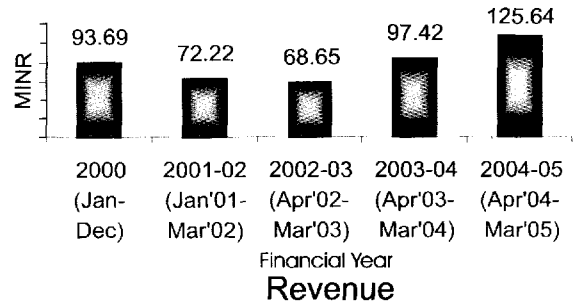
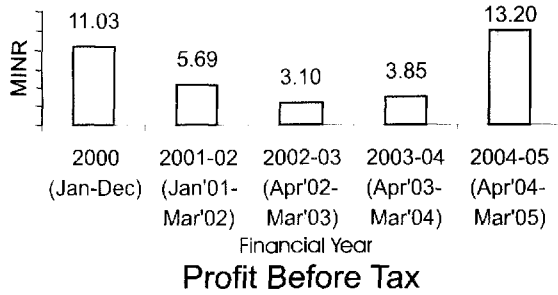


Performance Trend



CERTIFICATE

The TÜV CERT Certification Body for QM Systems of RWTÜV Systems GmbH hereby certifies in accordance with TÜV CERT procedure that

INTEGRA HINDUSTAN CONTROL LIMITED

Office : Brown Boveri House, Race Course Circle,
Vadodara 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 (ATC)
for Railway Signalling.

An audit was performed. Report No. 25-2742/2001

Proof has been furnished that the requirements according to
ISO 9001 : 2000

are fulfilled. The certificate is valid until 06 February 2006

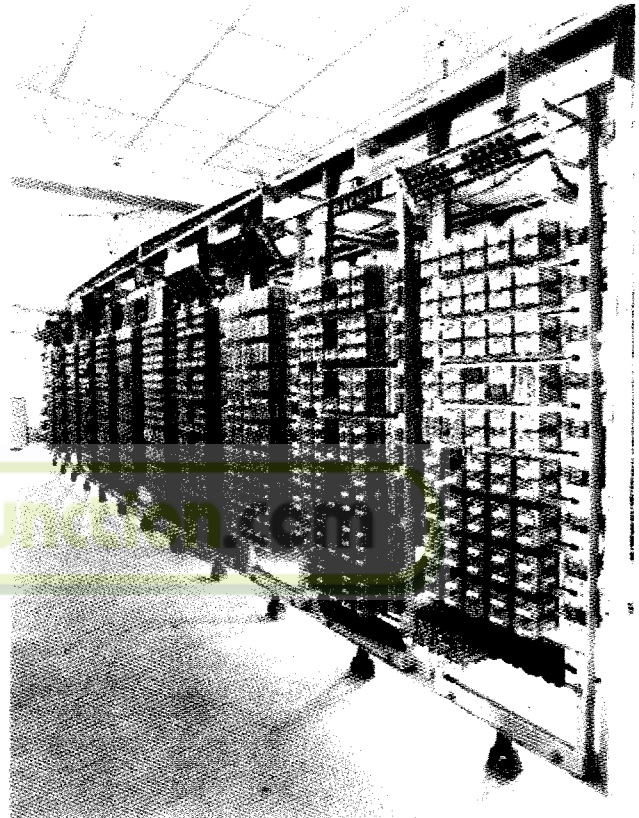
Certificate Registration No. 04100.2002.0154-E3

The company has been certified since 2002



RWTÜV

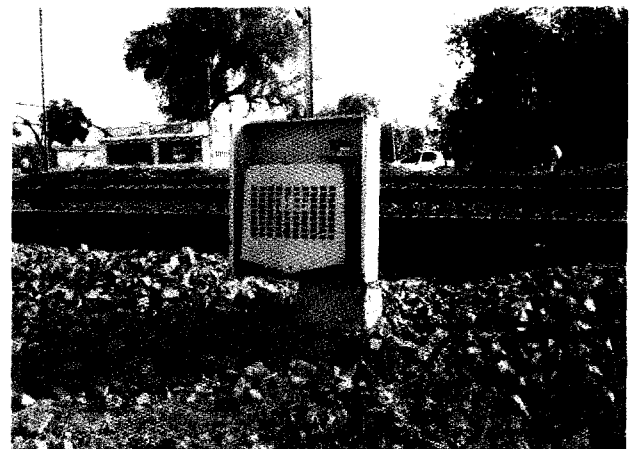
Handwritten signature
TÜV CERT SYSTEMS GMBH
D-85354 FREYBACH



Route Relay Interlocking



Product Assembly Line



Automatic Signalling Project

Reports and Accounts 2004-05

Board of Directors	V.P. Srivastava M.N. Parikh S.R. Divatia K. Rajagopal Adrian Oehler	Chairman Managing Director
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 Eighteenth 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 Monday, the 22nd August, 2005 , 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, 2005 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.
- 3) To appoint a Director in place of Mr. S R Divatia , who retires by rotation and being eligible offers himself for re-appointment.
- 4) To appoint M/s A F Ferguson & Co. Chartered Accountants , as Auditors of the Company , to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to 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 Mr Madhukar N Parikh, who was appointed as an Additional Director by the Board of Directors of the Company, pursuant to Article 98 of the Articles of Association of the Company and Section 260 of the Companies Act, 1956 and in respect of whom, the Company has received a requisite notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company, not liable to retire by rotation.”

“RESOLVED FURTHER THAT pursuant to provisions of Sections 198, 269 and 309 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII to the Companies Act, 1956, as amended upto date, (including any statutory modification or re-enactment thereof for the time being in force), and subject to the approval of the Central Government , if necessary, and such other sanctions as may be necessary, desirable and expedient in law, the Company hereby approves the appointment of Mr Madhukar N Parikh as Managing Director of the Company, for the period of three years with effect from 21st September, 2004, upon remuneration and on the terms and conditions as set out in the Agreement dated 20th October, 2004, laid before this meeting and for the purpose of identification , signed by the Chairman, which Agreement is hereby specifically approved and sanctioned with liberty to the Board of Directors to alter, vary and modify the terms and conditions of the said appointment and / or remuneration, in such manner as may be agreed upon by and between the Board of Directors and Mr Madhukar N Parikh , within and in accordance with the limits prescribed in Schedule XIII to the Companies Act, 1956 or any statutory amendment or modification or re-enactment thereof.”

“RESOLVED FURTHER THAT subject to the provisions of Sections 198, 309 and other applicable provisions , if any, of the Companies Act, 1956, remuneration payable to Mr Madhukar N Parikh as Managing Director, by way of salary, perquisites, bonus and other allowances etc., shall not exceed 5% of the Net Profits of the Company computed under section 198 of the Companies Act, 1956 and if there are more than one such director, 10% for all of them together in that financial year.”

“RESOLVED FURTHER THAT notwithstanding anything stated herein above where in any financial year of the company, during currency of the tenure of Mr Madhukar Parikh, as Managing Director of the Company, the Company has no profits or its profits are inadequate, the salary, perquisites, bonus and other allowances etc. shall be governed by and paid in accordance with the limits and conditions prescribed in Section II of Part II of Schedule XIII to the Companies Act, 1956, as amended from time to time.”

“RESOLVED FURTHER THAT in the event of any statutory amendment, modifications or relaxation by the Central Government to Schedule XIII to the Companies Act, 1956, the Board of Directors be and is hereby authorised to vary or increase the remuneration (including the minimum remuneration) , that is the salary, perquisites, bonus and other allowances etc. , within such prescribed limit or ceiling and the aforesaid Agreement between the Company and Mr Madhukar N Parikh, be suitably amended to give effect to such modification, relaxation or

Reports and Accounts 2004-05

variation without any further reference to the Company in General Meeting, if so permissible.

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorised to do and perform all such acts, deeds, matters or things and they may take such steps necessary, expedient or desirable in the best interest of the Company."

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

Binal Trivedi
Company Secretary

Registered Office:

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

Mumbai.
26th April, 2005.

NOTES:

- 1) The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, setting out the material facts 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.** The proxy, in order to be effective, must be deposited at the registered office of the Company, not later than 48 hours before the commencement of the meeting.
- 3) The Members should bring the duly filled in attendance slips sent herewith, for attending the meeting.
- 4) The Register of Members and Share Transfer Books of the Company, will remain closed from Wednesday, the 17th August, 2005 to Monday, the 22nd August, 2005 (both days inclusive) for both Physical & DEMAT
- 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 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.
- 6) The Dividend, as recommended by the Board, if declared at the Annual General Meeting, will be paid on and after 25th August, 2005 to those members whose names stand registered on the Company's Register of Members, as on 22nd August, 2005 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.
- 7) 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.
- 8) 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, for the financial year ended 31st March, 2003, as well as for the financial year ended 31st March, 2004, are requested to forward their claims along with all required

Integra Hindustan Control Limited.

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.

- 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 (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.

Mr Madhukar N Parikh, has been appointed as an Additional Director of the Company. He has been in the service of the Company from 1988 (earlier with ABB Ltd. since 1981), discharging various responsibilities at a senior level.

The Company has received a notice in writing from a member under Section 257 of the Companies Act, 1956, proposing the candidature of Mr Madhukar N Parikh, as a Director of the Company, not liable to retire by rotation. The Board of Directors considers that in view of the background and experience of Mr Parikh, it would be in the interest of the Company to appoint him as a Director of the Company, not liable to retire by rotation. Mr Parikh is concerned or interested in the proposed resolution. None of the other Directors are concerned or interested in the proposed resolution.

The Board of Directors have felt that it would be in the best interest of the Company to appoint Mr Madhukar N Parikh as Managing Director of the Company for a period of 3 Years with effect from 21.09.2004, on the remuneration and perquisites as stated hereunder :

- 1) Salary: On monthly basis: Base salary Rs 14170/-, Dearness Allowance Rs 1600/-, HRA @ 80 % of base salary i.e Rs.11,336/-, Conveyance allowance Rs.2100/-, 48 hours working allowance Rs 500/-, other allowance Rs 6360/-, Capital asset purchase interest subsidy Rs1200/-, Vehicle Interest subsidy Rs 3250/- and Leave travel allowance Rs 17000/- and Medical reimbursement Rs 15000/- (out of Rs 15000/- Rs 2000/- will be toward reimbursement of mediclaim policy of dependant families) per annum & applicable Housing Interest Subsidy.
- 2) Perquisites: Reimbursement of Membership of Two professional Institutes subject to 75% of the total fees paid. Reimbursement of Major hospitalisation expenses for self and insurance coverage upto 72 months salary against accident and complications arising therefrom.
- 3) Bonus: Exgratia of 15% on Base salary and dearness allowance .
- 4) Others: Provident fund as applicable under Provident Fund Act, Gratuity for number of completed years of service at 15 days last drawn salary , Incentive as formulated from time to time under company incentive scheme subject to maximum of 25% of annual Basic and Dearness allowance .

This remuneration is within the ceiling laid down in Section 198, 269, 309 and other applicable provisions , if any, of the Companies Act, 1956, read with Schedule XIII of the said Act as modified by the circulars issued by the Company Law Board/Department of Company Affairs , from time to time.

In the event of absence or inadequacy of profit in any financial year during the currency of his term , the remuneration payable to Mr. Parikh shall be governed by Section II of Part II of Schedule XIII of the Companies Act, 1956, as amended from time to time.

Mr. Parikh shall not be subject to retirement by rotation during his tenure as Managing Director of the Company in accordance with Article 93 of the Articles of Association of your Company.

In the event of any statutory amendment or modifications or relaxation by the Central Government to Schedule XIII to the Companies Act, 1956, the terms and conditions of the said appointment may be altered, modified, amended or varied from time to time by the Board of Directors of the Company as it may, in its discretion, deem fit, so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956, or any amendments or modifications or relaxation made hereafter in that regard.

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Mr. Parikh shall be entitled to:

- a. the reimbursement of entertainment expenses actually and properly incurred by him in the course of the legitimate business of the Company in accordance with the rules and regulations of the Company in force from time to time or as may be approved by the Board of Directors; and
- b. the reimbursement of travelling, hotel and other expenses incurred by him in India and abroad exclusively on the business of the Company in accordance with the rules and regulation of the Company in force from time to time or as may be approved by the Board of Directors.
- c. Earned / Privilege Leave: On full pay and allowances as per rules of the Company but not more than one month leave for every eleven months of service , shall be allowed.

As long as Mr. Parikh functions as Managing Director, he shall not be paid any sitting fee for attending the Meetings of the Board of Directors or Committee thereof.

Mr Parikh shall immediately cease to be a Director of the Company upon his ceasing to be the Managing Director of the Company.

Mr Parikh's service with the Company, prior to his appointment as Managing Director of the Company, shall be taken into account for the purpose of leave, Provident Fund, Gratuity and other retirement benefits to which he is or may be entitled to under or in pursuance of this Agreement.

The terms and conditions of the said appointment and/or Agreement may be altered and varied from time to time by the Board as it may, in its discretion, deem fit so as not to exceed the limits specified in schedule XIII to the Companies Act, 1956, or any amendment or relaxation made hereunder in that regards.

Mr Parikh is deemed to be concerned or interested in the resolution which pertains to his appointment and remuneration payable to him.

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

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

Binal Trivedi
Company Secretary

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

Mumbai.
26th April, 2005.

Integra Hindustan Control Limited.

Directors' Report

The Directors submit their Eighteenth Annual Report and the Audited Accounts of the Company for the year ended 31st March, 2005.

Financial Results

(Rs. in Thousands)

	For the year ended on 31 st March, 2005	For the year ended on 31 st March, 2004
Profit/(Loss) before taxation	13,230	3,850
Less: Provisions for taxation	5,058	1,478
Add : Excess provision in respect of earlier years (net)	105	—
Profit/(Loss) after taxation	8,277	2,372
Add: Balance brought forward from previous year	9,996	9,474
Profit available for appropriation	18,273	11,846
Appropriation :		
Transfer to General Reserve	1,250	360
Proposed Dividend	1,650	1,320
Tax on distributed profit	231	170
Surplus carried to Balance Sheet	15,142	9,996
	=====	=====

Dividend

The Directors recommend payment of a Dividend for the year ended on 31st March, 2005, at the rate of Rs. 1.50 (previous year Rs. 1.20) per Equity Share of Rs. 10 each, amounting to Rs. 16,50,000/-.

Dematerialisation of Equity Shares of the Company

The Equity Shares of the Company are listed at Vadodara, Ahmedabad and Mumbai Stock Exchanges. As the 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), the Company has joined the National Securities Depository Ltd. (NSDL) and Central Depository Services (I) Ltd. (CDSL), by entering into separate Tripartite Agreements (on 1st December, 2001), one between the 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. 14,67,97,447/- as compared to Rs. 11,45,47,824/- of previous year, ending on 31st March 2004.

The company has also reported a pre-tax profit of Rs. 1,32,30,545/-, as compared to Rs. 38,49,914/- of previous year.

The above achievement of having better profitability is due to several factors including improved market opportunities of product mix, higher productivity and dispatches, control over inventory and receivables, optimum resource management through teamwork.

Above has been supported by strategic initiative from the top-level management team aiming for the best achievement from balanced portfolio of available products and services, which yielded good results

● Relays

During the year your company booked orders for more than 60,000 relays. The major orders received were for Sambalpur RRI of East Coast Railway and Relays for Panel Interlocking at 10 stations of Bina-Katni section of Jabalpur Division. During the year around 53000 Relays were dispatched which helped Railways to commission their important Projects.

Your company also made foray into the direct turnkey RRI projects by bagging orders for 4 stations from Northern Railway. This shows Railways confidence in our company.

● Audio Frequency Track Circuits (AFTC)

The demand for AFTC was good as IR decided some major tenders during the year. Your company won big orders for the prestigious Automatic Signalling project for Subzimandi-Ambala section involving more than 600 AFTC. Further orders were won for the work of Gauge conversion on Madras

Reports and Accounts 2004-05

Egmore-Tambaram section, which was also commissioned during the same year. Further some important projects were commissioned like Baroda-Anand & Vasai Yard (Western Railway), MTP (Central Railway), Gummidipundi-Elavur (Southern Railway)

Future Outlook

The funds allocation for the Signalling has increased over the last year due to emphasis on safety and increasing the line capacity. AFTC Projects are expected mainly from Western Railway and Southern Railway.

Main demand for Relays will come from Route Relay Interlocking Projects and Panel Interlocking Projects from Western and Central Railway.

Quality Accreditations

In line with earlier reporting on ISO front, it is further reported here that an Audit was conducted by RWTUV on 25th December, 2004 and the Company has also achieved the revalidation of ISO 9001:2000 accreditations for Manufacturing and Sales of Relays and Audio Frequency Track Circuits (AFTC) for Railway Signalling.

Behind above, there has been team efforts of company's dedicated employees, with objective, focused to achieve customers satisfaction by delivering products and system complete as per their needs, in terms of product quality & services.

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

The particulars as prescribed under clause (e), of 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

There has been cordial Employee relation during the year. Various initiatives are also being taken by the

Company, in various types of small welfare activities. On the other hand, coping up with the dynamic business requirements, initiatives are also being taken by the company, for sharpening the employees' skills and competencies, by organising various Training & Development Programmes, (In house as well as External) not only on Quality, Health & Safety front, but also in General as well as various Functional areas, with an objective to maintain the better moral, all around satisfaction and improved performance of the Employees on one hand and the accomplishment of corporate objectives, in totality, on the other hand.

Particulars of Employees

Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended 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 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 financial year ended 31st March, 2005 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

Integra Hindustan Control Limited.

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

Mr J G Oehler resigned as a Director of the Company with effect from 20th October, 2004.

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 Article 89 of the Articles of Association of the Company and in accordance with the provisions of Section 262 of the Companies Act, 1956, Mr. Adrian Oehler, was appointed as Director of the Company in Casual Vacancy, caused by the Resignation of Mr. Juerg G Oehler.

Pursuant to Article 98 of the Articles of Association of the Company and in accordance with the provisions of Section 260 of the Companies Act, 1956, Mr. Madhukar N Parikh, was appointed as an Additional Director. Mr. Parikh will hold office upto the date of this Annual General Meeting.

Pursuant to provisions of Section 198, 269 and 309 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII to the Companies

Act, 1956, as amended up to date, Mr. Madhukar N Parikh was also appointed as a Managing Director of the Company for a period of 3 Years with effect from 21.09.2004 and the terms and conditions of said appointment and the remuneration are to be approved by the Members of the Company at this Annual General Meeting of the Company.

Pursuant to and in accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company, Mr. S R Divatia 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.

For and on behalf of the Board of Directors,

V. P. Srivastava
Chairman

Mumbai,
26th April, 2005.