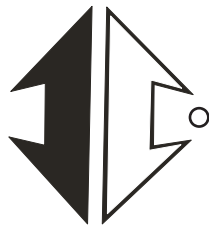


27th Annual Report 2012 - 2013



INTEGRATED TECHNOLOGIES LIMITED

Board of Directors

Rajeev Bali

K.R.Shivakumar

Devendra Manchanda

Virendra Kashyap

Managing Director

Director

Director

Director

Secretarial & Compliance Officer

Mr. Sanjeev Kumar

Auditors Address

M/s. S.K Mittal & Co.,
Chartered Accountants, Mittal House,
E-29, N.D.S.E., Part II,
New Delhi-110049

Registered Office

Sec.-35, Narsingpur,
Gurgaon- 122001, Haryana (India)

Registrars Address

Skyline Financial services Pvt. Ltd.
D- 153A, 1st Floor, Okhla Phase-I,
New Delhi-110020

Bankers

State Bank of India
HDFC Bank

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NOTICE FOR TWENTY SEVENTH ANNUAL GENERAL MEETING

Notice is hereby given that the Twenty Seventh Annual General Meeting of the Members of **INTEGRATED TECHNOLOGIES LIMITED** will be held on 30th day of September, 2013 at Sector -35, Narsingpur, Gurgaon-122001, Haryana at 9.00 A.M at the Registered Office of the company to transact the following business: -

I. ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013 and Profit & Loss Account for the year ended on that date, together with the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Devendra Manchanda who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditor for the Financial year 2013-14 till the conclusion of next Annual General Meeting and to fix their remuneration, M/s S.K. Mittal & Co., the retiring Auditors, being eligible offer themselves for reappointment.

By Order of the Board of Directors

Place : New Delhi
Dated : 02.09.2013

Sanjeev Kumar
(Secretarial & Compliance Officer)

NOTES:

1. **A MEMBER OF THE COMPANY ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE MUST BE RECEIVED, DULY FILLED AND AUTHENTICATED AT REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS (FORTY-EIGHT HOURS) BEFORE THE SCHEDULED TIME OF THE MEETING.**
2. Member/Proxies should bring the Attendance Slip in the Meeting duly filed in, for attending the meeting.
3. Statutory Registers under the Companies Act, 1956 is available for the inspection at the Registered Office of the Company during business hours.
4. Corporate members are requested to send a duly certified copy of the Board Resolution, pursuant to Section 187 of the Companies Act, 1956, authorizing their representative to attend and vote at the Annual General Meeting.
5. Members are requested to bring their admission slips along with copy of the report and accounts to the Annual General Meeting.
6. The Register of Members and Share Transfer Books of the Company will remain closed from 25th September, 2013 to 30th September, 2013(both days inclusive) for the purpose of Annual General Meeting.
7. Members are requested to notify change in address, if any immediately to the Company's Registrars M/s Skyline Financial Services Private Limited.
8. Members who hold shares in dematerialization form are requested to bring their Clint ID and DP ID numbers for easy identification of attendance at the meeting.



9. The Ministry of Corporate Affairs (MCA) has taken a Green Initiative in the Corporate Governance by allowing paperless compliance by Companies vide its Circular Nos. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011 stating that the services of the official documents by the companies to its members can be made through electronics mode. Considering the move taken by the MCA as a welcome step for the society at large, the company henceforth proposes to send various notices / documents like Notices of General Meeting, Audited Financial Statements, Auditors Report, Directors Report etc. In electronic form to the e-mail ids available with the company. If you still wish to receive the above documents in physical form, the same be made available upon receipt of a request from you.

All the official documents including Annual Report of the Company, circulated to the Members of the Company through electronic mode will be made available on the Company's website i.e. www.integratedtech.in the members holding shares in demat mode may update their email IDs with the respective depository participants to ensure that the Annual Reports and other documents reach them at their preferred –mail IDs and where the shares are held in physical form, please get your email IDs registered or updated in the records of the Company.

Place : New Delhi

Dated : 02.09.2013

Sanjeev Kumar
(Secretarial & Compliance Officer)



DIRECTORS' REPORT

Your Directors have pleasure in presenting the **Twenty Seventh Annual Report** together with Audited Accounts of the Company for the year ended 31st March 2013.

FINANCIAL	(Rs. In Lacs)	
	Particulars	2012-13
Profit before tax	(76.25)	(35.90)
Less : Provision for taxation	26.17	126.93
Profit After tax	(102.42)	91.03
Extraordinary income	203.88	0.00
Profit After Extraordinary income	101.46	0.00
Balance profit from last year	(326.17)	(417.20)
Balance profit carried to balance sheet	(224.71)	(326.17)
Earnings per share (face value Rs. 10/-)		
- Basic and Diluted before extraordinary item (in Rs.)	(2.14)	2.66
- Basic and Diluted after extraordinary item (in Rs.)	2.12	1.90

*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

It is proposed to re-appoint Mr. Devendra Manchanda, who is retiring by rotation on the Board of Directors, the appointment forms part of the business of the ensuing Annual General Meeting of the Company.

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, 2013, 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, 2013 on a 'going concern' basis.

CORPORATE GOVERNANCE-

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



AUDIT COMMITTEES

As required under section 292A of the Companies Act, 1956 the Company has constituted an Audit Committee comprising of Mr. Devendra Manchanda, Mr. Rajeev Bali and Mr. Virendra Kashyap. 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

M/s S. K. Mittal and Co., Chartered Accountants retires at the close of this Annual General Meeting and is eligible for re-appointment. The Company has received confirmation from them that their appointment will be within the limits prescribed under Section 224(1B) of the Companies Act, 1956. The Audit Committee of the Board has recommended their re-appointment for FY 2013-14. The necessary resolution is being placed before the shareholders for approval.

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

2013 again been a mixed bag, but has nevertheless seen the return to growth in some geographies compared with the preceding years. The US has begun its gradual pullout from Afghanistan and recession, for some time, and is gradually returning to better times and consistent growth, perhaps better than expected and better than most developed nations. Europe has also seen steady growth in the past year. While not substantial, but encouraging especially driven by Germany. Asia on the other hand is not quite on the same page. China is seeing the pressure of rising labour costs, an aging population, tapering of high tech investments which are now more centered around home markets in the developed world. Even "time to market", logistics, freight costs has impacted growth prospects. Industries where labour costs matter of course continue their migration to China and the rest of Asia, the latter also gaining investments due to this factor including Indonesia, Vietnam, and other South Asian countries, whose rising prosperity is also critical for the growth of world markets. As Japan continues to deal with disasters such as Fukushima, among others, and Thailand from the floods, supply chains are relocating and diversifying to avert the impact of the fallout of such events. What we see is a more even distribution of manufacturing worldwide with all aspects of the supply chain being evenly located.

The PCB industry has seen positive growth in 2012 at \$ 60.6 Billion (Source N.T. Information), 4% over US\$ 58.3 Billion in 2011. There have been dramatic changes in technology, for the electronics industries and therefore the PCB industry necessitating a proliferation of materials to cater to diverse, high end uses and product profiles. BPA Technology Consulting projects growth at US\$ 68.5 Billion by 2016, with China still accounting for over 51% of the world's total production. However, high technology applications such as defence, aerospace, proprietary technologies and designs etc. are increasingly getting localized, with this trend beginning to accentuate in the past few years.

The Indian PCB market has been growing at a healthy pace, with large investments in the mobile communications, telecom, industrial, consumer electronics, EMS, and automotive industries already made. The growth which was expected to exceed 17% CAGR however, now seems unlikely with a discernable downturn spiral in the Indian economy, driven by a variety of domestic factors. The total market which was approx. US\$ 650 Million has shrunk considerably, as demand for electronics drops, and some companies implement down-sizing strategies or move overseas. Domestic production is close to US\$ 200 Million, with the rest being imported, thereby presenting an opportunity to existing domestic PCB producers. However, with very little or no substantial investments forthcoming, this trend of import of PCBs of all types and materials will continue, and volatility of the Indian Rupee will exacerbate imports and yet cut backs in domestic production.

The Company expected to receive permission to exit from the 100% EOU Scheme for which it had applied well over three years ago and in was forced to suspended production till receipt of the de-bonding permission from the Commerce Ministry (NSEZ). Keeping in view continuing and exceptional delays in the de-bonding process, the Company is contemplating recommencing exports out of lack of choice very soon as a 100% EOU. With the Rupee having depreciated by almost 20% at the time of writing, exports seem to be the logical direction of business, a lucrative option at this time for the short run.



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

(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 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. 5,00,000/- per month or Rs. 60,00,000/- per annum are required to be given forming part of the Directors' Report. None of the employees of the company are in receipt of remuneration in excess of the prescribed limit.

Acknowledgments

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

For and on behalf of the Board of Directors

Place : New Delhi
Dated : 02.09.2013

Devendra Manchanda
Director

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 of Director	Attendance at Last AGM	No. of outside Directorships held	No. of Mtgs. attended	Other Board Committee	
					Member	Chairman
Mr. Rajeev Bali	MD/PG	Yes	-	5	2	-
Mr. K. R. Shivakumar	NED/PG	No	-	-	-	-
Mr. D. Manchanda	NED/ID	Yes	5	5	3	3
Mr. Virendra Kashyap	NED/ID	No	-	--	3	-

Meetings of the Board of Directors were held on:

Date of Board Meetings

29.06.2012	13.08.2012	26.11.2012	02.01.2013
30.01.2013			

The following Directors were present at the Twenty Sixth Annual General Meeting held on Friday, 28th September 2012:

1. Mr. Rajeev Bali
2. Mr. Devendra Manchanda

None of the Directors on the Board is a member in more than ten committees and / or acts as Chairman of more than five committees across all the companies in which he is a Director.

Brief information on Directors proposed for re-appointment

The brief resume, experience and other details pertaining to the Directors seeking appointment / re-appointment in the ensuing Annual General Meeting, to be provided in terms of Clause 49 of the Listing Agreement with the Stock Exchanges, is furnished below:

A Director liable to retire by rotation seeking re-appointment is placed for approval:

Mr. Devendra Manchanda

Date of Birth: 03.03.1959

Qualification: Chartered Accountant

Professional Expertise: He has more than two decade of experience in the accounting, costing, finance, income tax and the relevant fields. He does not have any material precautionary relationship with the company or any of the Directors, promoters or relative of such Directors of the company and provide independent judgment to the Board of Directors.

Committee Membership / Chairmanship: He is member as well as Chairman in three Committees of the Board of Directors.

Shareholding in the Company: He does not hold any Equity Shares in the company.



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 contained in the Listing Agreement and as may be assigned to him from time to time.

The constitution of the Committee and the attendance of each member of the Committee are given below-

Name	Designation	Category	Meetings Attended	Profession
Mr. D. Manchanda	Chairman	Independent Director	4	Chartered Accountant
Mr. Virendra Kashyap	Member	Independent Director	--	Business
Mr. Rajeev Bali	Member	Executive Director	4	Business

IV. Remuneration Committee

Terms of reference

The Remuneration Committee has been constituted to recommend / review the remuneration package of Managing / Whole Time Directors.

The constitution of the Committee and the attendance of each member of the Committee are given below-

Name	Designation	Category	Meetings Attended	Profession
Mr. D. Manchanda	Chairman	Independent Director	--	Chartered Accountant
Mr. Virendra Kashyap	Member	Independent Director	--	Business
Mr. Rajeev Bali	Member	Executive Director	--	Business

V. Investors Grievance Committee

a. Terms of reference

The Committee has been formed to review the functioning relating to redressal of investors services / grievances and make suggestions for further improving systems, follow up on the implementation of suggestions for improvement, periodically report to the Board about serious concerns, if any, and deal / review other related matters.

b. Composition

The Committee comprises 2(Two) Directors and all are Non- Executive Directors. The Committee met 4 times during the year and the attendance of the members at the meeting was as follow:



Name	Designation	Category	Meetings Attended	Profession
Mr. D. Manchanda	Chairman	Independent Director	4	Chartered Accountant
Mr. Virendra Kashyap	Member	Independent Director	4	Business

The Company had 6012 shareholders. During the year under review very few requests/ complaints were received and they were attended/ resolved. Further, no securities were pending for transfer for more than 15 days as on 31-03-2013

VI. **General Body Meetings :**

Location, Time & Agenda (Special Resolution if any) of last 3 Annual General Meetings held

Year.	Date	Time	Venue	Agenda
Twenty Sixth	28 th Sept, 2012	9.00 A.M.	Narsingpur, Sector- 35, Gurgaon, Haryana.	No Special Resolution formed part of the business of the Meeting
Twenty Fifth	30 th Sept 2011	9.00 A.M.	Narsingpur, Sector- 35, Gurgaon, Haryana.	No Special Resolution formed part of the business of the Meeting
Twenty Fourth	30 th Sept 2010	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- A Special Resolution was passed on 22nd February, 2012 through Postal Ballot, pursuant to Section 192A of the Companies Act, 1956, read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2001, to conduct the following Business

Special Resolution: Change of place of the Registered Office from one State to another State.

And Ordinary Resolution: Increase in the borrowing powers of the Company as per section 293(1) (d) of the Companies Act.

(a) **Scrutinizer**

The Board appointed Mr. Anil Kumar Chaddha, Practicing Company Secretary, as the scrutinizer for conducting the Postal Ballot process in a fair and transparent manner. Mr. Anil Kumar Chaddha conducted the process and submitted his report to the Chairman.

(b) **Procedure followed**

- (i) The Postal Ballot notice and other related documents were dispatched to the Members through Book Post.
- (ii) A calendar of events along with Board Resolution was submitted with the Registrar of Companies, Delhi and Haryana.
- (iii) The result of the Postal Ballot was announced by the Chairman at the Registered Office of the Company.

(c) **Details of voting pattern**

After scrutinizing all the postal ballot forms received, the scrutinizer reported that the Members representing 83.18% of the total voting strength voted in favour of the resolution, based on which the result was declared by the Chairman of the Company on 22nd February, 2012 and the resolution was carried out with overwhelming majority.

VII. **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 into.
- ii. The Company has not been penalized for any non-compliance and no prosecution is pending against the Company in relation to any matter related to the Capital Markets.



VII. Means of Communication :

- i. **i. Half-Yearly Report / Quarterly Results** – Quarterly 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.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.**

VIII. General Shareholder Information :

- i. **AGM: Date, Time and Venue-** The Annual General Meeting of the Company is scheduled to be held on Monday, 30th September 2013 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 25th September, 2013 – 30th September, 2013 pursuant to Section 154 of the Companies Act, 1956.
- iv. **Dividend payment date-**The Company has not declared any dividend.
- v. **Listing & Trading on Stock Exchanges-** The shares of the Company are listed on:
 1. **The Bombay Stock Exchange Ltd.**
1st Floor, New Trading Ring,
Rotunda Building, P J Towers,
Dalal Street, Fort,
Mumbai – 400 001
 2. **Delhi Stock Exchange**
3/1, Asaf Ali Road,
Near Turkman Gate,
New Delhi – 110 002
 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 and low price of the shares of the Company during each month in last Financial Year-

Month	High (₹)	Low (₹)	No. of Shares
April 2012	9.70	9.70	100
May 2012	10.18	9.70	130
June 2012	N.A	N.A	N.A
July 2012	10.00	10.00	105
August 2012	9.51	9.51	1
September 2012	9.04	8.59	12
October 2012	8.17	5.72	1363
November 2012	5.44	4.23	11460
December 2012	4.89	4.40	3808
January 2013	6.82	4.40	3194
February 2013	5.56	5.03	6597
March 2013	4.78	3.40	1123



- ix. **Registrar and Transfer Agents-** M/s Skyline Financial Services Private Limited, D-153, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi – 110 020 acted as the Company's 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, M/s Skyline Financial Services Pvt. Ltd., or at the Registered Office of the Company.
- xi. **Details / Distribution of Shareholdings as on 31st March 2013**

S. No.	Category	No. of Shares held	% of Shareholding
1	Promoter		
	Indian	3951760	82.65
	Foreign	150000	3.14
2	NRI/OCBs	9180	0.19
3	Indian Public (Including Indian Co.)	670570	14.02
	Total	4781510	100.00

- xii. **Dematerialization of shares and liquidity-**The shares of the Company are under compulsory dematerialization and the shares are dealt in dematerialized form only. The new International Securities Identification Number (ISIN) allotted to the Company is **INE882B01029**. The Registrar & Share Transfer Agents are handling all work related to the shares registry in terms of both physical and electronic.
- xiii. **Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion dates and likely impact on equity-** The Company has not issued GDRs/ADRs.
- xiv. **Plant Locations-**The plant of the Company is located at Narsingpur, Sector-35, Gurgaon-122 001, Haryana, India.
- xv. **Address for correspondence**
For all stakeholders:
Integrated Technologies Limited
C-24, Defence Colony, New Delhi-110024.
For Physical Transfer of shares / Dematerialization request:
M/s Skyline Financial Services Private Limited
D-153, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi-110020.
- xvi. **Code of Conduct and Ethics**
The Board of Directors of the Company has laid down Code of Conduct and Ethics (the Code) for Company's Directors and Senior Employees. All the Directors and the Senior Employees covered by the Code have affirmed compliance with the Code on annual basis and the same is also posted on the web-site of the Company viz. www.integratedtech.in
- xvii. **CEO / CFO Certification**
Since there is no CEO / CFO in the Company, the Managing Director and Manager-Accounts have affirmed / certified the Annual Financial Statements conforming in the terms of Clause 49 of the Listing Agreement on Corporate Governance Code.

By the order of the Board of Directors

Place : New Delhi
Date : 02.09.2013

Rajeev Bali
Managing Director



MANAGEMENT DISCUSSION AND ANALYSIS STATEMENT

In view of the strong growth potential in the domestic market of PCBs, and the difficult recessionary outlook in the developed economies since 2008 onwards, the largest importers of PCBs, the Company had requested the relevant Government of India Departments and Ministry for De-bonding of its' PCB unit as of July 2010, to enable the Company to have unlimited access to the domestic market, specifically due to the lack of suppliers of quality PCBs at large volumes, especially in North India. The NCR region itself constitutes over 33% of the total Indian market of US \$ 2 Billion.

However, the Company currently is still not in production as a result of delays in obtaining the requisite permissions, i.e. issues outside management control, are compelling it to review its' decision regarding the proposed domestic sale focus, some of which are listed below:

1. The de-bonding application is still pending with Governmental agencies / departments, and the likelihood of the outcome of this decision / permission is still unknown.
2. The domestic market has slowed down considerably in view of the current domestic political and hence economic scenario.
3. The volatility of the Rupee and its depreciation by almost 20% viz-a-viz hard currencies e.g. US Dollar, Euro, UK Pound, as well as the Chinese RMB and the prospect of it remaining as such for the foreseeable short to medium term future once again makes exports remunerative, especially in industries where skilled labour is a major cost component such as PCBs.

The Company is thus considering recommencement of exports very shortly and will review its domestic market presence in the future as the domestic political and therefore economic scenario improves and stabilizes.

Opportunities and threats

We present below a SWOT analysis of the Company.

Strengths

1. The Company has re-established itself as a reliable producer of high quality and technology Printed Circuit Boards (PCBs),
2. The Company had adequate orders and is still receiving business enquiries. Existing and past customers, domestic and foreign have been following the Company's re-start plans to resume purchases.
3. The Company has also received enquiries / permission from new export customers.

Weaknesses:

1. The Company being a 100 % Export Oriented Unit, is subject to market variations resulting from events and circumstances that impact the international, political and economic scenarios, e.g. post Sept 11 business downturn, rising oil prices slowing business growth, the global recession, fluctuating currencies, and now the prospect of renewed war in the Middle East.
2. The Company needs to further upgrade its technology in certain areas as also increase production capacity even further than that effected in FY 2009-10, as also bring down material costs.

Opportunities:

1. The depreciating Indian Rupee recently by over 20% against most western currencies again makes exports highly remunerative.
2. The Indian advantage: Low cost skilled labour and low cost indigenous pollution control is a compelling factor for manufacturing PCBs in India.
3. Indian quality and mid-volume capability is being well received internationally and also by domestic importers, especially in comparison to Chinese producers.

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.
3. Competition with Chinese imports who are continually reducing pricing to gain market share despite delivering questionable quality standards. However, buyers in developed countries now have a marked preference for other sources of supply with high technology capabilities and capacities, reliability, and consistency.
4. Political instability and rampant corruption locally discouraging domestic and foreign investments and hindering business operations of existing companies.

The foregoing SWOT analysis suggests in conclusion that the Company's prospects, its future strategy are fundamentally sound and a substantial opportunity exists.

Segment –wise or Product-wise performance

The Company has only single line of manufacturing of Printed Circuit Boards. Therefore, segment-wise analysis is not required. However, there are different categories of professional grade Printed Circuit Boards viz. Single sided (SS), Double sided plated-thru. -Holes (DSPTH) and Multi-layer (ML) PCBs. The total capacity of the Plant is 54,000 sq. mtrs. per annum. The plant has resumed commercial production and operation after 6 years. Having recommenced commercial operation in 2008 – 09, the Company failed to export its products as envisaged. With limited domestic market access and consequent to it's application pending to exit from the 100% EOU Scheme, the Company was forced to suspend production for over a year till date.

Outlook

With the progression of science and quantum jumps in technology, the electronic information processing needs for all types of products are gradually enhanced. New electronic products are emerging as a result, which continuously expand the end-use and market for PCBs. Emerging 3G mobile phones, automotive electronics, LCD, IPTV, digital TV, computing products will also substantially widen the global PCB market. The growing demand for smart phones, touch screen tablets are major drivers of this industry currently, communications equipment, consumer electronics, automotive electronics and computers and related products are the major end-use application markets for PCBs, account for about 80% of the total market demand.

China continues to dominate both PCB demand and production in both volume and value terms. However the total market demand in Asia in 2013, at least, will be reduced by the economic downturn in the West, which is expected to continue for some years till the Euro zone restructures and recovers. Asian growth will be sustained mainly by domestic demand. From a respectable average annual growth of just under 5% in 2013 it is expected to start picking up in 2015 resulting in a growth rate of between 6% and 7% for China between 2011 and 2016. Global PCB market by value will increase from \$56.6 billion in 2011 to \$68.5 billion in 2016. China's share of PCB production is expected to increase further from 45% to 51%. (Source: BPA Consulting)

The downturn in China at the end of 2011 and reduced growth rates particularly in the latter part of 2012 has been more severe for small and medium sized fabricators than in the rest of Asia and this has continued through the first half of 2013. China will be looking to boost exports to emerging economies to compensate for lack of demand from the West. However, China is still substantially reliant on the major U.S. and European markets and the turbulence that has affected these economies will continue to suppress demand for PCBs in China seen at the end of 2012 and will still affect the market for laminates and PCBs during 2013.

India exports 24% of its domestic production to US, UK, Spain, Germany, Italy, Austria, Belgium, Netherlands, Thailand, New Zealand mainly (Source : IPCA). ITL has in addition to Germany, Austria, and some other European countries, also exported to Scandinavian countries where prices have been very remunerative. The Company proposes to tap these markets as also other emerging Asian markets which are expected to be future growth areas in times to come.

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 position with regards to business operations remains unchanged and the domestic sales permission completely depleted in the previous years, the Company has been forced to suspend production till receipt of approval for exit from the 100% EOU Scheme, which till date is yet to materialize. The Company has taken all possible steps to reduce overheads and hence costs till that time to minimize losses, and now proposes to commence exports subject to relevant Indian Government authorities.

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

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

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

Due to suspension of production till receipt of necessary permission to exit from EOU Scheme, in the interim period most production employees have chosen to leave the Company for other opportunities due to perceived uncertainty of the Company's future plans and prospects.



AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE FOR THE YEAR ENDED- 31ST MARCH 2013

To the members of

Integrated Technologies Limited

We have examined the compliance of the conditions of Corporate Governance by Integrated Technologies Ltd. for the year ended 31st March 2013, as stipulated in Clause 49 of the Listing Agreement of the said company with the Stock Exchanges.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the 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 Agreement(s) except there was no CFO/ CEO in the company during the year 2012-13

As informed to us and records produced before us, there were no investor grievance are pending for period exceeding 21 days against the Company.

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 S.K.Mittal & Co.
Chartered Accountants
[FRN. 001135 N]**

**Krishan Sarup
Partner
M.No. 010633**

Place : New Delhi
Dated : 02.09.2013



AUDITORS' REPORT

To The Members of
INTEGRATED TECHNOLOGIES LTD.

Report on the Financial Statements

We have audited the accompanying financial statements of Integrated Technologies Ltd. ("the Company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

We draw attention:

- (a) That no provision has been made in respect of the disputed custom & central excise duty of Rs. 66.533 million which has been shown as a contingent liability (refer note no. 17 (II) (3) read with note no 17 (II) (1a);
- (b) That no provision has been made in respect of a sum of Rs.8.423 million payable to HARTRON (Haryana State Electronic Development Corporation) with interest @ 9% p.a. w.e.f. 1.11.2000 which has been shown as a contingent liability (refer note no. 17 (II) (5) read with note no 17 (II) (1d);



- (c) That no provision for income tax has been made as the management is of opinion that current year profit would be set off against unabsorbed depreciation and losses of earlier years (refer note no. 17 (II) (6)).
- (d) That during the year, the company has disposed of land and building. According to the information and explanations given to us, we are of the opinion that it has not affected the going concern status of the company.

Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act;
 - e. On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For S. K. Mittal & Co
Chartered Accountants
FRN No. 001135N

Place : New Delhi
Dated : 30-05-2013

Krishan Sarup
Partner
M.No. 010633



ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 1 under heading "Report on Other Legal and Regulatory Requirements" of our report of even date on the accounts for the year ended 31st March 2013)

- i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets of the company have been physically verified by the management at the end of the year and no material discrepancies were noticed on such verification.
- (c) During the year, the company has disposed of land and building. According to the information and explanations given to us, we are of the opinion that it has not affected the going concern status of the company.
- ii) (a) Inventories have been physically verified by the management during the year
- (b) In our opinion and according and explanation given to us the procedures followed for physical verification is reasonable considering the size and nature of the business.
- (c) In our opinion and according to information and explanations given to us, the company has maintained proper records of its inventories. The discrepancies noticed on physical verification between physical stock and book records were not material and have been properly dealt with in the books of accounts.
- iii) (a) According to information and explanations given to us, the company has not granted secured or unsecured Loans to Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956,. Therefore clause (a) to (d) of para 4(iii) will not be applicable to the Company.
- (b) The company has taken unsecured loans covered in the register maintained under section 301 for the Companies Act, 1956. The year end balance was Rs. 37,988,631 and maximum amount due at any time during the year was Rs. 39,650,166.
- (c) These loans are interest free and no repayment period is stipulated as informed to us. In our opinion other terms and conditions are not prejudicial to the interest of 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 business with regard to purchase of inventory and fixed assets and for the sale of goods and services.
- v) In respect of transaction covered under section 301 of the Companies Act, 1956:
 - (a) According to the information and explanations given to us, we are of the opinion that transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
 - (b) In our opinion and according to the information and explanations given to us, each of these transactions made in pursuance of contracts or arrangement entered in the register maintained u/s 301 of Companies Act, 1956, and aggregating during the year to Rs. 500,000 or more, have been made at prices which are reasonable having regard to the prevailing market prices for such goods, material or services.
- vi) According to the information and explanations given to us, the company has not accepted any deposits from the public within the meaning of section 58A of the Companies Act, 1956.
- vii) In our opinion, the company has its own internal audit system commensurate with the size and nature of its business and needs improvement.
- viii) To the best of our knowledge and as explained, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the products of the company.
- ix) (a) The company is generally regular in depositing with appropriate authorities undisputed statutory dues. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employee's state insurance, income tax, wealth tax, service tax, sales tax, customs duty, excise duty, cess and other material undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they become payable except income tax dues of Rs. 2,000,000 for assessment years 1995-96 to 1997-98.



(b) The disputed outstanding statutory dues are as under as per information and explanations given to us and records provided for our examination:

Name of Statute	Nature of dues	Amount (Rs)	Period to which the amount relates	Forum where dispute is pending
The Central Excise Act, 1944	Excise & custom duty foregone on the imported/indigenous raw materials & capital goods	6,65,33,319	1995-96 to 2010-11	Commissioner of Central Excise, Gurgaon
Income Tax Act, 1961	U/s 143(3)	17,62,756	AY 1998-99	ITAT
Income Tax Act, 1961	Interest	19,32,005	AY 1995-96 to 1997-98	CBDT

- x) The accumulated losses of the company are more than fifty percent of its net worth as at the end of the financial year. The company has not incurred cash losses during the year ended 31st March 2013. However, there were cash losses in the immediately preceding financial year.
- xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution or bank.
- xii) According to information and explanations given to us, and based on the documents and records produced before us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) In our opinion and according to information and explanations given to us, the natures of activities of the company do not attract any special statute applicable to chit fund and nidhi/mutual benefit fund/societies.
- xiv) According to information and explanations given to us, the company is not dealing in or trading in shares, securities, debentures and other investments.
- xv) According to information and explanations given to us, the company has not given any guarantee for loan taken by others from bank or financial institution.
- xvi) According to information and explanations given to us, no term loans have been raised by the company during the year.
- xvii) According to information and explanations given to us, and on overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment by the company and vice-versa.
- xviii) According to the information and explanations given to us, the company has not made any preferential allotment of shares during the year to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- xiv) The company does not have any outstanding debentures during the year.
- xv) The company has not raised any money through a public issue during the year.
- xvi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the period covered by our audit.

For **S. K. Mittal & Co**
Chartered Accountants
FRN No. 001135N

Krishan Sarup
Partner
M.No. 010633

Place : New Delhi
Dated : 30-05-2013



BALANCE SHEET AS AT 31ST MARCH 2013

	Note	AS AT March 31, 2013 (Rs.)	AS AT March 31, 2012 (Rs.)
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	48,265,550.00	48,265,550.00
Reserves and Surplus	2	(22,470,743.85)	(32,616,772.62)
		<u>25,794,806.15</u>	<u>15,648,777.38</u>
Non- Current liabilities			
Long- Term Borrowings	3	<u>37,988,631.53</u>	<u>35,569,646.53</u>
		37,988,631.53	35,569,646.53
Current Liabilities			
Trade Payables	4	30,848,816.32	31,138,721.02
Other Current Liabilities	5	<u>2,301,064.00</u>	<u>47,544,879.56</u>
		<u>33,149,880.32</u>	<u>78,683,600.58</u>
TOTAL		<u>96,933,318.00</u>	<u>129,902,024.49</u>
ASSETS			
Non- Current Assets			
Fixed Assets(Tangible Assets)	6	9,214,286.33	35,694,484.46
Deffered Tax Assets (net)		<u>57,571,505.03</u>	<u>60,188,997.00</u>
		66,785,791.36	95,883,481.46
Current Assets			
Inventories	7	27,359,351.65	30,863,125.65
Trade Receivables	8	312,604.00	317,604.00
Cash and Cash Equivalents	9	515,395.83	465,512.83
Other Current Assets	10	<u>1,960,175.16</u>	<u>2,372,300.55</u>
		<u>30,147,526.64</u>	<u>34,018,543.03</u>
TOTAL		<u>96,933,318.00</u>	<u>129,902,024.49</u>
SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES	17		

The notes referred to above form an integral part of the Balance Sheet.

As per our report of even date attached
For S. K. MITTAL & CO.
Chartered Accountants
[FRN No. 001135N]

For and on behalf of the Board of Directors

Devendra Manchanda
Director

Rajeev Bali
Director

Vinod Kumar
Company Secretary

Krishan Sarup
Partner
(M.No.010633)

Place : New Delhi
Dated : 30.05.2013



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2013

	Note	YEAR ENDED March 31, 2013 (Rs.)	YEAR ENDED March 31, 2012 (Rs.)
INCOME			
Revenue from Operations	11	-	55,693.00
Other Income	12	67,004.00	4,467,209.30
Total Revenue		<u>67,004.00</u>	<u>4,522,902.30</u>
EXPENSES			
Cost of materials consumed	13	488,847.00	8,168,903.41
Changes in inventories of finished goods and Work- in- Progress	14	3,014,927.00	(8,219,594.75)
Employee Benefit expenses	15	1,406,078.50	3,709,528.50
Depreciation and Amortization expense	6	1,868,909.00	3,306,302.00
Other expenses	16	913,432.63	1,147,439.93
Total Expenses		<u>7,692,194.13</u>	<u>8,112,579.09</u>
Loss before Extraordinary item		(7,625,190.13)	(3,589,676.79)
Extraordinary item (Profit on sale of Land & Bldg)		20,388,710.87	-
Profit before Taxation		12,763,520.74	(3,589,676.79)
Provision for Deferred Tax Liability		2,617,491.97	12,692,681.51
Surplus for the year		<u>10,146,028.77</u>	<u>9,103,004.72</u>
Earnings per equity share :			
Basic		2.12	1.90
Dilluted		2.12	1.90

SIGNIFICANT ACCOUNTING
POLICIES AND OTHER NOTES 17

The notes referred to above form an integral part of the Balance Sheet.

As per our report of even date attached
For S. K. MITTAL & CO.
Chartered Accountants
[FRN No. 001135N]

For and on behalf of the Board of Directors

Devendra Manchanda
Director

Rajeev Bali
Director

Vinod Kumar
Company Secretary

Krishan Sarup
Partner
(M.No.010633)

Place : New Delhi
Dated : 30.05.2013



SCHEDULE FORMING PART OF BALANCE SHEET

	AS ON March 31, 2013 (Rs.)	AS ON March 31, 2012 (Rs.)
SCHEDULE "1"		
SHARE CAPITAL		
AUTHORISED		
180,000,000 Equity Shares of Rs. 10/- each	180,000,000.00	180,000,000.00
	180,000,000.00	180,000,000.00
ISSUED		
11,110,000 (P.Y. 11,110,000) shares of Rs. 10/- each	111,100,000.00	111,100,000.00
	111,100,000.00	111,100,000.00
SUBSCRIBED AND PAID-UP		
4,781,510 (P.Y. 4,781,510) shares of Rs. 10 each fully paid up	47,815,100.00	47,815,100.00
Forfeited Shares	450,450.00	450,450.00
	48,265,550.00	48,265,550.00
	48,265,550.00	48,265,550.00

Reconciliation of Shares Outstanding

	As at 31.03.2013		As at 31.03.2012	
	No's.	(Rs.)	No's.	(Rs.)
Shares Outstanding at the beginning of the year	4,781,510	47,815,100	4,781,510	47,815,100
Add: Shares issued during the year	-	-	-	-
Less: Shares redeemed during the year	-	-	-	-
Shares Outstanding at the end the year	4,781,510	47,815,100	4,781,510	47,815,100

Details Of Shareholders holding more than 5 percent shares

Equity Shares of Rs.10/- each fully paid up	As at 31.03.2013		As at 31.03.2012	
	No. of Shares held	Percentage of Shareholding	No. of Shares held	Percentage of Shareholding
Name of Shareholder				
BUBBLE SOFTSOLUTIONS PVT. LTD.	3,111,600	65.08%	3,111,600	65.08%
RAJEEV BALI	788,650	16.49%	788,650	16.49%
TOTAL	3,900,250	81.57%	3,900,250	81.57%



	AS ON March 31, 2013 (Rs.)	AS ON March 31, 2012 (Rs.)
2 Reserves and Surplus		
Surplus - Opening Balance	(32,616,772.62)	(41,719,777.34)
Add: Surplus for the year as per Statement of Profit and Loss	<u>10,146,028.77</u>	<u>9,103,004.72</u>
	<u>(22,470,743.85)</u>	<u>(32,616,772.62)</u>
3 Long- Term Borrowings		
Unsecured		
Loans and advances from related parties	<u>37,988,631.53</u>	<u>35,569,646.53</u>
Total	<u>37,988,631.53</u>	<u>35,569,646.53</u>
4 Trade Paybles		
Due to others	<u>30,848,816.32</u>	<u>31,138,721.02</u>
	<u>30,848,816.32</u>	<u>31,138,721.02</u>
5 Other Current Liabilities		
Advance from customers	18,000.00	18,000.00
Advance towards sale of Land & Building	-	45,000,000.00
Expeses paybles	264,454.00	422,790.00
Duties and Taxes paybles	2,018,610.00	2,015,050.39
Current a/c with HDFC Bank ov erdrawn	-	89,039.17
	<u>2,301,064.00</u>	<u>47,544,879.56</u>



6. FIXED ASSETS

S. No.	PARTICULARS	Rate	GROSS BLOCK			DEPRECIATION			NET BLOCK		
			As at 01.04.2012	Addition during the Year	Deletion during the year	Total as at 31.03.2013	Up To 01.04.2012	For the Year	Write back	Total up to 31.03.2013	As at 31.03.2013
1	Land (freehold)		12,800,898.00	-	12,800,898.00	-	12,800,898.00	-	-	-	12,800,898.00
2	Buildings	10.00%	43,216,761.37	-	43,216,761.37	-	31,206,194.24	200,176.00	31,406,370.24	-	12,010,567.13
3	Plant & Machinery	15.33%	157,292,598.85	-	-	157,292,598.85	147,845,854.18	1,448,186.00	-	149,294,040.18	9,446,744.67
4	Plant/Airconditioning	15.33%	8,718,504.68	-	-	8,718,504.68	7,579,447.32	174,617.00	-	7,754,064.32	1,139,057.36
5	Computers	40.00%	1,931,245.30	-	-	1,931,245.30	1,926,475.90	1,908.00	-	1,928,383.90	4,769.40
6	Furniture & Fixtures	18.10%	942,163.21	-	-	942,163.21	862,378.47	14,441.00	-	876,819.47	79,704.74
7	Office Equipments	13.91%	1,485,792.78	-	-	1,485,792.78	1,273,129.62	29,581.00	-	1,302,710.62	212,663.16
	TOTAL		226,387,964.19	0.00	56,017,659.37	170,370,304.82	203,494,377.73	1,868,909.00	31,406,370.24	161,156,018.49	35,694,484.46
	PREVIOUS YEAR		214,822,113.19	11,565,851.00	-	226,387,964.19	187,387,177.73	3,306,302.00	-	190,693,479.73	35,694,484.46



	YEAR ENDED March 31, 2013 (Rs.)	YEAR ENDED March 31, 2012 (Rs.)
7 Inventories		
(As taken, valued and certified by the management)		
Raw materials	1,045,114.29	1,533,961.29
Work- in - progress	26,244,062.36	29,258,989.36
Finished goods	70,175.00	70,175.00
	<u>27,359,351.65</u>	<u>30,863,125.65</u>
8 Trade Receivables		
(Unsecured, considered good)		
Exceeding six months from due date	312,604.00	309,226.00
Others	-	8,378.00
	<u>312,604.00</u>	<u>317,604.00</u>
9 Cash and Cash Equivalents		
Balances with scheduled banks:		
Current Accounts	65,332.83	11,507.83
Term Deposit Account*	450,000.00	450,000.00
Cash on hand	63.00	4,005.00
	<u>515,395.83</u>	<u>465,512.83</u>
*under lien with bank for a Bank Guarantee for like amount given to Excise Dept.		
10 Other current assets		
(Unsecured, considered good)		
Value to be received in cash or kind	1,960,175.16	1,908,175.55
Advances to suppliers	-	464,125.00
	<u>1,960,175.16</u>	<u>2,372,300.55</u>
11 Revenue from Operations		
Sale of Printed Circuit Boards	-	55,693.00
	<u>-</u>	<u>55,693.00</u>
12 Other income		
Interest from Bank on Fixed deposit	51,058.00	42,879.00
Interest on income tax refund	-	458.00
Misc. Income	-	21,440.00
Liabilities written back	15,946.00	4,397,175.00
Rebates and Discount	-	2,485.52
Foreign Exchange rate fluctuation	-	2,771.78
	<u>67,004.00</u>	<u>4,467,209.30</u>



	YEAR ENDED March 31, 2013 (RS.)	YEAR ENDED March 31, 2012 (RS.)
13 Cost of Materials consumed		
Raw Materials:		
Opening Stock	1,533,961.29	1,690,967.22
Add: Purchases during the year	-	8,011,897.48
Less: Closing Stock	<u>1,045,114.29</u>	<u>1,533,961.29</u>
	<u>488,847.00</u>	<u>8,168,903.41</u>
* Being cost of chemicals for Rs. 488,847 found obsolete/ unuseable.		
14 Changes in inventories of finished goods and Work- in- Progress		
Opening Stock:		
Finished goods	70,175.00	70,175.00
Work-in- progress	<u>29,258,989.36</u>	<u>21,039,394.61</u>
	29,329,164.36	21,109,569.61
Closing Stock :		
Finished goods	70,175.00	70,175.00
Work-in- progress	<u>26,244,062.36</u>	<u>29,258,989.36</u>
	26,314,237.36	29,329,164.36
(Increase)/ Decrease	<u>3,014,927.00</u>	<u>(8,219,594.75)</u>
15 Employee Benefit expenses		
Salaries and wages including allowances	1,388,863.00	3,546,235.00
Contribution to Provident and other funds	7,588.00	136,541.00
Other welfare expenses	<u>9,627.50</u>	<u>26,752.50</u>
	<u>1,406,078.50</u>	<u>3,709,528.50</u>



	YEAR ENDED March 31, 2013 (RS.)	YEAR ENDED March 31, 2012 (RS.)
16 Other expenses		
Audit fee	25,281.00	25,281.00
Power and Fuel Charges	30,449.00	80,897.00
Excise, custom and service tax	-	36,162.50
Custom clearance and freight forwarding	-	1,687.00
Freight inward	-	48,672.93
Consumables	-	9,684.00
Packing & freight	-	4,716.78
Repairs and Maintenance:		
Machinery	-	46,250.00
Vehicles	-	19,203.03
ROC Filing fee	2,500.00	5,500.00
Postage and courier Expenses	57,069.00	22,268.00
Telephone Expenses	8,154.00	78,654.78
Legal and Professional Charges	148,344.00	294,292.00
Printing and stationery	6,510.00	9,320.00
Advances to Suppliers written off	464,125.00	-
Security charges	87,220.00	35,727.00
Advertisement expenses	30,964.00	28,804.00
Short and excess recovery	28.80	168.60
Water and Electricity	-	38,750.00
Insurance:		
Purchase	-	6,394.91
Plant and machinery	31,511.00	-
Listing fee	17,004.00	15,600.00
Misc. Expenses	241.00	23,099.00
Scrip suspension revocation fee to BSE	-	280,000.00
Interest on late deposit of Tax deducted at source	1,181.00	8,354.00
Bank charges	2,850.83	27,953.40
	913,432.63	1,147,439.93



SCHEDULE “17”

SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES

(I) Significant Accounting Policies

1. Accounting Convention

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

2. Fixed Assets

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

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

3. Depreciation:

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

4. Impairment

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

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

5. Inventories:

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

6. Revenue Recognition:

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

7. Expenditure

Expenses are accounted for on accrual basis.

8. Foreign Currency Transactions:

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

9. Taxes on Income:

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

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

Deferred Tax Assets or Deferred Tax Liability is recognised on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of



reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

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

10. Borrowing Cost:

Borrowing costs are expensed in the year in which it is incurred and charged to revenue account.

11. Provisions, Contingent Liabilities and Contingent Assets

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

(II) Other Notes to Accounts

1. Contingent Liability	31.03.2013 Rs /Million	31.03.2012 Rs /Million
In respect of demand from various government authorities regarding following dues:		
(a) Disputed custom & central excise duty (refer other note no. 3)	66.533	66.533
(b) Income Tax interest demand for AY 1995-96 to 1997-98 (refer other note no.4a)	1.932	1.932
(c) Income Tax Demand AY 1998-99 (refer other note no.4b)	1.763	1.763
(d) Amount payable to HARTRON (Haryana State Electronic Development Corp.) for buyback of equity shares in terms of Arbitral award (refer other note no.5)	8.423	8.423
(e) Bank Guarantee	0.450	0.450

2. Changes in Capital during the year 2008-09

As per rehabilitation scheme (SS-08) for revival of the company sanctioned by Board For Industrial Financial Reconstruction (BIFR), the company restructured its share capital in the year 2008-2009 as under:

- a) Reduction in paid up equity share capital by 90% as result of which paid up value of one equity share was reduced from Rs 10 to Re. 1.

Further to above , 10 equity shares of Re 1 each were consolidated to one equity share of Rs 10 each, resulting in reduction of 1,03,18,100 equity shares to 10,31,810 equity shares.

- b) Preferential issue to strategic investor and promoters of 31,11,600 equity shares and 6,38,100 equity shares respectively.

3. The company has applied for permission to exit from EOU scheme vide its letter dated 01 July 2010 in response of which it was directed by Development Commissioner, Noida Special Economic Zone vide letter no.1-7/92/100%EOU/5261 dated 15th July 2010 to obtain no dues certificate from Central Excise and Custom Department in respect of benefits taken for 100% EOU since inception of the company.

In response to above, Central Excise department has served a show cause notice no VIII (B) Cus/R/V/III/A/GGN/11/02/Pt. ii/15777 dated 11th February 2011 directing the company to deposit Rs. 66.533 million towards custom & central excise duty foregone on raw materials and capital goods. The said payment is disputed by the Company and has been shown a contingent liability.



4. (a) Income Tax dues for assessment year 1995-96 to 1997-98 are of Rs 3,932,005 as per the orders of ITAT/Honorable Delhi High Court: against which liability for Rs 2,000,000 has been accounted for as per BIFR rehabilitation sanction scheme dated 27th March 2008 and for the remaining sum of Rs 1,932,005, which is on account of interest, waiver has been sought from CBDT.
- (b) Income tax demand of Rs. 1,762,756 for assessment year 1998-99 is under appeal before ITAT and has been shown a contingent liability as the company is hopeful for a favourable decision.
5. Haryana State Electronic Development Corporation (HARTRON) has invested Rs 4.400 million as per Assisted Sector Agreement dated 5th June 1991 by way of equity of Integrated Technologies Limited with the condition that the company will buy back this equity after expiry of 5 years from the date of commercial production or at the expiry of 7 years; whichever is earlier.
- The Arbitrator had passed the Arbitral Award dated 25th April 2003 in favour of HARTRON and determined payable amount Rs 8,423,135 with interest @12% p.a. w.e.f 1.11.2000. Award was challenge by the company in district courts which was dismissed. In the company's further appeal (FAO 1197 of 2009) to Honorable High Court, Chandigarh, the payment to HARTRON was upheld but at a reduced interest rate of 9% p.a. w.e.f 1.11.2000.
- The company's special leave petition to Honorable Supreme Court against the above judgment dated 18.05.2011 of Honorable High Court; Chandigarh has been dismissed on 25.11.2011.
- The company is hopeful of a favorable settlement of the issue of which the amount presently is not ascertainable and accordingly, it has been shown a contingent liability.
6. In the opinion of the management, there is no taxable profit for current year as the same would be set off against unabsorbed depreciation and losses of earlier years. Accordingly, no provision for income tax has been made.
7. No amount is payable to small scale industrial undertakings under MSMED Act, as per information available with the company.
8. In the opinion of the Management, the Gratuity Act, 1972 is not applicable to the company, since no employee has completed 5 years of uninterrupted service and therefore no provision for gratuity is made.
9. Certain debit/credit balances are subject to confirmation/reconciliation and consequential adjustment, if any required.
10. In the opinion of the management, current assets shall have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet.

11. Deferred Tax Assets (DTA)

DTA as per AS-22 issued by the Institute of Chartered Accountants of India has been recognized as under:

Depreciation	Rs. 4,401,515
Carried forward losses	Rs. 53,169,990
Total DTA	<u>Rs. 57,571,505</u>

14. Related Party Disclosure

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

Following are the Related Parties as per AS-18

(A) Particulars of Associate Companies / Strategic Investor

Bubble Softsolutions Private Limited

(B) Key Management Personnel

Name	Designation
Mr. Rajeev Bali	Managing Director



(C) Relative of Key Management Personal

Smt Krishna Bali

(D) Enterprise over which any person described in (B) or (C) is able to exercise significant influence.

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

Detail of Transactions

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

Nature of Transaction	Key Management Personnel	Relative of Key Management Personnel	Enterprise over which related person is able to exercise influence	Opening balance as at 01.04.2012 (Rs.)	Volume of transaction during the year (Rs) (Cr)	Volume transaction during the year (Rs) (Dr)	Closing balance as at 31.03.2013 (Rs.)
Unsecured Loan	Mr. Rajeev Bali			1,95,50,349 (Cr)	29,02,821	0.00	2,24,53,170 (Cr)
Unsecured Loan		Mrs. Krishna Bali		13,40,000 (Cr)	2,99,900	0.00	16,39,900 (Cr)
Unsecured Loan			Bubble Softsolutions Pvt. Ltd.	1,33,70,611 (Cr)	5,25,000	50	1,38,95,561 (Cr)
Unsecured Loan			ITL Systems and Networks	13,08,686 (Cr)	2,55,218	15,63,904	0.00
Unsecured Loan			WM Bali HUF	0.00	1,00,000	1,00,000	0.00
Advances taken for Expenses			ITL Systems and Networks	1,848 (Cr)	13,000	14,848	0.00

13. Earnings Per share (Basic and Diluted)

For the Year Ended

For the Year Ended

31.03.2013

31.03.2012

(Rs.)

(Rs.)

(a) Profit/ (loss) for the year	10,146,028	9,103,004
(b) Total Number of Equity Shares Outstanding at the end of the year	4,781,510	4,781,510
(c) Basic & Diluted Earnings Per Share (a/b)	2.12	1.90

14. 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.

15. Raw Materials consumption under broad heads

Items	2012-13 (Rs.)	2011-12 (Rs.)
a) Copper Clad Laminate Sheet	-	3,065,050
b) Dry & Daizo Films	-	776,405
c) Ink PCB	-	369,505
d) Other raw materials/Consumables	488,847	3,638,616
e) Spares & Components	-	319,325
	<u>488,847</u>	<u>8,168,901</u>

**16. Work in Progress under broad heads**

Items	31.03.2013 (Rs.)	31.03.2012 (Rs.)
a.) Printed Circuit Boards (semi finished)	26,244,062	292,258,989

17. Value of imported / indigenous consumption of raw materials, spare parts and components consumed during the year and percentage of each to total consumption

	Raw Materials		Spare Parts and components	
	2012-13	2011-12	2012-13	2011-12
Imported (Rs.)	-	25,367	-	126,312
% to total	-	0.32%	-	39.55%
Indigenous (Rs.)	-	7,824,210	-	193,013
% to total	-	99.68%	-	60.45%
Total	-	7,849,577	-	319,325

18. Value of imports on CIF basis

Items	2012-13 (Rs.)	2011-12 (Rs.)
Raw materials	-	-
Components & Spare parts	-	1,01,652.00
Capital goods	-	-

19. Remittance of dividend in foreign currencies

2012-13	nil
2011-12	nil

20. Earnings in foreign exchange

2012-13	nil
2011-12	nil

21. Figures for the previous year have been regrouped / rearranged, wherever considered necessary.



CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2013

	YEAR ENDED March 31, 2013 (Rs)	YEAR ENDED March 31, 2012 (RS.)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit/(loss) before tax	12,763,521	(3,589,677)
Add:		
Depreciation	1,868,909	3,306,302
Profit on Sale of Fixed Assests	(20,388,711)	-
	(18,519,802)	(9,386,380)
Operating profit/(loss) before working capital changes	(5,756,281)	(283,375)
Adjustments For :		
Increase/ (Decrease) in Current Liabilities	(45,533,720)	47,963,413
(Increase)/Decrease in Current Assets	3,920,899	(8,968,867)
Cash generated from operations	(47,369,102)	38,711,171
Less: Taxes paid		-
A. NET CASH FROM OPERATING ACTIVITIES	(47,369,102)	38,711,171
B. CASH FLOW FROM INVESTMENT ACTIVITIES		
Sale of Fixed Assets	45,000,000	-
Purchase of Fixed Assests	-	(11,565,851)
Net Cash from Investing Activities	<u>45,000,000</u>	<u>(11,565,851)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Loans	<u>2,418,985</u>	<u>(27,613,377)</u>
Net Cash From Financing Activities	<u>2,418,985</u>	<u>(27,613,377)</u>
NET CASH INCREASE/ (DECREASE) (A+B+C)	<u>49,883</u>	<u>(468,057)</u>
Cash/Cash Equivalent Opening Balance	465,513	933,570
Cash/Cash Equivalent Closing Balance	<u>515,396</u>	<u>465,513</u>

* Excluding Adjustment of Current Assets/Current Liabilities

As per our report of even date attached
For S. K. MITTAL & CO.
Chartered Accountants
[FRN No. 001135N]

For and on behalf of the Board of Directors

Devendra Manchanda
Director

Rajeev Bali
Director

Vinod Kumar
Company Secretary

Krishan Sarup
Partner
(M.No.010633)

Place : New Delhi
Dated : 30.05.2013

**ATTENDANCE SLIP
INTEGRATED TECHNOLOGIES LIMITED**

Registered Office:
Narsingpur, Sector-35, Gurgaon-122 001, Haryana
Twenty Seventh Annual General Meeting, 30th September, 2013

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

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

I, hereby, record my presence at the Twenty Seventh ANNUAL GENERAL MEETING of the Company held on Monday, 30th September, 2013 at 9.00 a.m. at its Registered Office.

SIGNATURE OF THE MEMBER/PROXY*

* Strike out whichever is not applicable.

..... Tear Here

**PROXY FORM
INTEGRATED TECHNOLOGIES LIMITED**

Registered Office:
Narsingpur, Sector-35, Gurgaon-122 001, Haryana
Twenty Seventh Annual General Meeting, 30th September, 2013

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 Seventh Annual General Meeting to be held at 9.00 a.m. on Monday, the 30th September, 2013 at its Registered Office or at any adjournment thereof.

Signed this day of 2013.



Signature (s) (across the stamp)

NOTE:

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

BOOK - POST



If undelivered, please return to :

INTEGRATED TECHNOLOGIES LIMITED

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

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