

Integra Garments and Textiles Limited

CIN No.:L18109MH2007PLC172888

7th ANNUAL REPORT

2013 - 2014

CORPORATE INFORMATION

Board of Directors

Mr. Harsh A. Piramal
(Non- Executive Chairman)

Mr. R K Rewari
(Managing Director)

Mr. Shardul Doshi
Mr. Sridhar Rengan
Mr. Vijay Maheshwari

Company Secretary

Ms. Vrushali Nar

Auditors

M/s. D. Dadheech & Co.
Chartered Accountants

Banker

Corporation Bank

Registered Office

Plot No. G2- M.I.D.C. Industrial Estate,
Post: Salai Dhaba, Butibori, Nagpur - 441108

Share Transfer Agent

Freedom Registry Limited

Registered Office

Plot No. 101/102, 19th Street, MIDC Area,
Satpur, Nasik - 422 007.
Email :support@freedomregistry.in

Mumbai Liaisoning Office

104, Bayside Mall,
35, C.M.M. Malviya Marg,
Tardeo Road, Haji Ali,
Mumbai 400 034.

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7th Annual General Meeting of the Company will be held on **Tuesday, 23rd September 2014**, at 9.30 a.m. at Plot No. G2- M.I.D.C. Industrial Estate, Post: Salai Dhaba, Butibori, Nagpur - 441108

NOTICE

NOTICE

NOTICE is hereby given that the 7th Annual General Meeting of the Company (formerly Known as Five Star Mercantile Limited) will be held at 9.30 a.m. on Tuesday, 23rd September, 2014, at Plot No. G2-M.I.D.C. Industrial Estate, Post: Salai Dhaba, Butibori, Nagpur - 441108, to transact the following business as:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March, 2014 and Statement of Profit and Loss for the year ended on that date together with the Auditors' Report and Directors' Report thereon.
2. To appoint a Director in place of Mr. R. K. Rewari, who retires by rotation, and being eligible offers himself for re-appointment.
3. To re-appoint M/s. D. Dadheech & Co, Chartered Accountants (ICAI Registration No. 101981W) the retiring auditors, as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting at a remuneration to be determined by the Board of Directors of the Company.

SPECIAL BUSINESS:

4. 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, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement, Mr. Shardul Doshi (holding DIN No 02486626), who was appointed as an Additional Director pursuant to provisions Section 260 of the Companies Act, 1956 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years from conclusion of this Annual General Meeting"

5. 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, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Sridhar Rengan (holding DIN 03139082), Director of the Company, in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years from conclusion of this Annual General Meeting"

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** Proxies, in order to be effective, should be duly stamped,

completed, signed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting. Members are requested to note that a person can act as a Proxy on behalf of the members not exceeding 50 and holding in aggregates not more than 10% of the total Share Capital of the Company caring voting rights. In case of Proxy is proposed to be appointed by a member holding more than 10% of the total Share Capital of the Company caring voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

2. The Explanatory Statements pursuant to Section 102 (1) of the Companies Act, 2013 relating to the Special Business to be transacted at the meeting is annexed hereto.
4. The Register of Beneficial Owners, Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 13th September, 2014 to Tuesday, 23rd September, 2014 (both days inclusive).
5. Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014 permits nomination by shareholders of the Company in prescribed Form No. SH.13. Shareholders are requested to avail this facility. The duly filled in and signed Form No. SH.13 should be sent to the Share Transfer Agent of the Company at their Nashik address.
6. In order to render better and efficient services, we request you to consolidate the multiple folios which are in the same names and in identical order. Consolidation of folios does not amount to transfer of shares and therefore no stamp duty or other expenses are payable by you. In case you decide to consolidate your folios, you are requested to forward your share certificates to the Share Transfer Agent of the Company at their Nashik address.
7. Members holding shares in physical form are requested to immediately intimate to the Company / Share Transfer Agent, changes, if any, in their registered addresses alongwith the pin code number. Members holding shares in dematerialized mode are requested to forward intimation for change of address, if any, to their respective Depository Participants.
8. The Ministry of Corporate Affairs (“MCA”) has, taken a Green initiative in Corporate Governance by allowing Paperless Compliances by the Companies for legal validity of compliances under the Companies Act, 2013 through Electronic Mode.

Henceforth, service of documents through electronic mode would be deemed to be an accepted mode of service in accordance with Section 20 of the Companies Act, 2013 read with Rule 35(3) of the Companies (Prospects and Allotment of Securities) Rules, 2014 provided the Company has obtained the email address of its members for sending the notice/ documents, etc. through e-mode.

The Company therefore requests its shareholders to register their e-mail address and changes therein from time to time with its Share Transfer Agent, so as to carry out this Green Drive of MCA.

10. Trading in the Company's shares through Stock Exchanges is permitted only in dematerialized / electronic form. The equity shares of the Company have been inducted in both National Securities Depository Limited and Central Depository Services (India) Limited to enable members to hold and trade the securities in dematerialized / electronic form. In view of the numerous advantages offered by the Depository System, members holding shares of the Company in physical form are requested to avail of the facility of dematerialization.
11. Corporate members intending to send their authorized representative(s) to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative(s) to attend and vote on their behalf at the meeting.

12. Brief resume of all the Directors seeking appointment/ re-appointment and other details as stipulated under Clause 49 of the Listing Agreement, are provided in the Annexure to the Notice.
13. Queries on accounts of the Company if any, may be sent to the Company at least 7 days in advance of the meeting so as to enable the management to keep the information ready at the meeting.
14. Members / Proxies are requested to bring the attendance slip duly filled in.
15. Electronic copy of the Annual Report for 2014 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2014 is being sent in the permitted mode.
16. Electronic copy of the Notice of the 7th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 7th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
17. Members may also note that the Notice of the 7th Annual General Meeting and the Annual Report for 2014 will also be available on the Company's website www.integragarments.com for their download. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same. For any communication, the shareholders may also send requests to the Company's investor email id: corporatesecretarial@integragarments.com.

18. Voting through electronic means

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on Thursday, 18th September, 2014 at 10.00 a.m. and ends on Friday, 19th September, 2014 at 6.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 14th August, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (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	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/ folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 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.
Important Note	<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 number of shares held by you as on the cut off date in the Dividend Bank details field.

(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 <Company Name> 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 they have to create 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 (POA) 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.
- (xix) 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.

In case of Members receiving physical copy

B. Please follow all steps from Serial No. I to IV

- I. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 14th August, 2014.
- II. Mr. Dhrumil M Shah, Practising Company Secretary (Membership No. 22541) and has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- III. The Scrutinizer shall within a period not exceeding three(3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two(2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairperson of the Company.
- IV. The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.integragarments.com and on the website of CDSL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges.

Registered Office:

Plot No. G2-M.I.D.C. Industrial Estate,
Post: Salai Dhaba, Butibori,
Nagpur - 441108

For and on Behalf of the Board

Vrushali Nar
Company Secretary

Date: 12th August, 2014

Place: Mumbai

EXPLANATORY STATEMENTS PURSUANT TO SECTION 102 OF THE COMPANIES ACTS, 2013 ("the Act")

Item No. 4 & 5

Mr. Shardul Doshi was appointed as an Additional Director of the Company with effect from 10th February, 2014. Pursuant to the provisions of Section 260 of the Companies Act, 1956 read with Articles of Association of Company to hold office up to the date of this Annual General Meeting.

The Company has received notice alongwith requisite deposit as required under the provisions of the Companies Act, 2013 from member(s) proposing the candidature of Mr. Sridhar Rengan and Mr. Shardul Doshi as an Independent Directors of the Company.

As per Section 149(10) of the Act, an Independent Director shall be appointed for a term of up to 5 (five) consecutive years and as per Section 152(2), every Director has to be appointed in the General Meeting.

Brief Resumes of Mr. Sridhar Rengan and Mr. Shardul Doshi and their experience and other Directorships held are annexed with this notice.

In the opinion of the Board, Mr. Sridhar Rengan and Mr. Shardul Doshi fulfill the conditions specified in the Act and the Rules made thereunder for appointment as Independent Directors and are independent of the management. In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of above directors as Independent Director is now being placed before the Members in general meeting for their approval. The Directors, therefore, recommend the resolutions appearing under the item nos. 4 & 5 of the accompanying Notice for your approval.

The terms and conditions of appointment of Independent Directors shall be open for inspection by the Members at the Corporate Office of the Company at Mumbai during normal business hours on any working day of the Company.

No other Directors apart from those who are proposed to be appointed are concerned or interested in the Resolutions mentioned in item no. 4 & 5

Registered Office:
Plot No. G2-M.I.D.C. Industrial Estate,
Post: Salai Dhaba, Butibori,
Nagpur - 441108

For and on Behalf of the Board

Vrushali Nar
Company Secretary

Date: 12th August, 2014
Place: Mumbai

Particulars of Directors seeking Appointment/ Reappointment at the ensuing Annual General Meeting pursuant to Clause 49 of the Listing Agreement:

Name of Director	Mr. Shardul Doshi	Mr. Sridhar Rengan	Mr. R. K. Rewari
Type	Independent Director	Independent Director	Managing Director
Date of Birth	23/02/1973	02/04/1960	11/11/1956
Date of Appointment	10/02/2014	17/07/2012	23/07/2012
Qualification and Expertise	Associate member of ICAI, ICSI and ICWAI in Finance. He has worked as Finance Manager at Owens Corning India Limited from 1996 to 1999. He has also worked as Head Finance in Piramyd Retail Limited. He has over 15 years of Work Experience.	Associate member of the ICWAI and an associate member of ICSI.	Mr. R. K. Rewari, CEO & Executive Director of the Company is 57 years of age. Mr. Rewari is a B.Sc., LLB, PGDPM & MEP from Indian Institute of Management, Ahmedabad. Mr. Rewari started his career as an Executive Trainee in Vardhman Textiles Limited and rose to the level of Chief Executive (Fabric Marketing) before he left on 30th January, 2010. While having a vast experience of working in various leadership positions in Vardhman Textiles Limited, Mr. Rewari also remained President of BBN Industrial Association of Himachal Pradesh. Mr. Rewari was also associated with Rotary Club for many years.
No. of Equity Shares held	NIL	NIL	NIL
Directorships held in other Companies	<ul style="list-style-type: none"> • Acreage Realtors Private Limited • Topvalue Brokers Private Limited • Flaxo Real Estate Private Limited • Watton Mercantile Private Limited • Equifax Trading & Mercantile Private Limited • Pixon Trading And Mercantile Private Limited • Midland Township Private Limited • Sketch Real Estate Private Limited • Ultrova Real Estate Private Limited • Spiralstone Real Estate Private Limited • Piramal Ports Infrastructure Limited • Pacific Piramal Trading Private Limited • Shobla Hydro Power Private Limited • Goodtime Real Estate Development Private Limited 	<ul style="list-style-type: none"> • Topvalue Real Estate Development Limited • Goodhome Realty Limited • RR Meega City Builders Limited • Truwin Realty Limited • Peninsula Developers and Builders Private Limited • Peninsula Land Development Private Limited 	<ul style="list-style-type: none"> • Morarjee Textiles Limited • Just Textiles Limited • Confederation of Indian Textile Industry • Cotton Association of India
Particulars of Committee Chairmanship / Membership held in other Companies	NIL	NIL	NIL
Relationship with other Directors inter-se	None	None	None

Directors' Report

Dear Shareholders

- The Directors present their 7th Annual Report on the business and operations of the Company together with the Audited Accounts for the year ended 31st March, 2014.

- Financial Results

[Amount in ₹]

Particulars	Year ended 31 st March, 2014	Year ended 31 st March, 2013
Total Income	3,88,131	36,98,40,989
PBIDTA	(39,04,969)	8,55,60,796
Interest and Finance Expenses	61,54,300	2,52,08,327
Depreciation	1,73,37,557	4,46,68,982
Profit / (Loss) before tax	(2,73,96,826)	1,56,83,487
Provision for Tax	--	--
Profit/ (Loss) after Tax	(2,73,96,826)	1,56,83,487

Due to continue huge losses coupled with poor business prospectus, your company has discontinued its operation.

- Dividend

In view of continuous losses, Directors do not recommend any dividend on the Shares of the Company.

- Management Discussion and Analysis Report

As required by Clause 49 of the Listing Agreement with the Stock Exchanges, a Management Discussion and Analysis Report is appended to this report.

- Corporate Governance

As required by Clause 49 of the Listing Agreement, a Report on Corporate Governance is appended together with a Certificate on Corporate Governance from M/s. Dhrumil M. Shah & Co., Practising Company Secretaries, and confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid Clause 49.

- Directors

During the year, Mr. Pramod Akhramka ceased to be the Director of the Company with effect from 4th March, 2014. The Board wishes to place on record its sincere appreciation and gratitude for the invaluable contribution made by him during his tenure with the Company.

The Board of Directors on 10th February, 2014 appointed Mr. Shardul Doshi as an Additional Director of the Company. Mr. Shardul Doshi holds office up to the date of ensuing Annual General Meeting. In accordance with the provisions of Section 149 of the Companies Act, 2013 it is proposed to appoint Mr. Sridhar Rengan, and Mr. Shardul Doshi, as Independent Directors of the Company for a period of 5 (five) consecutive years w.e.f. conclusion of 7th Annual General Meeting of the Company. The Independent Director will not be liable to retire

by rotation. The Company has received, as per the provision of Section 160 of the Companies Act, 2013 notices in writing from members proposing the appointment of Mr. Sridhar Rengan and Mr. Shardul Doshi as Directors of the Company, subject to shareholders' approval. Mr. R. K. Rewari, Director of the Company retires by rotation at the 7th Annual General Meeting and being eligible offers himself for re-appointment which the Board recommends.

Your Board recommends all of the above for your approval in the ensuing Annual General Meeting.

7. Subsidiary Company

Men's Clubs s.p.a.

The company is under voluntary liquidation. Consequently, Board of Directors of Men's Club s.p.a. has ceased to exist and a liquidator has been appointed to oversee the affairs.

8. Auditors

The Auditors, M/s. D. Dadheech & Co., retire at the ensuing Annual General Meeting and is eligible for re-appointment. The Board recommends their re-appointment as the Auditors to audit the accounts of the Company for the financial year 2014-2015.

The Company has received a confirmation from M/s. D Dadheech & Co. to the effect that their re-appointment, if made, will be within the prescribed limits under of the Companies Act, 2013 and that they are not disqualified within the meaning of the said Act.

9. Particulars of Employees

There was no employee in receipt of remuneration prescribed under Section 217 (2A) of the Companies Act, 1956 and rules made thereunder.

10. Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956 ("the Act"), we hereby state that :

- a. in the preparation of the annual accounts, the applicable accounting standards have been followed with proper explanation relating to material departures, if any;
- b. your 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 at 31st March, 2014 and its loss for that year;
- c. your Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 and Companies Act, 2013 to the extent applicable for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. Though the Company has discontinued its operation, your Directors have prepared the Annual Accounts for the year ended 31st March, 2014 on a going concern basis.

12. Conservation of energy and technology absorption

A statement showing particulars required under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, read with Section 217(1)(e) of the Companies Act, 1956, in the prescribed forms (Form A and Form B) is attached herewith and marked as Annexure A.

13. Foreign Exchange earnings and outgo

During the year under review, foreign exchange earnings and outgoings are nil.

14. Fixed Deposits

During the year under review, the Company has not accepted any fixed deposits neither does it have any unclaimed / unpaid fixed deposits.

15. Acknowledgments

We owe all our employees, customers, bankers and vendors our gratitude for their co-operation and continued support.

By Order of the Board

Place: Mumbai
Date: 12th August, 2014

R. K. Rewari Shardul Doshi
Managing Director Director

Annexure 'A'

FORM - "A"

Form of disclosure of particulars with respect to conservation of energy

	Units	31st March, 2014	31st March, 2013
A) Power & Fuel Consumption			
1 Electricity			
a) Purchased Units	Lacs Kwhs	-	2.63
Total Cost	Rs. Lacs	-	20.86
Rate / Unit	Rupees	-	7.93
b) Own Generation			
Through Diesel Generator Units	Lacs Kwhs	-	N.A.
Unit per litre of Diesel Oil	Kwhs	-	N.A.
Cost / Unit (Diesel Oil Only)	Rupees	-	N.A.
Total Cost of Diesel	Rs. Lacs	-	N.A.
2 Coal (slack coal for Boiler)			
Quantity	M. T.	-	N.A.
Total Cost	Rs. Lacs	-	N.A.
Average rate per M. T.	Rupees	-	N.A.
3 Furnace Oil			
Quantity	K. Ltrs	-	N.A.
Total Amount	Rs. Lacs	-	N.A.
Average rate per K. Ltr	Rupees	-	N.A.

B) Consumption per unit of Production.

The Company has not manufactured any garments in the year under consideration and as such the Consumption per unit of production cannot be provided.

FORM - "B"

RESEARCH AND DEVELOPMENT (R&D)

No amounts were spent on research and development.

TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION

NIL

Management Discussion and Analysis

CAVEAT

This section of the Annual Report has been included in adherence to the spirit enunciated in the Code of Corporate Governance approved by the Securities and Exchange Board of India. Shareholders and Readers are cautioned that in the case of data and information external to the Company, though the same are based on sources believed to be reliable, no representation is made on its accuracy or comprehensiveness. Further, utmost care has been taken to ensure that the opinion expressed therein contain its perceptions on most of the important trends having a material impact on the Company's operations.

The opinions expressed by the management may contain certain forward-looking statements in the current scenario, which is extremely dynamic and increasingly fraught with risk and uncertainties. The Company undertakes no obligation to publicly update or revise any of the opinions or forward-looking statements expressed in this report, consequent to new information, future events, or otherwise. Estimation and expectation made in the Report may differ from actual performance due to various Economic conditions, Government Policies and other related factors.

INDUSTRY OVERVIEW

Uncertainty is perhaps the biggest challenge the Apparel Industry is facing since 2012. The economic situation in Europe & the US swings in commodity prices, labour shortages, raising costs will add-up to worrying year. However, the global apparel retail market struggles to maintain footfall, the world's sports & fitness clothing market is projected to reach USD 126 Billion by 2015. This is projected based on dramatic lifestyle changes increasing sports participation etc.

The success and failure of this industry is people. The entire system works on people, their skills or lack there off. We must have the right people designing the products, right people sourcing the material, right people must be working in the factories. Retail industry in India is expected to rise 25% yearly being driven by strong income growth, changing life styles and favourable demographic patterns. Shopping in India has witnessed a revolution with the changing consumer buying behavior and the entire format of shopping is also being altered.

The Indian retail industry has come of age as can be seen from the fact that there are multi-stored malls, huge shopping centers and sprawling complexes where major floor area is being used for apparels. Rising disposable incomes of the middle class families, increase in brand conscious customers, availability of easy and inexpensive fiancés encouraging the investors to invest more in this industry.

The size of the Indian apparel market has increased from USD 17.8 billion from 2003 onwards to USD 32.4 billion in 2009 at a CAGR of 10.5%. During 2007-09 the industry registered a double digit growth rate. Menswear was the largest segment with a market share of 43.1% and value was USD 13.9 billion. Women wear commands a market share of 37.5% followed by Kids wear 19.4%.

Today, the biggest concern is to keep the factory running at all costs, in hope of better business tomorrow or to work and ensure that the bottom lines are not affected. To be able to get and sustain business round the year at target profitability is a marketing challenge. Sustained focus on lower fixed costs is continuous challenge for manufacturing, which puts reverse pressure during peak months. The strategy is a mix then – to have a basket of customers which gives desired profitability business in the lean production months and also plan business, if required, at lower contributions / prices for sustained capacity utilization, so that fixed costs are taken care-off and overall profitability is less affected.

BUSINESS OVERVIEW

Due to continue huge losses coupled with poor business prospects, your company has discontinued operations.

BUSINESS STRATEGY

Company is exploring options to revive business.

FINANCIAL REVIEW

(In Rs)

Particulars	Year ended 31 st March, 2014	Year ended 31 st March, 2013
Total Income	3,88,131	36,98,40,989
Profit/ (Loss) after Tax	(2,73,96,826)	1,56,83,487

RISK (INTERNAL AND EXTERNAL) ENVISAGED BY THE MANAGEMENT

The Cotton Textile Industry is dependent on the vagaries of nature. Availability of the required quality and quantity of cotton is critical for business and any damage or fall in crop production can adversely impact the price of cotton, which can impact business performance and profitability.

Cheaper imports of fabric can also impact pricing power and adversely affect business performance in the domestic market.

Currency fluctuations can also impact profitability.

Economic Scenario - Any economic downturn / recession or unforeseen events like terrorist attacks etc would reduce consumer spending, thus dampening sales.

Increased Competition - As the Quota system was abolished, global trade of textiles is now free, leading to severe competition. Price undercutting would result in shrinking operating margins.

Report on Corporate Governance (Pursuant to Clause 49 of the Listing Agreement)

I. Company's Philosophy

Continuous maintenance and enhancement of Stakeholders' value has always been at the helm of Company's objective. The vision of the Company is to strive continuously to give optimum returns to Stakeholders.

The Company endeavors and follows the best ethical and good corporate governance policy and thereby ensures the compliance with all applicable statutory and regulatory provisions of laws.

II. Board of Directors

The composition of the Board is in conformity with Clause 49 of the Listing Agreement entered into with Stock Exchange. The Board of Directors of your Company consists of 5 (Five) Directors, out of these 3 (Three) are Independent Directors.

i) Details of Composition and Category of Board members, their attendance at the Board Meetings and last Annual General Meeting, Directorship held in other Companies, Committee Chairmanship / Membership held in other Companies as at March 31, 2014:

Sr. No.	Name of the Director	Category	No. of Board Meetings during the tenure of Directors in FY 2013-14		Attendance at the last AGM held on 22.11.2013	Directorship in other public companies & its subsidiaries ¹	Committee position held in other public companies ²	
			Held	Attended			Chairman	Member
1	Mr. Harsh A Piramal	Non-Executive, Non-Independent Chairman	7	7	Yes	13	3	-
2	Mr. R K Rewari Managing Director	Executive Director	7	7	Yes	2	-	-
3	Mr. Pramodkumar Akhramka*	Independent	7	5	Yes	N.A.	-	-
4	Mr. Sridhar Rengan	Independent	7	5	No	4	-	-
5	Mr Vijay Maheshwari	Independent	7	2	Yes	-	-	-
6	Mr. Shardul Doshi**	Independent	7	2	No	5	-	-

1 Directorship held in Private Companies, Section 25 Companies and Foreign Companies is not included.

2 Only Audit Committee and Shareholders' Grievance Committee are taken into consideration as per the provisions of Clause 49 of Listing Agreement. None of the Directors of the Company is a member of more than 10 committees or acts as a Chairman of more than 5 committees across all the Companies wherein he is a director.

* Resigned from the Board w.e.f. 4th March, 2014.

** Appointed on the Board w.e.f. 10th February, 2014.

ii) None of the Independent Directors of the Company have any pecuniary relationship and / or transaction with the Company. The disclosure of fees / compensation, if any, paid to the Non-Executive Directors is made at appropriate place later in this Report.

iii) During the year 2013-14, the Board of Directors of your Company met 7 times on 15th June, 2013, 1st July 2013, 26th July, 2013, 21st August, 2013, 11th November, 2013, 10th February, 2014, and 4th March, 2014.

The intervening period between any two meetings did not exceed more than 4 months as prescribed under Clause 49 of the Listing Agreement.

iv) The compliance reports of all applicable laws are placed before the Board periodically. All the material and important items pertaining to the development and working of the Company is included with a detailed note in the Agenda and the same is circulated to the Board well in advance, so as to enable them to take strategic decisions. The information which could not be circulated to the Board, in advance, is placed at the table during the Board Meeting. The information as specified in Annexure A of the Clause 49 of the Listing Agreement is provided to the Board as and when applicable and material.

v) The Board has adopted "Code of Conduct for Board Members and Senior Management of the Company". All the Board Members and Senior Management have affirmed the compliance with the said Code of Conduct during the year 2013-14. A declaration to this effect signed by Managing Director is appended to this Report of Corporate Governance. The Code of Conduct is available on the website of the Company i.e., www.integragarments.com

III. Audit Committee

i) The Audit Committee of the Company comprises of 3 Directors, all of whom are Independent Directors. During the year under review, Mr. Pramod Akhramka, Non-Executive and Independent Director ceased to act as director of the company. In place of Mr. Pramod Akhramka, Mr. Shardul Doshi Non - Executive and Independent Director was appointed as member of the committee.

During the year, Mr. Shardul Doshi was appointed as Chairman of the Audit Committee.

Composition of the Audit Committee, particulars of meetings held and attended during the year 2013-14:

The composition of the Audit Committee is in conformity with Clause 49 of the Listing Agreement entered into with Stock Exchange. The Audit Committee of the Board as on 31st March, 2014 comprises of following members:

Name	Position Held	Category
Mr. Shardul Doshi	Chairman	Independent Director
Mr. Sridhar Rengan	Member	Independent Director
Mr. Vijay Maheshwari	Member	Independent Director

All the members of the Audit Committee are financially literate and considering their professional background and experience, have acquired respective management, financial, accounting and legal expertise. The Chairman of the Audit Committee is a Non-Executive Independent Director.

Ms. Vrushali Nar, Company Secretary acts as the Secretary to the Committee.

Meetings and Attendance during the year 2013-14:

During the year 2013-14, 2 meetings of the Audit Committee were held and attended by the members as per the details given below;

Sr. No.	Name of Member	Meeting / Attendance	
		11 th November, 2013	10 th February, 2014
1	Mr. Vijay Maheshwari	Present	Present
2	Mr. Sridhar Rengan	Present	Present
3	Mr. Shardul Doshi	-	Present
4.	Mr. Pramod Akhramka	Present	Present

The minutes of Audit Committee Meeting are noted by the Board of Directors of the Company at the Board meeting after getting approved by the Audit Committee.

Terms of reference

The terms of reference of this Committee are wide enough to cover the matters specified for Audit Committees under Clause 49 of the Listing Agreement, as well as in Section 292A of the Companies Act, 1956.

IV. Details of Sitting Fees

During the Year under review company did not pay any sitting fees to its Non-Executive Directors

V. Shareholders/Investors' Grievance cum Share Transfer Committee

The Shareholders / Investors' Grievance cum Share Transfer Committee of the Company comprises of 3 Directors. During the year under review, Mr. Pramodkumar Akhramka, Non-Executive and Independent Director ceased to act as director of the company. In place of Mr. Pramodkumar Akhramka, Mr. Shardul Doshi Non - Executive and Independent Director was appointed as member of the committee.

The Shareholders / Investors' Grievance cum Share Transfer Committee of the Board has been constituted in line with the requirements of Clause 49 of the Listing Agreement.

i) The Committee as of March 31, 2014 comprises of following members:

Name	Position Held	Category
Mr. Sridhar Rengan	Chairman	Independent Director
Mr. Shardul Doshi	Member	Independent Director
Mr. R K Rewari	Member	Managing Director

Meetings and Attendance during the year 2013-14:

During the year 2013-14, 2 meetings of the Shareholders / Investors' Grievance cum Share Transfer Committee were held and attended by the members as per the details given below;

Sr. No.	Name of Member	Meeting / Attendance	
		11 th November, 2013	10 th February, 2014
1.	Mr. Sridhar Rengan	Present	Present
2.	Mr. Shardul Doshi	-	Present
3.	Mr. R. K. Rewari	Present	Present
4.	Mr. Pramod Akhramka	Present	Present

The Company Secretary acts as the Secretary to the Committee.

ii) Name, Designation and Address of Compliance Officer:

Ms. Vrushali Nar
Company Secretary
Integra Garments and Textiles Limited
Peninsula Spenta,
Mathuradas Mills Compound
Senapati Bapat Marg,
Lower Parel, Mumabi - 400 013

iii) Procedure for approval and Terms of reference:

The power to approve the share transfer / transmission and dematerialization and / or rematerialisation has been delegated to Freedom Registry Limited, Registrar & Transfer Agents. The request for share transfer/transmission, dematerialization/rematerialisation and issue of new share certificates in lieu of old/worn-out/lost/defaced/split/consolidation, etc., is processed and attended atleast once in a week in co-ordination with Freedom Registry Limited., Registrar & Transfer Agents of the Company.

All the above requests processed during a quarter are then taken into record during quarterly meetings of Shareholders / Investors' Grievance cum Share Transfer Committee.

iv) Terms of reference:

- a) To look into the redressal of shareholders and investors complaints like non-receipt of notices / annual reports, non-receipt of declared dividends, non-receipt of share certificates, etc;
- b) To approve and register share transfer and transmission;
- c) To expedite the process of dematerialization and / or rematerialisation of shares;
- d) To take on record the Certificate taken under Clause 47 (c) of the Listing Agreement from Practising Company Secretary;
- e) To take on record the Reconciliation of Share Capital Audit Report submitted by Practising Company Secretary every quarter.

VI. General Body Meetings

i) Details of last three Annual General Meetings (AGM):

Financial Year	AGM No.	Day & Date	Venue	Time
2012-13	6 th	Friday 22 nd November, 2013	Plot No. G2-M.I.D.C. Industrial Estate, Post : Salaidhaba, Butibori, Nagpur - 441108	9:30 a.m.
2011-12	5 th	Monday, 4 th June, 2012	Peninsula Spenta, Mathuradas Mills Compound, Senapati BapatMarg, Lower Parel, Mumbai - 400 013	12:30 p.m.
2010-11	4 th	Friday, 2 nd September, 2011	Peninsula Spenta, Mathuradas Mills Compound, Senapati BapatMarg, Lower Parel, Mumbai - 400 013	12:30 p.m.

ii) Details of Special resolutions passed in last three Annual General Meetings (AGM):

AGM No.	No. of Special resolutions passed	Particulars of Special resolutions
4 th	NIL	NA
5 th	NIL	NA
6 th	NIL	NA

iii) Details of resolutions passed through Postal Ballot:

During the year 2013-14, none of the resolutions were passed through Postal Ballot. As on date of this Report, none of the resolutions are proposed to be passed through Postal Ballot.

VII. Disclosures

i) Related party transactions:

Related party transactions have been disclosed under Notes of Significant accounting policies & notes forming part of the financial statements of Audited Accounts in accordance with "Accounting Standard 18". A statement in summary form of transactions with related parties in the ordinary course of business is periodically placed before the Audit Committee for review and recommendation to the Board for their approval.

The Disclosure of interest in any of transaction is made to the Board every year by the Directors and as and when they become interested. Further, interested Directors neither participate nor vote on any item involving any transaction wherein they have interest.

ii) Disclosure of Accounting treatment:

The financial statements of the Company for the year ended March 31, 2014 are prepared in conformity with the Accounting Standards.

iii) Reconciliation of Share Capital Audit:

A qualified Practising Company Secretary carry outs secretarial audit to reconcile the total admitted capital

with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital.

iv) Risk Assessment:

The Company has an effective and efficient Risk Assessment and Management System to track, analyze and mitigate the risks associated with the Company.

v) Proceeds from public issues, rights issues, preferential issues, etc.:

During the year under review, the Company has not raised any proceeds through public issues, rights issues, preferential issues, etc.

vi) Remuneration of Directors:

No Remuneration is paid to the Directors of the Company.

vii) Subsidiary Company:

In terms of Clause 49 (III) of the Listing Agreement, your Company does not have any material non listed Indian subsidiary company and hence the requirement of the said clause does apply to the Company.

viii) Management:

a) Management Discussion & Analysis report is attached to Directors' Report.

b) There were no material financial and commercial transactions by Senior Management as defined in Clause 49 of the Listing Agreement where they have personal interest that may have a potential conflict with the interests of the Company at large.

ix) Shareholders:

The brief profile and other information pertaining to Directorship held in other Companies, shareholding, etc, of the Directors proposed to be appointed / re-appointed at the ensuing Annual General Meeting of the Company is attached to the Notice of Annual General Meeting.

x) Compliances:

The Company has complied with all the statutory requirements of Listing Agreement entered into with Stock Exchange including mandatory requirements of Clause 49.

xi) Means of Communication:

a) Financial results

The quarterly, half yearly and annual results of the Company in the format prescribed under Clause 41 of the Listing Agreement are published in prominent dailies and also posted on the website of the Company i.e., www.integragarments.com

b) Other information

Important official news is also posted on the Company's website www.integragarments.com, as and when released.

The Company has also designated exclusive e-mail id for the use of investors in accordance with Clause 49 of the Listing Agreement which is corporatesecretarial@integragarments.com

xii) CEO/CFO Certificate:

The CEO/CFO Certificate for the year ended March 31, 2014 as required under Clause 49(V) of the Listing Agreement, was placed and taken on record at the Board Meeting of the Company held on 28th May, 2014.

xiii) Certificate of compliance:

The Certificate of Practising Company Secretary confirming compliance with all requirement of the Clause 49 of the Listing Agreement for the year ended March 31, 2014 is appended to this Report on Corporate Governance.

xiv) Code for Prevention of Insider Trading

The Company has adopted a Code for Prevention of Insider Trading in the shares of the Company which is in line with the Model Code as prescribed by the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended. The said Code *inter alia* prohibits purchase / sale of shares of the Company by Directors and Employees while in possession of unpublished price sensitive information in relation to the Company.

xv) General Shareholders Information:

a) Annual General Meeting

Date	: 23 rd September, 2014
Time	: 9.30 a.m.
Venue	: Plot No. G2-M.I.D.C. Industrial Estate, Post: Salai Dhaba, Butibori, Nagpur - 441108

b) Financial year 2014-15 (tentative schedule)

Financial reporting for the quarter ending (tentative and subject to change)

30th June, 2014	: By 14 th August, 2014
30th September, 2014	: By 14 th November, 2014
31st December, 2014	: By 14 th February, 2015
Year ending 31st March, 2015	: By 30 th May, 2015, Audited Results
Annual General Meeting for the year ending 31st March, 2015	: By 30 th September, 2015

c) Date of Book Closure	: 13 th September, 2014 to 23rd September, 2014 (Both Days Inclusive)
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- d) Dividend Payment date : No Dividend is recommended by Board
- e) Listing on Stock Exchange : The Bombay Stock Exchange Ltd. (BSE), and The National Stock Exchange of India, Mumbai (NSE)
- The Annual Listing fees for the year 2014-15 is been fully paid within stipulated time.
- f) Stock Code :
BSE : 535958
NSE : INTEGRA
- g) Corporate Identity Number (CIN) : L18109MH2007PLC172888
- (h) Stock Market Price Data : The shares of the company are listed & traded w.e.f. 20th August, 2013 pursuant to the Demerger of the readymade garment undertaking of Morarjee Textiles Limited. Therefore, stock market data price are made available from 20th August, 2013 to 31st March, 2014.

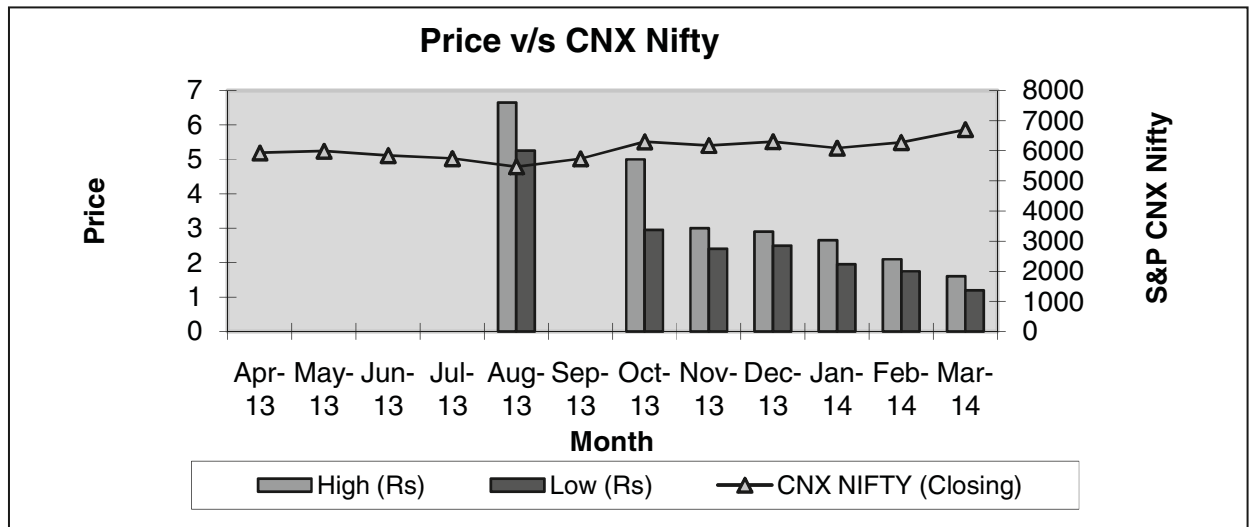
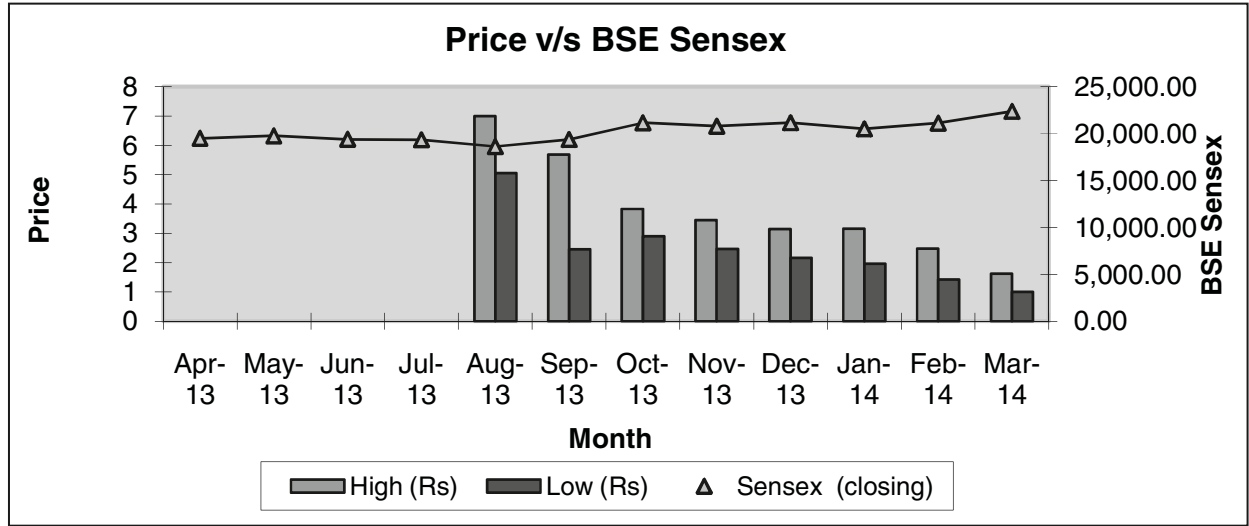
The high / low of the market price of the shares of the Company is given below:

Month	Bombay Stock Exchange Limited (BSE)			National Stock Exchange of India Limited (NSE)		
	High (Rs.)	Low (Rs.)	Sensex (closing)	High (Rs.)	Low (Rs.)	CNX NIFTY (Closing)
Apr-13	0	0	19,504.18	0	0	5930.2
May-13	0	0	19,760.30	0	0	5985.95
Jun-13	0	0	19,395.81	0	0	5842.2
Jul-13	0	0	19,345.70	0	0	5742
Aug-13	7	5.05	18,619.72	6.65	5.25	5471.8
Sep-13	5.69	2.45	19,379.77	0	0	5735.3
Oct-13	3.83	2.9	21,164.52	5	2.95	6299.15
Nov-13	3.45	2.46	20,791.93	3	2.4	6176.1
Dec-13	3.15	2.17	21,170.68	2.9	2.5	6304
Jan-14	3.16	1.96	20,513.85	2.65	1.95	6089.5
Feb-14	2.47	1.43	21,120.12	2.1	1.75	6276.95
Mar-14	1.62	1	22,386.27	1.6	1.2	6704.2

Sources : BSE, NSE, Sensex and CNX Nifty websites

Stock Performance v/s BSE Sensex and CNX Nifty

The performance of Integra Garments and Textiles Limited's Equity Shares relative to the BSE Sensex and CNX Nifty is given in the charts below:



11.9 Distribution of shareholding as on 31st March, 2014

Slab of shareholding	No. of shareholders	% of shareholders	No. of shares	% of shares held
1 to 5000	18509	98.55	12804036	11.75
5001 to 10000	133	0.71	2819631	2.59
10001 to 20000	77	0.41	3125085	2.87
20001 to 30000	24	0.13	1847787	1.70
30001 to 40000	5	0.03	553344	0.51
40001 to 50000	9	0.05	1254723	1.15
50001 to 100000	11	0.06	2421468	2.22
100001 & Above	13	0.07	84170973	77.22
TOTAL	18,781	100.00	108997047	100.00

(i) Registrar and Transfer Agents : **Freedom Registry Limited**
Registered Office
Plot No. 101/102, 19th Street, MIDC Area,
Satpur, Nashik 422 007.
Tel (0253) - 2354 032
Fax (0253) - 2351 126
E-mail : support@freedomregistry.in

Mumbai Liaisoning Office :
Freedom Registry Limited
104, Bayside Mall,
35, C. M. M. Malviya Marg,
Tardeo Road, Haji Ali,
Mumbai - 400 034.
Tel: (022) - 2352 5589

Share Transfers (Physical Form)

The Board has delegated the authority for approving transfer, transmission, etc. of the Company's equity shares to a Share Transfer Committee comprising of Mr. R K Rewari, Mr. Shardul Doshi and Mr. Sridhar Rengan. The share certificates in physical form are generally processed and returned within 15 days from the date of receipt, if the documents are clear in all respects.

A summary of the transfer / transmission so approved by the Committee and the authorized Executives will be placed at every Board Meeting.

The Company obtains from a Company Secretary in practice, half yearly certificate of compliance with the share transfer formalities as required under Clause 47 (c) of the Listing Agreement with the Stock Exchanges, and files a copy of the certificate with the Stock Exchanges.

The Company conducts a Reconciliation of Share Capital Audit on a quarterly basis in accordance with SEBI requirements. M/s. Dhrumil M. Shah & Co. a practicing Company Secretary has been appointed by the Company to conduct the said audit. Reconciliation of Share capital audit reports of M/s. Dhrumil M. Shah & Co. which

have been submitted to the Stock Exchanges with in the Stipulated Period inter alia confirm that the equity shares of the Company held in dematerialised form and physical form tally with the issued and paid up equity share capital of the Company.

Shareholding Pattern as on March 31, 2014

Sr. No.	Category	No. of Shares held	% of Shares held
A	Promoters Holding		
1	Indian promoters	2,32,07,635	63.88
	Foreign promoters	-	-
2	Persons acting in concert	-	-
	Sub total (1+2)	2,32,07,635	63.88
B	Non promoters Holding		
3	Institutional Investors		
a	Mutual Funds and UTI	2,711	0.01
b	Banks, Financial Institutions, Insurance Companies (Central/ State Govt., Institutions/ Non Govt. Institutions)	19,41,347	5.34
c	Foreign Institutional Investors	1,135	0.00
	Sub total (3)	19,45,193	5.35
4	Others		
a	Private Corporate Bodies	23,62,529	6.50
b	Indian Public	85,47,418	23.53
c	Non Resident Indians	2,69,574	0.74
	Sub total (4)	1,11,79,521	30.77
	Grand total (1+2+3+4)	3,63,32,349	100.00

a) Dematerialization of shares and liquidity:

The Company's Shares are traded in Stock Exchange in dematerialized form and are available for trading in both the Depositories i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on March 31, 2014, 98.76% of outstanding Equity shares of the Company are held in dematerialized form.

ISIN No. of the Company's Equity Shares is : INE418N01027

b) Outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely impact on equity: NIL

c) Address for Correspondence : Corporate Office
 Peninsula Spenta, Mathuradas Mills Compound, Senapati
 Bapat Marg, Lower Parel, Mumbai :- 400 013
 Tel No. : 022 66154651
 Fax No. : 022 66154593
 Email: corporatesecretarial@integragarments.com

Compliance Officer

Ms. Vrushali Nar

Company Secretary

Peninsula Spenta, Mathuradas Mills Compound, Senapati

Bapat Marg, Lower Parel, Mumbai :- 400 013

Tel No. : 022 66154651

Fax No. : 022 66154593

Email: corporatesecretarial@integragarments.com

For and on behalf of the Board

R K Rewari

Managing Director

Mumbai, 12th August, 2014

Declaration regarding Compliance by Board Members and Senior Management Personnel with the Company's Code of Conduct.

To,
The Members of Integra Garments and Textiles Limited

Declaration by the Managing Director under Clause 49 of the Listing Agreement

I, R. K. Rewari, Managing Director of Integra Garments and Textiles Limited hereby declare that all the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended 31st March, 2014.

R. K. Rewari
Managing Director

Mumbai, 12th August, 2014

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of Integra Garments & Textiles Limited

We have examined the compliance of conditions of Corporate Governance by **Integra Garments And Textiles Limited** for the year ended March 31, 2014 as stipulated in Clause 49 of the Listing Agreement of the Stock Exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

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

FOR DHRUMIL M. SHAH & CO.

DHRUMIL SHAH
Company Secretary
ACS 22541, CP 8978

Place: Mumbai
Date: 12th August, 2014

Independent Auditor's Report

TO THE MEMBERS OF

INTEGRA GARMENTS AND TEXTILES LIMITED (FORMERLY KNOWN AS FIVE STAR MERCANTILE LTD)

Report on the Financial Statements

We have audited the accompanying financial statements of INTEGRA GARMENTS AND TEXTILES LIMITED (FORMERLY KNOWN AS FIVE STAR MERCANTILE LTD), which comprise the Balance Sheet as at 31 st March 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance 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 companies Act, 2013 and in accordance with the accounting principles generally accepted in India. 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

Without qualifying our opinion, we draw attention to the fact that the company has suffered loss of Rs.2,73,96,826/- during the current year and the accumulated losses are Rs.17,56,17,617/- under Reserves & Surplus. There was no business operation during the year. In view of the same, we are unable to express our opinion on Going Concern Status of the Company.

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, 2014
- b) in the case of the Statement of Profit and Loss Account, of the loss for the year ended on that date and
- c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

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 Section 227(4A) 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 appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss and the 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 Companies Act, 2013
 - e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

FOR D.DADHEECH & CO.
Chartered Accountants
Firm Registration No: 101981W

DEVESH H DADHEECH
PROPRIETOR
Membership No: 033909

Place: Mumbai
Date: 28th May, 2014

ANNEXURE TO THE AUDITORS' REPORT

1. In respect of its fixed assets:

- (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets, considering the size of operations.
- (b) Fixed assets have been physically verified by the management at reasonable intervals; No material discrepancies were noticed on such verification.
- (c) No substantial part of fixed assets have been disposed of during the year. The Company has discontinued the production and we are unable to comment on going concern status of the company

2. In respect of its inventories:

- (a) There is no change in inventory level as Company has discontinued operations.
- (b) The procedures of physical verification of stocks followed by the management are adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory in line with size of present operations.

3. In respect of loans granted and taken to / from parties covered in the register maintained u/s 301 of the Companies Act, 1956.

- (a) The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained u/s 301 of the companies Act-1956 and the
- (b) Not Applicable (c) Not Applicable (d) Not Applicable
- (e) The company has taken loan of Rs.1,28,80,435/- from companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.1,46,80,435/- and the year end balance of loans taken from such parties was Rs.1,46,80,435/-.
- (f) In our opinion and according to the information and explanation given to us, the rate of interest and other terms and conditions for such loans are not prima facie prejudicial to the interest of the company.
- (g) The loans taken are re-payable on demand. As informed, the lenders have not demanded repayment of any such loan during the year, thus, there has been no default on the part of the company. The payment of interest has been regular.

4. In respect of internal control

In our opinion and according to the information and explanations given to us there are adequate internal control system commensurate with the size of the company and the nature of its business, The Company has discontinued production and there are no transactions for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of audit, We have not observed continuing failure to correct major weaknesses in internal control system.

5. In respect of contracts or arrangements need to be entered into a register maintained u/s 301 of the Companies Act, 1956

- (a) According to the information and explanations given to us, there are no contracts or arrangements with parties referred to in Section 301 of the Act Accordingly, clause (b) of paragraph 5 fo the Order are not applicable to the company for the current year
- (b) Not Applicable

6. In respect of deposits from public

No deposits within the meaning of Sections 58A and 58AA or any other relevant provision of the Act and rules framed thereunder have been accepted by the Company.

7. In respect of internal audit system

In our opinion, the Company has an internal audit system commensurate with its size and nature of business. The Company has discontinued the production and there are no transaction for purchase of inventory, fixed assets, sale of goods etc. There is no major weakness in the aforesaid internal control procedure.

8. In respect of maintenance of cost records

To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) section 209 of the companies Act, 1956 in respect of the company.

9. In respect of statutory dues

(a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees` state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, Cess and other material statutory dues applicable to it.

(b) According to the records of the Company, there are no dues of Income tax, sales tax, customs duty, wealth tax, service tax, excise duty, sales tax and cess that have been not been deposited on account of any dispute, except the following:

Related To	Authority	Financial Year	Amount
Customs Duty	Customs	Upto 2005-06	8,810,910

10. In respect of accumulated losses and cash losses

The Company has suffered loss of Rs.2,73,96,826/-, during the current year. The Company has suffered cash loss of Rs.1,00,59,269/. The accumulated loss of Rs.17,56,17,617/- are more than 50 % of net worth of Company. There was no cash loss in previous year.

11. In respect of dues to financial institution / banks / debentures

The company has not defaulted in repayment of dues to financial institution, bank or debenture holders.

12. In respect of loans and advances granted on the basis of security

The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

13. In respect of provisions applicable to Chit fund

In our opinion and according to information and explanations given to us the company is not chit fund or a nidhi or mutual benefit fund/ society. Accordingly, the provisions of clause 4(xiii) of the Order are not applicable to the company.

(a) Not Applicable (b) Not Applicable (c) Not Applicable (d) Not Applicable

14. In respect of dealing or trading in shares, securities, debentures and other investment

In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the company.

15. In respect of guarantee given for loans taken by others

On the basis of records examined by us and information provided by the management, we are of the opinion that the company has not given guarantees for loans taken by other from banks or financial institutions.

16. In respect of application of term loans

In our opinion, the term loans raised by the company during the year has been applied for the purpose for which it was raised.

17. In respect of fund used

According to the information and explanations given to us and overall examination of the cash flow statement and balance sheet of the Company. In our opinion, the funds raised on short-term basis have not been used for long-term investment.

18. In respect of preferential allotment of shares

The company has not made any preferential allotment of shares to parties and companies covered in the register maintained u/s 301 of the Act, during the year.

19. In respect of securities created for debentures

Accordingly to the information and explanations given to us, during the period covered by our audit report, the company had issued 2,845 Unsecured Non Convertible Redeemable debentures of Rs. 1,00,000/- each. Since the debentures are unsecured the security is not required to be created.

20. In respect of end use of money raised by public issues

The company has not raised any money from the public during the year under audit.

21. In respect of fraud

According to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the year.

FOR D.DADHEECH & CO.
Chartered Accountants
Firm Registration No: 101981W

DEVESH H DADHEECH
PROPRIETOR
Membership No: 033909

Place: Mumbai
Date: 28th May, 2014

BALANCE SHEET AS AT 31ST MARCH, 2014

[Amount in ₹]

	Note	31-Mar-2014	31-Mar-2013
I EQUITY AND LIABILITIES			
1 Share Holders Fund			
a) Share capital	2	109,247,047	109,247,047
b) Reserves & Surplus	3	(160,492,661)	(133,095,835)
2 Non Current Liabilities			
a) Long Term Borrowings	4	308,919,014	24,739,099
3 Current Liabilities			
a) Short Term Borrowings	5	15,089,321	286,708,886
b) Trade Payables	6	5,608,912	6,535,597
c) Other Current liabilities	7	25,117,559	31,784,724
	TOTAL	303,489,192	325,919,518
II ASSETS			
1 Non Current Assets			
a) Fixed Assets	8	273,736,344	292,216,829
b) Non Current Investments	9	300,000	300,000
c) Long Term Loans & Advances	10	2,472,776	2,809,485
d) Other Non Current Asset	11	4,339,542	4,339,542
2 Current Assets			
a) Inventories	12	3,611,240	3,611,240
b) Trade Receivables	13	1,984,875	2,320,383
c) Cash & Cash Equivalent	14	2,367,583	3,529,746
d) Short Term Loans & Advances	15	14,676,832	15,985,629
e) Other Current Assets	16	-	806,664
	TOTAL	303,489,192	325,919,518
Accounting Policies	1		
Notes are an Integral part of the financial statements			

As per our Report of even date

For & on Behalf of
D.Dadheech & Co
Chartered Accountants
FRN No.101981W

Devesh H Dadheech
Proprietor
M.No.33909

Place : Mumbai, 28th May, 2014

For and on behalf of Board

Mr. R. K. Rewari Managing Director

Mr. Shardul Doshi Director

Ms. Vrushali Nar Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

[Amount in ₹]

	Note	31-Mar-2014	31-Mar-2013
Revenue from operations (Gross)	17	-	138,529,140
Less : Excise Duty		-	4,213,842
Revenue from operations (Net)		-	134,315,298
Other Income	18	388,131	235,525,691
Total Income		388,131	369,840,989
Expenditures			
a) Material Consumed	19	-	95,071,830
b) (Increase) / Decrease in WIP & Finished Goods	20	-	45,540,243
c) Employee benefit expenses	21	-	64,105,457
d) Finance Cost	22	6,154,300	25,208,327
e) Depreciation		17,337,557	44,668,982
f) Other Expenses	23	4,293,100	79,363,909
g) Forex Loss/(Gain)		-	198,754
Total Expenditure		27,784,957	354,157,502
Profit / (Loss) for the Year		(27,396,826)	15,683,487
Earning Per Equity Share (Refer Note No.30)		(0.75)	0.43
Accounting Policies		1	
Notes are an Integral part of the financial statements			
As per our Report of even date			
For & on Behalf of D.Dadheech & Co Chartered Accountants FRN No.101981W		For and on behalf of Board	
Devesh H Dadheech Proprietor M.No.33909		Mr. R. K. Rewari	Managing Director
		Mr. Shardul Doshi	Director
		Ms. Vrushali Nar	Company Secretary
Place : Mumbai, 28 th May, 2014			

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

Note 1: Accounting Policies

1. Basis of preparation of financial statement

(a) Basis of Accounting:

The financial statements have been prepared and presented under the historical cost convention on accrual basis of accounting to comply with the accounting standards prescribed in the Companies (Accounting Standards) Rules, 2006 and with the relevant provisions of the Companies Act, 1956.

(b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) in India requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements.

2. Fixed Assets

All the fixed assets are stated at historical cost. In respect of Assets acquired under new project/ expansion/ restructuring, interest cost on borrowings and other related expenses during trial runs and upto satisfactory commencement of commercial production have been capitalised to Plant & Machinery and any subsidy given for a specific assets is reduced from cost. The Accounting Standard prescribed in the Companies (Accounting Standards) Rules, 2006 and with the relevant provisions of the Companies Act, 1956 has been compiled with in this respect.

3. Depreciation

Depreciation has been provided on straight line method on all fixed assets except Leasehold land at the rates specified in Schedule XIV to the Companies Act, 1956. Premium on lease hold land is amortised over the period of lease. Intangible assets are amortised over their estimated useful life.

4. Lease Accounting

Lease rentals on assets taken on lease are recognised as expense in the statement of Profit and loss account on an accrual basis over the lease term.

5. Inventory

a) Raw materials, work in progress, finished goods, packing materials, stores, spares, traded goods and consumables are carried at the lower of cost and net realisable value. The comparison of cost and net realisable value is made on an item-by-item basis. Damaged, unserviceable and inert stocks are suitably depreciated.

b) In determining cost of raw materials, packing materials, traded goods, stores, spares and consumables, weighted average cost method is used. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

c) Cost of finished goods and work-in-process includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads, excise duty as applicable and other costs incurred in bringing the inventories to their present location and condition. Fixed production overheads are allocated on the basis of normal capacity of production facilities.

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

6. Investments

Long term investments are carried at cost. Provision for diminution in the value of long term investments is made only if such a decline is not temporary in the opinion of the management. Short term investments are carried at lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investments.

Profit and loss on sale of investments is determined on a first in first out (FIFO) basis.

7. Revenue Recognition

Revenue is recognised only when there is no significant uncertainty as to the measurability / collectability of amount.

8. Transactions in Foreign Exchange

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the Profit and loss account of the year.

Monetary assets and liabilities denominated in foreign currencies, which are outstanding as at the year end are translated at the closing exchange rate and the resultant exchange differences are recognised in the Profit and loss account.

The premium or discount on forward exchange contracts is recognized over the period of the contracts in the profit and loss account.

9. Employee Benefits

(i) Short Term Employee Benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognised in the period in which the employee renders the related service. The Company recognises the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

(ii) Post-employment benefits:

(a) Defined contribution plans

Defined contribution plans are, Government administered Provident Fund Scheme and Government administered Pension Fund Scheme for all employees and Superannuation scheme for eligible employees. The Company's contribution to defined contribution plans are recognised in the profit and loss account in the financial year to which they relate.

The interest to the beneficiaries every year is being notified by the Government.

(b) Defined benefit plans

(i) Defined benefit gratuity plan

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

The Company operates a defined benefit gratuity plan for employees. The cost of providing defined benefits is determined using the Projected Unit Credit Method with actuarial valuations being carried out at each balance sheet date. Past service cost is recognised immediately to the extent that the benefits are already vested, else is amortised on a straight-line basis over the average period until the amended benefits become vested.

The defined benefit obligations recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service costs, and as reduced by the fair value of plan assets, if applicable. Any defined benefit asset (negative defined benefit obligations resulting from this calculation) is recognised representing the unrecognised past service cost plus the present value of available refunds and reductions in future contributions to the plan.

(iii) Other long term employee benefits

Entitlements to annual leave and sick leave are recognised when they accrue to employees. Sick leave can only be availed while annual leave can either be availed or encashed subject to a restriction on the maximum number of accumulation of leaves. The Company determines the liability for such accumulated leaves using the Projected Accrued Benefit Method with actuarial valuations being carried out at each balance sheet date

10. Provision for Taxation

Income tax expense comprises of current tax (i.e. amount of tax for the period determined in accordance with the Income Tax Act, 1961), deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period) and fringe benefit tax (computed in accordance with the relevant provisions of the Income tax Act, 1961).

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date to reassess realisation.

11. Provisions and Contingencies

The company creates a provision when there exists 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. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.

12. Earnings per share

The basic and diluted earnings per share ("EPS") is computed by dividing the net profit after tax for the year by weighted average number of equity shares outstanding during the year.

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

[Amount in ₹]

	31-Mar-2014	31-Mar-2013
Note 2: Share Capital		
Authorised		
4,00,000,00 (Previous year 4,00,000,00) Equity Shares of Rs. 3 Each	120,000,000	120,000,000
5,00,000 (Previous year 5,00,000) Redeemable Cumulative Non Convertible Preference Shares of Rupee 1 each (Refer Note no. 24)	500,000	500,000
	120,500,000	120,500,000
Issued, Subscribed and Paid up		
3,63,32,349 (Previous year 3,63,32,349) Equity shares of Rs.3 Each, fully paid (Refer Note No.24)	108,997,047	108,997,047
1,00,000 (Previous year 1,00,000) 5% Redeemable cumulative Non convertible preference shares of Rs.1 each (Refer Note No.24)	100,000	100,000
1,50,000 (Previous year 1,50,000) 9% Redeemable cumulative Non convertible preference shares of Rs.1 each (Refer Note No.24)	150,000	150,000
	109,247,047	109,247,047
A) The Reconciliation of the number of shares outstanding if given below:	No of Shares	No of Shares
a) Equity Shares		
Equity Share outstanding at the beginning of the Year	36,332,349	50,000
Equity Shares issued during the year	-	36,332,349
Equity Shares cancelled during the year	-	50,000
Equity Shares outstanding at the end of the year	36,332,349	36,332,349
b) Preference Shares		
5% Preference Shares at the beginning of the year	100,000	-
5% Preference Shares issued during the year	-	100,000
5% Preference Shares outstanding at the end of the year	100,000	100,000
9% Preference Shares at the beginning of the year	150,000	-
9% Preference Shares issued during the year	-	150,000
9% Preference Shares outstanding at the end of the year	150,000	150,000
B) Shareholders holding more than 5% shares of the Company		
a) Equity Shareholder		
Ashok Piramal Group Textile Trust through its trustee, Mrs. Urvi A Piramal		
Nos of Shares	21,590,112	21,590,112
% age of holding	59.42	59.42
b) Preference Shareholder		
Ashok Piramal Group Textile Trust through its trustee, Mrs. Urvi A Piramal		
Nos of Shares	250,000	250,000
% age of holding	100.00	100.00

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

c) Terms/rights to Equity Shares

The Company has only one class of shares referred as equity shares having a par value of Rs.3/- per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

d) Terms/rights attached to Preference Shares

5% Redeemable Cumulative Non- Convertible Preference Shares of Rs.1/- each, Redeemable at anytime before the expiry of 20 years from the date of allotment (i.e. 16th August, 2012) of the said preference shares at the option of the Company. The holders of the said Preference Shares shall not have any right to vote in any manner before the Company at any meeting except on resolutions placed before the Company at any meeting which directly affects their rights.

9% Redeemable Cumulative Non- Convertible Preference Shares of Rs.1/- each, Redeemable at anytime between 16th February, 2014 to 15th August, 2017 at the option of the Company. The holders of the said Preference Shares shall not have any right to vote in any manner before the Company at any meeting except on resolutions placed before the Company at any meeting which directly affects their rights.

[Amount in ₹]

	31-Mar-2014	31-Mar-2013
Note 3: Reserves & Surplus		
General Reserve		
<u>Reserves and Surplus</u>		
Opening Balance	15,124,956	-
Add: on account of amalgamation (Refer Note No24)	-	15,124,956
	15,124,956	15,124,956
<u>Profit & Loss Accounts</u>		
Opening Balance	(148,220,791)	127,360
Add: Profit / (Loss) on account of amalgamation (Refer Note 24)	-	(164,031,638)
Add : Profit/(Loss) of current year	(27,396,826)	15,683,487
Balance as per Profit and Loss Account	(175,617,617)	(148,220,791)
	(160,492,661)	(133,095,835)
Note 4: Long Term Borrowings		
<u>Secured Loans</u>		
Term Loan from banks	24,419,014	24,739,099
Term Loan granted by Bank is secured by first paripasu charge on the present and the future movable and immovable fixed assets of the Company. Second charge on all the current assets of the Company.		
<u>Unsecured Loan</u>		
Debentures	284,500,000	-
(2845 Unsecured Non-Convertible Redeemable Debentures of Rs.100000 each are Redeemable with 2% premium on 1st July , 2015 at the end of the 24 months from the date of allotment i.e .1st July, 2013)		
	308,919,014	24,739,099

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

[Amount in ₹]

	31-Mar-2014	31-Mar-2013
Note 5 : Short Term Borrowings		
<u>Unsecured Loans</u>		
Bodies Corporate	14,929,321	286,548,886
Director	160,000	160,000
	15,089,321	286,708,886
Note 6 : Trade Payables		
Dues to Micro, Small & Medium Enterprises	-	-
Others	5,608,912	6,535,597
	5,608,912	6,535,597
Note 7: Other Current Liabilities		
i) Statutory Liability	8,897	81,224
ii) Current maturities of Long term debt	8,812,000	17,625,000
iii) Others	16,296,662	14,078,500
	25,117,559	31,784,724
Note 8 : Fixed Assets		
A) Gross Block - Tangible Assets	14,420,462	15,563,390
Less : Depreciation Fund	10,684,118	8,346,561
Net Block	3,736,344	7,216,829
B) Gross Block - Intangible Assets	300,000,000	300,000,000
Less : Depreciation Fund	30,000,000	15,000,000
Net Block	270,000,000	285,000,000
	273,736,344	292,216,829
Note 9 : Non Current Investments		
Un Quoted:		
10,20,000 Equity Shares of Mens Club s.p.a. Italy	300,000	300,000
	300,000	300,000
Note 10: Long Term Loans & Advances		
Advance Tax	2,472,776	2,809,485
	2,472,776	2,809,485
Note 11: Other Non Current Assets		
MAT Credit entitlement Receivable	4,339,542	4,339,542
	4,339,542	4,339,542
Note 12: Inventories		
A) Raw material	500,000	500,000
B) Finished Goods	3,111,240	3,111,240
	3,611,240	3,611,240

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

[Amount in ₹]

	31-Mar-2014	31-Mar-2013
Note 13 : Trade Receivables		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment	1,984,875	2,320,383
	1,984,875	2,320,383
Note 14 : Cash & Cash Equivalent		
A) Cash in hand	686	686
B) Balances with Banks		
i) Current Accounts	2,345,897	2,573,834
ii) Fixed Deposits	21,000	955,226
	2,367,583	3,529,746
Note 15 : Short Term Loans & Advances		
A) Deposits	1,300,396	3,100,396
B) Others	13,376,436	12,885,233
	14,676,832	15,985,629
Note 16 : Other Current Assets		
Interest Receivable	-	806,664
	-	806,664
Note 17 : Revenue From Operations		
A. Sale of products		
Export Sales	-	84,427,258
Local Sales	-	42,146,928
	-	126,574,186
B. Other Operating Revenue		
Job Work Income	-	5,007,668
Duty Drawback	-	6,947,286
	-	11,954,954
	-	138,529,140
Note 18 : Other Income		
Profit / (Loss) On Sale of assets (net)	-	235,445,220
Miscellaneous Income	-	80,471
Interest Income	388,131	-
	388,131	235,525,691

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

[Amount in ₹]

	31-Mar-2014	31-Mar-2013
Note 19 : Material Consumed		
A : Material Consumed - Fabric		
Opening Stock	500,000	-
Add : Stock on amalgamation of garment business (Refer Note No.24)	-	39,308,826
Add: Purchase during the year	-	41,805,055
Add: Carriage Inward	-	1,251,098
Less: Closing Stock	500,000	500,000
Material Consumed - Fabric	-	81,864,979
B: Material Consumed - Accessories		
Purchase during the year	-	13,206,851
Material Consumed - Accessories	-	13,206,851
Material Consumed (A+B)	-	95,071,830
Note 20 : Increase Decrease in WIP & Finished Goods		
Opening Stock		
WIP	-	-
Finished Goods	3,111,240	-
	3,111,240	-
Add : Stock on amalgamation of garment business (Refer Note No.24)		
WIP	-	24,150,749
Finished Goods	-	26,901,561
	-	51,052,310
Closing Stock		
WIP	-	-
Finished Goods	3,111,240	3,111,240
	3,111,240	3,111,240
(Increase) / Decrease in WIP & FG	-	47,941,070
Increase / (Decrease) in Excise Duty	-	(2,400,827)
Net (Increase) / Decrease	-	45,540,243
Note 21 : Employee Benefit Expenses		
Salaries and Wages	-	55,493,678
Contribution to PF and other Funds	-	8,174,829
Staff Welfare Exp	-	436,950
	-	64,105,457

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

[Amount in ₹]

	31-Mar-2014	31-Mar-2013
Note 22 : Finance Cost		
Interest Expenses		
Interest on Term Loans	5,406,947	11,796,370
Interest on Others	616,303	121,108
Interest on Working capital	-	12,391,540
	<u>6,023,250</u>	<u>24,309,018</u>
Bank Charges	131,051	899,309
	<u>6,154,300</u>	<u>25,208,327</u>
Note 23 : Other Expenses		
Job Work Charges	-	4,921,923
Power & Fuel	15,251	2,485,724
Consumables	-	465,773
Lease Rent	270,866	42,716,371
Telephone Expenses	28,775	365,613
Travelling & Conveyance	557,111	3,924,011
Rates & Taxes	433,099	2,470,233
Repairs & Maintenance - Others	1,000	2,702,998
Professional Charges	520,709	3,020,298
Clearing & Freight Charges	-	2,186,086
Fixed Assets - Computer software written / off	1,142,928	-
Auditor's Remuneration	25,000	325,000
Insurance	2,668	37,857
Commission & Discount Expenses	-	7,607,324
Security Expenses	13,650	1,966,961
Miscellaneous Expenses	1,282,043	4,167,737
	<u>4,293,100</u>	<u>79,363,909</u>

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

[Amount in ₹]

Note: 24

Composite Scheme of Arrangement and Amalgamation (in previous year)

1 The Composite Scheme of Arrangement and Amalgamation ('Scheme') under Sections 391 to 394 read with Sections 100 to 103 and other applicable provisions of the Companies Act, 1956 between Morarjee Textiles Limited ('MTL'), Five Star Mercantile Ltd (FSML / the Company) and Morarjee Holding Private Limited ('MHPL') and their respective shareholders, has been sanctioned by the Honorable High Court of Judicature at Bombay vide its Order dated 29th June 2012 and has been made effective on filing of the certified copies of the Order of the court on 17th July, 2012 ('Effective date'). The Scheme, inter alia, provides for the demerger of Integra Division of the Company pertaining to garment manufacturing business along with its investments in MHPL into the Company with Appointed Date as April 01, 2011. Under the same composite scheme, MHPL would be merged with the Company with Appointed Date as January 01, 2012.

2 Pursuant to demerger:

- a) Integra Division pertaining to Garment Manufacturing Undertaking of MTL has been transferred to the Company on a going concern basis.
- b) As a consideration:
 - One fully paid Equity Share of Rs.3 each of the Company shall be issued and allotted for every one fully paid Equity Share of Rs. 10 each held in MTL;
 - One fully paid 5% Redeemable Cumulative Non-Convertible Preference Shares of Rs.1 each of the Company shall be issued and allotted for every 10 fully paid 5% Redeemable Cumulative Non-Convertible Preference Shares of Rs. 100 each held in MTL; and
 - One fully paid 9% Redeemable Cumulative Non-Convertible Preference Shares of Rs.1 each of the Company shall be issued and allotted for every 10 fully paid 9% Redeemable Cumulative Non-Convertible Preference Shares of Rs. 100 each held in MTL.
- c) The existing equity shares of the Company held by MTL shall without any application or deed, stand cancelled without any payment.
- d) The difference between excess of the book value of assets over the book value of liabilities transferred of the Integra Division transferred from MTL and the amount credited as share capital after adjusting the reduction in the capital shall be debited/credited to Business Reconstruction account of FSML.

3 Pursuant to merger:

The Company has carried out the accounting treatment prescribed in the Scheme as approved by the Hon'ble High Court of Judicature at Bombay. The required disclosures as per paragraph 42 of Accounting Standard 14 have been provided. Hence, in accordance with the Scheme:

- a) All the assets and liabilities in the books of MHPL shall stand transferred and vested in the Company and shall be recorded by the Company at their respective fair values.
 - b) The investments in the equity share capital of the MHPL as appearing in the books of accounts of the Company, as on the appointed date of merger, shall stand cancelled
 - c) The difference, between the fair value of assets and the fair value of liabilities transferred to the Company after adjusting for the inter-company investments and balances, if any and after adjusting the balance in Business Reconstruction Account created pursuant to demerger be credited to General Reserve Account.
- 4 Pursuant to the Composite Scheme, the name i.e. FSML stands changed to Integra Garments and Textiles Ltd w.e.f. 10th August, 2012

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

[Amount in ₹]

Note-25

₹ in lacs

a) Consumption of Raw Materials	Year Ended 31-03-2014	Year Ended 31-03-2013
	Value	Value
Fabric	-	818.64
Accessories	-	132.07
	-	950.71

b) Value of Imported and Indigenous Raw Materials, Stores spares Parts & Components Consumed ₹ in lacs

Raw Material	Year Ended 31-03-2014		Year Ended 31-03-2013	
	Value	%	Value	%
Imported	-	-	77.28	8.13%
Indigenous	-	-	873.43	91.87%
	-	-	950.71	100.00%

c) CIF Value of Import & Expenses in Foreign Currency and Earning in Foreign Currency ₹ in lacs

	Year Ended 31-03-2014	Year Ended 31-03-2013
a) CIF Value of Import		
Raw Material	-	77.28
b) Earning in Foreign Currency	-	829.76

₹ in lacs

d) Particulars	Year Ended 31-03-2014	Year Ended 31-03-2013
Turnover-Readymade Garments	-	1265.74
Finished Goods	31.11	31.11

₹ in lacs

e) Auditors Remuneration	Year Ended 31-03-2014	Year Ended 31-03-2013
Audit Fees	0.25	2.50
Tax Audit Fees	-	0.75
	0.25	3.25

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

[Amount in ₹]

26 There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2014. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

27 The Company is engaged in Manufacturing of textiles Products which is Considered as the only reportable business segment.

28 List of related Parties with whom transaction have taken place during the year

₹ In Lacs

Details of Transactions are as follows:	Year Ended 31-03-2014	Year Ended 31-03-2013
a) Land sold to related party Morarjee Textiles Ltd	-	4,051.00
b) Loan repaid to Related party Morarjee Textiles Ltd	-	3,749.51

29 Lease Rent of previous year includes rent, compensation paid to landlord and service tax amount with interest.

[Amount in ₹]

Earnings Per Share (Basic & Diluted)	Year Ended 31-03-2014	Year Ended 31-03-2013
a) Profit / (Loss) after Tax	(27,396,826)	15,683,487
Less: Preference Share dividend	21,644	11,556
	(27,418,470)	15,671,931
b) Number of Shares (Weighted Average)	36,332,349	36,332,349
c) Earnings Per Share (₹)	(0.75)	0.43

As per our Report of even date

For & on Behalf of
D.Dadheech & Co
Chartered Accountants
FRN No.101981W

Devesh H Dadheech
Proprietor
M.No.33909

Place : Mumbai, 28th May, 2014

For and on behalf of Board

Mr. R. K. Rewari Managing Director

Mr. Shardul Doshi Director

Ms. Vrushali Nar Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March , 2014

₹ In Lacs

	31st March, 2014		31st March, 2013	
	Amount	Amount	Amount	Amount
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit :		(273.97)		156.83
Depreciation	173.38		446.69	
Interest Expenses	61.54		252.08	
Adjustment on Amalgamation	-		(1433.57)	
Fixed Assets written off	11.43		-	
Interest Income	(3.88)		-	
Profit on Sale of Assets	-		(2354.45)	
		<u>242.47</u>		<u>(3089.25)</u>
Operating Profit Before Working Capital Changes		(31.50)		(2932.42)
Adjustments for Changes in Working Capital				
(Increase)/ Decrease in Trade and Other Receivables	27.88		1357.20	
(Increase) /Decrease in Inventories	-		707.94	
Increase/(Decrease) in Trade Payables	12.19		(1369.85)	
		<u>40.07</u>		<u>695.29</u>
Cash From Operating Activities		8.57		(2237.13)
Less: Income Tax Paid		-		-
Net Cash From Operating Activities		(A) 8.57		(A) (2237.13)
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	-		(0.61)	
Sale of Fixed Assets	-		4552.33	
Interest Income	3.88		-	
Net Cash Used in Investing Activities		(B) 3.88		(B) 4551.72
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Long Term Borrowings	-		-	
Repayment of Long Term Borrowings	(91.33)		(1093.91)	
Increase/ (Decrease) in Short term Borrowings	128.80		(1053.38)	
Interest Paid	(61.54)		(252.08)	
Net Cash Used in Financing Activities		(C) (24.07)		(C) (2399.37)
Net Increase in Cash and Cash Equivalents (A)+(B)+(C)		(11.62)		(84.78)
Cash and Cash Equivalents at the beginning of the year		35.30		3.76
Cash and Cash Equivalents as per scheme of merger		-		116.32
Cash and Cash Equivalents at the end of the year		23.68		35.30

As per our Report of even date

For & on Behalf of
D.Dadheech & Co
Chartered Accountants
FRN No.101981W

Devesh H Dadheech
Proprietor
M.No.33909
Place : Mumbai, 28th May, 2014

For and on behalf of Board

Mr. R. K. Rewari Managing Director
Mr. Shardul Doshi Director
Ms. Vrushali Nar Company Secretary

ANNEXURE TO THE BALANCE SHEET AS AT 31st March , 2014

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT,1956

1. NAME OF THE SUBSIDIARY COMPANY	MENS CLUBS.P.A.
2. FINANCIAL YEAR OF THE SUBSIDIARY COMPANY	31.12.2013
3. DATE FROM WHICH IT BECAME SUBSIDIARY	16.02.2013
4. EXTENT OF THE HOLDING COMPANY'S INTEREST IN THE SUBSIDIARY COMPANY AT THE END OF THE FINANCIAL YEAR OF THE SUBSIDIARY COMPANY	1020000 EQUITY SHARES OF 1 EURO EACH (51%)
5. NET AGGREGATE AMOUNT OF THE PROFIT/ (LOSS) OF THE SUBSIDIARY COMPANY NOT DEALT WITH IN THE HOLDING COMPANY'S ACCOUNTS (CONCERNING THE MEMBERS OF THE HOLDING COMPANY):	
A) FOR THE CURRENT YEAR (Rs in lacs)	-
B) FOR THE PREVIOUS YEARS SINCE IT BECAME A SUBSIDIARY (Rs in lacs)	2.14
6. NET AGGREGATE AMOUNT OF THE PROFIT OF THE SUBSIDIARY COMPANY DEALT WITH IN THE HOLDING COMPANY'S ACCOUNTS:	
A) FOR THE CURRENT YEAR	NIL
B) FOR THE PREVIOUS YEARS SINCE IT BECAME A SUBSIDIARY	NIL

For and on behalf of Board

Mr. R. K. Rewari Managing Director

Mr. Shardul Doshi Director

Ms. Vrushali Nar Company Secretary

Mumbai : 28th May, 2014

Integra Garments and Textiles Limited

Regd. Office: Plot No. G2-M.I.D.C. Industrial Estate, Post: Salai Dhaba, Butibori, Nagpur 441108
CIN: L18109MH2007PLC172888

Telephone No: 022 - 66154651 Website: www.integragarments.com email:- corporatesecretarial@integragarments.com

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 the Member (s):-

Address :-

E-mail id :-

Folio No. Client ID No. :-.....DP ID No.

I/We, being the member (s) of..... shares of Integra Garments and Textiles Limited, hereby
appoint

1. Name:

Address:

.....

E-mail Id:- Signature:.....
or failing him

2. Name:

Address:

.....

E-mail Id:- Signature:.....
or failing him

3. Name:

Address:

.....

E-mail Id:- Signature:.....
or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 7th Annual General Meeting of the company,
to be held on Tuesday, 23rd September, 2014 at 9.30 a.m. at Plot No. G2-M.I.D.C. Industrial Estate, Post: Salai Dhaba, Butibori,
Nagpur 441108 and at any adjournment thereof in respect of such resolutions as are indicated below:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014 and Statement of Profit and Loss for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. Re-appointment of Auditors
3. To fill the vacancy created on the Board of Directors of the Company in place of Mr. R. K. Rewari, who retires by rotation and being eligible offers himself for re-appointment.
4. Appointment of Mr. Shardul Doshi as Independent Director of the Company for consecutive period of 5 Years
5. Appointment of Ms. Sridhar Rengan as Independent Director of the Company for consecutive period of 5 Years

Signed this..... Day of 2014

Signature of shareholder

Signature of Proxy holder(s).....

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.

Affix
Revenue
Stamp

Integra Garments and Textiles Limited

Regd. Office: Plot No. G2-M.I.D.C. Industrial Estate, Post: Salai Dhaba, Butibori, Nagpur 441108
CIN: L18109MH2007PLC172888

Telephone No: 022 - 66154651 Website: www.integralgarments.com email:- corporatesecretarial@integralgarments.com

ATTENDANCE SLIP

(To be presented at the entrance)

I/We hereby record my/our presence at the 7th Annual General Meeting of the Company held at Plot No. G2-M.I.D.C. Industrial Estate, Post: Salai Dhaba, Butibori, Nagpur 441108, on Tuesday, 23rd September, 2014 at 9.30 a.m.

Folio No. Client ID No. DPID No.

Name of the Member:- Signature:-

Name of Proxy holder :- Signature:-

1. Only Member / Proxy holder / can attend the Meeting.
2. Member/ Proxy holder should bring his/her copy of the Annual Report for reference at the Meeting.

If undelivered please return to:

Integra Garments and Textiles Limited

Registered Office:

Plot No. G2-M.I.D.C. Industrial Estate,

Post: Salai Dhaba, Butibori,

Nagpur - 441108