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# ANNUAL REPORT
# 1999-2000

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# INTERNATIONAL CONVEYORS LIMITED

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INTERNATIONAL CONVEYORS LIMITED

# ANNUAL REPORT 1999-2000

## 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

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**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)



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INTERNATIONAL CONVEYORS LIMITED

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INTERNATIONAL CONVEYORS LIMITED

## *NOTICE*

NOTICE is hereby given that the 27th ANNUAL GENERAL MEETING of the members of **INTERNATIONAL CONVEYORS LIMITED** will be held at 10, Middleton Row, Calcutta-700 071, on Friday, the 29th day of September, 2000, at 3.30 p.m. to transact the following business :

### ORDINARY BUSINESS

1. To consider and adopt the audited Profit & Loss Account of the Company for the year ended 31st March, 2000, the Balance Sheet as at that date together with the report of the Directors thereon, and the consider the report of the Auditors.
2. To appoint a Director, in place of Shri S. C. Dabriwala who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director, in place of Shri M. W. Hinchliffe who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint the Auditors and fix their remuneration. The retiring Auditors M/s. Lodha & Company, Chartered Accountants, are eligible for re-appointment.

### SPECIAL BUSINESS

5. To consider and if thought fit, to pass, with or without modification, the following resolutions as an Ordinary Resolution :

   "Resolved that pursuant to Section 198, 269 and other applicable provisions of the Companies Act, 1956, the re-appointment of Shri R. K. Dabriwala as the Managing Director of the company for a further period of two years from September 1, 2000 to August 31, 2002 on such remuneration as such other terms and conditions as are set out in draft agreement to be entered into between the company and Shri R.K. Dabriwala and approved by the Board of Directors in their meeting held on August 10, 2000 be and is hereby approved".

Encl. Annexure to Notice

By order of the Board
For International Conveyors Ltd.

Registered Office :
10, Middleton Row
Calcutta–700 071
The 10th Day of August, 2000

**P. K. Rajagopal**
*Company Secretary*

**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 22nd September, 2000 to Friday, 29th September, 2000, both days inclusive.
4. Explanatory statement pursuant to the provisions of Section 173(2) of the Companies Act, 1956 in respect of business under item 5 is annexed hereto.



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INTERNATIONAL CONVEYORS LIMITED

## *NOTICE (Contd.)*

5. As per the recent amendment to the Companies Act, 1956 the dividends for the year 1995-96, 1996-97, 1997-98 & 1998-99 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.
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 seperate 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.

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*ANNEXTURE TO NOTICE DATED AUGUST 10, 2000*

**EXPLANATORY STATEMENT**
*(Pursuant to Section 173(2) of the Companies Act, 1956)*

**ITEM NO. 5**

The present terms of appointment of Shri Rajendra Kumar Dabriwala as Managing Director of the Company expires on August 31, 2000. His re-appointment as Managing Director, for a further period of TWO YEARS from September 01, 2000 to August 31, 2002 was approved by the Board of Directors in their meeting held on August 10, 2000. The re-appointment and other terms and conditions, need approval of the members. Hence this resolution. The proposed agreement shall be available for inspection of any member during 10 A. M. to 12 Noon on working days at the Registered Office. The remuneration proposed does not require approval of the Central Government being in terms of Schedule XIII of the Companies Act, 1956. Considering all aspects, the Board has approved and now proposes for your consideration the terms and conditions of his appointment.

*The material provisions of the draft agreement approved by the Board are as follows :*

I. **SALARY :**
Rs. 40,000/- p.m (Rupees Forty thousand per mensum)

II. **PREQUISITES :**
A : (1) a) The expenditure incurred by the company on hiring unfurnished accomodation in Calcutta, subject to a ceiling of 50% of salary over and above 10% of such salary being payable by him.



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## *ANNEXTURE TO NOTICE (Contd.)*

b) In case no accomodation is provided by the company, House Rent allowance will be paid subject to ceiling laid down in (a) above.

(2) Medical expenses re-imbursement for self and family subject to a ceiling of one months salary in a year or three months' salary over a period of three years.

(3) Leave travel concession for self and family once in year subject to a ceiling of one month's salary.

(4) Club fees (other than admission fees) subject to a maximum of two clubs.

(5) Personal accident insurance of which premium shall not exceed Rs. 4000/- per annum.

**B** : (1) Company's contribution to Provident Fund for 12% of salary.

(2) Gratuity of half a month's salary for each completed year of service.

(3) Leave – one month's leave for every eleven months' service with full pay and allowances and also encashment of unutilised leave at the end of the tenure.

**C** : (1) Car for use on Company's business.

(2) One telephone at residence for official purposes.

Perquisites referred above under category "A", "B" & "C" except for B(1), B(3), C(1) and C(2) shall be restricted per annum to the annual salary earned.

III. **COMMISSION :**
1% of Net Profits of the Company in a particular year subject to overall ceilings laid down in Sections 198 & 309 of the Companies Act, 1956.

IV. In case of loss or inadequacy of profits in any financial year, only remuneration by way of salary and perquisites as detailed in Parts I & II aforesaid shall be paid by way of minimum remuneration.

The Managing Director shall have substantial powers of management of entire affairs of the Company subject to overall control of the Board of Directors of the Company.

In compliance with Section 309 of the Companies Act, 1956 and considering the responsibilities and functions of the Managing Director and his experience in the business activities of the company, the terms of remuneration specified above are commensurate and your directors commend the passing of the resolution.

Except Shri R. K. Dabriwala and Shri S. C. Dabriwala, none of the directors is concerned or interested in this resolution.

The accompanying Notice together with the Explanatory Statement be treated as an abstract of the terms of re-appointment of Shri R.K. Dabriwala and Memorandum of Interest under Section 302 of the Companies Act, 1956.

By order of the Board
For International Conveyors Ltd.

**P. K. Rajagopal**
*Company Secretary*

Registered Office :
10, Middleton Row
Calcutta–700 071
The 10th Day of August, 2000



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INTERNATIONAL CONVEYORS LIMITED

## *DIRECTORS' REPORT*

**TO THE MEMBERS OF INTERNATIONAL CONVEYORS LTD.**

We have pleasure in presenting the Audited Accounts of the Company for the year ended March 31, 2000.

**WORKING RESULTS**

| | 1999-2000 Rs. | 1998-1999 Rs. |
|---|---|---|
| Profit / (Loss) before depreciation and taxation | (1,30,60,826) | 1,18,60,523 |
| *Less :* Depreciation | 19,54,116 | 40,18,948 |
| | (1,50,14,942) | 78,41,575 |
| *Less :* Provision for taxation/Income tax paid | — | 23,00,000 |
| | (1,50,14,942) | 55,41,575 |
| *Add :* Profit brought from last year | 43,66,346 | 34,23,171 |
| | (1,06,48,596) | 89,64,746 |
| *Less :* Transfer to General Reserve | — | 30,00,000 |
| | (1,06,48,596) | 59,64,746 |
| *Less :* Proposed Dividend on equity shares | — | 14,40,000 |
| | (1,06,48,596) | 45,24,746 |
| *Less :* Corporate Dividend Tax on Proposed dividend | — | 1,58,400 |
| | (1,06,48,596) | 43,66,346 |
| *Add :* Investment Allowance Reserve | 12,66,084 | — |
| | (93,82,512) | 43,66,346 |
| *Less :* Provision of Taxation for earlier years | 5,41,829 | — |
| | (99,24,341) | 43,66,346 |
| Transfer from General Reserve | 99,24,341 | — |
| Balance Carried to next year | — | 43,66,346 |

**Operations :**

The performance of the company suffered due to no orders from Coal India Ltd. resulting in loss during the year.

**Production :**

During the year, the company produced 18220 Mtrs (Previous year 97210 Mtrs) of PVC Conveyor Belting.

**Sales :**

The turnover of the company including excise duty for the year amounted to Rs. 462.77 Lacs (previous year Rs. 1672.60 Lacs).

**Dividend :**

Due to loss suffered by the Company your Directors express their inability to recommend any dividend for the year (previous year Rs. 0.60 per share).



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## *DIRECTORS' REPORT (Contd:)*

**Future Prospectus :**
Your Company has secured an order for supply of conveyor belting from Coal India Ltd. worth Rs. 16.36 crores in June 2000 which will help in bringing normalize in activity during 2000-2001.

**Directors :**
Shri S. C. Dabriwala and Shri M. W. Hinchliffe, Directors of the Company retire by rotation and being eligible offer themselves for re-appointment.

**Auditors :**
M/s. Lodha & Co., Chartered Accountants, Auditors of the Company retire at the conclusion of the Twenty Seventh Annual General Meeting and offer themselves for re-appointment. They have furnished to the Company a Certificate regarding their eligibility for their re-appointment.

**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.

Depreciation is provided on the basis of actual working days during the year under review.

**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 Annexture-I, which is attached hereto and form part of the Directors' Report.

**Particulars of Energy Conservation Etc. :**
Disclosure of particulars of energy conservation meassures, 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 Compliance :**
Your Company had a smooth transition to the year 2000 without any disruption to its business activities due to adequate precautionary measures taken by the company.

For and on behalf of the Board
**R. K. Dabriwala**
*Managing Director*

10, Middleton Row
Calcutta-700 071
The 10th day of August, 2000
Encl : Information Under Sections 217(2A) and 217(1)(e).

S. C. Dabriwala
*Director*



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INTERNATIONAL CONVEYORS LIMITED

## *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. | Qualification | Experience (Yrs.) | Date of commencement of Employment | Last Employ-held |
|---|---|---|---|---|---|---|---|---|
| 1. | **Dabriwala R.K.** | Mg. Director | 59 | 8,38,777/- | JEDP-IIM(CAL) OPM (HARVARD) | 41 | 01.09.78 | — |
| 2. | **Rajagopal P.K.** | Co. Secretary & General Manager | 50 | 6,03,626/- | B.Com (Hons) F.C.A., F.C.S. | 25 | 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.

For and on behalf of the Board
**R. K. Dabriwala**
*Managing Director*

**S. C. Dabriwala**
*Director*

10, Middleton Row
Calcutta-700 071
The 10th day of August, 2000



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## *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, 2000.

### A. CONSERVATION OF ENERGY :

a) *Energy Conservation Measures taken :*

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

Phase I has been implemented during the previous financial year and phase II has been implemented during this financial year. The balance of Phase III will be implemented during the financial year 2000-2001.

b) *Consumption per unit of production :*

| | | (KWH) | (Rs.) |
|---|---|---|---|
| a) | Purchased Unit MSEB | 165441 | 11,27,948 |
| b) | Units Generated | 52794 | 2,22,374 |
| c) | Total | 218235 | 13,50,322 |
| d) | Rate per unit (Rs.) | — | 6.19 |
| e) | Consumption per mtr. of production | 11.98 Units | — |

**Note** : The above figures of consumption per mtr. production are high due to no order situation.

### 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 :*
   Steps for combination of process were taken up to reduce wastages.

2. *Benefits derived as a result of the above R & D :*
   Improvement in quality of the product and cost reduction will be achieved in the next financial year.

3. *Future plan of action :*
   a) Full implementation of combination of process to reduce wastages.
   b) R & D trials conducted successfully on lab model press for developments of rubber/nitrile cover belting with PVC impregnated carcass and explore market for the products.
   c) R & D efforts are being conducted for continuous improvement in quality of belting and reduction in wastages.



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