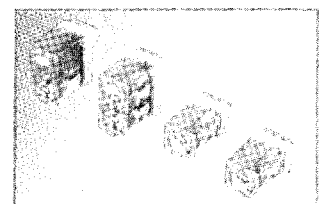
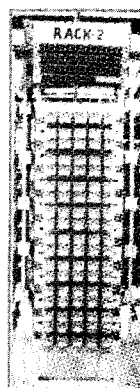
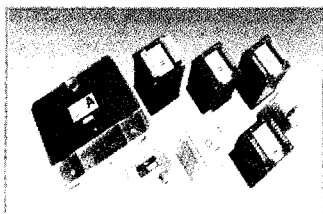
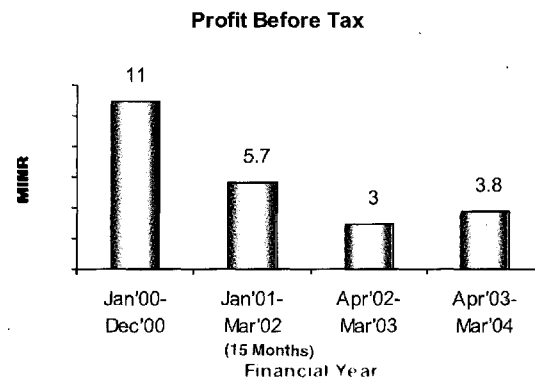
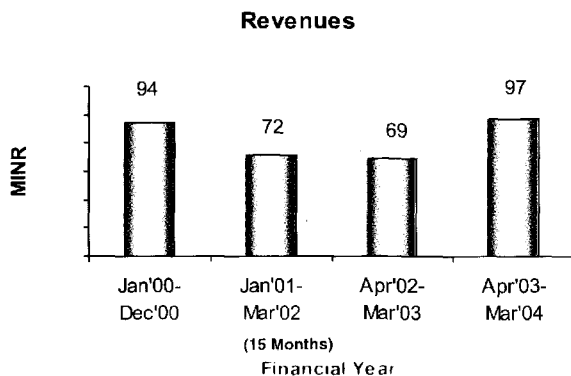


ANNUAL REPORT - 2003 - 04



Integra Hindustan Control Limited

4 Years' Trend



Achieving accreditations of ISO 9001: 2000 for Manufacturing and sales of Relays and Audio Frequency Track Circuits (AFTC) for Railway Signalling



Report and Accounts 2003 - 2004

Board of Directors	V.P. Srivastava Chairman S.R. Divatia J.G. Oehler K. Rajagopal
Company Secretary HR & Legal	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, Vadodara - 390 007.
Works	Halol-Chapaner Road, P.O. Chandrapura, Tal. Halol, Dist. Panchamahals - 391 520.
Share Transfer Registration Agent	MCS Limited, Neelam Apartment, 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 Seventeenth 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 27th August, 2004 , 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, 2004 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. K. Rajagopal , 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 in compliance with the provisions of Section 163 and other applicable provisions of the Companies Act, 1956 ("the Act") read with the Listing Agreement with the Stock Exchange, the Company hereby approves that the Register of Members, the Index of Members, the Register of Debenture holders, Index of Debenture holders, Records relating to returns of allotment from time to time, Copies of Annual Returns prepared under Section 159 of the Act, together with copies of certificates and documents, required to be annexed thereto, under Section 161 of the Act or any one or more of them, be kept at the office of MCS Limited, Neelam Apartment, 88, Sampatrao Colony, Above Chhapan Bhog Sweet Mart, Alkapuri area, Baroda-390 007 , Registrar and Share Transfer Agent of the Company."

"RESOLVED FURTHER THAT the Registers, Indexes , Returns, Books, Certificates and documents of the Company, required to be maintained and kept open for inspection , under provisions of the said Act, be kept open for inspection at the aforementioned place for persons entitled there to, to the extent and in the manner and on payment of fees , if any, specified in the aforesaid Act , between 11.00 am and 1.00 pm , on any working day except that the Register and Books are closed under the provisions of the said Act or the Articles of Association of the Company, provided however that the Register required to be maintained under Section 307 of the said Act shall be open for inspection to the members and the Holders of Debentures of the Company, at the Registered office of the Company between the hours as mentioned above during the period prescribed by sub section 5 of the aforesaid Section."

- 6) 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 to insert as follows :

The following Article 70A after existing Article 70 :

Integra Hindustan Control Limited

Notice to Members :

Notice is hereby given that the Seventeenth 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 27th August, 2004 , at 11.30 A.M. to transact the following business :

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"RESOLVED FURTHER THAT the Registers, Indexes , Returns, Books, Certificates and documents of the Company, required to be maintained and kept open for inspection , under provisions of the said Act, be kept open for inspection at the aforementioned place for persons entitled there to, to the extent and in the manner and on payment of fees , if any, specified in the aforesaid Act , between 11.00 am and 1.00 pm , on any working day except that the Register and Books are closed under the provisions of the said Act or the Articles of Association of the Company, provided however that the Register required to be maintained under Section 307 of the said Act shall be open for inspection to the members and the Holders of Debentures of the Company, at the Registered office of the Company between the hours as mentioned above during the period prescribed by sub section 5 of the aforesaid Section."

- 6) 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 to insert as follows :

The following Article 70A after existing Article 70 :

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70A Passing of resolution by postal ballot

Notwithstanding anything contained in these Articles, the Company, in case of resolutions relating to such business as the Central Government may, by notification declared to be conducted only by postal ballot, shall and in case of other resolution(s), may get such resolutions passed by means of postal ballot, instead of transacting the business in general meeting of the Company subject to the provisions of Section 192A of the Companies Act, 1956 and applicable rules as may be prescribed from time to time.

By Order of the Board,
For and on behalf of
Integra Hindustan Control Ltd.,

Registered Office:
Brown Boveri House,
Race Course Circle,
Vadodara – 390 007.

Binal Trivedi
Company Secretary

Mumbai,
29th April, 2004.

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 16th August, 2004 to Friday, the 27th August, 2004 (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 to 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 30th August, 2004 to those members whose names stand registered on the Company's Register of Members, as on 27th August, 2004 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 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. The ECS facility is available at centers as may be prescribed by the Company's Banker in the matter of Dividend. 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.

Integra Hindustan Control Limited

- 7) Members who have not yet encashed the dividend warrants for the financial year ended 31st December, 2000, for the subsequent period of 15 Months, ended 31st March, 2002, as well for the financial year ended 31st March, '03, are requested to forward their claims along with all required details and documentary evidences, 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)

Annexure to Notice

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

Item No. 5.

Section 163 of the Companies Act, 1956 requires the Company to obtain approval of Members of the Company for keeping Register of Members, Indexes, Returns and copies of Certificates and Documents, etc., at the place other than the Registered Office of the Company. The Company has appointed M/s MCS Limited, Neelam Appartment, 88, Sampatrao Colony, Above Chhapan Bhog Sweet Mart, Alkapuri area, Baroda-390 007, as "Registrar and Share Transfer Agent". Your Directors seek your approval to the Resolution at item No. 5 of the accompanied Notice, by way of Special Resolution, according approval for keeping Register of Members, Indexes, Returns and copies of Certificates and Documents etc. at the office of said MCS Ltd.,.

No Director shall be deemed to be interested or concerned in the resolution.

Item No. 6.

By virtue of provisions of Section 192A of the Companies Act, 1956 and rules framed thereunder, certain resolutions are required to be passed by postal ballot. It also empowers shareholders of the Company to voluntarily pass resolutions by means of postal ballot, instead of transacting the business in General Meeting of the Company. It is proposed to amend the Articles of Association of the Company by inserting new Clause No. 70A in the Articles of Association of the Company as set out in the resolution at item No. 6 of the accompanying Notice.

Your approval by way of Special Resolution is solicited to the aforesaid amendment in the Articles of Association of the Company.

No Director shall be deemed to be interested or concerned in the resolution.

A copy of the Memorandum and Articles of Association of the Company together with the proposed amendment 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,
For and on behalf of
Integra Hindustan Control Ltd.,

Binal Trivedi
Company Secretary

Registered Office:
Brown Boveri House.
Race Course Circle,
Vadodara – 390 007.

Mumbai,
29th April, 2004.

Report and Accounts 2003 - 2004

Directors' Report

The Directors submit their Seventeenth Annual Report and the Audited Accounts of the Company for the year ended 31st March, 2004.

Financial Results

	(Rs. in Thousands)	
For the year ended on 31st March, 2004	For the year ended on 31st March, 2003	
Profit/(Loss) before taxation	3,850	3,102
Less: Provisions for taxation	1,478	1,808
Add: Excess provision in respect of earlier years (net)	—	384
Profit/(Loss) after taxation	2,372	1,678
Add: Balance brought forward from previous year	9,474	8,932
Add: Write Back of provisions for tax on distributed profits for earlier year	—	112
Profit available for appropriation	11,846	10,722
Appropriation :		
Transfer to General Reserve	360	255
Proposed Dividend	1,320	880
Tax on distributed profit	170	113
Surplus carried to Balance Sheet	9996	9,474

Dividend

Your Directors recommend for your approval, Dividend for the year ended on 31st March, 2004, at the rate of Rs.1.20 per Equity Share of Rs.10 each, amounting to Rs. 13,20,000/-.

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 Gross turnover of the Company has reached to Rs.11,45,47,824/-, as compared to Rs. 8,02,00,356/- of previous year, ending on 31st March, 2003.

This is result of not only the better market opportunities but also due to conscious constant focus behind strengthening the internal system and procedures and its successful all around implementation with team approach, resulting into optimum increase of production volume & its dispatches and better inventory and receivables positions etc.

As a result, during the year under review, your company has also reported a pre-tax profit of Rs.38,49,914/-, as compared to Rs.31,01,962/- of previous year, this is notwithstanding the constantly raising of raw material cost, leading to raising of overall input cost.

Relays

During the year, the company booked orders for more than 64,000 Relays, which includes extension orders for supply of relays to priority project of Rajkot-Veraval Gauge conversion work on Western Railway. The company continued its large order intake from Central Railway, which also includes the relays for busy "A" route and Mumbai suburban stations, where your Company made entry against stiff competition. In addition to completion of supply for Vizianagaram RRI, another order from East Coast Railway for Visakhapattanam RRI was received and completed within short time. Keeping up with the demand, the company has dispatched more than 50,000 relays in the year, which has helped Railways to complete important projects as per their targets.

Audio Frequency Track Circuits (AFTC)

In spite of the stiff competition, your company booked order for Automatic Signalling "Valsad-Vedchha" "Vedchha-Bhestan" sections of Western Railway, & Chennai Section of Southern Railway. Automatic Signalling on Delhi-Tilak Bridge section of Northern Railway & Anand-Vadodara section of Western Railway were also successfully commissioned by your company.

Indian Railways have started procuring spares of AFTC in large numbers because of our large installation base.

Future Outlook

The demand for Relays would continue as a part of "Special Railway Safety Fund" which was instituted by Railways in the year 2003. Apart from this, projects for Route Relay Interlocking are expected from Northern & East Coast Railway for the large size stations.

For AFTC, as a part of Railways decision to provide continuous track circuiting on the major trunk routes, tenders will be floated mainly from Northern Railway,

Integra Hindustan Control Limited

Eastern Railway and Southern Railway. This will maintain the demand for AFTC also for the coming year. These projects would enhance safety and also increase the line capacity.

Quality Accreditations

In continuation to earlier reporting on ISO front, it is to be reported further that an Audit, was conducted by RWTUV on 16th October, 2003 and your company achieved the accreditations of ISO 9001 : 2000 also for Manufacturing and Sales of Relays and Audio Frequency Track Circuits (AFTC) for Railway Signalling.

Said accomplishment is on account of conscious on going improvements by team efforts of company's dedicated Employees, with improving competence, who are committed to achieve customers satisfaction by delivering products and system complete as per customer needs of product quality & services. Employees are also improving performances in the areas of their respective operations.

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 dynamic business requirements, various initiatives are being taken by the company, towards sharpening the employees' skills and competencies through training and development activities, by organising various (in house as well as External) Training & Development Programmes, not only towards the quality, health & safety front, but also by general as well as functional management development programmes, which results into better moral, satisfaction and performance of the Employees on one hand and the improved productivity and flexibility in operations on the other hand, which finally lead to the 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, 2004 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

Pursuant to and in accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company, Mr. K Rajagopal 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 also takes this opportunity to record its thanks to the Company's valued customers, various Central and State Government Departments, Financial Institutions, Bankers, and the Shareholders of the Company for their continuous 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 improving results of the Company would not have been possible.

For and on behalf of the Board of Directors,

V. P. Srivastava
Chairman

Mumbai,
29th April, 2004.

Report and Accounts 2003 - 2004

Annexure to Directors' Report

(A) Conservation of Energy:

- (a) Energy Conservation measures taken during period under review :
- Employee awareness is being created at all levels on the need to save energy.
 - 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 0.60 % of the Net Sales & Services.

(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		NA

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)

- Transmitter
- Receiver
- Power Supply
- Tuning Unit
- End Tuning Unit
- Impedance Bond
- Line Matching Unit

In the Conventional Signalling Products

- Signalling Relays
- Domino Panels
- Keylock Relays
- Functional Groups

Indoor Signalling Projects

- Design and engineering
- Installation, testing and commissioning

Outdoor Signalling Projects

- Procurement of equipment
- Project execution
- Design and engineering
- Testing

Benefits derived as a result of the above efforts

- Import substitution
- Cost reduction due to import substitution
- Increased product range
- Engineering capability

Technology Imported

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. 80,31,796

For and on behalf of the Board of Directors,

V. P. Srivastava
Chairman

Mumbai,
29th April, 2004.