21st Annual Report
2006 – 2007

INTEGRATED TECHNOLOGIES LIMITED

Board of Directors

Rajeev Bali	Managing Director
K.R. Shivakumar	Director
Narendra Sharma	Director
Devendar Manchanda	Director

Nominees

Walter Drach	FUBA Printed Circuits GmbH, Germany

Bankers

Punjab & Sind Bank

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 FIRST ANNUAL GENERAL MEETING** of the Members of the Company will be held on Saturday, 29th September, 2007 at 9.00 a.m. at Narsingpur, Sector 35, Gurgaon -122 001, Haryana, India to transact the following businesses: -

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2007 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. Rajeev Bali, who retires by rotation and being eligible offers himself for re-appointment.

3. To appoint a director in place of Mr. Devendra Manchanda, who retires by rotation and being eligible offers himself for re-appointment.

4. To appoint Auditors for the financial year 2006-2007 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.

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 19th September 2007 to 29th September 2007.

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.

By Order of the Board of Directors

Place : New Delhi
Dated : 04.08.2007

Rajeev Bali
Managing Director

DIRECTORS' REPORT

Your Directors have pleasure in presenting the **Twenty First Annual Report** together with Audited Accounts of the Company for the year ended 31st March 2007.

FINANCIAL RESULTS **(Rs. In Lacs)**

	2006-07	2005-06
Sale of Products and other income	91.02	0.00
Manufacturing and other expenses	13.58	13.54
Depreciation	160.37	160.37
Interest	0.00	0.00
Profit/(Loss) before tax	(82.93)	(173.91)

*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.

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 31st March, 2007, 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 31st March, 2007 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 alongwith 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. Rajeev Bali, Mr Narendra Sharma and 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 stopped production at its factory and commercial activities from October – November 2002 subsequent to withdrawal of financial support of the banks, as the Company was classified as a NPA by the financial institutions. The Company has also been declared as a Sick Unit under the Sick Industrial Companies (Special Provisions) Act 1985 u/s 3 (1)(o) of the Act, and IFCI has been appointed as Operating Agency (OA) for formulating the revival and restructuring proposal for the Company.

The Company has, in consultation with the OA submit to the Hon'ble BIFR a proposal for revival of the Unit along with its' projected viability by way of a Draft Revival Scheme (DRS), which is pending before the Hon'ble BIFR for its considered sanction and approval.. The Scheme includes, among other reliefs sought, successfully concluding settlements with IDBI, IFCI and PSB, its secured creditors, with the induction of a Strategic Investor, and arranged the repayment of its debt in accordance with the One Time Settlements offered by the three credtors ,which encompass considerable waivers of interest and other dues, as part of the strategy to revive the Unit with the induction of a Strategic Investor.

The Company will subsequently implement any such Scheme as may be considered and directed as appropriate by the Hon'ble BIFR.

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 : 04.08.2007

(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 it's 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 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.

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	-	8	8
Mr. K. R. Shivakumar	Promoter-Non-Executive	Director	-	8	-
Mr. D. Manchanda	Independent-Non-Executive	Director	1	8	8
Mr. NarendraSharma	Independent-Non-Executive	Director	-	8	8
Mr. Walter Drach	-Non-Executive	Nominee Director	-	8	-

Meetings of the Board of Directors were held on

1. 14th May 2006
2. 23rd June 2006
3. 30th June 2006
4. 3rd July 2006
5. 31stJuly 2006
6. 30th October 2006
7. 31st January 2007
8. 27th March 2007

The following directors were present at the Twentieth Annual General Meeting held on 30th September 2006:

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	Business

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 end electronic form of equity shares at a single point for which it has appointed M/s Skyline Financial Services Private Limited, 123 Vinoba Puri, Lajpat Nagar – II, New Delhi – 110 024 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.

IV. General Body Meetings :

Location and time, where last 3 Annual General Meetings held

Year.	Date	Time	Venue	Agenda
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
Eighteenth	30th Sept. 2004	9.00 A.M.	Narsingpur, Sector- 35, Gurgaon, Haryana.	No Special Resolution formed part of the business of the Meeting

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

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

Postal Ballot- 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 Saturday 29th September 2007 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 19th September 2007 – 29th September 2007 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, 123 Vinoba Puri, Lajpat Nagar – II, New Delhi – 110 024 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 : 04.08.2007

Rajeev Bali
Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS STATEMENT

Industry Structure and Development

The World electronics market was worth US$1.5 trillion in the year 2007, and to continues to expand at a faster rate than the world economy as a whole. While 2006 has witnessed an unprecedented growth spurred by mobile communications, the forecast for the subsequent period from 2007 – 08 is a more moderate scenario. 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:

The printed circuit board (PCB) industry worldwide will reap the rewards of the growing electronics sectors it serves, but still faces many challenges in keeping pace with rapid evolution within these same industries. Closely linked to the semiconductor industry, the industry faces newer challenges as it innovates in tandem with developments in these sectors. Challenges are inherent to designing and manufacturing even more miniature and complex boards and meeting the escalating demands from the increasing sophistication in electronics technologies.

PCB industry grew by 11% in 2006 is expected to keep pace and see global revenues for PCBs grow from over $50 billion in 2007 to over $76 billion in 2012. 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, Vietnam, and now India (wages being 6 % of average production costs here).

This rapid shift in focus with China emerging as the bastion for electronics production since 2000 has dominated the world market scenario and trends very substantially. While Asian domination now is here to stay, China's central role in the period to come 2006 – 2010 is now unassailable, the inevitability of which is underscored by its 25% share of the world PCB market as of 2006, which is expected to nearly double in 2009. The Asia-Pacific region as a whole will continue to expand in PCB production as PCB revenues for the region will increase by over 60% from 2007 to 2012.

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 is a substantially reduced debt burden, thereby increasing its financial viability and future profitability prospects.

Weaknesses

1. Inoperation for the past 4 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 curriencies 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 PCB market: Healthy growth projected and increased market access for Asian PCB producers to Europe and North America, the biggest markets.
2. The Indian advantage: Low cost skilled labour and low cost indigenous pollution control is a compelling factor in sourcing PCBs from Asia
3. 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 effected by adverse movements in foreign currencies being a 100% EOU. However, as most earnings are anticipated in currencies such as Euro and US Dollar, and the costing is substantially import related, the Company's risk on this front is considerably insulated.

   The foregoing SWOT analysis suggests in conclusion that the project is fundamentally sound, and weakness and threats can be 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

The Indian IT sector is projected to export software worth US$ 87 billion by 2008, which would generate a demand for IT hardware to the tune of US$ 50 billion. Yet today (2006), the total production of the Indian electronics hardware production stands at US$ 20 billion.

By contrast, the entire Indian IT and electronics markets in 2002 / 2003 was worth US$20.6 billion, of which US$12.7 billion consisted of software - and although capacity has dramatically been increasing, there are still only some 3,500 units 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$ 200 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, Elcoteq, Celestica etc., one of critical success operational and logistical success factors will be local availability of quality PCBs in large volumes.

"As much as 75% of the PCBs used in the country are imported. And anyway, India has become more of an assembly hub than a manufacturing hub, where all the components, active and passive, are imported and assembled in the country, and India will continue to be strong in this." Says a MAIT official.

Market overview and size

The consumption of PCBs is directly related to the production of electronic equipment and typically average 3 - 7 % of the total value of cost of equipment, and the consumption norms vary with each sector. Increasing sophistication of electronic equipments, miniaturization and considerable widening of the base of the consumer and professional electronics in the world as also in India is resulting in a healthy demand growth for PCBs.

- **It is now evident that 10% of manufacturers supply 90% of the products.**
- **In 2006-07 a total of $45billion worth of PCBs were produced worldwide.**

- PCB demand is also strong in Taiwan and Japan, thanks to new cell-phone business and continuing export of high-end digital cameras, flat-screen TVs, games, automotive electronics and a host of other electronics.
- Over the period 2002 - 2009, the world market for PCBs has grown and projected to do so at roughly the same "Compound Average Annual Growth Rate" (CAAGR) of over approx. 9% per annum compounded
- The total Asian PCB production (including that of Japan) was 65% of the world market. That trend has since consistently and permanently changed towards Asia, more specifically China, which has made tremendous strides from just under 1 % in 1998 to approximately 20%

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.

However, since the Company does not have full time employees, technical and commercial currently, comment on such controls and systems is not deemed necessary at this juncture, Needless to add, all such systems and controls shall be reintroduced upon restart of production and commercial operations.

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. The international melt-down of IT sector companies and the consequent recession that had set in into the global economy, had affected business adversely in 2001. This was further aggravated very substantially by the Sept. 11, 2001 terrorist attacks in the USA.

At this juncture the performance of our unit till date does not reflect the inherent strengths and capabilities. Even though the Company has been receiving substantial orders / business offers that could exceed its present installed capacity, but is presently unable to avail these opportunities as it had been forced to register with the BIFR under SICA of 1985, as also due to the pending debt recovery suits filed by the Financial Institutions with the DRT. The Banks have thereafter withdrawn all financial support during this Financial Year. The Company has been thus forced to shut down its production operations since November 2002.

The Company is now contemplating recommencing its business consequent to a financial restructuring brought about by the induction of a Strategic Investor, who has provided financial assistance to the Company in order to settle the dues of the Company's secured creditors, IDBI, IFCI and its working capital banker, PSB.

thereby reducing the Company's losses very substantially, and consequentially its debt burden and returing the Company to financial health. The Company is awaiting approval of its revival scheme filed with the Hon'ble BIFR to proceed further in this regard.

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 forced shut down in its production operations since November 2002 due to reasons already mention herein have had the attendant negative development in terms of its' human resources. This situation is expected to reverse once the Company has been restructured financially enabling re-commencement of production and operations.

AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE- 31 MARCH 2007

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, 2007 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 : 04.08.2007

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 2007 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 and 5 of the said order.

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

1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
2. In our opinion, proper books of accounts as required by law have been kept by the Company, so far as it appears from our examination of the books.
3. The balance sheet 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 2006 and taken on record by the board of directors, none of the directors is disqualified as on 31st March 2007 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, 2007. 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

Place : New Delhi
Dated : 04.08.2007

(Gopal Kumar Kedia)
Partner
Membership No-054629

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 part of fixed assets have been disposed off during the year.

(ii) From the examination of records we found that the company is not maintaining any stock as the company has not purchased any stock this year.

(iii) (a) The Company has taken unsecured loan from party covered in the register maintained under section 301 of the Companies Act, 1956. The year end balance is Rs.38,860,283.44. However there are no parties in the register maintained under section 301 of the Companies Act, 1956 to which the company has granted loans.

(b) As explained to us, the company is not paying any interest, however other terms and conditions on which loans have been taken from parties listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the company.

(c) As Examined by us, the company is not regular in repayment of principal amounts as stipulated. As explained to us, no period was stipulated for repayment of loan taken by the company from parties listed in the Register maintained under section 301 of the Companies Act, 1956.

(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) Since 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) Since 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) Since 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.

(ix) (a) As per records of the company, the company is not regular in depositing of Provident Fund and ESI dues with the appropriate authorities. The outstanding statutory dues for Provident Fund and E.S.I as at the last date of financial year is Rs.6,24,551.94. However, as regards other dues the liability for the same does not arise during the year. However an Excise Duty Payable at the Year end is of Rs.19,406.74.

(b) As per records of the Company, the company has provided for undisputed amount of Income Tax , for earlier year payable as at 31st March 2007 . However in respect of wealth tax, sales tax, custom duty and excise duty etc. there is no amount which has not been deposited on account of any dispute.

(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, it has incurred cash losses of Rs.2,63,290.55/- during this financial year.

(xi) 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.

(xii) 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.

(xiii) 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.

(xiv) 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.

(xv) The company has not given any guarantee for loans taken by others from bank or financial institutions hence the provisions requiring whether the terms and conditions whereof are prejudicial to the interest of the company, are not applicable to the company.

(xvi) Since the company has not taken any term loan, the provisions requiring that, whether term loans were applied for the purpose for which the loans were obtained, are not applicable to the company.

(xvii) The provisions requiring that, whether the funds raised on short-term basis have been used for long term investment and vice-versa, are not applicable to the company.

(xviii) 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.

(xix) The provisions requiring that, whether securities have been created in respect of debentures issued, are not applicable to the company.

(xx) As no public issue has been made by the company during the 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

Place : New Delhi
Dated : 04.08.2007

Gopal Kumar Kedia
Partner
M.No-054629

BALANCE SHEET AS AT 31ST MARCH 2007

	SCHEDULE	As at March 31, 2007 (Rs.)	As at March 31, 2006 (Rs.)
SOURCES OF FUNDS			
Shareholders' funds:			
(a) Share Capital	1		107,685,500.00
Loan Funds:	2		
(a) Secured Loans		216,951,686.00	239,104,598.05
(b) Unsecured Loans		38,860,283.44	25,525,741.44
		363,497,469.44	372,315,839.49
APPLICATIONS OF FUNDS			
Fixed Assets:	3		
Gross Block		248,974,015.28	248,974,015.28
Less: Depreciation		166,648,822.17	150,611,442.40
Net Block		82,325,193.11	98,362,572.88
Current assets, loans and advances:	4		
(a) Cash and Bank Balances		1,669.90	6,443.90
(b) Loans and Advances		74,860.00	74,860.00
		76,529.90	81,303.90
Less : Current Liabilities and Provisions	5	16,447,039.06	16,471,955.51
Net Current Assets		(16,370,509.16)	(16,390,651.61)
Miscellaneous expenditure	6	2,188,278.60	3,282,417.90
(To the extent not written off or adjusted)			
Profit and Loss Account		295,354,506.89	287,061,500.32
		363,497,469.44	372,315,839.49
Significant Acocunting Policies and Notes to Acocunts	11		

Per our report attached
For G.K. KEDIA & CO.
Chartered Accountants

For and on behalf of the Board of Directors

Rajeev Bali
Managing Director

Devendar Manchanda
Director

Gopal Kumar Kedia
Partner
M.No-054629

Place : New Delhi
Dated : 04.08.2007

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2007

	SCHEDULE	As at March 31, 2007 (Rs.)	As at March 31, 2006 (Rs.)
Income			
Sales and Other Income	7	9,102,412.05	0.00
		9,102,412.05	0.00
Expenditure			
Personnel Expenses	8	175,524.00	139,648.00
Administration Exps.	9	1,182,514.85	1,213,836.82
Depreciation		16,037,379.77	16,037,379.77
		17,395,418.62	17,390,864.59
Profit/ (Loss) before income tax		(8,293,006.57)	(17,390,864.59)
Income Tax for the year		0.00	0.00
Profit/ (Loss) after income tax		(8,293,006.57)	(17,390,864.59)
Profit /(Loss) brought forward		(287,061,500.32)	(269,670,635.73)
Profit /(Loss) carried forward		(295,354,506.89)	(269,670,635.73)

Significant Accounting Policies and Notes to Accounts 10 Per our report attached to Balance Sheet

Per our report attached
For G.K. KEDIA & CO.
Chartered Accountants

For and on behalf of the Board of Directors

Rajeev Bali	**Devendar Manchanda**	**Gopal Kumar Kedia**
Managing Director	Director	Partner
		M.No-054629

Place : New Delhi
Dated : 04.08.2007

SCHEDULE TO ACCOUNTS

	As at March 31, 2007 (Rs.)	As at March 31, 2006 (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		
1,03,18,100 (1,03,18,100) Equity Shares of Rs.10 (Rs.10) each fully paid up	103,181,000.00	103,181,000.00
Add: Forfieted Shares	4,504,500.00	4,504,500.00
Total	**107,685,500.00**	**107,685,500.00**
SCHEDULE : "2"		
LOAN FUNDS:		
SECURED LOAN		
(i) Loan from Financial Institutions (Refer Note No 6 to Notes to Accounts)		
Foreign Curreny Term Loan from Financial Institutions*		
(a) Foreign Currency Loan	0.00	33,400,996.00
(b) Rupee Tied Loan	0.00	40,903,614.00
Rupee Term Loan - IDBI	00.00	29,288,360.00
Rupee Term Loan - IFCI	00.00	3,300,000.00
Funded Interest - IFCI	0.00	21,141,974.00
Interest Accrued & due thereon	0.00	88,916,742.00
* Secured against mortgage of land & hypothecation of machinery and personal guarantee of Managing Director (present & future)		
ii) Bubblesoft Solutions Pvt. Ltd.	216,951,686.00	0.00
* Secured against mortgage of land & hypothecation of machinery (present & future)		
WORKING CAPITAL FROM BANK		
Packing Credit Loan	0.00	5,682,431.00
Bank Overdraft**	0.00	1,64,70,481.05
* Secured against mortgage of land & hypothecation of machinery (present & future)		
	0.00	22,152,912.05
	216,951,686.00	**239,104,598.05**
UNSECURED LOAN		
From directors and their relatives	24,899,313.44	24,328,771.44
From body corporates	13,960,970.00	896,970.00
From Others	0.00	300,000.00
Total	38,860,283.44	25,525,741.44

SCHEDULE : 3
FIXED ASSETS

S. No	PARTICULARS the Year		GROSS BLOCK AS ON 1.4.2006 the year	Addition during the year	Deletion during the year	Total as on 31.04.2007	DEPRECIATION Up to 01.04.06	For the Year	Dedu-ction	Total Upto 31.03.07	NET BLOCK AS ON 31.03.07	AS ON 31.03.06
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**	20,334,259.45	2,542,500.21	0.00	22,876,759.66	**20,340,001.71**	22,882,501.92
3	Plant & Machinery	15.33%	190,872,030.87	0.00	0.00	**190,872,030.87**	120,643,378.12	12,715,309.40	0.00	133,358,687.52	**57,513,343.35**	70,228,652.75
4	Plant Airconditioning	15.33%	8,693,504.68	0.00	0.00	**8,693,504.68**	5,542,182.08	570,565.43	0.00	6,112,747.51	**2,580,757.17**	3,151,322.60
5	Computers	40%	1,913,245.30	0.00	0.00	**1,913,245.30**	1,844,053.16	46,128.10	0.00	1,890,181.26	**23,064.04**	69,192.14
6	Furniture & Fixtures	18.10%	929,663.21	0.00	0.00	**929,663.21**	674,215.61	56,454.23	0.00	730,669.84	**198,993.37**	255,447.60
7	Vehicles	25.89%	662,195.07	0.00	0.00	**662,195.07**	611,222.17	17,807.16	0.00	629,029.33	**33,165.74**	50,972.90
8	Office Equipments	15.33%	1,451,567.78	0.00	0.00	**1,451,567.78**	962,131.81	88,615.24	0.00	1,050,747.05	**400,820.73**	489,435.97
	TOTAL		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
	PREVIOUS YEAR		248,974,015.28	0.00	0.00	248,974,015.28	134,574,062.63	16,037,379.77	0.00	150,611,442.40	98,362,572.88	114,399,952.65

	As at March 31, 2007 (Rs.)	As at March 31, 2006 (Rs.)
SCHEDULE 4		
CURRENT ASSETS, LOANS AND ADVANCES		
(a) CASH AND BANK BALANCES		
Cash in hand	1,669.90	6,443.90
Total	**1,669.90**	**6,443.90**
(b) LOANS AND ADVANCES		
(Unsecured, Considered good, unless otherwise stated)		
Security Deposit	74,860.00	74,860.00
Total	**74,860.00**	**74,860.00**
SCHEDULE : 5		
CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES		
Sundry Creditors:		
(a) Total Outstanding dues to Small Scale Industrial Undertaking(s)	204,187.00	204,187.00
(b) Total Outstanding dues of Creditors other than Small Scale Industrial Undertaking(s)	2,295,907.03	2,295,907.03
Expenses Payable	13,968,288.48	13,968,288.48
Provision for Fringe Benefit Tax	2,864.00	3,573.00
Total	**16,447,039.06**	**16,471,955.51**
SCHEDULE :- 6		
MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
Preliminary Expenses	153,873.66	205,164.88
Less : Exp . Written Off during the year	51,291.22	51,291.22
	102,582.44	153,873.66
Public Issue Expenditure	3,128,544.24	4,171,392.32
Less : Exp . Written Off during the year	1,042,848.08	1,042,848.08
	2,085,696.16	3,128,544.24
Total	**2,188,278.60**	**3,282,417.90**
SCHEDULE : 7		
SALES AND OTHER INCOME		
Balance written off	9,088,912.05	0.00
Sundry Creditors W/B	13,500.00	0.00
Total	**9,102,412.05**	**0.00**

	As at March 31, 2007 (Rs.)	As at March 31, 2006 (Rs.)
SHCHEDULE "8"		
PERSONNEL EXPENSES		
Salary and allowances	171,615.00	135,327.00
Staff Welfare Expenses	1,045.00	748.00
Fringe Benefit Tax	2,864.00	3,573.00
Total	175,524.00	**139,648.00**
SCHEDULE : 9		
ADMINISTRATIVE EXPENSES		
Repair & Maintenance	1,000.00	7,651.00
Travelling & Conveyance	940.00	11,122.00
Auditors Remuneration		
– Audit Fee	11,224.00	11,224.00
Postage, Courier & Telephone	37,490.55	29,054.00
Legal & Professional charges	1,000.00	1,653.00
Printing & Stationery	1,018.00	14,437.00
Filing Fee	15,000.00	3,000.00
Books & Periodcals	0.00	776.00
Consultancy Charges	0.00	26,000.00
Preliminary Expenses W/Off	51,291.22	51,291.22
Public Isses Exp. W/Off	1,042,848.08	1,042,848.08
Miscellaneous Expenses	7,826.00	12,560.52
Business Promotion Expenses	0.00	2,220.00
Total	12,877.00	0.00
	1,182,514.85	**1,213,836.82**

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 31.3.2007	For the For the year Ended 31.3.2006
(a)	Profit/(loss) after tax (in Rs.) excluding prior period income	(8,293,006.57)	(17,390,864.59)
(b)	Total Number of Equity Shares outstanding at the end of the year	1,03,18,100	1,03,18,100
(c)	Basic & Diluted Earning Per Share	(0.80)	(1.69)

B. Earning per share including Prior Period Incomes

(a)	Profit/(loss) after tax (in Rs.) excluding prior period income	(8,293,006.57)	(17,390,864.59)
(b)	Total Number of Equity Shares outstanding at the end of the year	1,03,18,100	1,03,18,100
(c)	Basic & Diluted Earning Per Share (in Rs.) (a/b)	(0.80)	(1.69)

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

4. Detail of Transactions

Nature of Transaction	Key Management Personnel	Relative of Key Management	Volume of Transaction Personnel
Expenses and creditors paid on behalf of company	Shri Rajiv Bali		Rs 5,70,542

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.

5. **Deferred Tax Assets:**

Provision for Deferred Tax Assets as per Accounting Standard 22, issued by the Institute of Chartered Accountants of India has not been recognized by way of prudence, as in the opinion of the management there is reasonable uncertainty of future income, which may be available for its adjustment. The company does not estimate consistent income in future years and as such no provision for deferred tax liability has been made.

6. During the year, loans from financial institutions have been taken over by Bubblesoft Solutions Pvt. Ltd. and debt assignment has been done in favour of Bubblesoft Solutions Pvt. Ltd.

7. During the year one time settlement has been done with Punjab & Sind Bank and agreed amount was paid off by the company.

8. The company has become a Sick Company under the provisions of SICA, 1985. A reference to the Board for Industrial and Financial Reconstruction has been registered vide Letter Ref. No. F-3(I-14)/BC/2002 dated 26.03.2004.

In the opinion of the management of the company, future viability of operations of the company can still be maintained, but only if financial and asset re-structuring and necessary working capital infusion is approved and expedited by the lenders. Therefore the accounts have been prepared on a going concern basis despite substantial losses.

9. 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:

		31.03.07 Rs/Lacs	31.03.06 Rs/Lacs
(i)	Jayna Enterprises Pvt. Ltd.	2.04	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. This has been relied upon by the Auditors.

9. Contingent Liability:

		31.03.07 Rs/Lacs	31.03.06 Rs/Lacs
(i)	In respect of demand from various government authorities regarding following dues :		
(a)	P.F Payable	5.11	5.41
(b)	Excise Payable	1.18	1.18
(iv)	In respect of disputed demands, appeals pending with Appellate Authorities and C.I.T Appeals, no provision has been considered necessary by the Management:		
(a)	Income Tax	20.48	20.48
(b)	Sales Tax	66.38	0.00

10. The balances of Certain Creditors for trade and expenses have been written back as in the opinion of the management these are no longer payable. The net effect of the above adjustments has been shown in the Profit and Loss Account.

11. Auditor's Remuneration (including Service Tax):

	31.03.2007	31.03.2006
For Audit Fees	Rs. 11,224.00	Rs. 11,224.00

12. 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

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

14. Since the company does not have Company Secretary in service, the financial statements have not been signed by the company secretary.

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

PART IV
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1. Registration Details

Registration No. 32816 State Code 05 (refer Code list)

Balance Sheet Date 31 (Date) 03 (Month) 2007 (Year)

2. Capital raised during the year (Amount in Rs. in lacs)

Public Issue	Rights Issue
NIL	NIL
Bonus Issue	Private Placement
NIL	NIL

3. Position of Mobilisation and Deployment of Funds (Amount in Rs. in lacs)

Total Liabilities	Total Assets
3634.97	3634.97

Source of Funds

Paid-up Capital	Reserves and Surplus
1076.85	NIL
Secured Loans	Unsecured Loans
2169.52	388.60

Application of funds

Net Fixed Assets	Investments
823.25	NIL
Net Current Assets	Misc. Expenditure
(163.70)	21.88
Accumulated Losses	
2953.54	

4. Performance of Company (Amounts in Rs. in lacs)

Turnover	Total Expenditure
91.02	173.95
Profit/Loss before Tax	Profit/Loss After Tax
- (82.93	- (82.93)

Please tick appropriate Box + for profit, - for Loss)

Earning per share in Rs.	Dividend Rate %
NIL	- -

5. Generic Names of Three Principal Products/Services of Company (as per monetary terms)

Item No. (ITC Code) MANUFACTURING &

Product Description SELLING OF PRINTED CIRCUIT BOARDS

Item Code (ITC Code)

Product Description N.A

Item Code (ITC Code)

Product Description N A

For and on behalf of the Board of Directors

Rajeev Bali
Managing Director

Devendar Manchanda
Director

For G.K. KEDIA & CO.
Chartered Accountants
Gopal Kumar Kedia
Partner
M.No-054629

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2007

	As at March 31, 2007 (Rs.)	As at March 31, 2006 (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit/(loss) before tax and extraordinary items	(8,293,006.57)	(17,390,864.59)
Adjustments For :-		
Depreciation	16,037,379.77	16,037,379.77
PreliminaryExpenses W/Off	51,291.22	51,291.22
Public Issue Expenses W/Off	1,042,848.08	1,042,848.08
Interest written off	(9,088,912.05)	0.00
Operating profit/(loss) before working capital changes	**(250,399.55)**	**(259,345.52)**
Adjustments For :-		
Current Liabilities	(24,916.45)	144,858.52
Cash generated from operations	(275,316.00)	(114,487.00)
Less:Direct taxes paid	0.00	0.00
Net cash from operating activities	(275,316.00)	(114,487.00)
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	13,334,542.00	116,442.00
Payment of Loans	(13,064,000.00)	0.00
Net cash from financing activities	270,542.00	116,442.00
NET CASH INCREASE/ (DECREASE) (A+B+C)	(4,774.00)	1,955.00
Cash/cash equivalents opening balance	6,443.90	4,488.90
Cash/cash equivalents closing balance	1,669.90	6,443.90

Per our report attached
For G.K. KEDIA & CO.
Chartered Accountants

For and on behalf of the Board of Directors

Rajeev Bali	**Devendar Manchanda**	**Gopal Kumar Kedia**
Managing Director	Director	Partner
		M.No-054629

Place : New Delhi
Dated : 04.08.2007

ATTENDANCE SLIP
INTEGRATED TECHNOLOGIES LIMITED
Registered Office:
Narsingpur, Sector-35, Gurgaon-122 001, Haryana
Twenty First Annual General Meeting, 29th September, 2007

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 Saturday, 29th September, 2007 at 9.00 a.m. at Narsingpur, Sector-35, Gurgoan-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 First Annual General Meeting, 29th September, 2007

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 Twentieth Annual General Meeting to be held at 9.00 a.m. on Saturday, the 29th September, 2007 at Narsingpur, Sector-35, Gurgoan-122001 or at any adjournment thereof.

Signed this .... day of ....2007.

Affix a 30 paise Revenue Stamp

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.

INTEGRATED TECHNOLOGIES LIMITED

BOOK-POST

If undelivered, please return to :

INTEGRATED TECHNOLOGIES LIMITED

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

Proactive # 9818261790