



International Conveyors Limited

Annual Report
2017-18

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

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

Managing Director

Shri R. K. Dabriwala

Chief Financial Officer

Shri A. K. Gulgulia

Company Secretary

Ms. Ayushi Gupta (Upto 30.04.2017)
Ms. Neha Khandelwal (From 28.08.2017)

Auditors

M/s. G. P. Agrawal & Co.
Chartered Accountants
7A, Kiran Shankar Ray Road
Kolkata - 700 001

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.
23, R. N. Mukherjee Road, 5th Floor
Kolkata - 700 001

Directors' Report

Dear members

The Board of Directors hereby submits the reports of the business and operations of your Company (International Conveyors Limited), along with the Audited Financial Statements, for the financial year ended March 31, 2018.

Pursuant to the Notification dated February 16, 2015 issued by the Ministry of Corporate Affairs, your company has adopted Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, with effect from April 1, 2017. Accordingly financial statements for the year ended March 31, 2018 have been restated to confirm to Ind AS.

1. FINANCIAL RESULTS

(₹ in Lakhs)

Particulars	31.03.2018*	31.03.2017*
Revenue from operations	5143.40	4832.20
Other Income	739.84	672.63
Total	5883.24	5504.83
Profit/ (Loss) before Exceptional items and Taxation	(207.67)	269.66
Exceptional items- Income / (Loss)	-	-
Profit/ (Loss) before Taxation	(207.67)	269.66
Provision for Taxation	158.01	136.82
Net Profit	(365.68)	132.84
Other Comprehensive Income/ (Loss) (net of tax)	3641.30	2612.80
Total Comprehensive Income	3275.62	2745.64

* All figures are as per Ind AS.

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 on Equity Share of ₹ 1/- each (Previous year ₹ 0.05 per share on Equity Share of ₹ 1/- each)

Directors' Report

for the financial year ended March 31, 2018, the consequent outflow will be ₹ 40.69 Lakhs (Approx) including dividend tax (Previous year ₹ 40.62 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, 2018 stood at ₹ 675 Lacs. During the year under review, the Company has not issued any further shares.

7. RESULT OF OPERATIONS

The turnover of the Company including excise duty for the year amounted to ₹ 4,448 lakhs (Previous year ₹ 4,764 lakhs). However, your Directors are expecting to achieve better results in coming years.

8. SUBSIDIARIES & ASSOCIATE COMPANIES

The Company has 3 (Three) wholly owned subsidiaries and 1(One) step-down Subsidiary as on March 31, 2018, the names of which are mentioned herein below:

- i. International Belting Ltd.
- ii. Conveyor Holdings Pte. Ltd.
- iii. International Conveyors America Ltd.
- iv. International Conveyors Australia Pty Ltd. (Step down subsidiary of Conveyor Holdings Pte. Ltd.)

During the year under review, International Belting Limited (100% Subsidiary of International Conveyors Limited) acquired more than 20% shares of Pure Coke Limited, hence making it an associate of the former Company under Section 2(6) of the Companies Act, 2013. The details of the above mentioned is also available in MGT - 9, which forms part of this report.

The Audit Committee reviews the consolidated financial statements of the Company and the investments made by it in unlisted subsidiaries and associate companies. Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014, a statement containing salient features of Financial Statements of the Subsidiaries and Associate have been provided in Form No. AOC-1, which forms part of this report.

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. CONSOLIDATED FINANCIAL STATEMENT

The Consolidated Financial Statements (CFS) of your Company duly audited by the Statutory Auditors M/s. G. P. Agrawal & Co., Chartered Accountants for the financial year ended March 31, 2018, prepared in compliance with the provisions of Indian Accounting Standards (Ind AS) issued by the Institute of Chartered Accountants of India (ICAI) and notified by the Ministry of Corporate Affairs (MCA), Government of India also forms part of this Annual Report.

10. 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.

11. DIRECTORS & KMP

In terms of the Articles of Association of the Company read with Section 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 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 Shri Rajendra Kumar Dabriwala (DIN: 00086658) as Managing Director effective from October 1, 2018 for a period of 1 year as per the terms specified in the draft agreement to be placed before the ensuing AGM.

Directors' Report

Pursuant to the provisions of Section 149 of the Act, Shri Jinesh Suryakant Vanzara (DIN: 00239574), Shri Kunchala Thirupal Reddy (DIN: 03330182), Shri Lakshmikant Tibrawalla (DIN: 00423521), Shri Colin William Benjamin (DIN: 07093277) and Shri Mahadeo Prasad Jhunjhunwala (DIN: 00567070) are independent directors of the company. The terms and conditions of appointment of independent directors 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.

During the year under review, Ms. Ayushi Gupta, Company Secretary & Compliance Officer, resigned from the Company with effect from May 1, 2017 and Ms. Neha Khandelwal has been appointed in her place as the Company Secretary & Compliance Officer, with effect from August 28, 2017.

Shri Rajendra Kumar Dabriwala, Managing Director, Shri Ashok Kumar Gulgulia, Chief Financial Officer and Ms. Neha Khandelwal, Company Secretary & Compliance Officer are the Key Managerial Personnel (KMP) of your Company in terms of Sections 2(51) and 203 of the Companies Act, 2013.

12. 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, 2018, 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, 2018 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.

13. NUMBER OF BOARD MEETINGS

The Board met 5 (Five) times during the Financial Year 2017-18. The details have been provided in the Corporate Governance Report in terms of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 which is annexed to this report.

14. 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, 2018 to review the performance of the Non-Independent Directors and the Board as a whole. The details are given in the Corporate Governance Report.

15. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Company has an optimum combination of executive, non-executive and independent directors to maintain the independence of the Board. As on March 31, 2018, 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 this report.

Directors' Report

16. 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.

17. AUDIT COMMITTEE

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

18. STATUTORY AUDITORS

M/s. G. P. Agrawal & Co., Chartered Accountants (Firm Registration No.302082E), were appointed as Statutory Auditors of the Company under Section 139 of the Companies Act, 2013 read with provisions of the Companies (Audit and Auditors) Rules, 2014, to hold office for a consecutive period of 5 (Five) years from the conclusion of the 44th AGM until the conclusion of the 49th AGM to be held in the year 2022, subject to ratification by members at every Annual General Meeting.

The Ministry of Corporate Affairs has notified amendments in the provisions of Section 139 of the Companies Act, 2013 and Rules made thereunder with effect from May 7, 2018. Pursuant to the said amendments, the requirement for ratification of appointment of Statutory Auditors by the Shareholders at every subsequent Annual General Meeting till the conclusion of their tenure has been done away with. Accordingly, the matter is not taken up before members for consideration.

The Company has received a certificate from M/s. G. P. Agrawal & Co., Chartered Accountants confirming their eligibility to continue as Auditors of the Company in terms of the provisions of Section 141 of the Companies Act, 2013 and the Rules framed thereunder. Further M/s. G. P. Agrawal & Co., have also confirmed that they hold a valid certificate issued by the Peer Review Board of the ICAI as required under the provisions of Regulation 33 of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015.

19. 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, 2018.

20. 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 2017-2018. The Secretarial Auditor's Report does not contain any reservations, qualifications or adverse remarks and the Secretarial Audit Report (in Form MR-3) forms part of this Report.

21. 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.

22. 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.

23. ANNUAL RETURN

An extract of the Annual Return for the year ended March 31, 2018 pursuant to Sections 92(3) & 134(3)(a) of the Companies Act, 2013 is forming part of the report and is attached separately.

Directors' Report

24. PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 read with Rule 5(1) of the companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given hereunder:

Sl. No	Name	Designation	Remuneration paid in the FY 2017-18	Remuneration paid in the FY 2016-17	% increase in remuneration from previous year	Ratio of remuneration to Median remuneration of employee
1	Shri Rajendra Kumar Dabriwala	Managing Director	95,00,000	95,93,039	Nil	26.14:1
2	Shri Ashok Kumar Gulgulia	Chief Financial Officer	14,82,250	13,58,000	9.15	4.08:1
3	Ms. Neha Khandelwal	Company Secretary & Compliance Officer	2,36,687*	NA	NA	0.65:1

* Appointed as the Company Secretary and Compliance Officer w.e.f August 28, 2017. However, details have been given from April 24, 2017, as she has joined the Company from this date.

Percentage increase in remuneration of each Managing Director, Chief Financial Officer (CFO), Company Secretary & Compliance Officer in the financial year 2017-18 :

Shri Rajendra Kumar Dabriwala (Managing Director) : Nil
 Shri Ashok Kumar Gulgulia (Chief Financial Officer) : 9.15
 Ms. Neha Khandelwal (Company Secretary & Compliance Officer) : N.A

Percentage increase in median remunerations of employees in the financial year 2017-18- 8.25 %

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.

Key parameters for any variable remuneration of directors:

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

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.

25. CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements laid down in Regulation 34 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. A report on Corporate Governance together with a Certificate from the Statutory Auditor of the Company confirming compliance with the conditions of Corporate Governance as stipulated under SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 is included as a part of this report.

26. 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.

27. 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

28. REPORTING OF FRAUDS BY AUDITORS

During the year under review, neither the statutory auditors nor the secretarial auditor has reported to the audit committee, under Section 143(12) of the Companies Act, 2013 any instances of fraud committed against the Company by its officers or employees, the details of which need to be mentioned in the Board's report.

29. SECRETARIAL STANDARDS

The Company complies with all applicable secretarial standards.

30. 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 contracts / 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.

31. 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>.

32. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

It is the responsibility of the Directors/ Senior Managerial Personnel 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 Directors 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 link - <http://www.iclbelting.com/resources/reports/gnrl/Familiarisation%20Programme%20for%20Independent%20Director.pdf>.

33. 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.

34. 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 are 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>.

35. 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 website of the company at - <http://www.iclbelting.com/resources/reports/gnrl/Vigil%20Mechanism.pdf>.

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

There were no complaints received and/or disposed off during the year under review.

37. 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

R. K. Dabriwala
Managing Director
DIN No. 00086658

M.P.Jhunjunwala
Director
DIN No. 00567070

Place : Kolkata
Date : May 30, 2018

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 e.g. replaced the higher rated motor with lower rating motor in sacolowell 4.
3. Continuous upgradation in machineries to enhance productivity so that it will consume less energy and power e.g. gradually replacing V Belts with Couplings in all pumps.
4. The Company is also endeavoring to maintain the optimum combination of energies and always looking for the alternate sources.
5. Company is gradually replacing the conventional plant light with LED.

Consumption per unit of production for the year 2017-18 :

Particulars	(KWH)	(₹ in Lakhs)
Purchased Units from Electricity Board	22,78,014	140.84
Units generated (DG)	10,992	2.39
Total	22,89,006	143.23
Rate per unit	-	6.26
Consumption per meter of manufacture	14.52	-

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. The relevant details are as follows -

Sl. No.	Product Name	Unit of Capacity / production	Installed Capacity 'KWH'	Quantity produced 'KWH'	Capacity utilised (%)	Value of Production (₹ in Lakhs)
1.	Wind Mill at Chitradurga Dist., Karnataka	KWH	14,00,000	10,14,597	72.47%	9.32
2.	Wind Mill at Panchpatta Dist., Maharashtra	KWH	16,00,000	8,68,797	54.30%	11.02
3.	Wind Mill at Kutch Dist., Gujarat	KWH	47,00,000	24,32,046	51.75%	27.10
4.	Wind Mill at Kurnool Dist., Phase - I, Telangana	KWH	17,00,000	11,37,211	66.90%	45.40
5.	Wind Mill at Kurnool Dist., Phase - II, Telangana	KWH	17,00,000	11,90,242	70.01%	45.55

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

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

C. FOREIGN EXCHANGE EARNING AND OUTGO

(₹ in Lakhs)

Foreign exchange used and earned	2017-18	2016-17
a) Foreign Exchange Earnings	1713.94	5380.47
b) C.I.F. Value of Imports	929.02	1223.42
c) Expenditure/Claims etc. in foreign currency	486.51	457.89

For and on behalf of the Board of Directors

Place : Kolkata
Date : May 30, 2018

R. K. Dabriwala
Managing Director
DIN No. 00086658

M.P.Jhunhunwala
Director
DIN No. 00567070