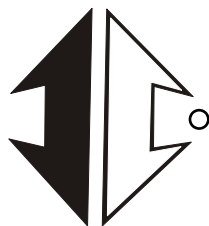


# **25th Annual Report 2010 - 2011**



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**INTEGRATED TECHNOLOGIES LIMITED**

## Board of Directors

Rajeev Bali	Managing director
K.R.Shivakumar	Director
Devendra Manchanda	Director
Krishna Bali	Director
Aditya Prasad	Additional Director
Virendra Kashyap	Additional Director

## Company Secretary

Kanika Bhutani

## Bankers

State Bank of India  
HDFC Bank

## Auditors

M/s S. K. Mittal & Co.  
Chartered Accountants  
Mittal House  
E-29, N.D.S.E., Part-II  
New Delhi - 110040

## Regd. Office & Works

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

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### **Important**

Members/ Proxy holders attending the Annual General Meeting of the Company on Friday, September 30th, 2011 are requested to note that the Management of the Company has decided that no Gifts/Coupons shall be distributed.



## NOTICE

**NOTICE** is hereby given that **TWENTY FIFTH ANNUAL GENERAL MEETING** of the Members of the Company will be held on Friday, 30th September, 2011 at 9.00 a.m. at Narsingpur, Sector 35, Gurgaon - 122 001, Haryana, India to transact the following businesses:

### **I ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2011 and the Profit and Loss Account for the year ended on that date together with the reports of the Auditors and Directors thereon.
2. To appoint a director in place of Mr. K.R. Shivakumar, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors for the financial year 2011-2012 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.

### **II SPECIAL BUSINESS:**

To consider and, if thought fit, to pass the following resolutions with or without modification as Ordinary Resolutions:

#### **APPOINTMENT OF DIRECTOR**

4. “**RESOLVED THAT** Mr. Adiya Prasad be and is hereby re-appointed as a Director of the Company liable to retire by rotation.”
5. “**RESOLVED THAT** Mr. Virendra Kashyap be and is hereby re-appointed as a Director of the Company liable to retire by rotation.”

**By Order of the Board of Directors**

**Place : New Delhi**

**Kanika Bhutani**

**Dated : 12.08.2011**

**Company Secretary**

### **NOTES:**

1. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company.**
2. Proxies in order to be valid and effective should be duly stamped, completed and signed and must be lodged with the Company at its Registered / Corporate Office not less than 48 hours before the commencement of this Annual General Meeting.
3. The Register of Members & the Transfer Books of the Company shall remain closed from 20<sup>th</sup> September 2011 to 30th September 2011.
4. Members are requested to notify change in their registered address/status, if any, to the Company immediately.
5. Members are requested to bring their copies of Annual Report and Accounts at the Meeting.
6. Members/ proxies are requested to produce the attached attendance/admission slip in original duly completed and signed, for admission to the meeting hall. No photocopies will be accepted.
7. Members may inspect any documents referred to in the proposed resolutions at the Registered Office of the Company between 12.00 Noon and 2.00 p.m. on any day except holiday (s) and the day of AGM.
8. Members desiring any information as regards the accounts of the Company are requested to write to the Company at least 10 days in advance so as to enable the management, to keep as far as possible, the information ready at the meeting.



9. The Ministry of Corporate Affairs ("MCA") has taken a 'Green Initiative in the Corporate Governance' by allowing paperless compliances by Companies vide its Circular Nos.17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011 stating that the service of official documents by the Companies to its members can be made through electronic 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 Meetings, Audited Financial Statements, Auditors' Report, Directors' Report, Financial Results, etc. in electronic form to the e-mail IDs available with company. If you still wish to receive the above documents in physical form, the same shall 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 e-mail IDs with their respective depository participants to ensure that the Annual Reports and other documents reach them at their preferred e-mail IDs and where the shares are held in physical form, please get your e-mail IDs registered or updated in the records of the Company.
10. The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, alongwith the Particulars required to be disclosed in the Explanatory Statement in accordance with provisions of clause (c) of Section II of Part II of Schedule XIII of the Companies Act, 1956, in respect of Special Businesses set out at item no. 4 to 5 are given below:

#### **EXPLANATORY STATEMENT**

#### **PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT IN RESPECT OF THE SPECIAL BUSINESS OF THE NOTICE OF AGM.**

##### **Item No. 4 :**

The Board has appointed Mr. **Aditya Prasad as an** Additional Director. The Company has received a notice under section 257 of the Companies Act, 1956 proposing his candidature for the office of Director. The Board recommends the appointment of Mr. **Aditya Prasad** as a Director of the Company at the ensuing Annual General Meeting.

None of the Directors except the respective Director is interested or concerned in the proposed resolution.

##### **Item No. 5 :**

The Board has appointed Mr. **Virendra Kashyap as an** Additional Director. The Company has received a notice under section 257 of the Companies Act, 1956 proposing his candidature for the office of Director. The Board recommends the appointment of Mr. **Virendra Kashyap** as a Director of the Company at the ensuing Annual General Meeting.

None of the Directors except the respective Director is interested or concerned in the proposed resolution.

**By Order of the Board of Directors**

**Place : New Delhi**  
**Dated : 12.08.2011**

**Kanika Bhutani**  
**Company Secretary**



## DIRECTORS' REPORT

Your Directors have pleasure in presenting the **Twenty Fifth Annual Report** together with Audited Accounts of the Company for the year ended 31st March 2011.

### FINANCIAL RESULTS

(Rs. In Lacs)

	2010-11	2009-10
Sale of Products and other income	71.83	175.74
Manufacturing and other expenses	297.83	187.77
Depreciation	39.10	36.69
Interest	0.00	0.00
Profit/(Loss) before tax	(124.16)	(80.35)

\*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 now proposed to re-appoint Mr. K.R. Shiva Kumar as a Director liable to retire by rotation on the Board of Directors, the appointment forms part of the business of the ensuing Annual General Meeting of the Company.

During the year under review, Mr. Venketesh Narayan Shukla and Mrs. Amita Kapoor have resigned as directors of the company w.e.f. 2nd February, 2011 and 4th May 2011 respectively.

Mr. Virendra Kashyap and Mr. Aditya Prasad who were appointed as additional director on 10th February, 2011 and 4th May 2011 respectively shall be confirmed in the coming shareholders meeting.

### REVOCATION OF SUSPENSION OF SHARES TRADING

As you are aware that the trading of shares of the company was under suspension. With its continuous sincere efforts the Company has been able to get the revocation of suspension of trading of its shares with BSE. The trading of shares resumed w.e.f 28th June, 2011. In future, the Company is committed to serve the stakeholders to increase the investment value.

### 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, 2011, the applicable accounting standards had been followed along with proper explanation relating to material departures except Accounting Standard-22;
- (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, 2011 on a 'going concern' basis.

### CORPORATE GOVERNANCE

Your Company has taken adequate steps to ensure compliance with the provisions of Corporate Governance as prescribed under the Listing Agreement. The report on Corporate Governance alongwith the Auditor's Certificate as stipulated under Clause 49 of the Listing Agreement along with Management Discussion and Analysis Statement forms part of the Annual Report.



## AUDIT COMMITTEE

As required under Section 292A of the Companies Act the Company has appointed an Audit Committee comprising of Mr. Devendra Manchanda, Mr. Virendra Kashyap, Mr. Adiya Prasad and Mr. Rajeev Bali. Mr. Devendra Manchanda continues as the Chairman of the Committee. The primary functions of the Committee comprises of reporting on accounting policies and procedures, periodical review of financial results and pointing out major discrepancies, if any, in the results, examining the internal control systems and adequacy thereof. The Committee shall meet as and when required and at least twice in a year.

## AUDITORS & THEIR REPORT

Auditors of the Company, M/s S.K. Mittal & Co., Chartered Accountants, are retiring at this Annual General Meeting and are proposed to be appointed at the ensuing Annual General Meeting.

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

## FIXED DEPOSITS

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

## FUTURE OUTLOOK

The Company being a 100% EOU, is impacted by developments in the international markets, especially net importing nations / continents which are largely USA / North America, Western Europe, and Scandinavia. Here it is pertinent to highlight such developments and their impact on the business potential in terms of exports from India / Asia.

1. Global market scenario in 2010 (source IPC, USA)
  - Approximately 2,600 PCB fabricators produced an estimated US \$54.77 billion in 2010.
  - PCB production grew in all regions in 2010 as the industry recovered from the recession.
  - Production grew by 6.9% in North America, 14.4% in Europe and 21.1% in Asia, increasing Asia's share of world PCB production to 87%.
  - Rigid-flex was the highest growth category. Metal-core PCBs, while less than one percent of world PCB production, was the second fastest growing category in 2010.
2. While the industry as a whole is expected to grow to approx US\$ 76 Billion by 2015, the European crisis and shaky and uncertain growth in the US warrant a relook at such projections.
3. The positives emanating from such global developments point to robust Asian growth, with countries such as Indian and China looking increasingly inward due to a strong and growing domestic market.
4. The Indian PCB market is growing rapidly, with large investments in the mobile communications, telecom, industrial, consumer electronics, and automotive industries. Importantly, most of the top ten Electronics Manufacturing Services (EMS) companies worldwide have set up assembly and design facilities in the recent past. With the entry of a number of international companies in these industries, the growth is expected to exceed 30% per annum.

The total market assessed currently is approx. US\$ 2 Billion. Domestic production is US\$ 300 Million, with the rest being imported, thereby presenting a large opportunity to domestic PCB producers.

In conclusion, while global growth is highly uncertain from here on, and the likely fall-out in terms of protectionism that is reasonably certain to kick in soon as the developed world struggles to prevent slippage into a recessionary phase again, the future growth opportunities are clearly emerging in the Asian economies including the BRIC countries. It is time indeed to look at growth in home markets for the foreseeable medium term.



## **STATUTORY STATEMENTS UNDER SECTIONS 217(1)(E) AND 217(2A) OF THE COMPANIES ACT, 1956**

### **(a) Foreign Exchange Earnings and Outgo:**

The information under this head is as follows:

(Rs. In Lacs)

Foreign Currency Earnings

Foreign Currency Outgo

(1) Travelling (foreign)

(2) Import of Machinery

(3) Import of raw materials

(4) Consumption of raw materials

-

18.85

34.37

36.76

### **(b) Conservation of Energy and Technology Absorption:**

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

### **(c) Employees**

As required by the provisions of Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 (as amended), the names and other particulars of the employees drawing remuneration more than Rs. 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.

### **Acknowledgements**

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**

**(Devendra Manchanda)**

**(Rajeev Bali)**

**Dated : 12.08.2011**

**Director**

**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	-	7	-	-
Mr. K. R. Shivakumar	NED/PG	No	-	-	-	-
Mr. D. Manchanda	NED/ID	Yes	1	5	3	2
Mr. Amita Kapoor*	NED/ID	NA	1	-	-	-
Mrs. Krishna Bali	NED/PG	Yes	1	5	-	-
Mr. Virendra Kashyap**	NED/ID	NA	-	-	2	1
Mr. Aditya Prasad +	NED/ID	NA	3	-	3	-
Mr. V. N Shukla@	NED/ID	NA	-	-	-	-

@Appointed on 30.09.2010 resigned on 10.02.2011

\*Appointed on 10.02.2011 resigned on 04.05.2011

\*\*Appointed on 10.02.2011

+Appointed on 04.05.2011

Meetings of the Board of Directors were held on

1. 10th May 2010
2. 12th May 2010
3. 30th July 2010
4. 14th August 2010
5. 30th September 2010
6. 13th November 2010
7. 10th February 2011

The following directors were present at the Twenty Second Annual General Meeting held on 30th September 2010:

1. Mr. Rajeev Bali
2. Mr. Devendra Manchanda
3. Mrs. Krishna Bali

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:

Directors liable to retire by rotation seeking re-appointment and / or whose re-appointment as Managing / Joint Managing / Wholtime Directors/ Director is placed for approval:

Mr. K.R.Shivakumar

Age: 53 Years

Qualification : Master in Business, Administration (MBA), Chartered Engineer, M.Sc., B.Sc.





**Professional Expertise:** Mr. Shivakumar is a US Resident and holds an MBA Degree from Pace University, New York, a Masters Degree in Digital Communications Engineering and a Diploma in Electrical Engineering from the Imperial College of Science & Technology, University of London, and a Bachelor's Degree in Computer Engineering. He is a Chartered Engineer (U.K.) and a Member of the Institution of Engineering & Technology (formerly Institution of Electrical Engineers), U.K.

He is currently Dy. Chief Administrator at the New York City, Board of Education, USA, and has served as Computer Systems Manager for several years in that Organization. His Professional Experience also includes Electronic Design, Manufacturing and Testing for EMI, UK, and Consulting Assignments in the UK and the USA.

**Committee Membership/ Chairmanship:** He is a neither member nor chairman of any of the Committee of the Company

**Shareholding in the Company:** He holds 50,000 Equity Shares of Re.10 each, comprising 1.05% shareholding of 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 the 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 it from time to time.

The constitution of the Committee and the attendance of each member of the Committee is given below

Name	Designation	Category	Meetings Attended	Profession
Mr. D. Manchanda	Chairman	Independent Director	4	Chartered Accountant
Mr. Virendra Kashyap \$	Member	Independent Director	1	Business
Mrs. Amita Kapoor *	Member	Independent Director	1	House Wife
Mr. Aditya Prasad \$\$	Member	Independent Director	-	Service
Mr. Rajeev Bali	Member	Executive Director	3	Business

\* Resigned w. e. f 04.05.2011 and committee reconstituted

\$ inducted w. e. f 10.02.2011

\$\$ inducted w. e. f 04.05.2011



#### IV. Remuneration Committee

##### Terms of reference

The remuneration committee has been constituted on 10th February 2011 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 is given below :

Name	Designation	Category	Meetings Attended	Profession
Mr. D. Manchanda	Chairman	Independent Director	--	Chartered Accountant
Mr. Virendra Kashyap	Member	Independent Director	--	Business
Mrs. Amita Kapoor*	Member	Independent Director	--	Business
Mr. Aditya Prasad%	Member	Independent Director	--	Service

**\*resigned w.e.f. 04/05/2011 & committee reconstituted**

**1% inducted w.e.f. 04/05/2011**

#### 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 system, 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 3 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	--	Chartered Accountant
Mr. Virendra Kashyap	Member	Independent Director	--	Business
Mrs. Amita Kapoor*	Member	Independent Director	--	Business
Mr. Aditya Prasad%	Member	Independent Director	--	Service

**\*resigned w.e.f. 04/05/2011 & committee reconstituted**

**% inducted w.e.f. 04/05/2011**

The Company had 6107 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 31-03-2011

#### VI. General Body Meetings:

##### Location and time, where last 3 Annual General Meetings held

Year.	Date	Time	Venue	Agenda
Twenty Fourth	30 <sup>th</sup> Sept 2010	9.00 A.M.	Narsingpur, Sector- 35, Gurgaon, Haryana.	No Special Resolution formed part of the business of the Meeting
Twenty Third	30 <sup>th</sup> Sept 2009	9.00 A.M.	Narsingpur, Sector- 35, Gurgaon, Haryana.	No Special Resolution formed part of the business of the Meeting
Twenty Second	30 <sup>th</sup> Sept. 2008	9.00 A.M.	Narsingpur, Sector- 35, Gurgaon, Haryana.	Resolution for re-issue of Forfeited Shares at Face value
Twenty First	29 <sup>th</sup> Sept. 2007	9.00 A.M.	Narsingpur, Sector- 35, Gurgaon, Haryana.	No Special Resolution formed part of the business of the Meeting