

ANNUAL REPORT 2003-2004



INTERNATIONAL CONVEYORS LIMITED



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BOARD OF DIRECTORS

Directors

Shri M. P. Jhunjhunwala

Shri L. K. Tibrawalla

Shri A. Hussain

Smt. R. Dalmia

Shri S. Dabriwala

Managing Director

Shri R. K. Dabriwala

Auditors

M/s. Lodha & Co.
Chartered Accountants
14, Government Place East
Kolkata-700 069

Bankers

State Bank of India

Registered Office

10, Middleton Row
Kolkata-700 071

Works

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

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NOTICE

NOTICE is hereby given that the 31st ANNUAL GENERAL MEETING of **INTERNATIONAL CONVEYORS LIMITED** will be held at 10, Middleton Row, Kolkata-700 071, on Thursday, the 30th September, 2004, 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, 2004, 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 a dividend for the financial year ended 31st March, 2004.
3. To appoint a Director, in place of Shri M. P. Jhunjhunwala who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director, in place of Shri A. Hussain 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.

SPECIAL BUSINESS

6. To consider, and if thought fit, to pass, with or without modification(s), the following Resolution, as a Special Resolution :

“RESOLVED THAT pursuant to Section 198, 269 and all other applicable provisions, if any, 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 forty two months from September, 2004 on such 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 July 29, 2004 be and is hereby approved.”

7. To consider and if thought fit, to pass with or without modification(s), the following Resolution, as an Ordinary Resolution :

“RESOLVED THAT Shri Surbhit Dabriwala, be appointed as an Ordinary Director of the Company.”

Registered Office :
10, Middleton Row
Kolkata-700 071
The 29th July, 2004

By Authority of the Board
For International Conveyors Ltd.

R. K. Dabriwala
(Managing Director)



NOTICE (Contd.)

- 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 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 of the Company will be closed from Thursday 16th September, 2004 to Thursday 30th September, 2004, both days inclusive.
 4. As per the amendment to the Companies Act, 1956 the dividends for the year 1996-97, 1997-98, 1998-99, 2000-2001, 2001-2002 and 2002-2003 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. Members holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 109A of the Companies Act, 1956 are requested to submit to the Company, the prescribed Form 2B.
 6. Explanatory Statement Pursuant to Section 173(2) of the Companies Act, 1956 in respect of business under 6 is annexed hereto.

EXPLANATORY STATEMENT

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

ITEM NO. 6

The present term of appointment of Shri Rajendra Kumar Dabriwala as Managing Director of the Company expires on August 31, 2004. His re-appointment as Managing Director, for a further period of FORTY TWO MONTHS from September 01, 2004 was approved by the Board of Directors in their meeting held on July 29, 2004. The re-appointment and other terms and conditions, need approval of the members. Hence this resolution at point no. 6. The proposed agreement shall be available for inspection of any member during 10 A.M. and 12 Noon on working days at the Registered Office. The remuneration proposed does not require approval of 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 :

NOTICE (Contd.)**I. SALARY :**

Rs. 1,00,000/- p.m. (Rupees One Lac Only)

II. PERQUISITES :

- A. (1) a) The expenditure incurred by the company in hiring unfurnished accommodation in Kolkata, subject to a ceiling of 50% of salary, with a proviso that first 10% of the salary would be paid by him.
- b) In case no accommodation 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 month's salary in a year or three months salary over a period of three years.
- (3) Leave Travel concession for self and family once in a year subject to a ceiling of one month's salary.
- (4) Club fee (other than admission fees') subject to a maximum of two clubs.
- (5) Personal accident insurance of which premium shall not exceed Rs. 6,000/- 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 month's service with full pay and allowances and also encashment of unutilized leave at the end of tenure.
- C. (1) Car for use of 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) and 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 Part 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 responsibility and functions of the Managing Director and his experience in the business activities of the company, the

NOTICE (Contd.)

terms and remuneration specified above are commensurate and your directors commend the passing of the resolution.

Except Shri R. K. Dabriwala, Shri Surbhit Dabriwala and Smt. R. Dalmia, none of the director 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.

ITEM NO. 7

Shri Surbhit Dabriwala was appointed as Additional Director on 27.09.2003 in terms of Section 260 of the Companies Act, 1956.

Shri Dabriwala vacates office at the 31st Annual General Meeting pursuant to Section 260. The Board of Directors of your Company in their meeting held on 29th July, 2004 recommended for the approval of members the appointment of Shri Dabriwala as Director of the Company, liable to retire by rotation.

Notice under Section 257 of the Companies Act, 1956 along with a deposit of Rs. 500/- has been received from shareholder proposing the appointment of Shri Dabriwala as director of the Company. Requisite consent of Shri Dabriwala has been received pursuant to Section 264(1) of the Act to act as director, if appointed.

The board recommends the resolution for your approval.

None of directors of the Company, except Shri Surbhit Dabriwala himself, Shri R. K. Dabriwala and Smt. R. Dalmia being relatives of proposed director, is interested or concerned in the foregoing resolution.

Registered Office :
 10, Middleton Row
 Kolkata-700 071
 The 29th day of July, 2004

By authority of the Board
 For International Conveyors Ltd.

R. K. Dabriwala
 (Managing Director)

DIRECTORS' REPORT**TO THE MEMBERS OF INTERNATIONAL CONVEYORS LTD.**

Your Directors take pleasure in presenting the Audited Accounts of the Company for the year ended 31.03.2004.

WORKING RESULTS

	31.03.2004 Rs.	31.03.2003 Rs.
Profit before depreciation and taxation	3,66,05,096	2,42,47,962
<i>Less : Depreciation</i>	79,87,948	46,97,219
	2,86,17,148	1,95,50,743
<i>Less : Provision for Current tax</i>	90,00,000	61,00,000
Profit after Current Tax	1,96,17,148	1,34,50,743
<i>Less : Provision for deferred tax</i>	7,90,776	9,63,964
Profit after deferred tax	1,88,26,372	1,24,86,779
<i>Add : Profit brought from last year</i>	2,52,535	25,03,881
Profit available for appropriation	1,90,78,907	1,49,90,660
Balance appropriates as under :		
Transfer to General Reserve	1,25,00,000	1,00,00,000
Proposed Dividend on Equity Shares	48,00,000	42,00,000
Corporate Dividend Tax on Proposed Dividend	6,27,300	5,38,125
Income Tax for Earlier Years	3,16,390	—
Balance Carried to next year	8,35,217	2,52,535
	1,90,78,907	1,49,90,660

Operations :

Your Company's operation during the year was satisfactory.

Production :

During the year the Company produced 1,72,529 Mtrs (Previous year 1,23,872 Mtrs) of PVC Conveyor Belting.

Sales :

The turnover of the Company including excise duty for the year amounted to Rs. 2672.90 Lacs (previous year Rs. 1941.58 lacs).

Dividend :

Your directors are pleased to recommend a dividend of Rs. 2 per share or 20% on paid up capital (Previous year Rs. 1.75 per share), the consequent outflow will be Rs. 54.27 lacs including dividend tax (Previous year Rs. 47.38 lacs including dividend tax).

Future Prospects :

Domestic market is limited and therefore your Company has entered into the overseas market since last two years and to achieve still higher growth Company is making concerted efforts to increase the exports in these markets.

Directors :

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

Shri S. C. Dabriwala founder Director of the Company and Shri G. S. Mantry, Director passed away on 23.08.2003 and 18.11.2003 respectively. The Board places on record its sincere appreciation of valuable services rendered and matured advices given by them during their tenure on board.

DIRECTORS' REPORT (Contd.)

Shri Surbhit Dabriwala was appointed as additional director on September 27, 2003 pursuant to Section 260 of the Companies Act, 1956. He holds office upto the ensuing Annual General Meeting. The Company has received notice from a member pursuant to Section 257 of the Companies Act, 1956 signifying his intention to propose candidature of Shri Surbhit Dabriwala as Director of the Company.

Directors Responsibility Statement :

Pursuant to the Provisions of Section 217(2AA) of the Companies Act, 1956, the Directors give hereunder the Directors Responsibility Statement relating to the Accounts of the Company :

- i) all the applicable Accounting Standards have been followed in the preparation of the accompanying Accounts;
- ii) the Directors have selected such accounting Policies and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year on March 31, 2004 and of the Profit of the Company for the said period;
- iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) the Directors have prepared the Annual Accounts on a going concern basis.

Auditors :

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

Particulars of Employees :

None of the employees of the Company employed throughout the year were in receipt of remuneration of Rs. 24,00,000/- or more per annum or employed for part of the year were in receipt of Rs. 2,00,000/- or more per month.

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-I, 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 the State Bank of India and The State Industrial and Investment Corporation of Maharashtra Ltd., during the year of operation.

Regd. Office :
 10, Middleton Row
 Kolkata-700 071
 The 29th day of July, 2004
 Encl : Information Under Sections 217(1)(e).

For and on behalf of the Board
 R. K. Dabriwala
Managing Director
 M. P. Jhunjunwala
 L. K. Tibrawalla
Directors

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

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, 2004.

A. CONSERVATION OF ENERGY :

Continuous efforts are being made to reduce energy consumption and cost per meter output. The following actions have been taken towards this goal during the year under review :

- a) Utilisation of DG set has been limited only to the extent of power failure from MSEB and use of coating plant when run for 2mm thick PVC covers, where MSEB power is inadequate and unsuitable. The per unit cost of power is reduced despite increase in power tariff.
- b) Power factor being maintained at 1. Hence, availing 5% rebate of MSEB power tariff.
- c) Replacement of asbestos sheets with transparent plastics sheets on shed roof, reducing the requirement of electrical lighting during the day.
- d) Replacement of AC/PIV drive with DC in W/L Warper machine. This has resulted in reduction in power consumption and in increase in yield.
- e) Consumption per unit production :

	(KWH)	(Rs.)
i) Purchased Unit MSEB	1543830	58,18,394
ii) Units Generated	22344	1,56,352
iii) Total	1566174	59,74,746
iv) Rate per unit		3.81
v) Consumption per mtr. of production	9.08	

B. FOREIGN EXCHANGE EARNINGS AND OUTGO :

1. Foreign Exchange Earned :

- a) Service Charges
- b) Sale of Beltings

2. Foreign Exchange Outgo :

- a) C.I.F. Value of Imports
 - i) Raw Materials
 - ii) Components & Spare Parts
 - iii) Trading Goods
- b)
 - i) Travelling Expenses
 - ii) Books and Periodicals
 - iii) Service Charges Paid

2003-2004	2002-2003
95,543	31,235
2,13,21,050	74,54,618
4,98,86,203	3,56,33,083
4,52,157	—
19,84,732	86,76,884
12,96,439	22,08,210
19,039	8,548
18,63,655	4,63,545

Regd. Office :
10, Middleton Row
Kolkata-700 071
The 29th day of July, 2004
Encl : Information Under Sections 217(1)(e).

For and on behalf of the Board
R. K. Dabriwala
Managing Director
M. P. Jhunjhunwala
L. K. Tibrawalla
Directors