



15th

ANNUAL REPORT 2000-2001

INTEGRATED TECHNOLOGIES LIMITED

Board of Directors

Rajeev Bali
K.R.Shivakumar
V.K. Dhawan
Lt. Gen. H.C. Dutta (Retd.)

Managing Director
Director
Director
Director

Nominees

W.D. Schmejkal
Sandeep Kapoor

FUBA Printed Circuits GmbH, Germany
Haryana State Electronics Development Corporation Limited.

Senior Manager

Finance & Account

Rajesh Kumar Rai

Company Secretary & Manager Finance

Seema Mongia

Bankers

Punjab & Sind Bank
ABN AMRO
State Bank of India

Auditors

M/s G. S. Johar & Co.
Chartered Accountants
74, Hemkunt Colony, New Delhi-110048

Regd. Office & Works

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

| Index | | Important |
|---------------------|----|--|
| Notice | 1 | Members / Proxyholders attending the Annual General Meeting of the Company on Friday, Sept. 28,2001 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 **FIFTEENTH ANNUAL GENERAL MEETING** of the Members of the Company will be held on Friday, September 28, 2001 at 9.00 a.m. at Narsingpur, Sector-35, Gurgaon 122 201, Haryana, India to transact the following businesses:

I. ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2001 together with the reports of the Auditors and Directors thereon.
2. To appoint a director in place of K. R. Shivakumar, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a director in place of Lt. Gen (Retd) H. C. Dutta, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Auditors for the Financial year 2001-2002 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.

II. SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modification (s), the following resolution as an Ordinary Resolution: "RESOLVED THAT Mr. V. K .Dhawan, who was appointed as an additional director of the Company by the Board of directors and who holds office as per Section 260 of the Companies Act, 1956, upto the conclusion of this Annual General Meeting and in respect of whom the Company has, pursuant to Section 257 of the Companies Act, 1956, received notice in writing proposing his candidature for the office of director from a member of the Company, be and is hereby appointed as a director of the Company, liable to retire by rotation.

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 18 th September, 2001 to 28th September, 2001.
4. Members are requested to notify any 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.

INTEGRATED TECHNOLOGIES LIMITED



ANNEXURE TO THE NOTICE

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

Item No. 5

Mr. V.K.Dhawan was appointed as an Additional director by the Board of directors of the company. In terms of section 260 of the Companies Act, 1956 (the "Act") Mr. V.K.Dhawan shall hold office only upto the date of the Annual General Meeting of the Company. The Company has received valid notice and requisite deposit from a member of the Company under section 257 of the Act, proposing the candidature of Mr. V.K. Dhawan for the office of Director. Mr. V.K.Dhawan is a Chartered Accountant by Profession and is being appointed as Chairman of the Audit Committee of the Company formed pursuant to Section 292A of the Act.

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

Mr. V. K. Dhawan is interested in the resolution as it relates to his appointment.

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

By Order of the Board of Directors

Place: New Delhi
Dated: 29-06-2001

Seema Mongia
Company Secretary
& Manager Finance



INTEGRATED TECHNOLOGIES LIMITED



DIRECTORS' REPORT

Your Directors have pleasure in presenting the Fifteenth Annual Report together with Audited Accounts of the Company for the year ended 31st March, 2001.

Financial Results

| | (Rs. In Lacs) | |
|------------------------------------|-------------------|------------------|
| | <u>2000- 2001</u> | <u>1999-2000</u> |
| Sales of Products and other income | 358.64 | 49.25 |
| Manufacturing and other expenses | 424.79 | 33.44 |
| Depreciation | 357.18 | 14.14 |
| Interest | 198.24 | 8.71 |

Dividend

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

Directors

The Board of Directors appointed Mr. V. K. Dhawan as an Additional Director during the year. Mr. Dhawan will hold office upto the date of the ensuing Annual General Meeting, however the Company has received notice u/s 257 of the companies Act, 1956 for appointment of Mr. Dhawan as Director liable to retire by rotation. Further, Mrs. Krishna Bali resigned from the Board during the year. Lt. Gen H.C. Dutta (Retd.) and Mr .K .R. Shivakumar retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

Directors' Responsibility Statement

Pursuant to the requirement under Section 217(2AA) as inserted by the Companies (Amendment) Act, 2000 with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (i) that in the preparation of the annual accounts for the financial year ended 31 st March, 2001, 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 judgements 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 31st March, 2001 and of the profit or loss of the Company for the year under review;
- (iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the directors had prepared the accounts for the financial year ended 31 st March, 2001 on a 'going concern' basis.

Corporate Governance

Though as per SEBI's Schedule of implementation your Company is required to implement steps towards corporate governance by 31 st March, 2002, but it has already taken steps w.r.t it e.g, appointment of independent directors on the board of Directors, formation of Audit Committee u/s 292A of the Companies Act, 1956 and will continue its efforts towards the same.

Audit Committee

As required under section 292A of the Companies Act the Company has constituted an Audit Committee comprising of Mr. Rajeev Bali, Mr. V. K. Dhawan and Lt. Gen (Retd.) H. C. Dutta, Mr. V. K. Dhawan has been appointed as the Chairman of the Committee, the primary functions of the Committee comprises of reporting on accounting policies and procedures, periodical review of financial results and pointing out major discrepancies, if any, in the results, examining the internal control systems and adequacy thereof. The Committee shall meet as and when required and atleast twice in a year.

Auditors & their Report

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

Notes to the accounts annexed to the Auditors' Report are self explanatory and need no explanation as there is no qualifying remarks of the Auditors.

ISO 9001

Your Company is one of the few Indian companies who have received ISO 9001 Version 2000(ISO 9001:2000) which is latest in the series of ISO certifications, requiring conformity to the latest International Quality and Systems Standards required now world wide. Furthermore, we are proud to add that this has been received in record time for any Indian (or Foreign) Company, and that too without any reservations and we are among 3% Companies world wide to receive this as on date of publishing of this Report.



Dematerialization of Shares

The shares of your Company were brought under compulsory dematerialization w.e.f. 25-9-2000. The Company entered into agreement with NSDL and CDSL and the shares are now traded in demat form only. The ISIN No. allotted to the Company is **INE882B01011**. Trading in dematerialized form reduces risks of loss of share certificates, forgery, etc. In case of any queries relating to dematerialization you are welcome to contact the Share Department situated in the Corporate office of the Company at C-24, Defence Colony, New Delhi-110 024 between 9.30 a.m. to 5.30 p.m. on any working day.

Fixed Deposits

The Company did not invite/accept any fixed deposits during the year under review.

ITL's Outlook

Within this financial year of commencing production, your company made significant inroads in establishing itself as a high technology, high quality and service company by securing a prestigious customer base in both international and domestic markets and receiving very significant and important quality certifications including C-Dot, CACT, and UL(Underwriters Laboratory, USA) and ISO-9001-2000. These accomplishments reflect the scope and capabilities of plant and machinery, the technical competence of the work force, and most importantly, the commitment and enthusiasm of the ITL team to excel and are unprecedented by international standards and experience. Your company plans to increasingly concentrate on the production of high quality multilayer PCBs. We are currently well positioned to do so and are regularly receiving export orders from some international customers. The Company will increasingly focus on this business segment, the demand for which is increasing very rapidly at the expense of Single-sided and Double-sided Printed Circuit Boards (PCBs).

While the I.T- led Global slow down has impacted your company's prospects in the second and third quarter of this calendar year, we expect to receive substantial orders/growth impetus from other sectors that are still strong such as automotive, Industrial, Medical, electronics, etc.

Future Industry Outlook

The year 2000 was indeed a high point in the International market for the PCBs with certain markets such as Japan, reporting unprecedented growth rates(compound Annual Average Growth Rates) C.A.A.G.R. of over 14% and with extremely good order book positions for most PCBs producers worldwide. PCB price also rose in tandem with the demand. However, in the first quarter of 2001, the demand for PCBs was affected negatively by the sudden downturn in the Information Technology sector in United States, resulting in a slackening of their economy and with consequently similar implications and repercussions for most economies worldwide. However, the current trends and analysis do suggest that this I.T. slowdown triggered by Dot.com bubble bursting, will soon correct itself and there are already signs of the market revival which should pick up strength by the end of this calendar year and continue for the next two to three years, if not more.

The strong global demand for PCBs and the rising price trends are expected to continue atleast until the year 2004 well exceeding US \$ 50 Billion projected earlier, in line with the development and growth in the telecommunication, mobile communications, computer and peripherals industries to cater to the line to the mushrooming growth in internet applications and E-Commerce.

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 | 118.95 |
| Foreign Currency Outgo | Nil |
| Travelling (foreign) | 2.39 |
| Import of Machinery | Nil |
| Import of raw materials | 143.92 |
| Consumption of raw materials | 43.19 |
| Fees and subscription | 0.22 |

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

(b) Conservation of Energy and Technology Absorption:

The Company is pursuing an active policy of identifying and using eco-friendly materials and processes in its production processes, as also in every other sphere of activity. The Company estimated 28% savings in its power/energy consumption due to this policy emphasis in its operations. The Company continues in its endeavors to identify new means for such energy conservation and savings on an ongoing basis as a matter of policy.