

# Corporate Information

**Directors**

Mr. M. P. Jhunjhunwala  
Mr. L. K. Tibrawalla  
Mr. J. S. Vanzara  
Mr. K. T. Reddy  
Mr. Sunit Mehra  
Ms. Nandini Khaitan  
Mr. Colin William Benjamin

**Managing Director**

Mr. R. K. Dabriwala

**Chief Financial Officer**

Mr. A. K. Gulgulia

**Company Secretary**

Ms. Ayushi Gupta (from 02.12.2015)

**Auditors**

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

**Bankers**

State Bank of India

**Registered Office & Works I**

Falta SEZ, Sector-II, Near Pump House No. 3  
Village & Mouza - Akalmegh  
Dist. South 24 Parganas, West Bengal - 743 504  
CIN : L21300WB1973PLC028854  
E-Mail : icltd@icbelting.com

**Works-II**

E-39 and H-19, MIDC Industrial Area  
Chikalthana  
Aurangabad - 431 006  
(Maharashtra)

**Corporate Office**

10, Middleton Row  
Kolkata - 700 071  
E-Mail : investors@icbelting.com

**Registrar & Share Transfer Agents**

Maheshwari Datamatics Pvt. Ltd.  
6, Mangoe Lane, 2nd Floor  
Kolkata - 700 001

# Directors Report

*Dear members*

The Board of Directors hereby submits the reports of the business and operations of your Company ('the Company or 'International Conveyors Limited), along with the audited financial statements, for the financial year ended March 31, 2016.

## 1. FINANCIAL RESULTS

(Amount in ₹)

| Particulars                             | 31.03.2016          | 31.03.2015        |
|---|---------------------|-------------------|
| Profit before depreciation and taxation | 12,706,434          | 109,990,148       |
| Less: Depreciation                      | 33,646,266          | 48,004,907        |
| <b>Profit/(Loss) before taxes</b>       | <b>(20,939,832)</b> | <b>61,985,241</b> |
| Less: Provisions for Taxation           | (8,098,146)         | 19,225,495        |
| <b>Profit/(Loss) after taxes</b>        | <b>(12,841,686)</b> | <b>42,759,746</b> |
| Add: Profit brought from last year      | 14,987,929          | 42,538,536        |
| Transfer from General Reserve           | 1,919,620           | -                 |
| Profit available for appropriation      | <b>4,065,863</b>    | <b>85,298,282</b> |
| Balance appropriated as under:          |                     |                   |
| Transfer to General Reserve             | -                   | 50,000,000        |
| Proposed Dividend                       | 3,375,000           | 16,875,000        |
| Tax on Dividend                         | 690,863             | 3,435,353         |
| Balance Carried to Balance Sheet        | -                   | 14,987,929        |

## 2. DIVIDEND

Pursuant to Re-Section 123 read with Companies (Declaration and Payment of Dividend) Rules, 2014, your Directors have recommend dividend of ₹ 0.05 per share on Equity Share of ₹ 1/- each (Previous year ₹ 0.25 per share on Equity Share of ₹ 1/- each) for the financial year ended March 31, 2016, the consequent outflow will be ₹ 40.66 lakhs including dividend tax (Previous year ₹ 203.10 lakhs including dividend tax).

## 3. TRANSFER TO RESERVES

In view of the loss, your Board of Directors does not propose any amount to be transferred to General Reserves during the year under review.

## 4. RESULT OF OPERATIONS

Your Company's operation during the year was satisfactory, given the tough business environment. The turnover of the Company including the excise duty for the year amounted to ₹ 7,766 lakhs (Previous year ₹ 10,044 lakhs).

## Directors' Report

### 5. SUBSIDIARY

The Company has 3 (Three) wholly owned subsidiaries and 1(One) step-down Subsidiary as on March 31, 2016. There is no associate or joint venture company within the meaning of section 2(6) of the Companies Act, 2013. The audit committee reviews the consolidated financial statements of the Company and the investments made by in it unlisted subsidiary companies.

The Company does not have any material, non listed Indian subsidiary company, a statement containing salient features of the financial statements of the Company's subsidiaries in form AOC-1 is attached to the financial statements of the Company.

The Company has a policy for determining 'material subsidiaries' which is disclosed on its website at the following link-<http://www.iclbelting.com/resources/reports/gnrl/Material%20Subsidiaries.pdf>

### 6. LISTING WITH STOCK EXCHANGES

Your Company is listed with The Bombay Stock Exchange Limited and The Calcutta Stock Exchange limited and the Company has paid the listing fees to each of the said Exchanges.

### 7. DIRECTORS & KMP

In terms of the Articles of Association of the Company read with Section 150, 152 of the Companies Act, 2013, Ms. Nandini Khaitan (DIN: 06941351) retires by rotation and being eligible, offers herself for re-appointment, is proposed to be re-appointed as Director of the Company from the date of this AGM.

Pursuant to the provision of Sec 196 of the Companies Act, 2013 and subject to the approval of the members in the General Meeting, the Board of Directors, on the recommendation of Nomination and Remuneration Committee, re-appointed Mr. Rajendra Kumar Dabriwala (DIN: 00086658) as Managing Director effective from October 1, 2016 for a period of 1 year as per the terms specified in the draft agreement to be placed before the ensuing AGM.

Pursuant to the provisions of Section 149 of the Act, Mr. Jinesh Suryakant Vanzara (DIN: 00239574), Mr. Kunchala Thirupal Reddy (DIN: 03330182), Mr. Lakshmikanth Tibrawalla (DIN: 00423521), Mr. Colin William Benjamin (DIN: 07093277) and Mr. Mahadeo Prasad Jhunjhunwala (DIN: 00567070) are independent directors of the company. The terms and conditions of appointment of independent are as per Schedule IV of the Act. They have submitted a declaration that each of them meets the criteria of independence as provided in section 149(6) of the Act and there has been no change in the circumstances which may affect their status as independent director during the year.

Pursuant to the provisions of section 203 of the Act, the key managerial personnel of the Company are Mr. Rajendra Kumar Dabriwala, Managing Director, Mr. Ashok Kumar Gulgulia, Chief Financial Officer and Ms. Ayushi Gupta, Company Secretary (Appointed from December 2, 2015).

### 8. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the board of directors, to the best of their knowledge and ability, confirm that:

- i) In the preparation of the annual accounts for the year ended March 31, 2016, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii) The Directors had 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 March 31, 2016 and of the Loss of the Company for that period;
- iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) The Directors have prepared the annual accounts of the Company on a 'going concern' basis.
- v) The Directors had laid down internal financial controls to be followed by the Company and that such internal financial control is adequate and operating effectively.
- vi) The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## Directors' Report

### 9. NUMBER OF BOARD MEETINGS

Four meetings of the board were held during the year, for details of the meetings please refer to the corporate governance report, which forms part of this report.

### 10. BOARD EVALUATION

According to Regulation 25(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Schedule IV of the Companies Act, 2013, a meeting of Independent Directors was held on February 9, 2016 to review the performance of the Non-Independent Directors and the Board as a whole. The details are given in the Corporate Governance Report.

### 11. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Company policy is to have an optimum combination of executive, non- executive and independent directors to maintain the independence of the Board. As on March 31, 2016, the Board consists of 8(Eight) members, 1(one) of whom is executive, 2(Two) of them is non-executive and rest are independent directors. The Board periodically evaluates the need for change in its composition and size.

The Company's policy on directors' appointment and remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the corporate governance report, which forms part of the directors' report.

### 12. INTERNAL FINANCIAL CONTROL AND THEIR ADEQUACY

Your Company has in place adequate internal financial control policy and procedure for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures. The details in respect of internal financial control and their adequacy are included in the Management Discussion & Analysis, which forms part of this report.

### 13. AUDIT COMMITTEE

The details pertaining to composition of audit committee are included in the Corporate Governance Report, which forms part of this report.

### 14. STATUTORY AUDITORS

M/s. Lodha & Co., Chartered Accountants, (Firm Registration No.301051E), have been appointed as Statutory Auditors of the Company to hold the office from the conclusion of the forthcoming Annual General Meeting (AGM) until the conclusion of the 44th AGM, subject to ratification of their appointment by the members at every AGMs. Accordingly, being eligible, matter relating to the ratification of appointment of the Auditors place before the Member at the forthcoming Annual General Meeting.

### 15. AUDITORS' REPORT

The auditors' report does not contain any reservations, qualifications or adverse remarks. The Auditors' report is attached to the Balance Sheet as at March 31, 2016.

### 16. SECRETARIAL AUDITORS' REPORT

Pursuant to the provisions of Section 204 read with Section 134(3) of the Companies Act, 2013 mandates Secretarial Audit of the Company to be done from the financial year commencing on or after April 1, 2015 by a Company Secretary in Practice. The Board of Directors has appointed M/s. V Gulgulia & Co., Company Secretaries for conducting secretarial audit of the Company for the financial year 2015-2016. The Secretarial auditors' report does not contain any reservations, qualifications or adverse remarks and the Secretarial Audit Report (in form MR-3) forms part of the Board's Report.

### 17. RISK MANAGEMENT

The Company has in place a Risk Management Policy which was reviewed by the Audit Committee and approved by the Board of Directors of the Company. The objective of risk management is to have a dynamic and an optimum balance between risk and return and ensure regulatory compliance and conformity with the Board approved policies, it starts with the identification and evaluation process which is followed by optimal use of resources to monitor and minimize the risks.

### 18. LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

The particulars of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the financial statements.

## Directors' Report

### 19. EXTRACT OF ANNUAL RETURN

An extract of the Annual Return as of March 31, 2016 pursuant to the sub-section (3) of Section 92 of the Companies Act, 2013 is forming part of the report and is attached separately.

### 20. PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 read with Rule 5 of the companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given hereunder.

| Sl. No. | Name                         | Designation             | Remuneration paid FY in 2015-16 | Remuneration paid FY in 2014-15 | % increase in remuneration from previous year | Ratio of remuneration to Median remuneration of employee |
|---------|------------------------------|-------------------------|---------------------------------|---------------------------------|---|--|
| 1.      | Mr. Rajendra Kumar Dabriwala | Managing Director       | 79,08,533                       | 81,00,000                       | Nil   | 25.36:1  |
| 2.      | Mr. Ashok Kumar Gulgulia     | Chief Financial Officer | 13,28,000                       | 7,55,329*                       | 12.68   | 4.25:1   |
| 3.      | Ms. Ayushi Gupta             | Company Secretary       | 74,987                          | NA                              | NA  | 0.24:1   |

\* Remuneration paid to Mr. A. K. Gulgulia for the FY 2014-15, is from August, 2014.

**Percentage increase in remuneration of each Managing Director, Chief Financial Officer (CFO), Company Secretary in the financial year 2015-16:**

Mr. Rajendra Kumar Dabriwala (Managing Director): Nil

Mr. Ashok Kumar Gulgulia (CFO): 12.68

Ms. Ayushi Gupta (Company Secretary): NA

**Percentage increase in median remuneration of employees in the financial year 2015-16 - 13%**

**Explanation of the relationship between average increase in remuneration & Company performance:**

The average increase in remuneration is as per the policy of retention of talent.

**Comparison of remuneration of each KMP against performance of company:**

| Sl. No. | Name                         | Designation             | Remuneration paid FY 2015-16 | % Increase in remuneration from previous year | PAT          | % Decrease in PAT |
|---------|------------------------------|-------------------------|------------------------------|---|--------------|-------------------|
| 1.      | Mr. Rajendra Kumar Dabriwala | Managing Director       | 79,08,533                    | Nil   | (12,841,685) | 130.03%           |
| 2.      | Mr. Ashok Kumar Gulgulia     | Chief Financial Officer | 13,28,000                    | 12.68   |              |                   |
| 3.      | Ms. Ayushi Gupta             | Company Secretary       | 74,987                       | NA  |              |                   |

**Variation in the Market Capitalisation of the Company, Price Earning Ratio as at closing date of the current financial year and previous financial year:**

| Particulars           | 31.03.2016    | 31.03.2015    | % Variation |
|-----------------------|---------------|---------------|-------------|
| Market Capitalisation | 1,130,625,000 | 1,721,250,000 | (34.31)     |
| Price Earnings Ratio  | (88.16)       | 40.48         | (317.80)    |

## Directors' Report

### Key parameters for any variable remuneration of directors:

Except for the Managing Director Mr. Rajendra Kumar Dabriwala, no directors have been paid any remuneration as only sitting fees are paid to them.

**The Ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year-** Not Applicable.

### Affirmation that remuneration is as per the remuneration policy of the Company:

The Company affirms remuneration is as per the remuneration policy of the Company.

#### 21. CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements laid down in SEBI LODR. The requisite Certificate from the Statutory Auditor of the Company confirming compliance with the conditions of corporate governance as stipulated under SEBI LODR is included as a part of this report.

#### 22. DEPOSITS

Pursuant to Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014, the Company has not accepted any deposit from the public/member during the year.

#### 23. DECLARATION GIVEN BY INDEPENDENT DIRECTORS

Independent Directors have given the necessary declarations to the Company as required under sub-section (6) of Section 149 of the Companies Act, 2013.

#### 24. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

There were no contracts/ arrangements/ transactions with related parties which could be considered material in accordance with the policy of the Company or materiality of related party transactions, all contacts / arrangements / transactions with related party were on arm's length basis. Information on transactions with related parties pursuant to section 134(3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 are given in Form AOC-2 and the same forms part of this report.

#### 25. POLICY ON RELATED PARTY TRANSACTION

Policy on dealing with Related Party Transaction is available on the Company's website at <http://www.iclbelting.com/resources/reports/gnrl/Related%20Party%20Policy.pdf>.

#### 26. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

It is the responsibility of the Directors/ senior managerial employees of the Company to intimate to the Independent Director about the Company's strategy, operations, product and service offerings, markets, finance, quality etc. to make Independent Director familiarize with the strategy, operations and functions of the Company.

The details of familiarization programme have been posted in the website of the Company under the web link <http://www.iclbelting.com/resources/reports/gnrl/Familiarisation%20Programme%20for%20Independent%20Director.pdf>.

#### 27. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information relating to energy conservation, technology absorption, foreign exchange earnings and outgo, required under Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) rules, 2014 are annexed to the Board's Report.

#### 28. CORPORATE SOCIAL RESPONSIBILITY (CSR)

In pursuant to the provisions of section 135 and Schedule VII of the Companies Act, 2013, the Board has constituted a CSR Committee. Details of CSR Committee given in Corporate Governance Report. The policy is available on the Company's Website at <http://www.iclbelting.com/resources/reports/cgr/CorporateSocialResponsibilityPolicy.pdf>.

#### 29. VIGIL MECHANISM

In terms of Section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism has been established for Directors and employees of the Company to report genuine concerns and the same has been displayed on the Company's Website at <http://www.iclbelting.com/resources/reports/gnrl/Vigil%20Mechanism.pdf>.

## Directors' Report

### 30. ACKNOWLEDGEMENTS

The Directors express their sincere thanks and place on record their deep appreciation for the patronage extended by the shareholders, valued customers, bankers, government authorities and the investors for their continued support and confidence in the company. The Directors also wish to place on record their deep sense of appreciation to all employees for the diligence of the Company.

For and on behalf of the Board of Directors

Place : Kolkata  
Date : May 30, 2016

**R. K. Dabriwala**  
Managing Director

**M. P. Jhunjunwala**  
Director

## Annexure to the Directors' Report

Information on Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo required to be disclosed under section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 are provided hereunder:

### A. CONSERVATION OF ENERGY

To improve its operational performance in all areas, like production, yield, plant utilisation and others, while reducing the consumption of fuel, power, stores and others, we have continued our efforts. To save energy conservation few steps were taken towards our objective during the year under review:

#### At Aurangabad, Maharashtra

- Voltage stabiliser commissioned for ICP 1.
- All 250 Watts HPMV lamps are replaced by 85 Watts CFL in factory premises.

#### Consumption per unit of production for the year 2015-16:

| Particulars                            | (KWH)   | (₹)        |
|--|---------|------------|
| Purchased Units from Electricity Board | 2356637 | 18,562,009 |
| Units generated (DG)                   | 10084   | 180,425    |
| Total                                  | 2366721 | 18,742,434 |
| Rate per unit                          | -       | 7.92       |
| Consumption per meter of manufacture   | 13.76   | -          |

The Company presently has in total 5 Wind Mills. All these Wind Mills are generating green energy in the states of Karnataka, Maharashtra, Gujarat and Andhra Pradesh and the same is supplied to respective state consumers through state grids.

| Sl. No. | Product Name   | Unit of Capacity / production | Installed Capacity in 'KWH' | Quantity produced in 'KWH' | Capacity utilised (%) | Value of Production (in ₹) |
|---------|--|-------------------------------|-----------------------------|----------------------------|-----------------------|----------------------------|
| 1       | Wind Mill at Chitradurga Dist., Karnataka              | KWH                           | 1400000                     | 987665                     | 70.55                 | 696,556                    |
| 2       | Wind Mill at Panchpatta Dist., Maharashtra             | KWH                           | 1600000                     | 1280180                    | 80.01                 | 898,078                    |
| 3       | Wind Mill at Kutch Dist., Gujarat                      | KWH                           | 4700000                     | 2535419                    | 53.94                 | 2,483,232                  |
| 4       | Wind Mill at Kurnool Dist., Phase - I, Andhra Pradesh  | KWH                           | 1700000                     | 1422170                    | 83.66                 | 5,984,302                  |
| 5       | Wind Mill at Kurnool Dist., Phase - II, Andhra Pradesh | KWH                           | 1700000                     | 1294209                    | 76.13                 | 6,007,082                  |

### B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

The Company continues to use the latest technologies for improving the productive and quality of its services and products.



## Annexure to the Directors' Report

### C. FOREIGN EXCHANGE EARNING AND OUTGO

(₹ in lakhs)

| Foreign exchange used and earned               | 2015-16  | 2014-15  |
|--|----------|----------|
| a) Foreign Exchange Earnings                   | 4,361.52 | 5,911.81 |
| b) C.I.F. Value of Imports                     | 2,143.45 | 3,146.47 |
| c) Expenditure/Claims etc. in foreign currency | 707.12   | 696.20   |

For and on behalf of the Board of Directors

Place : Kolkata  
Date : May 30, 2016

**R. K. Dabriwala**  
Managing Director

**M. P. Jhunjhunwala**  
Director

## Directors' Report

### Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto:

| Sl. No. | Particulars   | Details  |
|---------|---|--|
| 1       | <b>Details of contracts or arrangements or transactions not at arm's length basis:</b>      | Not Applicable   |
| 2       | <b>Details of material contracts or arrangement or transactions at arm's length basis:</b>  |  |
| (a)     | Name(s) of the related party and nature of relationship:                                    | International Conveyors Australia Pty Ltd<br>International Conveyors America Ltd., INC                             |
| (b)     | Nature of contracts/arrangements/transactions:  | Purchase and sales of goods.   |
| (c)     | Duration of the contracts / arrangements/transactions:                                      | As per normal business practice  |
| (d)     | Salient terms of the contracts or arrangements or transactions including the value, if any: | Goods are sold at market rate on arm's length basis  |
| (e)     | Date(s) of approval by the Board, if any:   | Not applicable, since the contract was entered into in the ordinary course of business and on arm's length price.  |
| (f)     | Amount incurred during the year   | International Conveyors Australia Pty Ltd- ₹ 161,076,469<br>International Conveyors America Ltd, INC- ₹ 82,180,820 |

For and on behalf of the Board of Directors

Place : Kolkata  
Date : May 30, 2016

**R. K. Dabriwala**  
Managing Director

**M. P. Jhunjunwala**  
Director