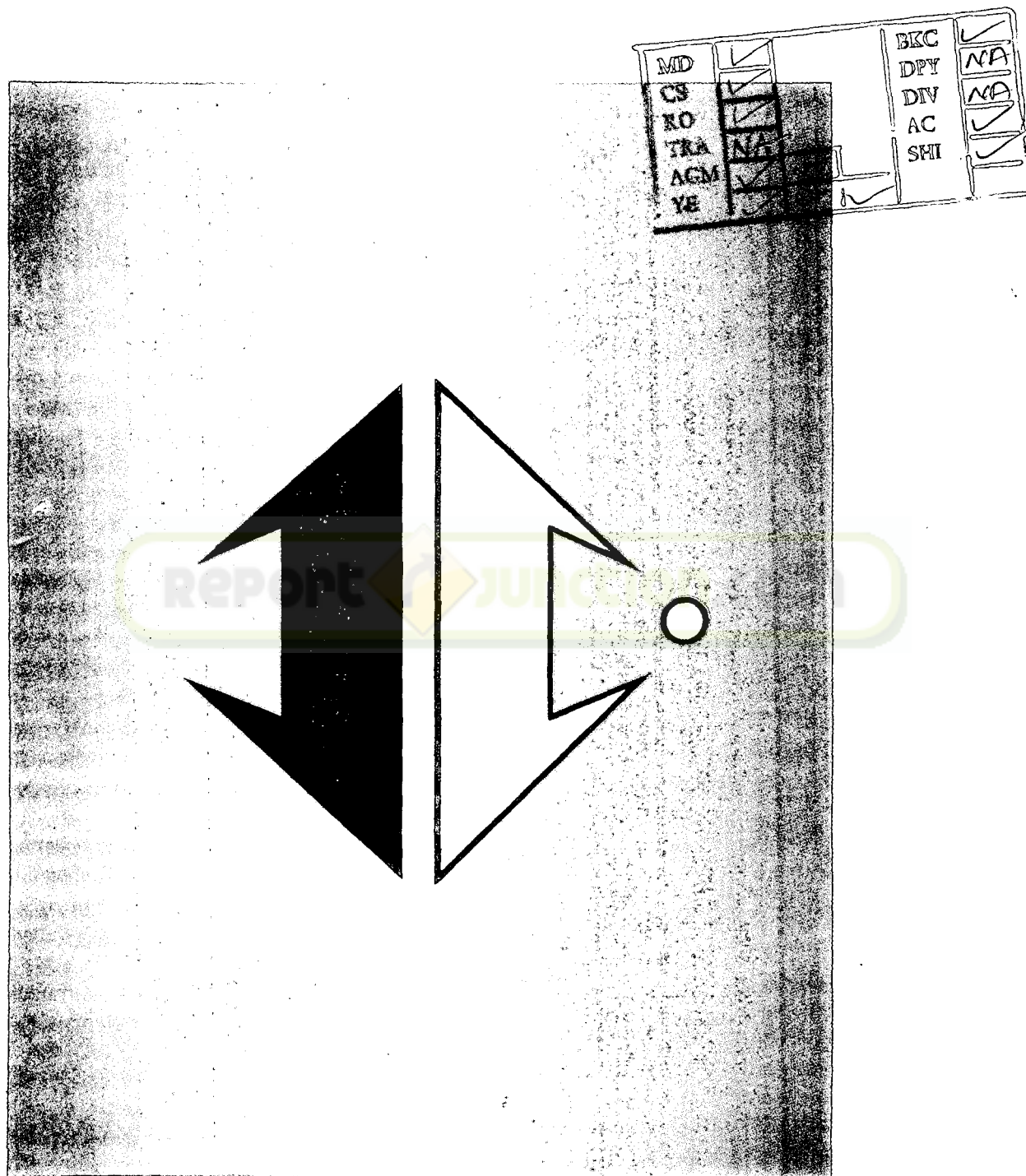


TWELFTH ANNUAL REPORT (1997-98)



INTEGRATED TECHNOLOGIES LIMITED



Board of Directors

Rajeev Bali	Managing Director
K.R. Shivakumar	Director
Lt. Gen. H.C. Dutta (Retd.)	Director
Ajay Singh Hooda	Director

Nominees

W. D. Schmejkai	FUBA Printed Circuits GmbH, Germany
Sandeep Kapoor	Haryana State Electronics Development Corporation Limited.
A.K. Kaul	The Industrial Finance Corporation of India Limited

Manager Finance & Accounts

Pawan Kasturia

Asst. Company Secretary

Seema Khanna

Bankers

Bank of America
State Bank of India
The Bank of Rajasthan Limited

Auditors

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

Regd. Off. & Works

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

Important

Members/Proxyholders attending the Annual General Meeting of the Company on Wednesday, September 30, 1998 are requested to note that the Management of the Company has decided that no Gifts/Coupons shall be distributed.

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INTEGRATED TECHNOLOGIES LIMITED



NOTICE

NOTICE is hereby given that the Twelfth Annual General Meeting of the Members of the Company will be held as under:-

Day : Wednesday
 Date : September 30, 1998
 Time : 9.30 a.m.
 Place : Narsingpur, Sector 35, Gurgaon 122-201
 Haryana, India.

to transact the following businesses:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1998 and the Statement of Pre-operative Expenditure 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. Ajay Singh Hooda, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a director in place of Mr. Sandeep Kapoor, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Auditors for the Financial year 1998-99 till the conclusion of next Annual General Meeting and to fix their remuneration. M/s G.S. Johar & Co, the retiring Auditors, being eligible, offer themselves for re-appointment.

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modification (s), the following resolution as an Ordinary Resolution:-

"RESOLVED THAT subject to all applicable provisions of the Companies Act, 1956, consent of Company be and is hereby accorded to the Board to appoint a person as Director (Finance) on rotational basis, subject to the approval of IFCI."

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as Special Resolution:-

"RESOLVED THAT subject to all applicable provisions of the Companies Act, 1956, (including any statutory modification (s) or re-enactment thereof and any Ordinance promulgated in this regard for the time being in force and as may be enacted/promulgated from time to time) and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to, by the board of directors of the Company (hereinafter referred to as "Board"), the consent of Company be and is hereby accorded to the Board to buy-back, from the existing holders of shares and/or from the open market and/or from the lots smaller than market lots of securities (odd lots) and/or by purchasing the securities issued to the employees pursuant to a scheme of stock option, the shares or such other securities having such underlying voting rights as may hereafter be notified by the Central Government or any other regulatory authority, from time to time (herein for brevity's sake referred to as "the Securities"), of the Company, from out of its free reserves or out of the securities premium account of the Company or out of the proceeds of any issue made by the Company specifically for the purpose, or from other sources as may be permitted by law, on such terms and conditions and in such

manner as prescribed by law from time to time upto an amount not exceeding such percentage of the capital of the Company as may be permitted by law and to keep them alive, cancel and/or re-sell from time to time such number (s) of the shares so purchased, at such rate (s) and on such terms as the Board may deem fit and proper.

RESOLVED FURTHER THAT nothing hereinabove contained shall confer any right on any shareholder to offer or any obligation on the Company or the Board to buy-back any Equity Shares or Securities."

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:-

"RESOLVED THAT subject to the provisions of Sections 198, 269, 309, 311 and Schedule XIII of the Companies Act, 1956 and other applicable provisions, if any, and other relevant approvals as may be applicable, approval of the Company be and is hereby accorded to the increase in remuneration/perquisites payable to Shri Rajeev Bali, Managing Director of the Company w.e.f. July 1, 1998 for the remaining period of his tenure as approved as mentioned hereunder:-

1. Salary: Rs 72,000/- per month including dearness and all other allowances/perquisites.
2. Perquisites, Allowances & other Benefits: Unless the context otherwise requires, perquisites are classified into three categories 'A', 'B' and 'C' as follows :-

Category - A

This will comprise housing, medical reimbursement, leave travel concessions, club fees and other benefits, allowances, expenses etc. These may be provided for as under:-

- I. Housing
 - (a) The expenditure by the Company on hiring Unfurnished Accommodation subject to a ceiling of sixty percent of the salary.
 - (b) In case the Accommodation is owned or taken on lease by the Company, ten percent of the salary of him shall be deducted by the Company.
 - (c) In case no Accommodation is provided by the Company, then he shall be entitled to House Rent Allowance subject to a ceiling laid down in (a) above.
- II. Payment of Gas, Electricity, Water Expenses and Furnishing, to be valued as per Income Tax Rules, 1962.
- III. Medical/Hospitalisation Expenses, Re - imbursement Expenses incurred for him and the family in accordance with the rules of the Company.
- IV. Leave Travel Concession: Leave Travel concession for self and family in accordance with the rules of the Company.
- V. Club Fees: Fees of Clubs subject to a maximum of two clubs. Admission and life membership fees to be paid as per the rules of the Company.
- VI. Personal Medical/Accident Insurance etc: or any other coverage as per the rules of the Company and annual premium for the same to be paid by the Company.
- VII. Any other benefits, facilities, allowances and expenses as may be allowed under Company rules/schemes.

**Notes:**

- (i) For the purpose of perquisites stated hereinabove, 'family' means spouse, dependent children and dependent parents of him.
- (ii) Perquisites shall be evaluated as per Income Tax Rules, 1962 wherever applicable and in the absence of any such rule, perquisites shall be evaluated at actual cost.

Category - B

- I. Contribution to Provident Fund, Super annuation Fund or Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent these, whether singly or put together, are not taxable under the Income Tax Act, 1961.
- II. Gratuity payable shall be in accordance with the rules of the Company.

Category - C

- I. Free use of Company's Car on Company's business.
- II. Telephone at residence shall be provided to the Managing Director, but all long distance calls for private purpose shall be billed by the Company to him.
- III. Encashment of leave at the end of the tenure, if any, will not be included in the computation of the ceiling on perquisites.

RESOLVED FURTHER THAT the above salary, Commission and perquisites put together shall not exceed the ceiling specified for remuneration in Paragraph I of Section II of Part II of Schedule XIII to the Companies Act, 1956, as may be in force from time to time.

RESOLVED FURTHER THAT the above remuneration and perquisites shall be payable to the Managing Director even in the case of absence or inadequacy of profits of the Company in any year."

**By order of the Board
For Integrated Technologies Limited**

Place : New Delhi
Dated : July 31, 1998.

**Seema Khanna
Asst. Company Secretary**

NOTES:

1. The relative Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of the Special Business set out above is annexed hereto.
2. 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.
3. 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.
4. The Register of Members & the Transfer Books of the Company shall remain closed on Wednesday, 30th September, 1998 for one day only.

5. Members are requested to notify any change in their registered address/status, if any, to the Company immediately.
6. Members are requested to bring their copies of Annual Report and Accounts at the Meeting.
7. 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.
8. 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.
9. Members desiring any information as regards the accounts of the Company are requested to write to the Company at least 10 days in advance so as to enable the management, to keep as far as possible, the information ready at the meeting.

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

Item No.5

The Company is required to appoint a Director (Finance) on rotational basis as per special terms and conditions (ii) (c) contained in IFCI's Letter of Intent No DRO/Gr.III/698/98- dated 15 January, 98. The Company has proposed few names to IFCI for the same. Whosoever will be approved, will be inducted on the Company's board as Director (Finance) on rotational basis.

Item No. 6

Buy-back of own shares or other securities convertible into equity shares by a Company is presently not allowed under the Companies Act, 1956. It is expected that an Ordinance to this effect will come into force, allowing Companies to buy-back their shares.

Your Board of Directors is of the opinion that there may be a need to buy-back the shares and securities of the Company for various reasons in the overall interest of the Company. It is therefore proposed to enable the Company to buy back shares and other securities upto an amount as may be permitted by law of the paid up capital of the Company from the existing security holders and/or by purchasing the securities issued to the employees of the Company pursuant to the scheme of stock options and/or pursuant to the directions of the court/other regulatory authorities, subject to necessary enactment in this regard.

The buy-back of securities as aforesaid would entail investing of an amount which would not be less than the market value of the shares or other securities given right to subscribe for shares of the Company and shall be met out of reserves and/or the securities premium account and/or out of the proceeds of an issue specially made for the purpose or from such other sources as may be permitted by law.

The shares so bought back shall be dealt with as per the then prevailing law/regulations.

The Board is of the opinion that it is in the best interest of the Company if shareholders approve the said resolution permitting such buy-back, so that the Company will be able to implement