



International Conveyors Limited

**Annual Report**  
2018-19

## 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 forward-looking 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 S. Mehra  
Ms. N. Khaitan  
Shri C. W. Benjamin

**Managing Director**

Shri R. K. Dabriwala

**Chief Financial Officer**

Shri A. K. Gulgulia

**Company Secretary**

Ms. N. Khandelwal

**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, 2019.

## 1. FINANCIAL RESULTS

(₹ in Lakhs)

Particulars	31.03.2019	31.03.2018
Revenue from operations	7777.50	5143.39
Other Income	936.63	739.83
<b>Total</b>	<b>8714.13</b>	<b>5883.22</b>
Profit/ Loss before Exceptional items and Taxation	(390.29)	(207.70)
Exceptional items- Income / (Loss)	-	-
<b>Profit/ Loss before Taxation</b>	<b>(390.29)</b>	<b>(207.70)</b>
<b>Provision for Taxation</b>	<b>159.99</b>	<b>158.02</b>
<b>Net Profit</b>	<b>(550.28)</b>	<b>(365.72)</b>
<b>Other Comprehensive Income/ (Loss) (net of tax)</b>	<b>(28.70)</b>	<b>3641.31</b>
<b>Total Comprehensive Income</b>	<b>(578.98)</b>	<b>3275.59</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 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, 2019, the consequent outflow will be ₹ 40.69 Lakhs (Approx) including dividend tax (Previous year ₹ 40.69 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.

## Directors' Report

### 6. CHANGES IN SHARE CAPITAL

The paid-up Equity Share Capital of the Company as at March 31, 2019 stood at ₹ 675 Lakhs. During the year under review, the Company has not issued any further shares.

### 7. RESULT OF OPERATIONS

The turnover of the Company for the year amounted to ₹ 7,665 lakhs (Previous year ₹ 4,448 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 and 1 (One) Associate Company as on March 31, 2019, the names of which are mentioned herein below:

1. International Belting Limited
2. Conveyor Holdings Pte. Ltd.
3. International Conveyors America Ltd.
4. International Conveyors Australia Pty Ltd. (Step down subsidiary of Conveyor Holdings Pte. Ltd.)
5. Pure Coke Limited ( Associate of International Belting Limited)

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, 2019, 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

Pursuant to the provision of Section 196 of the Companies Act, 2013 and subject to the approval of the members in the Annual 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, 2019 for a period of 1 year as per the terms specified in the draft agreement to be placed before the ensuing AGM.

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 Section 2(51) and Section 203 of the Companies Act, 2013.

Shri Jinesh Suryakant Vanzara (DIN: 00239574), Shri Kunchala Thirupal Reddy (DIN: 03330182), Shri Lakshmikant Tibrawalla (DIN: 00423521) and Shri Mahadeo Prasad Jhunjunwala (DIN: 00567070), Non-Executive Independent Directors will be completing their first term of five years of independent directorship at the end of the ensuing Annual General Meeting and Shri Colin William Benjamin (DIN: 07093277) will be completing his first term of five years of independent directorship on February 11, 2020. Pursuant to the provisions of Section 149 of the Act and based on the recommendation of Nomination and Remuneration Committee it is proposed to reappoint them as Non Executive Independent Directors for a second term of five (5) consecutive years from the conclusion of the forthcoming Annual General Meeting (AGM) upto the conclusion of 51st AGM of the Company, subject to approval of Members of the Company at the ensuing Annual General Meeting. The terms and conditions of appointment of independent directors are as per Schedule IV of the Act.

## Directors' Report

The Company has received declarations from the Independent Directors under section 149(7) of the Companies Act, 2013 confirming that each of them meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 Act and that there has been no change in the circumstances which may affect their status as independent director during the year.

In terms of the Articles of Association of the Company read with Section 152 of the Companies Act, 2013, Mr. Sunit Om Prakash Mehra (DIN: 00359482) retires by rotation and being eligible, offers himself for re-appointment, is proposed to be re-appointed as Director of the Company from the date of this AGM.

### 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, 2019, 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, 2019 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 4 (Four) times during the Financial Year 2018-19. 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 1, 2019 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, 2019, 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.

### 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.

## Directors' 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, 2019.

### 20. SECRETARIAL AUDITORS' REPORT

The Board of Directors had appointed M/s. Rajesh Kumar Shaw & Co., Company Secretaries to conduct secretarial audit of the Company for the financial year 2018-2019. 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, 2019 pursuant to Sections 92(3) & 134(3)(a) of the Companies Act, 2013 is forming part of the report and is attached separately.

### 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:

## Directors' Report

Sl. No	Name	Designation	Remuneration paid in the FY in 2018-19	Remuneration paid in the FY 2017-18	% increase in remuneration from previous year	Ratio of remuneration to Median remuneration of employee
1	Shri Rajendra Kumar Dabriwala	Managing Director	95,00,000	95,00,000	Nil	25.02:1
2	Shri Ashok Kumar Gulgulia	Chief Financial Officer	15,99,200	14,82,250	7.89	4.21:1
3	Ms. Neha Khandelwal	Company Secretary & Compliance Officer	2,88,840	2,36,687	22.03	0.76:1

**Percentage increase in remuneration of each Managing Director, Chief Financial Officer (CFO), Company Secretary & Compliance Officer in the financial year 2018-19:**

Shri Rajendra Kumar Dabriwala	(Managing Director)	: Nil
Shri Ashok Kumar Gulgulia	(Chief Financial Officer)	: 7.89
Ms. Neha Khandelwal	(Company Secretary & Compliance Officer)	: 22.03

**Percentage increase in median remunerations of employees in the financial year 2018-19 - 4.46 %**

**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.

### 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.



## Directors' Report

### 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 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 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>.

The Company has incurred net loss of ₹ 550.28 Lakhs during the financial year ended March 31, 2019. However, there was no fund allocation under CSR for the financial year 2018-19 as the Company had incurred losses as per computation of profits under Section 198 of the Companies Act, 2013 for the purpose of eligible expenditure under Corporate Social Responsibility.

### 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.Jhunjhunwala**  
Director  
DIN No. 00567070

Place : Kolkata  
Date : May 30, 2019

## 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 10 HP water pump motor by 7.50 HP, replaced GE-04 20 HP Motor by 15 HP.
3. Continuous upgradation in machineries to enhance productivity so that it will consume less energy and power e.g. 3 Nos of Air Compressor make to auto start and stop instead of continuous run thus reducing run time by half.
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 2018-19 :

Particulars	(KWH)	(₹ in Lakhs)
Purchased Units from Electricity Board	36,91,310	274.10
Units generated (DG)	23,400	5.66
Total	37,14,710	279.76
Rate per unit	-	7.53
Consumption per meter of manufacture	13.12	-

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	5,19,399	37.10%	13.02
2.	Wind Mill at Panchpatta Dist., Maharashtra	KWH	16,00,000	14,82,274	92.64%	17.48
3.	Wind Mill at Kutch Dist., Gujarat	KWH	47,00,000	26,14,883	55.64%	32.16
4.	Wind Mill at Kurnool Dist., Phase - I, Telangana	KWH	17,00,000	15,20,598	89.45%	32.58
5.	Wind Mill at Kurnool Dist., Phase - II, Telangana	KWH	17,00,000	15,64,290	92.02%	22.35

### 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	2018-19	2017-18
a) Foreign Exchange Earnings	3288.03	1713.94
b) C.I.F. Value of Imports	1656.57	929.02
c) Expenditure/Claims etc. in foreign currency	585.28	486.51

For and on behalf of the Board of Directors

Place : Kolkata  
Date : May 30, 2019

**R. K. Dabriwala**  
Managing Director  
DIN No. 00086658

**M.P.Jhunhunwala**  
Director  
DIN No. 00567070