

IYKOT HITECH TOOLROOM LIMITED



14th

ANNUAL REPORT 2004-2005

IYKOT HITECH TOOLROOM LIMITED**BOARD OF DIRECTORS**

THIRU. S. IYEMPANDI	Managing Director
THIRU. N.K.S. KOLAPPAN	Joint Managing Director
PROF. ROOSHIKUMAR PANDYA	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.


BANKERS

State Bank of Indore
 Indian Bank
 Canara Bank

REGISTERED OFFICE

3, Elcot Avenue, Sholinganallur,
 Chennai - 600 119
 Telephone : 2450 0858
 Telefax : 2450 1872
 Email : iykothitech@touchtelindia.net
 Home Page : iykot.com

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IYKOT HITECH TOOLROOM LIMITED

NOTICE TO THE SHARE HOLDERS

NOTICE is hereby given that the 14th Annual General Meeting of the Shareholders of the company will be held on Thursday, 29th September 2005 at 11.00 a.m. at registered office at No.3, Elcot Avenue, Old Mahabalipuram Road, Sholinganallur, Chennai – 600 119 to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited statements of accounts for the year ended 31st March 2005 and reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr.Rooshikumar Pandya who retires by rotation and being eligible, offers himself for re-appointment.
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.

SPECIAL BUSINESS :

4. To consider and if thought fit to pass with or without modification the following resolution as a special resolution :

"RESOLVED that pursuant to the provisions of section 293 (1) (a) and other applicable provisions, if any, of the companies Act, 1956, the consent of the company be and is hereby accorded to the Board of Directors of the Company to sell, or otherwise dispose of the whole or any part of the company's land and building located at No. 3, Elcot Avenue, Sholinganallur, Chennai - 119. India for the exclusive purpose of clearing/reducing the dues of IDBI on such terms and conditions

and in such form and in such manner as the Board of Directors of the Company may decide in the interest of the company with full power and authority to the Board of Directors to do all such acts and things as may be necessary to implement this resolution.

Note:

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 No.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 15.09.2005 to 29.09.2005 (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.
5. The explanatory statement pursuant to sec. 173 (2) of the Companies Act 1956 is annexed in page 20 of this Annual Report.

By order of the Board

PLACE : CHENNAI.

S. IYEMPANDI

DATED : 31.05.2005

Managing Director

TYKOT HITECH TOOLROOM LIMITED**DIRECTORS' REPORT**

Your directors have great pleasure in presenting their 14th Annual report and the Audited accounts of the company for the year ended 31st March 2005.

FINANCIAL RESULTS

Year ended	31.3.2005	31.3.2004
	(Rupees in lakhs)	
Profit/(Loss) before interest and depreciation	31.72	11.60
Interest	4.73	5.07
Depreciation	47.76	33.08
Loss after interest and depreciation	20.77	26.51
Provision for taxation	NIL	NILL
Loss after taxation	20.77	26.51

DIRECTORS

Under Article 116, Thiru. Rooshikumar Pandya, Director of the company retires from office by rotation and being eligible, offer himself for reappointment.

CORPORATE GOVERNANCE

In pursuance to Clause 49 of the Listing agreement with the stock exchanges, corporate governance report and Management Discussion and Analysis are given elsewhere and form part of this report.

INFORMATION UNDER SECTION 217(1) (E) OF THE COMPANIES ACT, 1956**Conservation of energy**

All steps have been taken to conserve energy at all levels.

Technology Absorption, Adoption and Innovation : Not applicable.

Research & Development: Research Wing is active

Foreign exchange earnings and outgo

The foreign exchange earnings : Rs. 12,622/-

The foreign exchange outgo : Rs. 7,72,730/-

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) 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 2 – regarding the valuation of inventories – the company consistently following the

valuation of finished goods and Work in progress at selling price since the selling price are less than the cost price AS-15 regarding the retirement benefit to employees. The number of employees who are eligible for gratuity are very small and likewise the quantum of leave encashment payable to the employees are very marginal and hence in the opinion of the management both will be accounted on cash basis, such accounting policies have been selected and applied consistently and judgement and estimates made that are reasonable and prudent so as to give true and fair view of the state of affairs of your company as at 31st March 2005 and of the Loss of the company for the year ended on that date.

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.

AUDITOR'S REPORT

The auditor's report are of self explanatory. The company is not able to get a suitable candidate for appointment of Company Secretary. The Company is taking steps to appoint internal Auditors during the years to come. The company has obtained one time settlement of dues from IDBI after waiver of all penal interest and LD charges by IDBI and have starting paying dues to IDBI. The OTS with TIIC is in progress and may arrive at a good settlement during this financial year. The interest and penalty if levied by authorities for delaying payment of ESI, PF and sales tax will be provided at the time of levy.

AUDITORS

M/s.Ramadoss & Associates, Chartered Accountants, Chennai retires at the conclusion of this 13th Annual General Meeting and are eligible for reappointment. The directors recommend their appointment.

GENERAL

Particulars of the employees of the company who are in receipt of the remuneration in excess of the limits prescribed under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of employees) Rules, 1975 are either Nil or not applicable.

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

The directors wish to thank their bankers, financial institutions for their continued support.

Place : Chennai
Date : 31.5.2005

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 attached Balance Sheet of IYKOT HITECH TOOLROOM LIMITED as at 31st March 2005, and also the Profit and Loss Account and the Cash flow statement of the Company for the year ended on that date, annexed thereto. 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 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 of 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 accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section 227 (4A) of the companies Act, 1956 we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said order to the extent applicable.

Further to our comments in the Annexure referred to in paragraph 3 above, we state 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 those books.

- (c) The Balance Sheet, the Profit and Loss Account and the Cash Flow statement referred to in this report are in agreement with the books of account
- (d) In our opinion, the Balance Sheet, the Profit and Loss account and the Cash flow statement dealt with by this report comply 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, and taken on record by the Board of directors, we report that none of the directors is disqualified as on 31st March 2005 from being appointed as directors in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- (f) In our opinion and as per the information and according to the explanations given to us, the said Balance Sheet, Profit and Loss Account and the Cash Flow Statement read 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, at the State of affairs of the Company as on 31st March 2005
 - (ii) in the case of the Profit and Loss Account of the Loss of the Company for the year ended on that date, and
 - (iii) in the case of the Cash flow Statement, of the Cash flow for the year ended on that date.

**FOR RAMADOSS & ASSOCIATES,
CHARTERED ACCOUNTANTS**

**K. RAMADOSS
PARTNER**

Place: Chennai

Date: May 31, 2005

(Membership No. 19176)

IKYOT HITECH TOOLROOM LIMITED

ANNEXURE REFERRED TO IN PARAGRAPH '3' OF THE AUDITORS' REPORT TO THE MEMBERS OF IKYOT HITECH TOOLROOM LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2005

1. (a) The company has maintained proper records to show full particulars including location of fixed assets.
- (b) As explained to us, the company has a system of physical verification once in a year. In our opinion, the frequency of verification is reasonable having regard to the size of the company and the nature of its fixed assets.
- (c) The company has not disposed substantial part of the fixed assets during the year.
2. (a) During the year, the inventories have been physically verified at reasonable intervals by the management and in our opinion the frequency of verification is adequate and reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) On the basis of our examination of the records of inventories, we are of the opinion that the company is maintaining proper records of inventories. The discrepancies noticed on the physical verification of inventories as compared to book records were not material and have been properly dealt within the books of accounts.
3. (a) According to the information and explanation given to us, the company has not given any loans, but has taken unsecured loan from Companies, firms and other parties covered in the register maintained under sec 301 of the Companies Act, 1956.

No of Parties	2
Amount involved	1411761
Maximum outstanding at Anytime during the year	1411761.36
Outstanding as at 31.3.05	1411761.36

- (b) The loans are interest free and in our opinion other terms and conditions of loans are prima facie are not prejudicial to the interest of the company.

- (c) There are no amounts which have been over due as at the year end.
4. According to the information and explanations given to us, there are adequate Internal control procedures commensurate with the size of the company and nature of its business with regard to the purchase of inventories, fixed assets and with regard to sale of goods. During the course of our audit, no major discrepancies have been noticed in the underlying internal controls.
- (a) Based on the audit procedures by us and according to the information and explanation given to us, the transaction that need to be entered in the register in pursuance of section 301 of the Companies Act, 1956 have been so entered.
- (b) According to the information and explanation given to us, in respect of transactions entered in the register maintained in pursuance of section 301 of the Companies Act, 1956, and exceeding the value of Rs 5 lakhs in respect of any party during the year are of specialised nature for which there are no alternative sources of supply are available, hence we are not in a position to compare and comment the prices paid for them.
5. As the Company has not accepted any deposits from the public, paragraph 4 (vi) of the order is not applicable.
6. The company has no internal audit system and we were informed by the management that is under consideration of the management.
7. We have been informed by the management the Central government has not prescribed the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 and the rules made there under.
8. (a) As explained to us, the statutory dues payable by the company comprises of Provident fund, employees State Insurance fund, Income tax, Wealth tax, Sales tax, Customs duty, Excise duty and Listing fees.
- (b) According to the records of the Company and information and explanation given to us, the company is in regular in depositing Income tax, Wealth tax, Customs duty and excise duty and irregular in depositing Provident fund, Employees State Insurance, Sales tax and Listing fees which are of undisputed statutory dues as referred in above and out standing as