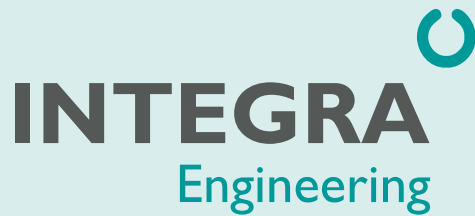


INTEGRA ENGINEERING INDIA LIMITED

33rd Annual Report 2014-15



- I Integrity
- N New Ideas
- T Team Work
- E Excellence
- G Goal Orientation
- R Reliability
- A Aspiration

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CIN : L29199GJ1981PLC028741

BSE SCRIP CODE : 505358

ISIN : INE9874B01023

BOARD OF DIRECTORS

| | | |
|----------------------|---|-----------------------------------|
| Mr. Adrian Oehler | - | Chairman & Non-executive Director |
| Mr. Shalin Divatia | - | Independent Director |
| Mr. Mahendra Sanghvi | - | Independent Director |
| Mr. Rahul Divan | - | Independent Director |
| Mr. Bhargav Patel | - | Independent Director |
| Ms. Corinne Raez | - | Non-executive Director |

KEY MANAGERIAL PERSONNEL

| | | |
|-----------------------|--------------------------|--------------------------------------|
| Mr. Y. J. Shah CEO | Mr. Bhavin Kariya CFO | Mr. Amish Sheth Company Secretary |
|-----------------------|--------------------------|--------------------------------------|

STATUTORY AUDITORS

M/s K. C. Mehta & Co.
Chartered Accountants
2nd Floor, Meghdhanush, Race Course, Vadodara -390 020

BANKERS

ICICI Bank Limited
HDFC Bank Limited
Bank of Baroda
DENA Bank
UCO Bank

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
Phone : 0265-2356573, 2356794 Fax : 0265-2356791
Email : vadodara@linkintime.co.in

REGISTERED OFFICE & WORKS

Chandrapura Village, Tal. Halol-389 350, Dist. Panchmahals, Gujarat
Telephone No. (02676) 221870, 09099918471 Fax No. (02676) 220887
Website: www.integraengineering.in Email: 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 - 391 520, Dist. Panchmahals, Gujarat

NOTICE TO MEMBERS

NOTICE is hereby given that the THIRTY THIRD ANNUAL GENERAL MEETING of the Members of **INTEGRA ENGINEERING INDIA LIMITED** will be held at Registered Office situated at Chandrapura Village, Taluka: Halol – 389 350, District: Panchmahals, Gujarat on Wednesday, August 12, 2015 at 03.00 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statements of the Company for the period ended March 31, 2015 and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Ms. Corinne Raez having [DIN: 03531399], who retires by rotation and is eligible for re-appointment.
3. **Appointment of Statutory Auditors :**

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and The Companies (Audit and Auditors) Rules, 2014, (the Rules), (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), M/s. K. C. Mehta & Co., Chartered Accountants, Vadodara having ICAI Firm Registration No.106237W, who have offered themselves for re-appointment and have confirmed their eligibility to be re-appointed as Auditors, in terms of provisions of Section 141 of the Act, and Rule 4 of the Rules, be and are hereby re-appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting to the conclusion of the 38th Annual General Meeting (Five years) for the financial year ending as on March 31, 2020 on such remuneration as may be agreed upon by the Board of Directors and the Auditors, in addition to service tax and re-imbusement of out of pocket expenses incurred by them in connection with the audit of Accounts of the Company."

SPECIAL BUSINESS:

4. **Appointment of Mr. Shalin Divatia as an Independent Director:**

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), The Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactment(s) thereof for the time being in force), and in pursuance of General Circular No. 14/2014 dated June 9, 2014, Mr. Shalin Divatia [DIN: 00749517], who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Act, and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under

Section 160 of the Act, signifying his intention to propose the candidature of Mr. Divatia for the office of Director, be and is hereby appointed as an Independent Director of the Company, to hold office for a term of five years with effect from March 30, 2015."

5. **Appointment of Mr. Rahul Divan as an Independent Director:**

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), The Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactment(s) thereof for the time being in force), and in pursuance of General Circular No. 14/2014 dated June 9, 2014, Mr. Rahul Divan [DIN: 00001178] who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Act, and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act, signifying his intention to propose the candidature of Mr. Divan for the office of Director, be and is hereby appointed as an Independent Director of the Company, to hold office for a term of five years with effect from March 30, 2015."

6. **Appointment of Mr. Bhargav Patel as an Independent Director:**

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), The Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactment(s) thereof for the time being in force), and in pursuance of General Circular No. 14/2014 dated June 9, 2014, Mr. Bhargav Patel [DIN: 00318051], who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Act, and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act, signifying his intention to propose the candidature of Mr. Patel for the office of Director, be and is hereby appointed as an Independent Director of the Company, to hold office for a term of five years with effect from March 30, 2015."

7. **Appointment of Mr. Mahendra Sanghvi as an Independent Director:**

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), The Companies

(Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactment(s) thereof for the time being in force), and in pursuance of General Circular No. 14/2014 dated June 9, 2014, Mr. Mahendra Sanghvi [DIN: 00084162], who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Act, and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act, signifying his intention to propose the candidature of Mr. Sanghvi for the office of Director, be and is hereby appointed as an Independent Director of the Company, to hold office for a term of five years with effect from June 11, 2015."

8. Employee Stock Option Plan (2015):

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 62, and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, Securities and Exchange Board of India (Share Based Employee Benefit) Regulations, 2014 (hereinafter referred to as "SEBI Guidelines"), the Memorandum and Articles of Association of the Company, if applicable and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and medications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee ("N R Committee") which the Board has constituted to exercise its powers, including the powers, conferred by this resolution, to create, offer, issue, transfer and allot at any time to or to the benefit of such person(s) who are in permanent employment of the Company, including any Director of the Company, whether whole time or otherwise, directly or through any Employee Stock Option Plan Trust ("Trust") constituted/ to be constituted for the purpose, options exercisable into not more than 8,00,000 (Eight Lakh) equity shares of the Company of face value ₹ 1/- each, under one or more employee stock option schemes in one or more tranches and on such terms and conditions as may be fixed or determined by the Board in accordance with the provisions of the law or guidelines issued by the relevant Authority; each option would be exercisable for one Equity Share of a face value of ₹ 1/- each fully paid up on payment of the requisite exercise price which shall be the market price of the equity share as on the date of the Grant or a discount thereto not exceeding 10% as may be decided by the Board of Directors of the Company.

RESOLVED FURTHER THAT in case of any corporate action (s) such as right issues, bonus issues, merger and sale of division and others, if any additional equity shares are issued by the Company and reasonable adjustment to the options granted earlier, the above ceiling of 8,00,000 equity shares shall be deemed to be increased to the extent of such additional equity shares issued by the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot Equity shares to the employees upon exercise of options from time to time in accordance with one or more employee stock option schemes and such equity shares shall rank pari passu in all respect with the then existing equity shares of the Company.

RESOLVED FURTHER THAT in case the equity shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the option grantees under the schemes shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of ₹ 1/- per equity share bears to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said allottees."

RESOLVED FURTHER THAT the Board be and is hereby authorized to make modifications, changes, variations, alterations or revisions in the said schemes as it may deem fit, from time to time in its sole and absolute discretion in conformity with the provisions of the Companies Act, 2013, the Memorandum and Articles of Association of the Company, SEBI Guidelines and any other applicable laws."

By order of the Board of Directors,

For INTEGRA Engineering India Limited

AMISH SHETH
COMPANY SECRETARY
(Membership No. A32582)

Registered Office:
Chandrapura Village, Taluka: Halol-389 350
District: Panchmahals, Gujarat

Place: Halol
Date: June 11, 2015

NOTES:

The Explanatory Statements pursuant to Section 102 of the Companies Act, 2013 with respect to the Special Business set out in the Notice is annexed.

A MEMBER ENTITLED TO ATTEND AND VOTE AT 33RD ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING I.E. BY 3:00 P.M. ON MONDAY, AUGUST 10TH, 2015.

A person can act as a Proxy for not more than 50 Members and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. However, a single person may act as a proxy for a Member holding more than 10% of the total share capital of the Company carrying voting rights provided that such person shall not act as a proxy for any other person.

Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.

Members are requested to bring their attendance slips duly completed and signed mentioning therein details of their DP ID and Client ID/ Folio No.

As per Section 136 of the Companies Act, 2013 read with Rule 11 of Companies (Accounts) Rules, 2014, financial statements may be sent to the Members:

(a) by electronic mode to such Members whose shares are held in dematerialised form and whose e-mail IDs are registered with Depository for communication purposes;

(b) where Shares are held in physical form, to such Members who have positively consented in writing for receiving by electronic mode and

(c) by dispatch of physical copies through any recognized mode of delivery as specified under Section 20 of the Companies Act, 2013, in all other cases.

In case, you desire to receive the aforesaid documents in electronic mode in lieu of physical mode, kindly update your e-mail ID with:

(i) Our Registrar & Share Transfer Agent: for the Shares held in physical form and

(ii) Your respective Depository Participants: for the Shares held in dematerialised form.

In case any member who has received the notice electronically desires to have a physical copy of the same, he/she may write to the company or send an email to secretarial@integraengineering.in in this regard. Members may kindly note that the notice of the meeting will also be available on the company's website, www.integraengineering.in and can be downloaded, if required, by the member.

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 - 389350, 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 - 390020, (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.

The Register of Members and Share Transfer Books of the Company shall remain closed from August 5, 2015 to August 12, 2015, both days inclusive, for both, physical and demat transfer request.

Members who were shareholders of INTEGRA India Group Company Limited (the then amalgamated Company) and now became the members of the Company, who have not yet encashed the dividends for the financial years ended on March 31, 2008, and March 31, 2009 respectively are requested to forward their respective claims to the Company or Registrar and Share Transfer Agent (with unclaimed dividend details).

Pursuant to provisions of Section 205A read with Section 205C of the Companies Act, 1956 the amount of un-claimed dividend of INTEGRA India Group Company Limited up to the year 2006-07 were transferred to the Investor Education and Protection Fund in time.

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

In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014, and Clause 35B of the Listing Agreement, Members are provided with the facility to cast their votes electronically, through the evoting services provided by Central Depository Services (India) Limited [CDSL], on all the resolutions set forth in this Notice.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on August 9, 2015 at 9:00 am and ends on August 11, 2015 at 5:00 pm. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of August 5, 2015, may cast their vote electronically. However, any person, who acquires shares of the company and becomes member of the Company after dispatch of the notice and holding shares as on August 5, 2015 may obtain the login id and password by sending request at helpdesk.evoting@cdslindia.com. The e-voting module shall be disabled by CDSL for voting after August 11, 2015 (5:00 p.m.)
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID

- a. For CDSL: 16 digits beneficiary ID,
 b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
 (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
 (vii) If you are a first time user follow the steps given below:

| | |
|-----------------------|---|
| | For Members holding shares in Demat Form and Physical Form |
| PAN | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Attendance Slip indicated in the PAN field. |
| DOB | Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format. |
| Dividend Bank Details | Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv). |

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
 (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
 (xi) Click on the EVSN for the relevant <INTEGRA Engineering India Ltd> on which you choose to vote.
 (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the

option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
 (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
 (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
 (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
 (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 (xviii) Note for Non - Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

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

AMISH SHETH
 COMPANY SECRETARY
 (Membership No. A32582)

Registered Office:
 Chandrapura Village, Taluka: Halol-389 350
 District: Panchmahals, Gujarat

Place: Halol
 Date: June 11, 2015

EXPLANATORY STATEMENTS:

[Pursuant to Section 102 of the Companies Act, 2013 relating to the business set out in the accompanying Notice]

ITEMS 4 TO 7:

● The Company has appointed Mr. Shalin Divatia, Mr. Rahul Divan, and Mr. Bhargav Patel as Independent Directors pursuant to the requirements of the Clause 49 of the Listing Agreement with the BSE Limited, Mumbai. As per the provisions of Sections 149 and 152 of the Companies Act, 2013, effective from April 1, 2014 all listed companies are required to have atleast one third of the total number of Directors as Independent Directors who shall not be liable to retirement by rotation. Further, the General Circular No. 14/2014 dated June 9, 2014 issued by Ministry of Corporate Affairs has clarified that if it is intended to continue with existing Independent Directors, then their appointment shall be made under the new Act. It is accordingly proposed to appoint the existing Independent Directors under the provisions of the Companies Act, 2013. The Nomination and Remuneration Committee has considered the candidatures of Mr. Shalin Divatia, Mr. Rahul Divan and Mr. Bhargav Patel respectively for appointment as Independent Directors under the Act and has made its recommendations to the Board of Directors for its consideration. Accordingly, the Board of Directors at its Meeting held on March 30, 2015 has favourably considered the recommendations of the Nomination and Remuneration Committee and seeks the approval of the Members for the appointment of Mr. Shalin Divatia, Mr. Rahul Divan and Mr. Bhargav Patel respectively as Independent Directors under the Act, each for a term of five years with effect from March 30, 2014.

● The Board, as recommended by The Nomination and Remuneration Committee, appointed Mr. Mahendra Sanghvi as Independent Director under the Act for a period of five years with effect from June 11, 2015 of the Company. The Members are requested to approve his appointments of as Independent Director for a period of five years with effect from June 11, 2015

● The profile of the Directors proposed to be appointed as Independent Directors under the Act is as under:

➤ **Mr. Shalin Divatia:** Mr. Divatia age 50 years holds fellow membership of Institute of Chartered Accountants of India and graduated in Commerce and Law. He has more than 25 years of experience in the field of Audit, Accounts, Taxation, management advisory, corporate laws, business advisory services etc. Mr. Divatia brings with him rich and varied financial and industrial experience and good governance practice. His continued association would be of immense benefit to the company.

➤ He is presently working as senior partner in S. R. Divatia & Co. He is also on the Board of Paradigm Esop Consultant Pvt. Ltd., Wallace Flour Mills Company Pvt. Ltd. and Sai Aasha IT Parks Pvt. Ltd. as Director. He acts as a Chairman of Audit Committee and member of Stakeholder Relationship Committee of the Company.

➤ **Mr. Rahul Divan:** Mr. Divan age 46 years is a fellow member of Institute of Chartered Accountants in England and Wales (E&W) and also fellow member of Institute of Chartered Accountants of India (ICAI) and possesses more than 24 years of experience in Audit, Accounts, taxation, business advisory services, management advisory services and so on. Mr. Divan is a Member of Audit Committee and Nomination & Remuneration Committee of the Company.

➤ He is presently working as a partner in Rahul Gautam Divan & Associates and Chandbhoj & Jassoobhoj, Ahmedabad and Bangalore. He has also worked with Pricewater Coopers (PWC). By appointing him the Company avail the benefits of his remarkable and diversified experience. He also holds Directorships of Baltic Consultancy and Services Pvt. Ltd., Serendib Investment Pvt. Ltd., Chandabhoj & Jassoobhoj Consultants Pvt. Ltd., M + R Logistics (India) Pvt. Ltd., Synergy Cargo Management India Pvt. Ltd., Integrated Freight Services India Pvt. Ltd.

➤ **Mr. Bhargav Patel:** Mr. Patel age 51 years, holds a degree of MBA, from United States University. He is a promoter of the Peass group of Companies. He has built benchmark for Textile Machineries Industries. His acumen as an entrepreneur and technocrat redefined the perception of the Industry practice. Mr. Patel is a Chairman of Nomination & Remuneration Committee and Member of Audit Committee.

He brings immense value to the Board. Under his guidance, the Company will be achieving significant improvements in the areas of project management and overall cost-competitiveness. He also holds Directorships of Peass Export Ltd., Peass Automation Private Ltd., Peass Industrial Engineers Pvt. Ltd., Arno Enterprises Pvt Ltd., Poloroid Investment Pvt. Ltd., Peass Enviro System Pvt. Ltd., Camlin Fine Science Ltd.

➤ **Mr. Mahendra Sanghvi :** Mr. Sanghvi age 67 years, holds degree in Chemical Engineering from Wayne State University, USA and Diploma in MBA from Toronto University. He is a promoter and Chairman & Executive Director of the Shaily Engineering Plastic Limited. He is a Chairman of Stakeholder Relationship Committee and Member of Audit Committee.

Mr. Sanghvi is veteran in all aspects of Plastic Injection and Moulding with his considerable wealthy more than 41 years of experience. He also holds Directorship in Munjal Auto Industries Ltd., Panax Appliances Pvt. Ltd., Shaily-IDC (India) Pvt. Ltd. and Shaily Medical Plastics Pvt. Ltd.

● Mr. Shalin Divatia, Mr. Rahul Divan, Mr. Bhargav Patel and Mr. Mahendra Sanghvi have given their consent to act as Independent Directors of the Company.

● The aforesaid Independent Directors have given declarations that they are not disqualified under Section 164 of the Act and that they meet the criteria of independence as prescribed under the Act. In the opinion of the Board, the said Directors possess the requisite qualities and fulfill the conditions under the Act for appointment as Independent Directors.

● Copies of the respective letters of appointment of the aforesaid Independent Directors are available for inspection by the Members at the Registered Office of the Company on any working day upto the date of the Annual General Meeting and same is also available on the Company's website.

● The Company has received Notices in writing from Members along with deposit as required under Section 160 of the Companies Act, 2013 proposing the candidatures of Mr. Shalin Divatia, Mr. Rahul Divan, Mr. Bhargav Patel and Mr. Mahendra Sanghvi respectively for appointment as Independent Directors.

Except Mr. Shalin Divatia, Mr. Rahul Divan, Mr. Bhargav Patel and Mr. Mahendra Sanghvi, Independent Directors, none of the other Directors, Key Managerial Personnel or their relatives are concerned or interested in the aforesaid Resolutions set out in item no. 4 to 7 of the notice.

ITEM 8:

The Company proposes to implement an Employee Stock Option Plan to incentivise its employees. The approval of the shareholders is being sought for granting stock options to the employees of the Company and its subsidiaries through the Trust under one or more employee stock option schemes.

The main features of the employee stock option schemes pursuant to which the stock options would be granted are as under:

1. Total number of options to be granted:

Options up to 8,00,000 equity shares of ₹ 1 each would be available for being granted to eligible employees of the Company and its present and future subsidiaries through the Trust under one or more employee stock option schemes. Each option when exercised would be converted into one Equity Share of ₹ 1/- each fully paid up.

Vested options that lapse due to non-exercise or unvested options that get cancelled due to resignation of the employees or otherwise, would be available for being re-granted at a future date.

In case of any corporate action (s) such as rights issues, bonus issues, sub-division/ consolidation of the nominal value of shares, merger and sale of division and others, a fair and reasonable adjustment needs to be made to the options granted. Accordingly, if any additional equity shares are issued by the Company to the Trust which are transferred by the Trust to the Option Grantees for making such fair and reasonable adjustment, the ceiling of 8,00,000 equity shares shall be deemed to be increased to the extent of such additional equity shares issued.

2. Identification of classes of employees entitled to participate in the Employee Stock Option Scheme(s):

All permanent employees of the Company, including the Directors thereof but excluding the promoters of the Company and Independent Directors, as may be decided by the Board/ Nomination and Remuneration Committee ("N R Committee") from time to time, would be entitled to be granted stock options under the ESOP Scheme(s).

3. Transferability of employee stock options :

The stock options granted to an employee will not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner. However, in the event of the death of an employee stock option holder while in employment, the right to exercise all the options granted to him till such date shall be transferred to his legal heirs or nominees.

4. Requirements of vesting and period of vesting:

The Options granted shall vest so long as the employee continues to be in the employment of the Company. The N R Committee may, at its discretion, lay down certain performance metrics on the achievement of which the granted options may vest (subject to the minimum vesting period as specified below).

The options would vest not earlier than one year but not later than five years from the date of grant of options. The exact proportion in which and the exact period over which the options would vest would be determined by the Board/ N R Committee, subject to the minimum vesting period of one year from the date of grant of options.

5. Exercise Price:

The exercise price of the Options shall be the market price of the equity share as on the date of the Grant or a discount thereto not exceeding 10% as may be decided by the Board of Directors of the Company.

6. Exercise Period and the process of Exercise:

The Exercise period would commence from the date of vesting and will expire on completion of 3 years from the date of last vesting of the options.

The options will be exercisable by the Employees by a written application to the Company/Trust to exercise the options in such manner, and on execution of such documents, as may be prescribed by the Board/ N R Committee from time to time. The options will lapse if not exercised within the specified exercise period and would be available for being re-granted in future.

7. Appraisal Process for determining the eligibility of the employees to ESOP:

The appraisal process for determining the eligibility of the employee will be specified by the Board/ N R Committee, and will be based on criteria such as role/ designation of the employee, length of service with the Company, past performance record, future potential of the employee and/or such other criteria that may be determined by the N R Committee at its sole discretion.

8. Maximum number of options to be issued per employee and in aggregate:

The number of options that may be granted to any specific employee under the Scheme shall not exceed 1% of the issued and paid up capital (excluding outstanding warrants and conversions) of the Company at the time of grant of options.

9. Disclosure and Accounting Policies:

The Company shall comply with the disclosure and the accounting policies prescribed as per SEBI Guidelines.

10. Method of option valuation:

To calculate the employee compensation cost, the Company shall use the Intrinsic Value Method for valuation of the options granted.

In case the Company calculates the employee compensation cost using the Intrinsic Value of the stock options, the difference between the employee compensation cost so computed and the cost that shall have been recognized if it had used the Fair Value of the options, shall be disclosed in the Directors' Report and also the impact of this difference on profits and on EPS of the Company shall also be disclosed in the Directors' Report.

As the employee stock option schemes provide for issue of shares to be offered to persons other than existing shareholders of the Company, consent of the members is being sought pursuant to Section 62 and all other applicable provisions, if any, of the Act.

None of the Directors or KMPs of the Company or their relatives (except the Promoters who are excluded) are in any way, concerned or interested in the resolution, except to the extent of the securities that may be offered to them under the scheme.

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

AMISH SHETH
COMPANY SECRETARY
(Membership No. A32582)

Registered Office:

Chandrapura Village, Taluka: Halol-389 350
District: Panchmahals, Gujarat

Place: Halol

Date: June 11, 2015

DIRECTORS' REPORT

To,
The Shareholders,
INTEGRA Engineering India Limited

Your Directors are pleased to present the Thirty third Annual Report of the Company together with the audited Accounts for the 15 months period ended on March 31, 2015. The working results of the Company for the 15 months period ended on March 31, 2015 vis-à-vis those of the previous year are summarized below :

Financial Results

(Amount in ₹ '000)

| | For the period ended on 31st March, 2015 | For the year ended on 31st December, 2013 |
|--|--|---|
| Net Income from manufacturing & trading | 250,386 | 221,991 |
| Income from services and other operating revenues | 31,876 | 8,734 |
| Other income (Interest, Lease, rent, etc) | 20,275 | 16,870 |
| Total Income | 302,536 | 247,595 |
| Profit / Loss before interest, depreciation, exceptional items, and taxation | 19,360 | 5,116 |
| Interest | 4,883 | 6,114 |
| Depreciation | 15,664 | 5,437 |
| Exceptional items | - | 2,713 |
| Loss before Tax | (1,187) | (9,148) |
| Income Tax | | |
| Current Tax | - | - |
| MAT Credit | - | - |
| Deferred Tax | - | (1,817) |
| Prior year tax adjustment | (1,062) | (147) |
| Loss after Tax | (125) | (7,184) |

Notes:

Previous years' figures have been regrouped/ reclassified wherever necessary to bring them in line with the current period's representation of figures.

Change in Financial Year:

The Board of Directors of the Company at their meeting held on July, 30, 2014 approved the change in the financial year of the Company from January-December to April-March to comply with the requirements of the Companies Act, 2013. In view of this, the current financial year is for a period of 15 months i.e. January 1, 2014 to March 31, 2015.

Financial Statements:

The Ministry of Corporate Affairs vide Circular No. 08/2014 dated April 4, 2014 clarified that the provisions with respect to preparation of financial statements and Board's Report under the Companies Act, 2013 are applicable for companies whose financial year commenced on or after April 1, 2014. Our financial year commenced on January 1, 2014. Therefore, the financial statements and the documents required to be attached thereto, the auditors' and directors' report in respect of the financial year under reference shall continue to be governed by the relevant provisions of the Companies Act, 1956, schedules and rules made thereunder.

Business Performance 2014 - 15:

General growth of the Economy has been constant in the year 2014-2015. Engineering sector, in particular, was stable and your Company's growth in the year under consideration was steady.

During the period under review, your Company earned income (Net of Excise Duty) of ₹ 2822.62 lacs against ₹ 2307.25 lacs in the previous year. Loss before tax for the period was ₹ 11.87 lacs against ₹ 91.48 lacs including exceptional items w/off ₹ 27.13 lacs in the previous year. Loss after tax for the period was ₹ 1.25 lacs against the ₹ 71.84 lacs including tax write back of ₹ 19.64 lacs in the previous year.

During the year Company has seen an improvement in Railway sector and power sector due to positive actions taken by the new Government. The medium term to long term growth prospects look positive in view of the Government's determination to bring in reforms and boost the infrastructure sector. For the year 2015-16, the company is expected to grow at higher rate than in the current period.

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 looking for many growth opportunities as a single window supplier to OEMs.

During the period your company has introduced new own product (Fuse Monitoring Automatic Changeover System) in the Railway Sector which will contribute better in 2015-16 against current period. Also company's continued focus on cost reduction and various other customer excellence initiatives should help in presenting an improved performance.

Considering current economic scenario all round efforts are being put in by widening various new business avenues for a sustainable growth.

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 March 31, 2015.

Segment wise performance :

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

CAPEX for the period January 2014 to March 2015:

The Board of Directors is pleased to inform you that during the period, 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.

Effect of Depreciation:

Your Company has early adopted Part C of Schedule II to the Companies Act, 2013 (the Act) from January 1, 2014. Accordingly the Company has reassessed the remaining useful life of fixed assets in accordance with the provisions prescribed under Schedule II to the Act. In case of assets which have completed their useful life, the carrying value (net of residual value) as at January 1, 2014 amounting to ₹ 41.66 lacs has been adjusted to Statement of Profit and Loss and in case of other assets the carrying value (net of residual value) is being depreciated over the revised remaining useful life.

The depreciation and amortisation expense charge for the period ended March 31, 2015 would have been lower by ₹ 75.93 lacs had the Company continued with the previous assessment of useful life of such assets.

Directors:

The Board consists of all non-Executive Directors including Independent Directors who have wide and varied experience in different disciplines of corporate functioning.

Ms. Corinne Raez, non-executive Director retires by rotation and being eligible, seeks re-appointment at ensuing 33rd Annual General Meeting.

Pursuant to the provisions of Section 149 and 152 of the Companies Act, 2013 and subject to the approval of Shareholders in the ensuing Annual General Meeting, Mr. Shalin Divatia, Rahul Divan, Mr. Bhargav Patel and Mr. Mahendra Sanghvi proposed to be appointed as the Independent Directors of the Company for a period of five years, not liable to retire by rotation.

The Independent Directors have submitted their disclosure to the Board that they fulfill all the requirements so as to qualify for their appointment as an Independent Director under the provisions of the section 149 of the Companies Act, 2013. The Board confirms that the said Independent Directors meet the criteria as laid down under the Companies Act, 2013.

Directors' Responsibility statement :

Pursuant to requirements of Section 217 (2AA) of the Companies Act, 1956 and on the basis of information and advice received by them, your Directors confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed and no material departures have been made from the same.
- the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2015 and of the loss of the company for the year ended on that date.
- the Directors have taken proper and sufficient care 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.
- the Directors have prepared the annual accounts on a going concern basis.

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 March, 31 2015:-

- Conservation of Energy: The Company continues to take all possible steps to conserve energy.
- Technology Absorption, Research & Development and Technology Absorption, Adaptation and innovation: NIL
- Foreign Exchange earnings and outgo: The total foreign exchange earned by the Company during the period under review from exports and other activities amounted ₹ 318 (in '000), the total foreign exchange used for imports and on account of various remittances amounted to ₹ 3313 (in '000).

Particulars of employees:

The information required pursuant to 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 provision.

Internal Control Systems and AUDIT:

Company has a proper and adequate system of Internal Control commensurate with its size and the nature of its operations to ensure that all assets are safeguarded and protected against loss from unauthorised use or disposition and those transactions are authorised, recorded and reported correctly.

The Audit of Internal control system is carried out by an Independent firm of Chartered Accountants on a half-yearly basis and corrective actions are taken where shortcomings are identified. The Internal Auditors submit their half-yearly 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.

The Board of Directors at the recommendation of the Audit Committee re-appointed M/s. Shah & Shah Associates, Chartered Accountants, Vadodara as Internal Auditors of the Company for the financial year 2015-16.

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.

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.

Vigil Mechanism / Whistle Blower Policy:

The Company has formulated a Whistle Blower Policy to establish a vigil mechanism for Directors and employees of the Company to report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy. The Whistle Blower Policy is available on the website of the Company.

Fixed Deposits:

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

Statutory Auditors :

The Company's Auditors, K. C Mehta & Co., Chartered Accountants, Vadodara who retire at the conclusion of this Annual General Meeting of the Company being eligible for re-appointment for a period of five years. They have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed thereunder for reappointment as Statutory Auditors of the Company.

Corporate Governance:

Pursuant to the SEBI's Circular No. CIR/CFD/POLICY CELL/7/2014, dated September 15, 2014 Revised Clause 49 of the Listing Agreement is not applicable as the paid up Equity Share capital not exceeding ₹ 10 crore and Net Worth not exceeding ₹ 25 crore, as on the last day of the previous financial year. Therefore, the Report on Corporate Governance is not appended herewith. However, the Company is committed to maintain the highest standards of Compliance as required under Companies Act and Listing Agreement except Clause 49.

Insurance :

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

ESOP Scheme (2015) :

Your Company proposes to implement an Employee Stock Option Plan to incentivize its employees who are in permanent employment of the Company, including any Director of the Company, whether whole time or otherwise, through Employee Stock Option Plan Trust - 2015 ("Trust") constituted/ to be constituted for the purpose, options exercisable into not more than 8,00,000 (Eight Lakh) equity shares of the Company of face value ₹ 1/- each, under one or more employee stock option schemes in one or more tranches and on such terms and conditions as may be fixed or determined by the Board in accordance with the provisions of the law or guidelines issued by the relevant Authority.

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

[DIN : 00360332]

Place : Wallisellen

Date : June 11, 2015

INDEPENDENT AUDITORS' REPORT

To,

The Members of**INTEGRA ENGINEERING INDIA LIMITED****Report on the Financial Statements**

We have audited the accompanying financial statements of **INTEGRA ENGINEERING INDIA LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the period ended 31st March, 2015 and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2015;

(b) in the case of the Statement of Profit and Loss, of the Loss for the period ended on that date; and

(c) in the case of the Cash Flow Statement, of the cash flows for the period ended on that date.

Other Matters

The Ministry of Corporate Affairs had on 1st April, 2014, vide its General Circular No.07/2014, Dissemination of Information with Regards to the Provisions of the Companies Act, 2013 as Notified Till date vis a vis Corresponding Provisions of the Companies Act, 1956, identified such sections of the Companies Act, 1956 that would cease/continue to have effect from 1st April, 2014.

Accordingly, in terms of the aforesaid Circular, our reporting in respect of section 227(3)(f) of the Companies Act, 1956, and clauses (iii), (v)(a) and (b), (vi), (viii), (xiv), (xviii) of the Companies (Auditor's Report) Order, 2003 (dealing with sections 49, 58A, 58AA, 209(1)(d) and 301 of the Companies Act, 1956) have ceased to have effect from 1st April, 2014."

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, 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 law have been kept by the Company so far as it appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and loss and Cash Flow Statement dealt with by this Report are in agreement with the books of accounts;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013; and
 - e. on the basis of written representations received from the directors as on 31st March, 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

Vishal P. Doshi
Partner
Membership No. 101533
Place: Vadodara
Date: 13th May, 2015

(ANNEXURE TO THE INDEPENDENT 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) 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 in relation to the operations of the Company and the same have been properly dealt with in the books of account.
- iii. According to the information and explanations given to us, the Company has not granted/taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956, read with section 189 of the Companies Act, 2013 and therefore, the provisions of Clause (iii) 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, read with section 189 of the Companies Act, 2013 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, read with section 189 of the Companies Act, 2013 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 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) The Company has been regular in depositing with appropriate authorities undisputed statutory dues, including provident fund, investor education and protection fund, employee's state insurance, income-tax, sales tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it. According to information and explanations given to us, no undisputed amounts payable in respect of aforesaid dues were in arrears, as at 31st March, 2015 for a period of more than six months from the date they become payable.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no disputed dues in respect of wealth tax, custom duty which have not been deposited. The followings are the particulars of income tax, Sales Tax, Service tax, Excise duty and cess as at 31st March, 2015 which have not been deposited on account of dispute:

| Nature of Dues | Amount ('000) | Period to which the amount relates | Forum where the dispute is pending |
|----------------|---------------|------------------------------------|------------------------------------|
| Sales Tax | 291 | A.Y. 1989-90 | Asst. Commissioner of Sales tax |
| | 191 | A.Y. 1993-94 | Asst. Commissioner of Sales tax |
| | 869 | A.Y. 1999 | Asst. Commissioner of Sales tax |
| Income Tax | 2169 | A.Y. 2007-08 | Income Tax Appellate Commissioner |
| | 372 | A.Y. 2008-09 | Income Tax Appellate Commissioner |
| | 965 | A.Y. 2002-03 | High court of Gujarat |
| | 1047 | A.Y. 2005-06 | Income tax Appellate Tribunal |
| | 430 | A.Y. 2005-06 | CIT Appeal (I)-Baroda |
| | 232 | A.Y. 2007-08 | CIT Appeal |
| Central Excise | 3696 | A.Y.2012-13 | Tribunal Central Excise and Custom |

- x. In our opinion, the Company does not have any accumulated losses as at the end of the year. The Company has not incurred cash losses during the financial year covered by our audit. However there were 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. In our opinion and according to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks and financial institutions and therefore, the provisions of clause (xv) of the Order are not applicable to the Company. 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. In our opinion and according to the information and explanations given to us, the term loans raised during the year have been applied for the purpose for which they were raised. According to the information and explanations given to us, the Company has obtained term loan during the year, disbursement of which is pending 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, we report that the funds raised on short term basis have not been used for long term investment.
- xviii. According to the information and explanations given to us during the period covered by our audit report, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956, read with section 189 of the Companies Act, 2013 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

Place: Vadodara
Date: 13th May, 2015

BALANCE SHEET as at 31st March, 2015

(Amount in ₹ '000)

| | | As at 31st March, 2015 | As at 31st December, 2013 |
|-----------------------------------|----|---------------------------|------------------------------|
| I. EQUITY AND LIABILITIES | | | |
| Shareholders' Funds | | | |
| a) Share Capital | 3 | 158,245 | 158,245 |
| b) Reserves and Surplus | 4 | 80,262 | 80,387 |
| Non-Current Liabilities | | | |
| a) Long Term Borrowings | 5 | 11,130 | - |
| Current Liabilities | | | |
| a) Short Term Borrowings | 6 | 21,836 | 35,982 |
| b) Trade Payables | 7 | 25,705 | 52,418 |
| c) Other Current Liabilities | 8 | 14,217 | 9,359 |
| d) Short Term Provisions | 9 | 145 | 1,329 |
| TOTAL | | 311,540 | 337,721 |
| II. ASSETS | | | |
| Non Current Assets | | | |
| (a) Fixed Assets | 10 | | |
| (i) Tangible Assets | | 81,690 | 91,567 |
| (ii) Intangible Assets | | 1,445 | 2,315 |
| (b) Non Current Investment | 11 | - | - |
| (c) Deferred Tax Assets (Net) | 12 | 21,673 | 21,673 |
| (d) Long Term Loans and Advances | 13 | 806 | 1,183 |
| Current Assets | | | |
| (a) Inventories | 14 | 63,905 | 80,215 |
| (b) Trade Receivables | 15 | 49,964 | 60,695 |
| (c) Cash and Bank Balance | 16 | 61,022 | 53,019 |
| (d) Short Term Loans and Advances | 17 | 31,035 | 27,054 |
| TOTAL | | 311,540 | 337,721 |

Significant Accounting Policies & Notes on Accounts

1 to 40

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 : May 13, 2015

For and on Behalf of the Board

Adrian Oehler
Chairman

Shalin Divatia
Director

Bhavin Kariya
Chief Financial Officer

Amish Sheth
Company Secretary

Place : Halol
Date : May 13, 2015

STATEMENT OF PROFIT AND LOSS ACCOUNT for the period ended 31st March, 2015

(Amount in ₹ '000)

| | | As at 31st March, 2015 | As at 31st December, 2013 |
|--|----------------|------------------------------|---------------------------------|
| I. Revenue from Operations (Gross) | 18 | 304,344 | 244,918 |
| Less: Excise Duty | | 22,082 | 14,193 |
| Revenue from Operations (Net) | | 282,262 | 230,725 |
| II. Other Income | 19 | 20,275 | 16,870 |
| III. Total Revenue (I + II) | | 302,536 | 247,595 |
| IV. Expenses: | | | |
| (a) Cost of Material Consumed | 20 | 166,520 | 143,790 |
| (b) Change in Inventories of work-in-progress | 21 | (85) | (7,076) |
| (c) Employee Benefit Expenses | 22 | 47,735 | 43,234 |
| (d) Finance Cost | 23 | 4,883 | 6,114 |
| (e) Depreciation and Amortisation Expense (Refer Note No.36) | 10 | 15,664 | 5,437 |
| (f) Other Expenses | 24 | 69,006 | 62,531 |
| Total Expenses | | 303,723 | 254,029 |
| V. Profit/ (Loss) before exceptional items (III - IV) | | (1,187) | (6,434) |
| VI. Less: Exceptional Items | 25 | - | 2,713 |
| VII. Profit/ (Loss) before Tax (V-VI) | | (1,187) | (9,148) |
| VIII. Tax Expenses: | | | |
| Deferred Tax | | - | (1,817) |
| Income Tax Adjustment for Earlier years | | (1,062) | (147) |
| IX. Profit/ (Loss) for the Period (VII-VIII) | | (125) | (7,184) |
| X. Earning Per Share | | | |
| (a) Basic | | (0.00) | (0.21) |
| (b) Diluted | | (0.00) | (0.21) |
| Significant Accounting Policies & Notes on Accounts | 1 to 40 | | |

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 : May 13, 2015

For and on Behalf of the Board

Adrian Oehler
Chairman

Shalin Divatia
Director

Bhavin Kariya
Chief Financial Officer

Amish Sheth
Company Secretary

Place : Halol
Date : May 13, 2015

CASH FLOW STATEMENT for the period ended on 31st March, 2015 (Amount in ₹ '000)

| | As at 31st March, 2015 | As at 31st December, 2013 |
|--|---------------------------|------------------------------|
| (A) CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit / (Loss) before tax | (1,187) | (9,148) |
| Adjustments for non cash items / items required to be disclosed separately: | | |
| Depreciation | 15,664 | 5,437 |
| (Profit) / Loss on Sale of Fixed Assets | (330) | (745) |
| Interest Paid | 4,665 | 5,533 |
| Interest Income | (6,439) | (4,958) |
| Excess Liability Written Back | (1,204) | (2,652) |
| Provision for Diminution in value of Inventories | - | 2,713 |
| Provision for Doubtful Debts | 1,324 | 399 |
| Operating profit before working capital changes | 12,493 | (3,422) |
| Adjustments for change in working capital & provisions: | | |
| (Increase) / Decrease in Trade Receivables | 9,406 | 22,222 |
| (Increase) / Decrease in Loans & Advances and Other Current Assets | (1,190) | 2,044 |
| (Increase) / Decrease in Inventories | 16,310 | (6,718) |
| Increase / (Decrease) in Trade Payables and Other Current Liabilities | (20,651) | 24,582 |
| Increase / (Decrease) in Provisions | (1,184) | (359) |
| Cash generated from operations | 15,184 | 38,349 |
| Income Tax refund / (paid) (net) | (1,352) | (1,940) |
| Net Cash Flow from Operating Activities | 13,832 | 36,409 |
| (B) CASH FLOW FROM INVESTING ACTIVITIES : | | |
| Purchase of Fixed Assets | (4,942) | (31,492) |
| Sale of Fixed Assets | 357 | 759 |
| Earmarked balances with banks | 361 | (3,537) |
| Bank Deposits held as margin money against guarantees | 20 | (203) |
| Interest Income | 6,439 | 4,958 |
| Net Cash Flow from Investing Activities | 2,234 | (29,515) |
| (C) CASH FLOW FROM FINANCING ACTIVITIES : | | |
| Interest Paid | (4,665) | (5,533) |
| Increase / (Decrease) in Long Term Borrowings | 11,130 | - |
| Increase / (Decrease) in short term Borrowings | (14,146) | (14,151) |
| Net Cash Flow from Financing Activities | (7,681) | (19,684) |
| Net Increase / (Decrease) in cash and equivalents (A+B+C) | 8,385 | (12,791) |
| Cash and cash equivalents at the beginning of the year. (See note 1) | 14,278 | 27,069 |
| Cash and cash equivalents at the end of the year. (See note 1) | 22,663 | 14,278 |
| | 8,385 | (12,791) |
| Notes: | | |
| 1 Cash and Cash Equivalents comprise of: | | |
| Cash on hand | 834 | 304 |
| Balance with scheduled banks | | |
| - Current Accounts | 7,050 | 1,272 |
| - Deposits Accounts | 14,779 | 12,702 |
| | 22,663 | 14,278 |

2 Cash Flow statement has been prepared under the indirect method as set out in the Accounting Standard (AS) 3 "Cash Flow Statement".

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 : May 13, 2015

For and on Behalf of the Board

Adrian Oehler
Chairman

Bhavin Kariya
Chief Financial Officer

Place : Halol
Date : May 13, 2015

Shalin Divatia
Director

Amish Sheth
Company Secretary

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 provisions of the Companies Act, 1956. Its shares are listed on Bombay Stock Exchange in India. The Company is engaged in manufacturing of machineries and components.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES
1. Basis of Preparation of Financial Statements:

The financial statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles in India. The applicable mandatory Accounting Standards notified under the Companies Act, 1956 read with the general circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 and requirements of the Companies Act, 1956 and the Companies Act, 2013 (to the extent notified) of India have been followed in preparation of these financial statements.

2. Use of Estimates:

The preparation of financial statements requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities as at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from estimates. Differences between the actual results and the estimates are recognised in the period in which the same are known/materialised.

3. Revenue Recognition:
(i) Sales :

Revenue from sale of goods is recognized when the significant risks and rewards in respect of ownership of products are transferred to the buyer under the terms of contract. Sales are inclusive of excise duty but are net of sales returns, sales tax and rate difference adjustments if any.

The company accounts for income on the percentage of completion basis, which necessarily involve technical estimates of the percentage of completion and cost of completion of each contract/activity. Such estimates made by the company and have been relied upon by auditors, as these are of a technical nature.

(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 recognized on accrual basis except when realisation of such income is uncertain.

4. Investments:

Investments are either classified as current or long term based on the management contention at the time of purchase. Long term investments are shown at cost. However, when there is decline, other than temporary in the value of long term investment, the carrying amount is reduced to recognise the decline. Current investments are stated at lower of cost or market value.

5. Borrowing Cost:

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of such assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognized as expense in the period in which they are incurred.

6. Fixed Assets:

Fixed Assets are stated at cost, net of tax/duty credit availed, if any, after reducing accumulated depreciation until the date of the Balance Sheet. Direct cost are capitalized until the asset are ready for use and include financial cost 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.

7. Depreciation :

The Company has early adopted Part C of Schedule II to the Companies Act, 2013 and accordingly provided depreciation on all tangible assets on straight line method over the useful life of the fixed assets prescribed under Part C of Schedule II to the Companies Act, 2013. Depreciation on additions to the Fixed Assets is provided on pro-rata basis from the succeeding month in which the asset is put to use.

8. Intangible Assets and amortisation :

Intangible assets are recognized only if it is probable that future economic benefits that are attributable to the assets will flow to the enterprise and the cost of assets can be measured reliably. The intangible assets are recorded at cost and are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized over the estimated period of benefit, not exceeding ten years.

9. 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.

10. Leases :

Assets leased out where a significant portion of the risks and rewards of ownership are retained by the company are classified as operating leases. Lease rentals are recognised in the Statement of Profit and Loss.

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.

11. Inventories:

The inventories are valued at cost or net realizable value whichever is lower. The basis of determining the value of each class of inventory is as follows:

| Inventories | Cost Formula |
|------------------------|---|
| Raw material | Weighted average cost |
| Work in Progress | Raw material cost plus conversion cost, wherever applicable |
| Stock in trade | At landed cost |
| Stores and Spare Parts | Weighted average cost |

12. Foreign Currency Transactions :

Foreign currency transactions during the year are recorded at the rate of exchange prevailing on the date of the transactions. At the year end, all the monetary assets and liabilities denominated in foreign currency are restated at the closing exchange rates. Exchange differences resulting from the settlement of such transactions and from the translation of such monetary assets and liabilities are recognised in the Statement of Profit and Loss.

In case of forward exchange contracts, the premium or discount arising at the inception of such contracts, is amortized as income or expense over the life of the contract as well as exchange differences on such contract i.e. difference between the exchange rate at the reporting/settlement date and the exchange rate on the date of inception of contract/the last reporting date, is recognized as income/expense for the period.

13. Employee Benefits:

(a) Post Employment Benefits:

i) Defined Contribution plan

The company's contribution to defined contribution plan paid/payable for the year is charged to the Statement of Profit and loss.

ii) Defined Benefit plan

The 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 recognized in the Statement of Profit and Loss in the period of occurrence of such gains and losses. Past service cost is recognized immediately to the extent that the benefits are already vested and 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 plan assets.

(b) 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 salary, wages, bonus, performance incentives etc.

(c) 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.

14. 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 assets and liabilities are recognized on timing differences, being the differences between taxable income and accounting income, that originate in one period and are capable of reversal in one or more subsequent periods using tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets, other than on unabsorbed depreciation and carried forward losses, are recognised only if there is reasonable certainty that they will be realised in the future. Deferred tax assets in respect of unabsorbed depreciation and carry forward losses are recognized if there is virtual certainty that there will be sufficient future taxable income available to realize such losses. Deferred Tax assets are reviewed at each balance sheet date for their realisability.

15. 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 recognised nor disclosed.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

3 SHARE CAPITAL

a. Share Capital consists of the following:

| | (Amount in ₹ '000) | |
|---|---------------------------|------------------------------|
| | As at 31st March, 2015 | As at 31st December, 2013 |
| Authorised | | |
| 212,000,000 Equity Shares of ₹ 1/- each | 212,000 | 212,000 |
| 300,000 Unclassified Shares of ₹ 10/- each | 3,000 | 3,000 |
| 14,000,000 Cumulative Redeemable Preference Shares of ₹ 10/- each (Payable at par) | 140,000 | 140,000 |
| | 355,000 | 355,000 |
| Issued, Subscribed and Paid Up | | |
| 34,245,196 Equity Shares of ₹ 1/- each fully paid up | 34,245 | 34,245 |
| 12,400,000 4% Cumulative Redeemable Preference Shares of ₹ 10/- each fully paid up. | 124,000 | 124,000 |
| | 158,245 | 158,245 |

b. Shares held by Holding Company :

| | As at 31st March, 2015 | | As at 31st December, 2013 | |
|---|------------------------|-----------------------|---------------------------|-----------------------|
| | No. of Shares | % of Share holding | No. of Shares | % of Share holding |
| Equity shares of ₹ 1 each fully paid up Integra Holding AG | 18,723,341 | 54.67% | 18,723,341 | 54.67% |
| 4% Cumulative Redeemable Preference shares of ₹ 10 each fully paid up Integra Holding AG | 12,400,000 | 100.00% | 12,400,000 | 100.00% |

c. 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

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

| | As at 31st March, 2015 | | As at 31st December, 2013 | |
|--|------------------------|-----------------------|---------------------------|-----------------------|
| | No. of Shares | (Amount in ₹ '000) | No. of Shares | (Amount in ₹ '000) |
| Balance of Shares at the beginning of the year | 34,245,196 | 34,245 | 34,245,196 | 34,245 |
| Less: Reduction in Share Capital | - | - | - | - |
| Add: Issued pursuant to Scheme of Amalgamation | - | - | - | - |
| Balance of Shares at the end of the year | 34,245,196 | 34,245 | 34,245,196 | 34,245 |

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

| | As at 31st March, 2015 | | As at 31st December, 2013 | |
|--|------------------------|-----------------------|---------------------------|-----------------------|
| | 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 | - | - | - | - |
| Balance of Shares at the end of the year | 12,400,000 | 124,000 | 12,400,000 | 124,000 |

f. Details of Shareholder holding more than 5 percent share in Company:

| | As at 31st March, 2015 | | As at 31st December, 2013 | |
|---|------------------------|---------------------------|---------------------------|---------------------------|
| | No. of Shares | % holding in the Class | No. of Shares | % holding in the Class |
| Equity shares of ₹ 1 each fully paid up Integra Holding AG | 18,723,341 | 54.67% | 18,723,341 | 54.67% |
| 4% Cumulative Redeemable Preference shares of ₹ 10 each fully paid up Integra Holding AG | 12,400,000 | 100.00% | 12,400,000 | 100.00% |

g. Right, Preferences and restrictions attached to Shares :

- Equity shares

The Company has only one class of equity shares having a par value of ₹ 1/- 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 October 28, 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 in 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 inter se* 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

Reserves and Surplus consists of the following:

(Amount in ₹ '000)

| | As at 31st March, 2015 | As at 31st December, 2013 |
|---|---------------------------|------------------------------|
| a. Capital Reserve | | |
| Central Government Cash Subsidy | | |
| As per last Balance sheet | 2,412 | 2,412 |
| Total (a) | 2,412 | 2,412 |
| b. State Government Cash Subsidy | | |
| As per last Balance sheet | 4,764 | 4,764 |
| Total (b) | 4,764 | 4,764 |
| c. Profit on Re-issue of Forfeited Shares | | |
| As per last Balance sheet | 33 | 33 |
| Total (c) | 33 | 33 |
| d. Securities Premium Account | | |
| As per last Balance sheet | 32,948 | 32,948 |
| Total (d) | 32,948 | 32,948 |
| e. General Reserve | | |
| As per last Balance sheet | 17,700 | 17,700 |
| Total (e) | 17,700 | 17,700 |
| f. Surplus in Statement of Profit & Loss | | |
| As per last Balance sheet | 22,530 | 29,714 |
| Profit / (Loss) for the Year | (125) | (7,184) |
| Total (f) | 22,405 | 22,530 |
| TOTAL | Total (a to f) | 80,387 |
| | 80,262 | 80,387 |

5 LONG TERM BORROWINGS

a. Long term borrowings consists of the following :

(Amount in ₹ '000)

| Particulars | As at 31st March, 2015 | As at 31st December, 2013 |
|---------------------------|---------------------------|------------------------------|
| Secured Borrowings | | |
| Term Loans | | |
| - From Banks | 11,130 | - |
| TOTAL | 11,130 | - |

b. Term Loans from Banks consists of the following:

(Amount in ₹ '000)

| Name of Bank | Nature of Security | Current Maturities | Balance of loan |
|--------------|--|-----------------------|--------------------|
| Dena Bank | Hypothecation of Laser Cutting Machine | 3,180 (Nil) | 14,310 (Nil) |

Previous year figures is shown in brackets

c. The terms of repayment of the above loans are as follows:

| Term Loans | Date of Maturity | Rate of Interest | No. of Installments due after the Balance sheet date | Amount of each monthly installments (₹) |
|-------------------|---------------------|---------------------|--|---|
| From Banks | | | | |
| Dena Bank | 8th Sept., 2019 | 14.50% | 54 | 265,000 |

6 SHORT TERM BORROWINGS

a. Short Term Borrowings consists of the following:

(Amount in ₹ '000)

| Particulars | As at 31st March, 2015 | As at 31st December, 2013 |
|---------------------------|---------------------------|------------------------------|
| Secured Borrowings | | |
| Loans repayable on demand | | |
| From Banks | | |
| Overdraft | 21,836 | 27,538 |
| -Cash Credit | - | 8,444 |
| TOTAL | 21,836 | 35,982 |

b. Bank Loans repayable on demand consists of Overdraft facility from Dena Bank which is secured by pledge of Fixed Deposits and Cash Credit facility from State Bank of India which is secured against hypothecation of Inventories & Book Debts.

7 TRADE PAYABLES

Trade Payables consists of the following:

(Amount in ₹ '000)

| Particulars | As at 31st March, 2015 | As at 31st December, 2013 |
|----------------|---------------------------|------------------------------|
| Trade Payables | 25,705 | 52,418 |
| TOTAL | 25,705 | 52,418 |

*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.

8 OTHER CURRENT LIABILITIES

Other Current Liabilities consists of the following:

(Amount in ₹ '000)

| Particulars | As at 31st March, 2015 | As at 31st December, 2013 |
|--|---------------------------|------------------------------|
| Current maturities of long term Borrowings | 3,180 | - |
| Trade Deposit and Advance | 4,816 | 3,291 |
| Advance From Customers | 1,695 | 761 |
| Unclaimed Dividend | 19 | 41 |
| Duties and Taxes Payables | 349 | 1,914 |
| Expenses Payable | 4,158 | 3,352 |
| TOTAL | 14,217 | 9,359 |

9 SHORT TERM PROVISIONS

Short Term Provisions consists of the following:

(Amount in ₹ '000)

| Particulars | As at 31st March, 2015 | As at 31st December, 2013 |
|----------------------------------|---------------------------|------------------------------|
| Provisions for Employee benefits | 145 | 177 |
| Provision for Warranty claims | - | 1,152 |
| TOTAL | 145 | 1,329 |

10 FIXED ASSETS

(Amount in ₹ '000)

| Particulars | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|--------------------------|-------------------------------|--------------------------------|--|---------------------------|-------------------------------|---------------|--|---------------------------|---------------------------|---------------------------------|
| | As at 1st January, 2014 | Addition during the year | Adjustment/ Deduction during the year | As at 31st March, 2015 | As at 1st January, 2014 | For the year | Adjustment/ Deduction during the year (Refer Note No.36) | As at 31st March, 2015 | As at 31st March, 2015 | As at 31st December, 2013 |
| Tangible Assets | | | | | | | | | | |
| Free hold Land | 944 | - | - | 944 | - | - | - | - | 944 | 944 |
| Building | 56,822 | 170 | - | 56,992 | 35,161 | 2,411 | (340) | 37,911 | 19,081 | 21,662 |
| Plant & Machinery | 169,721 | 2,964 | 648 | 172,037 | 107,753 | 5,623 | (298) | 113,674 | 58,363 | 61,968 |
| Furniture & Fixtures | 12,812 | 26 | 94 | 12,744 | 8,286 | 1,807 | (526) | 10,619 | 2,125 | 4,526 |
| Vehicles | 3,594 | - | 341 | 3,254 | 2,339 | 292 | (80) | 2,712 | 542 | 1,255 |
| Computer | 6,278 | 368 | - | 6,646 | 5,064 | 230 | (717) | 6,011 | 635 | 1,213 |
| Intangible Assets | | | | | | | | | | |
| Computer Software | 4,341 | 1,414 | - | 5,756 | 2,026 | 1,135 | (1,150) | 4,311 | 1,445 | 2,315 |
| Total | 254,512 | 4,942 | 1,082 | 258,371 | 160,630 | 11,498 | (3,110) | 175,237 | 83,135 | 93,882 |
| Previous Year | 224,332 | 31,492 | 1,312 | 254,512 | 156,491 | 5,437 | 1,298 | 160,630 | 93,882 | - |

11 NON CURRENT INVESTMENT

Non Current Investment consists of the following:

(Amount in ₹ '000)

| Particulars | As at 31st March, 2015 | As at 31st December, 2013 |
|---|---------------------------|------------------------------|
| Trade Investment | | |
| In Unquoted Equity Shares of | | |
| Integra Systems Private Limited | 1,000 | 1,000 |
| 1,00,000 (P.Y. 1,00,000) equity shares of ₹ 10/- each fully paid up | | |
| Less: Provision for Diminution | 1,000 | 1,000 |
| TOTAL | - | - |

Aggregate Value of Unquoted Investments

1,000

1,000

Aggregate provision for Diminution in value of Investments

1,000

1,000

12 DEFERRED TAX ASSETS (Net)

Deferred Tax Assets (Net) consists of the following:

(Amount in ₹ '000)

| Particulars | As at 31st March, 2015 | As at 31st December, 2013 |
|---|---------------------------|------------------------------|
| Deferred Tax (liabilities)/assets | | |
| Difference between book depreciation and tax depreciation | (8,454) | (9,057) |
| Provision for doubtful debts /advances/Diminution in Value of Inventories | 6,484 | 6,075 |
| Provision for Leave Encashment | 45 | 55 |
| Deferred payments | 767 | 1,393 |
| Carried Forward Business Loss/Unabsorbed depreciation (Refer Note No.39) | 22,831 | 23,208 |
| TOTAL | 21,673 | 21,673 |

13 LONG TERM LOANS AND ADVANCES

Long Term Loans And Advances consists of the following:

(Amount in ₹ '000)

| Particulars | As at 31st March, 2015 | As at 31st December, 2013 |
|------------------------------|---------------------------|------------------------------|
| (Unsecured, Considered Good) | | |
| Deposits | 682 | 608 |
| Capital Advance | 124 | 575 |
| TOTAL | 806 | 1,183 |

14 INVENTORIES**a. Inventories consists of the following:**

(Amount in ₹ '000)

| Particulars | As at 31st March, 2015 | As at 31st December, 2013 |
|--|---------------------------|------------------------------|
| Raw Material | 39,920 | 54,930 |
| Less: Provision for Diminution in value of Inventories | 15,161 | 15,161 |
| | 24,759 | 39,769 |
| Work in Progress | 36,178 | 36,093 |
| Stock in Trade | 727 | 1,656 |
| Stores and Spare Parts | 2,240 | 2,696 |
| TOTAL | 63,905 | 80,215 |

For basis of valuation of inventories refer Note No.1 (11)

b. Work in Progress have been classified under broad heads as follows:

(Amount in ₹ '000)

| Particulars | As at 31st March, 2015 | As at 31st December, 2013 |
|-------------------------------------|---------------------------|------------------------------|
| - Draw Frames | 6,326 | 7,736 |
| - Machine and Mechanical Appliances | 24,163 | 15,176 |
| - Relays | 4,357 | 10,581 |
| - Others | 1,332 | 944 |
| TOTAL | 36,178 | 34,437 |

c. Stock in Trade have been classified under broad heads as follows:

(Amount in ₹ '000)

| Particulars | As at 31st March, 2015 | As at 31st December, 2013 |
|----------------------|---------------------------|------------------------------|
| Laboratory Equipment | 142 | 142 |
| Electrical Equipment | 585 | 1,514 |
| TOTAL | 727 | 1,656 |

15 TRADE RECEIVABLES**Trade Receivables consists of the following:**

(Amount in ₹ '000)

| Particulars | As at 31st March, 2015 | As at 31st December, 2013 |
|--|---------------------------|------------------------------|
| (a)Trade Receivables due/overdue for a period more than 6 months | | |
| -Unsecured, Considered Good | 2,970 | 5,463 |
| -Unsecured, Considered Doubtful | 5,822 | 4,498 |
| | 8,792 | 9,961 |
| Less: Provision for Doubtful debts | 5,822 | 4,498 |
| Total (a) | 2,970 | 5,463 |
| (b)Trade Receivables not due/overdue for a period less than 6 months | | |
| -Unsecured, Considered Good | | |
| Due from related Parties* | 2,097 | 646 |
| -Others | 44,897 | 54,586 |
| Total (b) | 46,995 | 55,231 |
| TOTAL (a+b) | 49,964 | 60,695 |

* Represents due from Integra Systems Pvt. Ltd. ₹ 1783/- (P.Y. ₹ Nil thousands), Integra Bio Science, AG ₹ Nil thousands (P.Y. ₹ 499 thousands) and Aquametro AG ₹ 314 thousands (P.Y. ₹ 147 thousands), Peass Industrial Engineers Pvt. Ltd. ₹ 49 thousands (P.Y. ₹ Nil thousands)

16 CASH AND BANK BALANCE**Cash and Bank Balance consists of the following:**

(Amount in ₹ '000)

| Particulars | As at 31st March, 2015 | As at 31st December, 2013 |
|---|---------------------------|------------------------------|
| a) Cash and cash equivalent | | |
| Cash In Hand | 834 | 304 |
| Balance with Banks in | | |
| - Current Account | 7,050 | 1,272 |
| - Deposits Account | 14,779 | 12,702 |
| b) Other Bank Balance | | |
| - Unpaid Dividend Account | 19 | 41 |
| - Deposits -Security against the borrowings | 38,340 | 38,700 |
| TOTAL | 61,022 | 53,019 |

17 SHORT TERM LOANS AND ADVANCES

Short Term Loans And Advances consists of the following:

(Amount in ₹ '000)

| Particulars | As at 31st March, 2015 | As at 31st December, 2013 |
|--|------------------------|---------------------------|
| Advances Recoverable in cash or in kind or for value to be received -Unsecured, considered Good | 9,041 | 6,906 |
| | 9,041 | 6,906 |
| -Unsecured, considered good | | |
| Advance to Supplier | 2,429 | 849 |
| Income Tax (Net of provisions) | 14,355 | 11,942 |
| MAT Credit Entitlement | 4,495 | 4,495 |
| Deposit with Government Department | 716 | 2,863 |
| TOTAL | 31,035 | 27,054 |

18 REVENUE FROM OPERATION

a. Revenue From Operation consists of the following:

(Amount in ₹ '000)

| Particulars | For the period ended 31st March, 2015 | Year ended 31st December, 2013 |
|--------------------------|---------------------------------------|--------------------------------|
| Sale of Product | 272,468 | 236,184 |
| Sale of Services | 23,224 | 3,533 |
| Other Operating Revenues | 8,652 | 5,201 |
| TOTAL | 304,344 | 244,918 |

b. Sales have been classified under Broad Heads as follows:

(Amount in ₹ '000)

| Particulars | For the period ended 31st March, 2015 | Year ended 31st December, 2013 |
|--|---------------------------------------|--------------------------------|
| a. Manufactured Goods | | |
| -Draw Frames | 3,408 | 5,787 |
| -Relays | 81,132 | 82,566 |
| -Machine and Mechanical Appliances* | 174,847 | 141,535 |
| Total (a) | 259,388 | 229,888 |
| b. Traded Goods | | |
| -Laboratory Equipment | - | 108 |
| -Electrical Equipment | 13,080 | 6,188 |
| Total (b) | 13,080 | 6,296 |
| c. Services Rendered | | |
| -Erection and commissioning / Labour Job | 23,224 | 3,533 |
| Total (c) | 23,224 | 3,533 |
| Total (a to c) | 295,692 | 239,717 |

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

19 OTHER INCOME

Other Income consists of the following:

(Amount in ₹ '000)

| Particulars | For the period ended 31st March, 2015 | Year ended 31st December, 2013 |
|---------------------------------|---------------------------------------|--------------------------------|
| Rent Income | 11,933 | 8,123 |
| Interest Income | 6,439 | 4,958 |
| Excess Liabilities written back | 1,204 | 2,652 |
| Exchange Fluctuation Gain (Net) | - | 118 |
| Profit on sale of assets | 330 | 745 |
| Miscellaneous receipts | 368 | 273 |
| TOTAL | 20,275 | 16,870 |

20 COST OF MATERIAL

a. Cost Of Material consists of the following:

(Amount in ₹ '000)

| Particulars | For the period ended 31st March, 2015 | Year ended 31st December, 2013 |
|--|---------------------------------------|--------------------------------|
| a. Consumption of Raw Material | | |
| Opening Stock | 54,930 | 56,212 |
| Add : Purchases | 141,886 | 136,203 |
| | 196,817 | 192,415 |
| Less: Closing Stock | 39,920 | 54,930 |
| Total (a) | 156,896 | 137,485 |
| b. Consumption of Trading Materials | | |
| Opening Stock | 1,656 | 1,139 |
| Add : Purchases | 8,694 | 6,822 |
| | 10,351 | 7,961 |
| Less: Closing Stock | 727 | 1,656 |
| Total (b) | 9,624 | 6,305 |
| TOTAL (a +b) | 166,520 | 143,790 |

b. Material consumed comprises of the following:

(Amount in ₹ '000)

| Particulars | For the period ended 31st March, 2015 | Year ended 31st December, 2013 |
|---|---------------------------------------|--------------------------------|
| a. Raw Materials | | |
| Steel Rounds, Bars, Plates and Castings | 85,890 | 49,993 |
| Components and Others* | 71,007 | 87,492 |
| Total (a) | 156,896 | 137,485 |
| b. Trading Materials | | |
| Laboratory Equipment | - | 258 |
| Electrical Equipment | 9,624 | 6,046 |
| Total (b) | 9,624 | 6,305 |
| TOTAL (a+b) | 166,520 | 143,790 |

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

21 CHANGES IN INVENTORIES

Changes In Inventories consists of the following:

(Amount in ₹ '000)

| Particulars | For the period ended 31st March, 2015 | Year ended 31st December, 2013 |
|-------------------|---------------------------------------|--------------------------------|
| Opening stock | | |
| -Work in progress | 36,093 | 29,017 |
| | 36,093 | 29,017 |
| Closing Stock | | |
| -Work in progress | 36,178 | 36,093 |
| | 36,178 | 36,093 |
| TOTAL | (85) | (7,076) |

22 EMPLOYEE BENEFIT EXPENSES

Employee Benefit Expenses consists of the following:

(Amount in ₹ '000)

| Particulars | For the period ended 31st March, 2015 | Year ended 31st December, 2013 |
|---|---------------------------------------|--------------------------------|
| Salaries and Wages | 35,871 | 30,908 |
| Contribution to Provident and Other Funds | 3,201 | 4,133 |
| Workmen and Staff Welfare Expenses | 8,664 | 8,193 |
| TOTAL | 47,735 | 43,234 |

23 FINANCE COST

Finance Cost consists of the following:

(Amount in ₹ '000)

| Particulars | For the period ended 31st March, 2015 | Year ended 31st December, 2013 |
|-----------------------------|---------------------------------------|--------------------------------|
| Interest on Bank Loan | 4,665 | 5,533 |
| Bank Charges and Commission | 218 | 581 |
| TOTAL | 4,883 | 6,114 |

24 OTHER EXPENSES

Other Expenses consists of the following:

(Amount in ₹ '000)

| Particulars | For the period ended 31st March, 2015 | Year ended 31st December, 2013 |
|---|---------------------------------------|--------------------------------|
| Consumption of Stores & Spares, Tools including Packing Materials | 10,705 | 10,975 |
| Job Work and Processing Charges | 6,083 | 2,590 |
| Labour Charges | 16,852 | 9,865 |
| Power & Fuel | 6,904 | 5,236 |
| Repairs to -Factory Building | 1,194 | 2,127 |
| -Plant & Machinery | 599 | 640 |
| -Others | 1,518 | 1,016 |
| Insurance Expenses | 621 | 824 |
| Audit Fees | 575 | 450 |
| Legal and Professional Charges | 4,800 | 4,554 |
| Miscellaneous Expenses* | 7,276 | 6,560 |
| Exchange Fluctuation loss (Net) | 1,037 | - |
| Rent | 7 | 196 |
| Rates and Taxes | 122 | 187 |
| Security and other Services | 2,277 | 1,798 |
| Travelling Expenses | 2,636 | 2,700 |
| Commission / Brokerage | 626 | 1,317 |
| Selling and Distribution expenses | 2,680 | 1,748 |
| Sales Promotion Expenses | 953 | 8,452 |
| Provision for Doubtful Debts | 1,324 | 399 |
| TOTAL | 69,006 | 62,531 |

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

a. Remuneration to auditors has been classified as follows:

(Amount in ₹ '000)

| Particulars | For the period ended 31st March, 2015 | Year ended 31st December, 2013 |
|---------------------------|---------------------------------------|--------------------------------|
| As Auditors | 575 | 450 |
| For Taxation Matters | 250 | 54 |
| For Other Services | 225 | 150 |
| Reimbursement of Expenses | 73 | 17 |
| TOTAL | 1,123 | 671 |

25 EXCEPTIONAL ITEMS

Exceptional Items consists of the following:

(Amount in ₹ '000)

| Particulars | For the period ended 31st March, 2015 | Year ended 31st December, 2013 |
|--|---------------------------------------|--------------------------------|
| Provision for Diminution in value of Inventories | - | 2,713 |
| TOTAL | - | 2,713 |

26 ESTIMATED AMOUNT OF CONTRACTS REMAINING TO BE EXECUTED IS ₹ 260 THOUSANDS (P.Y. ₹ NIL).

27 CONTINGENT LIABILITIES

Contingent Liabilities not provided for are classified as under:

(Amount in ₹ '000)

| Particulars | For the period ended 31st March, 2015 | Year ended 31st December, 2013 |
|--|---------------------------------------|--------------------------------|
| Sales Tax | 1,351 | 1,351 |
| Income Tax | 5,215 | 5,215 |
| Excise Matters | 3,695 | 3,695 |
| Bank Guarantee | - | 584 |
| Claims against the Company not acknowledge as debt | 1,133 | 2,525 |
| Dividend on 4% Cumulative Redeemable Preference Shares | 51,710 | 45,510 |
| Claims against the Company before Labour Court | Amount not ascertainable | - |
| Pending Labour Cases | 625 | 625 |

28 ADDITIONAL INFORMATION PURSUANT TO PARA 5 OF PART II OF SCHEDULE III OF THE COMPANIES ACT, 2013.

a. CIF value of Imports :

(Amount in ₹ '000)

| Particulars | For the period ended 31st March, 2015 | Year ended 31st December, 2013 |
|---------------------------|---------------------------------------|--------------------------------|
| Raw Material & Components | 3,313 | 6,715 |
| Stores and Spares | - | 148 |
| Capital Assets | - | 23,130 |
| TOTAL | 3,313 | 29,993 |

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

| Particulars | For the period ended 31st March, 2015 | | Year ended 31st December, 2013 | |
|------------------------------|---------------------------------------|--------------------|--------------------------------|--------------------|
| | % | (Amount in ₹ '000) | % | (Amount in ₹ '000) |
| Raw Materials and Components | | | | |
| Imported | 2.80% | 4,386 | 6.43% | 8,843 |
| Indigenous | 97.20% | 152,510 | 93.57% | 128,642 |
| Total | 100.00% | 156,896 | 100.00% | 137,485 |
| Trading: | | | | |
| Imported | 0.00% | - | 4.10% | 258 |
| Indigenous | 100.00% | 9,624 | 95.90% | 6,046 |
| Total | 100.00% | 9,624 | 100.00% | 6,305 |
| Stores and Spares: | | | | |
| Imported | 0.00% | - | 0.00% | - |
| Indigenous | 100.00% | 10,705 | 100.00% | 10,975 |
| Total | 100.00% | 10,705 | 100.00% | 10,975 |

c. Earnings in foreign currency :

(Amount in ₹ '000)

| Particulars | For the period ended 31st March, 2015 | Year ended 31st December, 2013 |
|---|---------------------------------------|--------------------------------|
| Export Value of Goods Calculated on FOB Basis | 318 | 655 |
| TOTAL | 318 | 655 |

Additional Information pursuant to Provision of Paragraph 5 of Part II of Schedule III to the Companies Act, 2013 has been furnished to the extent applicable in view of the nature of business of the Company.

29 LEASE**Income**

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

Expenses

The company has obtained office premises under operating lease. These are generally cancellable lease. These leases are under operating lease and are renewable by mutual consent on mutually agreeable terms.

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

30 DISCLOSURE REQUIRED BY ACCOUNTING STANDARD (AS) 29, "PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS":**a) Movement in Warranty Provision:**

(Amount in ₹ '000)

| Particulars | For the period ended 31st March, 2015 | Year ended 31st December, 2013 |
|-------------------------------------|---------------------------------------|--------------------------------|
| Opening Balance | 1,152 | 1,170 |
| Addition/ provision during the year | - | (18) |
| Less: Written Back during the year | 1,152 | - |
| Closing Balance | - | 1,152 |

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.

31 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 | For the period ended 31st March, 2015 | Year ended 31st December, 2013 |
|--------------------------------------|---------------------------------------|--------------------------------|
| Contribution to Provident Fund | 1,723 | 1,460 |
| Contribution to Super Annuation Fund | 547 | 434 |
| TOTAL | 2,269 | 1,894 |

(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 March 31, 2015 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 set out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at March 31, 2015.

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

(Amount in ₹ '000)

| Particulars | As at 31st March 2015 | As at 31st December 2013 |
|---------------------------------------|-----------------------|--------------------------|
| | Gratuity (Funded) | Gratuity (Funded) |
| I. Defined Benefit obligation | | |
| Current Service Cost | 488 | 334 |
| Interest Cost | 630 | 487 |
| Actuarial (gain)/ loss on obligations | (374) | 909 |
| Benefits paid | (825) | (1,733) |
| PVO at the beginning of the year | 6,320 | 6,323 |
| PVO at the end of the year | 6,239 | 6,320 |

(Amount in ₹ 000)

| | As at 31st March 2015 | As at 31st December 2013 | | | |
|--|--------------------------|-----------------------------|------|------|-------|
| | Gratuity (Funded) | Gratuity (Funded) | | | |
| II. Reconciliation of the fair value of Plan Assets | | | | | |
| Expected return on Plan Assets | 834 | 755 | | | |
| Actuarial gain / (Loss) on Plan Assets | - | - | | | |
| Contributions by employer | 58 | - | | | |
| Benefits Paid | (825) | (1,733) | | | |
| Expenses | (75) | - | | | |
| Fair value of Plan Assets at the beginning of the year | 7,592 | 8,570 | | | |
| Fair value of Plan Assets at the end of the year | 7,584 | 7,592 | | | |
| III. Reconciliation of PVO and Fair value of Plan of assets | | | | | |
| PVO at the end of the year | 6,239 | 6,320 | | | |
| fair value of Planned assets at the end of the year | 7,584 | 7,592 | | | |
| Funded Status | (1,345) | (1,272) | | | |
| Unrecognised actuarial gain / (Loss) | - | - | | | |
| Net (asset) / liability recognised in the Balance sheet | (1,345) | (1,272) | | | |
| IV. Net cost for the Period ended 31st March | | | | | |
| Current Service Cost | 488 | 334 | | | |
| Interest Cost on benefit obligation | 630 | 487 | | | |
| Expected return on Plan Assets | 834 | 755 | | | |
| Actuarial (gain)/ loss on obligations | (374) | 909 | | | |
| Net Cost | (90) | 975 | | | |
| V. Assumption used in accounting for the gratuity plan | | | | | |
| Discount Rate (%) | 8 | 8 | | | |
| Salary escalation rate (%) | 5 | 5 | | | |
| Vi. Experience Adjustment | | | | | |
| Particulars | 2014-2015 | 2013 | 2012 | 2011 | 2010 |
| Experience adjustment on account of plan liabilities [Gain / (Loss)] | 135 | 1038 | 142 | 1484 | 2,568 |
| Experience adjustment on account of plan assets [Gain / (Loss)] | 37 | 419 | 325 | 85 | 53 |

32 THE OPERATIONS OF THE COMPANY ARE LIMITED TO ONE SEGMENT, NAMELY, "MANUFACTURING OF MACHINERIES AND COMPONENTS".

33 RELATED PARTY DISCLOSURE

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

| Name of Related Parties | Nature of Relationship |
|------------------------------------|--------------------------|
| Integra Holding AG, Switzerland | Holding Company |
| Integra Bioscience AG, Switzerland | Fellow Subsidiary |
| Aquametro AG, Switzerland | Fellow Subsidiary |
| Integra Systems Pvt. Ltd | Associates |
| Yogesh Shah | Key Management Personnel |

(Amount in ₹ '000)

| Nature of Transaction | Fellow Subsidiary | Associate | Key Management Personnel | Total |
|---------------------------------------|-----------------------|-----------------------|--------------------------|-------------------------|
| Material Purchase | 806 | 3,459 | Nil | 4,265 |
| a. Aquametro AG, Switzerland | (4,561) 806 | - Nil | (Nil) Nil | (4,561) 806 |
| b. Integra Systems Pvt Ltd | (4,561) Nil | (Nil) 3,459 | (Nil) Nil | (4,561) 3,459 |
| | (Nil) | (Nil) | (Nil) | (Nil) |
| Sales | Nil | 18,110 | Nil | 18,110 |
| a. Integra Systems Pvt Ltd | (Nil) Nil | (Nil) 18,110 | (Nil) Nil | (Nil) 18,110 |
| | (Nil) | (Nil) | (Nil) | (Nil) |
| Management Contract | 3,506 | Nil | Nil | 3,506 |
| a. Aquametro AG, Switzerland | (4,241) 3,506 | (Nil) Nil | (Nil) Nil | (4,241) 3,506 |
| b. Integra Bioscience AG, Switzerland | (1,729) Nil | (Nil) Nil | (Nil) Nil | (1,729) Nil |
| | (2,512) | (Nil) | (Nil) | (2,512) |
| Remuneration | Nil | Nil | 1,485 | 1,485 |
| a. Mr.Yogesh Shah | (Nil) Nil | (Nil) Nil | (992) 1,485 | (992) 1,485 |
| | (Nil) | (Nil) | (992) | (992) |
| Rent Income | Nil | 749 | Nil | 749 |
| a. Integra Systems Pvt Ltd | (Nil) Nil | (Nil) 749 | (Nil) Nil | (Nil) 749 |
| | (Nil) | (Nil) | (Nil) | (Nil) |
| Balance as on 31st March | | | | |
| Payables | 184 | Nil | Nil | 184 |
| a. Aquametro AG, Switzerland | (3,456) 184 | (Nil) Nil | (Nil) Nil | (3,456) 184 |
| | (3,456) | (Nil) | (Nil) | (3,456) |
| Receivables | 314 | 1,783 | Nil | 2,097 |
| a. Aquametro AG, Switzerland | (646) 314 | (Nil) Nil | (Nil) Nil | (646) 314 |
| b. Integra Bioscience AG, Switzerland | (146) Nil | (Nil) Nil | (Nil) Nil | (146) Nil |
| a. Integra Systems Pvt Ltd | (499) Nil | (Nil) 1,783 | (Nil) Nil | (499) 1,783 |
| | (Nil) | (Nil) | (Nil) | (Nil) |

Amounts in bracket indicate previous year figures.

34 EARNING PER SHARE (EPS)

(Amount in ₹ '000)

| Particulars | For the period ended 31st March, 2015 | Year ended 31st December, 2013 |
|---|---------------------------------------|--------------------------------|
| Basic and Diluted Earning per Share | | |
| Profit / (Loss) attributable to the equity shareholders | (125) | (7,184) |
| Weighted Average number of equity shares | 34,245,196 | 34,245,196 |
| Face Value per share (In ₹) | 1 | 1 |
| Basic Earning per share (In ₹) | (0.00) | (0.21) |
| Diluted Earning Per Share (In ₹) | (0.00) | (0.21) |

- 35 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.
- 36 The Company has early adopted Part C of Schedule II to the Companies Act, 2013 from 1st January 2014. Accordingly the Company has reassessed the remaining useful life of fixed assets in accordance with the provisions prescribed under Schedule II to the Act. In case of assets which have completed their useful life, the carrying value (net of residual value) as at 1st January, 2014 amounting to ₹ 4,166 thousands has been adjusted to Statement of Profit and Loss and in case of other assets the carrying value (net of residual value) is being depreciated over the revised remaining useful life. The depreciation and amortisation expense charge for the year ended 31st March, 2015 would have been lower by ₹ 7,593 thousands had the Company continued with the previous assessment of useful life of such assets.
- 37 As per the opinion of the management, Deferred tax assets of ₹ 22,831 thousands 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.
- 38 The balances of trade receivables and trade payables are subject to adjustment if any on reconciliation/settlement.
- 39 The Company has changed its year ending from December 31 to March 31 in pursuance to Section 2 (42) of Companies Act, 2013. Accordingly, these accounts have been prepared for the fifteen months ended on March 31, 2015. The corresponding figures for the previous year are therefore, not comparable with those of the current period.
- 40 Figures of the Previous year have been regrouped/ reclassified wherever necessary.

For K. C. Mehta & Co.
Chartered Accountants

Vishal P. Doshi
Partner
Membership No. 101533

Place : Vadodara
Date : May 13, 2015

For and on Behalf of the Board

Adrian Oehler
Chairman

Shalin Divatia
Director

Bhavin Kariya
Chief Financial Officer

Amish Sheth
Company Secretary

Place : Halol
Date : May 13, 2015

KIND ATTENTION TO SHAREHOLDERS HOLD SHARES IN PHYSICAL MODE

DATE: June 11, 2015

SUB: SPECIMEN SIGNATURE(S)

Dear Sir/Madam,

While going through the specimen signature record in respect of your shareholding in physical mode, it is observed that specimen signatures of few folios, including your folio, scanned and stored in our system are slightly illegible & not clear.

Therefore, in order to update the signature records, we intend to scan the specimen signature(s) afresh. For the purpose, we request you to kindly affix your signature(s) as registered with us originally, on the specimen signature card appended duly attested by your Banker hereto alongwith self-attested copy of PAN Card & photo id proof e.g. copy of Election Card / Passport etc. of shareholder(s). The fresh signature(s) so submitted by you shall be registered in place of the present signature(s), which may please be noted.

Kindly note the above exercise is undertaken to help us in providing better services to valued shareholders.

Thanking you, and looking forward to your prompt response.

Yours Faithfully,

FOR INTEGRA ENGINEERING INDIA LIMITED

(Sd/-)

Amish Sheth

Company Secretary

----- ✂ ----- ✂ ----- PLEASE TEAR FROM HERE & MAIL US ----- ✂ ----- ✂ -----

SPECIMEN SIGNATURE UPDATION REQUEST

I/we, the shareholder(s) of M/s Integra Engineering India Limited, holding equity share(s) as per the details given below, request the company/its R & T Agent to update my/our below mentioned Specimen signature(s) in their records.

Certificate No(s): _____ Nos. of Shares : _____

Integra Engineering India Ltd

| Name of Shareholder/s | Specimen Signature (Folio Number : _____) |
|-----------------------|---|
| 1. | |
| 2. | |
| 3. | |

This to Certify that the abovementioned person is holding Account No. _____

in the _____ Bank at _____ (branch) and that the above specimen signature signature is/are matching with our records.

Date :

Place :

Signature & Seal of

Bank Manager with his employee code

Form No. MGT-11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013, and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of Member(s)

Registered address

Email ID

Folio No. _____ DP Id _____ Client Id _____

I / We, being the Member(s) holding _____ shares of INTEGRA Engineering India Limited, hereby appoint:

1. Name _____

Address _____

Email ID _____

Signature _____, or failing him/ her _____

2. Name _____

Address _____

Email ID _____

Signature _____, or failing him/ her _____

3. Name _____

Address _____

Email ID _____

Signature _____

as my/ our proxy to attend and vote (on a poll) for me/us and on my / our behalf at the THIRTY THIRD ANNUAL GENERAL MEETING of the Company to be held on Wednesday, August 12, 2015 at 3.00 p.m. at Registered Office of the Company situated at Chandrapura Village, Taluka: Halol - 389 350, District: Panchmahals, Gujarat and at any adjournment(s) thereof in respect of such resolutions as are indicated below:

Ordinary business:

1. Adoption of Audited Accounts for the period ended March 31, 2015.
2. Re-appointment of Ms. Corinne Raez.
3. Appointment of Statutory Auditors.

Special business:

4. Appointment of Mr. Shalin Divatia as an Independent Director.
5. Appointment of Mr. Rahul Divan as an Independent Director.
6. Appointment of Mr. Bhargav Patel as an Independent Director.
7. Appointment of Mr. Mahendra Sanghvi as an Independent Director.
8. Employees Stock Option Plan (2015).

Signed this _____ day of _____ 2015.

Signature of Shareholder : _____

Signature of Proxy holder(s) : _____

| |
|----------------------------------|
| Affix ₹ 1 Revenue Stamp |
|----------------------------------|

Note: **This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**



INTEGRA Engineering India Limited

Registered Office : Post Box No. 55, Chandrapura Village, Tal. Halol - 389 350, Dist. Panchmahals, Gujarat, India
Tel. : +91-2676-221870, 09099918471, Fax : +91-2676-220887, www.integraengineering.in
CIN : L29199GJ1981PLC028741