

ANNUAL REPORT 1998-99



INTERNATIONAL CONVEYORS LIMITED



INTERNATIONAL
CONVEYORS
LIMITED

ANNUAL REPORT 1998-99

BOARD OF DIRECTORS

Directors

Shri S. C. Dabriwala
Shri M. P. Jhunjhunwala
Shri L. K. Tibrawalla
Shri G. S. Mantry
Shri M. W. Hinchliffe
Shri S. Dalmia

Managing Director

Shri R.K. Dabriwala

Auditors

M/s. LODHA & CO.
Chartered Accountants
14, Government Place East
Calcutta-700 069

Bankers

State Bank of India

Registered Office

10, Middleton Row
Calcutta - 700 071

Works

E-39, MIDC Industrial Area
Chikalthana
Aurangabad - 431 210
(Maharashtra)

INTERNATIONAL
CONVEYORS
LIMITED



CONTENTS	Pages No.
Notice	3
Directors' Report	4
Auditors' Report	9
Balance Sheet	12
Profit & Loss Account	13
Schedules to Accounts	14
Cash Flow Statement	29



INTERNATIONAL
CONVEYORS
LIMITED

NOTICE

Notice is hereby given that the 26th Annual General Meeting of the members of INTERNATIONAL CONVEYORS LIMITED will be held at 10, Middleton Row, Calcutta - 700 071, on Thursday, the 30th day of September 1999, at 3.30 p.m. to transact the following business :

1. To consider and adopt the audited Profit & Loss Account of the Company for the year ended 31st March, 1999, the Balance Sheet as at that date together with the report of the Directors thereon, and to consider the report of the Auditors.
2. To declare dividend.
3. To appoint a Director, in place of Shri M. P. Jhunjunwala who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director, in place of Shri S. Dalmia who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint the Auditors and fix their remuneration. The retiring Auditors M/s. Lodha & Company, Chartered Accountants, are eligible for re-appointment.

- NOTES :**
1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
 2. Proxy form is enclosed. Proxy in order to be effective must be received at the Company's Registered Office not less than 48 hours before the time fixed for the meeting.
 3. The Register of Members and Transfer Books will remain closed from Friday, 24th September 1999 to Thursday, 30th September, 1999, both days inclusive.
 4. The Company has already transferred unclaimed dividend declared upto the financial year ended 31st March, 1995 to the General Revenue Account of the Central Government as required by the Companies unpaid Dividend (Transfer to the General Revenue Account of the Central Government) Rules, 1978. Members who have so far not claimed or collected their dividend upto the aforesaid financial year may claim their dividend from the office of the Registrar of Companies, West Bengal, "Nizam Palace", II M.S. Office Building, 234/4 A. J. C. Bose Road, Calcutta - 700 020. As per the recent amendment to the Companies Act, 1956 the dividends for the year 1995-96, 1996-97 & 1997-98 which would remain unclaimed for a period of seven years, will be transferred to a specific fund Viz. 'Investor Education and Protection Fund' within a specified time period.
 5. Dividend recommended by the Board of Rs.0.60 per Equity Share, if declared at the meeting will be paid to those members (or to their mandatees) whose names will appear on the Company's Register of Members on September 30, 1999, subject however to the provisions of section 206A and section 207 of the Companies Act, 1956.
 6. By virtue of an amendment in the Companies Act, 1956, every member is now entitled to nominate a person to whom his shares in the company shall vest in the unfortunate event of his death.
 - a) Nomination by Joint Holders : where the shares are held jointly by two persons, the joint holders may together nominate a person to whom all rights in the shares shall vest in the event of death of both the joint holders. It may be noted that nomination of separate persons by the joint holders is not permitted.
 - b) Nomination of a minor : where the nominee is a minor, the member may appoint any person to become entitled to the securities in the event of his death during minority.

The members who want to avail of the facility of nomination may send their nomination in Form 2B as prescribed under the Companies Act, 1956.

Registered Office :
10, Middleton Row,
Calcutta - 700 071.
The 9th day of August, 1999.

By Order of the Board

P. K. Rajagopal
Company Secretary



DIRECTORS' REPORT

TO THE MEMBERS OF INTERNATIONAL CONVEYORS LTD.
For the year ended March 31, 1999.

We have pleasure in presenting the Audited Accounts of the Company for the year ended March 31, 1999.

Working Results

	1998-99 Rs.	1997-98 Rs.
Profit before depreciation and taxation	1,18,60,523	1,71,63,577
<i>Less</i> : Depreciation	40,18,948	41,82,890
	78,41,575	1,29,80,687
<i>Less</i> : Provision for taxation / Income tax paid	23,00,000	46,00,000
	55,41,575	83,80,687
<i>Add</i> : Profit brought from last year	34,23,171	30,02,484
	89,64,746	1,13,83,171
<i>Less</i> : Transfer to General Reserve	30,00,000	40,00,000
	59,64,746	73,83,171
<i>Less</i> : Proposed Dividend on Equity Shares	14,40,000	36,00,000
	45,24,746	37,83,171
<i>Less</i> : Corporate Dividend Tax on Proposed Dividend	1,58,400	3,60,000
Balance carried to next year	43,66,346	34,23,171

Operations

The performance of the Company suffered a set back due to poor order book, resulting in decline in sales and profitability, compare to previous year.

Production

During the year, the Company produced 97210 Mtrs. (Previous year 101608 Mtrs.) of PVC Conveyor Belting.



INTERNATIONAL
CONVEYORS
LIMITED

Sales

The turnover of the Company including excise duty for the year amounted to Rs.1672.60 Lacs (Previous year Rs.2216.13 Lacs.)

Profit

The net profit of the Company for the year Rs.78.42 lacs (Previous year Rs.129.81 lacs.)

Explanation to the Auditors Remarks

Leave encashment - In accordance with the accounting policy consistently followed, liability for leave encashment is accounted for as and when it becomes due for payment at the time of retirement/termination of service and no significant liability is expected on this account.

Government Grants - In view of the uncertainty as regards the time of receipt of Government Grants the same are accounted for on cash basis.

Separate Bank Account for Unpaid Dividend - steps have been taken to open a separate bank account for Unpaid Dividend of 1997-98.

Dividend

The Directors recommend a dividend of Rs.0.60 per Equity Share.

Particulars of Employees

Disclosure of particulars of employees under section 217 (2A) of the Companies Act, 1956 read with The Companies (Particulars of Employees) Rules 1975, who are in receipt of remuneration of Rs.50,000/- per month or more are given in Annexure - I, which is attached hereto and form part of the Directors Report.

Particulars of Energy Conservation etc.

Disclosure of particulars of energy conservation measures, technology absorption efforts, foreign exchange earnings and outgo under Section 217(1) (e) of the Companies Act, 1956, read with The Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given in Annexure - II, which is attached to and form part of the Directors' Report.

Financial Institutions

We wish to place on record our appreciation for the co-operation and assistance extended by State Bank of India and The State Industrial and Investment Corporation of Maharashtra Ltd., during the year of operation.

Y2K (Year 2000) Compliance

Your Company is geared up to meet the challenges posed by Y2K problem. Pursuant to the requirements of the Listing Agreements with the Stock Exchanges, your Directors would like to inform as under :

- The Company will have no risk to its operation because of Y2K.
- The expenditure to ensure Y2K compliance for the Company will not have any material financial impact.
- The Company is well equipped to take care of any contingencies of Y2K.

Directors

Shri M. P. Jhunjhunwala and Shri S. Dalmia, Directors of the Company retire by rotation and being eligible offer themselves for re-appointment.

For and on behalf of the Board

R. K. Dabriwala
Managing Director
S. C. Dabriwala
M. P. Jhunjhunwala
L. K. Tibrawalla
G. S. Mantry
Directors

10, Middleton Row
Calcutta - 700 071
The 9th day of August 1999
Encl : Information under
Sections 217(2A) and 217(1)(e)

**DIRECTORS' REPORT (Contd.)****ANNEXURE - I**

**Statement of Particulars of Employees pursuant to the Provisions of
Section 217 (2A) of the Companies Act, 1956**

Sl. No.	Name	Designation/ Nature of Duties	Age (Yrs.)	Remuneration Rs.	Qualifications	Experience (Yrs.)	Date of Commence of Employment	Last Employment Held
1.	Dabriwala R. K.	Managing Director	58	8,43,343/-	JEDP-IIM(CAL) OPM (HARVARD)	40	01.09.78	—
2.	Rajagopal P. K.	Company Secretary & General Manager	49	6,03,690/-	B.COM (Hons) FCA. FCS	24	30.10.80	T.V. Ganesia Aiyer & Co. Chartered Accountants

NOTES : Shri R. K. Dabriwala is relative of two Directors of the Company and his nature of employment is contractual.

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For and on behalf of the Board

R. K. Dabriwala
Managing Director

S. C. Dabriwala
M. P. Jhunjhunwala
V. K. Tibrawalla
G. S. Mantry
Directors

10, Middleton Row
Calcutta - 700 071

The 9th day of August 1999.

**DIRECTORS' REPORT. (Contd.)****ANNEXURE - II**

Disclosure of Particulars under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors Report for the year ended March 31, 1999.

A. CONSERVATION OF ENERGY

1. Energy Conservation Measures taken :

- a) Study of conservation of Energy by M/s. Devki Energy Consultancy Pvt. Ltd., Baroda, during the financial year 1998-99 and implementation of their recommendations in three phases.

Phase I, have been implemented during the financial year and phase II and III will be implemented during the financial year 1999-2000.

- b) Energy audit has been completed during the financial year 1998-99.

- c) By reducing air leakage, additional running of Compressor saved up to 3%.

2. Consumption per unit of production :

	(KWH)	(Rs.)
a) Purchased Unit MSEB	508306	22,94,205
b) Units Generated	530994	17,34,752
c) Total	1039300	40,28,957
d) Rate per unit (Rs.)		3.88
e) Consumption per mtr. of production	10.69 Units.	

B. TECHNOLOGY ABSORPTION

Efforts made in technology absorption as per form 'B' of the Annexure to the Rules :

Research & Development (R & D)

1. Specific areas in which R & D carried out by Company :

- a) Improvement in PVC Plastisol formulations to improve on quality parameters of the belt.

- b) Substitution of materials for cost effectiveness.

2. Benefits derived as a result of the above R & D :

Improvement in the product quality, reduction in cost.

3. Future plan of action :

- a) Post impregnation plant work is in progress. This will further improve the quality of the beltings.

- b) R & D efforts are being conducted for continuous improvement in quality of beltings and reduction of wastages, in addition the developmental work for rubber cover beltings with solid woven carcass are being conducted at in house R & D.



4. Expenditure on R & D :

Technology Absorption, Adaptation & Innovation :

a) Efforts in brief made towards technology absorption, adaptation & innovation :

The Production and Quality Control Departments are always in pursuit of finding ways to upgrade the present technology to improve the overall performance and quality of product to the total satisfaction of customer.

b) Benefits derived as a result of the above efforts :

In-house development of technology has been constantly implemented in the manufacturing programmes resulting in improvement in productivity, quality, waste reduction, launch of new products and flexibility in manufacturing.

c) Technology imported during the last five years : NIL

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

	<u>1998-99</u> (Rs.)	<u>1997-98</u> (Rs.)
1. Foreign Exchange Earned :		
Service Charges	—	92,623
2. Foreign Exchange Outgo :		
a) Value of Imports (CIF)		
i) Raw Materials	3,30,59,051	3,80,21,935
ii) Components & Spare Parts	3,01,974	12,606
b) Travelling Expenses & Other Payments	92,66,272	19,24,959

For and on behalf of the Board

R. K. Dabriwala
Managing Director

S. C. Dabriwala
M. P. Jhunjhunwala
L. K. Tibrawalla
G. S. Mantry

Directors

10, Middleton Row
Calcutta - 700 071

The 9th day of August 1999

AUDITOR'S REPORT

To The Members,

We have audited the annexed Balance Sheet of INTERNATIONAL CONVEYORS LIMITED as at 31st March, 1999 and the Profit and Loss Account for the year ended on that date and report that :-

1. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Central Government in exercise of powers conferred under Section 227 (4A) of the Companies Act, 1956 and according to the information and explanations given to us and on the basis of such checks as we considered appropriate, we give in the annexure a statement on the matters, as specified in paragraphs 4 & 5 of the said order.
2. Further to our comments in the annexure referred to in paragraph 1 above —
 - a) We have obtained all information and explanations which to the best of our knowledge and belief, were necessary for the purpose of our audit,
 - b) The Balance Sheet and Profit and Loss Account are in agreement with books of account,
 - c) Except as given in note No. 7 of Schedule 18B regarding accounting of leave encashment and note no. 4(b) regarding accounting of Government on Grants on cash basis, the Profit & Loss Account and Balance Sheet of the Company comply with the accounting standards referred to in Sub-Section (3c) of Section 211 of the Companies Act, 1956, to the extent applicable,
 - d) In our opinion, subject to Note no. 4(b) of schedule 18B regarding accounting of Government Grants on cash basis and Note no. 7 of schedule 18B regarding accounting of leave encashment benefit on cash basis, proper books of account as required by law have been kept by the Company so far as appears from our examination of such books,
 - e) In our opinion and to the best of our information and according to the explanations given to us, the said accounts subject to (i) Note no. 4 (b) regarding accounting of Government grants on cash basis (ii) Note no. 7 regarding non ascertainment and non provision of leave encashment benefits (iii) Note No. 13 regarding non-maintenance of separate bank account as required under section 205 A of the Companies Act, 1956 and read together with other notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view.
 - i) In the case Balance Sheet. of the state of the affairs of the Company as at 31st March , 1999.
 - ii) In the case of Profit and Loss Account , of the profit for the year ended on that date.

14, Government Place East ,
Calcutta - 700 069
The 9th day of August 1999

For LODHA & CO.
Chartered Accountants
P. L. Vadera
Partner