

# INTEGRA ENGINEERING INDIA LIMITED

32<sup>nd</sup> Annual Report -2013



## **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](http://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	-	Director
Mr. Bhargav Patel	-	Additional Director (from 28.02.14)

**CEO & COMPLIANCE OFFICER**

Mr. Y. J. Shah

**COMPANY SECRETARY**

Mr. Amish Sheth

**AUDITORS**

M/s K C Mehta &amp; Co.

Chartered Accountants

2nd Floor, Meghdhanush, Race Course, Vadorara - 390 020

**BANKERS**

DENA Bank

State Bank of India

**REGISTRAR & SHARE TRANSFER AGENTS**

Link Intime India Private Limited

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

Near Radhakrishna Char Rasta, Akota, Vadodara- 390 020

**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.integrengineering.in Email: info@integraengineeering.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

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### NOTICE TO MEMBERS

NOTICE is hereby given that the THIRTY SECOND ANNUAL GENERAL MEETING of the Members of INTEGRA ENGINEERING INDIA LIMITED will be held on Friday, 2nd May, 2014 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, 2013 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. Adrian Oehler, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Shalin S. Divatia, who retires by rotation and being eligible, offers himself 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. Bhargav Patel, who was appointed under Section 161 of the Companies Act, 2013, as an 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**

**AMISH SHETH**  
COMPANY SECRETARY

**Registered Office:**  
Chandrapura Village, Taluka: Halol-389 350  
District: Panchmahals, Gujarat

Place: Halol  
Date: 28th February, 2014

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**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 102 of the Companies Act, 2013 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 Tuesday, 29th April, 2014 to Friday, 2nd May, 2014 (both days inclusive) for both, physical and demat transfer requests.
5. Members are requested to advice, 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 2013.
8. Members who were shareholders of Integra India Group Company Limited (then 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, 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, 2006, 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**

**AMISH SHETH**  
COMPANY SECRETARY

**Registered Office:**  
Chandrapura Village, Tal. Halol - 389 350  
Dist. Panchmahals, Gujarat.

Place: Halol  
Date: 28th February, 2014

**Annual Report 2013****EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013****Item No. 5**

Mr. Bhargav Patel was appointed as an Additional Director on 28th February, 2014 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. Bhargav Patel as Director of the Company at the ensuing AGM.

Mr. Bhargav Patel, Aged 51, is MBA and possesses more than 25 years of Experience in the field of Textile and Engineering Line. He is presently holding Directorship in various Companies.

In order to enable the Company to avail the benefit of his remarkable and diversified experience in the field of Textile and Engineering line, your Directors consider it desirable that Mr. Bhargav Patel be appointed as Director of the Company, liable to retire by rotation.

Except Mr. Bhargav Patel, none of the Directors is in any way concerned or interested in the above resolution.

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

**AMISH SHETH**  
COMPANY SECRETARY

**Details of the Directors seeking Appointment/ Re-Appointment at the 32nd Annual General Meeting.**

Name of the Director	Mr. Adrian Oehler	Mr. Shalin S. Divatia	Mr. Bhargav Patel
Date of Birth	7th November, 1970	8th January, 1965	19th November, 1963
Date of Appointment	3rd January, 2011	3rd January, 2011	28th February, 2014
Expertise in specific functional Area	wide experience in Change Management, Strategic Management, Turnaround including Corporate Finance and Market Development	Remarkable experience in Audit, Accounts, taxation, business advisory services, management advisory services etc.	Commendable Experience in the field of Textile and Engineering line, Strategic Management and market development
Qualification	Lic. Oec. HSG MAS	B.com, L.L.B., FCA	MBA
No. of Shares held in the Company	NIL	1350 Equity Shares	NIL
Directorship in other Companies	Aquametro AG INTEGRA Biosciences AG INTEGRA Holding AG Immobilien-gesellschaft Fadmatt INTEGRA Immobilien AG INTEGRA Personalvorsorgestiftung ORGU Stiftung Signal AG SunVesta Holding AG Aquacool Meetering LLC INTEGRA Systems Private Limited	Paradigm Esop Consultants Private Limited Vissanii Sons & Co. Private Limited Wallace Flour Mills Co. Private Limited Media Network and Distribution (India) Limited	Poloroid Investment Privat Limited Peass Industrial Engineering Private Limited Peass Exports Limited Modren Maintenance Products (India) Ltd Peass Automation Private Limited Arno Enterprises Private Limited Peass Enviro Systems Pvt. Ltd. Camlin Fine Science Limited

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### DIRECTORS' REPORT

To,

The Shareholders,

**INTEGRA Engineering India Limited.**

Yours Directors have pleasure in presenting the Thirty Second Annual Report along with audited financial statements of the Company for the year ended 31st December, 2013.

#### 1. Financial Results

(Amount in ₹ 000)

	For the year ended on 31st December, 2013	For the year ended on 31st December, 2012
Net Income from manufacturing & trading	2,21,991	2,34,826
Income from services and other operating revenues	8,734	2,013
Other income (Interest, Lease, rent, etc)	16,870	5,041
Total Income	2,47,595	2,41,881
Profit / Loss before interest, depreciation, exceptional items, and taxation	5,116	7,319
Interest	6,114	8,009
Depreciation	5,437	5,399
Exceptional items	2,713	16,923
Profit/(Loss) before Tax	(9,148)	(23,012)
Income Tax.	-	-
Current Tax	-	-
MAT Credit	-	(520)
Deferred Tax	-	(11,073)
	(1,817)	
Prior year tax adjustment	(147)	-
Profit/(Loss) after Tax	(7,184)	(11,939)

#### Notes:

*Previous years' figures have been regrouped wherever necessary to bring them in line with the current year's representation of figures.*

#### 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 December, 2013.

#### 3. Financial Performance:

During the year under review, your Company earned income of ₹ 244,918(in '000) against ₹ 241,881 (in '000) in the previous year. The performance for the year was still affected by a difficult market environment and the requirement of provisions for exceptional items. The management is taking initiatives for a 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. Capital Expenditure for year 2013 :

The Board of Directors is pleased to inform you that during the financial year 2013, your Company continued to make investments into new machinery, upgrading the technology and revamping the existing production facilities which will

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result into increase in the productivity and yield. The company envisages more capital investments for improving services for undertaking engineering and manufacturing business.

### 6. Appointment of Cost Auditor for year 2013 :

The Board of Directors is pleased to inform you that during the financial year 2013, your Company appointed M/s. S. S. Puranik & Associates, Cost Accountants, Vadodara as Cost Accountant of the Company. The Cost Accountant will see the cost records maintained by the Company.

### 7. Details of Joint Venture Company :

During the year under review the Company has been able to settle the pending dispute with its JV Partner Gorba AG, Switzerland out of court. As part of the settlement, the 50% shareholding of Gorba AG was taken over by INTEGRA Holding, Switzerland and a settlement amount of ₹ 20,050 (in '000) was received by your company. Your company is glad to have received this amount considering the very difficult financial situation of the former JV Partner.

### 8. 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.

### 9. Human Resources:

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.

### 10. 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 activities.

### 11. 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.

### 12. Directors:

Pursuant to and in accordance with the provisions of the Companies Act, 1956 and Article of Association of the Company, Mr. Adrian Oehler and Mr. Shalin S. Divatia retire from the Board of Directors by rotation and are eligible for reappointment.

Mr. Bhargav Patel, was appointed as an Additional Director on the Board of Directors of the Company, with effect from 28th February, 2014. Mr. Bhargav Patel will hold office upto the date of the ensuing Annual General Meeting and is eligible for re-appointment.

### 13. 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, 2013 and of the profit of the Company for the year ended on that date.



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(iii) Proper and sufficient care has been taken for the maintenance of adequate accounting record 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 a going concern basis.

### 14 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, 2013 is set out in a separate statement attached to this report and forms part of it.

### 15. Fixed Deposits:

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

### 16. Auditors :

The Company's Auditors M/s. K. C. Mehta & Co., Chartered Accountants, Vadodara hold office up to the conclusion of the ensuing Annual General Meeting. The Company has received a requisite certificate from them pursuant to Section 224 (1B) of the Companies Act, 1956 confirming their eligibility for reappointment as Auditor of the Company.

### 17. Replies to Auditor's Observations

Referring to the observations of the auditors, it is clarified that as stated in the notes forming part of the accounts, as per the opinion of the management, Deferred Tax Assets of ₹ 23,208 (in '000) on carried forward business loss/ unabsorbed depreciation is recognized 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 realized

### 18. Corporate Governance :

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI. The Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms parts of the Annual Report. The requisite certificate from Practicing Company Secretary confirming compliance with the conditions of corporate Governance as stipulated under aforesaid Clause 49 is attached to this Report.

### 19. Insurance

All the properties of the Company are adequately insured against various perils.

### 20. Acknowledgment:

Your Directors express their gratitude to INTEGRA Holding AG, Switzerland for its support.

Your Directors would also like to express their gratitude for the assistance and co-operation received from Banks, Government Authorities, valuable customers, vendors and the members of the Company for their continued support and also extend their appreciation to the Employees of the Company at all levels, for their unstinted commitment, dedication and team work.

**FOR AND ON BEHALF OF THE BOARD,**  
**INTEGRA Engineering India Limited**

**Adrian Oehler**  
**Chairman**

**Place : Halol**  
**Date: 28th February, 2014**

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### Annexure I to the Directors' Report

#### MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

##### Cautionary Statement

Statements forming part of the Management Discussion and Analysis covered in this report may be forward-looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. The Company takes no responsibility to publicly amend, modify or revise any forward looking statements on the basis of any subsequent developments, information or events.

##### Industry structure and development

The continued slowdown in the Euro Zone and the drop in economic growth and higher rate of inflation in India during the year have had a major impact on many industries in India. Indian companies are facing challenges in getting new orders and collecting payments, especially from the Government sector. As the Indian Rupee continues to depreciate against the Dollar, imports are becoming more and more expensive. Businesses are further impacted by rising interest rates and curtailed investment finance.

The Railways Signaling business has not met expectations in the past years. However, during the year under review, the Company has managed to book a good amount of orders from Indian Railways. The company is trying to build on this and expects an improved business from this sector in the future. In the Textile machinery business, the year under review was not meeting expectations due to a continued slowdown in the textile market. Nevertheless the company could successfully further develop its machinery which has already resulted in positive reactions from prospective customers. The company has also tied up with an additional distributor to grow the sales.

The Contract Manufacturing in the mechanical field has been growing during the year as the company has further invested in this business by adding new machinery and improving its manufacturing facilities. The manufacturing in the electro technical field has faced a reduction during the year due to the slowdown in the Power segment in India which is expected to be of temporary nature only.

Your Company continues to put efforts to further grow its business by offering high quality engineering and mechanical and electro-mechanical manufacturing solutions from one source and is hence expecting growth of this business.

##### Opportunities, Threats, Outlook, risk and concerns:

The success of the Textile Machinery Industry is tied with the fortunes of the Textile Mills Industry which has an enormous scope for large growth. As the Textile Market is very cyclical your Company is venturing into other segments including the engineering and manufacturing of products and components for various engineering businesses. During the year under review your Company introduced the Auto leveler Draw Frame machine. Your Company is finding good opportunities with the improved version of Auto leveler Textile Machine.

Further as Gujarat is becoming a global hub for various engineering businesses, your Company is finding better growth opportunities in manufacturing and engineering business for Original Equipment Manufacturers (OEMs). As your Company has expertise in engineering, manufacturing and assembly of various engineering products and components, it is finding many growth opportunities as a supplier to OEMs.

Your Company has grown this business in the year under review and plans to further expand in this segment.

The Railways business is dependent on the Railway budget. Currently, the Railways authorities are planning to update the whole railway system of India. This would be also an opportunity for your Company to grow the Railway Signaling business.

Business risks are inherent with any type of business. The quantum and nature of risk varies from industry to industry and other factors. Your Company faces the usual business risks related with the general macro-economic scenario.