



International Conveyors Limited

**Annual Report**

2016-17

## FORWARD-LOOKING STATEMENT

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make contain forwardlooking statements that set out anticipated results based on the management's plans and assumptions. 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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# 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 (Upto 30.04.2017)

**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 - 743504  
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, 2017.

## 1. FINANCIAL RESULTS

(Amount in ₹)

Particulars	31.03.2017	31.03.2016
Profit before depreciation and taxation	1,44,99,168	1,27,06,434
Less: Depreciation	2,90,21,641	3,36,46,266
<b>Profit/(Loss) before taxes</b>	<b>(1,45,22,473)</b>	<b>(2,09,39,832)</b>
Less: Provisions for Taxation	(15,31,583)	(80,98,146)
<b>Profit/(Loss) after taxes</b>	<b>(1,29,90,890)</b>	<b>(1,28,41,686)</b>

## 2. STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK

Kindly refer to 'Management Discussion and Analysis Report' which forms part of the Annual Report.

## 3. MATERIAL CHANGES AND COMMITMENTS

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of this Report.

## 4. DIVIDEND

Pursuant to Section 123 read with Companies (Declaration and Payment of Dividend) Rules, 2014, your Directors are pleased to recommend dividend of ₹ 0.05 per share on Equity Share of ₹ 1/- each (Previous year ₹ 0.05 per share on Equity Share of ₹ 1/- each) for the financial year ended March 31, 2017, the consequent outflow will be ₹ 40.62 lakhs including dividend tax (Previous year ₹ 40.66 lakhs including dividend tax).

## 5. 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.

## 6. CHANGES IN SHARE CAPITAL

The paid-up Equity Share Capital of the Company as at March 31, 2017 stood at ₹ 675 Lacs. During the year under review, the Company has not issued any further shares.

## Directors' Report

### 7. RESULT OF OPERATIONS

The turnover of the Company including the excise duty for the year amounted to ₹ 4,764 lakhs (Previous year ₹ 7,766 lakhs). However, your Directors are expecting to achieve better results in coming years.

### 8. SUBSIDIARY

The Company has 3 (Three) wholly owned subsidiaries and 1(One) step-down Subsidiary as on March 31, 2017. 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 it in 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>

### 9. 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.

### 10. DIRECTORS & KMP

In terms of the Articles of Association of the Company read with Section 150, 152 of the Companies Act, 2013, Mr. Sunit Om Prakash Mehra (DIN: 00359482) 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 Annual General Meeting (AGM).

Pursuant to the provision of Section 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, 2017 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. Lakshmikant 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 under 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 (Resigned on May 1, 2017).

### 11. 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, 2017, 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, 2017 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;

## Directors' Report

- 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.

### 12. 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.

### 13. 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 14, 2017 to review the performance of the Non-Independent Directors and the Board as a whole. The details are given in the Corporate Governance Report.

### 14. 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, 2017, the Board consists of 8 (Eight) directors, 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.

### 15. 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.

### 16. AUDIT COMMITTEE

The details pertaining to composition of Audit Committee are included in the corporate governance report, which forms part of this report.

### 17. STATUTORY AUDITORS

In terms of provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the term of office of M/s Lodha & Co., Chartered Accountants., the Statutory Auditors of the Company will conclude from the conclusion of the ensuing Annual General Meeting of the Company. The Board of Directors places on record its appreciation to the services rendered by M/s Lodha & Co., as Statutory Auditors of the Company.

Based on the recommendation of the Audit Committee, your Board at its meeting held on August 28, 2017, appointed M/s. G.P. Agrawal & Co., Chartered Accountants (ICAI Firm Registration No.302082E), as the Auditors of the Company, in place of the retiring auditors M/s. Lodha & Co., Chartered Accountants, to hold office from the conclusion of the ensuing 44th AGM until the conclusion of the 49th AGM of your Company to be held in the year 2022, subject to approval of the Members of the Company at the ensuing AGM and ratification by the Members of the Company every year thereafter, if required.

The Company has received written consent and certificate of eligibility in accordance with Sections 139, 141 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or reenactment(s) thereof for the time being in force) from M/s G.P. Agrawal & Co., Chartered Accountants. Further, M/s G.P. Agrawal & Co.,

## Directors' Report

Chartered Accountants, have confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India as required under the provisions of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The proposal for their appointment has been included in the Notice convening the 44th AGM for obtaining approval of the Members of the Company.

### 18. 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, 2017.

### 19. SECRETARIAL AUDITORS' REPORT

The Board of Directors had appointed M/s. V Gulgulia & Co., Company Secretaries to conduct secretarial audit of the Company for the financial year 2016-2017. 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.

### 20. RISK MANAGEMENT

Risk management is the process of identification, assessment, and prioritisation of risks followed by coordinated efforts to minimise, monitor and mitigate/control the probability and / or impact of unfortunate events or to maximise the realisation of opportunities.

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.

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

The full 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.

### 22. EXTRACT OF ANNUAL RETURN

An extract of the Annual Return as of March 31, 2017 pursuant to the sub-section (3) of Section 92 of the Companies Act, 2013 is forming part of the report and is attached separately.

### 23. 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 in the FY 2016-17	Remuneration paid in the FY 2015-16	% increase in remuneration from previous year	Ratio of remuneration to Median remuneration of employee
1	Mr. Rajendra Kumar Dabriwala	Managing Director	95,93,039	79,08,533	Nil	28.57:1
2	Mr. Ashok Kumar Gulgulia	Chief Financial Officer	13,58,000	13,28,000	Nil	4.04:1
3	Ms. Ayushi Gupta	Company Secretary	2,61,600	74,987*	Nil	0.78:1

\* Remuneration paid to Ms. Ayushi Gupta for the FY 2015-16, is from December, 2015.

## Directors' Report

**Percentage increase in remuneration of each Managing Director, Chief Financial Officer (CFO), Company Secretary in the financial year 2016-17 :**

Mr. Rajendra Kumar Dabriwala	(Managing Director) :	Nil
Mr. Ashok Kumar Gulgulia	(CFO) :	Nil
Ms. Ayushi Gupta	(Company Secretary) :	Nil

**Percentage increase in median remunerations of employees in the financial year 2016-17- 7.70%**

**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 in the FY 2016-17	% Increase in remuneration from previous year	PAT	% Decrease in PAT
1	Mr. Rajendra Kumar Dabriwala	Managing Director	95,93,039	Nil	(1,29,90,890)	201.16%
2	Mr. Ashok Kumar Gulgulia	Chief Financial Officer	13,58,000	Nil		
3	Ms. Ayushi Gupta	Company Secretary	2,61,600	Nil		

**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	31.03.2017	31.03.2016	% Variation
Market Capitalisation	1,28,25,00,000	1,13,06,25,000	13.43
Price Earnings Ratio	(100.00)	(88.16)	13.43

**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.

### 24. 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 (Listing Obligation & Disclosure Requirements) Regulations, 2015. The requisite Certificate from the Statutory Auditor of the Company confirming compliance with the conditions of corporate governance as stipulated under SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 is included as a part of this report.

### 25. 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.

### 26. 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.



## Directors' Report

### 27. 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.

### 28. 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>.

### 29. 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>.

### 30. 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.

### 31. 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 is given in the Corporate Governance Report. The policy is available on the Company's Website at

<http://www.iclbelting.com/resources/reports/cgr/CorporateSocialResponsibilityPolicy.pdf>.

### 32. 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>.

### 33. PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT 2013

There has been no such case pending during the year under review.

### 34. 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 : August 28, 2017

**R. K. Dabriwala**  
Managing Director

**M.P.Jhunhunwala**  
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

1. Company has carried out a close monitoring of the Electricity consumption based on KWH.
2. Company is also upgrading its machinery so that it will consume less power and work in low fluctuation.
3. Continuous upgradation in machineries to enhance productivity so that it will consume less energy and power.
4. The Company is also endeavoring to maintain the optimum combination of energies and always looking for the alternate sources.

#### Consumption per unit of production for the year 2016-17:

Particulars	(KWH)	(₹)
Purchased Units from Electricity Board	1553407	1,13,58,927
Units generated (DG)	4516	80,614
Total	1557923	1,14,39,541
Rate per unit	–	7.34
Consumption per meter of manufacture	16.67	–

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 Telangana and the same is supplied to respective state consumers through state grids.

Sl. No.	Product Name	Unit of Capacity / production	Installed Capacity 'KWH'	Quantity produced 'KWH'	Capacity utilised (%)	Value of Production (in ₹)
1.	Wind Mill at Chitradurga Dist., Karnataka	KWH	1400000	246480	18%	16,23,372
2.	Wind Mill at Panchpatta Dist., Maharashtra	KWH	1600000	1277554	80%	8,98,046
3.	Wind Mill at Kutch Dist., Gujarat	KWH	4700000	2586104	55%	25,14,182
4.	Wind Mill at Kurnool Dist., Phase - I, Telangana	KWH	1700000	1147073	67%	26,46,373
5.	Wind Mill at Kurnool Dist., Phase - II, Telangana	KWH	1700000	1331122	78%	26,28,934

### 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.

### C. FOREIGN EXCHANGE EARNING AND OUTGO

(₹ in Lakhs)

Foreign exchange used and earned	2016-17	2015-16
a) Foreign Exchange Earnings	5,380.47	4,361.52
b) C.I.F. Value of Imports	1,223.42	2,143.45
c) Expenditure/Claims etc. in foreign currency	457.89	707.12

For and on behalf of the Board of Directors

Place : Kolkata  
Date : August 28, 2017

**R. K. Dabriwala**  
Managing Director

**M.P.Jhunjunwala**  
Director