

INTEGRAL INVESTMENTS LIMITED

Board of Directors	Mr. R. Janardhanan Mr. A. Venkatesan Mrs. S. vislakshi
Auditors	M/s Suri & Co., Chartered Accountants, Coimbatore
Bankers	Andhra bank State Bank of India
Registered Office	Post Box No. 6331, 1087-A, Avanashi Road, Coimbatore - 641 037. India

DIRECTORS' REPORT

Your directors are pleased to present the 10th Annual Report along with the Audited Accounts for the year ended 31st March 2004.

Financial Results

During the year, the Company has incurred a loss of Rs.437.89 lakhs.

Dividend

No dividend has been recommended for the financial year ended 31st March 2004.

Directors

Mr. A. Venkatesan retired by rotation at the ensuing annual general meeting and is eligible for re-appointment.

Auditors

The Auditors of the Company M/s Suri & Co., chartered Accountants, Coimbatore, retire at the ensuing Annual General Meeting and are eligible for re-appointment.

Fixed Deposits

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

Information as per Sec. 217 (1) (e) of the Companies Act 1956

The Company has no activities relating the conservation of energy or technology absorption. The Company did not have

foreign exchange earnings or outgo during the year under review.

Personnel

Your company has not employed any person attracting the provision of Sec. 217 (2a) of the Companies Act 1956 during the period under review.

Directors' Responsibilities Statement

The Directors confirm:

- that the applicable accounting standard have been followed along with proper explanation wherever required in the preparation of annual accounts;
- that the company has adopted prudent accounting policies;
- that proper care has been taken for maintenance of accounting records in accordance with the provisions of the Act and
- that the annual accounts of the Company have been prepared on a going concern basis.

For and on behalf of the Board
R. Janardhanan
A. Venkatesan
Directors

Coimbatore
22nd May 2004

REPORT OF THE AUDITORS TO THE SHAREHOLDERS

We have audited the attached Balance Sheet of Integral Investments Limited, Coimbatore, as at 31st March 2004 and also the Profit & Loss Account for the year ended on that date annexed thereto. This financial statement are the responsibility of the Companies Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Auditing Standards generally accepted in India. Those standards require that the plan and perform the audit to obtain reasonable assurance about whether the financial statement are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amount and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion as required by the manufacturing and other companies (Auditors Report) Order, 1988 issued by the Central Govt. of India in terms of Sub-Section (4a) of Sec. 227 of the Companies Act 1956, we enclose in the Annexure a statement on the matter specified in paragraphs 4 & 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

- 1) We have obtained all the information and explanations which to the best of our knowledge and belief where necessary for the purpose of our audit.
- 2) In our opinion, proper book of accounts as required by law have been kept by the Company so far as appears from our examination of those books.
- 3) The balance sheet and the profit and loss account dealt with by this report are in agreement the books of accounts.
- 4) In our opinion the Balance Sheet and the Profit and loss a counts dealt with by this report comply with accounting standards refer to in sub- Section (3C) of Section 211 of the Companies Act, 1956.
- 5) On the basis of the written representation received from the directors as on 31st March 2003 and taken on record by the board of Directors we report that none of the Directors is Disqualify as on 31 march 2003 from being appointed as Directors in terms of clause (g) of Sub-section (1) of Section 274 of the Companies Act 1956.
- 6) In our opinion and to thebest of our information and according to the explanation given to us, the said accounts together with the attached schedules and notes there on give the information required by the Companies Act1956,

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 Balance Sheet, of the state of affairs of the company as at 31 st March 2004; and
- b) in the case of the Profitand loss accounts, of the Profit for the year ended on that date.

Coimbatore
22nd May 2004

For Suri & Co.,
C S Sathyanarayanan
Partner
Chartered Accountants

Annexure to the Auditors Report

1. The Company has not accepted any deposits from the Public
2. According to the information furnished to us, the Company has an internal audit system commensurate with the size of the company and the nature of its business
3. to the best of our knowledge and according to the information and explanations given to us, there arte no undisputed amounts of taxes and duties outstanding for a period of more than six months from the date they became payable as on the balance sheet date
4. According to the information and explanations given to us, there are no expenses of a personal nature charged to profit and loss accounts.
5. The Company is not a sick industries company with in the meaning of clause (o) of Sub section (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1956.
6. The Company has maintained proper records of transactions and contracts in respect of trading in shares and that timely entries have been made therein. All shares have been held by the Company in its own name except to the extent of the exemption granted under section 49 of the Companies Act, 1956, and save for certain shares which are either lodged for transfer or held with valid transfer forms.
7. The other provisions of the Manufacturing and Other Companies (Auditors Report) Order,1988, do not apply to the company.

Coimbatore
22nd May 2004

For Suri & Co.,
C S Sathyanarayanan
Partner
Chartered Accountants

BALANCE SHEET AS AT 31st MARCH, 2004

	31-3-2004 Rs. in '000	31-3-2003 Rs. in '000
SOURCES OF FUNDS		
Share Capital		
Authorised		
37,50,000 Equity Shares of Rs.10/- each	37,500	37,500
Issued, Subscribed & Paid-up		
22,50,000 Equity Share of Rs.10/- each fully paid-up (held by the Holding Company, M/s. Premier Instruments & Controls Limited)	22,500	22,500
Reserves & Surplus		
General Reserve		
As per last Balance Sheet	4,282	5,353
Less : Transfer to Statutory Reserve	—	1,071
	4,282	4,282
Statutory Reserve		
As per last Balance Sheet	1,091	—
Add : Transfer from General Reserve	—	1,071
Add : Transfer from Profit and Loss Account	—	20
	1,091	1,091
Surplus - Balance in Profit and Loss Account	—	80
	27,873	27,953
APPLICATION OF FUNDS		
Investments (Long Term) at cost - Schedule I		
Current Assets, Loans and Advances/	20,749	28,324
A. Current Assets		
Balance with Bank	763	26
B. Loans and Advances		
Unsecured Considered Good Advances recoverable in cash or in kind or for value to be received	81,613	81,613
Tax payment - Pending Adjustments	69	125
	82,445	81,764
Less : Current Liabilities and Provisions :		
A. Current Liabilities :		
Sundry Creditors	71	71
Due to Holding Company	78,152	81,837
B. Provisions :		
For Taxation	—	227
For Non Performing Assets	40,807	—
	119,030	82,135
Net Current Assets	(36,585)	(371)
Profit and Loss Account	43,709	—
	27,873	27,953

Schedule 1, Accounting Policies and the Notes on Accounts form part of this Balance Sheet.

As per our report of date attached
For SURI & Co.,
C.S. Sathyanarayanan
Partner, Chartered Accountants

Coimbatore, 22nd May, 2004

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2004

	2003-04 Rs. in '000	2002-03 Rs. in '000
Income		
Investment Income		
Dividend	995	539
Other Income	131	65
Total	1,126	604
Expenditure		
Establishment Charges and other expenses		
	9	11
Auditors Remuneration		
For Audit	6	6
For Certifications etc.,	3	4
For Travelling Expenses	1	1
	10	11
Advances Written Off		
	—	49,260
Diminution in value of investments		
	4,290	18,465
Provision for Non Performing Assets		
	40,807	—
	45,097	67,725
Less : Amount no longer payable written back		
	—	67,470
	45,097	255
Total	45,116	277
Profit / (Loss) before Tax		
	(43,990)	327
Less : Provision for Taxation		
	—	227
Less : Excess Provision for Tax withdrawn		
	201	—
Profit / (Loss) after Tax		
	(43,789)	100
Add : Balance brought forward from previous years		
	80	—
Amount available for appropriation		
	(43,709)	100
Appropriation :		
Statutory Reserve		
	—	20
Surplus carried over		
	(43,709)	80
	(43,709)	100
Earning per share (Basic) - Schedule - 2 (in Rs.)		
	(19,462)	0.044

Schedule 2, Significant Accounting Policies and the Notes on Accounts form part of this Profit and Loss Account.

For and on behalf of the Board

R. Janardhanan
A. Venkatesan
Directors

SCHEDULE FORMING PART OF ACCOUNTS

	Cost	Cost		
	31-3-2004	31-3-2003		
	Rs. in '000	Rs. in '000		
Schedule I - INVESTMENTS - LONG TERM				
1. Quoted :				
1,52,476 Equity Shares of Rs.10/- each fully paid-up in Precot Mills Ltd., Coimbatore.	16,290	16,290	11,248 Equity Shares of Rs.100/- each fully paid-up in Pricol Finance Limited, Coimbatore (Sold during the year)	— 1,125
18,065 Equity Shares of Rs.10/- each fully paid-up in Super Spinning Mills Ltd., Coimbatore.	3,340	5,001	3,190 Equity Shares of Rs.100/- each fully paid-up in Shanmugha Steel Industries Ltd., Coimbatore.	160 160
3,442 Equity Shares of Rs.10/- each fully paid-up in Ashok Leyland Finance Limited, Chennai. (1192 shares added due to conversion of preference shares during the period)	113	113		43,248 46,534
11,250 Equity Shares of Rs.10/- each fully paid-up in Lakshmi Auto Components Ltd., Chennai.	175	175	Less: Diminution in Value of Investments	22,500 18,210
3,000 Equity Shares of Rs.10/- each fully paid-up in Munjal Auto Industries Ltd., Baroda.	30	30		20,748 28,324
64,000 Equity Shares of Rs.10/- each fully paid-up in Andhra Bank (50000 shares sold during the period)	640	1,140	a. Aggregate Face Value of Quoted Investments is Rs.30,66,660/-.	
			b. Aggregate Market Value of Quoted Investments is Rs.99,46,207/-.	
2. Unquoted :				
17,50,000 12.5% Cumulative Non-convertible Preference Shares of Rs.10/- each fully paid-up in Terra Agro Technologies Limited, Coimbatore.	17,500	17,500	Schedule 2 -EARNINGS PER SHARE (Basic)	
5,00,000 14% Cumulative Non-convertible Preference Shares of Rs.10/- each fully paid-up in Terra Agro Technologies Limited, Coimbatore.	5,000	5,000		
				31-3-2004 31-3-2003
				Rs. in '000 Rs. in '000
			a. Profit / Loss After Tax (Rs. in '000)	(43,991,741) 100
			b. Equity Shares of Rs.10/- each (Nos.)	2,250,000 2,250,000
			c. Earnings per Share (a/b) (In Rupees)	(19,551.885) 0.045
			ACCOUNTING POLICIES	
			1. Investments — Long Term	
			Investments are stated at Cost.	
			2. Income	
			Dividend is accounted as and when declared & received. Other income accounted on accrual basis.	
			3. Expenditure	
			Expenses are accounted for on accrual basis.	
			4. Accounting standards prescribed by the Institute of Chartered Accountants of India and NBFC Prudential Norms issued by Reserve Bank of India have been followed wherever applicable.	

As per our report of date attached
For SURI & Co.,
C.S. Sathyanarayanan
Partner, Chartered Accountants

Coimbatore, 22nd May, 2004

For and on behalf of the Board

R. Janardhanan
A. Venkatesan
Directors

ANNUAL REPORT 2004

NOTES ON ACCOUNTS

1. Incometax Assessments are completed upto 31-3-2000.
 2. Earnings in Foreign Currency and Expenditure in Foreign Currency - Nil.
 3. As the Company is not a manufacturing Company, the particulars required in Para 4C of Part II of Schedule VI to Companies Act, 1956 are not applicable.
 4. Previous year's figures have been regrouped wherever necessary to conform to the current year's classifications.
 5. As a prudent measure, the recognition of deferred tax asset as required by the accounting standard for accounting of taxes on income has not been considered in the accounts.
 6. Figures have been rounded off to the nearest thousand.
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BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No.	: 5250	State Code	: 181
Balance Sheet Date	: 31st day of March, 2004		

II. Capital Raised during the year (Amount in Rs. Thousands)

Public Issue	: Nil	Rights Issue	: Nil
Bonus Issue	: Nil	Private Placement	: Nil

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	: 146,902	Total Assets	: 146,902
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Sources of Funds

Paid-up Capital	: 22,500
Reserves & Surplus	: 5,373
Deferred Tax	: Nil
Secured Loans	: Nil
Unsecured Loans	: Nil
Current Liabilities	: 119,029

Application of Funds

Net Fixed Assets	: Nil
Current Assets	: 82,445
Accumulated Losses	: 43,709
Investments	: 20,748
Misc. Expenditure	: Nil

IV. Performance of Company (Amount in Rs. Thousands)

Total Income	: 1,124	Profit / (Loss) After Tax	: (43,789)
Total Expenditure	: 45,116	Earnings per Share (in Rs.)	: (19.46)
Profit / (Loss) Before Tax	: (43,990)	Dividend rate	: Nil

V. Generic Names of Three Principal Products / Services of Company (as per monetary terms)

INVESTMENTS

As per our report of date attached

For and on behalf of the Board

Coimbatore, 22nd May, 2004

