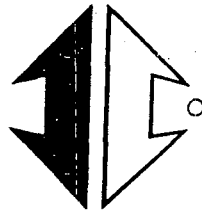


22nd Annual Report 2007 – 2008



INTEGRATED TECHNOLOGIES LIMITED

Board of Directors

Rajeev Bali
 K.R. Shivakumar
 Narendra Sharma
 Devendar Manchanda

Managing Director

Director
 Director
 Director

Nominees

Walter Drach*
 * Resigned w.e.f 31.07.08

FUBA Printed Circuits GmbH, Germany

Company Secretary

Kanika Bhutani

Bankers

SBI - State Bank of India

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 Saturday, September 29th, 2007 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 SECOND ANNUAL GENERAL MEETING** of the Members of the Company will be held on Tuesday, 30th September, 2008 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 2008 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 a director in place of Mr. Narendra Sharma, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors for the financial year 2008-2009 till the conclusion of next Annual General Meeting and to fix their remuneration, M/s G. K. Kedia & Co., the retiring Auditors, being eligible, offer themselves for reappointment.

II SPECIAL BUSINESS:

To consider and if thought fit to pass with or without modification(s), the following resolution as an ordinary Resolution

4. **Resolved that** pursuant to all applicable clauses of Listing Agreement between company and stock Exchanges and all other sections, provisions of companies Act, 1956 applicable if any, the consent of the shareholders of the company be and is hereby accorded to re-issue 79,910 shares (which were forfeited in the year 2000) at Rs.10/- per share, fully paid up through Private Placement.

By Order of the Board of Directors

Place : New Delhi
Dated : 31.07.2008

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 23rd September 2008 to 30th September 2008.
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. 4

Company has forfeited 7,91,900 shares in the year 2000 due to non -payment of allotment call monies which was of Rs.5/- in the year 2000. After Share capital reduction to the extent of 90% and then consolidation of every ten equity shares of Rs. 1/- each into one equity share of Rs. 10/- each under the Sanctioned Scheme dated 27.03.2008 issued under order of Hon'ble Board for Industrial & Financial Reconstruction, these forfeited shares also stand reduced by 90% i.e 79,190 shares, price is decided as the face value. Some new investors has shown their interest for investment in the shares of the Company, therefore these shares will be issued to those investors at the face value of Rs. 10/-each fully paid.

None of the Directors is interested in the resolution

By Order of the Board of Directors

Place : New Delhi
Dated : 31.07.2008

Kanika Bhutani
Company Secretary



DIRECTORS' REPORT

Your Directors have pleasure in presenting the **Twenty Second Annual Report** together with Audited Accounts of the Company for the year ended 31st March 2008.

FINANCIAL RESULTS

(Rs. in Lacs)

	2007-08	2006-07
Sale of Products and other income	0.00	91.02
Manufacturing and other expenses	19.66	13.55
Depreciation	113.56	160.37
Interest	0.00	0.00
Profit/(Loss) before tax	(133.22)	(82.90)

*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 re-appoint Mr. Narendra Sharma as a Director liable to retire by rotation on the Board of Directors, the appointment forms part of the business of the ensuing Annual General Meeting of the Company. Further, Mr. Walter Drach resigned from the Board and his resignation was accepted at the Meeting of the Board held on 31st July 2008

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, 2008, 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, 2008 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 alongwith 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 COMMITTEES

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 Mr. Narendra Sharma. 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 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.



FUTURE OUTLOOK

The Company had been declared as a Sick Unit under the Sick Industrial Companies (Special Provisions) Act 1985 u/s 3 (1)(o) of the Act, pursuant to which IFCI, the Operating Agency (OA) had formulated the Draft Revival Scheme (DRS) for the revival of the Company. The said DRS was accorded approval consequent to the Hon'ble Board for Industrial & Financial Reconstruction (BIFR) hearing of Feb 11, 2008 and circulated as the Sanctioned Scheme (SS) dated march 27, 2008,

The Company has since initiated an intensive and vigorous programme to implement the SS with the objective of (i) restructuring the Company's financials and other aspects as contained in the BIFR Order / SS and (ii) recommencing its commercial operations at the earliest with the objective of reviving the Company as envisaged in the SS.

The actions taken for such revival include [i] induction of a strategic investor, who has (a) settled the dues of all Banks and Financial Institutions i.e. IDBI, IFCI, and P&SB, (b) paid most statutory dues (c) and shall provide initial need-based working capital to the Company [ii] recruited necessary production and commercial staff [iii] refurbishment of plant and machinery.

The Company is confident that upon receipt of various Government of India approvals as per directions contained in the SS, especially from the Ministry of Commerce / NSEZ / Customs / DGFT etc. where all EQU approvals required are pending, the Company shall comfortably achieve the projections contained in the SS, as the Company is receiving adequate business enquiries for exports and domestic sales.

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	-
Foreign Currency Outgo	-
(1) Travelling (foreign)	-
(2) Import of Machinery	-
(3) Import of raw materials	-
(4) Consumption of raw materials	-
(5) Fees and subscription	-

(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. All full time employees of the Company ceased to be on its rolls since November 2002 with the exception of those required statutorily and a few Class IV employees.

Acknowledgements

Your Directors take this opportunity to place on record their appreciation of the dedication and commitment of employees at all levels who, through their competence, hard work, solidarity, cooperation and support, have contributed to the success of your Company. The directors also thank the company's clients, vendors, investors and bankers for their continued support during the year and look forward to their continued growth and support in future.

For and on behalf of the Board of Directors

Place : New Delhi
Dated : 31.07.2008

(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 Director shipsheld	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	2
Mr. NarendraSharma	Independent-Non-Executive	Director	-	6	6
Mr. Walter Drach *	-Non-Executive	Nominee Director	-	6	-

*Resigned from Board w.e.f. 31st July 2008

Meetings of the Board of Directors were held on

1. 28th June 2007
2. 29th June 2007
3. 31st July 2007
4. 4th August 2007
5. 1st October 2007
6. 31st January 2007

The following directors were present at the Twenty First Annual General Meeting held on 29th September 2007:

1. Mr. Rajeev Bali
2. Mr. Devendra Manchanda
3. Mr. Narendra Sharma

III. Committees of Board of Directors-

1. Audit Committee: -

Terms of reference of the Audit Committee include the following-

1. 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.
2. To recommend the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
3. 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.
4. To review the Company's financial and risk management policies.



5. To look into the reasons for substantial defaults in the payments to creditors.
6. 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 Attended	Profession
Mr. D. Manchanda	Chairman	Independent Director	4	Chartered Accountant
Mr. Rajeev Bali	Member	Executive Director	4	Business
Mr. Narendra Sharma	Member	Independent Director	4	Service

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 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. However, in the Meeting of the Board of Directors held on 30th July, 2002 the Board has ratified the Managing Director's decision to forgo his remuneration entirely for the financial year 2001-2002, and up to such time as the Company's finances permit. However, the MD's salary will, pursuant to the SS-08 of the BIFR, be paid as per the said Scheme.

IV. General Body Meetings :

Location and time, where last 3 Annual General Meetings held

Year.	Date	Time	Venue	Agenda
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
Twentieth	30th Sept. 2006	9.00 A.M.	Narsingpur, Sector- 35, Gurgaon, Haryana.	Resolution u/s 293 and Section 269(renewal of term of MD), of the companies Act, 1956 formed part of the business of the Meeting
Nineteenth	30th Sept, 2005	9.00 A.M.	Narsingpur, Sector- 35, Gurgaon, Haryana.	Resolution u/s 293 of the Companies Act, 1956 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- No resolution has ever been passed through postal ballot.



V. 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.

VI. Means of Communication:

- i. **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.
- ii. **Which newspaper normally published in-** The Pioneer 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.**

VII. General Shareholder Information:

- i. **AGM: Date, time and venue-** The Annual General Meeting of the Company is scheduled to be held on Tuesday 30th September 2008 at 9.00 A.M. at Narisingpur, 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 23rd September 2008 – 30th September 2008 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.
 1. **Delhi Stock Exchange**
3/1, Asaf Ali Road,
Near Turkman Gate,
New Delhi – 110 002
 2. **The Stock Exchange, Mumbai**
1st Floor, New Trading Ring,
Rotunda Building, P J Towers,
Dalal Street, Fort,
Mumbai – 400 001



3. Jaipur Stock Exchange,
Indira Palace, JLN Marg,
Malviya Nagar,
Jaipur – 302017.

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 ISIN No. allotted to the Company is INE882B01011. 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.

By Order of the Board of Directors

Place : New Delhi
Dated : 31.07.2008

Rajeev Bali
Managing Director



MANAGEMENT DISCUSSION AND ANALYSIS STATEMENT

Industry Structure and Development

Worldwide output of PCBs in 2007 was 50 billion USD, with Europe standing for 8% and US 9%. Germany represented 36% of the European figure, with automotive, industrial controls and mobile phones being the core business. Credit Suisse forecast in its report has projected that in 3 – 5 years China will be responsible for 70% of worldwide electronics production, from a base of 10% in 2000 and 20% in 2002.

Global structure of PCB manufacturing

A US\$ 50 billion industry growing at CAGR of over 9 % per annum, and is expected to grow as such up to 2012 to over US\$ 76 Billion. Furthermore, most developed countries i.e. North America, and Europe are turning into net importers of PCBs due to prohibitively high wage costs there (averaging 35 - 40 % of cost of production), and are shifting production bases to countries with low cost technically skilled labor, typically China, Malaysia, Vietnam, and India (wages being 6 - 8 % of average production costs here).

China's central role in the period to come 2009 – 2015 is unassailable, the inevitability of which is underscored by its 25.6% share of the world PCB market as of 2007.

General Trends

- Healthy industry world wide. 2007 growth was at 6 %, and 2009 is expected to increase to 9 %
- Asian domination, which is expected to grow by 60 % 2009 – 2012. Global PCB production in 2007 is as follows :
 - China/Hong Kong 25.6%
 - Japan 23.7 %
 - Taiwan 15.0 %
 - Korea 10.0 %
 - N. America 10.1 %
 - Europe 7.8 % (Germany alone has 3 %)
- Shift of existing and new PCB plants from the Western world to Asia, mostly China. India, Russia, Brazil, East Europe (EU member states) next in line as investment destinations

Opportunities and threats

We are presenting below a SWOT analysis of the project.

Strengths

1. 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.
2. An International orientation provided by the promoters which has been effectively imbibed by a professional and trained work force.
3. Orders/ Business in hand potentially exceeding full current capacity
4. The Company is proposing to restart its business with a substantially reduced debt, thereby increasing its financial viability and future profitability prospects as endorsed by OA (IFCI) who have appraised the revised projections keeping in view the financial restructuring sanctioned by BIFR.



Weaknesses

1. Inoperation for the past 5 years has considerably depleted the prospects of the Company, as it will have to make a new and more aggressive beginning and apply appropriate strategies to get back its Customers, technical employees, arrange and ensure adequate equipment refurbishing, infuse fresh working capital etc.
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, e.g. post Sept 11 business downturn, rising oil prices slowing business growth, fluctuating currencies etc.
3. The Company needs to further upgrade its technology in certain areas as also increase production capacity in the near future in order to effectively compete in the international market.

Opportunities

1. The international market: Healthy growth projected and increased market access for Asian PCB producers to Europe and North America, some of the largest markets and net importers of PCBs.
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 and low cost indigenous pollution control is a compelling factor in sourcing PCBs from Asia
4. Entry of many MNC electronics companies into India as a production hub for domestic production and exports seeking local component / PCB supplies.

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 being a 100% EOÜ. However, 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 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. But the Plant has not been operative since October 2002.

Outlook

By contrast, the entire Indian electronics hardware production in 2007 was estimated at US\$ 20 Billion engaged in electronics production, and manufacturing goods as diverse as TV tubes, test and measuring instruments, medical electronics equipment, analytical and special application instruments, process control equipment, power electronics equipment, office equipment, and other components

Ernst & Young, in association with MAIT, estimates in its survey that, given the right incentives, India's electronic hardware industry has the potential to reach US\$ 62 billion by 2010, with the domestic market accounting for US\$ 37 billion and exports US\$ 25 billion.



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 set to receive considerable investment in the mobile communications, EMS, and even PCB business, notably Nokia, AspoComp, etc.

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.

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 Solectron, 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 is proposing to recommence its production and commercial operations consequent to the SS-08 of the BIFR sanctioned vide their Order dated march 27, 2008, which incorporates a number of waivers and concessions to be granted by (i) Banks and Financial Institutions (ii) Government of India and other Statutory bodies, (iii) unsecured creditors (iv) shareholders of the Company.

The essence of such concessions is to facilitate the Company's revival and return to financial health, keeping in view the Company's promoters' and management unrelenting efforts towards the same objective, in furtherance of which the latter have managed to arrange substantial funds by way of fresh injection of equity and debt, and are now confident of achieving (i) profitability as envisaged in the SS and (ii) a positive Net Worth position at the earliest (year 3 as envisaged by the SS projections).

The Hon'ble BIFR has furthermore ordered various Governmental departments and agencies concerned to extend or provide the necessary approvals / permissions required by the Company to recommence its operations.

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 it's industry through effective HR management.

The Company has recruited the necessary personnel, commercial and technical, to recommence its production and commercial operations adequately as envisaged in the SS, and will add to the same as and when required.



**AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS
OF CORPORATE GOVERNANCE- 31 MARCH 2008**

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, 2008 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**

Place : New Delhi
Dated : 28.07.2008

**Gopal Kumar Kedia
Partner**



AUDITORS' REPORT

TO THE MEMBERS OF INTEGRATED TECHNOLOGIES LIMITED

We have audited the attached balance sheet of **INTEGRATED TECHNOLOGIES LIMITED** as at 31st March 2008 and the profit and loss account 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 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 and the profit and 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 and 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 2008 and taken on record by the board of directors, none of the directors is disqualified as on 31st March 2008 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 the case of the balance sheet, of the state of affairs of the Company as at 31st March, 2008. and,
 - In the case of the profit and loss account, of the loss 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

(Gopal Kumar Kedja)
Partner
Membership No-054629

Place : New Delhi
Dated : 28.07.2008



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 year.
- (ii) From the examination of records we found that the company is not performing any manufacturing process neither it has engaged in any trading activity during the year therefore no comment on clause (a) to (c) of this paragraph.
- (iii) The Company has neither granted nor taken any secured or unsecured loan to/ from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Therefore clause (a) to (d) of paragraph 4 (iii) is not applicable to the company
- (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 for the purchase and sale of goods.
- (v) (a) The company has not entered into any transaction with any company/firm/other parties covered in the register maintained u/s 301 of the Act, thus the provisions requiring that, whether transactions that need to be entered into a register in pursuance of section 301 of the Act have been so entered, is not applicable to the company.
- (b) The company has not entered into any transaction with any company / firm other parties covered in the register maintained u/s 301 of the Act, thus the provisions requiring that, whether each of these transactions exceeding the value of Rs.5 Lakh in respect of any party and in any one financial year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time, is not applicable to the company.
- (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, were 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.
- (a) As per records of the company, the company is not regular in depositing of undisputed statutory dues. The details of such dues outstanding as on 31.03.2008 for a period more than six month from the date they became payable are given below:

S.No.	Particulars	Amount outstanding as on 31.03.2008(Rs)
1.	Provident Fund	461,709
2.	Employees State Insurance	162,843
3.	Sales tax	19,407
4.	Income Tax	2,000,000

In addition to the above the company has provided Rs 150,000 for excise duty against the demand made by the excise department and also to give effect to the BIFR order DT 27.03.2008.

- (b) As per records of the Company, the company has not deposited sales tax demanded by the Excise & Taxation Department of Rs 6,638,276 due to dispute and the case is pending with Sales Tax Tribunal.



- (x) The Company has become a Sick Company under the provisions of Sick Industrial Companies Act, 1985 and a reference to this has been registered with Board for Industrial and Financial reconstruction. Further no cash losses has been incurred during the financial year. However it has incurred cash losses of Rs.77, 44,373.20/- during the preceding financial year.
- (xi) As the company is a sick company, the BIFR has sanctioned revival scheme. As a measure of revival, the company has made one time settlement with its banks and written off Rs 163,601,686 due to them during the current financial year. According to the Information and explanation given to us except the above, the company has made no other defaults in repayment of dues to a financial institution or bank or debenture holders.
- (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) The provisions requiring that, whether the provisions of any special statute applicable to chit fund have been duly complied with, are not applicable to the company.
- (xiv) Since the company is not a nidhi / mutual benefit fund / societies, the provisions of paragraph 4 (xiii) (a) to (d) are not applicable to the company.
- (xv) The company is not dealing in shares and securities held under investments, therefore, the provision that Company has maintained proper records of the transactions and contracts and also has made timely entries of the transactions and that the shares have been held by the Company in its own name, is not applicable to the company.
- (xvi) 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.
- (xvii) 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.
- (xviii) 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.
- (xix) The company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act. Accordingly the provisions requiring that, the price at which shares have been issued is prejudicial to the interest of the company are not applicable to the company.
- (xx) The provisions requiring that, whether securities have been created in respect of debentures issued, are not applicable to the company.
- (xxi) As no public issue has been made by the company during the year, 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.

No fraud on or by the company has been noticed or reported during the year.

For G. K. KEDIA & CO.
Chartered Accountants

(Gopal Kumar Kedia)
Partner
M.No-054629

Place : New Delhi
Dated : 28.07.2008



BALANCE SHEET AS AT 31ST MARCH 2007

	SCHEDULE	As at March 31, 2008 (Rs.)	As at March 31, 2007 (Rs.)
SOURCES OF FUNDS			
Shareholders' funds:			
(a) Share Capital	1	107,685,500.00	107,685,500.00
Loan Funds:			
(a) Secured Loans	2	53,350,000.00	216,951,686.00
(b) Unsecured Loans		14,939,681.00	38,860,283.44
		<u>79,058,231.00</u>	<u>363,497,469.44</u>
APPLICATIONS OF FUNDS			
Fixed Assets:			
Gross Block	3	210,611,015.28	248,974,015.28
Less: Depreciation		<u>178,004,832.13</u>	<u>166,648,822.17</u>
Net Block		32,606,183.15	82,325,193.11
Current assets, loans and advances:			
(a) Cash and Bank Balances	4	20,511.96	1,669.90
(b) Loans and Advances		<u>906,438.39</u>	<u>74,860.00</u>
		926,950.35	76,529.90
Less : Current Liabilities and Provisions	5	<u>15,584,496.35</u>	<u>16,447,039.06</u>
Net Current Assets		(14,657,546.00)	(16,370,509.16)
Deferred Tax Assets		35,676,788.98	0.00
Miscellaneous expenditure	6	1,094,139.30	2,188,278.60
(To the extent not written off or adjusted)			
Profit and Loss Account		<u>24,338,665.57</u>	<u>295,354,506.89</u>
		<u>79,058,231.00</u>	<u>363,497,469.44</u>
Significant Accounting Policies and Notes to Accounts	10		

As per cur 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

Narendra Sharma
Director

Kanika Bhutani
Company Secretary

Gopal Kumar Kedia
Partner
M.No-054629

Place : New Delhi
Dated : 28.07.2008



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

	SCHEDULE	As at March 31, 2008 (Rs.)	As at March 31, 2007 (Rs.)
Income			
Sales and Other Income	7	0.00	9,102,412.05
		<u>0.00</u>	<u>9,102,412.05</u>
Expenditure			
Personnel Expenses	8	513,963.34	172,660.00
Administration Expenses	9	1,452,310.41	1,182,514.85
Depreciation		11,356,009.96	16,037,379.77
		<u>13,322,283.71</u>	<u>17,392,554.62</u>
Profit/(Loss) Before Adjustment of BIFR order		(13,322,283.71)	(8,290,142.57)
Profit/(Loss) on account of Adjustment as per BIFR order		248,666,036.05	0.00
Profit/ (Loss) Before Income Tax		235,343,752.34	(8,290,142.57)
Provision for Tax			
- Deferred Tax Assets		35,676,788.98	0.00
- Fringe Benefit Tax		4,700.00	2,864.00
Profit/ (Loss) After Income Tax		271,015,841.32	(8,293,006.57)
Profit /(Loss) Brought Forward		(295,354,506.89)	(287,061,500.32)
Profit/(Loss) Carried Forward		(24,338,665.57)	(295,354,506.89)
Significant Accounting Policies and Notes to Accounts	10.		

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

Narendra Sharma
Director

Kanika Bhutani
Company Secretary

Gopal Kumar Kedia
Partner
M.No-054629

Place : New Delhi
Dated : 28.07.2008



SCHEDULE TO ACCOUNTS

	As at March 31, 2008 (Rs.)	As at March 31, 2007 (Rs.)
SCHEDULE : 1		
SHARE CAPITAL		
AUTHORISED		
1,80,00,000 (1,80,00,000) Equity Shares of Rs. 10/- (Rs.10/-) each	180,000,000.00	180,000,000.00
ISSUED		
1,11,10,000 (1,11,10,000) equity shares of Rs. 10/- (Rs.10/-) each for cash at par	111,100,000.00	111,100,000.00
SUBSCRIBED AND PAID-UP		
10,31,810 (1,03,18,100) Equity Shares of Rs.10 (Rs.10) each fully paid up	10,318,100.00	103,181,000.00
Add: Forfeited Shares	<u>450,450.00</u>	<u>4,504,500.00</u>
Total	<u>10,768,550.00</u>	<u>107,685,500.00</u>
SCHEDULE : 2		
LOAN FUNDS:		
SECURED LOAN		
Bubblesoft Solutions Pvt. Ltd.	53,350,000.00	216,951,686.00
* Secured against mortgage of land & hypothecation of machinery (present & future)		
(Refer 5(b) of notes to accounts)	<u>53,350,000.00</u>	<u>216,951,686.00</u>
UNSECURED LOAN		
From Directors and their relatives	425,681.00	24,899,313.44
From Body Corporates	14,514,000.00	13,960,970.00
	<u>14,939,681.00</u>	<u>38,860,283.44</u>

**SCHEDULE : 3
FIXED ASSETS**

S. No.	PARTICULARS	Rate	GROSS BLOCK			DEPRECIATION				NET BLOCK		
			AS ON 01.04.2007	Addition during the Year	Deletion during the year	Total as on 31.03.2008	Up To 01.04.2007	For the Year	Deduction	Total Up To 31.03.2008	AS ON 31.03.2008	AS ON 31.03.2007
1	Land		1,235,047.00	0.00	0.00	1,235,047.00	0.00	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	22,876,759.66	2,034,000.17	0.00	24,910,759.83	18,306,001.54	20,340,001.71
3	Plant & Machinery	15.33%	190,872,030.87	0.00	38,363,000.00	162,509,030.87	133,358,687.52	8,816,795.54	0.00	142,175,483.06	10,333,547.81	57,513,343.35
4	Plant Airconditioning	15.33%	8,693,504.68	0.00	0.00	8,693,504.68	6,112,747.51	395,630.07	0.00	6,508,377.58	2,185,127.10	2,580,757.17
5	Computers	40%	1,913,245.30	0.00	0.00	1,913,245.30	1,890,181.26	9,225.62	0.00	1,899,406.88	13,838.42	23,064.04
6	Furniture & Fixtures	18.10%	929,663.21	0.00	0.00	929,663.21	730,669.84	36,017.80	0.00	766,687.64	162,975.57	199,993.37
7	Vehicles	25.89%	662,195.07	0.00	0.00	662,195.07	629,029.33	8,586.60	0.00	637,615.93	24,579.14	33,165.74
8	Office Equipments	13.91%	1,451,567.78	0.00	0.00	1,451,567.78	1,050,747.05	55,754.16	0.00	1,106,501.21	345,066.57	400,820.73
TOTAL			248,974,015.28	0.00	38,363,000.00	210,611,015.28	166,648,822.17	11,356,009.96	0.00	178,004,832.13	32,606,183.15	82,325,193.11
PREVIOUS YEAR			248,974,015.28	0.00	0.00	248,974,015.28	150,611,442.40	16,037,379.77	0.00	166,648,822.17	82,325,193.11	114,399,952.65

@ Refer 5(a) of Notes to Accounts





	As at March 31, 2008 (Rs.)	As at March 31, 2007 (Rs.)
SCHEDULE : 4		
CURRENT ASSETS, LOANS AND ADVANCES		
(a) CASH AND BANK BALANCES		
Cash in hand	17,768.65	1,669.90
Bank Balance with Schedule Bank in Current Account	2,743.31	0.00
	<u>20,511.96</u>	<u>1,669.90</u>
(b) LOANS AND ADVANCES		
(Unsecured, Considered good, unless otherwise stated)		
Value to be received in Cash or in Kind	61,893.39	74,860.00
Advance to Suppliers	844,545.00	0.00
	<u>906,438.39</u>	<u>74,860.00</u>
SCHEDULE : 5		
CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES		
Sundry Creditors:		
(a) Total Outstanding dues to Small Scale Industrial Undertaking(s)	51,046.75	204,187.00
(b) Total Outstanding dues of Creditors other than Small Scale Industrial Undertaking(s)	624,256.32	2,260,475.58
(c) Pending Equity share Allotment against unsecured loan	6,381,435.00	0.00
Expenses Payable	3,736,058.27	9,297,507.47
Duties and Taxes Payable	4,787,000.01	4,682,005.01
(Refer 5(c) , 5(d) & 5(e) of notes to accounts)	<u>15,579,796.35</u>	<u>16,444,175.06</u>
PROVISIONS		
Provision for Fringe Benefit Tax	4,700.00	2,864.00
	<u>4,700.00</u>	<u>2,864.00</u>
	<u>15,584,496.35</u>	<u>16,447,039.06</u>
SCHEDULE : 6		
MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
Preliminary Expenses	102,582.44	153,873.66
Less : Exp . Written Off during the year	51,291.22	51,291.22
	<u>51,291.22</u>	<u>102,582.44</u>
Public Issue Expenditure	2,085,696.16	3,128,544.24
Less : Exp . Written Off during the year	1,042,848.08	1,042,848.08
	<u>1,042,848.08</u>	<u>2,085,696.16</u>
	<u>1,094,139.30</u>	<u>2,188,278.60</u>



	As at March 31, 2008 (Rs.)	As at March 31, 2007 (Rs.)
SCHEDULE : 7		
SALES AND OTHER INCOME		
Balance written off	0.00	9,088,912.05
Sundry Creditors W/B	0.00	13,500.00
Total	<u>0.00</u>	<u>9,102,412.05</u>
SCHEDULE : 8		
PERSONNEL EXPENSES		
Salary and allowances	504,880.34	171,615.00
Staff Welfare Expenses	9,083.00	1,045.00
Total	<u>513,963.34</u>	<u>175,524.00</u>
SCHEDULE : 9		
ADMINISTRATIVE EXPENSES		
Repair & Maintenance	1,000.00	7,651.00
Repair & Maintenance	111,311.50	1,000.00
Travelling & Conveyance	2,565.00	940.00
Auditors Remuneration		
- Audit Fee	11,236.00	11,224.00
Postage, Courier & Telephone	44,073.36	37,490.55
Legal & Professional charges	26,647.00	1,000.00
Printing & Stationery	19,561.00	1,018.00
Filing Fee	6,560.00	15,000.00
Books & Periodicals	3,405.00	0.00
Preliminary Expenses Written off	51,291.22	51,291.22
Public Isses Expenses written off	1,042,848.08	1,042,848.08
Miscellaneous Expenses	1,666.00	7,826.00
Business Promotion Expenses	3,500.25	0.00
Advertisement Expenses	6,237.00	12,877.00
Bank Charges	1,191.00	0.00
Electricity Expense	3,540.00	0.00
Freight and Cartage	80.00	0.00
Interest on FBT	50.00	0.00
Water and Electricity	24,738.00	0.00
Insurance Expenses	91,810.00	0.00
	<u>1,452,310.41</u>	<u>1,182,514.85</u>



SCHEDULE : 10

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.

Depreciation on assets acquired during the year is provided for the full accounting year and no depreciation is charged on the assets sold/discarded during the year.

4. **Inventories:**

Inventories are valued at lower of cost and 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 location and condition.

5. **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.

6. **Expenditure**

Expenses are accounted for on accrual basis.

7. **Foreign Currency Transactions:**

Transactions in foreign currency are booked at standard rates determined periodically and all monetary assets and liabilities in foreign currency are restated at the year-end. Gain or loss arising out of fluctuations on realization/payment or re-statement, except those identifiable to acquisition of fixed assets is charged/credited to the profit and loss account. Gain/loss on account of exchange fluctuations identifiable to fixed assets acquired is adjusted against the carrying value of the related fixed asset.

8. **Taxes on Income:**

Current tax is determined as the amount of tax payable in respect of taxable income for the period.

Deferred tax is recognized, subject to the consideration of prudence, 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 are not recognized on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

9. **Borrowing Cost:**

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



10. Miscellaneous Expenditure:

Miscellaneous expenditure is written off 1/5th of Preliminary Expenses every year.

(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

	For the For the year Ended 31.3.2008	For the For the year Ended 31.3.2007
(a) Profit/(loss) after tax (in Rs.) excluding prior period income	(22,349,805.27)	(8,293,006.57)
(b) Total Number of Equity Shares outstanding at the end of the year	10,31,810	1,03,18,100
(c) Basic and Diluted Earning Per Share (In Rs.) (a/b)	(21.66)	(0.80)
B. Earning per share including Prior Period Incomes / Extraordinary Items		
(a) Profit/(loss) after tax (in Rs.) Including prior period income/ Extraordinary income	271,015,841.32	(8,293,006.57)
(b) Total Number of Equity Shares Outstanding at the end of the year	10,31,810	1,03,18,100
(c) Basic & Diluted Earning Per Share (In Rs.) (a/b)	262.66	(0.80)

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:

- (A) Particulars of Subsidiaries/Associate Companies : NIL
- (B) Key Management Personnel:
(i) Shri Rajeev Bali : Managing Director
- (C) Detail of Transactions

Nature of Personnel	Key Management Personnel	Relative of Key Management	Associate Company	Volume of Transaction
Unsecured Loan written back	Shri Rajeev Bali			Rs.13,334,811
Unsecured Loan received during the year	Shri Rajeev Bali			Rs. 155,139
Unsecured Loan of the company taken over during the year	Shri Rajeev Bali			Rs. 8,016,535

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 on brought forward business loss and unabsorbed depreciation. As the company was sick and revival scheme was approved by BIFR, there is virtual certainty that the deferred tax assets can be realized in future based on the projected scheme.

5. The company had made a reference u/s 15(1) of the Sick Industrial Companies Act, 1985 to the Board for Industrial and Financial Reconstruction vide Letter Ref. No. F-3(I-14)/BC/2002 dated 26.03.2004. The Board has sanctioned the scheme for reconstruction in pursuance of the above reference vide order dated 27th March 2008. Financial implication of the same is as below:

(a) **Fixed Assets**

As per point no 20, point no 21 of the order original cost of fixed assets has been reduced by Rs 383.63 lakhs. Effect of the same has been given in the books. However as the order of the BIFR has come on 27.03.2008, opening WDV as on 01.04.2007 has not been affected by this reduction.

(b) **Secured Loan**

In the Financial year 2006-07 secured loans were assigned to and purchased by the M/S Bubble Soft Solutions Pvt Ltd on their book value of Rs 2169.51 lakhs as on 31.03.2006. Out of the above secured loan due to IDBI settled at Rs 250.00 lakhs, secured loan due to IFCL settled at Rs 283.50 and balance of Rs. 1636.02 lakhs (consisting of Rs. 716.50 lakhs principal amount and Rs. 919.52 lakhs interest amount) have been written off.

(c) **Share Capital**

As per point 11.7, point 20 and point 21 of the BIFR order, share capital is to be reduced by 90% and every ten equity shares of Re 1 is to be consolidated into one equity share of Rs 10 each. Accordingly the existing equity shares of Rs 1076.85 lakhs have been reduced to Rs 107.69 lakhs.

As per point 20 and 21 of the BIFR order, unsecured loan of Rs 255.26 lakhs due as on 31.03.2006 has been reduced by Rs 191.43 (75% of the loan amount) and balance Rs 63.82 (25% of the loan amount) is to be converted into equity share capital which is shown as "Equity shares pending allotment" under the head Current Liabilities & Provisions

(d) **Sundry Creditors**

As per point no 20 and 21 of the BIFR order sundry creditors of Rs 24.99 existing as on 31.03.2006 was to be written back by Rs 18.74. Accordingly the effect of the same has been given in the reported financial statement.

(e) **Expenses Payable**

Excise Duty Payable: - As per point no 7.3 of the Summary of proceeds of hearing held on 11.02.2008 attached with the order and point no 10 read with point no 20, point no 22 and point no 23 of the order, as against the demand of Rs 1.78 lakhs raised by the Excise Department, Rs 1.50 lakhs has been provided. Therefore balance of Rs 0.28 lakhs has been considered as contingent liability.

Workers' Dues : As per point no 7.3 of the Summary of proceeds of hearing held on 11.02.2008 attached with the order read with point no 20, point no 22 and point no 23 of the order, workers' dues reduced to Rs 30 lakhs as against the total outstanding of Rs 83.76 Lakhs and balance Rs 53.76 lakhs has been written off. Effect of the same has been given in the books of accounts.

Market Dues : As per point no 23 read with point no 20 and point no 22 of the order, market dues of Rs 16.87 lakhs has been provided in the books.



SSI Dues : As per point no 23 read with point any 20 and 22 Rs 2.00 lakhs has been provided for SSI dues in the books.

Listing Fees Payable : As per point no 11.7 (c) Listing fees and other arrears payable to Stock Exchanges, where shares of the company are listed are directed to waive fully till the date of sanction of the scheme. Accordingly listing fees of Rs 2.21 lakhs has been written back in the books of accounts.

Employees Provident Fund Payable : As per point no 7.3 of the summary of proceedings of hearing held on 11.02.2008 read with point no 11.5, and point no 21 of the order, Provident Fund has to consider to waive interest and damages of Rs 5.92 lakhs imposed by it. As the provision for the amount was not made in the books of account, the effect of waiver has not been given in the books of accounts. However, as the order for waiver of the aforesaid amount has not been received from EPFO it has been treated as contingent liability.

Income Tax Payable : As per point no 11.3.1, point no 20, point no 22 and point no 23 of the order, CBDT has to consider to waive penal interest, simple interest and damages on the tax liability and to accept Rs 20 lakhs against the principal amount outstanding as on 01.04.2006 (cut off date) as against the total outstanding of Rs 39.32 lakhs as on that date. Effect of the same has been given in the financial statement dealt with this report. However as the order of CBDT regarding waiver of Rs 19.32 lakhs has not been received till the completion of our audit, this amount has been considered as contingent liability.

Sales Tax Payable : As per point no 10, point no 11.2, point no 20, point no 22 and point no 23 Demand for sales tax raised by the Deputy Excise & Taxation Commissioner, Haryana for Rs 66.38 lakhs which is disputed. Out of which Rs 0.20 lakhs already provided in the books. Waiver for the disputed amount is to be considered by the DETC. Therefore Rs 66.18 has been treated as contingent liability.

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

	31.03.2008 Rs/Lacs	31.03.07 Rs/ Lacs
(i) Jayna Enterprises Pvt. Ltd.	2.00	2.04

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.

Contingent Liability:

	31.03.08 Rs/Lacs	31.03.07 Rs/Lacs
(i) In respect of demand from various government authorities regarding Following dues:		
(a) P. F. Payable	5.92	5.11
(b) Excise Payable	0.28	1.18
(c) Income Tax Payable	19.32	0.00
(d) Sales Tax Demand	66.18	0.00

Auditor's Remuneration (including Service Tax) :

	31.03.2008 Rs.	31.03.2007 Rs.
For Audit Fees	11, 236.00	11, 224.00



9. 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	0.00
Printed Circuit Boards	Previous Year	Sq. Mtrs.	54,000	54,000	0.00

(B) Sales, Opening Stock and Closing Stock (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	0.00	0.00	0.00	0.00	0.00	0.00
Printed Circuit Boards	Previous Year	Sq. Mtrs	0.00	0.00	0.00	0.00	0.00	0.00

10. Previous year figures have been regrouped and rearranged, wherever found necessary, to conform to the Current year's classification.

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



CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2008

	As at March 31, 2008 (Rs.)	As at March 31, 2007 (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit/(loss) before tax and extraordinary items	235,343,752.34	(8,293,006.57)
Adjustments For :		
Depreciation	11,356,009.96	16,037,379.77
Preliminary Expenses Written Off	51,291.22	51,291.22
Public Issue Expenses Written Off	1,042,848.08	1,042,848.08
Interest written off	0.00	(9,088,912.05)
BIFR Adjustment *	(241,299,942.44)	0.00
Operating profit/(loss) before working capital changes	6,493,959.16	(250,399.55)
Adjustments For :		
Increase/ (Decrease) in Current Liabilities	(7,248,677.71)	(24,916.45)
Increase/ (Decrease) in Current Assets	(831,578.39)	0.00
Cash generated from operations	(1,586,296.94)	(275,316.00)
Less: Taxes paid	0.00	0.00
Net Cash from Operating Activities	(1,586,296.94)	(275,316.00)
B. CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchase of fixed assets	0.00	0.00
Interest Income	0.00	0.00
Net Cash from Investing Activities	0.00	0.00
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from loans	1,605,139.00	13,334,542.00
Payment of Loans	0.00	(13,064,000.00)
Net Cash From Financing Activities	1,605,139.00	270,542.00
NET CASH INCREASE/ (DECREASE) (A+B+C)	18,842.06	(4,774.00)
Cash/Cash Equivalents Opening Balance	1,669.90	6,443.90
Cash/Cash Equivalents Closing Balance	20,511.96	1,669.90

* Excluding Adjustment of Current Assets/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

Narendra Sharma
Director

Kanika Bhutani
Company Secretary

Gopal Kumar Kedia
Partner
M.No-054629

Place : New Delhi
Dated : 28.07.2008

**ATTENDANCE SLIP
INTEGRATED TECHNOLOGIES LIMITED**

Registered Office:
Narsingpur, Sector-35, Gurgaon-122 001, Haryana
Twenty Second Annual General Meeting, 30th September, 2008

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 Tuesday, 30th September, 2008 at 9.00 a.m. at Narsingpur, Sector-35, Gurgaon-122001

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 Second Annual General Meeting, 30th September, 2008

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 Second Annual General Meeting to be held at 9.00 a.m. on Tuesday, the 30th September, 2008 at Narsingpur, Sector-35, Gurgaon-122001 or at any adjournment thereof.

Signed this day of2008.



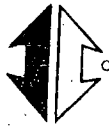
Signature (s) (across the stamp)

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 # 9818261790



If undelivered, please return to :

INTEGRATED TECHNOLOGIES LIMITED

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