

INTEGRA ENGINEERING INDIA LIMITED

Thirty First Annual Report -2012

INTEGRA Engineering India Limited

(Incorporated under the Companies Act, 1956)

Registered Office : Post Box No. 55, Chandrapura Village,

Tal. Halol - 389 350, Dist. Panchmahals, Gujarat, India

Tel. : +91-2676-221870, 222772, 222773, 222774, Fax : +91-2676-220887

www.integraengineering.in

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INTEGRA ENGINEERING INDIA LIMITED

Corporate Information

BOARD OF DIRECTORS

Mr. Adrian Oehler	-	Chairman
Mr. Shalin S. Divatia	-	Director
Mr. Mahendra Sanghvi	-	Director
Ms. Corinne Raez	-	Director
Mr. Rahul Divan	-	Additional Director (from 13.06.2012)
Mr. Jayvant H. Mehta	-	Director (upto 28.04.2012)

SR. GENERAL MANAGER & COMPLIANCE OFFICER

Mr. Y. J. Shah

COMPANY SECRETARY

Mr. Mayank S. Joshi

STATUTORY AUDITORS

M/s K C Mehta & Co.

Chartered Accountants

02nd Floor, Meghdhanush, Race Course, Vadorara - 390 020

REGISTRAR & SHARE TRANSFER AGENTS

Link Intime India Private Limited

B-102 & 103, First Floor, Shangrila Complex, Opp. HDFC Bank,

Near Radhakrishna Char Rasta, Akota, Vadodara- 390 020

BANKERS

UCO Bank

HDFC Bank Limited

Bank of Baroda

DENA Bank

State Bank of India

ICICI Bank Limited

REGISTERED OFFICE & WORKS

Chandrapura Village, Tal. Halol-389 350

Dist. Panchmahals, Gujarat State

Telephone No. (02676) 221870, 221872-74

Fax No. (02676) 220887

Website: www.integraengineering.in Email: info@integraengineering.in,

WORKS UNITS

UNIT -I

Chandrapura Village,

Taluka Halol - 389 350

Dist. Panchmahals, Gujarat

UNIT -II

Halol - Champaner Road,

P.O Chandrapura Village,

Taluka Halol - 391520

Dist. Panchmahals, Gujarat

Annual Report 2012

NOTICE TO MEMBERS

Notice is hereby given that the THIRTY FIRST ANNUAL GENERAL MEETING of the Members of INTEGRA ENGINEERING INDIA LIMITED will be held on Friday, 26th April, 2013 at 03.00 p.m. at its Registered Office situated at Chandrapura Village, Taluka: Halol-389 350, District: Panchmahals, Gujarat to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Profit & Loss Account of the Company for the year ended 31st December 2012 and the Balance Sheet as at that date together with the reports of the Directors' and Auditors thereon.
2. To appoint a Director in place of Mr. Mahendra Sanghvi, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Ms. Corinne Raez, who retires by rotation and being eligible, offers herself for re-appointment.
4. To appoint M/s K. C Mehta & Co. (having ICAI Registration Number 106237W) Chartered Accountants, Vadodara as Auditors of the Company, to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

5. **To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:**
"RESOLVED THAT Mr. Rahul Divan, who was appointed under section 260 of the Companies Act, 1956, as Additional Director of the Company and whose term of Office expires at the ensuing Annual General Meeting and in respect of whom the Company has received a notice from a Member under section 257 of the Companies Act 1956 proposing his candidature, be and is hereby appointed as Director of the Company, liable to retire by rotation."

By order of the Board of Directors,
For INTEGRA Engineering India Limited

MAYANK S. JOSHI
COMPANY SECRETARY

Registered Office:
Chandrapura Village, Tal. Halol - 389 350
Dist. Panchmahals, Gujarat.
Place: Halol
Date: 31st January, 2013

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND ON A POLL VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. The Proxy, in order to be effective, must be deposited at the Registered Office of the Company, not later than 48 hours before commencement of the meeting.
2. The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in relation to item number 5 is annexed hereto and forms part of this Notice.
3. The Members should bring the duly filled in attendance slips sent herewith, for attending the meeting.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, 24th April, 2013 to Friday, 26th April, 2013 (both days inclusive) for both, physical and demat transfer requests.
5. Members are requested to advise, quoting their Folio Number(s), the change of address, if any, immediately to the Company at its Registered Office: Secretarial Department, INTEGRA Engineering India Limited., Chandrapura Village, Taluka: Halol-389 350, District: Panchmahals, Gujarat or to its Registrar and Share Transfer Agent Viz Link Intime India Private Limited ("Link Intime"), B-102 & 103, Shangrila Complex, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota, Vadodara-390 020, (Tel : (0265) 2356573, 2356794 Fax : (0265) 2356791) E-mail : Vadodara@linkintime.co.in and also to respective Depository Participant (DP), in case the Shares are held in Demat Form
6. Shareholders seeking information on accounts published herein are kindly requested to furnish their queries to the Company at least TEN days before the date of the meeting addressed to the Company Secretary, INTEGRA Engineering India Limited, Chandrapura Village, Taluka: Halol-389 350, District: Panchmahals, Gujarat or email at secretarial@integraengineering.in
7. The Board of Directors has not recommended any dividend for the financial year 2012.
8. Members who were shareholders of Integra India Group Company Limited (the Transferor Company) and now became the members of the Company and who have not yet encashed the dividend warrants for the financial years ended on 31st March, '2006, 31st March, '2007, 31st March, '2008, 31st March, '2009 and 31st March, '2010, respectively are requested to forward their respective claims to the Company or its Registrar and Share Transfer Agent (with un-claimed dividend details), since pursuant to the provisions of Section 205A of the Companies Act, 1956, dividends which remain unclaimed for a period of seven years, will be transferred to "Investor, Education and Protection Fund" established by the Central Government pursuant to Section 205C of the Companies Act, 1956. Thereafter, no claims shall lie with the Company in respect of such amount(s).

Accordingly, the amount of un-claimed dividend of Integra India Group Company Limited, pertaining to its financial year ended on 31st March, 2005, has been transferred to above described fund on its due date.
9. Members holding shares in physical form can avail of the nomination facility, by filing Form 2B (in duplicate) with the Company or its Registrar and Share Transfer Agent ("Link Intime"). In case of Shares held in demat form, the nomination has to be lodged with their respective Depository Participant (DP).

By order of the Board of Directors,
For INTEGRA Engineering India Limited

MAYANK S. JOSHI
COMPANY SECRETARY

Registered Office:
Chandrapura Village, Tal. Halol - 389 350
Dist. Panchmahals, Gujarat.
Place: Halol
Date: 31st January, 2013

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 5

Ms. Rahul Divan was appointed as Additional Director on 13th June, 2012 and he holds office only up to the date of this Annual General Meeting (AGM). The Company has received a notice from a Member of the Company as required u/s 257 of the Companies Act, 1956 proposing Mr. Rahul Divan as Director of the Company at the ensuing AGM.

Mr. Rahul Divan, Age 44 years is a fellow member of Institute of Chartered Accountants in England and Wales and Institute of Chartered Accountants of India (ICAI) and possesses more than 21 years of experience in Audit, Accounts, taxation, business advisory services, management advisory services etc.

He is presently a partner in Rahul Gautam Divan & Associates and Chandbhoy & Jassoobhoy, Ahmedabad. He has also worked with PricewaterCoopers (PWC).

In order to enable the Company to avail the benefit of his remarkable and diversified experience, your Directors consider it desirable that Mr. Rahul Divan be appointed as Director of the Company, liable to retire by rotation.

Except Mr. Rahul Divan, none of the other Directors is in any way concerned or interested in the above resolution.

By order of the Board of Directors,
For INTEGRA Engineering India Limited

MAYANK S. JOSHI
COMPANY SECRETARY

Registered Office:
Chandrapura Village, Tal. Halol - 389 350
Dist. Panchmahals, Gujarat.
Place: Halol
Date: 31st January, 2013

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Details of the Directors seeking Appointment/ Re-Appointment at the Thirty-First Annual General Meeting (Pursuant to clause 49 IV (G) of the Listing Agreement)

Name of the Director	Mr. Mahendra Sanghvi	Ms. Corinne Raez	Mr. Rahul Divan
Date of Birth	22nd February, 1948	07th September, 1985	25th December, 1968
Date of Appointment	03rd January, 2011	18th April, 2011	13th June, 2012
Expertise in specific functional Area	Veteran in all aspects of Plastic Injection Moulding with overall 38 years Extensive experience	Commendable experience in area of marketing, finance, strategy redefinition,	Remarkable experience in Audit, Accounts, taxation, business advisory services, management advisory services etc.
Qualification	Chemical Engineer from Wayne State University USA, Diploma MBA from Toronto University	MBA, Diploma in applied science	B.A (Economics), FCA (India), FCA(England & Wales)
No. of Shares held in the Company	NIL	NIL	NIL
Directorship in other Companies	Shaily Engineering Plastics Ltd Panax Appliances Pvt. Ltd. Shaily-IDC (India) Pvt. Ltd. Munjal Auto Industries Ltd.	Gorba Integra Systems Pvt. Ltd.	Baltic Consultancy And Services Pvt. Ltd. Serendib Investments Pvt. Ltd. Chandbhiy & Jassoobhoy Consultants Pvt. Ltd. M+R Logistics (India) Pvt. Ltd. Synergey Cargo Mgmt. India Pvt. Ltd. Integrated Freight Servi. Ind. Pvt. Ltd. Caprihans India Ltd.

DIRECTORS' REPORT

To,

The Shareholders,

INTEGRA Engineering India Limited.

Yours Directors have pleasure in presenting the Thirty First Annual Report along with audited financial statements of the Company for the year ended 31st December, 2012.

1. Financial Results

(Amount In ₹ 000)

	For the year ended on 31st December, 2012	For the year ended on 31st December, 2011
Net Income from manufacturing & trading	2,22,816	67,521
Income from services and other operating revenues	5,620	1,914
Other income (Interest, Lease, rent, etc)	15,357	27,138
Total Income	2,43,794	96,573
Profit / Loss before interest, depreciation, exceptional items, and taxation	7,041	7,837
Interest	7,731	1,617
Depreciation	5,399	3,110
Exceptional items	16,923	
Profit/(Loss) before Tax	(23,011)	3,110
Income Tax.	-	-
Current Tax	-	544
MAT Credit	-	(520)
Deferred Tax	(11,073)	-
Prior year tax adjustment	-	211
Profit/(Loss) after Tax	(11,939)	2,875

Notes:

Previous years' figures have been regrouped wherever necessary to bring them in line with the current year's representation of figures and are not comparable as such figures are standalone figures of the company before Amalgamation was effective.

2. Dividend :

In view of the financial performance of the Company, your Directors do not recommend any dividend on Equity Shares for the financial year ended on 31.12.2012.

3. Financial Performance:

During the year under review, your Company earned income of ₹ 2,43,793 (in '000) against ₹ 96,573 (in '000) in the previous year. The Performance for the year ended 31st December, 2012 is adversely affected by higher operating expenses and the requirement of provisions for exceptional items. The management is taking initiatives for a much better year ahead.

4. Segment wise performance :

The operations of the Company are limited to one segment, namely engineering and manufacturing of machinery, components and job work.

5. Amalgamation:

During the year under review, the Hon'ble High Court, Gujarat had vide its Order dated March 23, 2012 sanctioned the Composite Scheme of Arrangement ("Scheme") in the nature of Amalgamation of Integra India Group Company Limited (IIGCL) into Integra Engineering India Limited (IEIL) with appointed date 01.01.2011 and Reorganization of share capital of IEIL. The Scheme has become effective on 11th June, 2012. Pursuant to the aforesaid amalgamation, your Company has issued and allotted 1,48,50,000 Equity Shares of 1/- each to the existing equity shareholders of M/s. Integra India Group Company Limited in the ratio of 2:27 and the said shares are now listed and traded with BSE. As a part of reorganization of its share capital, your Company has issued 1,93,95,196 Equity shares of ₹ 1/- each to its existing shareholders after reducing face value of its equity shares from 10/- per share to ₹ 1/- per share. The aforesaid shares are also now listed and traded with BSE.

Please refer notes to the accounts enclosed herewith for accounting treatment given for this scheme in your Company's Books of Accounts. In view of this Scheme, the financial figures for this current financial year are not strictly comparable with the previous financial year.

Upon Scheme become effective, the Company has undertaken the Undertaking of the erstwhile IIGCL with all its asstes, rights, interests and libalities situated at Halol - Champaner Road, P.O Chandrapura Village, Taluka Halol - 391520, District: Panchmahals, Gujarat and now the said undertaking has been termed as Unit-II of the Company.

6. Capital Expenditure for year 2012 :

The Board of Directors is pleased to inform you that during the financial year 2012, your Company continued to make investments into new machinery, upgrading the technology and revamping the existing production facilities which will result into increase in the productivity and yield. The company envisages more capital investments for improving services for undertaking engineering and manufacturing business.

7. Details of Joint Venture Company and simultaneous reply on attention drawn by the Auditor's at Para No. 4(e) (i) of their Report:

Gorba Integra Systems Private Limited (GISPL) is a Joint Venture Company of Integra India Group Company Limited (now amalgmated with the Company) and Gorba AG, Switzerland in which, 50 % stake is held by Integra India Group Company Limited. Pursuant to the amalgamation of Integra India Group Company Limited with Integra Engineering India Limited, GISPL became JV Company of your Company.

The Company has to recover an amount of ₹ 314.75 lacs for the supply of goods to GISPL. Due to the failure of the obligations of the other JV Partner, GISPL was unable to fulfill the requirements of its customers, thereby suffering losses and resulting ultimately in its inability to pay the dues owed to the Company.

The Company has therefore initiated appropriate legal and other actions, against the other JV Partner, pursuant to which the Company estimates a recovery by GISPL, of ₹ 280 lacs from the JV Partner, which shall be utilized to repay the Company's dues. The balance of ₹ 34.75 lacs receivable by the Company from GISPL has been provided for during the year under review.

8. Reply on attention drawn by the Auditor's at Para No 4(e)(ii) of their Audit Report:

As per the opinion of the management, Deferred tax assets of ₹ 131.71 lacs on carried forward business loss/unabsorbed depreciation is recognised and carried forward only to the extent that there is virtual certainty and that sufficient future taxable income will be available against which such deferred tax assets can be realised.

9. Management's Discussion and Analysis :

The Management Discussion and Analysis Report for the year under review as stipulated under Clause 49 of the Listing Agreement entered into with BSE is presented in a separate section forming part of the Annual Report.

10. Human Resources:

Your Company has successfully absorbed employees at all levels of IIGCL pursuant to above referred Scheme of Amalgamation.

Employees, at all levels, are the strongest resource within the organization. Your Company has been taking full initiatives to effectively implement measures of safety, welfare and competence development, through effective in-house training and interaction.

11. Quality Accreditation :

During the year under review, the Company has successfully renewed its ISO 9001:2008 accreditation with TUV India Private Limited for both of its Units.

This accreditation ensures the continuous improvement in the existing quality system and laid processes, which lead to total customer satisfaction for products relating to both the units as well as services rendered by them, respectively. This is a result of efforts and inherent culture of the employees who are committed to deliver their best in all spheres of activities.

12. Particulars of employees:

The provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, is not applicable as the Company does not have any employees whose particulars are required to be disclosed under the said provisions.

13. Directors:

Pursuant to Article 147 of the Articles of Association of the Company and in accordance with the provisions of Section 260 of Companies Act, 1956, Mr. Rahul Divan, was appointed as an Additional Director on the Board of Directors of the Company, with effect from 13th June, 2012. Mr. Rahul Divan will hold office upto the date of the ensuing Annual General Meeting and is eligible for re-appointment.

Pursuant to and in accordance with the provisions of the Companies Act, 1956 and Article of Association of the Company, Mr. Mahendra Sanghvi and Ms. Corinne Ruez retire from the Board of Directors by rotation and are eligible for reappointment.

Mr. Jayvant Mehta has resigned as Director of the Company with effect from 28th April, 2012. The Directors place on record the appreciation of the services rendered by him while he was Director of the Company.

14. Directors' Responsibility statement :

Pursuant to provisions of Section 217 (2AA) of the Companies Act, 1956, the Directors, to the best of their knowledge and belief, confirm that:

- (i) In the preparation of the annual accounts, the applicable accounting standards have been followed by the Company.
- (ii) Appropriate accounting policies have been selected and applied consistently and such judgements and estimates have been made, that are 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 ended on 31st December, 2012 and of the profit of the Company for the year ended on that date.
- (iii) Proper and sufficient care has been taken 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) The Annual accounts have been prepared on going concern basis.

15. Disclosure of Information on Energy Conservation & Technology Absorption:

Information pursuant to section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosures of Particulars in the Report of the Board of Directors) Rules, 1988 for the year ended 31st December, 2012 is set out in a separate statement attached to this report and forms part of it.

16. Fixed Deposits:

The Company has not accepted any fixed deposits from public during the year.