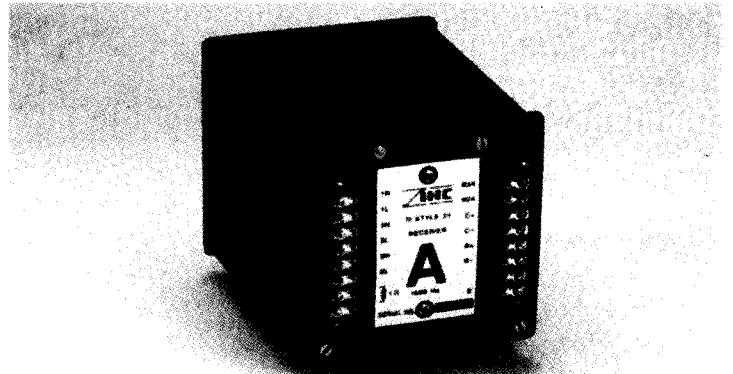
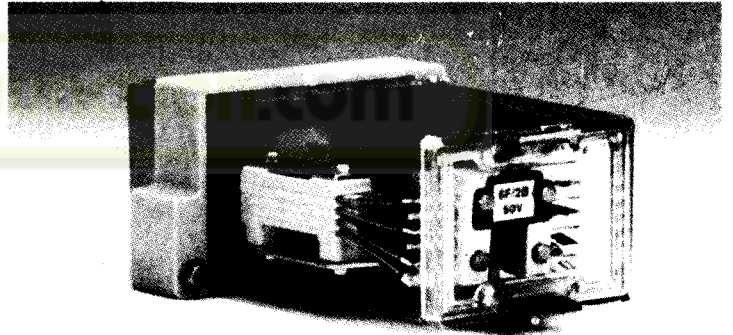
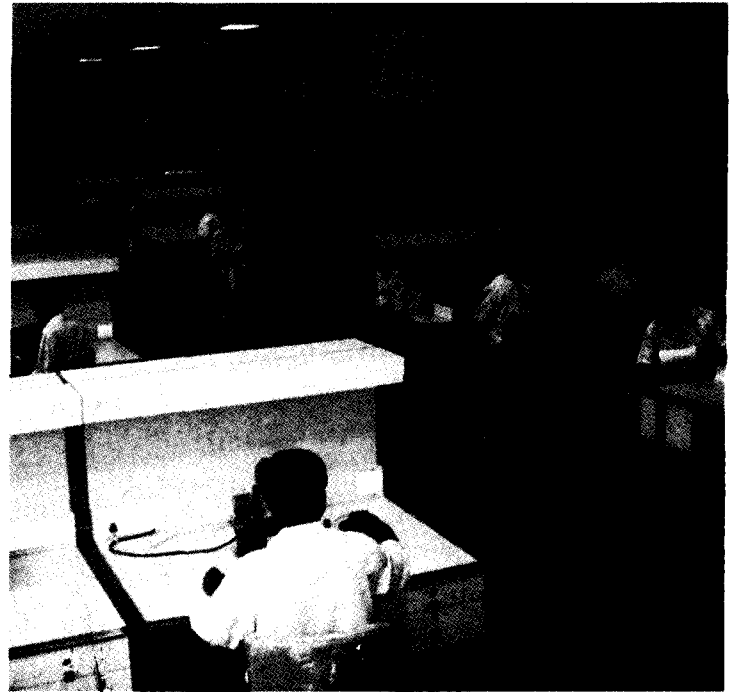
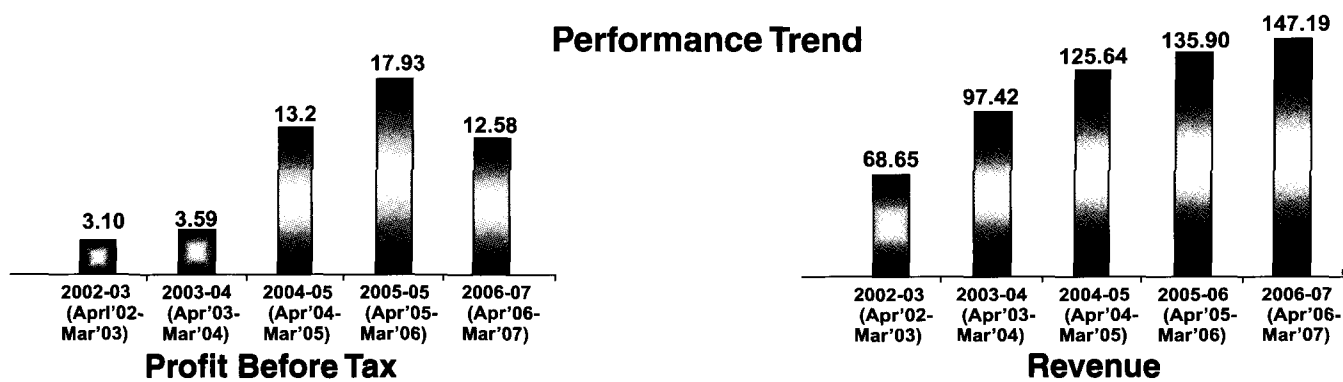


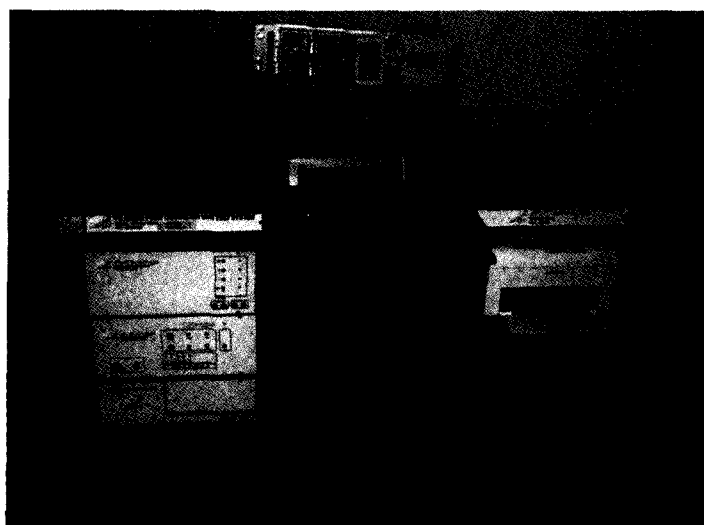
# Annual Report 2006-07



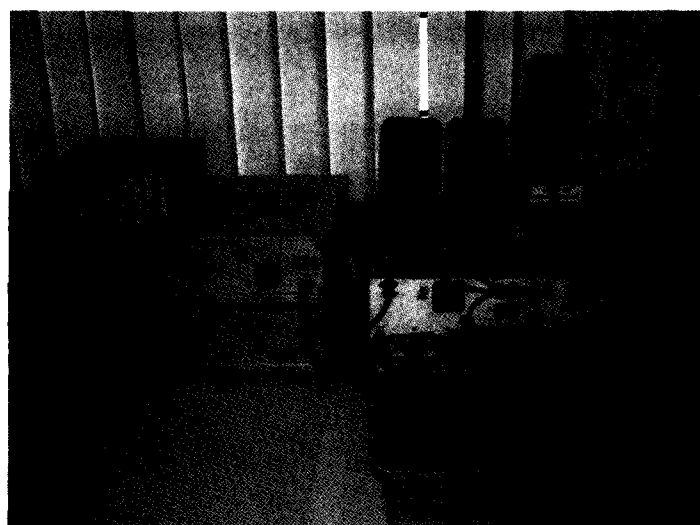
## Performance Trend



**ISO 9001 : 2000**



**Relay (PCU) - Test set up**



**AFTC (T121) Test Set up**

## Integra Hindustan Control Limited.

Board of Directors	V.P. Srivastava M.N. Parikh S.R. Divatia K. Rajagopal B. Gururaj Adrian Oehler Rahul Divan	Chairman Managing Director
Company Secretary HR & Legal	Binal Trivedi	
Bankers	1. State Bank of India, Industrial Finance Branch, Marble Arch, Baroda. 2. ICICI Bank Limited, Landmark Building, Race Course, Baroda. 3. Bank of Baroda, Sayajigunj Branch, Yash Kamal Building, Sayajigunj, Baroda.	
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	Intime Spectrum Registry Limited. 308, Jaldhara Complex, Opp. Manisha Society, Off Old Padra Road, Vadodara - 390 015.	

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## Reports and Accounts 2006-07

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### Notice to Members :

Notice is hereby given that the Twentieth Annual General Meeting of the Members of Integra Hindustan Control Limited will be held at Sayaji Hotel, (at Hall - "SAMWAD " , 5<sup>th</sup> Floor) Kala Ghoda, Sayajigunj, Baroda – 390 005, on Tuesday, the 31st July, 2007 , 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 31<sup>st</sup> March, 2007 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. V. P. Srivastava, who retires by rotation and being eligible offers himself for re-appointment.
- 4) To appoint a Director in place of Mr. K. Rajagopal, who retires by rotation and being eligible offers himself for re-appointment.

### Special Business:

- 5) To consider and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT M/s. O.P. Rathi & Co., Chartered Accountants, Baroda, be and are hereby appointed as the Auditors of the company, who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, on such remuneration as may be fixed by the Board of Directors of the Company, in place of M/s. A. F. Ferguson & Co., Chartered Accountants, the retiring Auditors, who have requested not to consider their reappointment."

- 6) To consider and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT in supersession of resolution passed by the Company in the Extra Ordinary General Meeting held on 20.02.87, in relation to the exercise of borrowing power, the consent of the company be and is hereby accorded to the Board of Directors of the Company, pursuant to provisions of Section 293(1)(d) and other applicable provisions of the Companies Act, 1956, for borrowing from time to time, any sum or sums of moneys, on such terms and conditions and with or without security as the Board of Directors may think fit, which together with the money already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers, in the ordinary course of business), may exceed the aggregate for the time being, of the paid-up capital of the Company and its free reserves, not set apart for any specific purpose, provided that the total amount of money or moneys so borrowed by the Board shall not at any time exceed the limit of Rs. 6.00 Crores. (Rupees Six Crores only)."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do and perform all such acts, deeds and things as may be necessary, desirable or expedient, to give effect to this Resolution."

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

**Binal Trivedi**  
Company Secretary  
HR & Legal

### Registered Office:

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

Mumbai, 30th April, 2007.

### 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 and 6 is annexed hereto.
- 2) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR**



## Integra Hindustan Control Limited.

**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 Tuesday the 24th July, 2007 to Tuesday, the 31<sup>st</sup> July, 2007 (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 Intime Spectrum Registry Limited (ISRL), 308, Jaldhara Complex, Opp. Manisha Society, Off. Old Padra Road, Vadodara – 390 015. (Tel.:0265-2250241, 3249857, Fax: 0265-2250246) 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 03rd August, 2007, to those members whose names stand registered on the Company's Register of Members, as on 31<sup>st</sup> July, 2007 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 31<sup>st</sup> December, 2000, for the subsequent period of 15 Months, ended 31<sup>st</sup> March, 2002, for the financial year ended 31<sup>st</sup> March, 2003, for the financial year ended 31<sup>st</sup> March, 2004, for the financial year ended 31<sup>st</sup> March, 2005, as well as for the financial year ended 31<sup>st</sup> March, 2006, 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.
- 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 (ISRL). 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.**

M/s. A. F. Ferguson & Co., Chartered Accountants are the current Auditors of the Company. Their term as Auditors expires at the conclusion of the ensuing Annual General Meeting and they have requested not to consider their reappointment at the ensuing Annual General Meeting of the Company.

The Company has obtained written certificate under the provisions of Section 224 (1B) of the Companies Act, 1956, from M/s. O. P. Rathi & Co., Chartered Accountants, stating that their appointment, if made, would be in accordance with the limits prescribed by the said Section.

The said proposal has been considered by the Board of Directors of the Company and it recommends the ordinary resolution for your approval.

The Company has received a special notice from a member of the Company in terms of the provisions of the Act, signifying its intention to propose the appointment of M/s. O. P. Rathi & Co., Chartered Accountants, as auditors of the company, from the conclusion of this Annual General Meeting, till the conclusion of the next Annual General Meeting.

None of the directors of the Company is in any way concerned or interested in the said resolution.

## Reports and Accounts 2006-07

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### Item No. 6.

The Company has earlier authorized the Board of Directors to borrow for a sum upto Rs. 2.00 Crore (Rupees Two Crores) from time to time, of moneys on such terms and conditions and with or without security as the Board of Directors may think fit under section 293 (1) (d) of the Companies Act, 1956 in the Extra Ordinary General Meeting held on 20.02.87. Now, the activities of the Company have increased considerably and accordingly the Company may require more funds. The borrowing powers of the Board is therefore required to be increased from its existing limit. The said limit is required to be increased in terms of borrowing from bankers, financial institutions and others etc. upto a limit of Rs. 6.00 Crores. (Rupees Six Crores only)

None of the directors of the Company is in any way concerned or interested in the said resolution.

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

**Binal Trivedi**  
Company Secretary  
HR & Legal

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

Mumbai,  
30th April, 2007.

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## Integra Hindustan Control Limited.

### Directors' Report

The Directors submit their Twentieth Annual Report and the Audited Accounts of the Company for the year ended 31<sup>st</sup> March, 2007.

### Financial Results

	(Rs. in Thousands)	
	For the year ended on 31 <sup>st</sup> March, 2007	For the year ended on 31 <sup>st</sup> March, 2006
Profit/(Loss) before taxation	12,581	17,927
Less: Provisions for taxation	4,446	6,214
Less: Short /(Excess) provision in respect of earlier years (net)	(157)	225
Profit/(Loss) after taxation	8,292	11,488
Add: Balance brought forward from previous year	23,479	15,142
Profit available for appropriation	31,771	26,630
Appropriation :		
Transfer to General Reserve	829	1,270
Proposed Dividend	1,100	1,650
Tax on distributed profit	187	231
Surplus carried to Balance Sheet	29,655	23,479

### Dividend

The Directors recommend payment of a Dividend for the year ended on 31<sup>st</sup> March, 2007, at the rate of Rs.1.00 (previous year - Rs.1.50) per Equity Share of Rs.10 each, amounting to Rs. 11,00,000/-.

### Dematerialisation of Equity Shares of the Company

The Equity Shares of the Company are currently listed at Vadodara 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 1<sup>st</sup> December, 2001), one between the Company, MCS Ltd., Company's then 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.17,15,15,288/- as compared to Rs. 15,76,54,460/- of previous year, ending on 31<sup>st</sup> March 2006.

The company has also reported a pre-tax profit of Rs.1,25,81,191/- as compared to Rs. 1,79,27,228 /- of previous year.

The decrease in profitability (in spite of the better Gross Turnover) is mainly due to the constant hike in the cost of raw materials. However the efforts are also being made to balance the impact, by higher productivity, with optimum resource management through teamwork.

Above also strengthened further by the support from the Top Management, acting as guiding force, with the strategic initiative of overall business betterment.

### ● Relays

During the year, your company booked orders for more than 39,051 relays. This comprises some of the major orders like Relays for Mohal-Solapur section of Central Railway, Khirkiya-Talwadia Station of West Central Railway, Samakhiali-Gandhidham section of Western Railway, Satna-Rewa section of West Central Railway, Boisar-Sanjan section of Western Railway.

During the year around 41,067 Relays were also dispatched, due to which Railways could commissioned their various important Projects.

### ● Audio Frequency Track Circuits (AFTC)

On AFTC front, coping up with the demand, your company received some major orders, mainly from Vaniyambadi-Jolarpetti section of Southern Railway, Tiruvallur-Arakkonam section of Southern Railway, Gudiyattam-Vaniyambadi section of Southern Railway.

The Company is continuing to explore the possibilities of enhancing the Technology, to meet the market demand.

### Future Outlook

Indian Railway has been constantly emphasizing on safety, which is also reflected in their continuous budget allocation for enhancing the Signalling and line capacity.

Accordingly more AFTC Projects, Route Relay Interlocking Projects and Panel Interlocking Projects are expected from Indian Railway, which will create further demand for Relays and AFTC.

The Company is also looking for product diversification.

### Quality Accreditations

Towards ISO, it is further reported here that the Surveillance Audit was conducted by RWTUV on 23<sup>rd</sup> Dec., 2006, 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) and Pre Wired Base Plate, for Railway Signalling.

The above reflect Continual Improvements in all around performances & processes as well as the team efforts of company's dedicated employees, focused to achieve

## Reports and Accounts 2006-07

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 very cordial Employee relation, all around, during the year. Your Company has been taking the initiatives for effective welfare activities, which also includes efforts for constantly improving the skills and competence level of Employees, by implementing the effective system of Training & Development ( In house as well as External ) not only towards Quality, Health & Safety, but also towards the General as well as the Functional areas, which constantly improve the awareness level of the employees, with better moral & satisfaction and also lead to the all around improved performance, for the accomplishment of corporate objectives.

### **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 31<sup>st</sup> March, 2007 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 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. V. P. Srivastava and Mr K. Rajagopal, Directors, retire from the Board of Directors by rotation and are eligible for re-appointment.

### **Auditors**

The Company's Auditors M/s. A. F. Ferguson & Co., Chartered Accountants, who hold office up to the conclusion of the ensuing Annual General Meeting have requested the Company not to consider their reappointment as Auditors at the ensuing Annual General Meeting of the Company. Your Directors consider it to be in the interest of the Company and recommend the appointment of M/s. O. P. Rathi & Company, Chartered Accountants as Auditors of the Company at the ensuing Annual General Meeting. The Company has received requisite certificate pursuant to Section 224 (1B) of the Companies Act, 1956 from M/s. O. P. Rathi & Co. Chartered Accountants regarding their eligibility for appointment as Auditors of the Company.

### **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,  
30th April, 2007.



# 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 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)

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

#### In the Conventional Signalling Products

9. Signalling Relays
10. Domino Panels
11. Keylock Relays
12. Functional Groups
13. Pre Wired Base Plate

### Indoor Signalling Projects

14. Design and engineering
15. Installation, testing and commissioning

### Outdoor Signalling Projects

16. Procurement of equipment
17. Project execution
18. Design and engineering
19. 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.2,17,43,918/-

### For and on behalf of the Board of Directors,

V. P. Srivastava  
Chairman

Mumbai,  
30th April, 2007.

## Reports and Accounts 2006-07

### COMPLIANCE CERTIFICATE

Company No.: 04 - 9305

Nominal Capital : Rs. 1,50,00,000/-

To,  
The Members.  
Integra Hindustan Control Ltd.,  
Brown Boveri House,  
Race Course Circle,  
Vadodara - 390 007.

We have examined the registers, records, books and papers of Integra Hindustan Control Ltd. (hereinafter referred to as the Company) as required to be maintained under the Companies Act, 1956, (hereinafter referred to as 'the Act') and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2007. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities, where ever applicable, within the time prescribed under the Act and the rules made thereunder.
3. The Company being a Public Limited Company has the minimum prescribed paid up capital.
4. The Board of Directors duly met FIVE times respectively on , 27th April, 2006 , 28th July, 2006 , 22nd September, 2006 , 16th October, 2006 and 25th January, 2007, in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose, complied with the applicable provisions, pertaining to the Board Meetings.
5. The Company closed its Register of Members from 16<sup>th</sup> September, 2006 to 22nd September, 2006 and necessary compliance of Section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on 31st March, 2006 was held on 22nd September, 2006 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose and complied with the applicable provisions, pertaining to the Annual General Meeting.
7. No Extra-Ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loan to its directors or persons or firms or companies referred in the section 295 of the Act.
9. The Company has not entered into any contract attracting provisions of section 297 of the Act.
10. The Company has made necessary entries in the register maintained under section 301 of the Act.
11. As there was no instance falling within the purview of Section 314 of the Act, the Company has not obtained any approval from the Board of Directors, members or Central Government.
12. The Company has issued duplicate share certificates during the financial year, complying with the applicable laws, rules , regulations as well as the clauses of the Listing Agreement.
13. (i) The Company delivered all the certificates on lodgment thereof for transfer / transmission or any other purpose ,in accordance with the provisions of the Act and complied with the applicable provisions, pertaining to the Share Transfer and Transmission etc. ;  
(ii) The Company has deposited the amount of dividend declared in a separate Bank Account within five days from the date of declaration of such dividend and complied with the applicable provisions , pertaining to the Dividend;