

INTEGRAL INVESTMENTS LIMITED

Board of Directors	Mr. A. Venkatesan Mrs. Visalam R.S. Mr. P. Ravi (From 8th November 2006) Mr. R. Janardhanan (Upto 8th November 2006)
Auditors	M/s Suri & Co., Chartered Accountants, Coimbatore
Bankers	Andhra Bank & IndusInd Bank Limited
Registered Office	702/7, Avanashi Road, Coimbatore - 641 037, India

DIRECTORS' REPORT

Your Directors are pleased to present the Thirteenth Annual Report alongwith the Audited Accounts for the year ended 31st March 2007.

Financial Results

During the year, the Company has incurred a loss of Rs.22,000. There was no income to the company during the financial year.

Dividend

No dividend has been recommended for the financial year ended 31st March 2007.

Directors

Mr. A. Venkatesan retire by rotation at the ensuing Annual General Meeting and is eligible for reappointment.

Mr. R. Janardhanan resigned from the Board with effect from 8th November 2006. The directors would like to place on record their appreciation for his valuable contribution made for the development of the company during his tenure as Director.

Mr. P. Ravi has joined the Board of Directors on 8th November 2006 as an additional director under section 260 of the Companies Act, 1956. He vacates the office on the date of the forthcoming 13th Annual General Meeting and is eligible for 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 reappointment.

Fixed Deposits

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

Information as per Section 217(1)(e) of the Companies Act, 1956

The company has no activities relating to 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 provisions of Section 217(2A) of the Companies Act, 1956 during the period under review.

Directors Responsibility Statement

The Directors confirm:

- that the applicable accounting standards 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

Coimbatore
29th May 2007

A. Venkatesan
P. Ravi
Directors

Integral Investments Limited

REPORT OF THE AUDITORS TO THE SHAREHOLDERS

We have audited the attached Balance Sheet of Integral Investments Limited, Coimbatore, as at 31st March, 2007 and also the Profit and Loss Account for the year ended on that date annexed thereto and Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the over all financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies' (Auditor's Report) Order, 2003, and according to the information and explanations given to us during the course of the audit and on the basis of such checks as were considered appropriate, we enclose in the Annexure a statement on the matters specified in paragraph 4 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 were necessary for the purpose of our audit.
- 2) In our opinion, proper books 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 with the books of account.
- 4) In our opinion the Balance Sheet and Profit and Loss Account dealt with by this report comply with the Accounting Standards referred 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, 2007 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March,

2007 from being appointed as a Director in terms of Clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956.

- 6) In our opinion and to the best of our information, and according to the explanations given to us, the said financial statements, read together with the attached schedules and notes forming part of accounts give the information required by the Companies Act, 1956, in the manner so required and present 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 2007;
 - b) In the case of the Profit and Loss Account, of the loss for the year ended on that date, and
 - c) In the case of Cash Flow Statement of the cash flows for the year ended on that date.

Coimbatore
29th May 2007

For Suri & Co
Chartered Accountants
C.S. Sathyanarayanan
Partner
Membership No.28328

Annexure to Auditor's Report

1. During the year, the company has neither granted loans to nor taken loans from Companies, firms or other parties covered in the Register maintained under section 301 of the Companies Act, 1956.
2. There are no transactions made in pursuance of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered in the register required to be maintained under that section.
3. According to the information furnished to us, the Company has an adequate Internal Audit system commensurate with its size and nature of its business.
4. To the best of our knowledge and according to the information and explanations given to us, there are 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.
5. The accumulated losses of the Company as at the end of the financial year has not exceeded 50% of its net worth and the company has incurred cash loss during

REPORT OF THE AUDITORS TO THE SHAREHOLDERS (Contd..)

- the financial year covered by our audit and has not incurred any cash losses in the immediately preceding financial year.
6. The Company has not defaulted in repayment of its dues to financial institution, banks and debenture holders.
 7. During the year, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures or other securities.
 8. The provisions of Special Statutes applicable to Chit Fund, Nidhi or Mutual Benefit Fund/Societies are not applicable to the Company.
 9. The Company has maintained proper records of transactions and contracts in respect of trading in shares and that timely entries have been made there in. 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.
 10. According to the information and explanations given to us, the Company has not given any guarantee during the year for loans taken by others from banks and financial institutions.
 11. The Company has not obtained any term loan during the year.
 12. According to the information and explanations given to us and on an overall examination of the Source and Application of the Funds of the company, we report that no funds raised on short-term basis have been used for long-term investments by the company.
 13. According to the information and explanations given to us, and the books and records examined by us, there are no frauds on or by the Company that has been noticed or reported during the year.
 14. The other provisions of the Companies (Auditor's Report) Order, 2003, do not apply to the company.

For Suri & Co
Chartered Accountants
C.S. Sathyanarayanan
Partner
Membership No.28328

Coimbatore
29th May 2007

ACCOUNTING POLICIES

1. **Investments — Long Term**
Investments are stated at Cost.
2. **Income**
Dividend is accounted as and when declared & received.
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.

NOTES ON ACCOUNTS

1. Income Tax Assessments are completed upto Assessment year 2004-05.
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.
7. List of Related parties with whom transactions have taken place during the year 2006-07 and relationship.

Holding Company : Pricol Limited; **Fellow Subsidiaries** : English Tools and Castings Limited & PT Pricol Surya, Indonesia.

(Rs. '000)

Name of Transaction	Holding Company		Fellow Subsidiaries	
	06-07	05-06	06-07	05-06
Outstanding Loan - Opening	14,422	(76,855)	—	—
Amount received during the year	1,053	—	—	—
Amount paid during the year	—	91,277	—	—
Outstanding Loan - Closing	13,369	14,422	—	—

8. The Company's operations mainly relate to one segment.

Integral Investments Limited

BALANCE SHEET AS AT 31st MARCH, 2007

	31-3-2007 Rs. '000	31-3-2006 Rs. '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 Shares of Rs.10/- each fully paid-up (held by the Holding Company, Pricol Limited)	22,500	22,500
Reserves & Surplus		
General Reserve		
As per last Balance Sheet	4,282	4,282
Less : Adjusted against debit balance of Profit & Loss Account	4,282	4,282
	—	—
Statutory Reserve		
As per last Balance Sheet	1,091	1,091
	23,591	23,591
APPLICATION OF FUNDS		
Investments (Long Term)		
at cost - Schedule I	9,359	8,362
Current Assets, Loans and Advances		
I. Current Assets		
Balance with Banks	107	78
Cash on hand	2	—
II. Loans and Advances		
Advances recoverable in cash or in kind or for value to be received and considered good		
Due from Holding Company	13,369	14,422
Tax payment-Pending Adjustments	69	69
(A)	13,547	14,569
Less : Current Liabilities and Provisions		
I. Current Liabilities :		
Sundry Creditors	8	11
II. Provisions :		
For Taxation	420	420
(B)	428	431
Net Current Assets (A-B)	13,119	14,138
Profit and Loss Account	5,395	5,373
Less : Adjusted against General Reserves	4,282	4,282
	1,113	1,091
	23,591	23,591

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

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2007

	2006-07 Rs. '000	2005-06 Rs. '000
INCOME		
Investment Income		
Dividend	—	534
Profit on sale of shares (Investments)	—	32,938
Other Income	—	20
Total	—	33,492
EXPENDITURE		
Establishment Charges and other expenses	12	21
Auditors Remuneration		
For Audit	7	7
For Certifications etc.,	2	5
For Travelling Expenses	1	1
	10	13
Total	22	34
Profit/(Loss) Before Tax	(22)	33,458
Add : Extra ordinary item	—	(495)
Profit/(Loss) After Tax	(22)	32,963
Add : Balance brought forward from previous years	(5,373)	(38,336)
Loss carried over	(5,395)	(5,373)
Schedule - 2		
Earnings per share (Basic) (Face Value of Rs.10/- each)		
a. Profit/(Loss) After Tax (Rs. '000)	(22)	32,963
b. Equity Shares of Rs.10/- each (Nos.)	2,250,000	2,250,000
c. Earnings per Share (a/b) (in Rs.)	(0.01)	14.65

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

As per our report of date attached
For SURI & Co.,
Chartered Accountants
C.S. Sathyanarayanan
Partner, Membership No.28328
Coimbatore, 29th May 2007

For and on behalf of the Board

A. Venkatesan
P. Ravi
Directors

SCHEDULES FORMING PART OF THE ACCOUNTS

	Cost 31-3-2007 Rs. '000	Cost 31-3-2006 Rs. '000		Amount outstanding	Amount Overdue
Schedule I - INVESTMENTS - LONG TERM					
1. Quoted :					
71 Equity Shares of Re.1/- each fully paid-up in TVS Motors Ltd	1	1	b) Deferred Credits	—	—
50 Equity Shares of Rs.10/- each fully paid-up in Munjal Auto Industries Ltd	1	1	c) Term Loans	—	—
50 Equity Shares of Rs.10/- fully paid-up in Shivam Autotech Ltd			d) Inter-corporate Loans and Borrowings	—	—
			e) Commercial Paper	—	—
			f) Public Deposits	—	—
			g) Other Loans	—	—
2. Unquoted :					
7,20,000 Equity Shares of Rs.10/- each fully paid-up in Pricol Technologies Ltd., Coimbatore	7,200	7,200	2 Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid)		
1,99,700 Equity Shares of Rs.10/- each fully paid in Synoro Technologies Ltd, Coimbatore (Previous year 49,400 Equity Shares of Rs.10/- each)	1,997	494	a) In the form of Unsecured Debentures	—	—
3,190 Equity Shares of Rs.100/- each fully paid-up in Shanmuga Steel Industries Ltd., Coimbatore	160	160	b) In the form of partly secured debentures i.e., debentures where there is a shortfall in the value of security	—	—
	9,359	7,856	c) Other public deposits	—	—
3. Application money paid					
Synoro Technologies Limited	—	506	Assets Side		
	9,359	8,362	3 Break-up of loans and advances including bills receivables (other than those included in (4) below)		
			a) Secured	—	—
			b) Unsecured	—	—
			4 Break-up of leased assets and stock on hire and hypothecation loans counting towards EL/HP activities		
			i) Lease assets including lease rentals under sundry debtors:		
			a) Financial lease	—	—
			b) Operating lease	—	—
			ii) Stock on hire including hire charges under Sundry debtors		
			a) Assets on hire	—	—
			b) Repossessed assets	—	—
			iii) Hypothecation loans counting towards EL/HP activities		
			a) Loans where assets have been repossessed	—	—
			b) Loans other than (a) above	—	—
			5 Break-up of Investments :		
			Current Investments :		
			1. Quoted :		
			i) Shares :	a) Equity	—
				b) Preference	—
			ii) Debentures & Bonds		—

SCHEDULE TO THE BALANCE SHEET FOR THE YEAR ENDED 31st MARCH, 2007

(As required in terms of paragraph 9BB on Non-banking Financial Companies Prudential Norms (RBI) Directions, 1998)

	Amount outstanding	Amount Overdue
(Rs. '000)		
Liabilities side		
1. Loans & Advances availed by NBFCs inclusive of interest accrued thereon but not paid		
a) Debentures : Secured	—	—
Unsecured	—	—
(Other than falling within the meaning of public deposits)		

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details			
Registration No. : 5250	State Code : 181	Balance Sheet Date	: 31st March 2007
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	: 24,019	Total Assets	: 24,019
Sources of Funds		Application of Funds	
Paid-up Capital	: 22,500	Net Fixed Assets	: Nil
Reserves & Surplus	: 1,091	Current Assets	: 13,547
Deferred Tax	: Nil	Accumulated Losses	: 1,113
Secured Loans	: Nil	Investments	: 9,359
Unsecured Loans	: Nil	Misc. Expenditure	: Nil
Current Liabilities	: 428		
IV. Performance of Company (Amount in Rs. Thousands)			
Total Income	: Nil	Profit / (Loss) After Tax	: (22)
Total Expenditure	: 22	Earnings per Share (in Rs.)	: (0.01)
Profit / (Loss) Before Tax	: (22)	Dividend rate	: Nil
V. Generic Names of Three Principal Products / Services of Company (as per monetary terms)			
Investments			

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2007

	31-03-2007 Rs. '000	31-03-2006 Rs. '000
A. Cash flow from operating activities:		
Net profit before tax and Extra-ordinary Items	(22)	33,458
Adjustment for :		
Investment Income	—	(534)
(Profit) / Loss on Sale of Investments	—	(32,938)
	<u>—</u>	<u>(33,472)</u>
Operating profit before working capital changes	(22)	(14)
Other Receivables	1,053	67,330
Trade and Other Payables	(3)	(117,724)
	<u>1,050</u>	<u>(50,394)</u>
Cash outflow from Operations	1,028	(50,408)
Extra-Ordinary item	—	(495)
Net Cash outflow from Operations activities	<u>1,028</u>	<u>(50,903)</u>
B. Cash flow from investing activities:		
Purchase of Investments	(997)	—
Sale of Investments	—	49,228
Dividend Received	—	534
	<u>—</u>	<u>49,762</u>
Net Cash outflow from Investing activities	(997)	49,762
Net Increase / (Decrease) in cash and cash equivalents (A+B)	31	(1,141)
Cash and Cash Equivalents as at 1-4-2006 and 1-4-2005 (Opening Balance)	<u>78</u>	<u>1,219</u>
Cash and Cash Equivalents as at 31-3-2007 and 31-3-2006 (Closing Balance)	109	78

As per our report of date attached
For SURI & Co.,
Chartered Accountants
C.S. Sathyanarayanan
Partner, Membership No.28328
Coimbatore, 29th May 2007

For and on behalf of the Board

A. Venkatesan
P. Ravi
Directors