

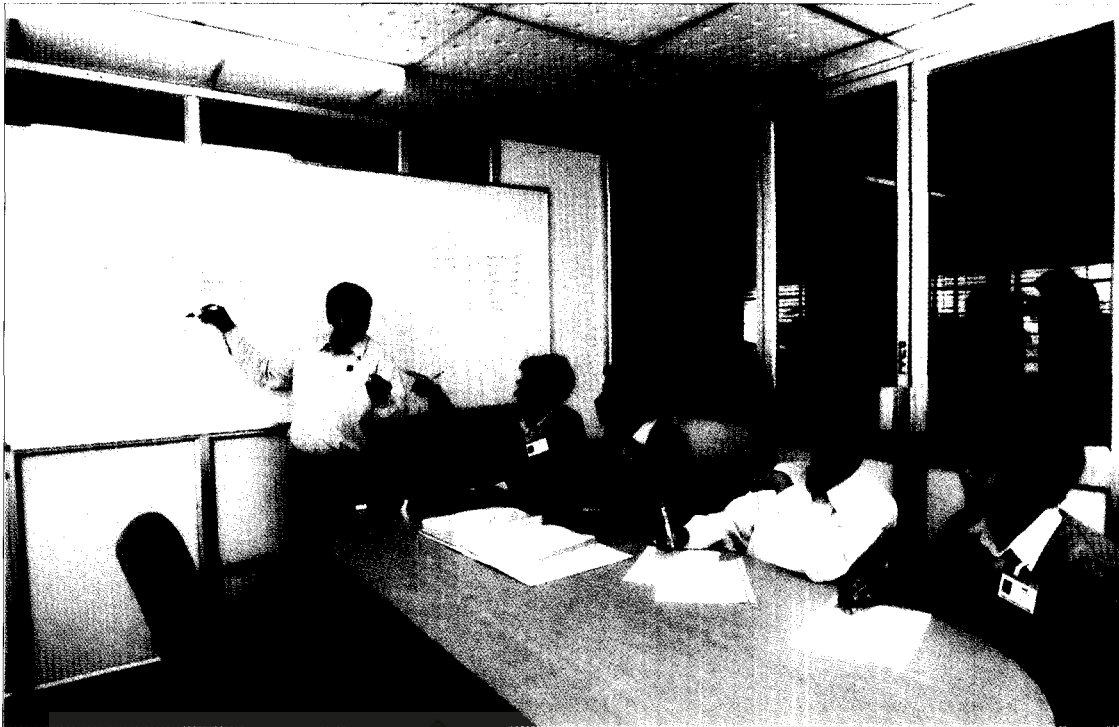
ANNUAL REPORT - 2002 - 03



Integra Hindustan Control Limited

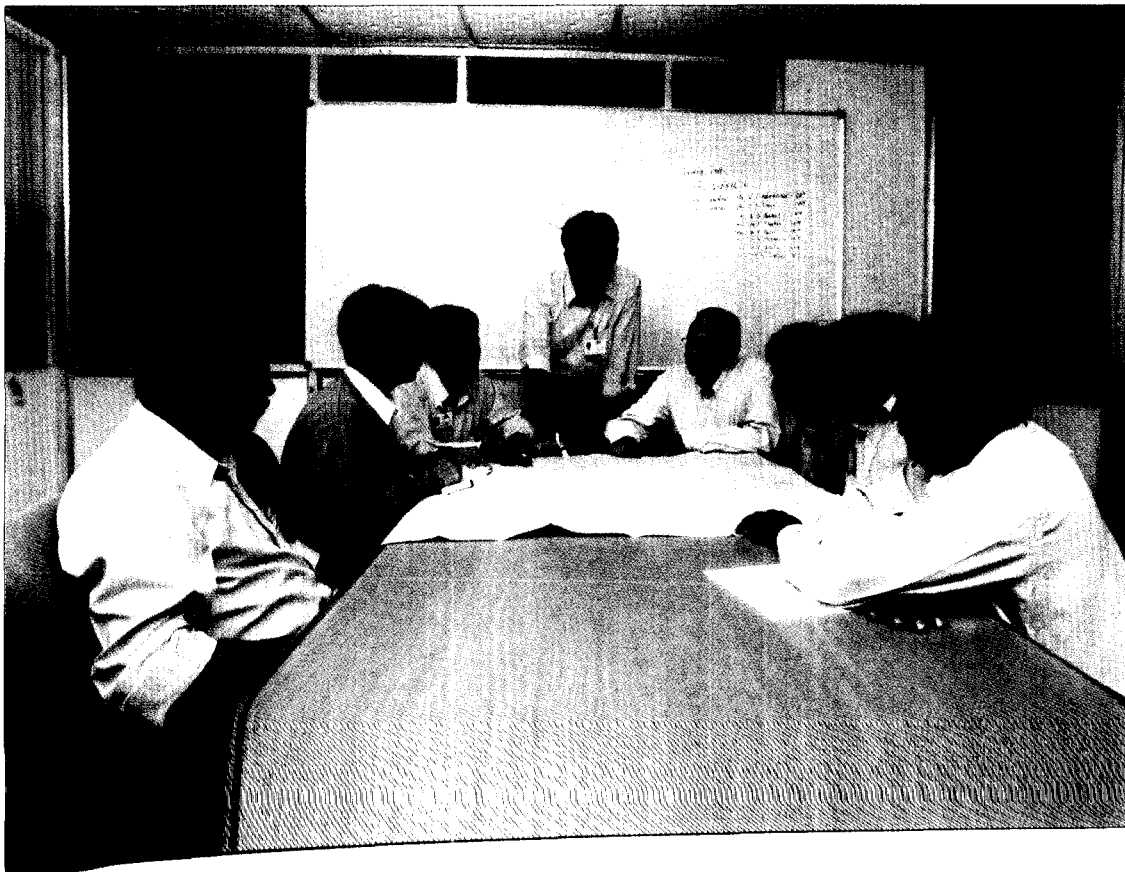


Small Group Activity (SGA) - Interlocked Relay



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Small Group Activity (SGA) - AFTC



Report and Accounts 2002 - 2003

Board of Directors	V.P. Srivastava Chairman S.R. Divatia J.G. Oehler K. Rajagopal
Company Secretary	Binal Trivedi
Bankers	State Bank of India Industrial Finance Branch, Marble Arch, Vadodara.
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 Sixteenth 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 26th September, 2003, at 11.30 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, 2003 and the Profit and Loss Account for the Year, 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. V P Srivastava, who retires by rotation and is eligible for re-appointment.
- 4) To appoint Auditors and fix their remuneration.

By Order of the Board,

Binal Trivedi
Company Secretary

Registered Office :

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

Mumbai
16th May, 2003.

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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 less than 48 hours before the commencement of the meeting.
- 2) The Members should bring the duly filled in attendance slips sent herewith, for attending the meeting.
- 3) The Register of Members and Transfer Books of the Company , will remain closed from Monday, the 15th September, 2003 to Friday, the 26th September, 2003 (both days inclusive).
- 4) 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.:0265-2339397, Fax: 0265-2341639) and also to respective Depository Participant (DP), in case the Shares are held in Demat Form.
- 5) The Dividend , as recommended by the Board, if declared at the Annual General Meeting, will be made payable on and after 29th September, 2003, to those members whose names stand registered on the Company's Register of Members, as on 26th September, 2003 or to their mandates subject to the provisions of Section 206(A) of the Companies Act, 1956. including the Beneficial Owners, as per the details to be furnished by National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd (CDSL) in respect of

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shares held in Demat form.

- 6) As mandated by SEBI, for Dividend, when declared, 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. The 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 respective Depository Participant (DP) in case the shares are held in demat form.
- 7) Members who have not yet encashed the dividend warrants for the financial year ended 31st December, 2000 as well as for the subsequent period of 15 Months, ended 31st March, 2002, are requested to forward their claims to the Company or its Registrar and Share Transfer Agent. Pursuant to the provisions of Section 205A of the Companies Act, 1956, dividends which remain unclaimed for a period of 7 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.
- 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 and Share Transfer Agent (MCS). In case of shares held in demat form, the Nomination has to be lodged with their Depository Participant.(DP)



Integra Hindustan Control Limited

Directors' Report

The Directors submit their Sixteenth Annual Report and the Audited Accounts of the Company for the year ended 31st March, 2003.

Financial Results

	Year 2002-2003 (12 Months) (Rupees in Thousand)	Year 2001-2002 (15 Months) (Rupees in Thousand)
Profit/(Loss) before taxation	3,102	5,689
Less: Provisions for taxation	1,424	604
Profit/(Loss) after taxation	1,678	5,085
Add: Balance brought forward from previous year	8,932	5,314
Add: Write Back of provisions for tax on distributed profits for previous year	112	—
Profit available for appropriation	10,722	10,399
Proposed Dividend	880	1,100
Tax on distributed profit	113	—
Transfer to General Reserve	255	260
Surplus carried to Balance Sheet	9,474	9,039

Dividend

Your Directors recommend for your approval, Dividend for the year ended on 31st March, 2003, at the rate of Rs.0.80 per Equity Share of Rs.10 each, amounting to Rs.8,80,000/-.

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 year under review, the turnover of the Company was Rs. 6,86,46,942, as compared to Rs. 72,216,094 of 15 Months period, ending on 31st March, 2002 (Year 2001-02).

This is achieved by strengthening the internal system and procedures and implementation of "on line" planning / inventory system, resulting into satisfactory production and dispatch of relays.

During the year under review, the Company reported a pre-tax profit of Rs.31,01,962.

Relays :

During the year, the company booked orders for more than 34,000 Relays, which includes supply of relays to priority project of Rajkot-Veraval Gauge conversion work on Western Railway. The Major breakthrough was Relay Orders from Central Railway where we made inroads into the competitors market. Prestigious RRI Order for Nishatpura RRI of Central Railway and Vizianagaram RRI for SE Railway were also booked.

Audio Frequency Track Circuits (AFTC)

In spite of the stiff competition, the Company booked order for "Vasai Yards", "Baroda - Anand Section", "Kota B Cabin" of Western Railway & Tilak - Bridge section from Northern Railway.

Dapoli station and Chembur stations were commissioned on Mumbai Suburban section of Central Railway.

Future Outlook

The "Special Railway Safety Fund" which was instituted by Railways in the year 2003 was successfully utilised in implementing Railway Signalling Projects especially the Panel Interlocking works. This resulted in a higher order intake for us last year. This fund will be utilised in the period of 5 years 2002-2007 and will continue to give us market opportunities for the Relay Business. Apart from this, projects for Route Relay Interlocking are expected

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from the Eastern Region.

On the AFTC front, Railways have taken a decision to provide continuous track circuiting on the Golden Quadrilateral connecting the four metros with an objective to enhance safety and also increase the line capacity. This will be implemented in a phased manner. This promises a good market demand for Audio Frequency Track Circuits. As a first step towards this Railways have sanctioned Automatic Signalling works for 1800 route kms., in this year's budgeted works.

Quality Accreditations

As reported earlier, the Products of the Company, viz, Relays and Audio Frequency Track Circuits (AFTC), for Railway Signalling have been ISO : 9002 certified. Your Directors are happy to report further that, ISO Surveillance Audit, was conducted by RWTUV on 4th Jan., 03 and your Company retained the accreditations. Their report also contains various points of Strengths and on going improvements being implemented. This is a reflection of your Company's continuing commitment to deliver quality products and improve in all areas of operations to achieve total customer satisfaction.

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.

Human Resource - Particulars of Employees

Employee relation during the year were cordial. To meet the changing business requirements, the Company is taking various initiatives in the training and development of its employees, by organising various Training Programmes. The Company appreciates the contributions and initiatives made by all employees towards achieving improved productivity, flexibility in operations and overall business performance of the Company.

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

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 annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any.
- (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 financial year ended 31st March, 2003 and of the profit or loss of the company for that period.
- (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 a going concern basis.

Fixed Deposits

The Company has not accepted any Fixed Deposit.

Compliance with the provisions of the Companies Act, 1956.

As required under Section 383A of the Companies Act, 1956, a copy of the Certificate from Mr. Devesh A Pathak, the Secretary in whole time practice, regarding Compliance with provisions of the Companies Act, 1956, forming part of this report, is attached herewith.

Directors

The Board of Directors of the Company, deeply regret the sad demise of Shri F A Favre, (Alternate Director to Mr J G Oehler, on the Board of the Company), on 17th October, 2002.

The Board of Directors places on record, its appreciation of the service and guidance given by him to the Company, during his tenure as a Director of the Company.

Pursuant to and in accordance with the provisions of the Companies Act, 1956 and Articles of Association of the

Integra Hindustan Control Limited

Company, Mr. V P Srivastava 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 ABB 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,
16th May, 2003.

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 1.16% 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

Integra Hindustan Control Limited

Dear Member,

Sub : Electronic Clearing Service (ECS) / Bank particulars for payment of Dividend.

We wish to inform you that, this year also, we shall be extending ECS facility to our members by which you will be able to receive your dividend by direct electronic credit to your bank account.

The benefit of ECS is that, it provides protection against fraudulent interception and encashment of dividend warrants or damage of dividend warrants in transit or problem of revalidation / issuance of duplicate dividend warrants and there is no extra cost.

We wish to further inform you that SEBI has also mandated the Companies, the use of ECS facility for distributing the dividend and other cash benefits to the investors and only in the absence of availability of ECS facility, the Company may use warrants for disbursing dividend and other cash benefits. Further the Bank particulars have to be printed on the warrants to obviate any fraudulent encashment and interception in postal transit.

You are therefore requested to follow the procedure given below :

(A) Physical Shares

In order to avail the ECS facility, we request you to provide us the requisite details on the form given overleaf and submit the same to MCS Ltd., Baroda, Registrar and Share Transfer Agents before the dividend for the financial year (ending 31st March, 2003), is paid to you. The information should be accurate and complete in all respects and in order to prevent any incorrect particulars being entered, we request you to enclose a photocopy of the cheque for verifying the accuracy of MICR Code No. and other particulars.

(B) Demat Shares

Please note that as per the Stock Exchange directions, the Company will have to take note of the ECS or Bank Account details furnished only by the Depositories, whenever such information is available. You are therefore requested to provide such information only to your Depository Participant (DP), in case the shares are held in demat form.

We recommend and request you to avail of the ECS facility and in the alternative, provide complete bank particulars for printing on the dividend warrant.

Thanking you,

Yours faithfully,

For INTEGRA HINDUSTAN CONTROL LIMITED

For MCS LIMITED

Company Secretary

Asst. Vice President

Note : This being a copy of computerized communication, hence not bearing signatures.

Date : 01 - 06 - 2003

Registrar and Transfer Agents:

MCS LIMITED

Neelam Apartments,
88, Sampatrao Colony,
Above Chhapan Bhog,
R C Dutt Road,
Vadodara - 390 005.

Tel. : 0265 - 2339397, Fax : 0265 - 2341639

INTEGRA HINDUSTAN CONTROL LIMITED

Regd. Office :
Brown Boveri House,
Race Course Circle,
Baroda - 390 007.
Tel. : 0265 - 2313776

PL. SEE OVERLEAF

Report and Accounts 2002 - 2003

Date:

To,

MCS LIMITED

Neelam Apartments, 88, Sampatrao Colony,
Above Chhapan Bhog, Alkapuri,
Vadodara - 390 005.

Dear Sirs,

Sub: Payment of Dividend (Electronic Clearing Service / Bank Particulars)

* **I wish to participate in the Electronic Clearing Services** and give below the details of my bank account, to which you may electronically credit the payment due to me against the reference folio number mentioned below:

1. Name of the First Holder (in Block Letters): _____
2. Regd. Folio No.: _____
3. Bank & Branch Name & Address _____

4. Account Number (As appearing on your Cheque Book): _____
5. Ledger Folio Number (As appearing on your Cheque Book): _____
6. Account Type: (Saving Bank A/c, Current A/c or Cash Credit A/c): _____
7. 9 Digit Code Number of the Bank & Branch appearing on the MICR Cheque issued by the Bank. (Please attach a photocopy of a cheque, for verifying the accuracy of the MICR Code Number): _____

* **I do not wish to opt for ECS facility** and therefore request the following Bank Details to be incorporated on the dividend warrant.

Bank Name: _____

Branch Name & Address: _____

A/c Type (SB/Current/Cash Credit): _____

A/c Number (as mentioned in cheque book): _____

(*Strike out which is not applicable)

I hereby declare that the particulars given above are correct and complete. I undertake to inform of any subsequent changes in the above particulars. If the ECS payment transaction is delayed or not effected, for any reasons beyond the control of the Company, I would not hold the Company responsible.

Signature of the first named shareholder

Name: _____

Address: _____

NOTE: In case of shares held in demat form, the above particulars for ECS facility/bank particulars have to be provided to your Depository Participant (DP), quoting your Client ID No. to them.