

**INDIAN SOFTWARE INDUSTRY** is looking very buoyant. A number of software majors such as Infosys, Wipro etc have declared their net up for the first quarter of 2006-2007. According to Nasscom, by the year 2010 more than 2.35 lakh jobs in IT and ITES sectors could go begging for want of qualified professionals in the country. This indicates the expected growth in Indian Software Industry in the near future.

German Software major **SAP** is planning to invest \$1 billion (nearly Rs.4500/- Crores) and double the head-count in India over the next five years because they are seeing phenomenal growth in demand for the company's products from Indian enterprises. Indian costs are comparatively lower for its highly competitive talent. The quality of talent, innovation and performance coming from India is very impressive.

**TCS** has entered into agreement with three Chinese companies to establish Joint Ventures in China for providing IT outsourcing services and solutions to the Chinese domestic and global markets.