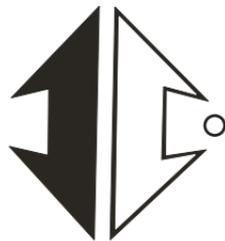


24th Annual Report 2009 - 2010



INTEGRATED TECHNOLOGIES LIMITED

Board of Directors

Rajeev Bali	Managing director
K.R.Shivakumar	Director
Devendra Manchanda	Director
Narendra Sharma	Director
Krishna Bali	Director

Company Secretary

Kanika Bhutani

Bankers

State Bank of India
Barclays Bank, PLC

Auditors

M/s G. K. Kedia & Co.
Chartered Accountants
2044/ 6, Chuna Mandi, Paharganj,
New Delhi – 110 055

Regd. Office & Works

Narsingpur, Sector-35
Gurgaon-122 001, Haryana (India)

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Important

Members/ Proxy holders attending the Annual General Meeting of the Company on Thursday, September 30th, 2010 are requested to note that the Management of the Company has decided that no Gifts/Coupons shall be distributed.



NOTICE

NOTICE is hereby given that **TWENTY FORTH ANNUAL GENERAL MEETING** of the Members of the Company will be held on Thursday, 30th September, 2010 at 9.00 a.m. at Narsingpur, Sector 35, Gurgaon -122 001, Haryana, India to transact the following businesses:

I. ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2010 and the Profit and Loss Account for the year ended on that date together with the reports of the Auditors and Directors thereon.
2. To appoint Mr. V.N. Shukla in place of Mr. Narendra Sharma, who is retiring by Rotation.
3. To appoint auditors and to fix their remuneration and in this regard to consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED that M/s S.K. Mittal & Co., Chartered Accountants, New Delhi, be and are hereby appointed as Statutory Auditors of the Company, in place of M/s G.K. Kedia and Co., the retiring Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors of the Company."

II SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass the following resolution with or without modification as Ordinary Resolution:

"RESOLVED that pursuant to the provisions of section 269, 198, 309, 310, 311, Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and such other approvals, permissions and sanctions, as may be required, and subject to such conditions and modifications, as may be prescribed or imposed by any of the Authorities in granting such approvals, permissions and sanctions, and pursuant to the approval of the remuneration committee of the Board and the Board of Directors at their meeting held on 30.07.2010, approval of the members be and is hereby accorded to the re-appointment of Mr. Rajeew Bali as Managing Director of the Company for a period of 5 years with effect from September 30, 2010 on a total monthly remuneration as deemed fit by the Board of Directors as per the recommendations of the remuneration committee and within the sanctioned purview Schedule XIII of the Companies Act, 1956 or any statutory modification or re-enactment thereof.

FURTHER RESOLVED that the Board of Directors be and is hereby authorised to decide, vary, alter, increase, enhance or widen the scope of remuneration and perquisites, to the extent specified in schedule XIII and other applicable provisions, if any, of the Act as amended from time to time.

FURTHER RESOLVED that where in any Financial Year during the currency of the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company may pay to the Managing Director such minimum remuneration by way of salary as is permissible within the various provisions of the Companies Act, 1956 and such other Acts as applicable for the time being in force and subject to receipt of such requisite approvals, if any.

FURTHER RESOLVED that for the purpose of giving effect to this resolution, the Director (s) of the Company be authorised to do all acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard and to sign and execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient."

By Order of the Board of Directors

Place : New Delhi

Dated : 30.07.2010

**Kanika Bhutani
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 such proxy need not be a member of the Company.
2. Proxies in order to be valid and effective should be duly stamped, completed and signed and must be lodged with the Company at its Registered / Corporate Office not less than 48 hours before the commencement of this Annual General Meeting.



3. The Register of Members & the Transfer Books of the Company shall remain closed from 20th September 2010 to 30th September 2010.
4. Members are requested to notify change in their registered address/status, if any, to the Company immediately.
5. Members are requested to bring their copies of Annual Report and Accounts at the Meeting.
6. Members/ proxies are requested to produce the attached attendance/admission slip in original duly completed and signed, for admission to the meeting hall. No photocopies will be accepted.
7. Members may inspect any documents referred to in the proposed resolutions at the Registered Office of the Company between 12.00 Noon and 2.00 p.m. on any day except holiday (s) and the day of AGM.
8. Members desiring any information as regards the accounts of the Company are requested to write to the Company at least 10 days in advance so as to enable the management, to keep as far as possible, the information ready at the meeting.

EXPLANATORY STATEMENT

PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT IN RESPECT OF THE SPECIAL BUSINESS OF THE NOTICE OF AGM.

Item No. 4 :

The tenure of Mr. Rajeev Bali as Managing Director was upto 31st March 2011, subject to the approval of the Shareholders in the ensuing Annual General Meeting. The Board of Directors have at their Meeting held on 30.07.2010, pursuant to the approval of the remuneration committee, approved the re-appointment of Mr. Rajeev Bali as Managing Director of the Company for a period of 5 years w.e.f 30.09.2010. He has a BA in Economics (Hons) from Delhi University, and MBA in Finance from Pace University, USA having multifunctional experience of more than 25 years. He is very well versed in all aspects of marketing, finance, costing, technical matters and administration. He is aged about 52 years. The proposed remuneration will be within overall limit of Schedule XIII of the Companies Act, 1956.

Briefly, the terms and conditions of the re-appointment and remuneration of Mr. Rajeev Bali are as follows:

1. He shall carry out such duties as may be entrusted to his subject to the supervision of the Board of Directors.
2. The re-appointment shall be for a period of 5 years w.e.f. 30.09.2010
3. Remuneration: As recommended by the remuneration committee and decided by the Board of Directors.

The proposed resolution is required to be passed as an Ordinary Resolution as required under the amended Schedule XIII to the Companies Act, 1956 and as such, the Directors recommend your approval.

Copy of the terms and conditions governing the appointment is available for inspection by members during business hours on any working day before the the date of the annual general meeting.

None of the directors except Mrs. Krishna Bali and Mr. Rajeev Bali are interested or concerned in this resolution.

The relevant abstract, as required under section 302 of the Companies Act, 1956, had already been sent to the shareholder of the company at the time of approval of the Board.

By Order of the Board of Directors

**Place : New Delhi
Dated : 30.07.2010**

**Kanika Bhutani
Company Secretary**



DIRECTORS' REPORT

Your Directors have pleasure in presenting the **Twenty Forth Annual Report** together with Audited Accounts of the Company for the year ended 31st March 2010.

FINANCIAL RESULTS

(Rs. In Lacs)

	2009-10	2008-09
Sale of Products and other income	175.74	29.78
Manufacturing and other expenses	187.77	18.33
Depreciation	36.69	39.22
Interest	0.00	0.00
Profit/(Loss) before tax	(80.35)	(87.35)

*Previous year figures have been regrouped / rearranged wherever considered necessary.

DIVIDEND

In view of the foregoing, the Directors do not recommend any dividend for the year.

DIRECTORS

There was no change in the constitution of the Board of Directors during the year under consideration. However, it is now proposed to appoint Mr. V. N. Shukla in place of Mr. Narendra Sharma, Director retiring by rotation on the Board of Directors, the appointment forms part of the business of the ensuing Annual General Meeting of the Company.

During the year under review, Mr. Ravi Jain has resigned as director of the company w.e.f. 10th May, 2010.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) as inserted by the Companies (Amendment) Act, 2000 with respect to Directors' Responsibilities Statement, it is hereby confirmed:

- that in the preparation of the annual accounts for the financial year ended 31st March, 2010, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- that the directors had 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 and of the profit or loss of the Company for the year under review;
- that the directors had 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;
- that the directors had prepared the accounts for the financial year ended 31st March, 2010 on a 'going concern' basis.

CORPORATE GOVERNANCE

Your Company has taken adequate steps to ensure compliance with the provisions of Corporate Governance as prescribed under the Listing Agreement. The report on Corporate Governance along with the Auditor's Certificate as stipulated under Clause 49 of the Listing Agreement along with Management Discussion and Analysis Statement forms part of the Annual Report.

AUDIT COMMITTEE

As required under section 292A of the Companies Act the Company has appointed an Audit Committee comprising of Mr. Devendra Manchanda, Mr. Rajeev Bali and Mrs. Krishna Bali. Mr. Devendra Manchanda continues as the Chairman of the Committee. The primary functions of the Committee comprises of reporting on accounting policies and procedures, periodical review of financial results and pointing out major discrepancies, if any, in the results, examining the internal control systems and adequacy thereof. The Committee shall meet as and when required and at least twice in a year.



AUDITORS & THEIR REPORT

Auditors of the Company, M/s G. K. Kedia & Co., Chartered Accountants, are retiring at this Annual General Meeting and M/s S.K. Mittal & Co. are proposed to be appointed at the ensuing Annual General Meeting.

Notes to the accounts annexed to the Auditors' Report are self-explanatory and need no explanation, as there is no qualifying remark of the Auditors.

FIXED DEPOSITS

The Company did not invite / accept any fixed deposits during the year under review.

FUTURE OUTLOOK

The Company has revived its production and commercial operations, consequent to successful implementation of the BIFR Sanctioned Scheme, and to receiving all requisite approvals required from Ministry of Commerce / NSEZ / Customs / DGFT etc. in December 2008. The Company commenced sales in the domestic market, which has remained stable despite the global melt-down world-wide, including the PCB industry, which impacted China as well very substantially.

A US\$ 48 billion industry had been growing at CAGR of over 9 % per annum from 2004 till mid – 2008 when international markets once again shrank considerably from US \$ 52 Billion in 2007 with the onset of the recession to \$ 39 Billion in 2009. It is now expected to grow as such up to 2015 to over US\$ 76 Billion. While the outlook for the industry is not very encouraging internationally, for the time being, it is expected to improve gradually starting 2010, especially from the 2nd half of the year, and expected to reach \$ 52 billion again by 2011-12.

The domestic PCB market : is growing rapidly, with large investments in the mobile communications, telecom, industrial, consumer electronics, and automotive industries. Importantly, most of the top ten Electronics Manufacturing Services (EMS) companies worldwide have set up assembly and design facilities in the recent past. With the entry of a number of international companies in these industries, the growth is expected to exceed 30% per annum.

The total market assessed currently is approx. US\$ 2 Billion. Domestic production is US\$ 300 Million, with the rest being imported, thereby presenting a large opportunity to domestic PCB producers.

The Company thus plans to recommence exports by early to mid - 2011 in line with world markets revival of global market.

The promoters have invested considerably in reviving the plant and it's operations including refurbishing the machinery, replacing obsolete equipment, infusing working capital, and adding new customers to its' existing ones.

The Company has adequate business orders for domestic sales, as also deemed exports. The Company expects to achieve considerably better sales and operating results in the FY 2010-11 as it increases domestic sales and exports commencing 2011.

STATUTORY STATEMENTS UNDER SECTIONS 217 (1) (E) AND 217 (2A) OF THE COMPANIES ACT, 1956

(a) Foreign Exchange Earnings and Outgo:

	(Rs. In Lacs)
The information under this head is as follows:	
Foreign Currency Earnings	
Foreign Currency Outgo	
(1) Travelling (foreign)	-
(2) Import of Machinery	2.634
(3) Import of raw materials	36.842
(4) Consumption of raw materials	33.322
(5) Fees and subscription	1.13



(b) Conservation of Energy and Technology Absorption:

The Company has been pursuing an active policy of identifying and using eco-friendly materials and processes in its production processes, as also in every other sphere of activity. The Company estimated 28% savings in its power/energy consumption due to this policy emphasis in its operations while in production. The Company shall continue in its endeavors to identify new means of for such energy conservation and savings on an ongoing basis as a matter of policy.

(c) Employees:

As required by the provisions of Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 (as amended), the names and other particulars of the employees drawing remuneration more than Rs. 2,00,000/- per month or Rs. 24,00,000/- per annum are required to be given forming part of the Directors' Report. None of the employees of the company are in receipt of remuneration in excess of the prescribed limit.

Acknowledgments

Your Directors would like to express their grateful appreciation for the assistance and co-operation received from our valued shareholders during the year under review. Your Directors wish to place on record their deep sense of appreciation for the devoted services of Executives, Staff and Workers of the Company towards the growth and development of the Company.

For and on behalf of the Board of Directors

**Place : New Delhi
Dated : 14.08.2010**

**(Rajeev Bali)
Managing Director**



REPORT ON CORPORATE GOVERNANCE

I. Company's philosophy on code of governance:

The basis and foundation of the Company's endeavor towards good Corporate Governance is transparency at all levels in its functioning, whether at the Board level, with shareholders, employees, and all business associates with whom the Company interacts towards achievement of its corporate and business objectives and goals. Accordingly, the Company is continually instituting and reviewing systems and procedures to ensure the same. The Company endeavors to make the Directors of the company accountable to the shareholders for their actions, to ensure that they are conscious of their duties, obligations and responsibilities, and act in the best interest of the Company. The employees of the Company are guided by code of conduct aiming at achieving the Company's goals and objectives.

II. Composition of Board Of Directors:

Composition and category of directors

Name of the Director	Category	Designation	No. of outside Directorships held	No. of Mtgs held during the year	No. of Mtgs attended
Mr. Rajeev Bali	Promoter-Executive	Chairman cum Managing Director	-	6	6
Mr. K. R. Shivakumar	Promoter-Non-Executive	Director	-	6	-
Mr. D. Manchanda	Independent-Non-Executive	Director	1	6	4
Mr. Ravi Jain*	Independent-Non-Executive	Director	1	6	-
Mrs. Krishna Bali	Promoter-Non-Executive	Director	1	6	4
Mr. Narendra Sharma	Independent-Non-Executive	Director	-	6	-

* Ceased to be Director with effect from 10th May 2010

Meetings of the Board of Directors were held on

- | | |
|-------------------|----------------------|
| 1. 21st May 2009 | 4. 31st October 2009 |
| 2. 30th June 2009 | 5. 31st January 2010 |
| 3. 30th July 2009 | 6. 31st March 2010 |

The following directors were present at the Twenty Second Annual General Meeting held on 30th September 2009:

- Mr. Rajeev Bali
- Mr. Devendra Manchanda

III. Committees of Board of Directors

1. Audit Committee:

Terms of reference of the Audit Committee include the following-

- To report on any oversight in company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- To recommend the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
- To review with management the annual financial statements before submission to the Board, focusing primarily on changes in accounting policies and practices, qualifications in draft audit report, compliance with accounting standards, stock exchange and legal requirements concerning financial statements, significant adjustments arising out of audit, reporting on related party transactions, etc.
- To review the Company's financial and risk management policies.
- To look into the reasons for substantial defaults in the payments to creditors.
- To discuss with external auditors before the audit commences nature and scope of audit as well as have post audit discussion to ascertain any area of concern.



7. To perform such other functions as it shall have as contained in the Listing agreement and as may be assigned to it from time to time.

The constitution of the Committee and the attendance of each member of the Committee is given below

Name	Designation	Category	Meetings	Profession
Mr. D. Manchanda	Chairman	Independent Director	4	Chartered Accountant
Mr. Rajeev Bali	Member	Executive Director	4	Business
Mrs. Krishna Bali	Member	Promoter Non-Executive Director	4	House Wife

2. Shareholders Grievances Committee:

At present the functioning of the Committee has been discontinued, as in view of the compliance with the SEBI Circular No. D&CC/FITTC/CIR-15/2002 dated 27.12.2002, the Company has shifted all work related to share registry of both physical and electronic form of equity shares at a single point for which it has appointed M/s Skyline Financial Services Private Limited, 246, 1st Floor, Sant Nagar, East of Kailash, New Delhi – 110 065 as its Registrar and Share Transfer Agents. The shareholders can send any grievance or any other query at the Registered Office of the Company.

3. Remuneration to Directors

The Company does not have a Committee on Remuneration, as the Directors are not paid any sum above the Sitting fees for attending Board Meetings. The Managing Director of the Company, has an approved remuneration of Rs. 15,00,000 per annum granted by shareholders and provisions of the Schedule XIII of the Companies Act, 1956.

IV. General Body Meetings:

Location and time, where last 3 Annual General Meetings held

Year.	Date	Time	Venue	Agenda
Twenty Third	30th Sept 2009	9.00 A.M.	Narsingpur, Sector- 35, Gurgaon, Haryana.	No Special Resolution formed part of the business of the Meeting
Twenty Second	30th Sept. 2008	9.00 A.M.	Narsingpur, Sector- 35, Gurgaon, Haryana.	Resolution for re-issue of Forfeited Shares at Face value
Twenty First	29th Sept. 2007	9.00 A.M.	Narsingpur, Sector- 35, Gurgaon, Haryana.	No Special Resolution formed part of the business of the Meeting

Location and time, where Extraordinary General Meetings held, if any

No Extra- Ordinary General Meeting was held during the year.

Postal Ballot- Ordinary Resolution was passed in the last year on 21st March 2009 through postal ballot, pursuant to Section 192A of the Companies Act, 1956, read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2001, for selling, leasing or otherwise disposing of the whole, or substantially the whole, of the undertaking of the company under section 293(1) (a)

V. Disclosures:

- No materially significant related party transactions i.e., transactions of the company of material nature, with its promoters, directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of company at large have been entered into.
- The Company has never been penalized for any non-compliance nor is any prosecution pending against the Company in relation to any matter related to the capital markets.

VI. Means of Communication:

- Half-yearly report/ Quarterly Results sent to each household of shareholders-** Half Yearly Unaudited Financial Results subject to Limited Audit Review by the Auditors of the Company are published in two newspapers one in English and one in Hindi and also sent to Stock Exchanges where shares of the Company are listed. Shareholders are not sent any report individually as, information available with the Stock Exchanges being public in nature is available to all.
- Which newspaper normally published in-** The Pioneer daily newspaper published in English and Veer Arjun published in Hindi.
- Any website, where displayed-** The details about the Company, its product, management, capabilities, customer related information, etc are displayed on the website of the Company i.e., www.integratedtech.co.in.



- iv. **Whether it also displays official news releases-** The Company is in the process of facilitating the same.
- v. **Management discussion and Analysis forms part of annual report.**

VII. General Shareholder Information: -

- i. **AGM: Date, time and venue-** The Annual General Meeting of the Company is scheduled to be held on Wednesday 30th September 2010 at 9.00 A.M. at Narsingpur, Sector-35, Gurgaon-122 001, Haryana.
- ii. **Financial Calendar-**The financial year of the Company commences from 1st April every year and ends on 31st March of subsequent year.
- iii. **Date of Book Closure-** The Register of Members and the Share Transfer Books of the company shall remain closed from 20th September 2010 – 30th September 2010 pursuant to Section 154 of the Companies Act, 1956.
- iv. **Dividend payment date-**The Company has not declared any dividend.
- v. **Listing on Stock Exchanges-** The shares of the Company are listed on the following Stock Exchanges. Since the Company is a sick industrial company, it is unable to pay the Listing Fees to all the Stock Exchanges.

- | | | |
|--|---|--|
| <p>1. Delhi Stock Exchange
3/1, Asaf Ali Road,
Near Turkman Gate,
New Delhi – 110 002</p> | <p>2. The Stock Exchange, Mumbai
1st Floor, New Trading Ring,
Rotunda Building, P J Towers,
Dalal Street, Fort, Mumbai – 400 001</p> | <p>3. Jaipur Stock Exchange,
Indira Palace, JLN Marg,
Malviya Nagar,
Jaipur – 302017.</p> |
|--|---|--|

vi. Stock Code-The Stock Codes of the Company are as follows:

Stock Exchange	Stock Code
Delhi Stock Exchange	7700
The Stock Exchange, Mumbai	531889
Jaipur Stock Exchange	657

vii. Market Price Data: High, low during each month in last financial year

Trading in shares of the Company at the Bombay Stock Exchange and others has been discontinued due to non-payment of Annual Listing fees. Therefore, no data is available for the share prices of the Company.

- ix. **Registrar and Transfer agents-** The Company has appointed M/s Skyline Financial Services Private Limited, 246, Sant Nagar, East of Kailash, New Delhi – 110 065 as its Registrar and Share Transfer Agents.
- x. **Share Transfer System-** All the work relating to share registry in terms of both physical and electronic have been shifted at a single point, the shares in physical form should be lodged at the office of the Company's Registrar and Share Transfer Agents, Skyline Financial Services Pvt. Ltd., or at the registered office of the Company.
- xi. **Dematerialization of shares and liquidity-**The shares of the Company are under compulsory dematerialization and the shares are dealt in dematerialized form only. The new International Securities Identification Number (ISIN) allotted to the Company is **INE882B01029**. The Registrar & Share Transfer Agents are handling all work related to the shares registry in terms of both physical and electronic.
- xii. **Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion dates and likely impact on equity-** The Company has not issued GDRs/ADRs.
- xiii. **Plant Locations-**The plant of the Company is located at Narsingpur, Sector-35, Gurgaon-122001, Haryana, India.
- xiv. **Address for correspondence-**All correspondence should be sent to the registered office of the company only i.e, **Narsingpur, Sector-35, Gurgaon-122001, Haryana, India.**

For and on behalf of the Board of Directors

Place : New Delhi
Dated : 14.08.2010

(Rajeev Bali)
Managing Director



MANAGEMENT DISCUSSION AND ANALYSIS STATEMENT

Industry Structure and Development

The sales of PCBs globally declined from US\$ 52 billion in 2007 to US\$ 39 billion in 2009. It is believed that, by 2012, the worldwide market will have returned to levels similar to that experienced in 2007, in other words, approximately US \$ 52 billion.

Communications and Telecom equipment will account for 30.7% of this total; Business, Retail and Computer equipment will have the largest share at 31.7% with the third largest being consumer electronics equipment at 18%. For 2010, PCB production is forecasted to be just over US \$42 billion compared to 2009's US \$ 39 billion. Due to continued price erosion, 2009 growth rates have been revised to just over -17% compared to 2008

Global Structure of PCB Manufacturing

A US\$ 52 billion industry had been growing at CAGR of over 9 % per annum till 2007, till the dramatic drop to \$ 39 Billion in 2009. The contraction in markets has been the most severe in USA and Europe, but globally estimated at 13.9% as a result of the unprecedented global recession.

From 2000 to 2009, in terms of output value, computer, communications, industrial/medical, military and automotive PCBs decreased by 3%, 13.5%, 20.5%, 20.1% and 26.8% respectively, while consumer electronics PCB and package substrate increased by 15.8% and 68% respectively. Single-sided/double-sided PCB and multilayer PCB decreased by 37.3% and 25.2% respectively, while high-density interconnect (HDI) board, package substrate and FPC increased by 163.1%, 68.1% and 90.0% respectively.

In 2009, from the perspective of the global PCB distribution pattern, China, Japan and Taiwan were still the main production areas, South Korea continued to expand its PCB industry, while Europe and the United States were in recession. Compared with Japan and South Korea with advantages in high-end products such as IC substrate and FPC boards, and Taiwan with advantages in mobile phone PCBs, China, mainly engaged in single-sided PCB and multilayer PCB, is inferior in terms of the technical content of the PCB industry. In 2009, China's PCB industry for the first time saw its output value decline slightly by 3.6% to US\$16.35 billion. Nevertheless, its share in the global PCB output value continued to rise.

Currently, India's share of global PCB production in 2008 and 2009 was 0.7% at US\$ 300 million. While imports are at approximately \$ 2 billion, the opportunity is indeed substantial.

Opportunities and Threats

We are presenting below a SWOT analysis of the Company.

Strengths

1. The Company has re-established itself as a reliable producer of high quality and technology Printed Circuit Boards (PCBs), including fine-line, high conductor track width & spacing and hole density Surface Mount Device (SMD) Single-sided, Double-sided and multi-layer PCBs.
2. The Company has adequate orders and is receiving considerable business enquiries, and an increasing proportion of these are getting converted to actual business.
3. The Company has restarted its business with substantially reduced debt, thereby increasing its financial viability.

Weaknesses

1. The Company being a 100 % Export Oriented Unit, is subject to market variations resulting from events and circumstances that impact the international, political, economic, etc. scenarios, e.g. post Sept 11 business downturn, rising oil prices slowing business growth, fluctuating currencies, and now the global melt-down in 2008 -09. Furthermore, being a 100% EOU has hindered domestic market access, which is presently booming
2. The Company needs to further upgrade its technology in certain areas as also increase production capacity even further than that effected in FY 2009-10, shortly in order to effectively compete in the international market.



Opportunities

1. The international market: While the current international market scenario is not encouraging, the bottom appears to have been reached, and an upturn is forecast in the year ahead. The maximum opportunities seem to be presenting themselves to Asian producers who have further consolidated their position globally with over 75% market share. Europe and USA traditionally, and now newer emerging markets present bright market prospects for 2010 – 2015.
2. The Local Market: Currently estimated at US\$ 2 Billion, and local production of US\$ 300 million leaving a huge gap of US\$ 1.7 Billion. (source : IPCA estimates)
3. The Indian advantage: Low cost skilled labour is a compelling factor in sourcing PCBs from Asia.
4. Indian quality and mid-volume capability is being well received internationally, especially in comparison to Chinese producers.
5. Entry of many MNC electronics, EMS, and global auto companies into India as a production hub for domestic production and exports seeking local component / PCB supplies is proving to be a very large market opportunity.

Threats

1. The demand for PCBs in the international market is subject to cyclical fluctuations to which the global electronic industry is normally characterized by.
2. The profitability of the Company could be affected by adverse movements in foreign currencies. However, being a 100% EOU, as most earnings are anticipated in currencies such as Euro and US Dollar, the Company's risk on this front is considerably insulated.
3. Competition with Chinese imports who are continually reducing pricing to gain market share while delivering international quality and technology standards.

The foregoing SWOT analysis suggests in conclusion that the Company's prospects, its future strategy are fundamentally sound, and a substantial opportunity exists for exports as well as domestic sales from here on for many years to come.

Segment-wise or Product-wise Performance

The Company has only single line of manufacturing of Printed Circuit Boards. Therefore, segment-wise analysis is not required. However, there are different categories of professional grade Printed Circuit Boards viz. Single sided (SS), Double sided plated-thru. -Holes (DSPTH) and Multi-layer (ML) PCBs. The total capacity of the Plant is 54,000 sq. mtrs per annum. The plant has resumed commercial production and operation after 6 years.

Outlook

The PCB Market is projected to grow by over 30% per annum well past the turn of the century from its present size of approx. US\$ 300 million

India's electronic hardware industry is concentrated in a few main geographical areas - of which the most prominent is in the northern region around the national capital Delhi, accounting for 37% of the output. The western region around Mumbai and Pune accounts for 25% and the Southern region, which is mainly around Bangalore, account for 32% of the output. Of late, Chennai is receiving considerable investment in the mobile communications, EMS, automotive manufacturing, notably Nokia, BMW, Hyundai, GM and many others.

The domestic PCB market is growing rapidly, with large investments in the mobile communications, telecom, industrial, and consumer electronics, and automotive industries. With the entry of a number of international companies in these industries, especially EMS, the growth is expected to exceed 30% per annum. As for EMS operations of the Top Ten global majors who have set up shop in India recently that include Sollectron, Flextronics, Jabil Circuit etc., one of critical success operational and logistical success factors will be local availability of quality PCBs in large volumes.

IPCA estimates that the total requirement for PCBs in India stands at US\$ 2 Billion, with local production of approx. US\$ 300 million, implying a huge demand-supply gap that would suggest large investments in the industry ought to forthcoming.



Internal Control Systems and their Adequacy

The internal control system of the Company is designed in a manner to provide timely information on deviations from projected standards in both technical and commercial areas and flow of information through various steps of the hierarchy of management to enable implementation of corrective measures to avoid further delay and deviations. Since the Company's start of commercial operations, management systems and control mechanisms have been instituted towards this end, and towards the eventual goal of optimizing the Company's resources, financial, technical, human resource base, and materials.

Discussion on Financial Performance with respect to Operational Performance

The Company has recommenced its production and commercial operations consequent to the financial restructuring of the Company as per the BIFR SS-08 implementation. The Company thus restarted its operations subsequent to that date, which has included investments in;

1. Further recruitment of production staff and their training
2. Raw material and consumables purchases Further reconditioning, refurbishment, and replacement of equipments and machinery where required.

Till the close of the financial year on 31.03.2009, the Company commenced test-marketing of its products, and market entry with small batch sales to domestic customers under special "Advance Domestic Sale Permission" applied for and granted by the Ministry of Commerce (NOIDA Special Economic Zone – the administering authority), and closed at sales of only Rs. 6.46 Lacs towards such test marketing. In the FY 2009-10, the Company continued to sell and consolidate its position in the domestic market in view of persistently weak international markets.

Furthermore, in line with the Ministry of Commerce stipulation of a maximum Rs 200 lacs Advance DTA Sale permission, the Company per force had to maintain a minimal average monthly production culminating in sales of Rs 175.74 lacs as of 31.03.2010, with losses of Rs. 80.35 Lacs.

The Company expects to receive UL Certification, a virtual pre-requisite for exports, within 2010, enabling commencement of exports by mid-2011 as planned, and thereafter expects to exceed the break-even level production and generate surpluses from early 2011 onwards.

Equally importantly, as a result of implementation of the BIFR SS-08 and the financial restructuring envisaged therein, has resulted in the Company returning to financial health with a positive Net Worth, thereby removing it from the purview of SICA. The Company has therefore, as a result of this revised scenario, been de-registered from BIFR's purview by AAFIR vide their Order dated Feb. 06, 2009. The debt burden of the Company has sequentially reduced very substantially from over Rs. 21.69 Crores in 2007-08 to Rs. 3.25 Crores presently, contributing substantially to this positive net worth. Furthermore, fresh equity to the tune of Rs. 311 Lacs has also been injected by the strategic investor, who has also provided unsecured loans for need based working capital for the Company, infusing further positivity towards the Company's financials.

Having cleared the dues of all previous secured creditors / banks and financial institutions, statutory bodies / agencies and various sundry creditors, the Company's financial outlook and positioning stands considerably improved as envisioned in the revival mooted by the Company's management and supported by the Hon'ble BIFR through the SS-08.

Material developments in human resources / industrial relations front including number of people employed

The Company is headed by Mr. Rajeev Bali, Managing Director. He is an MBA (Finance), USA.

The Company has a policy for (i) initiating new personnel into the Company's designated systems for any particular functional area, (ii) monitoring of personnel and HRD programmes, and (iii) ensuring leadership in its industry through effective HR management.

The Company has recruited the necessary personnel, commercial and technical, and has recommenced its' production and commercial operations.



Auditors' Certificate Regarding Compliance of Conditions of Corporate Governance – 31 March'2010

To,

The Members of **INTEGRATED TECHNOLOGIES LIMITED**

We have examined the compliance of conditions of Corporate Governance by Integrated Technologies Limited (the Company), for the year ended 31st March, 2010 as stipulated in Clause 49 of the Listing Agreements of the said Company with the stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreements.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **G. K. Kedia & Co**
Chartered Accountants
Firm Registration No : 013016N

Place : New Delhi
Dated : 30-07-2010

Gopal Kumar Kedia
Partner
M.No. 054629
(Peer Review Under Process)



AUDITORS' REPORT

TO THE MEMBERS OF INTEGRATED TECHNOLOGIES LIMITED

We have audited the attached balance sheet of **INTEGRATED TECHNOLOGIES LIMITED** as at 31st March, 2010, the profit & loss account and the cash flow statement for the year ended on that date together with annexure 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. These 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.

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

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

1. 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.
2. In our opinion, proper books of accounts as required by law have been kept by the Company, so far as it appears from our examination of the books.
3. The balance sheet, the profit & loss account and cash flow statement dealt with by this report are in agreement with the books of accounts.
4. In our opinion the profit and loss account, balance sheet and cash flow comply with the accounting standards referred to in sub section (3C) of section 211 of the Companies Act, 1956.
5. On the basis of written representations received from the Directors as on 31st March, 2010 and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2010 from being appointed as a Director in terms of clause (g) of sub section (1) of Section 274 of the Companies Act, 1956.
6. In our opinion and to the best of our information and according to the explanations given to us, the said balance sheet and the profit and loss account read with the schedules and notes to the accounts thereto, give the information required by the Companies Act, 1956 in the manner so required and give the true and fair view in conformity with the accounting principles generally accepted in India:
 - ★ In the case of the balance sheet, of the state of affairs of the Company as at 31st March, 2010, and,
 - ★ In the case of the profit and loss account, of the profit for the year ended on that date.
 - ★ In the case of cash flow statement, of the cash flows of the Company for the year ended on that date.

For **G. K. Kedia & Co**

Chartered Accountants

Firm Registration No : 013016N

Gopal Kumar Kedia

Partner

M.No. 054629

(Peer Review Under Process)

Place : New Delhi
Dated : 30-07-2010



ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, Including quantitative details and situation of fixed assets.
- (b) These fixed assets have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such verification.
- (c) From the examination of records we found that no substantial parts of fixed assets have been disposed off during the period.
- (ii) (a) The Inventory has been physically verified during the year by the management. In our opinion the frequency of verification is reasonable.
- (b) The procedure of physical verification of inventories followed by the management is reasonable and adequate in relation to the size of the Company and the nature of business.
- (c) The Company is maintaining proper records of inventory. The discrepancies noticed on the verification between the physical stock and books records were not material.
- (iii) (a) The Company has not granted any loan secured or unsecured to any Company, firm or other party covered in the register maintained under Section 301 of the Companies Act, 1956. Therefore clause (a) to (d) of para 4(iii) will not be applicable to the Company.
- (b) The Company has taken secured loan from one Company and unsecured loan from five parties covered in the register maintained under Section 301 of the Companies Act, 1956. Maximum amount involved in case of secured loan is Rs.325.00 lakhs and in case of unsecured loan is Rs 240.84 lakhs during the year. The amount outstanding of secured and unsecured loan providers as on 31.03.2010 is Rs 325.00 lakhs and Rs 240.84 lakhs respectively.
- (c) As per our examination of records of the Company and explanation and information given to us no interest is provided on the above loans taken by the Company. In our opinion other terms and conditions are not prejudicial to the interest of the Company.
- (d) As per the BIFR scheme so far as repayment of secured loan is concerned, the Company is required to pay Rs 40 lakhs each year from the financial year 2008-2009 onwards. However till the completion of our audit no payment has been made in this regard. For the repayment of unsecured loan no time has been fixed therefore this sub-clause is not applicable to the unsecured loan.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and sale of goods. During the audit we have not observed any continuing failure to correct major weakness in internal control system of the Company.
- (v) (a) In our opinion the transactions that needed to be entered into the register maintained u/s 301 of the Act, have been so entered.
- (b) Transactions covered under Section 301 of the Companies Act have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from public, accordingly the provisions requiring that, whether the directives issued by the Reserve Bank of India and the provisions of section 58A and 58AA of the Act and the rules framed thereunder, where applicable, have been complied with, is not applicable to the Company.
- (vii) The Company has its own internal audit system commensurate with its size and nature of its business.
- (viii) The provisions requiring maintenance of cost records as prescribed by the Central Government under Clause (d) of sub-section (1) of Section 209 of the Act, are not applicable to the Company.



- (ix) (a) As per records of the Company, the Company is regular in depositing of undisputed statutory dues except the following which are outstanding as on 31.03.2010 for a period more than six months from the date they became payable are given below:

S.No	Particulars	Amount outstanding as on 31.03.2010 (Rs)
1.	Sales Tax	19,407.00
2.	Income Tax	2,000,000.00

- (b) As per the scheme approved by the BIFR, CBDT was to waive interest on income tax demand of Rs 19.32 lakhs. However the CBDT has rejected the request for the same, vide its order F.No.2 (1625)/DIT /BIFR /2006-07 /566 dated 04.06.2009. According to information and explanation given to us, the company has yet to file a revision petition against the said order for the further consideration. In our opinion except this, there are no dues of Income Tax , sales tax, wealth tax , service tax , custom duties and excise duty which has not been deposited on account of any dispute.
- (x) In our opinion the accumulated losses are more than 50% of the Net worth of the Company. Further, the Company has incurred cash loss during the year ended 31st March, 2010 of Rs.82.91 Lakhs. The Company has also incurred cash loss of Rs 60.07 lakhs in the immediately preceding financial year.
- (xi) In our opinion the Company has not made any default in repayment of any dues to any bank or financial institutions. During the year the Company has not issued any debenture.
- (xii) The provisions requiring that, whether adequate documents and records are maintained, in cases where the Company has granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities are not applicable to the Company.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore the provisions of clause 4(xiii) of the order are not applicable to the Company.
- (xiv) In our opinion the Company is not dealing in or trading in shares, securities, debenture and other investment. Accordingly the provisions of clause 4(xiv) of the order are not applicable to the Company.
- (xv) The Company has not given any guarantee for loans taken by others from bank or financial institutions hence the provisions requiring whether the terms and conditions whereof are prejudicial to the interest of the Company, are not applicable to the Company.
- (xvi) The Company has not taken any term loan, therefore the provisions requiring that, whether term loans were applied for the purpose for which the loans were obtained, are not applicable to the Company.
- (xvii) The provisions requiring that, whether the funds raised on short-term basis have been used for long term investment and vice-versa, are not applicable to the Company.
- (xviii) According to the information and explanation given to us, during the period covered by our audit report, the Company has not made any preferential allotment of Equity Shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.
- (xix) The provisions requiring that, whether securities have been created in respect of debentures issued, are not applicable to the Company.
- (xx) As no public issue has been made by the Company during the period, the provisions requiring that, whether the management has disclosed on the end use of money raised by public issues and the same has been verified are not applicable to the Company.
- (xxi) According to the best of our knowledge and belief and according to the information and explanation given to us, no material fraud on or by the Company has been noticed or reported during the period covered by our audit.

For G. K. Kedia & Co
Chartered Accountants
Firm Registration No : 013016N

Gopal Kumar Kedia
Partner
M.No. 054629
(Peer Review Under Process)

Place : New Delhi
Dated : 30-07-2010



BALANCE SHEET AS AT 31ST MARCH 2010

	SCHEDULE	AS AT March 31, 2010 (Rs.)	AS AT March 31,2009 (Rs.)
SOURCES OF FUNNDS			
Share Capital	1	48,265,550.00	48,265,550.00
Loan Funds:	2		
Secured Loans		32,500,000.00	32,500,000.00
Unsecured Loans		24,083,505.00	10,781,030.00
		104,849,055.00	91,546,580.00
APPLICATIONS OF FUNDS			
Fixed Assets:	3		
Gross Block		213,547,625.21	211,389,700.21
Less:Accumulated Depr eciation		183,848,310.50	181,285,398.78
Net Block		29,699,314.71	30,104,301.43
Deferred Tax Assets		47,496,315.49	33,617,715.30
Current Assets, Loans and Adv ances:	4		
Current Assets:			
Inventories		6,300,500.00	1,408,765.00
Sundry Debtors		1,516,387.15	289,764.94
Cash and Bank Balances		663,787.83	672,271.27
Loans and Adv ances		3,701,717.90	114,178.44
		12,182,392.88	2,484,979.65
Less:Current Liabilities and Pr ovisions	5	13,831,936.58	9,806,204.50
Net Current Assets		(1,649,543.70)	(7,321,224.85)
Profit and Loss Account		29,302,968.49	35,145,788.12
		104,849,055.00	91,546,580.00
Significant Accounting Policies and Notes to Accounts	12		

As per our report of even date attached
For G.K. KEDIA & CO.
Chartered Accountants

For and on behalf of the Board of Directors

Rajeev Bali
Managing Director

Krishna Bali
Director

Kanika Bhutani
Company Secretary

Gopal Kumar Kedia
Partner

M.No-054629

Firm Registration No 013016N
(Peer Review Under Process)

Place : New Delhi
Dated : 30.07.2010



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	SCHEDULE	YEAR ENDED March 31,2010 (Rs.)	YEAR ENDED March 31,2009 (Rs.)
INCOME			
Sales and Other Income	7	17,574,304.95	2,978,669.52
		17,574,304.95	2,978,669.52
EXPENDITURE			
Manufacturing and Other Expenses	8	18,777,109.39	1,833,171.24
Decrease / (Increase) in Stock of Finished Goods	9	(3,729,595.00)	0.00
Personnel Expenses	10	5,389,583.00	3,207,612.00
Administrative and Selling Expenses	11	1,503,792.81	2,750,223.92
Depreciation	3	3,669,195.30	3,922,955.24
		25,610,085.50	11,713,962.40
Profit/ (Loss) Before Pror Period Adjustments		(8,035,780.55)	(8,735,292.88)
Provision for Tax			
- Deferred Tax Assets/(Liability)		13,878,600.18	(2,059,073.67)
- Fringe Benefit Tax		0.00	12,756.00
Profit/ (Loss) After Tax		5,842,819.63	(10,807,122.55)
Profit /(Loss) Brought Forward		(35,145,788.12)	(24,338,665.57)
Profit/(Loss) Carried Forward		(29,302,968.49)	(35,145,788.12)
Earnings Per Share			
- Basic		1.22	(2.26)
- Diluted		1.22	(2.26)
Par Value of Share		Rs. 10/-	Rs. 10/-
Significant Accounting Policies and Notes to Accounts	12		

As per our report of even date attached
For G.K. KEDIA & CO.
Chartered Accountants

For and on behalf of the Board of Directors

Rajeev Bali
Managing Director

Krishna Bali
Director

Kanika Bhutani
Company Secretary

Gopal Kumar Kedia
Partner

M.No-054629
Firm Registration No 013016N
(Peer Review Under Process)

Place : New Delhi
Dated : 30.07.2010



SCHEDULE FORMING PART OF BALANCE SHEET

	AS ON March 31, 2010 (Rs.)	AS ON March 31, 2009 (Rs.)
SCHEDULE "1"		
SHARE CAPITAL		
AUTHORISED		
18,000,000 (18,000,000) Equity Shares of Rs. 10/- (Rs.10/-) each	<u>180,000,000.00</u> 180,000,000.00	<u>180,000,000.00</u> 180,000,000.00
ISSUED		
11,110,000 (11,110,000) equity shares of Rs. 10/- (Rs.10/-) each for cash at par	<u>111,100,000.00</u> 111,100,000.00	<u>111,100,000.00</u> 111,100,000.00
SUBSCRIBED AND PAID-UP		
4,781,510 (1,031,810) Equity Shares of Rs.10 (Rs.10) each fully paid up	47,815,100.00	47,815,100.00
Add: Forfeited Shares	450,450.00	450,450.00
	<u><u>48,265,550.00</u></u>	<u><u>48,265,550.00</u></u>
SCHEDULE "2"		
LOAN FUNDS		
SECURED LOAN		
From Strategic Investors as per BIFR Order	32,500,000.00	32,500,000.00
* Secured against mortgage of Land and Building and hypothecation of Plant & Machinery (present & future)		
	<u><u>32,500,000.00</u></u>	<u><u>32,500,000.00</u></u>
UNSECURED LOAN		
From Directors and their relatives	12,594,505.00	2,642,030.00
From Body Corporates	11,489,000.00	8,139,000.00
	<u><u>24,083,505.00</u></u>	<u><u>10,781,030.00</u></u>



**SCHEDULE : 3
FIXED ASSETS**

INTEGRATED TECHNOLOGIES LTD.

SCHEDULE FORMING PART OF BALANCE SHEET

(Amount in Rs.)

S. No.	PARTICULARS	Rate	GROSS BLOCK			DEPRECIATION			NET BLOCK		
			AS ON 01.04.2009	Addition during the Year	Deletion during the year	Total as on 31.03.2010	Up To 01.04.2009	For the Period	Deduction	Total up to 31.03.2010	AS ON 31.03.2010
1	Land		1,235,047.00	0.00	0.00	1,235,047.00	0.00	0.00	0.00	1,235,047.00	1,235,047.00
2	Building	10%	43,216,761.37	0.00	0.00	43,216,761.37	26,741,359.98	1,647,540.14	0.00	28,388,900.12	14,827,861.25
3	Plant & Machinery	15.33%	153,908,510.87	3,484,800.00	1,375,000.00	156,018,110.87	143,838,969.57	1,657,013.56	1,106,283.57	144,389,699.56	11,628,411.31
4	Plant Airconditioning	15.33%	8,693,504.68	25,000.00	0.00	8,718,504.68	6,843,357.56	286,284.05	0.00	7,129,641.61	1,588,863.07
5	Computers	40%	1,931,245.30	0.00	0.00	1,931,245.30	1,909,163.62	8,832.67	0.00	1,917,996.29	13,249.01
6	Furniture & Fixtures	18.10%	942,163.21	0.00	0.00	942,163.21	796,930.05	26,287.20	0.00	823,217.25	118,945.96
8	Office Equipments	13.91%	1,462,467.78	23,325.00	0.00	1,485,792.78	1,155,617.99	43,237.67	0.00	1,198,855.66	286,937.12
	TOTAL		211,389,700.21	3,532,925.00	1,375,000.00	213,547,625.21	181,285,398.77	3,669,195.30	1,106,283.57	183,848,310.50	29,699,314.71
	PREVIOUS YEAR		210,611,015.28	1,440,880.00	662,195.07	211,389,700.21	178,004,832.13	3,922,955.24	642,388.53	181,285,398.78	30,104,301.42
											32,806,183.15



	AS ON March 31, 2010 (Rs.)	AS ON March 31, 2009 (Rs.)
SCHEDULE " 4"		
CURRENT ASSETS, LOANS AND ADVANCES		
INVENTORIES		
(As valued and certified by the management)		
Raw Material : at Cost	1,486,015.00	720,071.00
Work in progress : at Cost	1,084,890.00	688,694.00
Finished Goods	179,857.00	0.00
Semi Finished Goods	3,549,738.00	0.00
	<u>6,300,500.00</u>	<u>1,408,765.00</u>
SUNDRY DEBT ORS		
(Unsecured, Considered good, Unless Otherwise Stated)		
Outstanding for More than 6 months	97,031.00	31,041.24
Outstanding for Less than 6 months	1,419,356.15	258,723.70
	<u>1,516,387.15</u>	<u>289,764.94</u>
CASH AND BANK BALANCES		
Cash in hand	114,773.00	204,975.64
Bank Balance with Schedule Bank		
In Current Account	99,014.83	17,295.63
In Fixed deposit A/C	450,000.00	450,000.00
	<u>663,787.83</u>	<u>672,271.27</u>
LOANS AND ADVANCES		
(Unsecured, Considered good, Unless Otherw ise Stated)		
Value to be received in Cash or in Kind	282,841.65	114,178.44
Advance to Suppliers	3,417,469.96	0.00
Advance for Legal and Professional Fee	1,406.29	0.00
	<u>3,701,717.90</u>	<u>114,178.44</u>
SCHEDULE " 5"		
CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES		
Sundry Creditors:		
- Total Outstanding dues to Small Scale Industrial Undertaking(s)	0.00	51,046.75
- Total Outstanding dues of Creditors other than Small Scale Industrial Undertaking(s)	6,546,795.66	2,332,903.41
Advance from Customers	1,515,000.00	0.00
Expenses Payable	3,358,218.00	5,272,478.60
Duties and Taxes Payable	2,205,316.84	2,137,019.74
Book overdraft	206,606.08	0.00
	<u>13,831,936.58</u>	<u>9,793,448.50</u>
PROVISIONS		
Provision for Fringe Benefit Tax	0.00	12,756.00
	<u>0.00</u>	<u>12,756.00</u>
	<u>13,831,936.58</u>	<u>9,806,204.50</u>



	AS ON March 31, 2010 (Rs.)	AS ON March 31, 2009 (Rs.)
SCHEDULE "6"		
MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
Preliminary Expenses	0.00	51,291.22
Less : Expenses Written Off during the year	0.00	51,291.22
	<u>0.00</u>	<u>0.00</u>
Public Issue Expenditure	0.00	1,042,848.08
Less : Expenses Written Off during the year	0.00	1,042,848.08
	<u>0.00</u>	<u>0.00</u>
	<u>0.00</u>	<u>0.00</u>
SCHEDULE FORMING PART OF		
PROFIT & LOSS ACCOUNT		
	YEAR ENDED March 31, 2010 (RS.)	YEAR ENDED March 31, 2009 (RS.)
SCHEDULE "7"		
SALES AND OTHER INCOME		
Sales	13,257,875.20	652,983.78
Profit on Sale of Assets	0.00	21,643.50
Liabilities Written Off	4,045,800.03	2,288,766.17
Rebate and Discount	70.18	6,478.75
Foreign Exchange Gain	209,794.52	8,797.32
Interest on Fixed Deposits	60,421.69	0.00
Miscellaneous Income	343.33	0.00
	<u>17,574,304.95</u>	<u>2,978,669.52</u>
SCHEDULE "8"		
MANUFACTURING AND OTHER EXPENSES		
Raw material Consumed		
Opening Stock of Raw Material	1,408,765.00	0.00
Add: Purchases during the year	16,019,213.87	2,451,712.74
Less: Closing Stock of Raw Material	2,570,905.00	1,408,765.00
	<u>14,857,073.87</u>	<u>1,042,947.74</u>
Manufacturing Expenses		
Power and Fuel Charges	2,710,802.00	440,070.50
Consumable Store	11,555.00	0.00
Packing Material	1,737.40	0.00
Demurrage Charges	2,642.00	12,027.00
Customs Clearance and Freight Forwarding	512,217.79	53,460.00
Insurance on Purchases	18,846.33	0.00
Job Work Charges	30,040.00	15,078.00
Repair and Maintenance		
- Machinery	530,310.00	258,317.00
- Others	101,885.00	11,271.00
	<u>18,777,109.39</u>	<u>1,833,171.24</u>



	YEAR ENDED March 31, 2010 (RS.)	YEAR ENDED March 31, 2009 (RS.)
SCHEDULE "9"		
Decrease / (Increase) in Stock of Finished Goods		
Opening Stock		
Semi Finished Goods	0.00	0.00
Finished Goods	0.00	0.00
	<u>0.00</u>	<u>0.00</u>
Closing Stock		
Semi Finished Goods	179,857.00	0.00
Finished Goods	3,549,738.00	0.00
	<u>3,729,595.00</u>	<u>0.00</u>
Decrease / (Increase) in Stock of Finished Goods	(3,729,595.00)	0.00
SCHEDULE "10"		
PERSONNEL EXPENSES		
Salary and Allowances	5,279,501.00	3,168,525.00
Staff Welfare Expenses	110,082.00	39,087.00
	<u>5,389,583.00</u>	<u>3,207,612.00</u>
SCHEDULE "11"		
ADMINISTRATIVE AND SELLING EXPENSES		
Conveyance Expenses	19,737.00	20,217.00
Travelling Expenses		
- Directors	0.00	8,116.00
- Others	13,089.00	3,720.00
Payment to Auditors		
- For Statutory Audit	6,618.00	11,236.00
- For Tax Audit	4,412.00	-
Interest Expenses		
- on Outstanding Listing Fees	5,651.00	31,200.00
- on Outstanding Excise Duty	0.00	128,967.00
- on Outstanding Tax Deducted at source	0.00	2,791.00
- on Outstanding Fringe Benefit Tax	354.00	550.00
Postage and Courier Expenses	16,359.00	71,385.40
Telephone Expenses	143,987.48	88,892.26
Legal and Professional charges	553,235.00	806,839.00
Printing and Stationery	50,447.00	32,538.00
Filing Fee	1,020.00	4,152.00
Bad Debts	1,972.00	0.00



	YEAR ENDED March 31, 2010 (RS.)	YEAR ENDED March 31, 2009 (RS.)
Preliminary Expenses Written off	0.00	51,291.22
Public Issues Expenses Written off	0.00	1,042,848.08
Security Charges	30,856.00	0.00
Miscellaneous Expenses	29,803.00	11,475.00
Business Promotion Expenses	4,493.00	0.00
Advertisement Expenses	57,012.00	26,513.00
Bank Charges	36,683.29	10,862.96
Consumable Stores- trial run	0.00	27,131.00
Water and Electricity-HO	52,580.00	40,800.00
Testing Fees	3,000.00	0.00
Insurance Expenses		
- Plant and Machinery	19,278.00	106,107.00
- Others	216.75	124.00
Festival Expenses	16,766.00	1,512.00
Excise and Custom Duty	79,007.87	1,755.00
Listing Fees	130,000.00	180,000.00
Sales Tax Demand	54,853.00	8,000.00
Repair and Maintanance		
- Office	4,838.00	3,795.00
- Vehicle	25,286.00	16,751.00
- Computer	17,829.00	7,850.00
Frieght and Cartage	3,323.00	2,805.00
Loss on Sale of Machinery	121,086.42	-
	1,503,792.81	2,750,223.92



SCHEDULE “12”

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

(I) Significant Accounting Policies

1. Accounting Convention

The financial statements are prepared by following the Going Concern Concept under the historical convention, on accrual basis, in accordance with the Generally Accepted Accounting Principles in India, the accounting standards issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956.

2. Fixed Assets

Fixed Assets are stated at cost of acquisition less accumulated depreciation. Cost includes all expenses related to acquisition and installation of the concerned assets.

Gross block of fixed assets includes assets purchased under Hire-purchase agreements for which the company does not have full ownership.

3. Depreciation:

Depreciation on fixed assets has been provided on Written Down Value method in accordance with the rates prescribed in Schedule XIV of the Companies Act, 1956, as amended from time to time.

4. Impairment

At each balance sheet date, the management reviews the carrying amounts of its assets to determine whether there is any indication that those assets were impaired. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and risks specific to the asset.

Reversal of impairment loss is recognised immediately as income in the profit and loss account.

5. Inventories:

Inventories are valued at lower of cost or net realizable value. Cost is determined on the weighted average method. Finished goods and Work in Progress include cost of conversion and other costs incurred in bringing the inventories to their present locations and condition.

6. Revenue Recognition:

As a consistent practice, the company recognizes revenue on accrual basis. Sales are recognized when goods are dispatched to customers and are recorded net of returns.

7. Expenditure

Expenses are accounted for on accrual basis.

8. Foreign Currency Transactions:

Income and expense in foreign currencies are converted at exchange rates prevailing on the date of the transaction. Foreign currency monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date. Gain or loss arising out of fluctuations on realization/payment or re-statement is charged/credited to the profit and loss account.

9. Taxes on Income:

Current income tax expense comprises taxes on income payable as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum alternative tax (MAT) paid in accordance to the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax in future. Accordingly, MAT is recognized as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably.



Deferred Tax Assets or Deferred Tax Liability is recognised on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

In the event of unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only to the extent that there is virtual certainty that sufficient future taxable income will be available to realise such assets. In other situations, deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realise these assets.

10. Borrowing Cost:

Borrowing costs are expensed in the year in which it is incurred. Interest on borrowings has been charged to the revenue account.

11. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

(II) Notes to Accounts

1. Segment Reporting:

The company is engaged in the business of manufacturing of Printed Circuit Boards (PCB's). Accordingly, these financial statements are reflective of the information required by the Accounting Standard -17 for professional grade printed circuit boards segment.

2. Earnings Per share (Basic and Diluted):

A. Earning per share excluding Prior Period Incomes / Extraordinary Income

	For the Year Ended 31.03.2010	For the Year Ended 31.03.2009
(a) Profit/(loss) after tax (in Rs.) excluding prior period income	5,842,819.60	(10,807,122.55)
(b) Total Number of Equity Shares outstanding at the end of the year	4,781,510.00	4,781,510.00
(c) Basic and Diluted Earning Per Share (In Rs.) (a/b)	1.22	(2.26)

B. Earning per share including Prior Period Incomes / Extraordinary Items

	For the Year Ended 31.03.2010	For the Year Ended 31.03.2009
(a) Profit/(loss) after tax (in Rs.) including prior period income extraordinary income	5,842,819.63	(10,807,122.55)
(b) Total Number of Equity Shares outstanding at the end of the year	4,781,510	4,781,510.00
(c) Basic & Diluted Earning Per Share (In Rs.) (a/b)	1.22	(2.26)



3. Related Party Disclosure

In compliance of Accounting Standard –18 on “Related Party Disclosure” issued by the ICAI, the details pertaining to related party disclosure are as follows:

Following are the Related Parties as per AS-18

(A) Particulars of Subsidiaries/Associate Companies:

Nil

(B) Key Management Personnel:

Name	Designation
Mr. Rajeev Bali	Managing Director

(C) Relative of Key Management Personnel

Smt Krishna Bali	Mother of Managing Director
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(D) Enterprise over which any person described in (B) or (C) is able to exercise Significant influence.

Bubble Softsolutions Private Limited	Director Mrs. Krishna Bali
ITL Systems and Networks	Mr. Rajeev Bali (Proprietor)
WM Bali HUF	Karta Mr Rajeev Bali

Detail of Transactions

Nature of Transaction	Key Management Personnel	Relative of Key Management Personnel	Enterprise over which related person is able to exercise influence	Volume Of Transaction during the year (cr) (Rs)	Volume Transaction During the year (Dr) (Rs)	Closing Balance as on 31.03.2010 (Rs)
Unsecured Loan	Mr. Rajeev Bali			9,287,833	617,000	10,764,106 (Cr)
Unsecure Loan		Mrs. Krishna Bali		950,000	100,000	1,220,000 (Cr)
Unsecured Loan			Bubble Softsolutions P Ltd	3,350,000		11,489,000 (Cr)
Unsecured Loan			ITL Systems and Networks	492,200	60,558	510,399 (Cr)
Purchase of Asset & Expenses			ITL Systems and Networks	65,287		102,899.50 (Cr)

Related parties defined under Clause 3 of AS-18 “Related Party Disclosure” have been identified on the basis of representation made by managerial personnel and information available with the company.

4. Deferred Tax Assets

Provision for Deferred Tax Assets as per Accounting Standard 22, issued by the Institute of Chartered Accountants of India has been recognized as Follows:

In respect of Assessment Year 2004-05, Carried Forward Business Loss and Unabsorbed Depreciation was not taken into consideration in earlier years as the matter was pending in Appeal before Hon’ble ITAT. The Hon’ble ITAT has set aside the said order and remanded the case to the Assessing Officer. Accordingly Carried Forward Business Loss of Rs 26,613,738/- and Unabsorbed Depreciation of Rs 21,894,640 /- has now taken into consideration for calculating Deferred Tax Assets/ Liabilities.



	For the Year Ended 31.03.2010	For the Year Ended 31.03.2009
Opening Balance of DTA	Rs 33,617,715.31	Rs. 35,676,788.98
Timing Difference during the year		
Expenses Disallowed U/s 40(ai)	Rs. 497,586.00	Rs. 0.00
Depreciation As per Companies Act	Rs 3,669,195.30	Rs 3,922,955.24
Brought Forward Business Loss	Rs 26,613,738.00	Rs. 0.00
Unabsorbed Depreciation	<u>Rs 21,894,641.00</u>	<u>Rs 103,410,585.66</u>
	Rs 52,675,160.30	Rs 107,333,540.90
Less: Depreciation as per Income Tax Act	<u>Rs 7,760,596.60</u>	<u>Rs 8,428,818.00</u>
Net Timing Difference	Rs 44,914,563.70	Rs 98,904,722.90
DTA / DTL credited / charged to		
Profit & Loss A/C during the year	Rs 13,878,600.18	Rs 33,617,715.31
Closing Balance of DTA	Rs 47,496,315.49	Rs 33,617,715.31

5. The names of small scale industries to whom the company owes dues outstanding for more than 30 days at the balance sheet date are as follows

	31.03.10	31.03.09
	Rs/Lacs	Rs/Lacs
Jayna Enterprises Pvt. Ltd.	0.00	0.51

The above information and that given in Schedule of Liabilities regarding Small Scale Industrial Undertakings has been determined to the extent such parties have been identified on the basis of information available with the company. The Auditors have relied upon this.

6. Contingent Liability

	31.03.10	31.03.09
	Rs/Lacs	Rs/Lacs
In respect of demand from various government authorities regarding following dues:		
(a) P.F Payable	0.00	5.92
(b) Income Tax Demand AY 1998-99	17.63	0.00
(c) Interest on Income Tax Payable	0.00	19.32
(d) Sales Tax Demand	0.00	66.18

7. Auditor's Remuneration (including Service Tax)

	31.03.10	31.03.09
	Rs	Rs
For Statutory Audit	6,618.00	11,236.00
For Tax Audit	4,412.00	0.00

8. Additional information as required by Part-II of the Schedule VI of Companies Act, 1956

(A) Particulars of Licensed, installed capacity (as certified by the management) and Production

Products	Year	Units	Licensed	Installed	Actual Production
Printed Circuit Boards	Current Year	Sq. Mtrs.	54,000	54,000	4,616.46
Printed Circuit Boards	Previous Year	Sq. Mtrs.	54,000	54,000	197.80



(B) Sales, Opening Stock and Closing Stock of Finished Goods (As certified by Management):

Product	Year	Unit	Sales		Opening Stock		Closing Stock	
			Qty.	Value (Rs.)	Qty.	Value (Rs.)	Qty.	Value (Rs.)
Printed Circuit Boards	Current Year	Sq. Mtrs	4,552.64	13,257,875.00	NIL	0.00	63.82	179,857.00
Printed Circuit Boards	Previous Year	Sq. Mtrs	197.80	652,984.00	NIL	0.00	NIL	0.00

(C) Opening, Purchase, Consumption and Closing Stock of Raw Material and spares & Components (As certified by the Management)

Item	Unit	Opening Stock		Purchase		Consumption		Closing Stock	
		Qty.	Value (Rs)	Qty.	Value (Rs.)	Qty.	Value (Rs.)	Qty.	Value (Rs.)
Copper Clad Laminate Sheets	Nos.	255	187570.33	7933	6,704,605.41	7873	6,727,188.69	315	164,986.78
Dry & Daizo Films	Kgs	6	51,802.40	1579	1,524,521.50	1365	1,308,977.08	220	267,346.82
Ink-PCB	Kgs	8	5,716.68	1614.50	720,870.56	1601	698,989.44	21.50	27,597.80
Other Raw Materials / Spares			1,163,675.59	-	7,069,217.12	-	6,121,919.11	-	2110973.60

(D) C.I.F Value of Imports	31.03.2010	31.03.2009
Raw Material	Rs. 3,684,296.51	Rs. 46,490.32
Spares Parts	Rs. 263,409.00	Rs. 22,113.00

(E) Value of imported and indigenous material consumed	31.03.2010	31.03.2009
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Raw Material

Imported	Rs. 3,332,201.60	Nil
Indigenous	Rs. 11,237,313.72	Rs. 1,042,948.00

Spares Parts

Imported	Rs. 263,409.00	Nil
Indigenous	Rs. 24,150.00	Nil

(F) Expenditure in Foreign currency

Technical & Professional fees	Rs 113,112.76	Nil
Machinery Repair & Maintenance	Rs 37,399.66	Nil

9. Figures for the previous year have been regrouped / rearranged, wherever found necessary. Figures in bracket re-present the previous year figures.

10. Schedule 1 to 12 forms an integral part of the balance sheet and profit and loss account.



CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2010

	YEAR ENDED March 31, 2010 (Rs)	YEAR ENDED March 31, 2009 (RS.)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit/(loss) before tax and before Pri or Period Item items	(8,035,780.55)	(8,735,292.88)
Adjustments For :-		
Depreciation	3,669,195.30	3,922,955.24
Preliminary Expenses Written Off	0.00	51,291.22
Public Issue Expenses Written Off	0.00	1,042,848.08
Loss on sale of Machinery	121,086.42	0.00
Liabilities Written off	0.00	(2,288,766.17)
	3,790,281.72	2,728,328.37
Operating profit/(loss) before working capital changes	(4,245,498.83)	(6,006,964.51)
Adjustments For :-		
Increase/ (Decrease) in Current Liabilities	4,025,732.08	1,852,364.81
(Increase)/Decrease in Current Assets	(9,705,896.86)	(906,269.99)
Cash generated from operations	(9,925,663.61)	(5,060,869.69)
Less: Taxes paid	0.00	5,250.00
A. NET CASH FROM OPERATING ACTIVITIES	(9,925,663.61)	(5,066,119.69)
B.CASH FLOW FROM INVESTMENT ACTIVITIES		
Sale of Fixed Assets	147,630.00	41,450.00
Purchase of Fixed Assests	(3,532,925.00)	0.00
Net Cash from Investing Activities	(3,385,295.00)	41,450.00
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Loans	13,302,475.00	5,676,429.00
Net Cash From Financing Activities	13,302,475.00	5,676,429.00
NET CASH INCREASE/ (DECREASE) (A+B+C)	(8,483.61)	651,759.31
Cash/Cash Equivalents Opening Balance	672,271.27	20,511.96
Cash/Cash Equivalents Closing Balance	663,787.66	672,271.27

* Excluding Adjustment of Current As sets/Current Liabilities

As per our report of even date attached
For G.K. KEDIA & CO.
Chartered Accountants

For and on behalf of the Board of Directors

Rajeev Bali
Managing Director

Krishna Bali
Director

Kanika Bhutani
Company Secretary

Gopal Kumar Kedia
Partner

M.No-054629

Firm Registration No 013016N
(Peer Review Under Process)

Place : New Delhi
Dated : 30.07.2010

ATTENDANCE SLIP
INTEGRATED TECHNOLOGIES LIMITED

Registered Office:
Narsingpur, Sector-35, Gurgaon-122 001, Haryana
Twenty Fourth Annual General Meeting, 30th September, 2010

PLEASE COMPLETE THE ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL. Joint Shareholders may obtain additional Attendance Slips on request.
NAME AND ADDRESS OF THE SHAREHOLDER/PROXY*

.....
Folio. No No. of Shares held :
If proxy, full name of the Shareholder.....

I hereby, record my presence at the Twenty Fourth ANNUAL GENERAL MEETING of the Company held on Thursday, 30th September, 2010 at 9.00 a.m. at its Registered Office.

SIGNATURE OF THE MEMBER/PROXY*

* Strike out whichever is not applicable.

..... Tear Here

PROXY FORM
INTEGRATED TECHNOLOGIES LIMITED

Registered Office:
Narsingpur, Sector-35, Gurgaon-122 001, Haryana
Twenty Fourth Annual General Meeting, 30th September, 2010

Folio.No.

I/We..... of in the district of being a member/member(s) of the above named company hereby appoint of in the district of or failing him/her of as my/our proxy to vote for me/us and on my/our behalf at the Twenty Fourth Annual General Meeting to be held at 9.00 a.m. on Thursday, the 30th September, 2010 at its Registered Office or at any adjournment thereof.

Signed this day of 2010.



Signature (s) (across the stamp)

NOTE:

1. The proxy need not be member of the Company
2. The proxy form duly signed across 1 Rupee Revenue Stamp should reach the Company's Registered office not less than 48 hours before the time fixed for commencement of the meeting.

BOOK - POST



If undelivered, please return to :

INTEGRATED TECHNOLOGIES LIMITED

Registered Office: Narsingpur, Sector-35, Gurgaon-122 001, Haryana (India)

Proactive # 9818261790