

**16th
Annual Report
2001-2002**

INTEGRATED TECHNOLOGIES LIMITED

Boar d of Directors

Rajeev Bali
K.R.Shivakumar
Kamala Chibber
Lt. Gen H.C. Dutta (Retd.)
Devendra Manchanda

Managing Director
Director
Director
Director
Director

Nominees

Rudolf R. Schuelein
Sandeep Kapoor

FUBA Printed Circuits Gmbh, Germany
Haryana State Electronics Development Corporation Limited

Asstt. Company Secretary
Shalini Joshi

Bankers

Punjab & Sind Bank
ABN AMRO
State Bank of India

Auditors

M/s G.S.Johar & Co.
Chartered Accountants
74, Hemkunt Colony, New Delhi- 110 048

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 Monday, September 30th, 2002 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 **SIXTEENTH ANNUAL GENERAL MEETING** of the Members of the Company will be held on Monday, 30th September, 2002 at 9.00 a.m. at Narsingpur, Sector 35, Gurgaon -122 201, Haryana, India to transact the following businesses: -

I ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2002 together with the reports of the Auditors and Directors thereon.
2. To appoint a director in place of Mr. K. R. Shivakumar, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a director in place of Mr. Rajeev Bali, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors for the financial year 2002-2003 till the conclusion of next Annual General Meeting and to fix their Remuneration, M/s G. S. Johar & Co, the retiring Auditors, being eligible, offer themselves for reappointment.

II. SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modification (s), the following resolution as an Ordinary Resolution: -
"RESOLVED THAT Mrs. Kamala Chhibber, who was appointed as an Additional Director of the Company by the Board of Directors and who holds office as per Section 260 of the Companies Act, 1956, upto the conclusion of this Annual General Meeting and in respect of whom the Company has, pursuant to Section 257 of the Companies Act, 1956, received notice in writing proposing her candidature for the office of director from a member of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation."
6. To consider and if thought fit, to pass with or without modification (s), the following resolution as an Ordinary Resolution: -
"RESOLVED THAT Mr. Devendra Manchanda, who was appointed as an Additional Director of the Company by the Board of Directors and who holds office as per Section 260 of the Companies Act, 1956, upto the conclusion of this Annual General Meeting and in respect of whom the Company has, pursuant to Section 257 of the Companies Act, 1956, received notice in writing proposing his candidature for the office of director from a member of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation."
7. To consider and if thought fit, to pass with or without modification (s), the following resolution as a Special Resolution: -
"RESOLVED THAT pursuant to the provisions of Section 81 (1A)(a) of the Companies Act, 1956, the Directors of the Company be and are hereby authorized to issue 70 lac fully paid equity in the Company at a rate of Rs. 10 per share at par, ranking pari passu with the existing equity shares in all respects through private placement without offering the same to the persons who at the date of the offer are holders of the equity shares of the Company."
8. To consider and if thought fit, to pass with or without modification (s), the following resolution as a Special Resolution: -
"RESOLVED THAT pursuant to the provisions of Section 15 of The Sick Industrial Companies (Special Provisions) Act, 1985, the Directors of the Company be and are hereby authorized to make a reference to the Board of Industrial and Financial Reconstruction as the net worth of the Company has eroded by more than 100 per cent.
RESOLVED FURTHER THAT Mr. Rajeev Bali be and is hereby authorized to file such Form, documents, declarations as may be necessary in this regard."

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 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, 2002 to 30th September, 2002.
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.



ANNEXURE TO THE NOTICE

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

Item No 5

The Board of Directors of the company appointed Mrs. Kamala Chhibber as an Additional Director. In terms of section 260 of the Companies Act, 1956 (the "Act") Mrs. Kamala Chhibber shall hold office only upto the date of the Annual General Meeting of the Company. The Company has received valid notice and requisite deposit from a member of the Company under section 257 of the Act, proposing the candidature of Mrs. Kamala Chhibber for the office of Director.

The Directors recommend the Resolution for the approval of the Members.

Mrs. Kamala Chhibber is interested in the resolution as it relates to her appointment. None of the other Directors are in any way, concerned or interested in the resolution.

Item No 6

The Board of Directors of the company appointed Mr. Devendra Manchanda as an Additional Director. In terms of Section 260 of the Companies Act, 1956 (the "Act") Mr. Devendra Manchanda shall hold office only upto the date of the Annual General Meeting of the Company. The Company has received valid notice and requisite deposit from a member of the Company under section 257 of the Act, proposing the candidature of Mr. Devendra Manchanda for the office of Director. Mr. Manchanda is a Chartered Accountant by profession and is presently appointed as Chairman of the Audit Committee of the Company.

The Directors recommend the Resolution for the approval of the Members

Mr. Devendra Manchanda is interested in the resolution as it relates to his appointment. None of the other Directors are in any way, concerned or interested in the resolution.

Item No. 7

The Board of Directors in their Meeting held for adoption of Audited Accounts discussed the various means of raising finance to fund the One Time Settlement offer received from the Financial Institutions, and it was agreed that apart from raising loan from private lenders, issue of equity shares can also be considered. The current authorized capital of the Company is Rs. 18 crores of which Rs. 11 crores is the issued capital; further issue of Rs. 7 crores is also possible to private parties. The proposal is under discussion and likely to be accepted, but your Directors require your approval to proceed with preferential allotment in terms of section 81 (1A) of the Companies Act, 1956. Hence, this resolution is proposed for your approval as a special resolution.

None of the Directors of the Company are in any way, concerned or interested in the resolution.

Item No. 8

In terms of Section 15 of The Sick Industrial Companies (Special Provisions) Act, 1985, when an industrial company has become a sick industrial Company i.e., at the end of a financial year its accumulated losses equal to or exceed its entire net worth, the Board of Directors of the Company shall within sixty days from the date of finalization of the duly audited accounts of the Company for the financial year as at the end of which the Company has become a sick industrial Company, make a reference to the Board of Industrial and Financial Reconstruction for determination of the measures which shall be adopted with respect to the Company Hence, this resolution is proposed for your approval as a Special Resolution.

None of the Directors of the Company are in any way, concerned or interested in the resolution.

By Order of the Board of Directors

Asstt. Company Secretary

Place : New Delhi
Dated : 30.07.2002



DIRECTORS' REPORT

Your Directors have pleasure in presenting the **Sixteenth Annual Report** together with **Audited Accounts** of the Company for the year ended 31st March, 2002.

Financial Results

(Rs. In Lacs)

	2001-2002	2000- 2001
Sales of Products and other income	187.42	358.64
Manufacturing and other expenses	282.94	424.79
Depreciation	304.98	357.18
Interest	314.92	198.24
Profit/(Loss) before tax	(715.42)	(621.57)

Dividend

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

Directors

The Board of Directors appointed Mrs. Kamala Chhibber and Mr. Devendra Manchanda as an Additional Director during the year. Mrs. Kamala Chhibber and Mr. Devendra Manchanda will hold office upto the date of the ensuing Annual General Meeting, however the Company has received notice u/s 257 of the Companies Act, 1956 for appointment of Mrs. Kamala Chhibber and Mr. Devendra Manchanda as Directors liable to retire by rotation. Further, Mr. V. K. Dhawan resigned from the Board. Mr. Rajeev Bali, Mr. K. R. Shivakumar retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

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:

- (i) that in the preparation of the annual accounts for the financial year ended 31 st March, 2002, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) 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;
- (iii) 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;
- (iv) that the directors had prepared the accounts for the financial year ended 31 st March, 2002 on a 'growing concern' basis.

Corporate Governance

As required under Clause 49 of the Listing Agreement a Report on Corporate Governance alongwith Management Discussion and Analysis Statement forms part of the Annual Report envisaging the Company's philosophy on Corporate Governance and steps taken towards its implementation in the day-to-day working of the Company and make more information relating to the working of the Company freely available to investors, shareholders and other statutory bodies and Company's prospects of growth and development vis-a-vis the industry.

Audit Committees

As required under section 292A of the Companies Act, 1956 the Company has appointed an Audit Committee comprising of Mr. Rajeev Bali, Lt. Gen H. C. Dutta and Mr. V. K. Dhawan. Mr. Dhawan served as the Chairman of the Committee upto the financial year 2001-02, he resigned in March 2002 and Mr. Devendra Manchanda was appointed 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 meets as and when required and at least twice in a year.

Auditors & Their Report

Auditors of the Company, M/s G.S. Johar & Co., Chartered Accountants, New Delhi are retiring at this Annual General Meeting and are proposed to be re-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.

Provisions Of Sick Industrial Companies (Special Provisions) Act, 1985

Since the provisions of the Sick Industrial Companies (Special Provisions) Act, 1985 have become applicable to the Company, the Directors of your Company have placed before you a resolution for your approval for making a reference to the Board of Industrial and Financial Reconstruction. The reference has to be made within sixty days from the adoption of the duly audited financial accounts for the relevant financial year.

Future Outlook

The international PCB market is a US\$ 31 billion industry as of 2001 end, growing at CAGR of over 9 % per annum, and is expected to grow as such up to 2005 to over US\$ 42 Billion. Since Quarter II 2001, the international melt-down of IT sector companies and the consequent recession that has set in into the global economy, had affected business adversely. This was further aggravated very substantially by the Sept. 11, 2001 terrorist attacks in the USA. However, the world business scenario has since improved in Q1 2002, and the Company is receiving substantial orders now. This is expected to rise further, as most developed countries i.e., North America, and Europe are turning into net importers of PCBs due to prohibitively high wage-costs there. Similarly, Far Eastern companies are shifting production bases to countries with low cost technically skilled labor, typically China, and now India.

Statutory Statements Under Sections 217 (1)(E) And 217 (2a) Of The Companies Act, 1956

(a) Foreign Exchange Earnings and Outgo:

The information under this head is as follows:

	(Rs. In Lacs)
Foreign Currency Earnings	164.78
Foreign Currency Outgo	
(1) Travelling (foreign)	0.96
(2) Import of Machinery	23.24
(3) Import of raw materials	61.15
(4) Consumption of raw materials	117.40
(5) Fees and subscription	0.57

The value of machinery has been recorded as per the currency rates prevailing at the year-end.

(b) Conservation of Energy and Technology Absorption:

The Company is 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. The Company continues 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.

Acknowledgements

Your Directors would like to express their grateful appreciation for the assistance and co-operation received from the Financial Institutions, Banks, Government Authorities, 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

(Rajeev Bali)
Managing Director

Place: New Delhi
Dated: 30-07-2002



REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company endeavors to make the directors of the company accountable to the shareholders for their actions, to ensure that the Directors are subject to their duties, obligations and responsibilities, to 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.

2. 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	Managing Director	1	8	8
Mr. K. R. Shivakumar	Promoter-Non-Executive	Director	-	8	-
Mr. V. K. Dhawan*	Independent-Non-Executive	Director	4	8	4
H. C. Dutta Lt. Gen.(Retd.) (Vice Chief of Army Staff.)	Independent-Non-Executive	Director	2	8	3
Mr. W. D. Schmejkal	-Non-Executive	Nominee Director	-	8	-
Mr. Sandeep Kapoor	-Non-Executive	Nominee Director	8	8	-
Mrs. Kamala Chhibber	Independent-Non-Executive	Additional Director	-	8	1
Mr. D. Manchanda**	Independent-Non-Executive	Additional Director	1	8	-
Mrs. Krishna Bali+	Independent-Non-Executive	Director	-	8	2

* Resigned from the BOD in March, 2002

** Appointed to the BOD in May 2002

+ Resigned from the BOD on 15-5-2001

Meetings of the Board of Directors were held on

- | | |
|--------------------|-----------------------|
| 1. 16th April 2001 | 5. 31st October 2001 |
| 2. 15th May 2001 | 6. 29th November 2001 |
| 3. 29th June 2001 | 7. 31st January 2002 |
| 4. 31st July 2001 | 8. 27th March 2002 |

The following directors were present at the Fifteenth Annual General Meeting held on 28th September 2002:

1. Mr. Rajeev Bali
2. Mr. V. K. Dhawan

3. COMMITTEES OF BOARD OF DIRECTORS

I. Audit Committee

Terms of reference of the Audit Committee include the following-

- a) 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.
- b) To recommend the appointment and removal of external auditor, fixation of audit fee and also approval of payment for any other services.
- c) 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.
- c) To review the Company's financial and risk management policies.
- d) To look into the reasons for substantial defaults in the payments to creditors.
- e) 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.
- f) 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 Attended	Profession
Mr. V.K. Dhawan*	Chairman	Independent Director	3	Chartered Accountant
Mr. Rajeev Bali	Member	Executive Director	4	Business
Lt. Gen H.C. Dutta	Member	Independent Director	4	Lt. Gen.(Retd.) Vice Chief of Army Staff

* Mr. V.K.Dhawan resigned from the Board in March 2002.

II. Shareholders Grievances Committee

The Company has formed Shareholder's Grievance Committee in January 2002. It consists of **Mr. Rajeev Bali, Managing Director and Mrs. Kamala Chhibber, Director**. The Committee meet at frequent intervals to consider, inter alia, shares transfers, shareholder's complaints, replacement of lost/stolen/ mutilated share certificates, issue of duplicate certificates, etc.

In terms of Clause 47 of the Listing Agreement, the Company Secretary of the Company has been appointed as the Compliance Officer to deal with the shareholders and the Stock Exchanges etc. with respect to the investor services and complaints related matter.

The shareholder grievances are attended promptly generally within 5 days from the receipt of the complaint. Since the Share Transfer Meetings are held on 1st and 15th of every month, the transfers are not kept pending for more than 10-12 days.

S.No.	Nature	Number	
		Received	Attended
1.	Transfer of shares	7	7
2.	Dematerialization of shares	13	13
3.	Loss of shares/Duplicate shares	2	1
4.	Others	10	10
	Total	32	31

III. Remuneration to Directors

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

4. GENERAL BODY MEETINGS

Location and time, where last 3 Annual General Meetings held

Year	Date	Time	Venue	Agenda
Fifteenth	28 th Sept. 2001	9.00 A.M.	Narsingpur, Sector-35, Gurgaon, Haryana	No. Special Resolution formed part of the business of the Meeting.
Fourteenth	29 th Sept. 2000	9.00 A.M.	Narsingpur, Sector-35, Gurgaon, Haryana	1. Amendment of Articles of Association (Provision for dematerialization of shares was inserted). 2. Variation of terms of Appointment of the Managing Director (Increase in the remuneration of the Managing Director).
Thirteenth	30 th Sept. 1999	9.00 A.M.	Narsingpur, Sector-35, Gurgaon, Haryana	No special resolution formed part of the business of the Meeting.

Postal Ballot : No resolution has ever been passed through postal ballot.

5. DISCLOSURES

- i) 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.



- ii) 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.

6. MEANS OF COMMUNICATION

- i) **Half-yearly report/ Quarterly Results sent to each household of shareholders-** Half Yearly Un audited 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.
- ii) **Which newspaper normally published in-** The Pioneer, a daily newspaper published in English and Veer Arjun published in Hindi.
- iii) **Any website, where displayed-** The details about the Company, its product, management, performance / 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.**

7. GENERAL SHAREHOLDER INFORMATION: -

- i) **AGM: Date, time and venue-** The Annual General Meeting of the Company is scheduled to be held on 30th September 2002 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 2002 – 30th September 2002 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-

- a) **Delhi Stock Exchange**
3/1, Asaf Ali Road,
Near Turkman Gate,
New Delhi – 110 002
- c) **Jaipur Stock Exchange**
Rajasthan Chamber Bhawan,
M. I. Road,
Jaipur – 302 001
- b) **The Stock Exchange, Mumbai**
1st Floor, New Trading Ring,
Rotunda Building, P J Towers,
Dalal Street, Fort,
Mumbai – 400 001

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

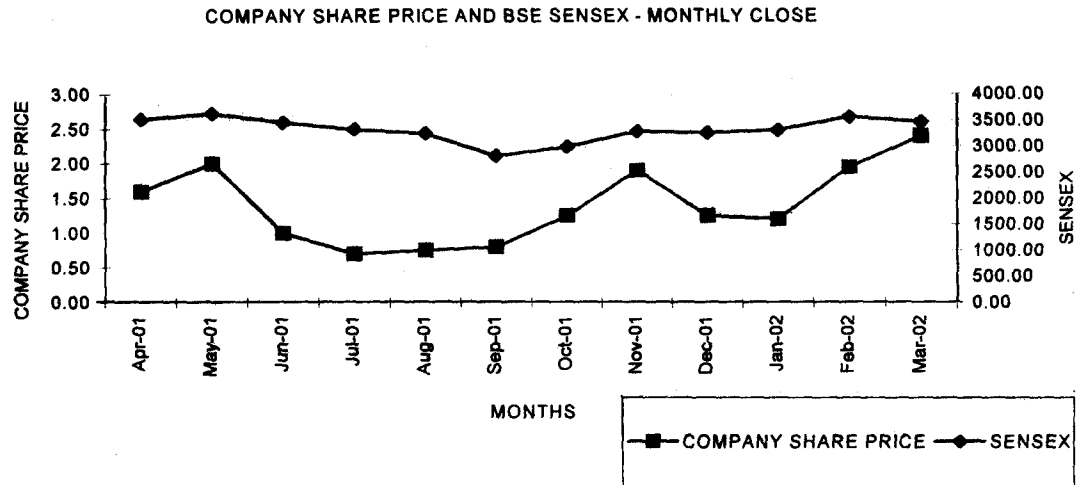
Stock Exchange	Stock Code
Delhi Stock Exchange	7700
The Stock Exchange, Mumbai	31889
Jaipur Stock Exchange	657

- vii) **Market Price Data: High, low during each month in last financial year-**

Month	BSE		
	High	Low	Volumes
April, 2001	2.15	1.00	17404
May, 2001	2.15	1.60	2750
June, 2001	1.80	1.00	6890
July, 2001	1.25	0.70	3300
August, 2001	0.85	0.75	700
September, 2001	1.30	0.80	2201
October, 2001	1.25	1.00	450
November, 2001	1.90	1.35	3300
December, 2001	2.40	1.15	6915
January, 2002	1.20	0.90	1700
February, 2002	2.40	1.15	3748
March, 2002	2.40	2.00	7



vii) Performance in comparison to BSE SENSEX,-



- ix) **Registrar and Transfer agents**-The Company has In-House Share Department at Narsingpur, Sector- 35, Gurgaon-122001, Haryana.
- x) **Share Transfer System**-The Company has In-House Share Department and the Share Transfer Meetings are held every fortnight generally on the 1st and 15th of every month. If on scrutiny any discrepancy is found the shares are promptly sent back and dealt with accordingly. As the shares of the Company are under compulsory dematerialization, after the transfer, Transfer cum Demat letters are issued to enable the transferee to get the shares dematerialized. However, if the request is not received within 30 days of the date of Transfer cum Demat letter, the shares are dispatched to the transferee by registered post.
- 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 ISIN No. allotted to the Company is **INE882B01011**. For the Depository function the Company has appointed M/s Skyline Financial Services Pvt. Ltd., 123 Vinoba Puri, Lajpat Nagar-II, New Delhi- 110 024 as its Electronic Registrars.
- 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.**
- xv) **Categories of shareholders**- The Distribution Schedule of the Company as on 31st March, 2002 is as follows:-

	Category	No. of Shares held	Percentage of Shareholding
1.	Indian Promoters	2588900	25.09
2.	Foreign Promoters	500000	4.84
3.	Foreign collaborator	1000000	9.70
4.	Mutual Funds and UTI	230900	2.24
5.	Banks, Financial Institutions, Insurance Co.	26300	0.25
6.	FII's	2300	0.02
7.	Private Corporate Bodies	948042	9.19
8.	Indian Public	4266258	41.35
9.	NRIs / OCBs	750900	7.28
10.	Others	4500	0.04
	GRAND TOTAL	10318100	100

Note:

- Shareholding given above for each category comprises of Physical holding as well as demat holding.
- The Issued Capital of the Company is 11110000 shares, however 791900 shares were forfeited in the year 2000, hence the shareholding pattern is given only for the existing shares i.e., 10318100 shares.
- Total Foreign shareholding is 753200 shares, which is equal to 7.30 per cent of the total issued capital.



MANAGEMENT DISCUSSION AND ANALYSIS STATEMENT

INDUSTRY STRUCTURE AND DEVELOPMENT

Printed Circuit Boards (PCBs) are a basic electronic component and are essentially pre-wired boards that replace wiring between electronic components and help in achieving miniaturization and higher reliability of the equipment. PCBs are used in all electronic goods and equipments, and the end user equipments determine the type of PCB used. Indicative areas of common use are consumer electronic industry, computer industry, instrumentation and industrial electronics, medical electronics, aerospace and defence industries, telecommunications industry and automotive industry, etc.

PCBs revolutionized the development of the electronic industry since their inception in the 1940's - 1950's, with the use of very simple single sided printed wiring boards. Technological evolution of the electronics industry that has developed exponentially ever since, has driven the PCB industry to evolve products commensurate with such technological advancements. This led to the development of Double Sided Plated-Thru-Hole (DSPTH) and subsequently Multi Layer Printed Circuit Boards (ML PCBs), enabling higher component packaging densities, greater sophistication of electronic products and higher reliability. Furthermore, increasing miniaturization of electronics has necessitated narrowing of conductor track width, decrease of their spacing within the PCBs, drilling and electro-plating of smaller connecting holes, and higher hole-densities.

PCB technology continues to evolve in line with the requirements of the electronic industry.

The total PCB market can be defined broadly in terms of (i) size of operations, (ii) technology type, and (iii) end-use applications.

Size of operations - three main segments:

- (i) The mass-volume segment: Where factories are configured to produce two or three types of PCBs to be produced at extremely high volumes.
- (ii) The custom board segment: These are PCBs which are produced specific to end user design and technology requirements, typically at much lower volumes, but requiring much higher capital outlays than the mass volume-segment, as a result of greater flexibility required in the manufacturing process, and typically much higher sophistication in technology.
- (iii) Proto-type manufacturing.

TECHNOLOGY LEVELS

	Technology Type		Application
1.	Very high-tech	-	Military & Aerospace
2.	High-tech	-	Computer, Telecom, Industrial & Medical
3.	Medium-tech	-	Industrial, Auto, Consumer
4.	Low-tech	-	Consumer, Auto

These are merely indicative but not mutually exclusive, but define the following segment - wise analysis.

END-USER APPLICATIONS

1. Type of PCB - Single Sided (SS), Double Sided (DS), DS PTH, ML, flexible PCBs, rigid-flexibles, and other speciality types such as metal-core, polyimide/Teflon, 3-Dimensional PCBs etc.
2. End-user applications - The end-use invariably determines the type of PCBs used, as mentioned above, i.e., the degree of sophistication of end-user equipment. Thus while consumer electronics would primarily use SS and DS PCBs, with increasing sophistication in recent years DS PTH and even to a small extent ML PCBs are being incorporated in entertainment electronics such as HDTV, computer games, microprocessor controlled home appliances, etc. Professional electronics such as the computer industry, telecommunications switching and transmission equipments, industrial and medical electronics use DS PTH, ML, specialty PCBs such as flexibles/rigid-flex PCBs, etc. Recent trends show an increasing emphasis on ML PCBs. Therefore this segment (ML PCBs) is projected to grow at the fastest rate. Technological requirements in terms of higher component packaging densities and increased miniaturisation have resulted in ML PCBs being used increasingly in place of DSPTH PCBs in all professional applications, especially the computer and telecom industries.

GLOBAL STRUCTURE OF PCB MANUFACTURING

With increasing migration of PCB units to low skilled labour cost economies, existing PCB manufacturers in developed countries of North America, Europe and Japan are concentrating very high value-addition type PCB production, high-layer count ML PCBs, and other specialty boards including BGA, HDI, and Sequential Build Up technologies.

The Far Eastern and Chinese producers are mainly catering to the mass-volume low-price non-custom market segment. Asian producers find a vastly increased opportunity and market access to the international market, especially North America and Europe who had witnessed a substantial shake-out in the PCB industry in 1992-3, and then 2001, the peak years of the recession of the global electronics industry. These producers are now increasingly entering the custom-board segment in the medium to high-tech segments.

In general, the past 3 to 4 years have also witnessed a very substantial surge in growth in PCB manufacturing operations in terms of size and capacity primarily through mergers and acquisitions. Extreme pricing pressures in conjunction with exponential growth in technology levels in the electronics and therefore the PCB industry worldwide have fuelled these developments to maintain competitive capabilities. Furthermore, the "China factor", or the entry of China into this industry in a major way has also been a major factor in PCB companies



restructuring themselves to enhance their (i) capacity and (ii) technology to remain financially competitive.

OPPORTUNITIES AND THREATS

We are presenting below a SWOT analysis of the Company.

Strengths

1. **An internationally competitive capacity and contemporary technology 100% EOU project.** This has been made possible by setting up very modern and contemporary production and testing facilities and equipments for PCB manufacturing.
2. **State-of-the-art technology support and access** - In this short space of time since our plant's inception, the Company has established itself as a reliable producer of very high quality and technology Printed Circuit Boards (PCBs), including very fine-line, high conductor track width & spacing and hole density Surface Mount Device (SMD) Single-sided, Double-sided, and Multi-layer PCBs. The Company's technology provider and collaborator / JV Partner FUBA, is one of Europe's largest and best known manufacturers of high technology and quality PCBs, an international market leader. ITL continues to receive support on new technological developments internationally from them.
3. **An international orientation provided by the promoters which has been effectively imbibed by a professional and trained work force** - ITL is promoted by Indian and foreign technocrats with engineering and management education and substantive work experience in USA, UK and India in marketing, electronic component and telecom manufacturing and consulting, among others. The Company is co-promoted by FUBA who have contributed 25% of the promoters' capital.
4. **Orders / Business in hand potentially booking full current capacity** - business / orders are being received / expected for which Pilot Orders have already been executed and sampling completed successfully, and as per commitments received from the Companies after conclusion of very extensive, stringent and lengthy technical qualification exercises and commercial negotiations from very reputed international companies.
5. **Locational advantage**- Gurgaon is perhaps the most optimally located and fastest growing industrial zone, attracting very substantial foreign investment due to the location adjoining New Delhi. ITL's factory being approximately 22 kms. from the New Delhi International Airport, benefits by the substantial infrastructure available. Gurgaon is also a home to a number of leading electronics and telecom companies such as Alcatel, Sony, Akai, etc.

Weaknesses

1. The project has been delayed resulting in cost overruns mainly on account of interest dues to the Financial Institutions arising out of such delays. This has imposed a very substantial financial burden on the Company, which is mainly responsible for the Company's adverse financial position currently.
2. 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. Recent examples are the international political and security environment that resulted from the Sept 11 terrorist attacks on the USA and the consequent disastrous implications on business worldwide has had a serious negative impact on the growth of the company. The recessionary trends set in the international economy have also impacted Company's prospects in the international market.

Opportunities

1. **The international PCB market - Healthy growth projected and increased market access for Asian PCB producers** - Compound average growth rates of approximately 10% approx. is projected by the year 2005, and the wage-cost advantage coupled with the shake-out in North American and European PCB industry present a substantial opportunity for exports to those regions
2. **The Indian advantage- Low cost skilled labour and low cost indigenous pollution control** - Much like the software and other such industries that have a substantial skilled labour component, India competes very strongly viz-a-viz the rest of the world on this account, and presents a strong opportunity for investment in such industries.

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. The implications on the PCB industry is apparent in terms of reduced demand and falling prices during periods of down turns.
2. The profitability of the Company could be effected by adverse movements in foreign currencies being a 100% EOU. However, as most earnings are anticipated in reasonably stable currencies such as EURO and US Dollar, the Company's risk on this front is considerably insulated.
3. Risks associated with Governmental restrictions/policy changes are minimal, as the past history has indicated high priority attached to export oriented projects.
4. The Company could face competition in the domestic market from industrial groups who may invest in such large projects in the future. However, the impact of this would be marginal as the project is primarily export oriented. Furthermore, the Company will be exposed to competition in the international market.

The foregoing SWOT analysis suggests in conclusion that the project is fundamentally sound, and weakness and threats have either been addressed, or are not substantial

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. mtr per annum, catering to end users in the custom board segment.

OUTLOOK

In this short space of time since our plant's inception, our Company has established itself as a reliable producer of very high quality and technology Printed Circuit Boards (PCBs), including very fine-line, high conductor track width & spacing and hole density Surface Mount Device (SMD) Single-sided, Double-sided, and Multi-layer PCBs. Furthermore, the Company has received very prestigious international Approvals and Certifications in record time such as UL (Underwriters Laboratory), USA, ISO 9001 : 2000 (Version 2000, which is the new dispensation achieved by only 3% companies world-wide till date), among others.

In line with our superior technology and capabilities, we have emerged as preferred suppliers to international blue-chip electronics giants such as Nokia, Ericsson, Siemens, etc. and our products have been used in assemblies for Mercedes Benz, BMW, Volvo, Audi, etc.

The international PCB market - Before September 11, 2001 was a US\$ 34 billion industry growing at a very impressive Compound Average Growth Rate (CAGR) of over 9 % per annum, and was expected to grow as such well beyond 2005 to over US\$ 56 Billion. Since Quarter II of calendar year 2001, the international meltdown of IT sector companies and the consequent recession that has set in into the global economy, has affected business adversely.

However, it is indeed noteworthy that the world business scenario has improved distinctly in Q1 2002, and we as a Company are receiving substantial orders now. These are expected to rise further in the coming Financial Year 2002-03, as most developed countries i.e., North America, and Europe are turning into net importers of PCBs due to prohibitively high wage-costs there. Similarly, the Far Eastern countries have recently witnessed spiraling wage-cost and are shifting production bases to countries with large reserves of low cost technically skilled labor.

While the international market offers a unique and highly profitable opportunity for export for Indian companies, they have been unable to do so due to low capacity and technology, and reported a poor US\$ 18 million export for 2000.

The domestic PCB market - is set to boom in the immediate future with opportunities arising from the telecom industry and the automotive industry, both of which are quantitatively and qualitatively the high volume users of PCBs, including multi-layer PCBs. With the entry of a number of multinational companies in these industries as also other areas in electronics manufacturing, the demand growth in this segment is expected to exceed 30% per annum. The recent relaxation of norms by the Government of India for EOU units in the electronic sector allowing them to sell a higher quantity of their produce domestically would add to the flexibility in markets, price realizations, and therefore the profit potential of the project.

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.

The emphasis therefore is on systems and their effective monitoring. The control systems can accordingly be categorized into two broad areas -

1. *Technical* - The primary concern is to ensure product quality, optimization of costs which entails determination and maximization of employee productivity, and that of other technical resources including plant and machinery, technology inputs, etc.

To this end, for each technical department, guidelines and parameters are issued with regards to achievement of desired/required quality standards and other operating parameters, whether in terms of inputs, processing, or output per man-hour etc. This is complemented with frequent inspections and comparisons of standard costs with actual cost variances, reasons for variations and reporting and fixing responsibility and suggesting measures for future course of action, by way of an institutionalized Quality Audit function with independent reporting directly to the Company's Managing Director/Chief Executive Officer.

2. *Financial/Commercial* - Hence again the focus is on optimizing financial and material resources. Similarly, reporting systems and formats are designed and issued to Finance and Accounts, Sales & Marketing, Purchase and Stores, and the Commercial departments. Weekly, monthly and quarterly reviews have been instituted in addition to other routine checks and analyses that are performed as per systems institutionalized for this purposes of analyzing and suggesting correctives for variations from prescribed norms. It may be pertinent to note that even financial and commercial systems, procedures, and reporting formats are subject to review from time to time with a view to achieving higher degrees of efficacy of financial resources leading to optimization at even higher levels.
3. *Steps taken for recovery of debts due for more than six months* - The Marketing and Accounts independently maintain an "Aging Analysis" for each sales transaction taking into account the terms of sales of each such transaction. Customer outstanding are discussed and followed-up on a weekly basis. Reports of "sub-standards accounts," i.e., non-payments within prescribed time frames are reported to the MD/CEO regularly. For all Export sales on open credit basis, the Company obtains an ECGC Insurance cover for each customer who is offered such terms of business. The Company has set up certain frames within which recoveries are imminent with vigorous follow-up failing which ECGC cover is invoked.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The Company commenced commercial production in the year 2000, and a substantial part of the year was spent in obtaining necessary



approvals and certifications. At this juncture the performance of our unit till date does not reflect the inherent strengths and capabilities, for a variety of reasons. However, as is evident from the very nature of these reasons (which we are listing below), the company has already overcome these factors and we therefore expect a much better performance in line with if not exceeding projected performance.

1. We have received UL Approval only in September 2000, even though it was a record time achievement for any Indian Company UL Approval is a pre-requisite for exports.
2. Furthermore, the process of customer qualification has commenced with many Multi-national Blue Chip companies, such as Siemens, Bosch, Emerson Electric group, Lucent Technologies (AT&T), American Power Conversion, Celetron International, etc. and it normally takes 6 months to one year to qualify with such companies.
3. Furthermore, such companies / customers also require us to have ISO 9000 certification before they can place bulk orders upon us. Till then, they usually only place sample orders on us. The Company received ISO 9000 (Version 2000) in August 2001.

To reiterate, both UL Approval and customer approvals are effectively a pre-requisite for PCB exports.

4. In the meantime, as stated earlier, we commenced DTA sales as per the permission granted to us by NEPZ, Min. of Commerce, Govt. of India., which was only to the tune of Rs. 2 Crores net. We had to therefore accordingly ration our domestic sales each month, so as not to exceed the limit prescribed on us for such Domestic Sales by the Government of India. Thus we could per force, never exceed Rs. 20-25 Lacs domestic sales in any month in the previous financial year. In the present Financial Year 2002-03 the DTA sales permitted has been much lower.

In view of the foregoing, we wish to emphasize and reiterate that we were forced into a situation where we could not reach a high level of sales commensurate with capital investment in technology and capacity. Nevertheless, as we stated at the outset, this situation will not exist any longer. Furthermore, with the anticipated capacity the Company's prospects will receive a quantum jump in turnover and profitability.

We are at this juncture poised to increase our production and export sales very substantially starting from Quarter III, 2002 in light of the fact that we have qualified with international Blue-Chip companies, due to the Company's demonstrated technological strength (which has been appreciated by these very blue-chip international customers) the large capacity enabling us to effectively serve these customer's large volume requirements of a variety of PCBs, as also our ability to provide exceptional services to our clients both abroad and domestically.

Decrease in Unit sale Price during the Current year as compared to last financial Year- Decreasing prices are a function of general market considerations and specific market scenarios that could influence price reductions. A combination of the two has resulted in an approximate price reductions ranging from 10% to 40% depending upon the PCB type. Added to these two factors, is the very aggressive stance taken by Chinese PCB producers who have ravaged American and European (perhaps also Japanese and other Far Eastern) PCB companies by their exceptionally low pricing, while still managing to provide reasonable / acceptable product quality. This has contributed substantially to falling PCB prices compared to the previous Financial Year.

1. In the international market for electronics products, be it industrial, consumer, military, commercial applications etc., the trend every year has been towards (i) higher market penetration, which entails (ii) very high volume production and therefore (iii) higher economies of scale resulting in (iv) decreasing per unit costs on the one hand, while enhancing product features, complexity, and reliability on the other.

The implications for component manufacturers, suppliers, and suppliers of sub-assemblies and / or sub-systems has been to reduce prices every year, which necessitate effecting cost reductions despite increasing product complexity and newer technology introductions.

2. The international market for many products and services faced recessionary conditions early 2001 onwards, as a result of the IT sector melt-down. This was severely aggravated by the Sept 11, 2001 terrorists attacks on the USA, resulting in large-scale reduction of business in general, and orders in the case of PCB companies world-wide. ITL lost very substantial Export Orders during this year. The net impact despite continuing stable markets presently, is continually falling PCB prices.

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.

A production team of a high caliber supports him, of which a few technicians and engineers have received training in FUBA Printed Circuits GmbH, Germany, at their production facilities (now VOGT Electronic Fuba GmbH) under the technical collaboration agreement. The Company's management team is comprehensive enough to manage all functional areas required for effective functioning of the Company.

The Company has instituted programmes 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 it's industry through effective HR management.

The Company had developed a work force in the previous Financial Year with a view to achieve certain projected sales and revenues based on orders in hand at that time, and those further anticipated, which warranted a 2-shift operation. As mentioned earlier in this section, due to certain unforeseen factors and reasons beyond the control of the Company, very substantial Export Order cancellations forced the Company to reduce its work-force strength by approx. 50% during the current Financial Year reducing it to a single shift operation.

However, with the present Order situation improving considerably, the Company proposes to increase its work force strength back to the 2-shift strength during the current Financial Year accordingly.



AUDITORS' REPORT

To the Shareholders of M/s Integrated Technologies Limited.

1. We have audited the attached Balance sheet of **INTEGRATED TECHNOLOGIES LIMITED** as at March 31, 2002 and also the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement 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.
3. As required by the Manufacturing and Other Companies (Auditors Report) order, 1988 issued by the Company Law Board in terms of Section 227 (4A) 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 to the extent applicable to the Company.
4. Further to our comments in the Annexure, referred to in paragraph 1 above.
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books;
 - c) The Balance Sheet and Profit & Loss account dealt with by this report are in agreement with the books of account;
 - d) In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and Profit and Loss account have complied with the accounting standards in so far as they are relevant to the Company referred to in section 211 (3C) of the Companies Act, 1956.
 - e) No written representation, regarding disqualification under clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956, has been received from Mr. Sandeep Kapoor. As far as other directors are concerned, on the basis of the written representations received from such directors as on 31st March 2002, and taken on record by the Board of Directors, we report that none of the remaining directors are disqualified as on 31st March, 2002, from being appointed as a director in terms of clause (g) Sub-section (1) of Section 274 of the Companies Act, 1956;
 - f) In our opinion and to the best of our information and according to the explanation given to us, the said accounts 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 the Balance Sheet, of the state of the affairs of the Company as at 31st March 2002.
 - (ii) In the case of the Profit and Loss account, of the Loss for the year ended on that date.

For G.S. Johar & Co.
Chartered Accountants

Place : New Delhi
Dated : 27.06.2002

Sanjeev Nanda
Partner

ANNEXURE REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE

To the Shareholders of Integrated Technologies Limited on the Accounts for the Year ended 31st March 2002

1. The company has maintained proper records, showing full particulars including quantitative details and situation of fixed assets, the fixed assets, we are informed, have been physically verified by the management and no serious discrepancies were noticed on such verification.
2. The Company has not revalued any of the fixed assets.
3. Physical verification has been conducted by the Management at the end of the financial year in respect of finished goods and stores, spare parts and raw material. The procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company. The discrepancies noticed on such verification, which were not significant, have been properly dealt with in the books of accounts.
4. On the basis of our examination of stock records, we are of the opinion that the valuation of stock is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.
5. The Company has Not taken any loans secured or unsecured from Companies, firms or other parties listed in the register maintained under section 301 and 370 (1-C) of the Companies Act, 1956. There are no Companies under the same management.
6. The Company has not granted any loans or advance in the nature of loans to Companies, firms and other parties listed in the register maintained under section 301 and 370 (1-C) of the Companies Act, 1956 or which are otherwise under the same management as this Company and staff and other parties.

INTEGRATED TECHNOLOGIES LIMITED



7. There are adequate internal control procedures commensurate with the size of the Company the nature of its business for the purchase of stores, raw materials including components, Plant and Machinery, equipment and other assets, and for the sale of goods.
8. According to the information and explanations given to us, the company has Not entered into any transactions for purchase of Stores, raw materials or components, services or sale of goods in excess of Rs. 50,000 with each party during the year with firms, companies or other parties in which Directors are interested as listed in the register maintained under section 301 of the Companies Act, 1956. There are no subsidiaries.
9. As explained to us, there are no unserviceable or damaged stores, raw materials and finished goods.
10. The company has not accepted any deposits from the public.
11. As explained to us, there are no realisable scrap or by Product.
12. The Company is in the process of strengthening its internal audit system commensurate with its size and nature of its business.
13. Maintenance of cost records has Not been prescribed by the Central Government under section 209 (1) (a) of the Companies Act, 1956 for any of the products of the Company.
14. According to the records of the Company, Provident Fund and Employees States Insurance dues relating to the period 01.07.2001 to 31.03.2002 and 01.04.2001 to 31.03.2002 respectively and aggregating to Rs. 2,99,485/- and Rs. 123792/- respectively which has fallen due for deposit with appropriate authorities has not been so deposited as at 31.03.2002.
15. According to the information and explanations given to us there are no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty and excise duty as at 31st March, 2002.
16. Personal expenses have not been debited to the profit & Loss Account.
17. The entire net worth of the Company has been eroded with a aggregate loss of Rs. 13.44 Crores. Hence, the Company has become a sick Industrial Company within the meaning of clause (o) of the sub-section - 1 of Section - 3 of the Sick Industrial Companies (Special Provisions) Act, 1985. The Company has reported the fact of erosion of Net worth by more than 50% to the Board of Industrial and Financial Reconstruction vide letter dated 17th May 2002.

AUDITORS' REPORT ON CORPORATE GOVERNANCE - 31ST MARCH, 2002

To
The Member of
Integrated Technologies Limited

We have read the Report of the Board of Directors on Corporate Governance and have examined the relevant records relating to compliance of conditions of Corporate Governance by Integrated Technologies Limited (the Company), for the year ended 31st March 2002 as stipulated in Clause 49 of the Listing Agreement of the Said Company with the stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was conducted in accordance with the 'Guidance Note on Certification of Corporate Governance' issued by the institute of Chartered Accountants of India and was limited to procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of corporate governance. Our examination was neither an audit nor was it conducted to express an opinion on the financial statements of the Company.

In our opinion and to the best of our opinion and according to the explanations given to us and on the basis of our examination described above, the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement.

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.S. Johar & Co.
Chartered Accountants

Sanjeev Nanda
Partner

Place : New Delhi
Dated : 30th July, 2002

INTEGRATED TECHNOLOGIES LIMITED



BALANCE SHEET AS AT 31ST MARCH 2002

	Schedule	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
I. SOURCES OF FUNDS			
1. Share Holder's funds			
(a) Capital	I	10,76,85,500.00	10,76,85,500.00
2. Loans Funds			
(a) Secured Loan	II	21,34,78,781.65	18,39,35,488.65
(b) Unsecured Loan	III	1,70,12,929.45	1,96,02,826.45
		33,81,77,211.10	31,12,23,815.10
II. APPLICATION OF FUNDS			
1. Fixed Assets	IV		
(a) Gross Block		24,77,81,905.28	24,60,59,013.28
(b) Less : Depreciation		6,86,82,858.60	3,81,85,517.60
(c) Net Block		17,90,99,046.68	20,78,73,495.68
2. Capital Work in Progress		21,73,842.00	—
3. Current assets, loan and advances			
(a) Inventories	V	2,55,57,365.37	2,88,22,022.91
(b) Sundry Debtors	VI	77,01,757.22	91,38,606.19
(c) Cash & Bank Balances	VII	41,754.24	3,89,503.56
(d) Loan and Advances	VIII	69,75,616.15	91,63,153.73
		4,24,50,334.98	4,75,13,286.39
Less:			
Current Liabilities & Provisions			
(a) Liabilities	IX	2,32,45,584.33	1,24,94,702.26
Net Current Assets		1,92,04,750.65	3,50,18,584.13
4. (a) Miscellaneous Expenditure to the extent not written off or adjusted	X	54,70,696.50	54,70,696.50
(b) Profit & Loss Account	XI	13,44,02,717.27	6,28,61,038.79
		33,81,77,211.10	31,12,23,815.10

Notes to Accounts

XVIII

Schedule referred to above form an integral part of the Balance Sheet.
This is the Balance Sheet referred to in our Report of even date.

for G.S. Johar & Co.
Chartered Accountants

Rajeev Bali
Managing Director

Devendra Manchanda
Director

Sanjeev Nanda
Partner

Rajesh Kumar Rai
Senior Manager
Finance & Accounts

Shalini Joshi
Assistant Company Secretary

Place : New Delhi
Date : 27.06.2002



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2002

	Schedule	Current Year Amount (Rs.)	Previous year Amount (Rs.)
Income			
Sales		1,87,42,373.09	3,55,95,219.02
Increase/Decrease in Stocks	XII	4,904.81	2,69,054.66
Total		1,87,47,277.90	3,58,64,273.68
Expenditure			
Manufacturing and other expenses	XIII	1,73,92,236.34	2,47,52,958.19
Personnel Expenses	XIV	71,24,334.00	75,70,168.00
Administration Expenses	XV	34,84,157.35	53,85,177.66
Excise Duty and Sales Tax	XVI	2,98,433.69	47,71,280.70
Financial Expenses	XVII	3,14,92,454.00	2,53,59,205.20
Depreciation		3,04,97,341.00	3,57,17,615.00
Total		9,02,88,956.38	10,35,56,404.75
Loss during the year		(7,15,41,678.48)	(6,76,92,131.07)
Add/Deduct Previous year Adjustments		—	55,34,679.00
Total A:		(7,15,41,678.48)	(6,21,57,452.07)
Loss during the year, carried to Balance Sheet		(7,15,41,678.48)	(6,21,57,452.07)

Notes to Accounts

XVIII

Schedule referred to above form an integral part of the Balance Sheet

This is the Balance Sheet referred to in our Report of even date.

for G.S. Johar & Co.
Chartered Accountants

Rajeev Bali
Managing Director

Devendra Manchanda
Director

Sanjeev Nanda
Partner

Rajesh Kumar Rai
Senior Manager
Finance & Accounts

Shalini Joshi
Assistant Company
Secretary

SCHEDULE - I

SHARE CAPITAL

AUTHORISED

1,80,00,000 Equity shares of Rs. 10 each 18,00,00,000.00 18,00,00,000.00

ISSUED

1,11,10,000 Equity shares of Rs. 10 each 11,11,00,000.00 11,11,00,000.00

SUBSCRIBED & PAID-UP

1,03,18,100 Equity shares of
Rs. 10 each fully paid up 10,31,81,000.00 10,31,81,000.00

Add : Forfeited Shares 45,04,500.00 45,04,500.00

10,76,85,500.00

10,76,85,500.00

INTEGRATED TECHNOLOGIES LIMITED



**Current Year
Amount (Rs.)**

**Previous Year
Amount (Rs.)**

SCHEDULE - II

LOAN FUND

Secured Loan

Loan From Financial Institutions

Foreign Currency Term Loan from Financial Institutions*

(a) Foreign Currency Loan	3,34,00,996.00	4,03,82,278.00
(b) Rupee Tied Loan	4,08,16,873.00	3,27,08,021.00
Interest accrued & due thereon	5,55,07,451.00	2,82,06,754.00
Rupee Term Loan - IDBI	2,92,88,360.00	2,92,88,360.00
Rupee Term Loan - IFCI	33,00,000.00	33,00,000.00
Funded Interest - IFCI	2,11,41,974.00	2,11,41,974.00

* Secured against mortgage of Land
& hypothecation of machinery and
personal guarantee of Managing Director
(present & proposed)

Total A :

18,34,55,654.00

15,50,27,387.00

WORKING CAPITAL FROM BANK

Packing Credit Loan	58,21,111.00	10,39,090.00
Bank Overdraft **	2,35,67,766.05	2,72,29,674.05

Total B :

2,93,88,877.05

2,82,68,764.05

** Secured against Stock of Raw Materials,
finished & Semifinished Goods and personal
guarantee of Managing Director

Hire Purchase Finance

6,34,250.60

6,39,337.60

Total C :

6,34,250.60

6,39,337.60

Total A + B + C

21,34,78,781.65

18,39,35,488.65

Financial Institutions have funded the Interest and installments due on the F.C. Loans upto 30.09.1999. The Funded term loan is payable in next 24 quarterly installments commencing from 15th October 2000.

SCHEDULE - III

UNSECURED LOAN

Loans from Directors	1,65,46,262.45	1,96,02,826.45
Loans from other than Directors	4,66,667.00	-
Total	1,70,12,929.45	1,96,02,826.45



**SCHEDULE IV
FIXED ASSETS**

S. No.	Particulars	Gross Block			Depreciation			Net Block	
		Cost as at 31.03.2001	Add. During the year	Total Cost as on 31.03.2002	Upto 31.03.2001	For the period	Total	As at 31.03.2002	As at 31.03.2001
1.	Land	12,35,047.00	—	12,35,047.00	—	—	—	12,35,047.00	12,35,047.00
2.	Building	4,32,16,761.37	—	4,32,16,761.37	44,65,043.00	38,75,172.00	83,40,215.00	3,48,76,546.37	3,87,51,718.37
3.	Plant & Machinery	18,71,14,290.87	14,97,157.00	18,86,11,447.87	3,00,70,413.00	2,45,71,118.00	5,46,41,531.00	13,39,69,916.87	15,70,43,877.87
4.	Plant Air Conditioning	86,93,504.68	—	86,93,504.68	14,01,866.00	11,38,954.00	25,40,820.00	61,52,684.68	72,91,638.68
5.	Computers	19,13,245.30	—	19,13,245.30	10,23,429.90	3,55,926.00	13,79,355.90	5,33,889.40	8,89,815.40
6.	Fixtures & Furniture	9,29,663.21	—	9,29,663.21	2,36,424.70	1,25,476.00	3,61,900.70	5,67,762.51	6,93,238.51
7.	Vehicles	15,24,533.07	2,25,735.00	17,50,268.07	6,56,335.00	2,58,881.00	9,15,216.00	8,35,052.07	8,68,198.07
8.	Office Equipment	14,31,967.78	—	14,31,967.78	3,32,006.00	1,71,814.00	5,03,820.00	9,28,147.78	10,99,961.78
	Total	24,60,59,013.28	17,22,892.00	24,77,81,905.28	3,81,85,517.60	3,04,97,341.00	6,86,82,858.60	17,90,99,046.68	20,78,73,495.68
	Previous Year	24,29,36,675.28	31,22,338.00	24,60,59,013.28	24,67,902.60	3,57,17,615.00	3,81,85,517.60	20,78,73,495.68	24,04,68,772.68

Current Year
Amount (Rs.)

Previous Year
Amount (Rs.)

SCHEDULE - V

INVENTORIES

As valued and certified by the management

Raw materials : at cost	2,24,55,192.90	2,57,24,755.25
Finished Goods : at cost or net realisable value which ever is lower	3,34,594.47	12,03,100.20
Stock in process : at cost	27,67,578.00	18,94,167.46
Total	2,55,57,365.37	2,88,22,022.91

SCHEDULE - VI

SUNDRY DEBTORS

Outstanding for less than six months considered good	18,28,847.35	91,38,606.19
Outstanding for more than six months	58,72,909.87	—
Total	77,01,757.22	91,38,606.19

SCHEDULE - VII

CASH AND BANK BALANCES

Balance with Schedule Banks

- In Current Account	24,571.74	74,720.56
- In Deposit Account	—	2,37,240.00
Total A:	24,571.74	3,11,960.56

CASH IN HAND

- Cash	17,182.50	5,543.00
- Cheque in Hand	—	72,000.00
Total B :	17,182.50	77,543.00
Total A + B	41,754.24	3,89,503.56

INTEGRATED TECHNOLOGIES LIMITED



	Current Year Amount (Rs.)	Previous year Amount (Rs.)
SCHEDULE - VIII		
LOAN AND ADVANCES		
Unsecured		
Advance recoverable in cash or kind for value to be received, considered goods	68,70,370.05	90,68,964.00
- Security Deposit	74,860.00	74,860.00
- Excise Duty Deposit	30,386.10	19,329.73
Total	<u>69,75,616.15</u>	<u>91,63,153.73</u>
SCHEDULE - IX		
CURRENT LIABILITIES & PROVISIONS		
Current Liabilities		
- Acceptances	7,11,072.20	13,71,865.00
- Sundry Creditors	1,84,80,940.56	77,45,317.97
Advance from Customers	19,32,918.57	5,09,932.29
Bill Discounted	21,20,653.00	28,67,587.00
Total	<u>2,32,45,584.33</u>	<u>1,24,94,702.26</u>
SCHEDULE - X		
MISCELLANEOUS EXPENDITURE		
Preliminary Exps.	2,56,456.10	2,56,456.10
Public Issue Exps.	52,14,240.40	52,14,240.40
Total	<u>54,70,696.50</u>	<u>54,70,696.50</u>
SCHEDULE - XI		
PROFIT AND LOSS ACCOUNT		
Loss brought forward	6,28,61,038.79	7,03,586.72
Add : Loss during the year	7,15,41,678.48	6,21,57,452.07
Total	<u>13,44,02,717.27</u>	<u>6,28,61,038.79</u>
SCHEDULE - XII		
INCREASE/DECREASE IN STOCK		
Closing Stock		
- Finished Goods	3,34,594.47	12,03,100.20
- Stock in Process	27,67,578.00	18,94,167.46
Total	<u>31,02,172.47</u>	<u>30,97,267.66</u>
Less : Opening Stock		
- Finished Goods	12,03,100.20	23,34,880.00
- Stock in Process	18,94,167.46	4,93,333.00
Total	<u>30,97,267.66</u>	<u>28,28,213.00</u>
Increase/decrease in stock	49,04.81	2,69,054.66



**Current Year
Amount (Rs.)**

**Previous year
Amount (Rs.)**

SCHEDULE - XIII

MANUFACTURING AND OTHER EXPENSES

Raw Material Consumed

Opening stock	2,57,24,755.25	86,80,549.45
Purchase	94,57,672.27	3,57,67,618.67
Less : Closing stock	2,24,55,192.90	2,57,24,755.25
Total A :	1,27,27,234.62	1,87,23,412.87

Manufacturing Expenses

Manufacturing Exps.	92,610.00	5,90,804.07
Power & fuel	41,36,860.11	48,71,338.50
Testing Fees	—	13,197.00
Repair & Maintenance - Machinery	3,73,123.11	2,73,377.25
- Factory	43,591.50	2,68,225.50
- Others	18,817.00	12,603.00
Total B :	46,65,001.72	60,29,545.32
Total A+B	1,73,92,236.34	247,52,958.19

SCHEDULE - XIV

PERSONNEL EXPENSES

Salaries & Wages	68,60,951.60	70,33,889.00
Staff Welfare	2,63,382.40	5,36,279.00
Total	71,24,334.00	75,70,168.00

SCHEDULE - XV

ADMINISTRATION EXPENSES

Repair & Maintenance	2,27,081.79	2,26,573.42
Business Promotion	47,313.50	2,01,597.61
Advertisement & selling expenses	72,856.00	40,281.00
Insurance	4,78,550.00	6,72,869.00
Rent, Rates & Taxes	1,08,000.00	1,08,000.00
Travelling & Conveyance	10,97,251.29	13,45,680.50
Auditors Remuneration		
- Audit Fee	36,750.00	38,500.00
- Tax Audit Fee	12,600.00	—
- Limited Audit Review	6,826.00	—
- Certification Charges	—	1,575.00
Postage & Telephone	5,02,755.94	7,37,042.50
Legal & Professional Charges	13,750.00	67,461.00
Listing fees	91,000.00	91,000.00
Printing & Stationery	84,707.00	3,04,267.50
Hire Charges	1,35,311.00	2,07,424.00
Miscellaneous Expenses	2,33,279.67	10,38,770.00
Books & Periodicals	2,629.00	5,607.00
Packing Materials	76,510.16	1,16,109.13
Water & Electricity	16,858.00	15,241.00
Security Charges	1,05,268.00	1,58,939.00
Cartage & Freight Outward	1,34,860.00	1,99,704.00
Sales Tax	—	8,240.00
Total	34,84,157.35	55,84,881.66

INTEGRATED TECHNOLOGIES LIMITED



	Current Year Amount (Rs.)	Previous year Amount (Rs.)
SCHEDULE - XVI		
EXCISE DUTY AND SALES TAX		
Excise Duty	1,98,235.69	39,72,461.20
Sales Tax	85,891.00	7,98,819.50
Differential Amount of Duty	14,307.00	
Total	<u>2,98,433.69</u>	<u>47,71,280.70</u>

SCHEDULE - XVII

FINANCIAL EXPENSES

- Bank Charges	2,39,187.00	2,19,453.24
- Interest on working Capital Net	37,58,661.00	24,36,388.45
- Interest on Team Loan	2,73,00,697.00	2,26,44,177.00
- E.C.G.C	50,884.00	59,186.51
Interest (Others)	1,38,181.00	—
TDS other	—	—
Bank Interest	4,844.00	—
Total	<u>3,14,92,454.00</u>	<u>2,53,59,205.20</u>

SCHEDULE - XVIII

NOTES FORMING PART OF ACCOUNTS

A. Significant Accounting Policy

1. Method of Accounting : The accounts of the Company are prepared under historical cost convention using accrual method of accounting.
2. Fixed Assets : Fixed Assets are carried at cost. The cost of fixed assets includes incidental expenses incurred thereon.
3. Depreciation of fixed Assets : Depreciation has been provided on written down method in pursuance of amendments in Schedule XIV of the Companies Act, 1956.
4. Inventories :
 - a) Raw Material : At Cost.
 - b) Finished Goods : Estimated at cost inclusive of manufacturing and other and work in progress related & work in progress overhead or at realisable value, whichever is lower.
5. Foreign currency Transactions : Foreign Currency transactions are recorded as per the exchange rate prevailing on the actual date of transaction. Foreign Currency transaction pending at the end of the year are accounted for at the currency rates prevailing at the year end, corresponding amount is adjusted to the respective accounts.
6. Revenue Recognition : Sales are recognized when goods are dispatched to customers. Sale is accounted net of returns.
7. Excise and custom duty : Provision for excise duty and custom duty has been made for goods lying in bonded warehouse.
8. As required by the revised guidance notes on Accounting for Excise duty issued by the Institute of Chartered Accountants of India, the Company has accounted for Excise and Custom duty payable on finished goods lying in the factory and included same in the valuation of finished goods inventory as at the close of the year amounting to Rs. 54,289.47.
9. Miscellaneous Expenditure : Miscellaneous expenditure shall be charged to revenue on deferred basis from subsequent years.
10. Retirement Benefits : Retirement benefits in respect of gratuity and pension are provided on cash basis. Leave encashment is accounted for on payment basis.



11. Borrowing cost : Interest on borrowings have been charged to the revenue account.

12. Earning per share :

Particulars	31.03.2002	31.03.2001
(i) Net Profit / Loss as per Profit & Loss account	(7,15,41,678.00)	(6,21,57,452.00)
(ii) Number of Equity Shares	1,03,18,100.00	1,03,18,100.00
(iii) Earning Per Share	(6.93)	(6.02)

B. Notes of Accounts

- Estimated amount of contracts remaining to be executed on Capital Account and not provided for is - Nil (Previous year - Nil)
- Contingent Liability : Liabilities not acknowledged by the Company Rs. 41.85 Lac (Previous year Rs. 19.59 Lac)
- Fixed deposit during the year Nil (Previous year Rs. 2.37 Lac pledged against letter of credit established by the Company bankers).
- Loans and Advances includes capital advance amounting to Rs. 33,76,141.00 (Previous year Rs. 55,26,141.00)
- Financial Expenses are net of interest earned amounting Rs. 17,118.00 (previous year Rs. 79,580.00)
- Balance in some Debtors / Creditors are generally subject to confirmation/reconciliation.
- In the opinion of the management all the Current Assets, Loans and Advances have a value on realization in the ordinary course of business, at least equal to the amount at which they are stated.
- Previous year figures have been regrouped/rearranged wherever necessary to make them comparable to the current year figure.
- In view of insufficient information from the suppliers regarding their status as S.S.I. Unit, amount overdue to small scale industrial undertaking as on 31.03.2002 can not be ascertained. However, no specific claim have been received for suppliers with reference to the "interest on the delayed payments Small Scale Ancillary Industrial Undertaking Act, 1993."
- Additional information as required by Part-II of the Schedule VI of the 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. Mts.	(54,000)	(54,000)	(5,409.54)
Printed Circuit Boards	Previous year	Sq. Mts.	54,000	54,000	6,134.89

(b) Sales, Opening Stock and Closing Stock :

Product	Unit	Sales		Opening Stock		Closing Stock	
		Quantity (Rs.)	Value	Quantity (Rs.)	Value	Quantity (Rs.)	Value
Printed Circuit Boards	Sq. Mts.	5,512.92	1,87,42,373.00	208.53	12,03,100.00	105.15	3,34,594.00
Previous Year	Sq.Mts.	6,456.36	3,55,95,219.00	530.00	23,05,913.00	208.53	12,03,100.00

As certified by the Management

11. Statement of additional information :

(i) Expenditure incurred in foreign currency during the year is as follows :

	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
Travelling	96,027.00	2,39,396.00
Machinery	1,74,455.00	Nil
Fees & Subscription	56,700.00	21,899.00



(ii) Earning Foreign Currency

	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
Export Sale	1,54,26,936.57	1,18,94,929.81
Development Charges	10,52,092.40	Nil

(iii) CIF Value of Imports

	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
Raw Material	61,15,219.20	1,43,92,190.00
Capital Goods	23,24,455.00	Nil

(iv) Value of imported and indigenous material consumed

Raw Materials	Current Year		Previous Year	
	Amount (Rs.)	Percentage	Amount (Rs.)	Percentage
Imported	1,17,40,961.20	92	43,19,480.00	23
Indigenous	9,86,273.42	08	1,44,03,932.87	77

12. Managerial Remuneration : Salary & Allowances Rs. 15,00,000.00 (Rs. 12,88,0000.00).

13. Additional information as required under Part IV of Schedule VI of the Companies Act, 1956. Balance Sheet abstract and Company's general Business Profile :

I. Registration NO. : 05-32816 State Code : 05 Balance Sheet Date 31.03.2002

II. Capital raised during the year - (figures in Rs. Lacs)

Public Issue	Nil	Rights Issue	Nil
Bonus Issue	Nil	Private Placement	Nil

III. Position of Mobilization and Deployment of funds

(Amount in Rs. Lacs)

Total Liabilities Sources of Funds		Total Assets Application of Funds	
Paid up Capital	1,076.86	Fixed Assets	1,812.73
Reserves & Surplus	Nil	Investments	Nil
Secure Loans	2,134.79	Current Assets	402.77
Unsecured Loans	170.13	Miscellaneous Exp.	54.71
Current Liabilities	232.46	Profit and Loss A/c	1,344.03
Total	3,614.24		3,614.24

IV. Performance of Company

(Amount in Rs. Lacs)

Turnover	187.42	Total Expenditure	902.89
Profit/Loss Before Tax	(715.42)	Profit/Loss before tax	(715.42)
Earning per share	(6.93)	Dividend Rate	Nil

V. Generic Names of Principle products, services of the Company

Item Code : 85.34 as per Excise Tariff Manual
Product Description : Professional Grade Printed Circuit Boards

Signature of Schedule I to XVIII

for G.S. Johar & Co.
Chartered Accountants

Rajeev Bali
Managing Director

Devendra Manchanda
Director

Sanjeev Nanda
Partner

Rajesh Kumar Rai
Senior Manager
Finance & Accounts

Shalini Joshi
Assistant Company
Secretary

Place : New Delhi
Date : 27.06.2002

INTEGRATED TECHNOLOGIES LIMITED



CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH 2002

	Year Ended 31.03.2002	Year Ended 31.03.2001
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax & Extra Ordinary Items	(7,15,41,678.48)	(62,1,57,452.07)
- Adjustment for :		
Depreciation	3,04,97,341.00	3,57,17,615.00
Interest Income	—	—
Interest Expenses	3,10,59,358.00	2,50,80,565.45
- Operating profit before working capital charges	(99,84,979.48)	(13,59,271.62)
- Adjustments for :		
Sundry Debtors	14,36,848.97	(88,22,365.35)
Inventories	32,64,657.54	(1,73,13,260.46)
Loan & Advances	21,87,537.58	3,27,584.78
Current Liabilities	1,07,50,882.07	76,34,230.16
- Cash generated from operations	76,54,946.68	(1,95,33,082.49)
- Cash flow before extra ordinary items	76,54,946.68	(1,95,33,082.49)
Net Cash from operating activities (a)	76,54,946.68	(1,95,33,082.49)
B. CASH FLOW FROM INVESTING ACTIVITIES (b)		
Purchase of fixed assets	(38,96,734.00)	(31,22,338.00)
Interest received	—	—
Net Cash used investing activities (b)	(38,96,734.00)	(31,22,338.00)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Share Capital	—	—
Proceedures from long term borrowings	2,69,53,396.00	4,74,34,905.05
Interest Expenses	(3,10,59,358.00)	(2,50,80,565.45)
Net cash used in financing activities (c)	(41,05,962.00)	2,23,54,339.60
Net Increase in Cash and Cash Equivalents (a+b+c)	(3,47,749.32)	(3,01,080.89)
Cash & Cash equivalents as at Opening	3,89,503.56	6,90,584.45
Cash & Cash equivalents as at Closing	41,754.24	3,89,503.56

ON BEHALF OF BOARD OF DIRECTORS

Rajeev Bali
Managing Director

Devendra Manchanda
Director

Rajesh Kumar Rai
Sr. Manager Finance & Accounts

Shalini Joshi
Assistant Company Secretary

AUDITORS CERTIFICATES

We have verified the above Cash Flow Statement of INTEGRATED TECHNOLOGIES LIMITED derived from the audited financial statement for the year ended on 31.03.2002 and found the same to be drawn in accordance therewith and also with the requirements of Clause 32 of the listing agreements with stock exchanges.

For G.S. Johar & Co.
Chartered Accountants

Sanjeev Nanda
Partner

Place : New Delhi
Dated : 27.06.2002

INTEGRATED TECHNOLOGIES LIMITED



**ATTENDANCE SLIP
INTEGRATED TECHNOLOGIES LIMITED**

Registered Office:
Narsingpur, Sector-35, Gurgaon-122 001, Haryana
Sixteenth Annual General Meeting, 30th September, 2002

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*

.....
.....

No. of Shares held :Folio. No

If proxy, full name of the

Shareholder.....

I hereby, record my presence at the ANNUAL GENERAL MEETING of the Company held on Monday, 30th September, 2002 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
Sixteenth Annual General Meeting, 30th September, 2002

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 Sixteenth Annual General Meeting to be held at 9.00 a.m. on Monday, the 30th September, 2002 at its Registered Office or at any adjournment thereof.

Affix a 30 paise Revenue Stamp

Signed this day of2002.

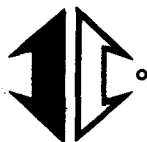
Signature (s) (across the stamp)

NOTE:

1. The proxy need not be member of the Company
2. The proxy form duly signed across 30 paise 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

Proactive # 6921918



If Undelivered, please return to:

INTEGRATED TECHNOLOGIES LIMITED

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