

ANNUAL REPORT 1999 - 2000



International Combustion (India) Limited

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Board of Directors

S. Bagaria	<i>Chairman</i>
I. Sen	<i>Managing Director</i>
S. Saha	<i>Executive Director</i> <i>(Wholtime Director)</i>

S. Faheem Ahmed
A. K. Ghose
R. L. Gaggar

Vice President (Finance) & Secretary

S. C. Saha

Auditors

Lodha & Co. *Chartered Accountants*

Bankers

Hongkong Bank
Punjab National Bank
State Bank of Mysore

Share Transfer Agent

C.B.Management Services Limited,
P-22, Bondel Road,
Calcutta - 700 019.
Phone : 280-6692

Registered Office

107/1 Park Street,
Calcutta - 700 016.
Telephone : 245-7522, 226-1732, 226-1734
Fax : (033)249-3713
Email : intcomc2@giasc101.vsnl.net.in

Manufacturing Facilities

West Bengal – 156, G. T. Road,
 Baidyabati, Hooghly
 – Budge Budge Trunk Road,
 Maheshtala, 24 Parganas.
 – 10, Circus Range, Calcutta.

Maharashtra – L-7, MIDC, Industrial Area, Hingna,
 Nagpur – 400 016
 – B.74/1, MIDC Waluj, P.O. Bajaj Nagar,
 Aurangabad – 431 136

Regional Office

Mumbai	- Khanna Construction House, 44, Dr. R. G. Thadani Marg, Worli. Mumbai – 400 018
Calcutta	- 107/1, Park Street, Calcutta – 700 016
New Delhi	- 2E/28, Jhandewalan Extn. New Delhi – 110 055
Chennai	- 17, Smith Road, Chennai – 600 002
Hyderabad	- Samrat Complex, 5-9-12, Saifabad, Hyderabad – 500 004
Pune	- Chandratara 59/7, Mahesh Housing Society, Bibvewadi, Pune – 411 037
Bangalore	- 135, 16th Cross, I-Block, R. T. Nagar, Bangalore – 560 032
Nagpur	- Raina Building, Mount Road, Nagpur – 440 001
Aurangabad	- B.74/1, MIDC Waluj, P.O. Bajaj Nagar, Aurangabad – 431 136

Listing

(Listing fees for 2000-01 paid)
The Calcutta Stock Exchange Association Ltd.,
 6, Lyons Range, Calcutta - 700 001.

The Stock Exchange, Mumbai,
 Phiroze Jeejeebhoy Towers,
 Dalal Street, Mumbai - 400 001

Number of Shareholders

(As on 31st March, 2000) **5109**

Annual General Meeting

Date & Time : 25th August, 2000 at 3.30 pm.
Venue : Banquet Hall - I
 The Park,
 17, Park Street,
 Calcutta - 700 016.

Book Closure Dates

18th August, 2000 to 25th August, 2000
 (both days inclusive)



International Combustion (India) Limited

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors present their Sixty Fourth Annual Report together with the Audited Accounts of the Company for the financial year ended 31st March, 2000.

FINANCIAL RESULTS

	(Rs. in lacs)	
	<u>1999-2000</u>	<u>1998-1999</u>
Profit before Depreciation, Interest and Tax	257.97	111.38
Less :		
Interest	255.37	278.92
Depreciation	<u>108.12</u>	<u>388.00</u>
Profit/(Loss)	(105.52)	(276.62)
Balance of profit from previous year	-	11.77
Transfer from Debenture Redemption Reserve	40.67	108.04
Transfer from General Reserve	<u>64.85</u>	<u>156.81</u>
	-	-

OPERATIONS

We informed you, last year, of the continued recession in the capital goods industry. To combat such unfavourable condition, your Company initiated a number of re-structuring measures and was successful in reducing the expenses by over 15%. For the year under review the operating expenses was Rs.1239 lacs as against Rs.1465 lacs resulting in a saving of Rs.226 lacs. The interest for the corresponding period also decreased marginally.

Considering the present depressed domestic market, the Company increased their export efforts and the export sale increased from Rs.60 lacs of previous year to Rs.202 lacs for the year under review.

Despite major success in the above areas, the severe recession in the domestic market resulted in the sale for the year to decline from Rs.2300 lacs for the previous year to Rs.2180 lacs. Due to this decline in the domestic sale, the gains of reduction of expenses through re-structuring and increase of export business did not have the desired effect on the performance and the Company recorded a

loss of Rs.105 lacs as against a loss of Rs.277 lacs for the previous year.

In the present circumstances even marginal increase in sales shall improve the performance to the desired level. The Company is vigorously pursuing their marketing efforts for both domestic and export market and the Directors of your Company expect satisfactory performance in the current year.

DIVIDEND

The operating results of the Company for the year under review although has shown an improvement over last year, but as the same till not being favourable, your Directors do not recommend payment of any dividend for the financial year ended 31st March 2000.

PUBLIC DEPOSITS

The total amount deposited with the Company as on 31st March 2000 was Rs.14 lacs which did not include any unclaimed matured deposit at the end of the year. Barring these, the Company had liability in respect of matured



International Combustion (India) Limited

deposits amounting to Rs.0.17 lac relating to six depositors which remained unclaimed as on 31st March 2000.

INDUSTRIAL RELATIONS

The Company regrets to inform that the operations of Santoshpur Unit continue to be suspended. Bi-partite meetings with the Union are continuing to find a solution for making this unit viable.

STATUS ON Y2K

The Company has successfully achieved the Y2K transition without any disruption in the operation of the Company. All systems/equipments are functioning in a normal manner.

POWER SUPPLY AND CONSERVATION OF ENERGY

The Company is continuing with their efforts for conservation of energy and some of the steps taken by the Company towards optimisation of the power and fuel consumption has resulted in savings in fuel consumption.

TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO

Information with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo pursuant to Section 217(1)(e) of The Companies Act, 1956 is set out in Annexure I forming part of this Report.

PERSONNEL

The particulars of employees as required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975, as amended, are given in Annexure II to this Report.

AUDITORS' REPORT

The observation made by the Auditors in their Report have been dealt with and explained in the Notes to the Accounts in Schedule 18(B) and therefore do not call for any further clarification under Section 217(3) of the Companies Act, 1956.

DIRECTORS

Mr. S. Bagaria and Mr. R. L. Gaggar retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

AUDITORS

Messrs. Lodha & Co., Auditors of the Company, retire at the forthcoming Annual General Meeting and being eligible, offer themselves for reappointment.

Calcutta,
The 14th July, 2000

On behalf of the Board
S. Bagaria
Chairman


International Combustion (India) Limited

Annexure I

TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS & OUTGO

Forming part of the Directors' Report for the year ended 31st March 2000

A. TECHNOLOGY ABSORPTION :
I. RESEARCH & DEVELOPMENT (R & D)
1. Specific Areas :

Research & development activities in the areas of improvement of quality and efficiency of the equipment, selection of raw materials and development of import substitution continued during the year.

2. Benefits derived :

Reduction in input cost and successful implementation of quality upgradation programme.

3. Future plan of action :

The Company plans to continue their programme for upgradation of technology for manufacture of equipments.

4. Expenditure on R & D :

	Rs. Lacs
a) Capital	-
b) Recurring	19.11
c) Total	19.11
d) Total R & D expenditure as a % of total turnover	0.88%

II. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION
1. Efforts made :

As part of Total Quality Management the Company makes continuous effort in adaptation and innovation of its product.

2. Benefits derived :

Improvement in quality and efficiency of the equipment manufactured and enhanced possibilities of entering into overseas market.

3. Imported Technology :

Technology imported	Year of import	Has Technology been fully absorbed ?	If not absorbed, areas where this has not taken place, reasons thereof & future plans of action.
(i) Parallel Shaft and hollow Shaft-mounted Geared Motor, Gear Box & Electric Motor	1995	Yes	N.A.
(ii) VARIA Screening System, Polyurethane and Rubber Screen Deck with special hardness and application	1996	Yes	N.A.

B. FOREIGN EXCHANGE EARNINGS & OUTGO :

The information of Foreign Exchange earnings and outgo are contained in Note Nos. (20) and (19) of Schedule 18(B) of Notes on Accounts.

Calcutta,
The 14th July, 2000

On behalf of the Board
S. Bagaria
Chairman


International Combustion (India) Limited
Annexure II
PARTICULARS OF EMPLOYEES

Forming part of the Directors' Report for the year ended 31st March 2000

Name	Age (Years) Last Birthday	Designation & Nature of Duties	Remuneration (Rs.)	Qualification	Experience (Years)	Date of Commence ment of Employment	Last Employment
Saha S.	55	Executive Director (Wholetime Director)	7,70,681	B.E.(Met)	33	15.02.67	First Employment
Sen I.	60	Managing Director	10,78,632	B.E.(Mech.)	38	15.12.71	Hooghly Docking & Engg.Co.Ltd.

- Notes :
1. Remuneration includes, inter alia, leave travel assistance, reimbursement of medical expenses, Company's contribution to Provident & Superannuation Funds, wherever applicable. In addition to the above remuneration, the employees are entitled to Gratuity etc. in accordance with the Company's Rules.
 2. All the above employees were employed throughout the financial year ended March 31, 2000. No employee who receive remuneration exceeding Rs.50,000/- per month was in the employment of the Company for a part of the year.
 3. None of the employees mentioned above is a relative of any Director of the Company.
 4. The nature of employment is contractual for all employees.

 Calcutta,
The 14th July, 2000

 On behalf of the Board
S. Bagaria
 Chairman