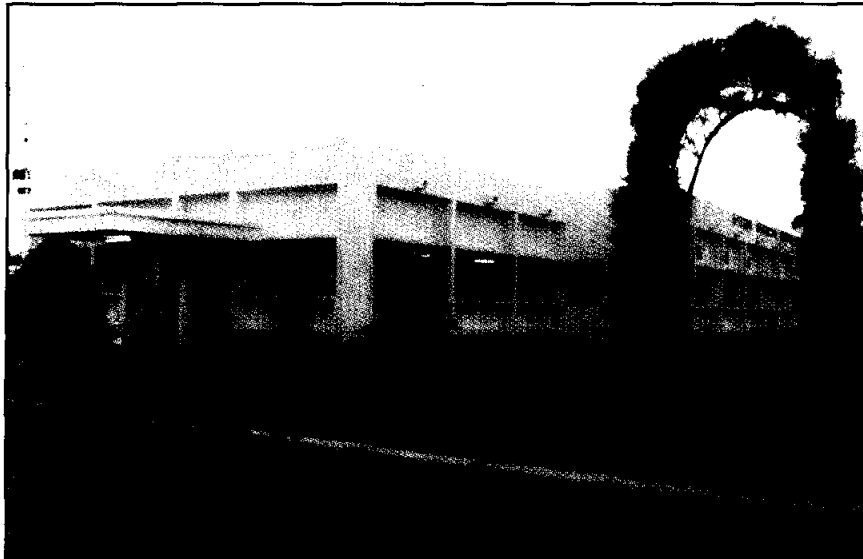


Annual Report - 2001 - 2002



Integra Hindustan Control Limited





Works at Halol


CERTIFICATE

The TÜV CERT Certification Body
of RWTÜV Anlagentechnik GmbH

hereby certifies in accordance with TÜV CERT
procedure that

INTEGRA HINDUSTAN CONTROL LIMITED
Office : Brown Boveri House, Race Course Circle,
Baroda - 390 007, India
Works : Champaner - Halol Road, P.O. Chandrapura,
Halol - 391 520 (India)

has established and applies a quality system for

Manufacturing and Sales of
Relays and Audio Frequency Track Circuits (AFTC)
for Railway Signalling

An audit was performed, Report No. 2.5-2742/2001
Proof has been furnished that the requirements according to
ISO 9002 : 1994 / ANSI/ASQC 9002 : 1994 / JIS Z 9002 : 1994
are fulfilled. The certificate is valid until 14.12.2003
Certificate Registration No. 04100 20154



RWTÜV 

Essen, 08.02.2003

TÜV CERT Certification Body
of RWTÜV Anlagentechnik GmbH

ISO Certificate

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Board of Directors	V.P. Srivastava S.R. Divatia J.G. Oehler F.A. Favre K. Rajagopal	Chairman Alternate to J.G. Oehler
Company Secretary	Binal Trivedi	
Bankers	State Bank of India Industrial Finance Branch	
Solicitors	Mulla & Mulla & Craigie Blunt & Caroe	
Auditors	A.F. Ferguson & Co.	
Registered Office	Brown Boveri House, Race Course Circle, Baroda - 390 007.	
Works	Halol-Chapaner Road, P.O. Chandrapura, Tal. Halol, Dist. Panchamahals - 391 520.	
Share Transfer Registration Agent	MCS Limited Neelam Apartments, 88, Sampatrao Colony, Above Chhapan Bhog, Alkapuri, Vadodara - 390 005.	

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Integra Hindustan Control Limited

Notice to Members :

Notice is hereby given that the Fifteenth Annual General Meeting of the Members of Integra Hindustan Control Limited will be held at Express Hotel , at Hall - " OAKS ", 8th floor , R. C. Dutt Road, Alkapuri, Baroda - 390 007, on Friday, the 13th September, 2002, at 11.00 A.M. to transact the following business :

Ordinary Business :

1. To receive, consider and adopt the Balance Sheet of the Company as at 31st March, 2002 and the Profit and Loss Account for the period of 15 Months , ended on that date and the Reports of the Directors and the Auditors thereon.
2. To declare dividend on Equity Shares of the Company.
3. To appoint a Director in place of Mr. J G Oehler , who retires by rotation and is eligible for re-appointment.
4. To appoint Auditors and fix their remuneration.

Special Business :

5. To consider and, if thought fit, to pass with or without modifications, the following resolution as a special resolution:

"RESOLVED THAT pursuant to section 31 and other applicable provisions , if any, of the Companies Act, 1956, the Articles of Association of the Company be and are hereby amended in the following manner:

The following new Article 50A be inserted after existing Article 50:

- 50A**
1. Every holder of share (s) in and / or debenture (s) of the company, so entitled under the Act and Rules framed thereunder, may at any time, nominate, in the manner prescribed under the Act, a person to whom his share(s) in, and / or debenture(s) of the company, shall vest in the event of his death.
 2. Where the share(s) in, and / or debenture(s) of, the company, are held by more than one person jointly, the joint holders so entitled under the Act and Rules framed thereunder, may together nominate, in the manner prescribed under the Act, a person to whom all the rights in the share(s) and / or debenture(s) of the company, as the case may be, shall vest in the event of death of all the joint holders.
 3. Notwithstanding anything contained in these Articles or in any disposition, whether testamentary or otherwise, in respect of such share(s) in, and / or debenture(s) of the Company, where a nomination made in the manner prescribed under the Act, purports to confer on any person the right to vest the share(s) in, and / or debenture(s) of the company, the nominee shall, on the death of the shareholder and/or debenture holder concerned or on the death of all the joint holders, as the case may be, become entitled to all the rights in relation to such share(s) and/or debenture(s) to the exclusion of all other persons, unless the nomination is varied or cancelled in the manner prescribed under the Act.
 4. Where the nominee is a minor, the holder of the share(s) in, and/or debenture(s) of the Company can make a nomination in the manner prescribed under the Act to appoint any person to become entitled to the share(s) in, and/or debenture(s) of the Company in the event of his death during the minority.
- 50B**
1. Notwithstanding anything contained in these Articles, any person who becomes a nominee by virtue of the provisions of Article 50A upon the production of such evidence as may be required by the Board and subject as herein after provided, elect either:
 - (a) to be registered himself as holder of share(s) and/or debenture(s) as the case may be, or
 - (b) to make such transfer of the share(s) and/or debenture(s) as the case may be as the deceased shareholder and/or debenture holder as the case may be, could have made.
 2. If the person being a nominee, so becoming entitled, elects to be registered as holder of share(s) and/or debenture(s) as the case may be, he shall deliver or send to the Company, a notice in writing duly signed by

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him stating that he so elects and such notice shall be accompanied with the death certificate(s) of the deceased shareholder(s) and/or debenture holder(s) as the case may be.

3. All the limitations, restrictions and the provisions of these articles, relating to the right to transfer and the registration of transfers of share(s) and/or debenture(s) shall be applicable to any such notice or transfer as aforesaid as if the death of the shareholder/debenture holder had not occurred and the notice or transfer were signed by that shareholder and/or debenture holder, as the case may be.
4. A person, being a nominee, becoming entitled to the share(s) and/or debenture(s) by reason of the death of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share(s) and/or debenture(s), except that he shall not before being a member in respect of these share(s) and/or debenture(s), be entitled in respect of it to exercise any right conferred by membership in relation to the meetings of the Company.

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share(s) and/or debenture(s) and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses, or other moneys payable in respect of share(s) and/or debenture(s), until the requirements of the notice have been complied with.

By Order of the Board,

Binal Trivedi
Company Secretary

Registered Office :

Brown Boveri House,
Race Course Circle,
BARODA - 390 007.

Mumbai
27th April, 2002.

Integra Hindustan Control Limited

NOTES :

- 1) The relative Explanatory Statement pursuant to provisions of Section 173(2) of the Companies Act, 1956 in respect of business under Item No. 5 is annexed hereto.
- 2) **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.**
- 3) The Register of Members and Transfer Books of the Company (for Demat & Physical both) will remain closed from Monday, the 2nd September, 2002 to Friday, the 13th September, 2002 (both days inclusive).
- 4) The Dividend on the Equity Shares, when declared, will be payable on and after 15th September, 2002, to those members whose names appear on the Company's Register of Members on 13th September, 2002 or to their mandates subject to the provisions of Section 206(A) of the Companies Act, 1956.
- 5) Members are requested to advise, indicating their Folio Number, the change of their Addresses, if any, to the Company at its Registered Office or its Registrar and Transfer Agent, viz MCS LIMITED, Neelam Apartments, 88, Sampatrao Colony, Above Chhapan Bhog, Alkapuri, Vadodara - 390 005. (Tel. : 0265 - 339397, Fax: 0265-341639) and also to respective Depository Participant (DP), in case the Shares are held in Demat Form
- 6) As mandated by SEBI, the Company will be providing ECS facility to the shareholders whereby they will be able to receive their dividend by direct electronic credit to their bank account. In absence of availing of this option by the shareholders, the Company shall send warrants for disbursing dividend. Shareholders are requested to fill in the form provided along with the annual report and send it to the Company's Registrar and Share Transfer agent in case of shares held in physical form and to respective Depository Participant (DP) in case the shares are held in demat form.
- 7) For Dividend, when declared, the Company can provide ECS facility, to the Members, if opted by them, whereby they will be able to receive Dividend, by direct electronic credit to their Bank Account. In absence of availing of this option by the Member, the Company shall send warrants for disbursing Dividend, when declared. Members are requested to fill in the form provided along with the annual report and send it along with a photo copy of the cheque, (for verifying the accuracy of MICR Code No. and other particulars) to the Company's Registrar and Share Transfer Agent, in case of shares held in physical form and to your respective Depository Participant (DP) in case the shares are held in demat form.
- 8) Members holding shares in physical form, can avail of the Nomination Facility, by filing Form 2B (in duplicate) with the Company or its Registrar (MCS). In case of shares held in demat form, the Nomination has to be lodged with your Depository Participant.(DP)

Annexure to Notice :

Explanatory Statement under Section 173 of the Companies Act, 1956.

Item No. 5.

As per the amendments to the Companies Act, 1956, new Sections 109A and 109B were inserted to provide that every holder of shares or debentures of the Company may at any time nominate in the prescribed manner, a person to whom his shares in or debentures of the Company shall vest in the event of his death. It is proposed to alter the Articles of Association of the Company by inserting new Articles 50A and 50B to give effect to the said provisions.

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A copy of the Memorandum and Articles of Association of the Company together with the proposed alteration as mentioned above to the Memorandum and the Articles of Association of the Company are available for inspection by members at the registered office of the company between 11.00 a.m. and 1.00 p.m. on any working day of the company.

By Order of the Board,

Binal Trivedi
Company Secretary

Registered Office :

Brown Boveri House,
Race Course Circle,
BARODA - 390 007.

Mumbai
27th April, 2002.



Integra Hindustan Control Limited

Directors' Report

The Directors submit their Fifteenth Annual Report and the Audited Accounts of the Company for the period of 15 Months, ended 31st March, 2002.

Financial Results

	Year 2001-2002 (15 Months) (Rupees in Thousand)	Year 2000 (12 Months) (Rupees in Thousand)
Profit/(Loss) before taxation	5,689	11,034
Less: Provisions for taxation	604	2,200
Profit/(Loss) after taxation	5,085	8,834
Add: Balance brought forward from previous year	5,314	422
Profit available for appropriation	10,399	9,256
Proposed Dividend	1,100	1,980
Tax on distributed profit	---	202
Transfer to General Reserve	260	1,760
Surplus carried to Balance Sheet	9,039	5,314

Dividend

Your Directors recommend for your approval, Dividend for the period under review (15 Months ended 31st March, 2002) at the rate of Rs.1.0 per Equity Share of Rs.10 each, amounting to Rs.11,00,000. In view of proposal in the Union Budget 2002-2003, income tax may have to be deducted at source.

Dematerialisation of Equity Shares of the Company

The Equity Shares of your Company are listed at Vadodara, Ahmedabad and Mumbai Stock Exchanges. As your Company has been categorised under compulsory dematerialisation segment, and in order to facilitate dealing in the Shares in electronic mode, (which is made compulsory, by the SEBI and Stock Exchanges), your Company has joined the National Securities Depository Ltd. (NSDL) and Central Depository Services

(I) Ltd. (CDSL), by entering into separate Tripartite Agreement (on 1st December, 2001), one between your Company, MCS Ltd., Company's Registrar and Transfer Agent and National Securities Depository Ltd. (NSDL) and other one with Central Depository Services (I) Ltd. (CDSL). **ISIN Number allotted to your Company, is - INE288D01017.**

Review of Performance

During the period under review, the turnover of the Company was Rs. 72,216,094, as compared to Rs.93,685,392 in the year 2000. This is because of the delay in supply of certain critical imported components, required for production of Relay.

During the period under review, the Company reported a pre-tax profit of Rs. 5,689,480.

Relays:

During the period the company has booked major relay orders.

Amongst the orders booked the major order was for Panel interlocking on Surendranagar-Bhavnagar section of Western Railway for 32 stations. This section when commissioned, will provide a Rail link to the prestigious Pipav Port.

During the period under review, Panel Interlockings in four stations on Karwar division of Konkan Railway were commissioned.

Audio Frequency Track Circuit (AFTC):

The competition in the AFTC market continues to be stiff. During the year we have booked order for AFTC, to be installed in Chennai Division in Southern Railway.

During the year under review, the company successfully completed the following AFTC projects:

- ☐ Virar -Dhanu section (near Mumbai) on Western Railway
- ☐ Kota yard in Rajasthan
- ☐ Madras Beach - Tambaram section in Chennai Division of Southern Railway

Future Outlook:

Indian Railways have given importance to safety, and as a commitment to this, have instituted a "Special Railway

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Safety Fund." to finance projects which would enhance the safety. Major investment in Signalling is planned under the Safety Fund.

Western & Central Railways are implementing projects to install AFTC in the suburban area under the DC to AC conversion project. Other projects of Automatic Signalling to enhance line capacity, deploying AFTC is being implemented in Zonal Railways.

IR has sanctioned many Panel Interlocking works on the Central Railway. This will create a good demand for Signalling Relays.

ISO Certification

The Directors have great pleasure in announcing that the Products of the Company, viz, Relays and Audio Frequency Track Circuits (AFTC), for Railway Signalling have been ISO : 9002 certified.

Conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo

The particulars as prescribed under clause (e), sub-section (1) of Section 217 of the Companies Act, 1956, read with Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988, are given in the Annexure which forms part of the Directors' Report.

Particulars of Employees

The provisions of Section 217(2A) of the Companies Act, 1956, are not applicable as the Company does not have any employee on its roll whose particulars are required to be disclosed under the said provisions.

Directors' Responsibility Statement

The Directors state that :

- (i) In the preparation of annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any.
- (ii) The Directors had selected such accounting policies and applied them consistently and made judgements and estimates 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 financial year and of the profit or loss of the company for that period.
- (iii) The Directors had taken proper and sufficient care

for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

- (iv) The Directors had prepared the annual accounts on a going concern basis.

Fixed Deposits

The Company has not accepted any Fixed Deposit.

Directors

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company, Mr. J G Oehler retires from the Board of Directors by rotation and is eligible for reappointment.

Auditors

You are requested to appoint Auditors and fix their remuneration.

Acknowledgement

The Board wishes to express its gratitude to Integra Group, Switzerland, Bombardier Transportation, India and U.K. and Asea Brown Boveri Limited for their support.

The Board takes this opportunity to record its thanks to the Company's customers, various Central and State Government Departments, Financial Institutions, Bankers, and the Shareholders of the Company for their support and also its appreciation to employees of the Company at all levels, for their unstinted commitment, dedication and team work, put in without which, the outstanding results of the Company would not have been possible.

For and on behalf of the Board of Directors,

V. P. Srivastava
Chairman

Mumbai,
27th April, 2002.

Integra Hindustan Control Limited

Annexure to Directors' Report

(A) Conservation of Energy :

- (a) Energy Conservation measures taken during period under review :

- (i) Employee awareness is being created at all levels on the need to save energy.
- (ii) Monitoring efficiency of all energy consuming devices.

- (b) Additional investment and proposals, if any, being implemented for reduction in consumption of energy:

The Company periodically reviews the energy consumption and invests in energy saving devices wherever possible.

- (c) Impact of measures (a) and (b) above on energy consumption and cost of production of goods :

The energy saved will have only marginal impact on the cost of goods as the energy cost of the operation is around 2.40% of the turnover.

(B) Technology Absorption :

Research and Development (R & D) Expenditure on R & D

1) Capital	Rs.	Nil
2) Revenue	Rs.	Nil
3) Total	Rs.	Nil
4) Total R & D expenditure as a percentage of turnover		---

Technology Absorption, Adaptation and Innovation

With the absorption and adaptation of imported technology from Bombardier Transportation, U.K. for Audio Frequency Track Circuits (AFTC), and from Integra Group, Switzerland for conventional signalling products, the Company has increased its product range as detailed below :

Audio Frequency Track Circuit (TI21)

1. Transmitter
2. Receiver
3. Power Supply
4. Tuning Unit
5. End Tuning Unit
6. Impedance Bond
7. Line Matching Unit

In the Conventional Signalling Products

8. Signalling Relays
9. Domino Panels
10. Keylock Relays
11. Functional Groups

Indoor Signalling Project

12. Design and engineering
13. Installation, testing and commissioning

Outdoor Signalling Projects

14. Procurement of equipment
15. Project execution
16. Design and engineering
17. Testing

Benefits derived as a result of the above efforts

1. Import substitution
2. Cost reduction due to import substitution
3. Increased product range
4. Engineering capability

Technology Imported

Year of Import

Relays and Accessories	1987
A F T C	1992

To a large extent, technology has been absorbed and adapted to suit Indian Conditions wherever required.

(C) Foreign Exchange Earnings and Outgo :

- (a) The Company has identified products and areas where exports can be effected.

(b) Foreign Exchange earned	Rs.	Nil
Foreign Exchange used	Rs.	13,871,940

For and on behalf of the Board of Directors,

V. P. Srivastava
Chairman

Mumbai,
27th April, 2002.