

# **INTEGRA ENGINEERING INDIA LIMITED**

**Thirty First Annual Report -2012**

## **INTEGRA Engineering India Limited**

(Incorporated under the Companies Act, 1956)

**Registered Office :** Post Box No. 55, Chandrapura Village,

Tal. Halol - 389 350, Dist. Panchmahals, Gujarat, India

Tel. : +91-2676-221870, 222772, 222773, 222774, Fax : +91-2676-220887

[www.integraengineering.in](http://www.integraengineering.in)

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**INTEGRA ENGINEERING INDIA LIMITED**

*Corporate Information*

**BOARD OF DIRECTORS**

Mr. Adrian Oehler	-	Chairman
Mr. Shalin S. Divatia	-	Director
Mr. Mahendra Sanghvi	-	Director
Ms. Corinne Raez	-	Director
Mr. Rahul Divan	-	Additional Director (from 13.06.2012)
Mr. Jayvant H. Mehta	-	Director (upto 28.04.2012)

**SR. GENERAL MANAGER & COMPLIANCE OFFICER**

Mr. Y. J. Shah

**COMPANY SECRETARY**

Mr. Mayank S. Joshi

**STATUTORY AUDITORS**

M/s K C Mehta & Co.

Chartered Accountants

02nd Floor, Meghdhanush, Race Course, Vadorara - 390 020

**REGISTRAR & SHARE TRANSFER AGENTS**

Link Intime India Private Limited

B-102 & 103, First Floor, Shangrila Complex, Opp. HDFC Bank,

Near Radhakrishna Char Rasta, Akota, Vadodara- 390 020

**BANKERS**

UCO Bank

HDFC Bank Limited

Bank of Baroda

DENA Bank

State Bank of India

ICICI Bank Limited

**REGISTERED OFFICE & WORKS**

Chandrapura Village, Tal. Halol-389 350

Dist. Panchmahals, Gujarat State

Telephone No. (02676) 221870, 221872-74

Fax No. (02676) 220887

Website: [www.integraengineering.in](http://www.integraengineering.in) Email: [info@integraengineering.in](mailto:info@integraengineering.in),

**WORKS UNITS**

**UNIT -I**

Chandrapura Village,

Taluka Halol - 389 350

Dist. Panchmahals, Gujarat

**UNIT -II**

Halol - Champaner Road,

P.O Chandrapura Village,

Taluka Halol - 391520

Dist. Panchmahals, Gujarat

## Annual Report 2012

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### NOTICE TO MEMBERS

Notice is hereby given that the THIRTY FIRST ANNUAL GENERAL MEETING of the Members of INTEGRA ENGINEERING INDIA LIMITED will be held on Friday, 26th April, 2013 at 03.00 p.m. at its Registered Office situated at Chandrapura Village, Taluka: Halol-389 350, District: Panchmahals, Gujarat to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the audited Profit & Loss Account of the Company for the year ended 31st December 2012 and the Balance Sheet as at that date together with the reports of the Directors' and Auditors thereon.
2. To appoint a Director in place of Mr. Mahendra Sanghvi, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Ms. Corinne Ruez, who retires by rotation and being eligible, offers herself for re-appointment.
4. To appoint M/s K. C Mehta & Co. (having ICAI Registration Number 106237W) Chartered Accountants, Vadodara as Auditors of the Company, to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

### SPECIAL BUSINESS

5. **To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:**  
"RESOLVED THAT Mr. Rahul Divan, who was appointed under section 260 of the Companies Act, 1956, as Additional Director of the Company and whose term of Office expires at the ensuing Annual General Meeting and in respect of whom the Company has received a notice from a Member under section 257 of the Companies Act 1956 proposing his candidature, be and is hereby appointed as Director of the Company, liable to retire by rotation."

By order of the Board of Directors,  
For INTEGRA Engineering India Limited

**MAYANK S. JOSHI**  
COMPANY SECRETARY

**Registered Office:**  
Chandrapura Village, Tal. Halol - 389 350  
Dist. Panchmahals, Gujarat.  
Place: Halol  
Date: 31st January, 2013

**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 later than 48 hours before commencement of the meeting.
2. The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in relation to item number 5 is annexed hereto and forms part of this Notice.
3. The Members should bring the duly filled in attendance slips sent herewith, for attending the meeting.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, 24th April, 2013 to Friday, 26th April, 2013 (both days inclusive) for both, physical and demat transfer requests.
5. Members are requested to advise, quoting their Folio Number(s), the change of address, if any, immediately to the Company at its Registered Office: Secretarial Department, INTEGRA Engineering India Limited., Chandrapura Village, Taluka: Halol-389 350, District: Panchmahals, Gujarat or to its Registrar and Share Transfer Agent Viz Link Intime India Private Limited ("Link Intime"), B-102 & 103, Shangrila Complex, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota, Vadodara-390 020, (Tel : (0265) 2356573, 2356794 Fax : (0265) 2356791)E -mail : Vadodara@linkintime.co.in and also to respective Depository Participant (DP), in case the Shares are held in Demat Form
6. Shareholders seeking information on accounts published herein are kindly requested to furnish their queries to the Company at least TEN days before the date of the meeting addressed to the Company Secretary, INTEGRA Engineering India Limited, Chandrapura Village, Taluka: Halol-389 350, District: Panchmahals, Gujarat or email at secretarial@integraengineering.in
7. The Board of Directors has not recommended any dividend for the financial year 2012.
8. Members who were shareholders of Integra India Group Company Limited (the Transferor Company) and now became the members of the Company and who have not yet encashed the dividend warrants for the financial years ended on 31st March, '2006, 31st March, '2007, 31st March, '2008, 31st March, '2009 and 31st March, '2010, respectively are requested to forward their respective claims to the Company or its Registrar and Share Transfer Agent (with un-claimed dividend details), since pursuant to the provisions of Section 205A of the Companies Act, 1956, dividends which remain unclaimed for a period of seven 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(s).  
  
Accordingly, the amount of un-claimed dividend of Integra India Group Company Limited, pertaining to its financial year ended on 31st March, 2005, has been transferred to above described fund on its due date.
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 ("Link Intime"). In case of Shares held in demat form, the nomination has to be lodged with their respective Depository Participant (DP).

By order of the Board of Directors,  
For INTEGRA Engineering India Limited

**MAYANK S. JOSHI**  
COMPANY SECRETARY

**Registered Office:**

Chandrapura Village, Tal. Halol - 389 350  
Dist. Panchmahals, Gujarat.  
Place: Halol  
Date: 31st January, 2013

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**

**Item No. 5**

Ms. Rahul Divan was appointed as Additional Director on 13th June, 2012 and he holds office only up to the date of this Annual General Meeting (AGM). The Company has received a notice from a Member of the Company as required u/s 257 of the Companies Act, 1956 proposing Mr. Rahul Divan as Director of the Company at the ensuing AGM.

Mr. Rahul Divan, Age 44 years is a fellow member of Institute of Chartered Accountants in England and Wales and Institute of Chartered Accountants of India (ICAI) and possesses more than 21 years of experience in Audit, Accounts, taxation, business advisory services, management advisory services etc.

He is presently a partner in Rahul Gautam Divan & Associates and Chandbhoj & Jassoobhoj, Ahmedabad. He has also worked with PricewaterCoopers (PWC).

In order to enable the Company to avail the benefit of his remarkable and diversified experience, your Directors consider it desirable that Mr. Rahul Divan be appointed as Director of the Company, liable to retire by rotation.

Except Mr. Rahul Divan, none of the other Directors is in any way concerned or interested in the above resolution.

By order of the Board of Directors,  
For INTEGRA Engineering India Limited

**MAYANK S. JOSHI**  
COMPANY SECRETARY

**Registered Office:**  
Chandrapura Village, Tal. Halol - 389 350  
Dist. Panchmahals, Gujarat.  
Place: Halol  
Date: 31st January, 2013

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**Details of the Directors seeking Appointment/ Re-Appointment at the Thirty-First Annual General Meeting (Pursuant to clause 49 IV (G) of the Listing Agreement)**

Name of the Director	Mr. Mahendra Sanghvi	Ms. Corinne Raez	Mr. Rahul Divan
Date of Birth	22nd February, 1948	07th September, 1985	25th December, 1968
Date of Appointment	03rd January, 2011	18th April, 2011	13th June, 2012
Expertise in specific functional Area	Veteran in all aspects of Plastic Injection Moulding with overall 38 years Extensive experience	Commendable experience in area of marketing, finance, strategy redefinition,	Remarkable experience in Audit, Accounts, taxation, business advisory services, management advisory services etc.
Qualification	Chemical Engineer from Wayne State University USA, Diploma MBA from Toronto University	MBA, Diploma in applied science	B.A (Economics), FCA (India), FCA(England & Wales)
No. of Shares held in the Company	NIL	NIL	NIL
Directorship in other Companies	Shaily Engineering Plastics Ltd Panax Appliances Pvt. Ltd. Shaily-IDC (India) Pvt. Ltd. Munjil Auto Industries Ltd.	Gorba Integra Systems Pvt. Ltd.	Baltic Consultancy And Services Pvt. Ltd. Serendib Investments Pvt. Ltd. Chandbhiy & Jassoobhoy Consultants Pvt. Ltd. M+R Logistics (India) Pvt. Ltd. Synergey Cargo Mgmt. India Pvt. Ltd. Integrated Freight Servi. Ind. Pvt. Ltd. Caprihans India Ltd.

**DIRECTORS' REPORT**

To,

The Shareholders,

**INTEGRA Engineering India Limited.**

Yours Directors have pleasure in presenting the Thirty First Annual Report along with audited financial statements of the Company for the year ended 31st December, 2012.

**1. Financial Results**

(Amount In ₹ 000)

	For the year ended on 31st December, 2012	For the year ended on 31st December, 2011
Net Income from manufacturing & trading	2,22,816	67,521
Income from services and other operating revenues	5,620	1,914
Other income (Interest, Lease, rent, etc)	15,357	27,138
Total Income	2,43,794	96,573
Profit / Loss before interest, depreciation, exceptional items, and taxation	7,041	7,837
Interest	7,731	1,617
Depreciation	5,399	3,110
Exceptional items	16,923	
Profit/(Loss) before Tax	(23,011)	3,110
Income Tax.	-	-
Current Tax	-	544
MAT Credit	-	(520)
Deferred Tax	(11,073)	-
Prior year tax adjustment	-	211
Profit/(Loss) after Tax	(11,939)	2,875

**Notes:**

*Previous years' figures have been regrouped wherever necessary to bring them in line with the current year's representation of figures and are not comparable as such figures are standalone figures of the company before Amalgamation was effective.*

**2. Dividend :**

In view of the financial performance of the Company, your Directors do not recommend any dividend on Equity Shares for the financial year ended on 31.12.2012.

**3. Financial Performance:**

During the year under review, your Company earned income of ₹ 2,43,793 (in '000) against ₹ 96,573 (in '000) in the previous year. The Performance for the year ended 31st December, 2012 is adversely affected by higher operating expenses and the requirement of provisions for exceptional items. The management is taking initiatives for a much better year ahead.

**4. Segment wise performance :**

The operations of the Company are limited to one segment, namely engineering and manufacturing of machinery, components and job work.



**5. Amalgamation:**

During the year under review, the Hon'ble High Court, Gujarat had vide its Order dated March 23, 2012 sanctioned the Composite Scheme of Arrangement ("Scheme") in the nature of Amalgamation of Integra India Group Company Limited (IIGCL) into Integra Engineering India Limited (IEIL) with appointed date 01.01.2011 and Reorganization of share capital of IEIL. The Scheme has become effective on 11th June, 2012. Pursuant to the aforesaid amalgamation, your Company has issued and allotted 1,48,50,000 Equity Shares of 1/- each to the existing equity shareholders of M/s. Integra India Group Company Limited in the ratio of 2:27 and the said shares are now listed and traded with BSE. As a part of reorganization of its share capital, your Company has issued 1,93,95,196 Equity shares of ₹ 1/- each to its existing shareholders after reducing face value of its equity shares from 10/- per share to ₹ 1/- per share. The aforesaid shares are also now listed and traded with BSE.

Please refer notes to the accounts enclosed herewith for accounting treatment given for this scheme in your Company's Books of Accounts. In view of this Scheme, the financial figures for this current financial year are not strictly comparable with the previous financial year.

Upon Scheme become effective, the Company has undertaken the Undertaking of the erstwhile IIGCL with all its asstes, rights, interests and libalities situated at Halol - Champaner Road, P.O Chandrapura Village, Taluka Halol - 391520, District: Panchmahals, Gujarat and now the said undertaking has been termed as Unit-II of the Company.

**6. Capital Expenditure for year 2012 :**

The Board of Directors is pleased to inform you that during the financial year 2012, your Company continued to make investments into new machinery, upgrading the technology and revamping the existing production facilities which will result into increase in the productivity and yield. The company envisages more capital investments for improving services for undertaking engineering and manufacturing business.

**7. Details of Joint Venture Company and simultaneous reply on attention drawn by the Auditor's at Para No. 4(e) (i) of their Report:**

Gorba Integra Systems Private Limited (GISPL) is a Joint Venture Company of Integra India Group Company Limited (now amalgamated with the Company) and Gorba AG, Switzerland in which, 50 % stake is held by Integra India Group Company Limited. Pursuant to the amalgamation of Integra India Group Company Limited with Integra Engineering India Limited, GISPL became JV Company of your Company.

The Company has to recover an amount of ₹ 314.75 lacs for the supply of goods to GISPL. Due to the failure of the obligations of the other JV Partner, GISPL was unable to fulfill the requirements of its customers, thereby suffering losses and resulting ultimately in its inability to pay the dues owed to the Company.

The Company has therefore initiated appropriate legal and other actions, against the other JV Partner, pursuant to which the Company estimates a recovery by GISPL, of ₹ 280 lacs from the JV Partner, which shall be utilized to repay the Company's dues. The balance of ₹ 34.75 lacs receivable by the Company from GISPL has been provided for during the year under review.

**8. Reply on attention drawn by the Auditor's at Para No 4(e)(ii) of their Audit Report:**

As per the opinion of the management, Deferred tax assets of ₹ 131.71 lacs on carried forward business loss/unabsorbed depreciation is recognised and carried forward only to the extent that there is virtual certainty and that sufficient future taxable income will be available against which such deferred tax assets can be realised.

**9. Management's Discussion and Analysis :**

The Management Discussion and Analysis Report for the year under review as stipulated under Clause 49 of the Listing Agreement entered into with BSE is presented in a separate section forming part of the Annual Report.

**10. Human Resources:**

Your Company has successfully absorbed employees at all levels of IIGCL pursuant to above referred Scheme of Amalgamation.

Employees, at all levels, are the strongest resource within the organization. Your Company has been taking full initiatives to effectively implement measures of safety, welfare and competence development, through effective in-house training and interaction.

**11. Quality Accreditation :**

During the year under review, the Company has successfully renewed its ISO 9001:2008 accreditation with TUV India Private Limited for both of its Units.

This accreditation ensures the continuous improvement in the existing quality system and laid processes, which lead to total customer satisfaction for products relating to both the units as well as services rendered by them, respectively. This is a result of efforts and inherent culture of the employees who are committed to deliver their best in all spheres of activities.

**12. Particulars of employees:**

The provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, is not applicable as the Company does not have any employees whose particulars are required to be disclosed under the said provisions.

**13. Directors:**

Pursuant to Article 147 of the Articles of Association of the Company and in accordance with the provisions of Section 260 of Companies Act, 1956, Mr. Rahul Divan, was appointed as an Additional Director on the Board of Directors of the Company, with effect from 13th June, 2012. Mr. Rahul Divan will hold office upto the date of the ensuing Annual General Meeting and is eligible for re-appointment.

Pursuant to and in accordance with the provisions of the Companies Act, 1956 and Article of Association of the Company, Mr. Mahendra Sanghvi and Ms. Corinne Ruez retire from the Board of Directors by rotation and are eligible for reappointment.

Mr. Jayvant Mehta has resigned as Director of the Company with effect from 28th April, 2012. The Directors place on record the appreciation of the services rendered by him while he was Director of the Company.

**14. 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 the financial year ended on 31st December, 2012 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 going concern basis.

**15. Disclosure of Information on Energy Conservation & Technology Absorption:**

Information pursuant to section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosures of Particulars in the Report of the Board of Directors) Rules, 1988 for the year ended 31st December, 2012 is set out in a separate statement attached to this report and forms part of it.

**16. Fixed Deposits:**

The Company has not accepted any fixed deposits from public during the year.

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### 17. Auditors :

The Company's Auditors M/s. K. C. Mehta & Co., Chartered Accountants, Vadodara hold office up to the conclusion of the ensuing Annual General Meeting. The Company has received a requisite certificate from them pursuant to Section 224 (1B) of the Companies Act, 1956 confirming their eligibility for reappointment as Auditor of the Company.

### 18. Corporate Governance :

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI. The Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms parts of the Annual Report. The requisite certificate from Practicing Company Secretary confirming compliance with the conditions of corporate Governance as stipulated under aforesaid clause 49 is attached to this Report.

### 19. Insurance

All the properties of the Company are adequately insured against various perils.

### 20. Acknowledgment:

Your Directors express their gratitude to INTEGRA Holding AG, Switzerland for its support.

Your Directors would also like to express their gratitude for the assistance and co-operation received from Banks, Government Authorities, valuable customers, vendors and the members of the Company for their continued support and also extend their appreciation to the Employees of the Company at all levels, for their unstinted commitment, dedication and team work.

FOR AND ON BEHALF OF THE BOARD,  
INTEGRA Engineering India Limited.

**Adrian Oehler**  
Chairman

Place : Halol  
Date: 31st January, 2013

**Annexure I to the Directors' Report****MANAGEMENT DISCUSSION AND ANALYSIS REPORT:****Cautionary Statement**

Statements forming part of the Management Discussion and Analysis covered in this report may be forward-looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. The Company takes no responsibility to publicly amend, modify or revise any forward looking statements on the basis of any subsequent developments, information or events.

**Industry structure and development**

The crises in the Euro Zone and the slowdown of economic growth in India during the year have had a major impact on many industries in India. Indian companies are facing challenges in getting new orders and collecting payments, especially from the Government sector. As the Indian Rupee is depreciating against the Dollar, imports are becoming more and more expensive. Businesses are further impacted by rising interest rates, curtailed investment finance and increasing inflation rate.

After the Amalgamation became effective, the Company now got a diversified engineering business unit, with customers in different sectors such as Railways, Power, Textile and general industry, which reduce exposure to sector specific downturns. During the year the Company continued to make substantial investments in new machinery and in upgrading technology and revamping the existing production facilities.

The Company also successfully introduced the improved version of Draw Frame Machine (PADAMATEX 720AL) during end 2012. PADAMATEX 720AL Draw Frame is a twin delivery, short - term auto-leveling Draw Frame, where both the deliveries have independent auto leveling facility with an open loop auto leveling system. The Company is already getting customer inquiries for improved version of Auto leveler Draw Frame and expects to get the business from February, 2013 onwards.

In the Railways Signaling business, due to slow down in railway sector, the past years have not met expectations. During year under review, the Company has however booked good amount of orders from Indian Railways compared to the last couple of years. The Company is expecting an improved business from this sector in the future.

The Contract Manufacturing in the electro mechanical field (Relays, wire harness etc.) has been growing during year under review. Additionally, your Company continued to make efforts to grow this business further and is expecting growth of this business.

**Opportunities, Threats, Outlook, risk and concerns:**

The fortunes of Textile Machinery Industry are tied with the fortunes of Textile Mills Industry which has an enormous scope for large growth. As the Textile Market is very cyclical, your Company is venturing into various other segments including the engineering and manufacturing of products and components for various engineering businesses. Still, your Company is finding good opportunities with the improved version of Auto leveler Textile Machine.

Further as Gujarat is becoming a global hub for various engineering businesses, your Company is finding better growth opportunities in manufacturing and engineering business for Original Equipment Manufacturers (OEMs). As your Company has expertise in engineering, manufacturing and assembly of various engineering products and components, it is finding many growth opportunities as a supplier to OEMs.

Your Company has grown this business in the year under review and plans to further expand in this segment.

The Railways business is dependent on the Railway budget. Currently, the Railways authorities are planning to update the whole railway system of India. This should be also an opportunity for your Company to grow the Railway Signaling business.

Business risks are inherent with any type of business. The quantum and nature of risk varies from industry to industry and other factors. Your Company faces the usual business risks related with the general macro-economic scenario.

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### **Internal control systems and their adequacy:**

The company has adequate internal control systems in relation to its size. The Internal Audit is carried out by an independent firm of Chartered Accountants on a quarterly basis and corrective actions are taken where shortcomings are identified. The Internal Auditors submit their quarterly reports to the Audit Committee and the Board of Directors. Periodical MIS Reports are submitted to the Audit Committee and the Board for review. All the fixed assets of the company are physically examined and recorded at regular intervals. In all operational matters, the Company follows the systems and procedures as set out in the ISO 9001: 2008 certification manual.

### **Material development in Human Resources:**

The Company regards its human resources as the most valuable asset and proactively reviews and evolves policies and processes to attract and retain good people. The Company continues its focus on attracting and retaining the best talent in the industry. The Company further makes continuous efforts to upgrade the knowledge and skills of its present employees. As new business challenges emerge, there is a need to continue to be a learning organization that supports operational excellence, continuous improvement and rising standards of performance at all levels. With this in mind the Company reviews the HR Policies from time to time.

By order of the Board of Directors,  
For INTEGRA Engineering India Limited

**ADRIAN OEHLER**  
CHAIRMAN

Place : Halol  
Date: 31st January, 2013

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### Annexure II to the Directors' Report

Information in accordance with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors Report for the year ended 31st December, 2012.

**(A) Conservation of Energy:**

The Company continues its policy of giving priority to energy conservation measures including regularly review of energy generation and consumption and effective control of utilization of energy.

**(B) Technolgy Absorption:**

The Company initiated actions to further develop its products.. The Company has developed its Draw frame machine further and added an Autoleveling facility with two deliveries, with both the deliveries have an independent auto - leveling facility. It is an open loop auto leveling system.

**(C) Foreign Exchange Earnings & Outgo:**

The total foreign exchange earned by the Company during the year as follows:

Foreign Exchange earned	₹ 803 (in '000).
foreign exchange used for	₹ 18,053 (in '000).

By order of the Board of Directors,  
For INTEGRA Engineering India Limited

**ADRIAN OEHLER**  
CHAIRMAN

Place : Halol  
Date: 31st January, 2013

**Report on Corporate Governance**

In accordance with Clause 49 of the Listing Agreement with Bombay Stock Exchange Limited (BSE), the report containing the details of corporate governance systems and processes at Integra Engineering India Limited is as under:

**Company's Philosophy on code of Corporate Governance:**

The Company strongly believes that a business run on principles of transparency, integrity, professionalism, high level of disclosure, fairness and accountability. At the highest level, the company continuously endeavours to improve upon these aspects on an ongoing basis and converting opportunities into achievements through proper empowerment and motivation, fostering a healthy growth and development of human resources to take the Company forward.

**Board of Directors:**
**I) Composition and Category of Board of Directors:**

The present Board of Directors are consisting of five Directors and all five Directors are non - executive Director/a majority of them being Independent Directors. The Company does not have any executive Director. The Directors are professionals, have expertise in their respective functional areas and bring a wide range of skills and expertise to the Board. Therefore, the Board composition is in conformity with the provisions of the Companies Act, 1956 and the Listing Agreement entered into with the Stock Exchange.

Sr. No.	Category	Name of Director
i.	Promoter and Non - Executive Director	Mr Adrian Oehler Ms Corinne Raez
ii.	Promoter and Executive Director	NIL
iii.	Executive Director	NIL
iv.	Independent and Non - Executive Directors	Mr Shalin S. Divatia Mr Mahendra Sanghvi Mr Rahul Divan (appointed w.e.f. 13.06.12) Mr Jayvant Mehta (Resigned during the year)

**II) Board Meetings:**

The Meetings of Board are generally held at Registered Office of the Company at Chandrapura Village, Taluka Halol, District Panchmahals - 389350 and also necessary, at another locations.

During the year under review, meetings were held on 01st February, 2012, 26th April, 2012, 13th June, 2012, 26th July, 2012, 17th September, 2012, 02nd November, 2012 and 07th December, 2012.

The following composition of the Board of Directors is as on December, 31, 2012. Their attendance at the meeting during the year and also number of other Directorships and membership of committees as on December 31, 2012 are as follows:

Name of the Director	Category	Attendance of Board Meeting	Attendance of last AGM	In other Companies		
				Directorship	Committee Member	Chairmanship
Mr Adrian Oehler	Chairman Promoter/ Rotational	4	Yes	9	1	5
Mr Shalin S Divatia	Independent / Rotational	7	Yes	4	-	-
Mr Jayvant H Mehta*	Independent / Rotational	2	Yes	-	-	-
Mr Mahendra Sanghvi	Independent / Rotational	4	No	4	2	-
Ms Corinne Raez	Promoter / Rotational	5	Yes	1	-	-
Mr Rahul Divan**	Independent / Rotational	4	No	7	3	-

1. None of the above Directors are related inter-se.
2. None of Directors hold the office of Director in more than the permissible number of Companies under the Companies Act, 1956. Also, the Committee Chairmanships / Memberships are within the limits laid down in Clause 49 of the Listing Agreement.

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\* Ceased from Directorship w.e.f. 28th April, 2012

\*\* Appointed as an Additional Director w.e.f. 13th June, 2012

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**III) Code of conduct**

The Company is committed to conducting business in accordance with the highest standards of business ethics and complying with applicable laws, rules and regulations. The Company believes that a good corporate governance structure would not only encourage value creation but also provide accountability and control systems commensurate with the risks involved. The Board of Directors laid down a Code of Conduct for all the Board members and senior officers of the Company. A copy of the said code has been posted on the web site of the Company at [www.integraengineering.in](http://www.integraengineering.in)

**IV) Information submitted to the Board of Directors:**

Agenda and notes on agenda are circulated to the Directors, in advance, in the defined agenda format. All material information is incorporated in the agenda papers for facilitating focussed discussion at the meeting. Where it is impracticable to attach any document to the Agenda, the same is tabled before the meeting in the Agenda. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted with the approval of the Chairman. The information placed before the Board includes, Business plans, capital budgets, Working Capital Analysis and any other material information, quarterly financial statement and minutes of previous board meeting and meetings of audit committee and other committees of the Board, General notices of interest of directors, terms of reference of board committees etc. The Company receives reports from all the departments head certifying the compliance of statutory law, rules and regulations applicable to the respective department on quarterly basis. On the basis of these reports, the CEO or Sr. General Manager certifies to the Board the status of compliance of all statutory laws, rules and regulations, as they are applicable to the Company.

**Board Committees:**

At present, the Board has three key committees:

- 1) Audit Committee
- 2) Share Transfer Committee & Shareholders'/Investors' Grievance Committee
- 3) Committee of Directors (formed on 13.06.2012 - for the purpose of issue and allotment of the Equity Shares after the Scheme become effective)

The Directors are paid sitting fees for attending these three key committee meetings. These committees meet as and when the need arises and the proceedings of their meetings are placed before the Board in its next meeting. The constitution and power of all the committees is decided by Board of Directors.

**Audit Committee:**

**I) Composition:**

Pursuant to the provisions of Section 292(A) of the Companies Act, 1956 and Clause 49 of the Listing Agreement, the Company has a qualified and independent Audit Committee. The Company has constituted an Audit Committee on 30th January, 2001. As at December 31, 2012, the Committee comprised of three independent non - Executive Directors and one is promoter & Non-Executive Director. Mr .Shalin S. Divatia, fellow Member of Institute of Chartered Accountant of India (ICAI) having expertise knowledge of accounting and finance, is the Chairman of the Audit Committee (from 04th May, 2012). Mr Mayank Joshi, Company Secretary of the Company acts as a secretary of the Committee.



**II) Terms of reference:**

The Audit Committee reviews the reports of the Internal Auditors and the Statutory Auditors periodically and discusses their findings and suggests the corrective measures. The role of the audit committee shall include the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - a. Matters required being included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
  - b. Changes, if any, in accounting policies and practices and reasons for the same
  - c. Major accounting entries involving estimates based on the exercise of judgment by management
  - d. Significant adjustments made in the financial statements arising out of audit findings
  - e. Compliance with listing and other legal requirements relating to financial statements
  - f. Disclosure of any related party transactions
  - g. Qualifications in the draft audit report.
4. Reviewing, with the management, the quarterly financial statements before submission to the board for approval
- 4A. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
5. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
6. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
7. Discussion with internal auditors any significant findings and follow up there on.
8. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
9. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
10. To review the functioning of the Whistle Blower mechanism, in case the same existing.
11. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

**III) Meetings:**

During year under review, in all four meetings of the Committee were held i.e. on 01st February, 2012, 26th April, 2012, 26th July, 2012 and 02nd November, 2012. The time intervals between two meetings of the Committee were not more than four months.

**Attendance of each member at the Audit Committee Meetings:**

Name of Director	No. of meetings attended
Mr Jayvant Mehta*	2
Mr Adrian Oehler	4
Mr Mahendra Sanghvi	4
Mr Shalin S. Divatia**	2
Mr Rahul Divan**	1

\* Ceased from Directorship w.e.f. 28th April, 2012

\*\* Appointed as an Additional Director w.e.f. 13th June, 2012

**IV) Review of Information:**

The Audit Committee was presented with and reviewed necessary information as required under Clause 49 of the Listing Agreement. There was no management letter /letter of internal control weakness issued by the Statutory Auditor during the financial year 2012.

**Compensation and remuneration:**

- I. No remuneration is paid to any director of the company and hence no remuneration committee has been formed as the same is not mandatory.
- II. Sitting fee paid to the Directors

(Amount in ₹)

Name of the Director	Board Meeting	Audit Committee Meeting	Shareholders'/ investor's Grievance Committee meeting	Committee of Directors
Mr Adrian Oehler	80,000	40,000	40,000	--
Mr Shalin S. Divatia	1,20,000	20,000	40,000	--
Mr Jayvant H. Mehta*	40,000	20,000	20,000	--
Mr Mahendra Sanghvi	80,000	40,000	40,000	--
Ms Corinne Raez	80,000	--	20,000	--
Mr Rahul Divan**	80,000	10,000	--	--

\* Ceased from Directorship w.e.f. 28th April, 2012

\*\* Appointed as an Additional Director w.e.f. 13th June, 2012

III. Except Mr Shalin S. Divatia, Director of the Company who holds 1350 Equity Shares, no other Directors hold any Equity Shares of the Company.

IV. No remuneration is paid to any other Non-executive Directors other than the sitting fee as permissible under the companies Act 1956, no separate remuneration policy has been laid down for the Directors generally.

**Share Transfer Committee & Shareholders'/Investors' Grievance Committee:**
**i Terms of Reference:**

The terms of reference of the committee are mainly of Redressal of Shareholders' / Investors' Grievance Complaints, Allotments, transfer, and transmission of Shares and issue of duplicate certificates and new certificates on spilt / consolidation / renewal etc. as may be referred to it by the Share Transfer Committee.

**ii Composition:**

The Committee has been in place since 29th January, 2002. As on December 31, 2012, the committee comprised of four non - executive Directors. Mr Mayank Joshi, Company Secretary acts as the Secretary to the Committee.

**iii Meetings:**

During the year under review, the Committee held 10 meetings on 31st January, 2012, 29th February, 2012, 15th March, 2012, 31st March, 2012, 16th April, 2012, 30th April, 2012, 15th May, 2012, 31st May, 2012, 30th June, 2012, and 02nd November, 2012.

**iv Compliance officer:**

Mr Yogesh J. Shah, Sr. General Manager is the Compliance Officer overseeing the Investors' Grievances. He can be contacted at Chandrapura Village, Tal. Halol- 389 350, Dist. Panchmahals, Gujarat, Telephone No. (02676) 221870, Fax No. (02676) 220887, E-mail: info@integraengineering.in

**v Complaints :**

During the year under review, the Company has received 08 complaints and all the complaints have resolved well in time. No complaints are pending at the end of the financial year.

**General Body Meeting:**

The previous three General Body Meetings were held as under:

Annual General Meeting	Day, Date and Time	Venue	Whether Special Resolution (s) passed or not
28th Annual General Meeting	Wednesday, 23.06.2010 at 2:30 PM	Registered office of the company, Chandrapura Village, Tal. Halol - 389 350, Dist. Panchmahals, Gujarat	Yes
29th Annual General Meeting	Monday, 18.04.2011 at 12:00 noon	Registered office of the company, Chandrapura Village, Tal. Halol - 389 350, Dist. Panchmahals, Gujarat	Yes
30th Annual General Meeting	Tuesday, 27.03.2012 at 11.30 AM	Registered office of the company, Chandrapura Village, Tal. Halol - 389 350, Dist. Panchmahals, Gujarat	Yes

" No Extraordinary General Meetings was held during the previous year.

" No Resolutions were passed through Postal Ballot during the previous year

**Disclosure:**

- i There are no materially significant transactions with related Parties viz. Promoters, Directors or the management, their subsidiaries or relatives conflicting with the Company's interest. Suitable disclosure as required by the Accounting Standard (AS 18) has been made in the Annual Report.
- ii There are no pecuniary relationships or transactions of Directors vis-a-vis the Company, which has potential conflict with the interests of the Company at large.
- iii The Company follows Accounting Standards issued by the Central Government and in the preparation of financial statements, the Company has not adopted a treatment different from prescribed in Accounting Standards.
- iv The Company complied with the requirement of the Stock Exchanges /SEBI/ Statutory Authorities on all matters related to the capital market during the last three years. There were no penalties or strictures imposed by the Stock Exchange, the SEBI or any statutory authority relating to the above period.
- v The Company has in place a mechanism to inform the Board Members about the Risk Assessment and minimization procedures and periodical reviews to ensure that critical risks are controlled by the Executive Management.
- vi The Company is inter-alia in compliance with the non-mandatory requirements relating to the Remuneration Committee and Whistle Blower Policy. Additionally, the Company is in the process of adoption of other non-mandatory guidelines issued by the Ministry of Corporate Affairs in November 2009.
- vii There are no criminal cases by or against the Company pending in any Court. If there are any other disputes with financial implications, they are shown in the contingent liabilities in Accounts under review.

**MEANS OF COMMUNICATION:**
**i. QUARTERLY RESULTS**

The Quarterly results of 2012 are published as under:

	<b>Date of Publication</b>
First Quarter	28.04.2012
Second Quarter	28.07.2012
Third Quarter	04.11.2012
Fourth Quarter	02.02.2013

- ii. The quarterly results and half yearly results of the Company are sent to the Stock Exchange immediately after the Board's approval. The quarterly results are also published in English language and vernacular language within 48 hours of the approval by the Board. There have been no news releases or presentation to the institutional investors or analysts.
- iii. The Company's website [www.integraengineering.in](http://www.integraengineering.in) contains a separate dedicated section where shareholders information is available. Annual Report, Quarterly Results, Shareholding Pattern, Corporate announcement is also available on the web-site in a user friendly and downloadable form.

**GENERAL SHAREHOLDERS' INFORMATION:**

Details of the Annual General Meeting of the Company

Day and Date	Friday, 26th April, 2013
Time	03.00 pm
Venue Registered Office:	Chandrapura Village, Taluka Halol, Dist. Panchamahals - 389350, Gujarat
Date of Book Closure	24th April, 2013 to 26th April, 2013 (both days inclusive)

**Financial Year:**

January 1 to December 31

**ISIN Number, NSDL and CDSL :** INE984B01015 (old)  
INE984B01023 (new effective from 05.09.2012)

**Details of listing with Stock Exchange:**

<b>Name of Stock Exchange</b>	<b>Stock Code</b>
Bombay Stock Exchange Limited (BSE)	505358

**MARKET PRICE DATA:**

The High & Low market prices of the shares at Bombay Stock Exchange Limited (BSE), Mumbai are as under:

Month	<b>Sensex</b>			
	<b>Highest</b>	<b>Lowest</b>	<b>Highest</b>	<b>Lowest</b>
Jan-12	12.54	9.03	17233.98	15517.92
Feb-12	12.65	10.40	18428.61	17300.58
Mar-12	11.48	9.52	17919.30	17052.78
Apr-12	11.28	9.54	17597.42	17094.51
May-12	10.60	8.88	17318.81	15948.10
Jun-12	10.65	9.00	17429.98	15965.16
Jul-12	10.52	9.65	17618.35	16639.82
Aug-12	<i>Trading suspended for implementation of scheme of Arrangement (From 16th July, 2012 to 19th September, 2012)</i>			
Sep-12	13.95	11.10	18762.74	17313.34
Oct-12	13.11	10.15	19058.15	18430.85
Nov-12	15.81	10.35	19339.90	18309.37
Dec-12	17.20	12.10	19486.80	19229.26

**REGISTRAR AND SHARE TRANSFER AGENTS:**

The Shareholders of the Company are hereby informed that M/s Link Intime India Private Limited is the Registrar and Share Transfer Agent (RTA) of the Company. They are requested to forward their communication in respect of transfer of shares or other queries, directly to them.

**DISTRIBUTION OF SHAREHOLDING AS ON 31st DECEMBER 2012.**
**Equity Shares:**

Sr. No.	No. of Equity Shares nominal value of ₹	No. of Shareholders	Shares Amount ₹	Percentage of Shareholding
1	Up to 500	20766	2386712	6.97
2	501 - 1000	1096	886654	2.59
3	1001 - 2000	1594	2254149	6.58
4	2001 - 3000	313	804320	2.35
5	3001 - 4000	79	277184	0.81
6	4001 - 5000	126	569868	1.66
7	5001 - 10000	180	1300413	3.80
8	10001 & above	194	25765895	75.24
	<b>Total</b>	<b>24348</b>	<b>34245196</b>	<b>100.00</b>

**SHARE HOLDING PATTERN AS ON 31ST DECEMBER, 2012**

Sr. No.	No. of Equity Shares nominal value of ₹	Shares held no	Percentage of Shareholding
1	Promoter and Promoter Group	18723341	54.67
2	Mutual Funds	89820	0.26
3	Financial Institutions / Banks	13080	0.04
4	Foreign Institutional Investors	2000	0.01
5	Bodies Corporate	2412115	7.04
7	NON RESIDENT INDIANS	87738	0.26
8	Trust	18000	0.05
6	Public	12899102	37.67
	<b>Total</b>	<b>34245196</b>	<b>100.00</b>

**DEMATERIALIZATION OF SHARES**

As on 31st December 2012, 29983201 fully paid up Equity shares of ₹ 1/- each have been dematerialised and the balance of issued capital is in physical form.

The Company has not issued any GDRs/ADRs/warrants.

**CEO and CFO Certification**

Sr. General Manager and General Manager - Finance of the Company give annual certification on financing reporting and internal Controls to the Board in terms of Clause 49 of the listing Agreement. Sr. General Manager also gives quarterly certification on financial results while placing the financial results before the Board in terms of Clause 41 of the Listing Agreement.

## Annual Report 2012

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### REGISTERED OFFICE :

Chandrapura Village, Tal. Halol - 389 350,  
Dist. Panchmahals, Gujarat (India)  
Telephone No. (02676) 221870, 221872-74  
Fax No. (02676) 220887  
Website: www.integraengineering.in  
Email: info@integraengineering.in,

### WORKS UNITS

#### UNIT -I

Post Box No. 55  
Chandrapura Village,  
TalukaHalol - 389 350  
Dist. Panchmahals, Gujarat

#### UNIT -II

Halol - Champaner Road,  
P.O Chandrapura Village,  
TalukaHalol - 391520  
Dist. Panchmahals, Gujarat

### REGISTRAR & SHARE TRANSFER AGENTS

Link Intime India Private Limited  
B-102 & 103, First Floor, Shangrila  
Complex, Opp. HDFC Bank, Near  
Radhakrishna Char Rasta, Akota,  
Vadodara- 390 020  
Tel : (0265) 2356573, 2356794  
Fax : (0265) 2356791  
E -mail :Vadodara@linkintime.co.in

### ADDRESS FOR CORRESPONDENCE

The Company Secretary/Compliance Officer  
Integra Engineering India Limited  
P.O. Box No. 55, Chandrapura Village, Taluka Halol,  
District Panchmahals– 389350,Gujarat  
E –mail: info@integraengineering.in,  
secrearial@integraengineering.in

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## CERTIFICATE ON CLAUSE 49 COMPLIANCE

The Members

### Integra Engineering India Limited

We have examined the compliance of conditions of Corporate Governance by M/s. Integra Engineering India Limited, for the financial year ended 31st December, 2012 as stipulated in amended clause 49 of the Listing Agreement of the said Company with the stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Agreement.

We state that no Investor Grievance is pending for a period exceeding one month against the company as per the records maintained by the Shareholder/.Investor Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Vadodara.  
Dated: 31st January, 2013

Hemang M. Mehta  
Company Secretary  
CP. No. 2554

**AUDITORS' REPORT****TO THE MEMBERS OF  
INTEGRA ENGINEERING INDIA LIMITED**

1. We have audited the attached Balance Sheet of Integra Engineering India Limited as at 31st December 2012 and also the Statement of Profit and Loss and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of section 227(4A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - a. we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion, proper books of account as required by the law have been kept by the company so far as appears from our examination of the books;
  - c. the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d. in our opinion, the Balance Sheet, the Statement of Profit & Loss and the Cash Flow Statement dealt with by this report are in compliance with Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956, to the extent applicable;
  - e. Without qualifying our report, attention is invited to the following:
    - (i) Non provision for possible doubtful debts due from Joint Venture Entity of erstwhile transferor company amounting to ₹ 280.00 lacs.
    - (ii) Recognition of deferred tax assets amounting to ₹ 131.71 lacs on carried forward losses and unabsorbed depreciation.
  - f. on the basis of the written representations received from the directors of the Company, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st December, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
  - g. in our opinion, and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India:
    - i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st December, 2012;
    - ii. in the case of the Statement of Profit and Loss, of the Loss of the Company for the year ended on that date; and
    - iii. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**For K. C. Mehta & Co.**  
**Chartered Accountants**  
**Firm's Registration No.106237W**

**Vishal P. Doshi**  
**Partner**  
**Membership No. 101533**  
**Date: 31st January, 2013**  
**Place: Vadodara**

**(ANNEXURE TO THE AUDITORS' REPORT)**

(referred to in paragraph (3) thereof)

- i.
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The Company has a regular program of physical verification of fixed assets which, in our opinion is reasonable having regard to the size of the company and the nature of its fixed assets. No material discrepancies were noticed on such verification.
  - (c) The Company has not disposed off a substantial part of its fixed assets during the year and therefore, do not affect the going concern assumption.
- ii.
  - (a) As explained to us, during the year, the inventories have been physically verified by the management. In our opinion the frequency of verification is reasonable.
  - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) On the basis of our examination of the records of inventory and according to the information and explanations given to us, we are of the opinion that the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stock and the book records were not material.
- iii. The Company has not granted/taken unsecured/secured loan to/from a company, a firm or other parties covered in the register maintained under section 301 of the Companies Act, 1956 and therefore, the provisions of Clause (iii) (a) to (g) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and nature of its business with regard to purchase of inventories and fixed assets and sale of goods and services. Further on the basis of our examination and according to the information and explanations given to us, we have neither come across nor have been informed of any instance of major weaknesses in the aforesaid internal control system.
- v.
  - (a) To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.
  - (b) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements entered in the registers maintained under section 301 of the Companies Act, 1956 and exceeding the value of ₹ 5 Lacs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi. The Company has not accepted any deposits during the year from the public within the meaning of provisions of section 58A and 58AA of the Companies Act, 1956 and the rules framed thereunder and therefore, the provisions of clause (vi) of the Order are not applicable to the Company.
- vii. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- viii. We have broadly reviewed the books of account and records maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956. We are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.
- ix.
  - (a) In our opinion and according to the information and explanation given to us, undisputed statutory dues in respect of investor education and protection fund, employees state insurance, sales tax, custom duty, service tax, excise duty, cess and other material statutory dues applicable to it as and when payable, have been regularly deposited with the appropriate authorities. There are no undisputed amounts payable in respect of aforesaid dues outstanding for a period of more than six months from the date they become payable as at 31st December, 2012.



- (b) According to the information and explanations given to us, details of income tax, Sales Tax which have not been deposited on account of any dispute as at 31st December, 2012 are as follows:

Nature of Dues	Amount (₹ '000)	Assessment years to which the dues relate	Forum where the dispute is pending
Sales Tax	291	1989-90	Asst. Commissioner of Sales tax
	191	1993-94	Asst. Commissioner of Sales tax
	869	1999	Asst. Commissioner of Sales tax
Income Tax	2169	2007-08	Income Tax Appellate Commissioner
	372	2008-09	Income Tax Appellate Commissioner
	965	2002-03	High court of Gujarat
	1047	2005-06	Income tax Appellate Tribunal
	232	2007-08	CIT Appeal

- x. In our opinion and according to information and explanations given to us, the Company does not have accumulated loss at the end of the financial year. The Company has incurred cash losses during the financial year covered by our audit, however, the Company has not incurred cash losses in the immediately preceding financial year.
- xi. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks. The Company has not borrowed from financial institutions and has not issued any debentures.
- xii. According to the information and explanation given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities and therefore, the provisions of clause (xii) of the Order are not applicable to the Company.
- xiii. In our opinion and according to information and explanations given to us, the company is not a chit fund or a nidhi / mutual benefit fund society and therefore, the provisions of clause (xiii) of the Order are not applicable to the Company.
- xiv. According to the information and explanations given to us, the Company is not dealing in shares, securities, debentures and other investments and therefore, the provisions of clause (xiv) of the Order are not applicable to the Company.
- xv. According to the information and explanations given to us the Company has given Corporate bank guarantee for loan taken by its Associate, the terms and conditions whereof in our opinion are prima facie not prejudicial to the interest of the company. There is no outstanding corporate bank guarantee at the end of the year.
- xvi. According to the information and explanations given to us, the Company has not obtained any term loans during the year and therefore, the provisions of clause (xvi) of the Order are not applicable to the Company.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, the company has not used funds raised on short term basis for long term investment.
- xviii. The company has not made any preferential allotment of shares to companies/firms/parties covered in the register maintained under section 301 of the Companies Act, 1956 and therefore, the provisions of clause (xviii) of the Order are not applicable to the Company.
- xix. According to the information and explanations given to us, during the period of audit the Company has not issued any secured debentures and therefore, the provisions of clause (xix) of the Order are not applicable to the Company.
- xx. The Company has not raised any money by public issues during the year and therefore, the provisions of clause (xx) of the Order are not applicable the Company.
- xxi. According to information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

**For K. C. Mehta & Co.**  
**Chartered Accountants**  
**Firm's Registration No.106237W**

**Vishal P. Doshi**  
**Partner**  
**Membership No. 101533**  
**Date: 31st January, 2013**  
**Place: Vadodara**

**Integra Engineering India Limited**  
**BALANCE SHEET as at 31st December, 2012**

		Note No.	As at 31st December, 2012	(Amount in ₹ 000) As at 31st December, 2011
<b>I.</b>	<b>EQUITY AND LIABILITIES</b>			
	<b>Shareholders' Funds</b>			
a)	Share Capital	3	158,245	317,952
b)	Reserves and Surplus	4	87,571	(127,431)
	<b>Non-Current Liabilities</b>			
a)	Long Term Provisions	5	389	-
	<b>Current Liabilities</b>			
a)	Short Term Borrowings	6	50,133	28,640
b)	Trade Payables	7	29,511	3,323
c)	Other Current Liabilities	8	7,448	5,036
d)	Short Term Provisions	9	2,253	-
	<b>TOTAL</b>		<b>335,550</b>	<b>227,520</b>
<b>II.</b>	<b>ASSETS</b>			
	<b>Non Current Assets</b>			
(a)	Fixed Assets	10		
	(i) Tangible Assets		64,923	29,682
	(ii) Intangible Assets		2,918	1,655
(b)	Non Current Investment	11	-	-
(c)	Deferred Tax Assets (Net)	12	19,855	-
(d)	Long Term Loans and Advances	13	490	40,442
	<b>Current Assets</b>			
(a)	Inventories	14	76,210	26,169
(b)	Trade Receivables	15	82,115	10,429
(c)	Cash and Bank Balance	16	61,870	100,982
(d)	Short Term Loans and Advances	17	26,062	18,161
(e)	Other Current Assets	18	1,106	-
	<b>TOTAL</b>		<b>335,550</b>	<b>227,520</b>
Significant Accounting Policies & Notes on Accounts		1 to 44		

As per our report of even date attached  
For K. C. Mehta & Co.  
Chartered Accountants

Vishal P. Doshi  
Partner  
Membership No. 101533

Place : Vadodara  
Date : 31st January, 2013

For and on Behalf of the Board

Adrian Oehler                      Shalin S Divatia  
Director                                      Director

Mayank Joshi  
Company Secretary  
Place : Vadodara  
Date : 31st January, 2013

**Integra Engineering India Limited**  
**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST December, 2012**

		(Amount in ₹ 000)	
		As at 31st December, 2012	As at 31st December, 2011
<b>I.</b>	<b>Revenue from Operations (Gross)</b>	<b>241,881</b>	76,089
	Less: Excise Duty	13,444	6,654
	Revenue from Operations (Net)	<b>228,437</b>	69,435
<b>II.</b>	<b>Other Income</b>	<b>15,357</b>	27,138
<b>III.</b>	<b>Total Revenue (I + II)</b>	<b>243,794</b>	96,573
<b>IV.</b>	<b>Expenses:</b>		
(a)	Cost of Material Consumed	128,432	35,136
(b)	Change in Inventories of work-in-progress	5,876	(3,492)
(c)	Employee Benefit Expenses	43,221	20,547
(d)	Finance Cost	8,009	1,643
(e)	Depreciation and Amortisation Expense	5,399	3,110
(f)	Other Expenses	58,946	27,299
	<b>Total Expenses</b>	<b>249,883</b>	<b>84,243</b>
<b>V.</b>	<b>Profit/ (Loss) before Prior period adjustment and exceptional items (III - IV)</b>	<b>(6,089)</b>	12,330
<b>VI.</b>	Less: Prior Period Adjustments	-	9,220
<b>VII.</b>	Less: Exceptional Items	16,923	-
<b>VIII.</b>	<b>Profit/ (Loss) before Tax (V-VI-VII)</b>	<b>(23,011)</b>	3,110
<b>IX.</b>	<b>Tax Expenses:</b>		
	Current Tax	-	544
	Less: MAT Credit Entitlement	-	(520)
	Deferred Tax	(11,073)	-
	Income Tax Adjustment for Earlier years	-	211
<b>X.</b>	<b>Profit/ (Loss) for the Period (VIII-IX)</b>	<b>(11,939)</b>	2,875
<b>XI.</b>	<b>Earning Per Share</b>		
(a)	Basic	(0.35)	0.15
(b)	Diluted	(0.35)	0.15
	Significant Accounting Policies and Notes on Accounts	<b>1 to 44</b>	

As per our report of even date attached  
For K. C. Mehta & Co.  
Chartered Accountants

Vishal P. Doshi  
Partner  
Membership No. 101533

Place : Vadodara  
Date : 31st January, 2013

For and on Behalf of the Board

Adrian Oehler                      Shalin S Divatia  
Director                              Director

Mayank Joshi  
Company Secretary  
Place : Vadodara  
Date : 31st January, 2013

**Integra Engineering India Limited**  
Cash Flow Statement for the year ended on 31st December, 2012

	31st December, 2012	(Amount in ₹ 000) 31st December, 2011
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit / (Loss) before tax	(23,011)	3,110
Adjustments for non cash items / items required to be disclosed separately:		
Depreciation	5,399	3,110
(Profit) / Loss on Sale of Fixed Assets	-	(1,731)
Interest Paid	7,731	1,617
Interest Income	(6,817)	(11,247)
Excess Liability Written Back	(861)	-
Provision for Diminution in value of Inventories	12,448	-
Provision for Doubtful Debts	3,475	-
Diminution in value of investments	1,000	-
Miscellaneous expenses w / off (VRS)	-	9,220
<b>Operating profit before working capital changes</b>	<b>(637)</b>	<b>4,079</b>
Adjustments for change in working capital & provisions:		
(Increase) / Decrease in Trade Receivables	(14,207)	(8,426)
(Increase) / Decrease in Loans & Advances and Other Current Assets	6,360	(67,442)
(Increase) / Decrease in Inventories	1,303	(1,690)
Increase / (Decrease) in Trade Payables and Other Current Liabilities	2,995	(1,270)
Increase / (Decrease) in Provisions	(27)	-
<b>Cash generated from operations</b>	<b>(4,212)</b>	<b>(74,749)</b>
Income Tax refund / (paid) (net)	(759)	(1,243)
<b>Net Cash Flow from Operating Activities</b>	<b>(4,971)</b>	<b>(75,992)</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets	(28,042)	(9,533)
Sale of Fixed Assets	-	1,832
Increase in Capital W I P	-	(10,107)
<b>Net Cash Flow from Investing Activities</b>	<b>(28,042)</b>	<b>(17,808)</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Interest Income	6,817	11,247
Interest Paid	(7,731)	(1,617)
Increase / (Decrease) in short term Borrowings	(7,745)	28,640
<b>Net Cash Flow from Financing Activities</b>	<b>(8,659)</b>	<b>38,270</b>
<b>Net Increase / (Decrease) in cash and equivalents (A+B+C)</b>	<b>(41,672)</b>	<b>(55,530)</b>
Cash and cash equivalents acquired on Amalgamation (Refer Note No 28 (iv) (a))	2,007	-
<b>Cash and cash equivalents at the beginning of the year. (See note 1)</b>	<b>66,734</b>	<b>122,263</b>
<b>Cash and cash equivalents at the end of the year. (See note 1)</b>	<b>27,069</b>	<b>66,734</b>
	<b>(41,672)</b>	<b>(55,529)</b>
<b>Notes:</b>		
<b>1 Cash and Cash Equivalents comprise of:</b>		
Cash on hand	152	267
Balance with scheduled banks		
- Current Accounts	5,565	622
- Deposits Accounts	21,352	65,845
	<b>27,069</b>	<b>66,734</b>
<b>2 Cash Flow statement has been prepared under the indirect method as set out in the Accounting Standard (AS) 3 "Cash Flow Statement"</b>		

As per our report of even date attached  
For K. C. Mehta & Co.  
Chartered Accountants

Vishal P. Doshi  
Partner  
Membership No. 101533

Place : Vadodara  
Date : 31st January, 2013

For and on Behalf of the Board

Adrian Oehler                      Shalin S Divatia  
Director                              Director

Mayank Joshi  
Company Secretary  
Place : Vadodara  
Date : 31st January, 2013

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS:****NOTE 1: CORPORATE INFORMATION**

INTEGRA Engineering India Limited is a public company domiciled in India and incorporated under the provision of the Companies Act, 1956. Its shares are listed on BSE stock exchange in India. The operations of the company are limited to one segment, namely Manufacturing of Machineries and Components.

**NOTE 2: SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS****(A) SIGNIFICANT ACCOUNTING POLICIES****1. Basis of Preparation of Financial Statements:**

The financial statements are prepared as per historical cost convention and in accordance with the generally accepted accounting principles in India. The applicable mandatory Accounting Standard notified under the Companies (Accounting Standards) Rules, 2006 and requirements of the Companies Act, 1956 of India have been followed in preparation of these financial statements.

**2. Use of Estimates:**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Differences between the actual results and the estimates are recognized in the period in which the same are known /materialized.

**3. Revenue Recognition:****(i) Sales :**

Revenue from sale of goods is recognised when the significant risks and rewards in respect of ownership of products are transferred by the Company. Sales are stated net of sales returns, excise duty, sales tax and applicable trade discounts and allowances.

Revenues on long term contracts are recognised based on "percentage of completion method". The stage of completion is determined based on the proportion that contract costs incurred for work performed up to the year end bear to the estimated total contract costs. The total contract costs are determined based on technical and other estimates and the expected loss is provided for. The contract revenue recognised in excess of contract billings is shown in Other Current Assets and the contract billings in excess of revenue recognised are shown in Other Current Liabilities.

**(ii) Interest Income:**

Interest on investments is booked on a time proportion basis taking into account the amounts invested and the rate of interest.

**(iii) Other Income:**

Other income is recognised on accrual basis except when realisation of such income is uncertain.

**4. Investments:**

Long Term Investments are stated at cost. However, provision for diminution in the value of long-term investments is made to recognise a decline is other than temporary in the opinion of the management.

**5. Fixed Assets:**

Fixed Assets are stated at cost, net of credits, if any, after reducing accumulated depreciation until the date of the Balance Sheet. Direct cost are capitalized until the assets are ready for use and include financing costs relating to any borrowing attributable to acquisition. Capital work in progress includes the cost of fixed assets that are not yet ready for the intended use.

**6. Intangible Assets:**

Intangible Assets are recognised only if it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably. The intangible assets are recorded at cost and are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

**7. Depreciation:**

Depreciation on all assets has been provided on Straight Line Method as per the rate and manner prescribed under the Schedule XIV to the Companies Act, 1956. Depreciation on additions/deletion to assets during the year is provided on a pro-rata basis. Assets costing ₹ 5000 or less are depreciated @100% on pro-rata basis in the year of purchases.

Intangible assets are amortised over their respective individual estimated useful lives on a Straight Line Basis commencing from the date the assets are available to the company for its use.

**8. Impairment of Assets:**

The company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit & Loss. If at the Balance Sheet date, there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

**9. Leases**

- Assets leased out under operating leases are capitalized. Rental income is recognized on accrual basis over the lease term.
- Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the Statement of Profit and Loss on accrual basis.

**10. Inventories:**

Inventories are valued at cost or net realizable value, whichever is lower. The basis of determining cost for various categories of inventories is as follows -

Inventories	Cost Formula
Raw material and components	Weighted average cost
Work in Process	At Cost (Cost represents historical cost arrived at on the basis of absorption costing.)
Finished Goods	Cost includes material cost, labour cost and appropriate factory overheads.
Consumables, Stores and Spares	Weighted average cost

**11. Foreign Currency Transactions :**

Foreign currency transactions during the year are recorded at rates of exchange prevailing on the date of transactions. Foreign currency assets and liabilities are translated into Rupees at the rate of exchange prevailing on the date of the Balance Sheet. All exchange differences are dealt with in the Statement of Profit & Loss.

**12. Employee Benefits:**
**(a) Post Employment Benefits:**
**i) Defined Contribution plan**

Company's contribution paid/payable for the year to defined contribution retirement benefit Schemes are charged to Statement of Profit and Loss.

**ii) Defined Benefit plan**

Company's liabilities towards defined benefit schemes are determined using the Projected Unit Credit Method. Actuarial valuations under the Projected Unit Credit Method are carried out at the balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period of occurrence of such gains and losses. Past service cost is recognised immediately to the

extent of benefits are vested, otherwise it is amortized on Straight-line basis over the remaining average period until the benefits become vested.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as reduced by the fair value of scheme assets.

**iii) Short-term employee benefits**

Short-term employee benefits expected to be paid in exchange for the services rendered by Employees are recognised undiscounted during the period employee renders services. These benefits include performance incentives.

**(b) Long term employee benefits**

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as an actuarially determined liability at present value of the defined benefit obligation at the balance sheet date.

**13. Taxes on Income :**

The Provision for Taxation is ascertained on the basis of assessable profits computed in accordance with the provisions of the Income-tax Act, 1961.

Deferred tax charge or credit and correspondingly deferred tax asset or liability is recognized using tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are not recognized on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets are reviewed at each balance sheet date and written down or written up to reflect the amount i.e. reasonable/virtually certain (as the case may be) to be realized.

**14. Provisions, Contingent Liabilities and Contingent Assets:**

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are neither recognized nor disclosed.

**Integra Engineering India Limited**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**3 SHARE CAPITAL****a. Share Capital Consists of the following:**

	As at 31st December, 2012	(Amount in ₹ 000) As at 31st December, 2011
<b>Authorised:</b>		
212,000,000 (P.Y.20,000,000) Equity Shares of ₹ 1/- (P.Y. ₹ 10/-) each	212,000	200,000
300,000 Unclassified Shares of ₹ 10/- each	3,000	-
14,000,000 Cumulative Redeemable preference Shares of ₹ 10/- each (Payable at par)	140,000	140,000
	355,000	340,000
<b>Issued, Subscribed and Paid Up</b>		
34,245,196 (P.Y. 19,395,196) Equity Shares of ₹ 1/- ( P.Y. ₹ 10/-) each fully paid up.	34,245	193,952
12,400,000 (P.Y.12,400,000) 4% Cumulative Redeemable preference Shares of ₹. 10/- each fully paid up.	124,000	124,000
	158,245	317,952

**b. Reduction in Face Value of Equity Shares**

The Hon'ble High Court of Gujarat approved reduction in authorised, issued, subscribed and paid-up share capital from ₹ 10/- per share to ₹ 1/- per share vide order received on 14th May, 2012 w.e.f 1st January, 2011.

**c. Shares held by Holding Company**

	As at 31st December, 2012		As at 31st December, 2011	
	No. of Shares	% of Share holding	No. of Shares	% of Share holding
Equity shares of Rs. 1 (P.Y. ₹ 10) each fully paid up Integra Holding AG	18,723,341	54.67%	11,149,841	57.49%
Preference shares of ₹ 10 each fully paid up Integra Holding AG	12,400,000	100.00%	12,400,000	100.00%

**d. Aggregate No. of shares allotted as fully paid up, without payment being received in cash in past 5 years:**

14,850,000 equity shares of ₹ 1/- each fully paid up, were issued pursuant to the scheme of amalgamation of Integra India Group Company Limited with the company in Year 2012.

Class of Shares	As at 31st December, 2012	As at 31st December, 2011
Equity Shares (in Nos.)	14,850,000	-



**e. Reconciliation of number of equity shares outstanding at the beginning and at the end of reporting period is as under:**

	As at 31st December, 2012		As at 31st December, 2011	
	No. of Shares	(Amount In ₹ 000)	No. of Shares	(Amount In ₹ 000)
Balance of Shares at the beginning of the year	19,395,196	193,952	19,395,196	193,952
Less: Reduction in Share Capital (Refer Note No. 28 (iii))	-	174,557	-	-
Add: Issued pursuant to Scheme of Amalgamation (Refer Note No. 28 (iv) (c))	14,850,000	14,850	-	-
Balance of Shares at the end of the year	34,245,196	34,245	19,395,196	193,952

**f. Reconciliation of number of preference shares outstanding at the beginning and at the end of reporting period is as under:**

	As at 31st December, 2012		As at 31st December, 2011	
	No. of Shares	(Amount In ₹ 000)	No. of Shares	(Amount In ₹ 000)
Balance of Shares at the beginning of the year	12,400,000	124,000	12,400,000	124,000
Add: Addition During the year	-	-	-	-
Less: Redeemed during the year	-	-	-	-
Balance of Shares at the end of the year	12,400,000	124,000	12,400,000	124,000

**g. Details of Share holder holding more than 5 percent share in Company:**

	As at 31st December, 2012		As at 31st December, 2011	
	No. of Shares	% holding in the Class	No. of Shares	% holding in the Class
Equity shares of Rs. 1 (P.Y. ₹ 10) each fully paid up Integra Holding AG	18,723,341	54.67%	11,149,841	57.48%
Preference shares of ₹ 10 each fully paid up Integra Holding AG	12,400,000	100.00%	12,400,000	100.00%

**h. Right, Preferences and restrictions attached to Shares**
**- Equity shares**

The Company has only one class of equity shares having a par value of ₹ 1/- (P.Y. ₹ 10/-) per share. Each holder of equity shares is entitled to one vote per share. Any dividend declared by the company shall be paid to each holder of Equity shares in proportion to the number of shares held to total equity shares outstanding as on that date..

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**- Preference shares**

The company has only one class of Preference shares having a par value of ₹ 10/- per share. These shares are redeemable at anytime before 28th October, 2024. The Cumulative Redeemable Preference Shareholder ("CRPS") has no right to vote or to receive Notices or to attend at the General Meetings of the Company. If, however, any resolution affecting the rights attached to the CRPS holder is placed before the meeting of Shareholders, such resolution will first be placed before a meeting of Registered CRPS holders for their consideration.

The CRPS holder have right to receive dividend @ 4% p.a. in respect of the amount paid –up on the CRPS for a period of 20

years from the date of allotment of CRPS, only out of profits, if any, of the Company. The dividend as and when declared by the Company shall be paid to the shareholder on the record date, which the Board may fix from time to time. If any year, the Company has not declared any dividend on the CRPS, the right to the dividends shall accumulate and the accumulated dividends will be paid out of the profits, if any, of the subsequent financial year (s) including carry forward profits, if any, of the previous years, before any dividend is paid to the Equity Shareholders. Such right to receive the accumulated dividend, if any, will cease on the expiry of 20 years from the date of allotment.

The CRPS holders comprising the present issue shall rank pari-passu interse with any preference or priority of one over the other or others of them.

In the event of liquidation of the Company, the preference shareholders will be entitled to receive their capital contribution in the Company after the distribution / repayment of all creditors but before distribution to equity shareholders. The distribution to the preference shareholders will be in proportion of the number of shares held by each shareholder.

**4 RESERVES AND SURPLUS**

		(Amount in ₹ 000)	
		As at	As at
		31st December, 2012	31st December, 2011
<b>a.</b>	<b>Capital Reserve</b>		
	Central Government Cash Subsidy		
	Opening Balance	1,500	1,500
	Add: Addition on Amalgamation (Refer Note No. 28 (iv) (a))	912	-
	<b>Total (a)</b>	<b>2,412</b>	<b>1,500</b>
<b>b.</b>	<b>State Government Cash Subsidy</b>		
	Opening Balance	1,000	1,000
	Add: Addition on Amalgamation (Refer Note No. 28 (iv) (a))	3,764	-
	<b>Total (b)</b>	<b>4,764</b>	<b>1,000</b>
<b>c.</b>	<b>Profit on Re-issue of Forfeited Shares</b>		
	Opening Balance	33	33
	<b>Total (c)</b>	<b>33</b>	<b>33</b>
<b>d.</b>	<b>Security Premium Account</b>		
	Opening Balance	36,798	36,798
	Less: Goodwill on Amalgamation adjusted as per Scheme	3,850	-
	<b>Total (d)</b>	<b>32,948</b>	<b>36,798</b>
<b>e.</b>	<b>General Reserve</b>		
	Opening Balance	-	23,000
	Less : Deducted from debit balance of Profit and Loss as per contra		23,000
	Add: Addition on Amalgamation	17,700	-
	(Refer Note No 28 (iv) (a))		
	<b>Total (e)</b>	<b>17,700</b>	<b>-</b>
<b>f.</b>	<b>Surplus / (Deficit) in statement of Profit &amp; Loss Account</b>		
	Opening Balance	(166,760)	(192,636)
	Less: Deducted from General Reserve as per contra	-	23,000
	Add: Addition on Amalgamation (Refer Note No. 28 (iv) (a))	33,856	-
	Add: Reduction in Share Capital (Refer Note No. 28 (iii))	174,557	-
	Profit/ (Loss) for the Year	(11,939)	2,875
	<b>Total (f)</b>	<b>29,714</b>	<b>(166,761)</b>
	<b>TOTAL</b>	<b>87,571</b>	<b>(127,431)</b>
	<b>Total (a to f)</b>	<b>87,571</b>	<b>(127,431)</b>

**5 LONG TERM PROVISIONS (Amount In ₹ 000)**

Particulars	As at 31st December, 2012	As at 31st December, 2011
Provision for Employee Benefits		
Leave Encashment	389	-
<b>TOTAL</b>	<b>389</b>	<b>-</b>

**6 SHORT TERM BORROWINGS (Amount In ₹ 000)**

Particulars	As at 31st December, 2012	As at 31st December, 2011
Secured Borrowings		
From Banks		
-Overdraft (Secured by pledge of Fixed Deposits)	26,665	28,640
-Cash Credit (Secured against hypothecation of stock and book debts)	23,468	-
<b>TOTAL</b>	<b>50,133</b>	<b>28,640</b>

**7 TRADE PAYABLES (Amount In ₹ 000)**

	As at 31st December, 2012	As at 31st December, 2011
Due to		
Micro and Small enterprises (Refer Note No.39)	-	-
Others	29,511	3,323
<b>TOTAL</b>	<b>29,511</b>	<b>3,323</b>

**8 OTHER CURRENT LIABILITIES (Amount In ₹ 000)**

	As at 31st December, 2012	As at 31st December, 2011
Trade Deposit and Advance	946	2,908
Unclaimed Dividend*	69	-
Duties and Taxes Payables	3,263	41
Payable to Employee	704	567
Expenses Payable	2,399	1,520
Book Overdraft	67	-
<b>TOTAL</b>	<b>7,448</b>	<b>5,036</b>

\*Does not include any amount due to be transfer to Investor Education and Protection Fund.

**9 SHORT TERM PROVISIONS (Amount In ₹ 000)**

	As at 31st December, 2012	As at 31st December, 2011
Provisions for Employee benefits	1,083	-
Provision for Warranty claims	1,170	-
<b>TOTAL</b>	<b>2,253</b>	<b>-</b>

**Integra Engineering India Limited**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**NOTE 10: FIXED ASSETS**

(Amount in ₹ 000)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	As at 1st January, 2012	Addition on account of Amalgamation	Addition during the year	Adjustment/ Deduction during the year	As at 31st December, 2012	As at 1st January, 2012	Addition on account of Amalgamation	For the year	Adjustment/ Deduction during the year	As at 31st December, 2012	As at 31st December, 2011
<b>Tangible Assets</b>											
Free hold Land	700	244	-	-	944	-	-	-	-	944	700
Building	41,744	5,424	9,055	-	56,223	29,274	2,865	1,713	-	22,371	12,470
Plant & Machinery	106,486	16,472	16,834	-	139,792	93,171	11,762	1,760	-	33,099	13,315
Furniture & Fixtures	5,565	7,537	121	-	13,223	4,486	2,919	676	-	5,142	1,079
Vehicles	2,971	-	623	-	3,594	1,727	-	303	-	1,564	1,244
Computer	2,185	3,950	80	-	6,215	1,311	2,690	410	-	1,803	874
<b>Intangible Assets</b>											
Computer Software	2,289	723	1,329	-	4,341	634	252	537	-	2,918	1,655
<b>Total</b>	<b>161,940</b>	<b>34,350</b>	<b>28,042</b>	<b>-</b>	<b>224,332</b>	<b>130,603</b>	<b>20,489</b>	<b>5,399</b>	<b>-</b>	<b>67,841</b>	<b>31,337</b>
Previous Year	159,309		9,533	6,902	161,940	134,294	-	3,110	6,801	130,603	31,337

**11 NON CURRENT INVESTMENT**
**(Amount In ₹ 000)**

	<b>As at 31st December, 2012</b>	<b>As at 31st December, 2011</b>
Other Investment In Unquoted Equity Shares		
Opening balance	-	-
Add: Addition on Account of Amalgamation Refer Note no. 28 (iv) (a) Of Gorba Integra Systems Private Limited 1,00,000 equity shares (PY Nil) of ₹ 10/- each fully paid up	<b>1,000</b>	-
Less: Provision for Diminution	<b>1,000</b>	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

Aggregate Value of Unquoted Investments

**12 DEFERRED TAX ASSETS (Net)**
**(Amount In ₹ 000)**

	<b>As at 31st December, 2012</b>	<b>As at 31st December, 2011</b>
<b>Deferred Tax (liabilities)/assets</b>		
Difference between book depreciation and tax depreciation	<b>(6,863)</b>	-
Provision for doubtful debts /advances/Diminution in Value of Inventories	<b>10,651</b>	-
Provision for Leave Encashment	<b>160</b>	-
Deferred payments	<b>2,736</b>	-
Carried Forward Business Loss/Unabsorbed depreciation (Refer Note No.41)	<b>13,171</b>	-
<b>TOTAL</b>	<b>19,855</b>	<b>-</b>

**13 LONG TERM LOANS AND ADVANCES**
**(Amount In ₹ 000)**

	<b>As at 31st December, 2012</b>	<b>As at 31st December, 2011</b>
(Unsecured, Considered Good)		
Deposits	<b>490</b>	335
Loans and Advances to related party	-	30,000
Capital Advance	-	10,107
<b>TOTAL</b>	<b>490</b>	<b>40,442</b>

**a. The details of Loans & Advances to related party is as under:**
**(Amount In ₹ 000)**

<b>Name of Party</b>	<b>Relationship</b>	<b>As at 31st December, 2012</b>	<b>As at 31st December, 2011</b>
Integra India Group Company Limited (Transferor Company)	Associates	-	30,000

**14 INVENTORIES**
**(Amount In ₹ 000)**

	<b>As at 31st December, 2012</b>	<b>As at 31st December, 2011</b>
Raw Material	56,212	12,281
Less: Provision for Diminution in value of Inventories	12,448	-
	<b>43,764</b>	12,281
Work in Progress	30,156	12,294
Stores and Spare Parts	2,290	1,594
<b>TOTAL</b>	<b>76,210</b>	<b>26,169</b>

For basis of valuation of inventories refer Note No.1 (10)

**a. Working in Progress have been classified under broad heads as follows:**
**(Amount In ₹ 000)**

	<b>As at 31st December, 2012</b>	<b>As at 31st December, 2011</b>
- Draw Frames	6,022	4,080
- Job Work	14,064	8,214
- Relays	7,258	-
- Others	2,812	-
<b>TOTAL</b>	<b>30,156</b>	<b>12,294</b>

**15 TRADE RECEIVABLES**
**(Amount In ₹ 000)**

	<b>As at 31st December, 2012</b>	<b>As at 31st December, 2011</b>
<b>(a) Trade Receivables not due/overdue for a period more than 6 months</b>		
-Unsecured, Considered Good	8,538	-
-Doubtful	21,340	-
	<b>29,878</b>	-
Less: Provision for Doubtful debts (Refer Note No.40)	21,340	-
<b>Total (a)</b>	<b>8,538</b>	-
<b>(b) Trade Receivables not due/overdue for a period less than 6 months</b>		
Unsecured, considered good	73,577	10,429
<b>Total (b)</b>	<b>73,577</b>	10,429
<b>TOTAL (a+b)</b>	<b>82,115</b>	10,429

**16 CASH AND BANK BALANCE**
**(Amount In ₹ 000)**

	<b>As at 31st December, 2012</b>	<b>As at 31st December, 2011</b>
a) Cash and cash equivalent		
Cash In Hand	152	267
Balance with Banks in		
-Current Account	5,565	622
-Deposits Account	21,352	65,845
b) Other Bank Balance		
-Unpaid Dividend Account	69	-
-Deposits -Security against the borrowings	34,732	34,248
<b>TOTAL</b>	<b>61,870</b>	<b>100,982</b>

**17 SHORT TERM LOANS AND ADVANCES**
**(Amount In ₹ 000)**

	<b>As at 31st December, 2012</b>	<b>As at 31st December, 2011</b>
Advances Recoverable in cash or in kind or for value to be received		
-Unsecured, considered Good	8,646	7,839
-Considered Doubtful	682	-
	<b>9,329</b>	<b>7,839</b>
Less: Provision for Doubtful Advances	682	-
	<b>8,646</b>	<b>7,839</b>
<b>-Unsecured, considered good</b>		
Advance to Supplier	3,066	184
-Income Tax (Net of provisions)	10,987	6,197
-MAT Credit Entitlement	3,362	3,362
Deposits with Government Departments	-	576
Others	-	3
<b>TOTAL</b>	<b>26,062</b>	<b>18,161</b>

**18 OTHER CURRENT ASSETS**
**(Amount In ₹ 000)**

	<b>As at 31st December, 2012</b>	<b>As at 31st December, 2011</b>
Unbilled Revenue	1,106	-
<b>TOTAL</b>	<b>1,106</b>	<b>-</b>

**19 REVENUE FROM OPERATION**
**(Amount In ₹ 000)**

<b>Particulars</b>	<b>Year ended 31st December, 2012</b>	<b>Year ended 31st December, 2011</b>
Sale of Product	236,260	74,175
Sale of Services	579	51
Other Operating Revenues	5,041	1,863
<b>TOTAL</b>	<b>241,881</b>	<b>76,089</b>

**a. Sales have been classified in Broad Heads as under:**
**(Amount In ₹ 000)**

<b>Particulars</b>	<b>Year ended 31st December, 2012</b>	<b>Year ended 31st December, 2011</b>
<b>a. Manufactured Goods</b>		
-Draw Frames	11,555	18,809
-Relays	85,849	-
-Job Work	100,925	49,658
-Others *	21,255	5,708
<b>Total (a)</b>	<b>219,584</b>	<b>74,175</b>
<b>b. Traded Goods</b>		
-Equipments	16,676	-
<b>Total (b)</b>	<b>16,676</b>	<b>-</b>
<b>c. Services Rendered</b>		
-Erection and commissioning	579	51
<b>Total (c)</b>	<b>579</b>	<b>51</b>
<b>Total (a to c)</b>	<b>236,839</b>	<b>74,226</b>

\* None of above items individually account for 10% of total value of sales.

**20 OTHER INCOME**
**(Amount In ₹ 000)**

<b>Particulars</b>	<b>Year ended 31st December, 2012</b>	<b>Year ended 31st December, 2011</b>
Rent Income	7,085	10,351
Interest Income	6,817	11,247
Excess Liabilities written back	861	3,374
Exchange Fluctuation Gain (Net)	-	38
Profit on sale of assets	-	1,731
Miscellaneous receipts	595	397
<b>TOTAL</b>	<b>15,357</b>	<b>27,138</b>



**21 COST OF MATERIAL****(Amount In ₹ 000)**

Particulars	Year ended 31st December, 2012	Year ended 31st December, 2011
<b>a. Consumption of Raw Material</b>		
Opening Stock	12,281	8,760
Add : Addition on account of Amalgamation (Refer Note no.28 (iv) (a))	35,086	-
	47,367	8,760
Add : Purchases	128,952	32,942
	176,318	41,702
Less: Closing Stock	55,667	12,281
<b>Total (a)</b>	<b>120,652</b>	<b>29,421</b>
<b>b. Consumption of Trading Materials</b>		
Opening Stock	-	5,230
Add : Addition on Amalgamation	4,856	-
Add : Purchases	3,470	485
	8,326	5,715
Less: Closing Stock	545	-
<b>Total (b)</b>	<b>7,781</b>	<b>5,715</b>
<b>TOTAL (a +b)</b>	<b>128,432</b>	<b>35,136</b>

**C. Material consumed comprises of the following:****(Amount In ₹ 000)**

Particulars	Year ended 31st December, 2012	Year ended 31st December, 2011
<b>a. Raw Materials</b>		
Steel Rounds, Bars, plates and Castings	47,233	24,631
Components	67,519	4,790
Others*	5,899	-
<b>Total (a)</b>	<b>120,652</b>	<b>29,421</b>
<b>b. Trading Materials</b>		
Laboratory Equipments and Fuel Meters	7,781	5,715
<b>Total (b)</b>	<b>7,781</b>	<b>5,715</b>
<b>Total (a+b)</b>	<b>128,432</b>	<b>35,136</b>

\* None of above items individually account for 10% of total value of Consumption

**22 CHANGES IN INVENTORIES****(Amount In ₹ 000)**

Particulars	Year ended 31st December, 2012	Year ended 31st December, 2011
Opening stock		
-Work in progress	12,294	8,802
Add: Addition on Amalgamation (Refer Note No. 28 (iv) (a))	23,738	-
	36,032	8,802
Closing Stock		
-Work in progress	30,156	12,294
	30,156	12,294
<b>TOTAL</b>	<b>5,876</b>	<b>(3,492)</b>

**23 EMPLOYEE BENEFIT EXPENSES** (Amount In ₹ 000)

Particulars	Year ended 31st December, 2012	Year ended 31st December, 2011
Salaries and Wages	33,924	15,635
Contribution to Provident and Other Funds	2,275	1,539
Workmen and Staff Welfare Expenses	7,021	3,373
<b>TOTAL</b>	<b>43,221</b>	<b>20,547</b>

**24 INTEREST AND FINANCE CHARGES** (Amount In ₹ 000)

Particulars	Year ended 31st December, 2012	Year ended 31st December, 2011
Interest on Bank Loan	7,731	1,617
Bank Charges and Commission	278	26
<b>TOTAL</b>	<b>8,009</b>	<b>1,643</b>

**25 OTHER EXPENSES** (Amount In ₹ 000)

Particulars	Year ended 31st December, 2012	Year ended 31st December, 2011
Consumption of Stores & Spares, Tools including Packing Materials	9,915	4,474
Job Work and Processing Charges	1,279	344
Labour Charges	8,719	6,897
Power & Fuel	4,878	2,346
Repairs to -Factory Building	791	525
- Plant & Machinery	945	558
- Others	1,152	519
Insurance Expenses	779	137
Audit Fees	450	225
Legal and Professional Charges	4,445	4,980
Miscellaneous Expenses*	7,941	3,513
Amalgamation Expenses	6,165	-
Exchange Fluctuation loss (Net)	662	-
Rates and Taxes	282	134
Security and other Services	2,309	1,068
Rent	315	-
Travelling Expenses	4,091	945
Commission / Brokerage	1,141	633
Sales Promotion Expenses	409	-
Provision for Doubtful Debts	2,277	-
<b>TOTAL</b>	<b>58,946</b>	<b>27,299</b>

\*None of the item individually accounts for more than Rs. 1,00,000/- or 1% of revenue whichever is higher.

**a. Payment to auditors has been classified as follows:**
**(Amount In ₹ 000)**

Particulars	Year ended 31st December, 2012	Year ended 31st December, 2011
As Auditors	450	225
For Taxation Matters	127	50
For Other Services *	357	59
Reimbursement of Expenses	36	10
<b>TOTAL</b>	<b>970</b>	<b>344</b>

\* Out of the above ₹ 285 thousands paid to Auditor of Transferor Company during the year.

**26 PRIOR PERIOD ADJUSTMENTS**
**(Amount In ₹ 000)**

Particulars	Year ended 31st December, 2012	Year ended 31st December, 2011
Voluntary Retirement Benefit	-	9,220
<b>TOTAL</b>	<b>-</b>	<b>9,220</b>

**27 EXCEPTIONAL ITEMS**
**(Amount In ₹ 000)**

Particulars	Year ended 31st December, 2012	Year ended 31st December, 2011
Provision for Diminution in value of Inventories	12,448	-
Provision for Doubtful Debts	3,475	-
Provision for Diminution in value of Investments	1,000	-
<b>TOTAL</b>	<b>16,923</b>	<b>-</b>

**28 Amalgamation**

- i. The Composite Scheme of Amalgamation of Integra India Group Company Limited with Integra Engineering India Limited and reorganization of share capital of Integra Engineering India Limited was sanctioned by the Hon'ble High Court of Gujarat, Ahmedabad and the certified true copy of the order was received on 14th May, 2012. Certified True Copies of the said Orders were filed with Registrar of Companies, Ahmedabad on 11th June, 2012 ('Effective Date').
- ii. In terms of the scheme, the amalgamation took place effective on January 01, 2011 ('The Appointed Date'). The Scheme has accordingly been given effect to in these financial statements which includes assets, liabilities and reserves of Integra India Group Company Limited (Transferor Company) with effect from the appointed date and also Income and Expenditure for the period from January 01, 2012 to December 31, 2012.
- iii. Pursuant to Scheme of Arrangement in the nature of Amalgamation of Integra India Group Company Limited (Transferor Company) with Integra Engineering India Limited (Transferee Company) and Reorganisation of Share Capital of Integra Engineering India Limited, the Transferee Company in its Committee of Director's Meeting held on 26th July, 2012, issued and allotted 1,93,95,196 Equity Shares of ₹ 1/- (Rupee one only) each, fully paid up by reducing the paid up and face value of ₹ 10/- (Rupees ten only) per share to ₹ 1/- per share fully paid up share to eligible shareholders of Integra Engineering India Limited whose names are registered in the Register of Members of the Transferee Company on the Record Date (16th July, 2012).
- iv. The Amalgamation has been accounted for under the "pooling of interest" method as prescribed by Accounting Standard 14 (AS 14) "Accounting of Amalgamation".
  - a) The assets, liabilities and reserve of transferor Company have been taken over at their book values after adjusting financial effect of retrospective change in method of depreciation from written down value method to straight line method.

- b) All inter Company balances between the Transferor Company and the Company have been cancelled and there shall be no further obligation /outstanding in this behalf.
- c) In accordance with the swap ratio, shares of ₹ 148,500 thousands (148,500,000 shares of ₹ 1 each fully paid) have been allotted to the Shareholders of Transferor Company without any further application made by the shareholders of Transferor Company whose names are registered in the Register of Members of the Transferor Company on the Record Date (16th July, 2012), in the ratio of 27 (Twenty Seven) Equity Shares of the face value of ₹ 1/- (Rupee one only) each of the Transferee Company with rights attached thereto as mentioned in this Scheme for every 2 (two) Equity shares of the face value of ₹ 10/- (Rupees ten only) in the Transferor Company.
- d) Pursuant to issue and allotment of Equity Shares issued by the Company to the Shareholders of Transferor Company, the fraction entitlement of shares (equivalent to 166 Shares) issued and allotted to the Corporate Trustees ("the Trustees") appointed by the Company in its Committee of Director's Meeting held on 26th July, 2012. The Trustees will sell such fractional entitlements in the market at such price or prices and at such time or times as the Trustee may in its sole discretion decide and on such sale pay to the Transferee Company the net sale proceeds thereof whereupon the Transferee Company shall, distribute such sale proceeds to the concerned shareholders of the Transferor Company in proportion to their respective fractional entitlements.

29 Estimated amount of contracts remaining to be executed and not provided for (Net of Advances) is ₹ Nil/- (Previous Year ₹ 10,129 thousands).

### 30 CONTINGENT LIABILITIES

a. Contingent Liabilities not provided for are classified as under:

(Amount In ₹ 000)

Particulars	Year ended 31st December, 2012	Year ended 31st December, 2011
Sales Tax	1,351	1,351
Income Tax	4,785	2,541
Mamlatdar, Halol in Dispute	-	2,156
Claims against the Company not acknowledge as debt	976	967
Dividend on 4% Cumulative Redeemable Preference Shares	40,550	35,590
Pending Labour Cases	1,485	1,560
Corporate Guarantees for Associate	-	60,000
Continuity Bonds given to Customs authorities	Amount not ascertainable	Amount not ascertainable

31 Additional information pursuant to para 5 of Part II of schedule VI(revised) to the Companies Act, 1956.

a. CIF value of Imports

(Amount In ₹ 000)

Particulars	Year ended 31st December, 2012	Year ended 31st December, 2011
Raw Material & Components	9,626	423
Stores and Spares	1,065	-
Capital	7,362	-
<b>Total</b>	<b>18,053</b>	<b>423</b>

- b. Imported and indigenous Consumptions of raw materials, Components & Stores & Spares are classified as follows:

Particulars	For the year ended 31 December, 2012		For the year ended 31 December, 2011	
	%	(Amount In ₹ 000)	%	(Amount In ₹ 000)
<b>Raw Materials and Components</b>				
Imported	5.24%	6,318	14.73%	4,334
Indigenous	94.76%	114,334	85.27%	25,087
<b>Total</b>	<b>100.00%</b>	<b>120,652</b>	<b>100.00%</b>	<b>29,421</b>
<b>Trading:</b>				
Imported	100.00%	7,781	0.00%	-
Indigenous	-	-	0.00%	-
<b>Total</b>	<b>100.00%</b>	<b>7,781</b>	<b>0.00%</b>	<b>-</b>
<b>Stores and Spares:</b>				
Imported	1.97%	195	1.56%	70
Indigenous	98.03%	9,720	98.44%	4,404
<b>Total</b>	<b>100.00%</b>	<b>9,915</b>	<b>100.00%</b>	<b>4,474</b>

- c. Earnings in foreign currency

(Amount In ₹ 000)

Particulars	Year ended 31st December, 2012	Year ended 31st December, 2011
Export Value of Goods Calculated on FOB Basis	803	166
<b>Total</b>	<b>803</b>	<b>166</b>

### 32 LEASE

#### Income

The Company has let out its certain factory premises under operating lease during the year. These lease are cancellable by either party by giving a notice of one month. Rent Income is recognized in the statement of Profit and Loss as "Rent Income" under the Note No.20.

#### Expenses

The company has obtained office premises under operating lease. These are generally not non-cancelable lease. These leases are under operating lease and are renewable by mutual consent on mutually agreeable terms.

Lease payments are recognized in the statement if Profit and Loss account as "Rent Expenses" under Note No.25.

### 33 Disclosure required by Accounting Standard (AS) 29, "Provisions, contingent liabilities and contingent assets":

- a) Movement in Warranty Provision:

(Amount In ₹ 000)

Particulars	Year ended 31st December, 2012	Year ended 31st December, 2011
<b>Opening balance</b>	-	-
Add: Addition on account of Amalgamation (Refer Note No. 28 (iv)(a))	1,277	-
Addition/ provision during the year	-	-
Provision reversed during the year	107	-
Balance as at 31-12-2012	<b>1,170</b>	-

**b) Nature of Provisions:**
**Warranties :**

Warranty costs are estimated by the management on the basis of technical evaluation and past experience. Provision is made for estimated liability in respect of warranty costs in the year of recognition of revenue.

**34 EMPLOYEE BENEFITS**

The Company has classified the various benefit provided to employees as under

**(i) Defined Contribution Plan**

The Company makes contribution towards Employee Provident Fund and Super Annuation Fund. The Company is required to contribute specified percentage of payroll cost.

The Company has recognised the following amounts in the Statement of profit and loss :

(Amount In ₹ 000)

Particulars	Year ended 31st December, 2012	Year ended 31st December, 2011
Contribution to Provident Fund	1,335	543
Contribution to Super Annuation Fund	493	359
<b>TOTAL</b>	<b>1,828</b>	<b>902</b>

**(ii) Defined Benefits Plan**

The Company recognises the liability towards the gratuity at each balance sheet date.

The most recent actuarial valuation of the defined benefit obligation for gratuity was carried out at December 31, 2012 by an actuary. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

The following tables sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at December 31, 2012.

I. Reconciliation in present value of obligations (PVO) - Defined benefit obligation:

(Amount In ₹ 000)

Particulars	As at 31st December, 2012	As at 31st December, 2011
	Gratuity (Funded)	Gratuity (Funded)
<b>I. Defined Benefit obligation</b>		
Current Service Cost	296	168
Interest Cost	431	282
Actuarial (gain)/ loss on obligations	121	209
Benefits paid	(953)	-
PVO at the beginning of the year	6,428	3,530
PVO at the end of the year	6,323	4,189
<b>II. Reconciliation of the fair value of Plan Assets</b>		
Expected return on Plan Assets	621	439
Actuarial gain / (Loss) on Plan Assets	-	-
Contributions by employer	-	500
Benefits Paid	349	-
Fair value of Plan Assets at the beginning of the year	8,297	4,423
Fair value of Plan Assets at the end of the year	8,570	5,361
<b>III. Reconciliation of PVO and Fair value of Plan of assets</b>		
PVO at the end of the year	6,323	4,188

(Amount In ₹ 000)

Particulars	As at 31st December, 2012	As at 31st December, 2011
	Gratuity (Funded)	Gratuity (Funded)
fair value of Planned assets at the end of the year	8,570	5,361
Funded Status	(2,247)	(1,173)
Unrecognised actuarial gain / (Loss)	-	-
Net (asset) / liability recognised in the Balance sheet	(2,247)	(1,173)
<b>IV. Net cost for the year ended December 31, 2012</b>		
Current Service Cost	296	168
Interest Cost on benefit obligation	431	282
Expected return on Plan Assets	621	439
Actuarial (gain)/ loss on obligations	121	209
Net Cost	227	221
<b>V. Assumption used in accounting for the gratuity plan</b>		
Discount Rate (%)	8	8
Salary escalation rate (%)	5	5

Vi) Experience Adjustment				
Particulars	2012	2011	2010	2009
Experience adjustment on account of plan liabilities	142	1484	2,568	423
Experience adjustment on account of plan assets	325	85	53	147

35 As the Company's business activity falls within a single primary business segment i.e. "manufacturing of Machineries and Components" the disclosure requirements of Accounting Standard 17- Segment Reporting is not applicable.

### 36 RELATED PARTY DISCLOSURE

Disclosure as required by Accounting Standard - 18 are given below:-

Sr. No.	Name of Related Parties	Nature of Relationship
1	Integra Holding AG, Switzerland	Holding Company with effect from 5th April 2011
2	Reiners Verwaltungs	Holding Company upto 4th April 2011
3	INTEGRA Bioscience AG, Switzerland	Fellow Subsidiary
4	Aquametro AG, Switzerland	Fellow Subsidiary
5	Oerlikon Schlafhorst Zweignied Erlassung Der	Associates upto 4th April 2011
6	Zinser Textiles Systems Pvt Ltd Halol	Associates upto 4th April 2011
7	Oerlikon Textiles Systems Pvt Ltd	Associates upto 4th April 2011
8	Gorba Integra Systems Pvt. Ltd	Associates
9	Shaily Engineering Plastics Ltd	Associates
10	Mehta Associates	Associates
11	Integra India Group Company Limited	Associates (Transferor Company)
12	Corinne Christina Raez	Key Management Personnel up to June 11, 2012 in Transferor Company
13	Swami Prasad Sayal	Key Management Personnel up to 1st November 2012
14	Yogesh Shah	Key Management Personnel from 2nd November 2012

(Amount In ₹ 000)

Nature of Transaction	Fellow Subsidiary	Associate	Key Mgt. personnel	Total
Material Purchase	2,232	5,516	Nil	7,748
	(Nil)	(374)	(Nil)	(374)
Sales	Nil	28	Nil	28
	(Nil)	(180)	(Nil)	(180)
Management Contract	2,676	Nil	Nil	2,676
	(Nil)	(Nil)	(Nil)	(Nil)
Remuneration	Nil	Nil	2,846	2,846
	(Nil)	(Nil)	(2,333)	(2,333)
Sitting Fees	Nil	Nil	Nil	Nil
	(Nil)	(Nil)	(390)	(390)
Loan Given	Nil	Nil	Nil	Nil
	(Nil)	(30,000)	(Nil)	(30,000)
Interest Received	Nil	Nil	Nil	Nil
	(Nil)	(2,700)	(Nil)	(2,700)
Services / Job work Income	Nil	406	Nil	406
	(Nil)	(2,044)	(Nil)	(2,044)
Rent Income	Nil	2,916	Nil	2,916
	(Nil)	(1,008)	(Nil)	(1,008)
<b>Balance as on 31st December</b>				
Payables	215	1,678	Nil	1,894
	(Nil)	(Nil)	(Nil)	(Nil)
Receivables	Nil	45,241	Nil	45,241
	(Nil)	(Nil)	(Nil)	(Nil)
Loan Given	Nil	Nil	Nil	Nil
	(Nil)	(30,000)	(Nil)	(30,000)

Amounts in bracket indicate previous year figures.

**37 EARNING PER SHARE (EPS)**

(Amount In ₹ 000)

Particulars	Year ended 31st December, 2012	Year ended 31st December, 2011
<b>Basic and Diluted Earning per Share</b>		
Profit / (Loss) attributable to the equity shareholders	(11,939)	2,875
Weighted Average number of equity shares	34,245,196	19,395,196
Face Value per share (In ₹)	1	10
Basic Earning per share (In ₹)	(0.35)	0.15
Diluted Earning Per Share (In ₹)	(0.35)	0.15

**38** The value of realization of assets other than fixed assets and non current investment in the ordinary course of business will not be less than the value at which they are stated in the Balance Sheet.

**39** The Company is in the process of identifying the suppliers, if any, covered under the Micro, Small and Medium Enterprise Development Act, 2006. Due to non availability of data, the details required have not been furnished.



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**40** The Company has to recover an amount of ₹ 314.75 lacs for the supply of goods to Gorba Integra Systems Private Limited "GISPL" (a joint venture promoted by the Company and another joint venture partner). Due to the failure of the obligations of the other JV Partner, GISPL was unable to fulfill the requirements of its customers, thereby suffering losses and resulting ultimately in its inability to pay the dues owed to the Company.

The Company has therefore initiated appropriate legal and other actions, against the other JV Partner, pursuant to which the Company estimates a recovery by GISPL, of ₹ 280 lacs from the JV Partner, which shall be utilized to repay the Company's dues. The balance of ₹ 34.75 lacs receivable by the Company from GISPL has been written off during the year under review.

**41** As per the opinion of the management, Deferred tax assets of ₹ 131.71 lacs on Carried Forward Business Loss/Unabsorbed depreciation is recognised and carried forward only to the extent that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

**42** The balances of trade receivables and trade payables are subject to adjustment if any on reconciliation/settlement.

**43** The financial statements for the year ended 31st December, 2011 had been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification under the Companies Act, 1956, the financial statements for the year ended 31st December, 2012 are prepared under revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's classification.

**44** Figures for the year ended December 31, 2011 are not comparable as such figures are standalone figures of the transferee company before merger was effective.

**For K. C. Mehta & Co.  
Chartered Accountants**

**Vishal P. Doshi  
Partner  
Membership No. 101533**

**Place : Vadodara  
Date : 31st January, 2013**

**For and behalf of Board of Directors**

**Adrian Oehler                      Shalin S Divatia  
Director                              Director**

**Mayank Joshi  
Company Secretary  
Place : Vadodara  
Date : 31st January, 2013**

**Note:**

**ATTENDANCE SLIP**  
**INTEGRA Engineering India Limited**

Registered Office: Chandrapura Village, Tal. Halol - 389 350, Dist. Panchmahals, Gujarat, India

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL. Joint Shareholders may obtain additional Attendance Slips on request. Regd. Folio No. / DP ID No. & Name of the Shareholder/Joint holder/Proxy and address as given on the envelope in BLOCK LETTERS to be furnished below.

Name of the Shareholder / Name of the Proxy	Regd. Folio No. / DP ID No.	No. of Shares held

I hereby record my presence at the 31st Annual General Meeting of the Company to be held on Friday, the 26<sup>th</sup> April, 2013, at 03.00 pm at the Registered Office of the Company, Chandrapura Village, Tal. Halol - 389 350, Dist. Panchmahals, Gujarat

\_\_\_\_\_  
**SIGNATURE OF THE  
SHAREHOLDER OR PROXY**

**Notes:**

- (1) Shareholders/Proxy holders are requested to bring the Attendance Slip with them when they come to the meeting and hand it over at the gate after affixing their signature on it.
- (2) Shareholders who come to attend the meeting are requested to bring their copies of Annual Report with them.
- (3) Shareholders are requested to advise, indicating their Folio Nos., the change in their addresses, if any, to the Company.

**PROXY FORM**  
**INTEGRA Engineering India Limited**

Registered Office : Chandrapura Village, Tal. Halol - 389 350, Dist. Panchmahals, Gujarat, India

(Regd. Folio No. / DP ID No. and name of the Shareholder/Joint holder and address as given on the envelope in BLOCK LETTERS to be furnished below)

Regd. Folio No. / DP ID No.	No. of Shares held

I/We \_\_\_\_\_ of \_\_\_\_\_ being a Member(s) of the Company, hereby appoint \_\_\_\_\_ of \_\_\_\_\_ or failing him \_\_\_\_\_ of \_\_\_\_\_ as my/our proxy to vote or me/us, on my/our behalf at the 31th ANNUAL GENERAL MEETING of the Company to be held on Friday, the 26<sup>th</sup> April, 2013, at 03.00 pm at the Registered Office of the Company or any adjournment thereof.

As Witness my/our hand(s) this \_\_\_\_\_ day of \_\_\_\_\_ 2013

Signed by the said \_\_\_\_\_

AFFIX A 1 RUPEE REVENUE STAMP
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Companies Act, 1956 lays down that an instrument appointing proxy shall be deposited at the Registered Office of the Company not less than 48 hours before the time of holding the Meeting.

Book - Post

  
**INTEGRA**  
Engineering

**If undelivered please return to :**

**INTEGRA Engineering India Limited**

(Incorporated under the Companies Act, 1956)

**Registered Office :** Post Box No. 55, Chandrapura Village,

Tal. Halol - 389 350, Dist. Panchmahals, Gujarat, India

Tel. : +91-2676-221870, 222772, 222773, 222774, Fax : +91-2676-220887

[www.integraengineering.in](http://www.integraengineering.in)