

20th
Annual Report
2010 - 2011



IYKOT HITECH TOOLROOM LIMITED

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
THIRU. M.S. KRISHNAN	Director

AUDITORS

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

REGISTRAR & SHARE TRANSFER AGENT

M/S. CAMEO CORPORATE SERVICES LTD.
"Subramanian Building"
1, Club House Road
Chennai - 600 002.
Phone : 044 - 64555838
Fax : 044 - 2846 0129

BANKERS

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

REGISTERED OFFICE

No.19, Block I, 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

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

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NOTICE TO THE SHARE HOLDERS

NOTICE TO THE SHARE HOLDERS

NOTICE is hereby given that the 20th Annual General Meeting of the shareholders of the company will be held on Friday, 30th September 2011 at 3.30 p.m. at HOTEL PALMGROVE, 13, Kodambakkam High Road, Chennai – 600 034, to transact the following business.

1.0 ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Statements of Accounts for the year ended 31st March 2011 and reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Prof.Rooshikumar Pandya who retires by rotation and being eligible, offers himself for re-appointment. Prof.Rooshikumar Pandya has given his consent to be the director if appointed.
3. To appoint a Director in place of Thiru.M.S.Krishnan who retires by rotation and being eligible, offers himself for re-appointment. Thiru.M.S.Krishnan has given his consent to be the director if appointed.
4. To appoint Auditors and fix their remuneration M/s.Ramadoss & Co,

Chartered Accountants, Chennai retire at the conclusion of the Annual General Meeting and being eligible, offer themselves for re-appointment.

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 from 17.09.2011 to 30.09.2011 (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

1.0 Ordinary Business

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

The information in respect of item No.2, and 3 of ordinary business and pursuant to SEBI code for Corporate Governance about Director seeking re-appointment in this Annual General Meeting is furnished hereunder:

Particulars	Item No.1.2	Item No. 1.3
Name of the Director	Thiru.Prof.Rooshikumar Pandya	Thiru.M.S.Krishnan
Date of Birth	27.03.1940	17.02.1942
Date of appointment	10.08.1992	14.05.2009
Qualification and experience in specific functional area.	B.A.(Hons) from India. M.A. from California, USA and another M.A. from Montreal, Canada. Doctoral Studies from Canada. Management Consultant in HRD. He is specialized in Leadership, Negotiation skills, team building, Assertive Management etc. He has done programmes for L&T, GEC, ABB, IDBI, HLL and some eighty other companies.	Mr.M.S.Krishnan is a graduate in Engineering (1966 Madras University) and Law (Delhi University). He comes with a rich experience of 45 years in Management of Air Ports, communication, and Civil aviation.
Chairman / Member of the committee of the Board of Director of the company	Member of Audit Committee and Remuneration Committee.	Member of Audit Committee.

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

Place: Chennai
Date : 30.07.2011

(S.IYEMPANDI)
Managing Director

DIRECTOR'S REPORT

Your Directors have great pleasure in presenting their 20th Annual Report and the Audited accounts of the company for the year ended 31st March 2011.

1.0 FINANCIAL RESULTS :

Year ended	31.03.2011	31.03.2010
Profit & Loss before interest and depreciation	125.46	68.71
Interest	11.97	8.51
Depreciation	18.18	15.79
Deferred tax asset/Liability	0.16	0.20
Profit and Loss after interest and depreciation	95.31	44.61
Short provision of income tax of earlier year	28.57 28.55	-
Provision for taxation	29.61	6.92
Profit / (Loss) after taxation	63.00	37.69
Balance Brought Forward from Previous year	(143.38)	(181.07)
Balance carried to Balance Sheet	(80.37)	(143.38)

2.0 Dividend :

Considering the accumulated losses, your Directors have not recommended any dividend on equity share capital of the company for the year ended 31st March 2011.

3.0 AUSTERITY MEASURES :

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

4.0 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 and 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 elsewhere and form part of this report.

5.0 TRADING IN THE SHARES / DEMAT OF SHARES :

Your shares are demated with ISNI Code INE 079L01013 and are approved both NSDL and CDSL with effect from May 2010.

Your shares are traded at Bombay Stock Exchange.

6.0 DIRECTORS :

Under Article 116, Prof.Rooshikumar Pandya, and Thiru.M.S.Krishnan Directors of the company retire from office by rotation and being eligible, offer for re-appointment.

7.0 INFORMATION UNDER SECTION 217(2A) & 217 (1) (E) OF THE COMPANIES ACT, 1956 :

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.

8.0 FIXED DEPOSITS :

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

9.0 COMPANY SECRETARY :

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

10.0 AUDITORS :

M/s.Ramadoss & Co, Chartered Accountants, Chennai retires at the conclusion of 20th Annual

General Meeting and are eligible for re-appointment.

The directors recommend their re-appointment.

10.0 MANAGEMENT DISCUSSION AND ANALYSIS INDUSTRY STRUCTURE AND DEVELOPMENT :

The company is in the business of manufacturing plastic moulded components for white goods, automobile and entertainment electronics. The company has its factory at No.131/2, Thiruneermalai Road, Nagalkeni, Chromepet, Chennai - 600 044.

PRODUCT RANGE :

The company manufactures moulded components from 200 grams to 3000 grams of different sizes. It has installed eight moulding machines of capacity ranging from 150 Tons to 850 Tons.

QUALITY CONTROL :

The company has initiated a two tier quality control system for all its products. The supervisors and operators check the quality of the product as it comes out of the machines. Any defect in the machine of deformation, colour change are identified and moved to defective goods storage.

In the second stage a separate inspector checks for dimensions and fitment of the product and then affix his seal for approval.

MARKETING :

The company visits every other plastic component user at a regular basis and try to add them as customer and then try to retain them by timely supply and quality products.

OPPORTUNITY AND THREAT :

The growth of Chennai as a automobiles and white goods manufacturing centre generates lot

of opportunities for plastic component manufacturers like our company. However a 20% power cut plus evening peak hour restrictions between (06.00 p.m. to 10.00 p.m.) for the last three years put untold miseries for all plastic manufactures. It is very difficult to meet the existing demand. The company resort to generate current using a generator which is prohibitively expensive. This prevent us from making use of the opportunities.

OUTLOOK :

The general manpower problem affecting all manufacturing industries is a cause for worry for the company. The all around raise in price and the salary level prevelant due to growth of I.T. Industries in Chennai, is affecting the margin of the company. The salary has to be increased several times in a year. The labour turnover is another area of concern. The migrant labour from other part of India gives some relief but can cause problems also.

RISK AND CONCERN :

The main raw material used is ABS. The price of raw material is highly fluctuating according to the price of crude price. However, we have an agreement with our customers to change the price as and when the raw material price changes.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE :

The company made a turn over of Rs.856.46 lakhs and a net profit of Rs.63.00 lakhs after tax. This is considered satisfactory. However, the management is trying every means to increase these figures every year.

11.0 RESPONSIBILITY STATEMENT :

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the

following statement in terms of Section 217 (2AA) of the Companies Act, 1956:

- (a) That in the preparation of the annual accounts for the year ended March 31st 2011, the applicable accounting standards have been followed alongwith proper explanation relating to material departures, if any;
- (b) That such accounting policies as mentioned in schedule 20 to the annual accounts have been selected and applied consistently and judgments and estimates that are reasonable and prudent made so as to give a true and fair view of the state of affairs of the company at the end of the financial year ended on March 31st 2011 and of the profit of the company for that year;
- (c) That proper and sufficient care has been taken 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 to prevent and detect fraud and other irregularities;
- (d) That the annual accounts for the year ended 31st March 2011 have been prepared on a going concern basis.

12.0 CORPORATE GOVERNANCE :

A separate detailed corporate governance report is attached herewith.

13.0 COMPLIANCE CERTIFICATE :

CERTIFICATE UNDER CLAUSE 47 OF THE LISTING AGREEMENT FOR THE YEAR ENDED 31ST MARCH 2011.

We have examined all share Transfer Deeds, Memorandum of Transfers, Register, files and other documents relating to M/s.IYKOT HITECH

TOOLROOM LIMITED, (Regn No.21330 of 1991) maintained by Cameo Corporate

Services Ltd "Subramanian Building, No.1, Club House Road, Chennai – 600 002 pertaining to transfer of equity shares of the Company for the period from 01.04.2010 to 31.03.2011 for the purpose of issuing Certificate as per Clause 47 (C) of the Listing Agreement entered in to by, M/s. IYKOT HITECH TOOLROOM LIMITED, with the Stock Exchanges and basing on the information provided by the Company and hereby certify that the Company has delivered during year ended on 31.03.2011.

- a) Share Certificate relating to the Share Transfer Deeds received during the period from 01.04.2010 to 31.03.2011 as entered in the Memorandum of Transfers have been issued within one month from respective date of lodgment of each deed excepting those rejected on technical grounds.
- b) Share Certificates in respect of requests for exchange of duplicate and split certificates have been issued within one month of lodgment.

R.DEENADAYALU

Practising Company Secretary
(C.P.No.7697)

No.5/165,III steet, Venkateswara Nagar,
Pozhichalur, Chennai-600074.

ACKNOWLEDGEMENTS :

The Directors wish to place on record their appreciation of the continuous support received by the Company from the investors, participating Financial Institution, Banks, Foreign Principals, Central/State Government departments, its Customers and Suppliers.

Place : Chennai
Date : 30.07.2011

N.K.S.KOLAPPAN
Joint Managing Director

S.IYEMPANDI
Managing Director

ANNEXURE TO THE DIRECTOR'S REPORT

Information As Per Sec.217 (1) (E) Read With Companies (Disclosure Of Particulars In The Report Of The Board Of Directors) Rules, 1988, And Forming Part Of The Directors Report For The Year Ended 31st March.

A. CONSERVATION OF ENERGY

- a) Energy conservation measures taken:
All steps have been taken into conserve energy of all levels.
- b) Additional Investment Proposals : NIL
- c) Impact of above measures on energy consumption: NIL
- d) Total energy consumption and energy consumption per unit of production as per Form A : NOT APPLICABLE.

B. TECHNOLOGY ABSORPTION

- I) As per Form B : NOT APPLICABLE.
- II) Research and Development (R & D).
Research wing is active in developing new products in line with the ELVD already being manufactured.
 - i) Specific areas in which Research and Development carried out by the Company: NIL.
 - ii) Benefits derived as a result of the above Research and Development: NIL.
 - iii) Future Plan of action – NIL

- iv) Expenditure on Research and Development at present percentage of the turnover: NIL
 - a) Capital
 - b) Recurring
 - c) Total
 - d) Total Research and Development as a percentage of turnover.

III. Technology, Absorption, Adoption and Innovation: NOT APPLICABLE.

- i) Efforts made
- ii) Benefits derived
 - 1) Production Improvement
 - 2) Cost reduction
 - 3) Import substitution
- iii) Technology imported
- iv) Year of Report
- v) Has technology been fully absorbed

If not fully absorbed areas where this has not been reasons therefore and future plans of action.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

	2010-11	2009-10
1) Earnings in Foreign Exchange	-	-
2) Expenditure in Foreign Currency	Rs.105175/-	69750/-
3) CIF Value of Imports	Rs.3297072/-	438344/-

Place : Chennai
Date : 30.07.2011

N.K.S.KOLAPPAN
Joint Managing Director

S.IYEMPANDI
Managing Director

REPORT ON CORPORATE GOVERNANCE

1.0 Company's Philosophy on Code of Governance:

Our philosophy on Code of Governance is aimed at safeguarding and adding value to the interest of the various stakeholders of our company including shareholders, lenders, employees and public at large. At IYKOT HITECH TOOLROOM LTD, we are committed to Good Corporate Governance to ensure that all functions of the Company are discharged in a professionally sound and competent manner. Given below is the requisite information relating to corporate functioning of your Company at apex level for the purposes of due transparency on this aspect.

2.0. Board of Directors: Composition and category of Board of Directors.

The Board of Directors of the company comprises of Executive, Non-Executive and Independent Directors. In all there are six

Directors, two Executive and four Non-Executive Independent directors.

As on 31st March 2011, the composition of the Board of Directors of the Company meets the stipulated requirements of Clause 49 of the Listing Agreement of the Stock Exchanges. The Board is responsible for the management of the business and meets regularly for discharging its role and functions.

2.1. Number of Board Meetings:

The Board of Directors met 4 times during the Financial Year 2010-2011.

- 1) Board Meeting held on 14.05.2010
- 2) Board Meeting held on 31.07.2010
- 3) Board Meeting held on 30.10.2010
- 4) Board Meeting held on 31.01.2011

The composition and membership on other Boards, Committees of Directors and attendance of Directors at the Board of Directors Meetings held during the Financial Year 2010-2011 and the last AGM held on 29.09.2010 is given below.

Sl. No	Name of Director	Category	Attendance Particulars		Number of Directorships in other Public Companies and Committee Members / Chairmanship		
			Board Meeting	Last AGM	Other Directorship	Committee Memberships (other than IYKOT)	Committee Chairmanships (other than IYKOT)
1.	Thiru.S.Iyempandi	Promoter / Executive	4	Yes	Nil	Nil	Nil
2.	Thiru.N.K.S.Kolappan	Promoter / Executive	4	Yes	Nil	Nil	Nil
3.	Thiru.Prof.Rooshikumar Pandya	Non Executive	3	Yes	3	3	Nil
4.	Thiru.A.Paramasivam	Non Executive Independent	2	Yes	Nil	Nil	Nil
5.	Thiru.Dr.S.Rajapandian	Non Executive Independent	4	Yes	Nil	Nil	Nil
6.	Thiru.M.S.Krishnan	Non Executive Independent	3	Yes	Nil	Nil	Nil