



Annual Report 2007 - 2008

INTEGRATED HITECH LIMITED

BOARD OF DIRECTORS

Mr. A. Gerald Ebenezer
Managing Director

Mr. AXN Prabhu
Director

Mr. K.V. Viswanathan
Director

Mr. R. Murugesan
Director

BANKERS

Canara Bank

AUDITORS

S. Jawahar & Associates
Chartered Accountants

**REGISTERED OFFICE &
SOFTWARE LAB**

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



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INTEGRATED HITECH LIMITED

NOTICE

NOTICE is hereby given that the Fiteenth Annual General Meeting of the members of **INTEGRATED HITECH LIMITED** will be held on Monday the 29th September 2008, at 10.30 a.m. at the Registered Office of the Company: 150/116, Cisons Complex, Third Floor, Montieth Road, Egmore, Chennai – 600 008. to transact the following business:

Ordinary Business

1. To appoint a Director in place of Shri AXN.Prabhu 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 2008 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.

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

Place: Chennai
Date: 31-07-2008

A. Gerald Ebenezer
Managing Director

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 Monday the 22nd September 2008 to 29th September 2008 (both days inclusive) for the purpose of Annual General Meeting.



DIRECTORS' REPORT TO THE SHARE-HOLDERS

Dear Members,

Your Directors have great pleasure in presenting the FIFTEENTH ANNUAL REPORT of the Company with the audited accounts for the year ended 31st March 2008.

FINANCIAL RESULTS:

| | Rs.in lakhs | |
|----------------------------------|--------------------------|--------------------------|
| | Year ended 31/03/2008 | Year ended 31/03/2007 |
| Income from operations | 37.21 | 35.93 |
| Other Income | 1.61 | 2.78 |
| Profit before Depreciation | 19.75 | 20.40 |
| Profit before Tax | 5.39 | 3.03 |
| Profit after Tax | 3.89 | 2.03 |
| Balance carried to Balance-Sheet | 3.89 | 2.03 |

RESERVES & SURPLUS:

The Reserves and Surplus stands at Rs.73.18 lakhs as on 31/03/2008 as against Rs.69.28 lakhs as on 31/03/2007

DIVIDEND:

Due to inadequacy of profits, the Board has considered expedient not to recommend any dividend for the year ended 31st, March, 2008.

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 AXN.Prabhu is due to retire by rotation and is eligible for reappointment.

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 31st March 2008, 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 2007-2008 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 31st March 2008 on a 'going concern' basis.

PROJECT IMPLEMENTATION:

ETDS: Your company is providing the software and services for major companies and Banks for electronically filing their TDS returns. There was good response for filing the eTDS returns as on 31st March 2008.

Efiling of IT Returns:

The Government of India, Directorate of Income Tax have made it mandatory for corporate bodies to file their Income Tax returns only in electronic mode and optional for individuals. The first e-Return of Income Tax was filed through your Company under the electronic furnishing of e>Returns in 2004. Our company has developed e-filing software such as ITR1,2,3 as prescribed by Income tax Department.

FUTURE PROSPECTS:

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

AUDITORS AND AUDIT REPORT:

M/s S.Jawahar & Associates., Chartered Accountants, Chennai, the Auditor of the Company, holds office until the conclusion of the ensuing Annual General Meeting. The Company has received confirmation from them that their appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956. Accordingly it is proposed to appoint M/s S.Jawahar & Associates 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 Limited 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

Your Company is in development and service of various tax compliance software such as e-filing of Income Tax Returns Software (ITR 1,2,3) for individuals and corporate bodies and and e-filing of Tax Deducted at Source (e-TDS) software for corporates.

Your Company have plans for associating with other large corporates/Banks to successfully implement the e-filing of Income Tax Returns and e-TDS Returns, and plans to become the major player in the e-filing of I.T>Returns and e-TDS Returns for Income Tax.

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.60,000/- for the year 2007-2008.

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 : 31-07-2008

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 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 and Mr. AXN. Prabhu held Directorship in two companies and did not have any membership of any committee of any other company.

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

During the year,5 meetings of the Board of Directors were held and the dates of the meetings of BOD are given below:

| | | | | |
|------------|------------|------------|------------|------------|
| 05-04-2007 | 30-06-2007 | 31-07-2007 | 30-10-2007 | 31-01-2008 |
|------------|------------|------------|------------|------------|

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 | 5 | 5 |
| Mr.AXN.Prabhu | 5 | 5 |
| Mr.K.V.Viswanathan | 5 | 5 |
| Mr.R.Murugesan | 5 | 5 |

AUDIT COMMITTEE:

1 Audit Committee is comprising of 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.

Four 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 Mr.AXN.Prabhu (member).

Non-executive Directors are paid only sitting fees.

Mr.A.Gerald Ebenezer-Managing Director is paid a salary of Rs.60,000/-per annum.

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.and reappointed as Managing Director by the Board in their meeting held on 31st January 2007 for a further period of five years which has been approved by the members of the Company in the AGM held on 29th September 2007.

SHAREHOLDERS / INVESTORS GREIVANCE COMMITTEE

The shareholders / investors grievance committee comprises of Mr.AXN.Prabhu and Mr. K.V.Viswanathan. The committee oversees the performance of the Registrar and Share 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 total number of complaints received and solved to the satisfaction of the shareholders during the year is one.

INTEGRATED HITECH LIMITED

GENERAL BODY MEETING

The last three Annual General Meeting of the company were held as under:-

| Year | Location | Date | Time |
|-----------|--|------------|------------|
| 2004-2005 | Sundharavadhani Hall, Egmore High Road, Chennai-8 | 30/09/2005 | 10.00 a.m. |
| 2005-2006 | Sundharavadhani Hall, Egmore High Road, Chennai-8 | 31/08/2006 | 10.00 a.m. |
| 2006-2007 | Registered Office of the Company, 150/116, Cisons Complex, 3rd Floor, Montieth Road, Egmore, Chennai-8 | 29/09/2007 | 10.30 a.m. |

DISCLOSURES:

Disclosures on materially significant related party transactions i.e. transactions of the company of material nature, with its promoters or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the company at large:- None of the transactions with any of the related parties were in conflict with the interest of the company.

There are no pecuniary relationship or transactions of the non-executive directors vis-à-vis company.

Details of non-compliance by the company, penalties, strictures imposed on the company by the stock exchanges or SEBI, or any statutory authority, on any matter related to capital markets, during the last three years: – None.

MEANS OF COMMUNICATION:

- Quarterly results: The company has published quarterly results and notices in Trinity Mirror (English) and Makkal Kural (vernacular).
- Management Discussion and analysis forms part of the Director's report.

NEW OR REAPPOINTMENT OF DIRECTORS:

Mr. AXN. Pabhu is proposed for re-appointment as Director on his retirement on rotation. He is a senior Company Secretary. He has good exposure to company law matters, stock exchange matters etc. Also it may be noted that he has been a director of the company rendering valuable services.

GENERAL SHAREHOLDERS INFORMATION:

- Annual General Meeting: date, time and venue: 29th, September 2008, 10.30 a.m. at the registered office of the company
- Financial Year 2008-09: Annual General Meeting August/September 2009 (Tentative).
: Board Meetings
Result for the quarter ending June 30th 2008: Last week of July 2008
Result for the quarter ending September 30th 2008: Last week of October 2008
Result for the quarter ending December 31st 2008: Last week of January 2009
Result for the quarter ending March 31st 2009: Last week of June 2009
- Book closer date: Monday the 22nd September 2008 to Monday the 29th September 2008 (both days inclusive).
- Registered office: 150/116, Cisons Complex, Third Floor, Montieth Road, Egmore, Chennai-600008.
- Equity shares Listed on Stock Exchanges at 1. The Bombay Stock Exchange Ltd, Mumbai. And 2 The Madras Stock Exchange Ltd, Chennai.
- Annual Listing fees: Duly paid to all the above Stock Exchanges.
- Demat ISIN Numbers in NSDL & CDSL: Fully Paid Equity shares: ISIN INE934A 01012
- Stock Market Data: The high and low prices of shares during the year: 2007-2008

| Month | High | Low |
|---------------|-------|------|
| May 2007 | 1.89 | 1.71 |
| July 2007 | 1.98 | 1.82 |
| August 2007 | 1.86 | 1.80 |
| Sep. 2007 | 2.30 | 2.10 |
| Nov. 2007 | 2.25 | 2.08 |
| Dec. 2007 | 3.93 | 3.93 |
| Mar. 2008 | 2.39 | 2.17 |
| 52 Week High | 3.93 | |
| 52 Week Low | | 1.71 |
| All time High | 55.00 | |
| All Time Low | | 0.41 |



9. Registrar and Transfer Agents: Cameo Corporate Services Limited, "Subramanian Building", No.1, Club House Road, Chennai – 600 002.
10. Share Transfer System: Presently, the share transfers in physical form are processed and the share certificates returned within a period of 30 days and Dematerialized shares within a period of 15days from the date of receipt, subject to the documents being clear in all respects. The Company has, as per SEBI guidelines given option for demat with effect from 28th, August, 2000. The Company has entered into agreement for dematerialisation with both National Securities Depository Ltd (NSDL) and Central Depository Services (India) Limited (CDSL).
11. Pattern of Share holding as on March 31st 2008.

| Category | No. of Shares | Percentage |
|---|--------------------|----------------|
| Indian Promoters | 28,37,700 | 28.36 |
| Financial Institutions / Banks/Mutual Funds | | – |
| NRI / OCBs | 44,567 | 0.45 |
| Bodies Corporate | 5,05,345 | 5.05 |
| Indian Public | 65,97,888 | 65.95 |
| Others(Clearing member) | 19,100 | 0.19 |
| Total | 1,00,04,600 | 100.000 |

12. Distribution of Share-holding as on 31st, March 2008

| Share-holding of Nominal Value | | Share Holders | | Share Amount | |
|--------------------------------|-----|---------------|----------------|------------------|------------|
| Rs. | Rs. | Number | % to total | In Rs. | % |
| (1) | | (2) | (3) | (4) | (5) |
| Upto - 5000 | | 20886 | 93.0209 | 26985940 | 26.9735 |
| 5001 - 10000 | | 800 | 3.5629 | 6717590 | 6.7145 |
| 10001 - 20000 | | 368 | 1.6389 | 5708670 | 5.7060 |
| 20001 - 30000 | | 132 | 0.5878 | 3400500 | 3.3989 |
| 30001 - 40000 | | 41 | 0.1826 | 1456000 | 1.4553 |
| 40001 - 50000 | | 68 | 0.3028 | 3266470 | 2.2649 |
| 50001 - 100000 | | 76 | 0.3384 | 5527880 | 5.5253 |
| 100000 and above | | 82 | 0.3652 | 46982950 | 46.9613 |
| Total | | 22453 | 100.000 | 100046000 | 100 |

13. Dematerialization of Shares during the year:
NSDL: 4120091 Shares: CDSL:1108688 Shares TOTAL:5228779 Shares 52.26% have been dematerialized up to 31st March, 2008
14. Investor correspondence
For transfer/Dematerialization of Shares, and any other query relating to the shares of the company. Cameo Corporate Services Ltd. "Subramaniam Building" No. 1 Club House Road, Chennai – 600 002
15. Any query on Annual Report To the Registered Office of the Company.

ANNEXURE – B
COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To

The Board of Directors,
Integrated Hitech Ltd,
150/116,Cisons Complex,
Third Floor, Montieth Road,
Egmore, Chennai – 600 008.

We have reviewed implementation of Corporate Governance procedure by M/s. Integrated Hitech Ltd., Chennai, for the year ended 31st March 2008 with the relevant records and documents maintained by the company and furnished to us for our review.

Based on our verifications and information and explanation given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with Stock Exchange.

Place : Chennai
Date : 30-06-2008

S. JAWAHAR & ASSOCIATES
Chartered Accountants



AUDITORS' REPORT TO THE MEMBERS OF M/s. INTEGRATED HITECH LIMITED

We have audited the attached Balance Sheet of M/S. Integrated Hitech Limited as on 31st March, 2008 and the profit and Loss Account of the Company for the year ended on that date annexed thereto and report that :

- A. 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.
- B. We conducted our audit in accordance with the 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 estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- C. As required by the Companies (Auditor's Report) order 2003 issued under 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.

Further to our comments in the Annexure referred to in C above, we report that

- a. We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of the audit.
- b. In our opinion proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books.
- c. The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of accounts.
- d. In our opinion the Profit and Loss account and Balance Sheet comply with the accounting standards as applicable and referred to in subsection (3c) of sec 211 of the Companies Act, 1956.
- e. In our opinion and to the best of our information and according to the explanations given to us, the accounts read together with notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:
 - (i) In the case of Balance Sheet of the state of affairs of the Company as at 31st March 2008 and
 - (ii) In the case of Profit and Loss Account, of the Profit of the Company for the year ended on that date.
- f. As per the information and explanation provided to us none of the Directors are disqualified from being appointed as Directors under Section 274(1)(g) of the Companies Act , 1956.

Place : Chennai
Date : 30-06-2008

S. JAWAHAR & ASSOCIATES
Chartered Accountants

ANNEXURE TO AUDITORS REPORT (Referred to in para C of our report of even date)

- (i) The Company is maintaining proper records to show full particulars including quantitative details and situation of its fixed assets. The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies between the book records and the physical inventory have been noticed.
- (ii) None of the fixed assets has been revalued during the year.
- (iii) The company has not disposed of any of its assets during the year.
- (iv) The procedures for physical verification of inventories followed by the company are reasonable and adequate , commensurate with the size of the company and nature of the business.
- (v) No material discrepancies have been noticed on physical verification of inventories as compared to the records.
- (vi) In our opinion and on the basis of our examination of stock records, the valuation of inventories is fair and proper in accordance with normally accepted accounting principles and is on the same basis as in previous years.
- (vii) During the year the Company has neither taken nor granted any loans secured or unsecured from/to Companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956. It was informed that there were no companies under the same management as defined u/s.370(1B) of the Companies Act, 1956.

- (viii) The Company has an adequate internal control procedure commensurate with the size of the company and nature of its business for purchase of stores, plant and machinery, equipment and other assets and for sale of goods.
- (ix) The transactions for purchase of goods and materials and sale of goods materials, and services, made in pursuance of contracts or agreements entered in the Register maintained under Section 301 of the Companies Act, 1956 as aggregating during the year to Rs.50,000/- or more in respect of each party, have been made at prices which are generally, reasonable having regard to prevailing market prices for such goods, materials, or services or the prices at which transactions for similar goods or services have been made with other parties.
- (x) The Company has not accepted any deposit from the public during the period and therefore the question of compliance with the directives issued by Reserve Bank of India and the provisions of the sec 58A of the Companies Act, 1956 does not arise.
- (xi) The company does not generate any realizable by – products and significant scraps.
- (xii) The Company has adequate internal audit system commensurate with the size and nature of its business.
- (xiii) This being a service Company the question of unserviceable or damaged stores, raw materials or finished goods does not arise.
- (xiv) The Central Government has not prescribed the maintenance of cost accounts and records under Section 209(1)(d) of the Companies Act, 1956.
- (xv) There were no undisputed amounts payable in respect of Income Tax Wealth Tax, Sales Tax, Custom Duty which have remained outstanding as at 31st March, 2008 for a period of more than 6 months from the date they became payable.
- (xvi) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit/society. Accordingly, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.
- (xvii) In our opinion and according to the information and explanation given to us, the Company is not dealing in or trading in securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.
- (xviii) In our opinion and according to the information and explanations given to us, no term loans have been raised during the financial year covered by our audit.
- (xix) In our opinion and according to the information and explanations given to us, and an overall examination of the balance sheet of the Company we report, no funds raised on short-term basis have been used for long-term investment.
- (xx) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xxi) In our opinion and according to the information and explanations given to us, the Company has not issued any secured debentures during the period covered by our report. Accordingly, the provisions of clause 4(xix) of the Companies (Auditor's report) order, 2003 are not applicable.
- (xxii) During the period covered by our audit report, the Company has not raised any money by public issues.
- (xxiii) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.
- (xxiv) On the basis of examination of books of accounts and according to the information and explanation given to us, no personal expenses of employees or directors have been charged to the Profit & Loss Account, other than those payable under contractual obligation or in accordance with the generally accepted business practice.
- (xxv) The company has a reasonable system of allocating man hours utilised to relevant jobs, commensurate with its size and business.
- (xxvi) The provision of clause (o) sub section (1) of sec 3 of Sick Industrial Companies (special provisions) Act of 1956 (1 of 1986) does not apply to the Company.

Place : Chennai
Date : 30-06-2008

S. JAWAHAR & ASSOCIATES
Chartered Accountants



BALANCE SHEET AS ON 31st MARCH, 2008

| PARTICULARS | SCH. NO. | YEAR ENDED | YEAR ENDED |
|---|----------|------------------------------------|------------------------------------|
| | | 31 ST MARCH 2008 Rs. | 31 ST MARCH 2007 Rs. |
| I. Sources of funds: | | | |
| 1. Shareholders fund | | | |
| Share Capital | 1 | 10,00,46,000 | 10,00,46,000 |
| Reserves & Surp | 2 | 73,17,807 | 69,28,567 |
| 2. Loan Fund: | | | |
| Secured Loan | | — | — |
| Unsecured Loan | | — | — |
| Total | | <u>10,73,63,807</u> | <u>10,69,74,567</u> |
| II. Application of funds: | | | |
| 1. Fixed Assets (Cost less Depn) | 3 | 7,11,24,213 | 7,18,12,696 |
| 2. Investments | 4 | 1,12,93,822 | 1,12,93,822 |
| 3. Current Assets | | | |
| a. Inventories | 5 | — | — |
| b. Sundry Debtors & Advances | 6 | 2,06,79,524 | 1,98,89,975 |
| c. Cash & Bank Balance | 7 | 32,22,348 | 23,59,962 |
| d. Loans advances & Deposit | 8 | 15,94,858 | 15,94,858 |
| | | <u>2,54,96,730</u> | <u>2,38,44,795</u> |
| Less: Current liabilities and provisions | 9 | <u>11,81,330</u> | <u>12,37,490</u> |
| | | 2,43,15,400 | 2,26,07,305 |
| 4. Miscellaneous Expenditure (to the extent not w/o) | 10 | 6,30,372 | 12,60,744 |
| Total | | <u>10,73,63,807</u> | <u>10,69,74,567</u> |

As per our report of even date
S. Jawahar & Associates
Chartered Accountants

Signatories to the Balance Sheet,
Profit & Loss Account and Schedules.

Place : Chennai
Date : 30.06.2008

A. GERALD EBENEZER
Managing Director

AXN PRABHU
Director

INTEGRATED HITECH LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2008

| PARTICULARS | SCH. NO. | YEAR ENDED 31 ST MARCH 2008 Rs. | YEAR ENDED 31 ST MARCH 2007 Rs. |
|---|----------|--|--|
| Income: | | | |
| Sales/Services | | | |
| Domestic | | 37,20,620 | 35,93,170 |
| Other Income | | 1,61,340 | 2,78,500 |
| Total (A) | | <u><u>38,81,960</u></u> | <u><u>38,71,670</u></u> |
| Expenses: | | | |
| Operational & Administrative expenses | 11 | 5,23,847 | 9,70,755 |
| Staff Cost & Developmental Expenses | | 7,52,310 | 2,29,903 |
| Depreciation | | 14,36,191 | 17,37,460 |
| Miscellaneous exp.W/o | | 6,30,372 | 6,30,372 |
| Total (B) | | <u><u>33,42,720</u></u> | <u><u>35,68,490</u></u> |
| Profit Before Taxes (A-B) | | 5,39,240 | 3,03,180 |
| Less: Provision for Taxation | | 1,50,000 | 1,00,000 |
| Profit after Taxes (Transferred to General Reserve) | | — | — |
| Balance in P&L Account | | 3,89,240 | 2,03,180 |

As per our report of even date
S. Jawahar & Associates
Chartered Accountants

Signatories to the Balance Sheet,
Profit & Loss Account and Schedules.

Place : Chennai
Date : 30.06.2008

A. GERALD EBENEZER
Managing Director

AXN PRABHU
Director



**SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AND
PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31st MARCH, 2008.**

| PARTICULARS | YEAR ENDED 31 ST MARCH 2008 Rs. | YEAR ENDED 31 ST MARCH 2007 Rs. |
|---|--|--|
| SCHEDULE 01: | | |
| Share Capital: | | |
| Authorised: | | |
| 11000000 Equity Shares of Rs.10 each | 11,00,00,000 | 11,00,00,000 |
| Issued, Subscribed and paid up: | | |
| 10004600 Shares of Rs.10 each fully paid up | 10,00,46,000 | 10,00,46,000 |

SCHEDULE 02:

Reserves & Surplus:

| | | |
|---|------------------|------------------|
| General Reserve (As per last Balance Sheet) | 69,28,567 | 67,25,387 |
| Add : Transferred from P & L Account | — | — |
| Balance in P & L Account | 3,89,240 | 2,03,180 |
| | <u>73,17,807</u> | <u>69,28,567</u> |

SCHEDULE 03

Fixed Assets

(Rupees)

| PARTICULARS | GROSS BLOCK | | | DEPRECIATION | | | NET BLOCK | |
|-------------------------------------|---------------------|-------------------------|---------------------|---------------------|-----------------|--------------------|---------------------|--------------------|
| | As on 01/04/2007 | Additions/ Deletions | As on 31/03/2008 | As on 01/04/2007 | For the Year | As on 31/3/2008 | As on 01/04/2007 | As on 31/3/2008 |
| Building | 1942050 | — | 1942050 | 109271 | 48551 | 157822 | 1832779 | 1784228 |
| Computer, peripherals & Software | 26648290 | 747708 | 27395998 | 10014261 | 344464 | 10358725 | 16634029 | 17037273 |
| Plant & Machinery | 1061285 | — | 1061285 | 374464 | 371450 | 745914 | 686821 | 315371 |
| Furniture & Fittings | 1795528 | — | 1795528 | 692356 | 89776 | 782132 | 1103172 | 1013396 |
| Vehicles-car | 373400 | — | 373400 | 108286 | 37340 | 145626 | 265114 | 227774 |
| Web portals | 54461066 | — | 54461066 | 3170285 | 544610 | 3714895 | 51290781 | 50746171 |
| Total | 86281619 | 747708 | 87029327 | 14468923 | 1436191 | 15905114 | 71812696 | 71124213 |

| PARTICULARS | YEAR ENDED 31 ST MARCH 2008 Rs. | YEAR ENDED 31 ST MARCH 2007 Rs. |
|-------------|--|--|
|-------------|--|--|

SCHEDULE 04:

Investments :

| | | |
|-------------------------------|--------------------|--------------------|
| A. Investment in Subsidiaries | 1,12,93,822 | 1,12,93,822 |
| | <u>1,12,93,822</u> | <u>1,12,93,822</u> |

SCHEDULE 05:

Inventories:

Stock in trade :

(As per Inventory taken, valued and certified by
management at lower of cost or net realisable value)

| | |
|----------|----------|
| — | — |
| <u>—</u> | <u>—</u> |

INTEGRATED HITECH LIMITED

| PARTICULARS | YEAR ENDED 31 ST MARCH 2008 Rs. | YEAR ENDED 31 ST MARCH 2007 Rs. |
|---|--|--|
| SCHEDULE 06: | | |
| Sundry Debtors & Advances: | | |
| Unsecured considered good; | | |
| Debts outstanding for a period exceeding six months | 2,02,47,384 | 1,97,21,255 |
| Less than six months | 4,32,140 | 1,68,720 |
| | <u>2,06,79,524</u> | <u>1,98,89,975</u> |
| SCHEDULE 07: | | |
| Cash & Bank Balance: | | |
| Cash on hand | 78,210 | 28,360 |
| Balances with Scheduled Banks: | | |
| - On Current Account | 9,38,926 | 1,26,390 |
| - In Fixed deposits | — | — |
| Balances with non-scheduled banks: | | |
| - On Current Account-HDFC Bank | 22,05,212 | 22,05,212 |
| | <u>32,22,348</u> | <u>23,59,962</u> |
| SCHEDULE 08: | | |
| Other Current Assets, Deposits & Advances: | | |
| Deposit with Stock Exchange | 5,00,000 | 5,00,000 |
| Rental & Property Advance | 1,80,000 | 1,80,000 |
| Tax Deducted at Source | 9,14,858 | 9,14,858 |
| | <u>15,94,858</u> | <u>15,94,858</u> |
| SCHEDULE 09: | | |
| Current Liabilities: | | |
| Sundry Creditors | 6,38,970 | 8,45,130 |
| Provisions | 5,42,360 | 3,92,360 |
| | <u>11,81,330</u> | <u>12,37,490</u> |
| SCHEDULE 10: | | |
| Miscellaneous Expenditure: (Preliminary & Public Issue Expenses) | | |
| Opening Balance | 12,60,744 | 18,91,116 |
| Less Written off during the year | 6,30,372 | 6,30,372 |
| | <u>6,30,372</u> | <u>12,60,744</u> |



| PARTICULARS | YEAR ENDED | YEAR ENDED |
|---|-----------------------------|-----------------------------|
| | 31 ST MARCH 2008 | 31 ST MARCH 2007 |
| | Rs. | Rs. |
| SCHEDULE 11: | | |
| Operational & Administrative expenses: | | |
| Rent & Electricity | 56,703 | 1,82,206 |
| Postage, Telephone & Communication | 58,994 | 73,914 |
| Printing & Stationery | 66,015 | 2,02,538 |
| Listing fees | 49,645 | 30,000 |
| Marketing & business promotion expenses | 26,654 | 1,80,098 |
| Advertisement expenses | 56,375 | 65,190 |
| Travelling & conveyance | 63,317 | 63,985 |
| Repair & maintenance expenses | 23,295 | 40,785 |
| Professional & Consultancy charges | 56,097 | 78,306 |
| Books & Periodicals, Seminar & Meetings | 8,060 | 5,790 |
| Interest & Bank charges | 2,022 | 2,130 |
| Audit fees: | | |
| Statutory | 25,000 | 25,000 |
| Other expenses | 31,670 | 20,813 |
| Total | <u>5,23,847</u> | <u>9,70,755</u> |

As per our report of even date

S. Jawahar & Associates
Chartered Accountants

Place : Chennai
Date : 30.06.2008

A. GERALD EBENEZER
Managing Director

AXN PRABHU
Director

SCHEDULE 12: NOTES ON ACCOUNTS:

Notes forming part of Balance Sheet and Profit & loss account for the year ended 31/03/2008.

1. SIGNIFICANT ACCOUNTING POLICIES :

Financial Statements are prepared under historical cost convention method and comply with the mandatory Accounting Standards issued by The Institute of Chartered Accountant of India.

The significant accounting policies followed by the company are stated below.

A) INCOME AND EXPENDITURE :

- a) Company follows accrual system of accounting in general.
- b) Revenue from software development is recognized at the time of invoicing them to customers.

Operational, staff cost and developmental expenses amounting to Rs.7,47,708/- have been capitalized as software development and hence previous year figures are not comparable.

- c) Capitalisation of Revenue Expenses

As the company is in development of new software and also in maintenance of existing software and revenue is derived from sale and service of upgraded existing software and most of the resources are utilized for development of new software, the revenue expenditures shown in the expenses of Profit & Loss Account under "operational and administrative expenses staff cost &, development expenses have been proportionally capitalized and disclosed as additions to "Computer peripherals and software" under Schedule 03 of "Fixed Assets".

B) FIXED ASSETS:

Fixed assets have been valued at cost less depreciation. Cost includes other attributable expenses relating to the cost of acquisition.

C) DEPRECIATION:

- a) Depreciation on fixed assets has been provided on straight line method at the rates prescribed in schedule XIV of The Companies Act 1956 including assets costing less than Rs.5000/-and charged on the basis of usage of the asset.
- b) Depreciation on fixed assets added /disposed off during the year is provided on pro-rata basis with reference to the month of addition / disposal.

D) VALUATION OF CLOSING STOCK:

As there is no stock in trade, the question of valuation does not arise.

E) INVESTMENT IN SUBSIDIARIES;

As no commercial activity has commenced at both the subsidiary in Singapore & USA, the financial information relating to the subsidiaries are not furnished and consolidated financial information also not furnished.

F) MISCELLANEOUS EXPENDITURE

Miscellaneous Expenditure including preliminary expenses are written off over a period of ten years.

2. NOTES ON ACCOUNTS

- a) Miscellaneous Expenditure (to the extent not written off or adjusted) comprise of preliminary expenses, registration fees etc.
- b) The previous year's figures have been recast/restated, where necessary to conform to current year classification.
- c) Foreign currency expenditure: Nil
- d) Earnings in Foreign currency Rs. Nil.
- e) Related party disclosure

As per Accounting Standard 18, issued by The Institute of Chartered Accountants of India , the disclosure of transaction with the related parties are given below :



I. Name of the Related parties :

- i) Subsidiary companies : Integrated Hitech Singapore Pte. Ltd., Singapore
Integrated Hitech (America) Corporation, USA
- ii) Key Management personnel : Integrated Hitech Singapore Pte. Ltd.,
Mr. A. Gerald Ebenezer (Director)
Mr. Sheik Abdul Farook (Director)
Integrated Hitech (America) Corporation USA
Mr. A. Gerald Ebenezer (Director)
Mr. Raj Jebakumar (Director)

The financial statements of the subsidiaries are not annexed since they have not commenced commercial operation.

II. Aggregate Related Party Disclosure for the period ended 31st March 2008

For key management personnel:

The following payments were made to the Managing Director Mr.A.Gerald Ebenezer.

Remuneration including perquisites as M.D. Rs.60,000 /-

- f) As of March 31, 2008 the company has no outstanding dues to small scale industrial undertakings.
- g) All the figures have been rounded off to the nearest rupee.
- h) As the company is involved in Software/Web development, the furnishing of particulars regarding quantity is not practicable.

Place : Chennai
Date : 30-06-2008

S. JAWAHAR & ASSOCIATES
Chartered Accountants

STATEMENT U/S 212 OF THE COMPANIES ACT, 1956

1. **Name of Subsidiary** : 1. Integrated Hitech Singapore Pte. Ltd., Singapore.
2. Integrated Hitech America Corporation, USA
2. **Details pertaining to the subsidiary for the year ended 31st March 2008.**
As the subsidiary has not commenced operations, financial information not furnished.

INTEGRATED HITECH LIMITED**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2008**

| | YEAR ENDED 31 ST MARCH 2008 Rs. | YEAR ENDED 31 ST MARCH 2007 Rs. |
|---|--|--|
| A. CASH FLOW FROM OPERATING ACTIVITIES: | | |
| Net Income/(Loss) for the year | 3,89,240 | 2,03,180 |
| Adjustment for: | | |
| Depreciation | 14,36,191 | 17,37,460 |
| Miscellaneous Expenses | 6,30,372 | 6,30,372 |
| Other income | (1,61,340) | (2,78,500) |
| Operating Profit before Working Capital Changes | 22,94,463 | 22,92,512 |
| Adjustments for: | | |
| Trade receivables | (7,89,549) | (16,04,983) |
| Inventories | — | — |
| Trade&otherpayables | (56,160) | 92,120 |
| Net Cash from Operating Activities (A) | 14,48,754 | 7,79,649 |
| B. CASH FLOW FROM INVESTING ACTIVITIES: | | |
| Purchase of Fixed Assets | 7,47,708 | 11,78,549 |
| Loans & Advances | — | — |
| Investments | — | — |
| Other Income | (1,61,340) | (2,78,500) |
| Net cash (used in)/surplus from investing activities (B) | 5,86,368 | (9,00,049) |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Netcashincreaseincash&cashequivalents(A-B) | 8,62,386 | (1,20,400) |
| Netcash&Cashequivalentsatthebeginningoftheyear | 23,59,962 | 24,80,362 |
| Cash & Cash equivalents at the end of the year | 32,22,348 | 23,59,962 |

AUDITORS' CERTIFICATE

We have checked the above cash flow statement of **Integrated Hitech Limited**, derived from the financial statements for the year ended 31st March 2008 with the books and records maintained in the course of business and found the same in accordance therein.

Place : Chennai
Date : 30-06-2008

S. JAWAHAR & ASSOCIATES
Chartered Accountants



BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

State Code

Registration No.

Balance Sheet Date

II. Capital raised during the year (Amount in Rs.Thousands)

| | | | |
|--------------|--|--------------|--|
| Public Issue | <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> | Rights Issue | <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> |
| Bonus Issue | <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> | Promoters | <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> |

III. Position of Mobilisation & Deployment of funds (Amount in Rs.Thousands)

| | | | | |
|----------------------|--------------------|---|---------------------------|---|
| | Total Liabilities | <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="7"/> <input type="text" value="3"/> <input type="text" value="6"/> <input type="text" value="4"/> | Total Assets | <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="7"/> <input type="text" value="3"/> <input type="text" value="6"/> <input type="text" value="4"/> |
| SOURCES OF FUNDS | Paid Up Capital | <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="4"/> <input type="text" value="6"/> | Reserves & Surplus | <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="7"/> <input type="text" value="3"/> <input type="text" value="1"/> <input type="text" value="8"/> |
| | Secured Loans | <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> | Unsecured Loans | <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> |
| APPLICATION OF FUNDS | Net Fixed Assets | <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="7"/> <input type="text" value="1"/> <input type="text" value="1"/> <input type="text" value="2"/> <input type="text" value="4"/> | Investments | <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="1"/> <input type="text" value="2"/> <input type="text" value="9"/> <input type="text" value="4"/> |
| | Net Current Assets | <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="2"/> <input type="text" value="4"/> <input type="text" value="3"/> <input type="text" value="1"/> <input type="text" value="6"/> | Miscellaneous Expenditure | <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="6"/> <input type="text" value="3"/> <input type="text" value="0"/> |
| | Accumulated Losses | <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> | | |

IV. Performance of the Company (Amount in Rs.Thousands)

| | | | | | |
|-----|--------------------------|--|-------------------|---|--|
| | Turnover | <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="3"/> <input type="text" value="8"/> <input type="text" value="8"/> <input type="text" value="2"/> | Total Expenditure | <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="3"/> <input type="text" value="3"/> <input type="text" value="4"/> <input type="text" value="3"/> | |
| + - | Profit/(Loss) before Tax | <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="5"/> <input type="text" value="3"/> <input type="text" value="9"/> | + - | Profit/(Loss) after Tax | <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="3"/> <input type="text" value="8"/> <input type="text" value="9"/> |
| | Earning per Share (Rs.) | <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="0"/> <input type="text" value="."/> <input type="text" value="0"/> <input type="text" value="5"/> <input type="text" value="4"/> | | Dividend Rate | <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> |

V. Generic Names of Three Principal Products/Service of the Company

| | |
|---|--|
| <i>Product Description</i> | <i>Item Code (ITC Code)</i> |
| <input type="text" value="Software Development"/> | <input type="text" value="8"/> <input type="text" value="4"/> <input type="text" value="7"/> <input type="text" value="1"/> <input type="text" value="."/> <input type="text" value="9"/> <input type="text" value="9"/> |

INTEGRATED HITECH LIMITED

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

ATTENDANCE SLIP

Please complete the Attendance Slip and hand it over at the entrance of the Meeting Hall.

Name & Address of the Shareholder(s)

Ledger Folio No.

No. of Shares held:

I hereby record my presence at the Annual General Meeting of the company, at the Registered Office: 150/116, Cisons Complex, Third Floor, Montieth Road,, Egmore Chennai-600 008 on Monday, the 29th September 2008 at 10.30 A.M.

SIGNATURE OF THE SHAREHOLDER/PROXY*

*Strike out whichever is not applicable.

- CUT HERE -

INTEGRATED HITECH LIMITED

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

FORM OF PROXY

Proxy No.

Ledger Folio No.

No. of Shares

I/We of
being a Member/Members of **Integrated Hitech Limited** hereby appointor failing him/her
.....of.....
or failing him/herof.....
as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to
be held on Monday, the 29th, September 2008 at 10.30 A.M.

Signed this.....day of..... 2008

Affix a
Re. 1
Revenue
Stamp

NOTE: The Proxy duly completed must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid Meeting. The Proxy need not be a Member of the Company.

Book-Bost

If undelivered, Please return to :

INTEGRATED HITECH LIMITED

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