

INTEGRAL INVESTMENTS LIMITED

Board of Directors	Mr. R. Janardhanan Mr. A. Venkatesan Mrs. R.S. Visalam
Auditors	M/s Suri & Co., Chartered Accountants, Coimbatore
Bankers	Andhra bank State Bank of India
Registered Office	1087-A, Avanashi Road, Coimbatore - 641 037. India

DIRECTORS' REPORT

Your Directors are pleased to present the Eleventh Annual Report alongwith the Audited Accounts for the year ended 31st March 2005.

Financial Results

During the year, the Company has earned a profit after tax of Rs.5.37 million. But for NPA provision, there will not be any accumulated loss.

Dividend

No dividend has been recommended for the financial year ended 31st March 2005.

Directors

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

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 deposit 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.

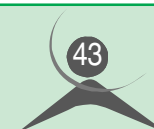
Directors Responsibility Statement

The Directors confirm:

- a) that the applicable accounting standards have been followed along with proper explanation wherever required in the preparation of Annual Accounts.
- b) that the Company has adopted prudent accounting policies.
- c) that proper care has been taken for maintenance of accounting records in accordance with the provisions of the Act and
- d) that the Annual Accounts of the Company have been prepared on a going concern basis.

Coimbatore
21st May 2005.

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



REPORT OF THE AUDITORS TO THE SHAREHOLDERS

We have audited the attached Balance Sheet of Integral Investments limited, Coimbatore, as at 31st March, 2005 and also the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

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, 2005 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2005 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 2005; and
- b) In the case of the Profit and Loss Account, of the Loss for the year ended on that date.

Coimbatore
21st May, 2005

For Suri & Co.,
C.S. Sathyanarayanan
Partner
Chartered Accountants
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 exceeded 50% of its net worth and the company has not incurred any cash losses during the financial year covered by our audit and 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.

INTEGRAL INVESTMENTS LIMITED

ANNEXURE TO AUDITOR'S REPORT (Contd..)

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 explanation 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.

Coimbatore
21st May, 2005

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

INTEGRAL INVESTMENTS LIMITED

BALANCE SHEET AS AT 31st MARCH, 2005

	31-3-2005 Rs. in '000	31-3-2004 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. 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		
	24,652	20,749
Current Assets, Loans and Advances		
I. Current Assets		
Balance with Bank	219	223
Cheques on hand	1000	539
II. Loans and Advances		
Secured Considered Good		
Advances recoverable in cash or in kind or for value to be received	81,752	81,613
Tax payment-Pending Adjustments	69	69
	(A) 83,040	82,444
Less : Current Liabilities and Provisions :		
I. Current Liabilities :		
Sundry Creditors	73	71
Due to Holding Company	76,855	78,152
II. Provisions :		
For Non Performing Assets	40,807	40,807
For Current Taxation	420	—
	(B) 118,155	119,030
Net Current Assets (A-B)	(35,115)	(36,586)
Profit and Loss Account	38,336	43,710
Less : Adjusted against General Reserve	4,282	4,282
	34,054	39,428
	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, 2005

	2004-05 Rs. in '000	2003-04 Rs. in '000
Income		
Investment Income		
Dividend	720	995
Other Income	5,097	131
Total	5,817	1,126
Expenditure		
Establishment Charges and other expenses		
	13	10
Auditors Remuneration		
For Audit	6	6
For Certifications etc.,	3	3
For Travelling Expenses	1	1
	10	10
Diminution in value of investments		
	—	4,290
Provision for Non Performing Assets		
	—	40,807
Total	23	45,117
Profit / (Loss) before Tax	5,794	(43,991)
Less : Provision for Taxation	420	—
Excess Provision for Tax withdrawn	—	201
Profit / (Loss) after Tax	5,374	(43,790)
Add : Balance brought forward from previous years	(43,710)	80
Loss carried over	(38,336)	(43,710)
Earning per share (Basic) - Schedule - 2 (in Rs.)	2.39	(19.46)

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.,
C.S. Sathyanarayanan
Partner, Chartered Accountants
Membership No.28328
Coimbatore, 21st May, 2005

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

INTEGRAL INVESTMENTS LIMITED

SCHEDULE FORMING PART OF ACCOUNTS

	Cost 31-3-2005 Rs. in '000	Cost 31-3-2004 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	7,20,000 Equity Shares of Rs.10/- each fully paid-up in Pricol Technologies Ltd., Coimbatore	7,200
12,065 Equity Shares of Rs.10/- each fully paid-up in Super Spinning Mills Ltd., Coimbatore. (Entire holdings sold during the period)	—	3,341	49,400 Equity Shares of Rs.10/- each fully paid in Synoro Technologies Ltd, Coimbatore	494
7,744 Equity Shares of Rs.10/- each fully paid-up in IndusInd Bank Ltd. (Entire holdings sold during the period)	—	113	3,190 Equity Shares of Rs.100/- each fully paid-up in Shanmuga Steel Industries Ltd., Coimbatore	160
71 Equity Shares of Rs.1/- each fully paid-up in TVS Motors Ltd., (16000 Shares sold during the period)	1	175		160
100 Equity Shares of Rs.10/- each fully paid-up in Munjal Auto Industries Ltd., (2900 Shares sold during the period)	1	30		43,249
64,000 Equity Shares of Rs.10/- each fully paid-up in Andhra Bank (Entire holdings sold during the period)	—	640		43,249
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	3. Application money paid	
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	Synoro Technologies Limited	506
				47,152
			Less: Diminution in Value of Investments	22,500
				20,749
			a. Aggregate cost of Quoted Investments is Rs.162.92 Lacs.	
			b. Aggregate Market Value of Quoted Investments is Rs.61.12 Lacs.	
			c. Unquoted Investments are taken at cost.	
			Schedule 2 - EARNINGS PER SHARE (Basic)	
				2004-05
			a. Profit / (Loss) After Tax (Rs. in '000)	5,374
			b. Equity Shares of Rs.10/- each (Nos.)	2,250,000
			c. Earnings per Share (a/b) (In Rupees)	2.39
				(43,790)
				2,250,000
				(19.462)
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INTEGRAL INVESTMENTS LIMITED

NOTES ON ACCOUNTS

1. Income tax Assessments are Provisionally completed upto financial year 2003-04.
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.

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, 2005		

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	: 141,746	Total Assets	: 141,746
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Sources of Funds

Paid-up Capital	: 22,500
Reserves & Surplus	: 1,091
Deferred Tax	: Nil
Secured Loans	: Nil
Unsecured Loans	: Nil
Current Liabilities	: 118,155

Application of Funds

Net Fixed Assets	: Nil
Current Assets	: 83,040
Accumulated Losses	: 34,054
Investments	: 24,652
Misc. Expenditure	: Nil

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

Total Income	: 5,817	Profit / (Loss) After Tax	: 5,374
Total Expenditure	: 23	Earnings per Share (in Rs.)	: 2.39
Profit / (Loss) Before Tax	: 5,794	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 SURI & Co.,
C.S. Sathyanarayanan
Partner, Chartered Accountants
Membership No.28328
Coimbatore, 21st May, 2005

For and on behalf of the Board

R. Janardhanan
A. Venkatesan
Directors