

Providing a  
one-stop material  
transportation  
**Solution...**

**INTERNATIONAL  
CONVEYORS  
LIMITED**

**Annual Report 2008-2009**


## Credentials

International Conveyors Limited (established in 1973) is a leading manufacturer of PVC conveyor belt solution provider promoted and managed by Mr. R. K. Dabriwala and Mr. Anver Hussain.

## Forward looking statement

The statements in this report detailing the Company's objectives, projections, estimates, expectations or predictions may be forward looking within the meaning of applicable securities laws and regulations. As these statements are based on certain assumptions and expectations of future events, actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting global or domestic demand and supplies, political and economic developments in India or other countries, government regulations and taxation policies, prices and availability of raw materials, prices of finished goods, abnormal climatic and geographical conditions, etc. The Company assumes no responsibility in respect of forward looking statements that may be revised or modified in the future on the basis of subsequent developments, information or events.

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## INTERNATIONAL CONVEYORS LIMITED

Registered Office : 10, Middleton Row, Kolkata - 700 071

### PROXY FORM

I/We ..... of ..... in the district  
of ..... being a member / members of the above named Company and holding  
..... equity shares hereby appoint  
Shri ..... in the district of  
..... as my proxy to vote for me on my behalf, at the 36th Annual  
General Meeting of the company to be held at 10, Middleton Row, Kolkata - 700 071 on Thursday, the 17th September, 2009 at  
4.00 p.m. and at any adjournment thereof.

Proper  
Revenue  
Stamp  
Re. 1

Signed this ..... day of ..... , 2009.

Signature .....

Name .....

Reg. Folio / Client ID No. ....

**Note :** The Proxy Form duly completed should be deposited at the Registered Office of the Company not less than 48 hours before  
the time for the commencement of the Meeting.



## INTERNATIONAL CONVEYORS LIMITED

Registered Office : 10, Middleton Row, Kolkata - 700 071

### ATTENDANCE SLIP

**36th Annual General Meeting on Thursday, the 17th September, 2009 at 4.00 p.m.**

Name and Address of the Member .....

Regd. Folio / Client ID No. ....

I certify that I am a registered shareholder of the company and hold .....Shares.

Please indicate whether Member/Proxy .....

Member's / Proxy's Name in Block Letters

Member's / Proxy's Signature

Note : Shareholder / Proxy holder must bring the Attendance Slip to the meeting and hand over at the entrance duly signed.

## INTERNATIONAL CONVEYORS LIMITED

is one of the fastest growing companies in

providing a one-stop PVC Conveyor Belt

solution provider for the mining sector and

across all the industries. Looking

ahead, the Company is going to

strengthen its business

through increased

geographical penetration,

economies of scale, resource

optimisation and enhanced

focus to build a progressively

de-risked business model.

Engaged in providing transportation solution

across industry verticals, International

Conveyors is truly recognised as the 'driving'

force of the nation.



**10.18% Growth  
in revenues from  
Rs. 6386 Lacs  
in 2007-08 to  
Rs. 7036 lacs  
in 2008-09**



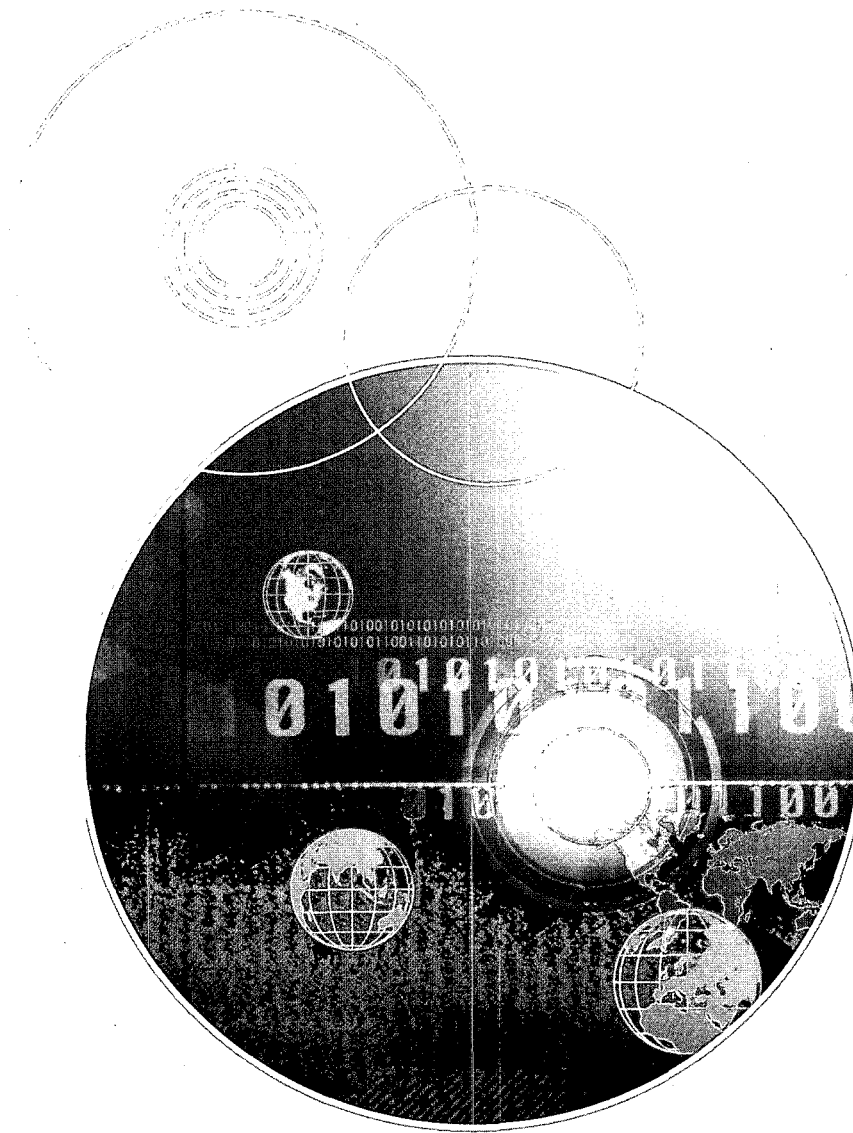
## **International Conveyors**

**is India's largest public  
Company engaged in the  
efficient transfer of mineral  
deposits from their  
respective underground  
mines to pit heads.**

**India possesses the world's  
fourth largest deposit of coal  
and world's fourth largest  
producer of coal.**

## **59.48% increase**

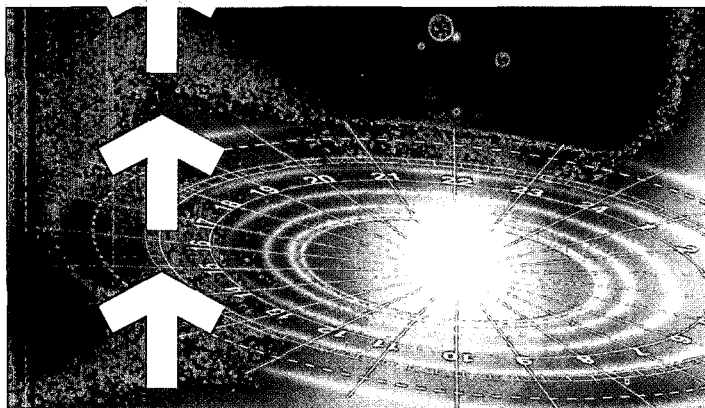
in exports from Rs. 3328 lacs in 2007-08  
to Rs. 5308 lacs in 2008-09.



## **International Conveyors**

is a preferred vendor on account of a mix of innovation, customized solutions and responsive service. What you see below is the result.

# performance highlights



## Core products and services

These comprise solid woven fabric-reinforced PVC impregnated and PVC-coated fire retardant, anti static conveyor belting. The Company is also engaged in renewable power generation.

## Customers

These comprise companies engaged in the business of coal, mining, extraction, steel, potash mining, material handling, ports and commodity supplies based in India and abroad.

## Capacities

- 5,75,000 metres per annum (manufacturing unit) in Aurangabad, Maharashtra.
- 3.85 MW wind turbine generator (approximately 9.3 mn KWH a year).
- PVC conveyor belt manufacturing unit Chikalthana, Aurangabad, Maharashtra
- Windmill 1 (0.6 MW) Chitradurga, Karnataka
- Windmill 2 (0.8 MW) Tumkur, Karnataka
- Windmill 3 (0.8 MW) Ahmednagar, Maharashtra
- Windmill 4 (1.65 MW) Kutch, Gujarat

## Certifications

- ISO 9001 certification from manufacturing to marketing.
- A Dun & Bradstreet-registered Company with D-U-N-S number 86-225-1696.
- US mine Safety and Health Administration – Part 18, Title 30 (CFR).
- Council of South African Bureau of Standards – SABS 971/1980 and SANS 1971/2003.
- Bureau of Indian Standards – IS 3181 : 1992 (second revision).
- Canadian Standards Association-CAN/CSA M422-M87 (reaffirmed 2000), Category A1.
- Australian approval as per AS 4606 : 2000 and AS 1332 : 2000

## Public Holding

The Company's stocks are traded in the Kolkata and Bombay Stock Exchange.

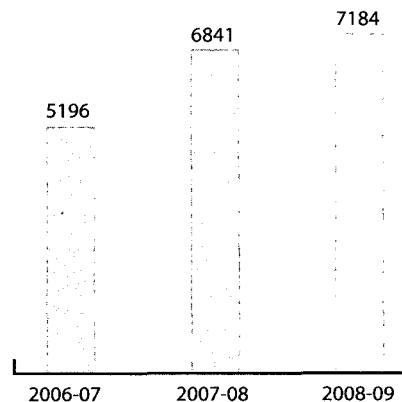
## Highlights of 2008-09

**5.02% growth** in the gross revenues from **Rs.6840.65** lacs in 2007-08 to **Rs.7183.99** lacs in 2008-09.

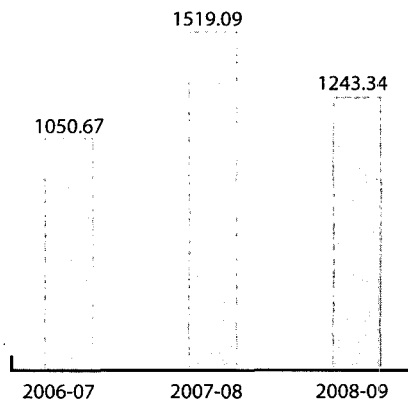
**59.48% increase** in exports from **Rs.3328** lacs in 2007-08 to **Rs.5308** lacs in 2008-09.

International Conveyor's image of a preferred supplier of the total PVC conveyor belts solution to all the industries and miners has reflected in its excellent performance over the years.

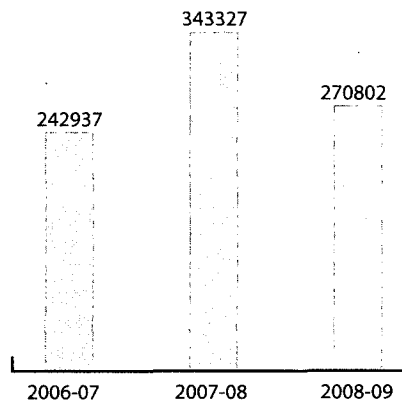
Gross Revenues (Lacs)



EBIDTA MARGIN



Belt Production (Lacs)







**At International  
Conveyors, a more  
durable product means  
slower replenishment  
but a wider market  
and stronger  
customer loyalty**

**The average life of  
conveyor belts is two  
years; the conveyor belts  
manufactured by the  
Company possess a 50  
per cent higher durability,  
resulting in a superior  
price-value and stronger  
customer loyalty.**

**Conveyors are susceptible to damage arising from improper alignment of belt tension, vibration, overloading and friction.**

- The Company's conveyor belting solution is designed to suit Indian underground mine safety norms and international certifications.
- The Company is ISO 9001-certified across its entire operations (manufacturing to marketing); it possesses confidence-enhancing mine certifications given by the regulatory agencies of India, US, Canada, Australia and South African.
- The Company is engaged in extensive in-house manufacture : from yarn preparation to fabric weaving to compound mixing to belt finishing, protecting quality control and enhancing value-addition.
- The Company's belting rolls are individually tested – a rare industry practice – across physical, fire-retardant and anti-static properties.
- The Company's testing laboratory conducts quality checks on all inputs (yarns and chemicals) and finished product; these tests include tests for flame, static conductivity, drum-friction, limited oxygen index, tensile strength, elongation, tear, adhesion, fastener holding, troughability and other routine tests.

**We are getting  
about 60% of our  
revenues from the  
export market.**

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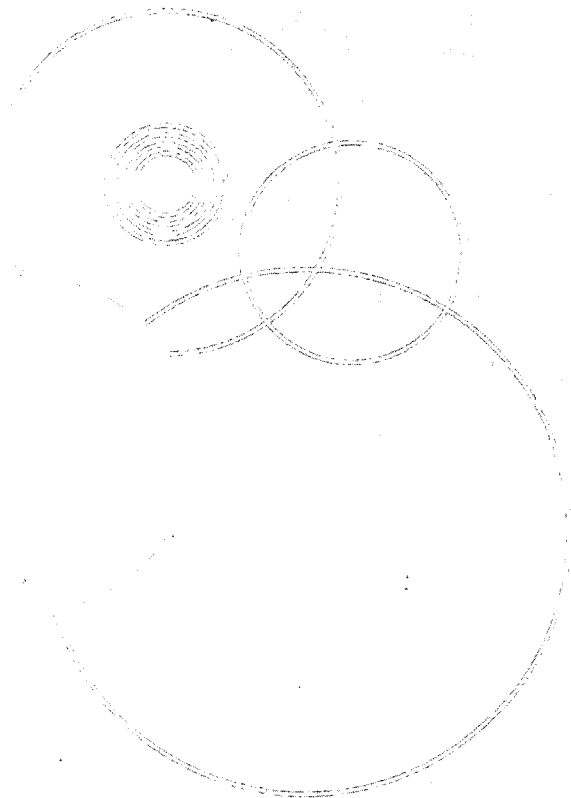
**Customised features = enhanced convenience = good business**

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**Belt Conveyors represent the most economical mode of mineral or resource transportation from a mine to processing facility. Their profitable use requires adequate process control and reduced component friction leading to an enhanced product life.**

Over the years, the Company's brand has been strengthened through the following policies, inputs and processes :

- Active product management by the Company's R&D division comprising continuous evaluation, testing and feedback analysis.
- All-synthetic high tenacity center wrap yarns for strength and minimum elongation; the use of solid woven PVC eliminates ply separation.
- All-synthetic pile wrap yarns to protect damage from impact, enhance adhesion and superior fastener holding.
- Composite weft yarn that provides optimum transverse rigidity and superior fastener holding.
- Woven selvedge to reduce peripheral damage and improve belt longevity.
- Complete vacuum impregnation and consolidation of PVC compounds through the solid woven fabric, improving tear strength and reducing moisture ingress.
- Special PVC coatings on the belts reduce abrasion and enhance carrying capacity throughout product life.



**In 2008-09, the  
Company produced  
2,70,802 metres of  
PVC conveyor belts.**

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## **Superior manufacturing = better Products = good business**

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### **For a number of reasons**

- The manufacture of conveyor belts is critical as the product requires to undergo constant technology upgradation, research and development and conformance to evolving industry safety and quality mandates.

### **ICL possesses the following :**

- Twisting and doubling machines, capable of handling upto 20 tonnes of yarn in a single batch.
- One of the widest and heaviest beaming machines in the world-96 inch (2400 mm) beam width.
- Weaving looms capable of handling upto 22 tonnes of beamed yarn in a single load.
- At least three of the widest and heaviest solid woven belting looms in the world, comprising 84 inch (2100 mm) reed space.
- A quartz medium wave infra-red heat curing facility and a fully-equipped testing laboratory.
- A six-storey vacuum impregnation tower that reduces the moisture content in the final product, enhancing longevity and durability.
- A controlled second Integrated Coating Plant (ICP2) that increased plant capacity from 4,75,000 metres per annum to 5,75,000 metres per annum in 2007-08.

**The Company's  
order book was  
Rs. 35 cr. as on  
April 2009, equivalent  
to almost 50% of the  
Company's turnover  
in 2008-09**

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## **Satisfied customers = enhanced orders = good business**

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### **For a number of reasons**

In any business, customer satisfaction is the biggest index of a Company's sustainability across the long term. At ICL, we have extended our focus beyond transactions to relationships; the result is a high proportion of repeat business from existing customers.

Over the years, this competence has been reinforced through the following :

- Comprehensive understanding of customer requirements according to individual and industry needs.
- Customisation by the R & D team in line with customer needs.
- On-site training and product demonstration at the customer's premises.
- Ongoing support and guidance throughout the tenure of product use.
- Appointment of M/S Witeck Consultants Inc., an American marketing firm, possessing an exhaustive client database that serves as the

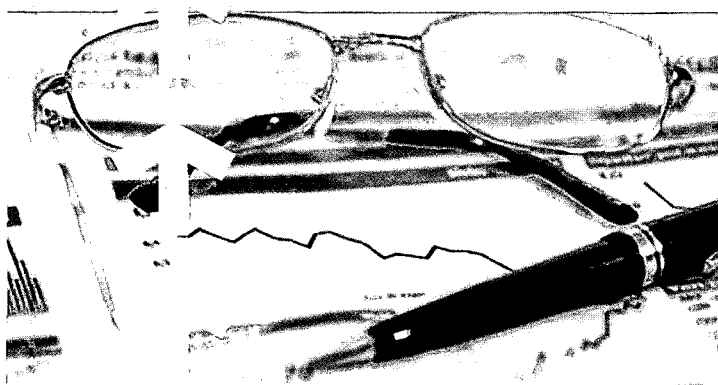
intermediary between ICL and the Company's customers in the USA and Canada.

- The domestic customers of ICL mainly in the public sector, within the mining industry are repeat customers for over 20 years.

### **Domestic client list of ICL**

SECL (Bilaspur, Chhattisgarh), WCL (Nagpur, Maharashtra), MCL (Sambalpur, Orissa), ECL (Asansol, West Bengal), BCCL (Dhanbad, Jharkhand), CCL (Ranchi, Jharkhand), The Singhareni Collieries Co. Ltd. (Kothagudam, Andhra Pradesh), IISCO (Burnpur, West Bengal), TATA Steel Limited (Jamdoba, Jharkhand), Jayaswal Neco Ind. Ltd. (Raipur, Chhattisgarh), Uranium Corporation of India Ltd. (Jaduguda, Jharkhand).

# financial review



## Accounting Policy

International Conveyors Limited (hereinafter referred to as ICL) follows the accrual system of accounting based on Indian GAAP. In this form of accounting revenue is recognized as income as soon as it is recorded in the Company's books, even though the actual receipt transpires later.

In the computation of accounts the Company was required to make certain estimations with respect to provision for the future, where ever these estimations were required the Company preferred to be cautious and conservative.

## 2007-08 vs. 2008-09

**The following numbers reflect a significant improvement in the performance of the Company :**

- 9.12% increase in total income from Rs. 6537.78 lacs to Rs. 7133.96 lacs.
- 127.47% growth in net worth from Rs. 1992.56 lacs to Rs. 4532.49 lacs.
- 4.88% increase in profit after tax from Rs. 263.49 lacs to Rs. 276.36 lacs.

## Revenue analysis

Net sales increased by 10.18% from Rs. 6386 lacs in 2007-08 to Rs. 7036 lacs in 2008-09 on account of an increase in offtake especially in the international markets.

Revenue by geography : The Company derived 24.56% of it sales from within India. Exports constituted 75.44% of net sales (previous year 60.50%) during the year under review.



**Net sales increased  
by 10.18% from  
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in 2007-08 to  
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international markets.**

## **Cost analysis**

Total costs increased from Rs. 5552.33 lacs in 2007-08 to Rs. 6126.91 lacs in 2008-09 on account of business growth; inflation was controlled through operational efficiency, economies of scale and cost control.

## **Reserves**

At the close of 2008-09, ICL's reserves accounted for Rs. 4194.99 lacs, a 139.36% increase from the previous year. The Company's reserve comprised a mix of share premium reserve, debenture redemption reserve, revaluation reserve, capital reserve and capital redemption reserve. Free reserves accounted for 99.05% of the Company's reserves indicating an aggressive plough back of profits in the business.

The Company's revaluation reserve stood at 0% of the total reserves in its books at the close of the financial year under review. The size of the Company's reserves translated into healthy book value towards the close of 2008-09.

## **Loan Profile**

The total debt on the Company's books decreased from Rs.2827.19 lacs as on 31.03.08 to Rs.2124.56 lacs as on 31.03.09. The decrease in the debt was on account of capital raised during the year under review.

## **Gross block**

As on 31.03.2009 the Company had Rs. 3807.66 lacs in its gross block compared to Rs.3688.76 lacs as on 31.03.08. It would be relevant to indicate that the Company's assets are technologically robust and do not require aggressive replacement. Should the Company expect to invest significantly in gross block, the Company's present earnings are attractive enough to cover such an investment through its accruals.

## **Depreciation**

During the year under review, the Company continued to provide for depreciation and amortization based on the Written Down Value (WDV) method. In view of the Company's business, a depreciation provision of Rs.534.21 lacs in 2008-09 provided an attractive cash buffer and corresponding tax hedge.

## **Non – business investments**

During the year under review, the Company made investments of Rs.45 lacs in financial investments considered non-core. These investments were made to generate a reasonable return on the Company's idle funds, without compromising liquidity or security.

**The Company's  
inventory position  
increased from  
Rs.572.48 lacs at  
close of 2007-08 to  
Rs.616.80 lacs at  
close of 2008-09**

## Working capital

In ICL, working capital outlay increased from Rs. 1385.03 lacs in 2007-08 to Rs. 1402.39 lacs in 2008-09. However as a proportion of total capital employed, working capital declined from 29.48% to 21.25% across the period. Similarly, a rupee employed as working capital generated Rs.5.12 of sales in 2008-09 whereas the corresponding figure was Rs.4.94 in 2007-08. In the Company's opinion these numbers fare favourably compared to industry peers.

## The Company's working capital management strengthened for the following reasons:

- Gradual move-over from extensive raw material stocking to just-in-time through better relationship with suppliers.
- Prudent investment of cash surplus in liquid and secured funds.

## Sundry debtors

The Company's receivables as a proportion of its current assets remained steady at 37.12% indicating the strength of Company's brand. In terms of equivalent days of turnover, the Company's debtor's cycle increased from 82 days to 102 days.

## Interest outflow

The interest paid by the Company increased from Rs.333.71 lacs in 2007-08 to Rs. 336.90 lacs in 2008-09 in line with the Company's growth in business.

## Corporate tax

The Company's corporate tax increased from Rs.28.17 lacs in 2007-08 to Rs.95.89 lacs in 2008-09. The corporate tax rate paid by the Company increased from 5.35% in 2007-08 to 25.76% in 2008-09.

## Inventories

The Company's inventory position increased from Rs.572.48 lacs at close of 2007-08 to Rs.616.80 lacs at close of 2008-09. This increase in Company's inventory was the result of a growth in the Company's volume of operations. However, inventories (equivalent days of turnover) increased from 30 days in 2007-08 to 31 days in 2008-09. Besides the Company is leveraging use of information technology to ensure closer linkage between finished goods off take and raw material purchase resulting in decline in unnecessary stocking.

## Loans and advances

The loans and advances comprised 50.03% of the Company's current assets. Loans and advances made by Company increased from Rs.1217.28 lacs in 2007-08 to Rs.2707.66 lacs in 2008-09. This increase was on account of following reasons :

- Increase in advances to contractors against capital expenditure programmes undertaken by them within the Company's premises.
- The hire and purchase of expensive capital equipments.
- Advances for properties.

These loans and advances were made in normal course of Company's business.

# corporate information

## **Directors**

Shri M. P. Jhunjhunwala  
Shri L. K. Tibrawalla  
Shri A. Hussain  
Smt. R. Dalmia  
Shri J. S. Vanzara

## **Managing Director**

Shri R. K. Dabriwala

## **Auditors**

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

## **Bankers**

State Bank of India

## **Registered Office**

10, Middleton Row  
Kolkata - 700 071

## **Works**

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

## **Registrar & Share Transfer Agents**

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



# notice

Notice is hereby given that the 36th Annual General Meeting of INTERNATIONAL CONVEYORS LIMITED will be held at 10, Middleton Row, Kolkata - 700 071 on Thursday the 17th September, 2009 at 4.00 P. M. to transact the following business:

## ORDINARY BUSINESS

1. To consider and adopt the audited Profit & Loss Account of the Company for the year ended 31st March, 2009, the Balance sheet as at that date together with the report of the Directors thereon, and to consider the report of the Auditors.
2. To declare a dividend for the financial year ended 31st March, 2009.
3. To appoint a Director, in place of Smt. Ritu Dalmia who retires by rotation and being eligible offers herself for re-appointment.
4. To appoint a Director, in place of Shri M. P. Jhunjunwala who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint the Auditors and fix their remuneration. The retiring Auditors M/s. Lodha & Company, Chartered Accountants, are eligible for re-appointment.

## SPECIAL BUSINESS

6. To consider and, if thought fit, to pass, with or without modifications the following resolutions as Ordinary Resolution:

"RESOLVED that pursuant to Section 198, 269 and other applicable provisions of the Companies Act, 1956, the re-appointment of Shri R. K. Dabriwala as the Managing Director of the Company for a further period of Two Years from October 1, 2009 on such terms and conditions as are set out in draft agreement to be entered into between the company and Shri R. K. Dabriwala and approved by the Board of Directors in their meeting held on June 29, 2009 be and is hereby approved."

Registered Office:  
10, Middleton Row,  
Kolkata - 700 071  
The 29th June, 2009

By Authority of the Board  
for International Conveyors Ltd.

**R. K. Dabriwala**  
(Mg. Director)

## NOTES:

A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

Proxy in order to be effective must be received at the Company's Registered Office not less than 48 hours before the time fixed for the meeting.

The Register of Members and Transfer Books of the Company will be closed from 16th September, 2009 to 17th September, 2009, both days inclusive.

As per the amendments to the Companies Act, 1956 the dividends for the year 2001-02, 2002-03, 2003-04, 2004-05, 2005-06, 2006-07, 2007-08 which would remain unclaimed for a period of seven years, will be transferred to a specific fund viz. 'Investor Education and Protection Fund' within a specified time period.

Members holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 109A of the Companies Act, 1956 are requested to submit to the Company, the prescribed Form 2B.

## EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

### ITEM NO.6

The Present term of appointment of Shri Rajendra Kumar Dabriwala as Managing Director of the Company expires on September 30, 2009. His re-appointment as Managing Director, for a further

period of Two Years from October 01, 2009 was recommended by the remuneration committee and approved by the Board of Directors in their meeting held on June 29, 2009. The re-appointment and other terms and conditions, need approval of the members. Hence this resolution at point no.6. The proposed agreement shall be available for inspection of any member during 10 A. M. and 12 Noon on working days at the Registered office. The remuneration proposed does not require approval of Central Government being in terms of Schedule XIII of the Companies Act, 1956. Considering all aspects, the Board has approved and now proposes for your consideration the terms and condition of his appointment.

The material provisions of the draft agreement approved by the Board are as follows:

### I. SALARY

Rs.1,75,000/- p.m. (Rupees One Lac Seventy Five Thousand Only)

### II. PERQUISITES

- A : (1) a) The expenditure incurred by the company in hiring unfurnished accommodation in Kolkata, subject to a ceiling of 50% of salary over and above 10% such salary being payable by him.
- b) In case no accommodation is provided by the Company, House rent allowance will be paid subject to ceiling laid down in (a) above.
- (2) Medical expenses re-imbursement for self and family subject to a ceiling of one

month's salary in a year or three months salary over a period of three years.

- (3) Leave Travel concession for self and family once in a year subject to a ceiling of one month's salary.
- (4) Club fee (other than admission fees) subject to a maximum of two clubs.
- (5) Personal accident insurance of which premium shall not exceed Rs.15,000/- per annum.

- B. (1) Gratuity of half a month's salary for each completed year of service.
- (2) Leave-one month's leave for every eleven months' service with full pay and allowances and also encashment of unutilized leave at the end of tenure.
- C. (1) Car for use of Company's business.
- (2) One Telephone at residence for official purposes.

Perquisites referred above under category 'A', 'B', & 'C', except for B(2) and C(1) and C(2) shall be restricted per annum to the annual salary earned.

### III. COMMISSION

1% of Net Profits of the Company in a particular year subject to overall ceilings laid down in Sections 198 & 309 of the Companies Act, 1956.

- IV. In case of loss or inadequacy of profits in any financial year, only remuneration by way of

salary and perquisites as detailed in Part I & II aforesaid shall be paid by way of minimum remuneration.

The Managing Director shall have substantial powers of management of entire affairs of the Company subject to overall control of the Board of Directors of the Company.

In compliance with Section 309 of the Companies Act, 1956 and considering the responsibility and functions of the Managing Director and his experience in the business activities of the company, the terms and remuneration specified above are commensurate.

Except Shri R. K. Dabriwala and Smt. R. Dalmia, none of the director is concerned or interested in this resolution.

The Board of Directors of Your Company recommends this resolution for your approval.

The accompanying Notice together with the Explanatory Statement be treated as an abstract of the terms of re-appointment of Shri R. K. Dabriwala and memorandum of Interest under Section 302 of the Companies Act, 1956.

By Authority of the Board  
Registered Office: for International Conveyors Ltd.  
10, Middleton Row,  
Kolkata - 700 071  
The 29th June, 2009

**R. K. Dabriwala**  
(Mg. Director)



# directors'

## report

Your Directors take pleasure in presenting the Audited Accounts of the Company for the year ended 31.03.2009.

### WORKING RESULTS

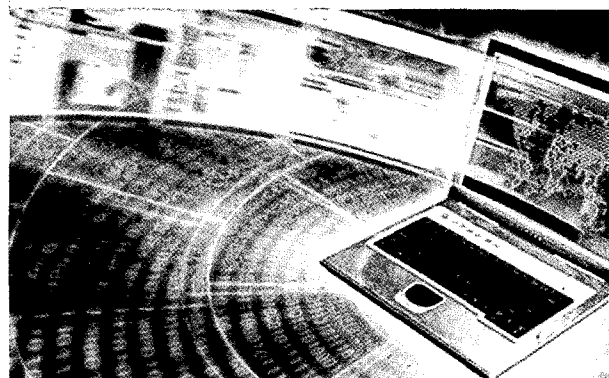
	31.03.2009	31.03.2008
Profit before depreciation and taxation	<b>12,33,06,414</b>	11,85,38,887
Less : Depreciation	<b>5,34,20,854</b>	6,59,21,143
	<b>6,98,85,560</b>	5,26,17,744
Less : Exceptional Item	<b>3,26,60,123</b>	2,34,50,645
	<b>3,72,25,437</b>	2,91,67,099
Less : Provisions for Tax for current year	<b>86,57,410</b>	40,46,133
Profit after Tax for current year	<b>2,85,68,027</b>	2,51,20,966
Less : Provision for deferred tax	<b>7,19,362</b>	(12,28,710)
Profit after deferred tax	<b>2,78,48,665</b>	2,63,49,676
Tax for earlier years	<b>2,12,301</b>	-
Profit after taxes	<b>2,76,36,364</b>	2,63,49,676
Add : Profit brought from last year	<b>62,10,101</b>	1,04,76,185
Profit available for appropriation	<b>3,38,46,465</b>	3,68,25,861
Balance appropriated as under :		
Transfer to General Reserve	<b>2,50,00,000</b>	2,50,00,000
Proposed Dividend on Equity Shares	<b>48,65,918</b>	48,00,000
Corporate Dividend Tax on Proposed Dividend	<b>8,26,963</b>	8,15,760
Balance Carried to Next Year	<b>31,53,584</b>	62,10,101
	<b>3,38,46,465</b>	3,68,25,861

### Dividend

Your directors are pleased to recommend a dividend of Rs.2/- per share or 20% on paid up capital (Previous year Rs.2.00 per share), the consequent outflow will be Rs.56.93 lac including dividend tax (Previous year Rs.56.16 lac including dividend tax)

### Operations

Your Company's operation during the year was satisfactory. The turnover of the Company including the excise duty for the year amounted to Rs.7183.99 lacs (Previous year Rs.6840.65 lacs)



### **Future Prospects**

Your Directors are of the opinion that both domestic as well as export would grow in the coming year. Your Company is well placed in both the markets.

### **Share Issue**

During the year under review your Company has issued 9,75,000 convertible warrants of Rs.10/- each and same were converted into 9,75,000 equity shares of Rs.10/- each for cash at a premium of Rs.228/- per share thereby enhancing the share capital of the Company to Rs.3,37,50,000/-.

Fund raised from the above issue of equity shares has been utilized towards capital expenditure, repayment of term loan, working capital requirement and for making advance for acquiring certain properties.

### **Directors**

Smt. Ritu Dalmia and Shri M. P. Jhunjhunwala, Directors of the Company retire by rotation and being eligible offer themselves for reappointment.

### **Directors Responsibility Statement**

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

- i) all the applicable Accounting Standards have been followed in the preparation of the accompanying Accounts;
- ii) the Director have selected such accounting Policies and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year on March 31, 2009 and of the Profit of the Company for the said period;
- iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) the Directors have prepared the Annual Accounts on a going concern basis.

### **Auditors**

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

### **Particulars of Employees**

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

### **Particulars of Energy Conservation etc.**

Disclosure of particulars of energy conservation measures, technology, absorption efforts, foreign exchange earnings and outgo under Section 217(1)(e) of the Companies Act, 1956, read with The Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given in Annexure – I, which is attached to and form part of the Directors' Report.

### **Acknowledgements**

The directors commend the continued commitment and dedication of employees at all levels. The directors also wish to place on record their appreciation for the valuable co-operation and assistance extended by the State Bank of India and The State Industrial and Investment Corporation of Maharashtra Ltd. during the year of operation.

For and on behalf of the Board of Directors

**R. K. Dabriwala**, Mg. Director  
**M. P. Jhunjhunwala**, Director  
**L. K. Tibrawalla**, Director

10, Middleton Row  
Kolkata – 700 071  
The 29th day of June, 2009  
Encl.: Information under Section 217(1) (e)

# Annexure to the Directors' Report

## ANNEXURE - I

Disclosure of Particulars under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors Report for the year ended March 31, 2009.

### A. CONSERVATION OF ENERGY :

Continuous efforts are being made to reduce energy consumption and cost of energy as a percentage of total cost of the finished product. The following steps were taken towards our objective during the year under review:

- Express Feeder Line is being installed and the consumption of Diesel would come down substantially.
- The power factor is continuously monitored and maintained at less than 1, thereby availing 5% rebate on MSEB power tariff every month.
- Company has set up four Wind Mills which are generating green energy in the States of Karnataka, Maharashtra and Gujarat and same is supplied to respective state consumers through state grids. The efforts are being made to avail the credit for the energy generated from the Wind Mill installed in the state of Maharashtra.
- Consumption per unit production

	(KWH)	(Rs.)
i) Purchased Unit MSEB	2616900	1,11,03,407
ii) Units generated	206182	21,96,848
iii) Total	2823082	1,33,00,255
iv) Rate per Unit	—	4.71
v) Consumption per mtr. of manufacture	10.42	

However consumption per meter of manufacture has increased marginally during 2008-09 compared with previous year because of generating substantial electricity through DG set at double the cost per unit.

### B. FOREIGN EXCHANGE EARNING AND OUTGO

	2008-2009	2007-2008
1. Foreign Exchange Earned		
a) Sale of Beltings	48,50,99,242	29,39,56,044
2. Foreign Exchange Outgo		
a) C.I.F. Value of Imports		
i) Raw Materials	19,75,60,525	15,40,57,399
ii) Components & Spare Parts	35,01,495	29,22,255
iii) Trading Goods	77,30,551	1,46,82,845
b) i) Travelling Expenses	27,90,400	27,45,317
ii) Rent	—	8,56,871
iii) Commission	1,73,619	57,62,266
iv) Freight	2,36,13,885	2,24,88,960
v) Interest on PCFC, FCNRB - DL and buyers credit	35,20,306	36,18,910
vi) Fluctuation Loss on derivatives	5,61,10,768	—
vii) Other Expenses	8,68,006	14,80,591

For and on behalf of the Board of Directors

10, Middleton Row  
Kolkata – 700 071  
The 29th day of June, 2009

**R. K. Dabriwala**, Mg. Director  
**M. P. Jhunhunwala**, Director  
**L. K. Tibrawalla**, Director

## Annexure to the Directors' Report - II

### A. CORPORATE GOVERNANCE

Some aspects of Corporate Governance related to the year 2008-2009 are appended below as a step towards implementation of the same in the current year :

#### (a) Board of Directors

The Board of the Company comprises of 1 (One) Managing Director and 5 (Five) non-executive Directors. The Company did not have any pecuniary relationship or transactions with the Non-Executive Directors during the period under review.

During the year, 8 (Eight) Board Meetings were held on 28-04-08, 19-05-08, 31-07-08, 22-09-08, 27-10-08, 30-01-09, 16-03-09 and 30-03-09.

#### (b) Board Committees

##### (i) Shareholders Committee

The Share Transfer Committee have been reconstituted by the Board of Directors and renamed as "Shareholders Committee" to oversee and ensure that the shareholders' and the investors' grievances in relation to transfer of shares, non receipt of Annual Report, etc., are attended to promptly and properly. The Committee comprises 3 (three) Directors, i.e. Mr. R.K. Dabriwala Managing Director, Mr. L. K Tibrawalla and Mr. M. P Jhunjunwala Non-executive Directors.

The Company did not have any investors' complaint at the beginning of the year 2008 – 2009. During the year no complaints were received by the company.

##### (ii) Remuneration Committee

The Board of Directors has constituted a Remuneration Committee consisting of 3 (three) Non-executive independent Directors, Mr. J.S. Vanzara, Mr. M.P Jhunjunwala and Mr. L. K. Tibrawalla. This Committee has been constituted to recommend/determine the remuneration package of the Managing Director based on performance and defined criteria in consonance with the existing industrial practice. The Committee met last on 29th June 2009 and all the members of the Committee were present at the said meeting.

#### (c) Details of Directors' remuneration for the year ended 31st March, 2009

Name	Salary	Perquisites	Contribution to Provident Fund & Gratuity Fund	*Sitting Fees	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
<b>i) Executive Director :</b>					
Mr. R. K. Dabriwala Managing Director	15,00,000	9,05,000	2,52,115	-	26,57,115
					26,57,115
<b>ii) Non-Executive Directors :</b>					
Mr. Surbhit Dabriwala	-	-	-	4000	
Mr. M. P. Jhunjunwala	-	-	-	28000	
Mr. L. K. Tibrawalla	-	-	-	28000	
Mr. A. Hussain	-	-	-	16000	
Mr. J. S. Vanzara	-	-	-	24000	
Mrs. R. Dalmia	-	-	-	4000	1,04,000
					27,61,115

\* Remuneration by way of sitting fees for attending Board Meetings are paid to Non - Executive Directors.

#### (d) General Body Meetings :

The last three Annual General Meetings of the Company were held as under :

Financial year	Date	Time	Location
2007-2008	22-09-2008	4.00 PM	10, Middleton Row, Kolkata – 700 071
2006-2007	27-09-2007	3.30 PM	10, Middleton Row, Kolkata – 700 071
2005-2006	31-08-2006	3.30 PM	10, Middleton Row, Kolkata – 700 071

## B. GENERAL SHAREHOLDERS' INFORMATION

(a) **Annual General Meeting**

36th Annual General Meeting

Date : 17th September, 2009

Time : 4.00 PM

Venue : 10, Middleton Row, Kolkata – 700 071

(b) **Financial Year**

For adoption of quarterly results Expected date

Quarter ending 30/06/2009 - Last week of July, 2009

Quarter ending 30/09/2009 - Last week of October, 2009

Quarter ending 31/12/2009 - Last week of January, 2010

Year ending 31/03/2010 - Last week of June, 2010

(c) **Book closure** : 16th September 2009 to 17th September 2009 (both days inclusive)

(d) **Dividend payment date** : On or before 24th September 2009.

(e) **Listing on Stock Exchange** : The Company's shares are listed at :

(i) The Calcutta Stock Exchange Association Ltd.

7, Lyons Range, Kolkata – 700 001

(ii) Bombay Stock Exchange Ltd.

Phiroze Jeejeebhoy Towers,

Dalal Street, Mumbai – 400 023

Listing fees for the year 2009 -2010 have been paid to all the aforesaid Stock Exchanges.

(f) **Stock Codes** : 019039 (CSE) 509709 (BSE)

(g) **Stock Market Price Data for the year 2008 – 2009 :**

Month/year	Bombay Stock Exchange	
	High (Rs.)	Low (Rs.)
April 2008	292.95	244.35
May 2008	275.40	223.50
June 2008	249.90	185.30
July 2008	218.50	181.35
August 2008	216.95	181.00
September 2008	224.95	169.15
October 2008	188.75	158.00
November 2008	169.50	112.00
December 2008	120.00	101.00
January 2009	119.70	103.55
February 2009	117.10	103.25
March 2009	124.00	106.55

(h) **Registrar and Share Transfer Agents :**

The Company has engaged Maheshwari Datamatic Pvt Ltd, 6, Mangoe Lane, Kolkata – 700001 (MDPL), a SEBI registered Share Transfer Agent for processing transfer, sub-division, consolidation, splitting of securities, etc. Since the trading of Company's shares can now be done in the dematerialised form, requests for dematerialisation of shares should be sent directly to MDPL who after processing, give confirmation to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL).



(i) **Distribution of Share holding as on 31st March, 2009**

No. of Shares	No. of Shareholders	No. of Shares held	% of holding to total Shares
1-500	777	66041	1.9568
501-1000	31	21819	.6465
1001-2000	33	456840	1.3536
2001-3000	9	25644	.7598
3001-4000	4	15100	.4474
4001-5000	1	4995	.1480
5001-10000	3	21800	.6459
10001 and above	20	3173917	94.0420
Total	878	3375000	100.0000

(j) **Pattern of Shareholding as on 31st March, 2009**

Sl. No.	Category	No. of Shareholders	Total No. of Shares	Percentage of Shareholdings
1.	<b>Promoters Group</b>			
	Promoter's & their relatives holding	9	1423484	42.18
	Promoter's Bodies Corporate holding	3	269995	8.00
	<b>Total shareholding of promoter and promoter group</b>	<b>12</b>	<b>1693479</b>	<b>50.18</b>
2.	<b>Non – Promoter Group</b>			
	Indian – Bodies Corporate	47	140343	4.16
	Indian – Individual & HUF holding nominal share capital Up to Rs.1 Lakh	802	171923	5.09
	Indian – Individual & HUF holding nominal share capital excess of Rs.1 Lakh	2	49500	1.47
	Foreign Institutional Investors/OCBs	5	1314970	38.96
	Non-resident Indians	10	4785	0.14
	<b>Total public Shareholding</b>	<b>866</b>	<b>1681521</b>	<b>49.82</b>

(k) **Dematerialisation of Shares**

69.64% of the Company's total shares representing 2350371 shares were held in dematerialised form as on 31st March, 2009 and the balance 30.36% representing 1024629 shares were in physical form.

(l) **Demat ISIN Number in NSDL & CDSL : INE575C01019**

(m) **Number of Employees**

Location wise break-up of the number of employees of the Company as on 31st March, 2009

Location	Nos.
1) H.O.	18
2) Aurangabad Works	98
<b>Total</b>	<b>116</b>

- (n) **Factory Locations :** E-39, M.I.D.C. AREA, CHIKALTHANA  
AURANGABAD – 431 210, MAHARASHTRA, INDIA

- (o) **Shareholders' Correspondence: For transfer/dematerialization of shares and any other query relating to the shares of the company.**

**Maheshwari Datamatic Pvt Ltd.**  
(Registrar & Share Transfer Agents of our company)  
6, Mangoe Lane, Kolkata – 700001.

*For any query on annual report etc.*

**International Conveyors Limited**  
10, Middleton Row, Kolkata – 700 071

For and on behalf of the Board of Directors

10, Middleton Row  
Kolkata – 700 071  
The 29th day of June, 2009

**R. K. Dabriwala**, Mg. Director  
**M. P. Jhunjhunwala**, Director  
**L. K. Tibrawalla**, Director

## Auditors' Report

The Members,  
International Conveyors Limited

1. We have audited the attached Balance Sheet of International Conveyors Limited as at 31st March 2009 and the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

2. As required by the Companies (Auditors' Report) Order, 2003 ('the Order') issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956 ('the Act') and on the basis of such checks as we considered appropriate and according to the information and explanation given to us, we set out in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

3. Attention is invited to the following Notes of Schedule 18:

- (a) Note no.B.7 regarding non-availability of confirmation and consequential reconciliation in respect of sundry debtors, creditors and advances, adjustment required, if any is presently not ascertainable;
- (b) Note no.B.11c regarding non provision of Mark to Market losses on outstanding forward exchange contracts and derivative contracts amounting to Rs.482.99 Lacs, which has resulted in overstatement of profit for the year by Rs.482.99 Lacs and under statement of provisions by Rs.482.99 Lacs;
- (c) Note no.B.15 regarding non provisioning of diminution in the value of the investments the amount presently not ascertainable;
- (d) Note no.B.16 regarding overdue loans and interest amounting to Rs. 20,38,519 the recoverability and provision there against presently cannot be commented upon

4. We further report that without considering the items mentioned in para 3(a), 3(c) and 3(d) above, the impact of which could not be determined, had the impact of paragraph 3(b) the loss for the year would have been Rs.42,45,925 (against the reported profit of Rs. 2,76,36,364), Reversal of provision for Deferred Tax would have been Rs. 1,56,97,530 (against the reported charge

for deferred tax of Rs.7,19,362), Provisions would have been Rs.5,39,92,062 ( against the reported figure of Rs.56,92,881), Deferred Tax Assets would have been Rs.1,42,13,789 (against the reported Deferred Tax Liability of Rs.22,03,103).

5. Further to the above, we report that :

- (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of the books;
- (c) The Balance Sheet and the Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (d) Subject to our comments in Paragraph 3(b) regarding non provision of Mark to Market Losses on outstanding foreign exchange contracts and derivative contracts & Paragraph 3(c) above regarding non provision of diminution in the value of investment, in our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with accounting standards referred to in Sub-Section 3 (c) of Section 211 of the Act.
- (e) On the basis of written representations received from the directors as on 31st March 2009 and taken on record by the Board of Directors, we report that none of the directors of the Company is disqualified as on 31st March 2009 from being appointed as a director in terms of Clause (g) of Sub-Section (1) of Section 274 of the Act.
- (f) In our opinion and to the best of our information and according to the explanation given to us, the said accounts subject to our remarks as given in paragraph 3 above, along with their resultant impact to the extent ascertainable as given in paragraph 4 above and read together with the other notes thereon give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
  - i) In so far as it relates to the Balance Sheet, of the state of the affairs of the Company as at 31st March 2009.
  - ii) In so far as it related to the Profit and Loss Account, of the profit of the Company for the year ended on that date and
  - iii) In so far as it relates to the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For **Lodha & Co.**  
Chartered Accountants  
**H.K. Verma**

Partner

Place : Kolkata  
Date : June 29, 2009

Membership Number : 55104



## Annexure to the Auditors' Report

(Referred to in Paragraph 2 of the Auditors' Report of even date to the members of International Conveyors Limited)

### i. Fixed Assets

- a. The Company has maintained proper records to show full particulars including quantitative details and situation of fixed assets;
- b. The management during the year has physically verified all fixed assets. According to the information and explanations given to us, there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and nature of its assets. As explained, no material discrepancies have been noticed on such verification
- c. The Company has not disposed off substantial part of the fixed assets during the year, which could affect the going concern status of the Company.

### ii. Inventory

- a. As informed, the inventory except stock in transit and stock lying with third parties, have been physically verified during the year by the management at reasonable intervals.
- b. In our opinion and according to information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c. The Company is maintaining proper records of inventory and according to the information and explanations given to us, the discrepancies noticed on physical verification was not material.

### iii. Loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered in the register maintained under Section 301 of the Act :

- a. The Company has granted unsecured loan to six Companies which are covered in the register maintained under section 301 of the Act. The aggregate of maximum amounts involved during the year in respect of such loans granted were Rs. 9,54,19,855 and the year end balance Rs. 97,08,840 from four Companies.
- b. In our opinion, the rate of interest and other terms and conditions on which the unsecured loans and mentioned in (a) above are prima facie not prejudicial to the interest of the Company.
- c. In respect of the loans granted by the Company, there were no stipulations with respect to repayment of principal amounts. As such, we are unable to comment on the regularity or otherwise of repayment of such loans. However, the Company is regular in paying and receiving the interest on such loans.
- d. As informed to us, having regard to the terms and conditions of the loans as mentioned above, there are no

overdue amounts outstanding in respect of such loans and interest thereon.

- e. The Company has taken unsecured loans from five companies which are covered in the register maintained under section 301 of the Act. The aggregate of maximum amounts involved during the year in respect of such loans taken were Rs.24,40,31,238 lakhs and the year-end balance was NIL.
- f. In our opinion, the rate of interest and other terms and conditions on which loans have been taken from companies, firms or other parties listed in the register maintained under section 301 of the Act are not, prima facie, prejudicial to the interest of the Company.
- g. The Company is regular in repaying the principal amounts as stipulated and has been regular in the payment of the interest. The Company have repaid the principal amounts as stipulated and have been regular in the payment of the interest.

- iv. In our opinion and according to information and having regard to the explanation given to us that certain items of raw materials are of special nature and comparative alternative quotations are not obtained, in our opinion the internal control procedures of the Company relating to purchase of inventory, fixed assets and for the sale of the goods are commensurate with the size of the Company and the nature of its business. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.

### v. Transaction covered under Section 301 of the Act

- a. According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under than section.
- b. Transactions made in pursuance of such of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time..

- vi. According to the information and explanations given to us, the Company has not accepted and deposits from the public covered under Sections 58A, 58AA or any other relevant provision Act and rules framed thereunder.

- vii. The Company has appointed firms of Chartered Accountants for carrying out the internal audit periodically and the same is commensurate with the size and nature of its business in respect of the area covered during the year. However the scope and extent of the same needs to be enlarged.

- viii. As per the information and explanations given to us, the Central Government has prescribed for the maintenance of cost records

in respect of wind energy Unit. The Company is yet to establish the costing system and compile the records prescribed under Section 209 (1)(d) of the Act in respect of the said unit. In respect of other products, as informed to us, the Central Government has not prescribed for the maintenance of such records.

ix. Statutory Dues

a. According to the information and explanations given to us, undisputed statutory dues including, Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax,

Custom Duty, Excise Duty, Cess and other statutory dues applicable to it have generally been regularly deposited in time during the year with the appropriate authorities and there are no undisputed statutory dues payable for a period of more than six months from the date they become payable as at 31st March, 2009.

b. According to the information and explanations given to us, the details of disputed dues of income tax, wealth tax, service tax, sales tax, custom duty, excise duty and cess, if any are as follows :

Name of the Statute	Nature of the Dues	Relating to the year	Amount (Rs.)	Forum where dispute is Pending
Income Tax Act, 1961	Income Tax	2003-2004 to 2005-2006	10,54,186	Commissioner of Appeals
Custom Act, 1962	Custom Duty	1996 - 97	17,35,119	Supreme Court

x. The Company does not have any accumulated losses. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

xi. In our opinion and on the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of any dues, to financial institutions or banks.

xii. According to the information and explanations given based on documents and records produced to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

xiii. The Company is not a chit fund or a nidhi mutual benefit fund / society. Therefore, the provision of the clause 4(xiii) of the Order are not applicable to the Company.

xiv. The Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provision of clause 4 (xiv) Order are not applicable to the Company.

xv. In our opinion, and according to the information and explanations given to us, the terms and conditions of the corporate guarantee given to a bank by the Company for IGE India Limited for 340 lacs are, prima facie, not prejudicial to the interest of the Company.

xvi. According to the information and explanations given us, the terms loans were applied for the purposes for which the loans were obtained.

xvii. According to the information and explanations given to us and on overall examination of the balance sheet of the Company, we report that, there are no funds raised on short-term basis have been used for long-term investments.

xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.

xix. According to information and explanations given to us, the Company has not issued any debentures during the year.

xx. The Company has not raised monies by public issues during the year.

xxi. During the course of our examination of books of account carried out in accordance with generally accepted auditing practices in India, we have neither come across any incidence of fraud on or by the Company nor have we been informed of any such case by the management.

For **Lodha & Co.**  
Chartered Accountants  
**H.K. Verma**

Partner

Place : Kolkata

Date : June 29, 2009

Membership Number : 55104

**Balance Sheet** as at March 31, 2009

(Amount in Rs.)

	Schedule	As at 31st March, 2009		As at 31st March, 2008	
SOURCES OF FUNDS					
Shareholders' Fund					
Share Capital	1	3,37,50,250		2,40,00,250	
Reserves and Surplus	2	41,94,99,082	45,32,49,332	17,52,55,599	19,92,55,849
Loan Funds					
Secured Loans	3	19,91,66,505		27,05,26,398	
Unsecured Loans	4	1,32,89,820	21,24,56,325	1,21,92,664	28,27,19,062
Deferred Tax Liability			22,03,103		14,83,741
TOTAL			66,79,08,760		48,34,58,652
APPLICATION OF FUNDS					
Fixed Assets					
Gross Block	5	38,07,65,812		36,88,75,622	
Less : Depreciation		21,17,07,166		16,54,59,561	
Net Block		16,90,58,646		20,34,16,061	
Capital Work-in-Progress		3,56,94,757	20,47,53,403	2,63,45,344	22,97,61,405
Investments	6		2,52,59,137		2,07,59,137
Current Assets, Loans and Advances					
Inventories	7	6,16,79,999		5,72,48,813	
Sundry Debtors	8	20,09,16,556		15,44,96,605	
Cash and Bank Balances	9	78,52,547		55,15,296	
Loans and Advances	10	27,07,65,876		12,17,28,107	
		54,12,14,978		33,89,88,821	
Less : Current Liabilities and Provisions	11	10,33,18,758		10,60,50,711	
Net Current Assets			43,78,96,220		23,29,38,110
TOTAL			66,79,08,760		48,34,58,652
Accounting Policies and Notes to Accounts					
18					

Schedules referred to above form an integral part of the Balance Sheet.

As per our report of even date

For &amp; on behalf of the Board

For **LODHA & CO.**

Chartered Accountants

**H. K. Verma**

Partner

Membership No. : 55104

Place : Kolkata

The 29th day of June, 2009.

**R. K. Dabriwala**  
Managing Director**M. P. Jhunjunwala**  
Director**L. K. Tibrawalla**  
Director

**Profit & Loss Account** for the year ended March 31, 2009

(Amount in Rs.)

	Schedule	Year ended 31st March, 2009	Year ended 31st March, 2008
<b>INCOME</b>			
Sales (Less : Returns, Claims etc.)		<b>71,83,99,749</b>	68,40,65,465
Less : Excise Duty		<b>1,48,48,309</b>	4,55,05,449
Other Income	12	<b>98,45,044</b>	1,52,18,126
Accretion/(Decreation) in Stock	13	<b>(1,00,58,829)</b>	1,99,94,046
		<b>70,33,37,655</b>	67,37,72,188
<b>EXPENDITURE</b>			
Materials Manufacturing and Other Expenses	14	<b>40,35,85,722</b>	40,99,78,308
Payments to and Provisions for Employees	15	<b>3,27,00,223</b>	3,40,10,368
Administrative, Selling and Other Expenses	16	<b>14,27,15,603</b>	7,78,73,933
		<b>57,90,01,548</b>	52,18,62,609
<b>Profit before interest, depreciation and tax</b>		<b>12,43,36,107</b>	15,19,09,579
Interest and Finance Charges	17	<b>3,36,89,816</b>	3,33,70,692
Depreciation	5	<b>5,34,20,854</b>	6,59,21,143
<b>Profit before taxation and exceptional items</b>		<b>3,72,25,437</b>	5,26,17,744
<b>Exceptional item</b>			
Provision for losses on derivative transaction (Refer Note No. B11C of Schedule 18)		—	2,34,50,645
<b>Profit before tax</b>		<b>3,72,25,437</b>	2,91,67,099
<b>Provision for Taxation</b>			
– Current		<b>80,09,410</b>	33,60,260
– Deferred		<b>7,19,362</b>	(12,28,710)
– Fringe Benefit Tax		<b>6,48,000</b>	6,85,873
– Tax for earlier year		<b>2,12,301</b>	—
Profit after Taxation		<b>2,76,36,364</b>	2,63,49,676
Profit brought forward from previous year		<b>62,10,101</b>	1,04,76,185
<b>Amount Available for Appropriation</b>		<b>3,38,46,465</b>	3,68,25,861
<b>Appropriations</b>			
Transferred to General Reserve		<b>2,50,00,000</b>	2,50,00,000
Proposed Dividend		<b>48,65,918</b>	48,00,000
Tax on Proposed Dividend		<b>8,26,963</b>	8,15,760
Balance Carried to Balance Sheet		<b>31,53,584</b>	62,10,101
		<b>3,38,46,465</b>	3,68,25,861
<b>Earning per Share Basic/Diluted</b> (Face Value of Rs. 10 each) Rs. (Refer Note B12 of Schedule 18)		<b>11.36</b>	10.98
Accounting Policies and Notes to Accounts	18		

Schedules referred to above form an integral part of the Profit and Loss Account.

As per our report of even date

For &amp; on behalf of the Board

For **LODHA & CO.**

Chartered Accountants

**H. K. Verma**

Partner

Membership No. : 55104

Place : Kolkata

The 29th day of June, 2009.

**R. K. Dabriwala**  
Managing Director**M. P. Jhunjunwala**  
Director**L. K. Tibrawalla**  
Director

**Schedules** forming part of the accounts as at March 31, 2009

(Amount in Rs.)

	As at 31st March, 2009	As at 31st March, 2008	
<b>SCHEDULE : 1 SHARE CAPITAL</b>			
<b>Authorised :</b>			
48,00,000 Equity Share of Rs. 10/- each (Previous year 28,00,000 Equity Shares of Rs. 10/- each)	<b>4,80,00,000</b>	2,80,00,000	
20,000 Preference Share of Rs. 100/- each	<b>20,00,000</b>	20,00,000	
	<b>5,00,00,000</b>	3,00,00,000	
<b>Issued, Subscribed and Paid-up :</b>			
33,75,000 Equity Shares of Rs. 10/- each (Previous year 24,00,000 Equity Shares of Rs. 10/- each) Out of the above 12,00,000 shares are allotted as fully paid up by way of bonus shares by capitalisation of reserves	<b>3,37,50,000</b>	2,40,00,000	
Add: Forfeited Shares	<b>250</b>	250	
	<b>3,37,50,250</b>	2,40,00,250	
<b>SCHEDULE : 2 RESERVES AND SURPLUS</b>			
<b>Capital Reserve :</b>			
As per last account (Central Subsidy)	<b>39,42,000</b>	39,42,000	
<b>General Reserve :</b>			
As per last account	<b>16,51,03,498</b>	13,88,59,044	
Add : Transferred from Profit & Loss Account	<b>2,50,00,000</b>	2,50,00,000	
Adjustment of Transitional Provision of AS 15	<b>—</b>	12,44,454	
	<b>19,01,03,498</b>	16,51,03,498	
<b>Share Premium :</b>			
As per last account	<b>—</b>	—	
Add : Received during the year	<b>22,23,00,000</b>	—	
	<b>22,23,00,000</b>	—	
<b>Profit &amp; Loss Account</b>	<b>31,53,584</b>	62,10,101	
	<b>41,94,99,082</b>	17,52,55,599	
<b>SCHEDULE : 3 SECURED LOANS</b>			
<b>From Banks</b>	<b>Notes</b>		
Term Loan	1	<b>5,76,66,000</b>	13,01,90,000
Cash Credit	1	<b>14,02,39,218</b>	13,85,02,757
Car Loan	2	<b>12,61,287</b>	7,07,967
Plant & Machinery Loan	3	<b>—</b>	11,25,674
		<b>19,91,66,505</b>	27,05,26,398

Note :

- These loans are secured by hypothecation of Company's entire stock, book debts and other current assets both present and future and also secured by first charge on fixed assets of the company, equitable mortgage of Leasehold industrial plot of Chikalthana Industrial Area (MIDC) and extension of charge on the fixed assets proposed to be purchased by company with bank financed term loan by way of collateral security. This is further secured by personal guarantee by one of the Director of the Company.
- Car Loan from Axis Bank, ICICI Bank is secured by hypothecation of Vehicles.
- Plant & Machinery loan from ICICI Bank is secured by hypothecation of machinery purchased from the said loan.

**SCHEDULE : 4 UNSECURED LOANS****Interest free Sales Tax Loan from**

The State Industrial and Investment Corporation of Maharashtra Ltd.

Loan from body corporate

**1,07,89,820**

1,21,92,664

**25,00,000**

—

**1,32,89,820**

1,21,92,664

**Schedules** forming part of the accounts as at March 31, 2009**SCHEDULE : 5 FIXED ASSETS**

(Amount in Rs.)

PARTICULARS	GROSS BLOCK			DEPRECIATION / AMORTISATION				NET BLOCK		
	As on 01.04.2008	Additions	Adjustments/ Deduction	As on 31.03.2009	Upto 31.03.2008	For the Year	Adjustments/ Deduction	Upto 31.03.2009	As on 31.03.2009	As on 31.03.2008
<b>TANGIBLE ASSETS</b>										
Land (Leasehold)	1120489	—	—	1120489	78889	18285	—	97174	1023315	1041600
Buildings	12824271	1529706	—	14353977	5624518	677741	—	6302259	8051718	7199753
Plant & Machinery	119927022	24393847	15247311	129073558	80144244	9767375	6554887	83356732	45716826	39782778
Wind Mill	218733100	—	—	218733100	71082067	41076518	—	112158585	106574515	147651033
Electrical Installation	1640291	444333	—	2084624	1238370	59303	—	1297673	786951	401921
Office Equipment	3357733	299420	—	3657153	1966072	447033	—	2413105	1244048	1391661
Furniture & Fixtures	5320380	78353	—	5398733	2085481	586342	—	2671823	2726910	3234899
Vehicles	5460520	1468987	1077145	5852362	3141557	689894	618362	3213089	2639273	2318963
<b>INTANGIBLE ASSETS</b>										
Computer Software	491816	—	—	491816	98363	98363	—	196726	295090	393453
<b>TOTAL</b>	<b>368875622</b>	<b>28214646</b>	<b>16324456</b>	<b>380765812</b>	<b>165459561</b>	<b>53420854</b>	<b>7173249</b>	<b>211707166</b>	<b>169058646</b>	<b>203416061</b>
Previous Year	362897874	6728651	750903	368875622	100016442	65921143	478024	165459561	203416061	

**SCHEDULE : 6 INVESTMENTS****Other than trade****Long Term Investments**

Fully paid-up Equity Shares of Rs. 10/- each unless otherwise stated

**Quoted :**

	As at 31st March, 2009		As at 31st March, 2008	
	No. of Shares		No. of Shares	
Uco Bank	200	2,400	200	2,400
Dunlop India Ltd.	25	631	25	631
Elpro International Ltd.	347058	1,30,56,947	347058	1,30,56,947
Faridabad Investment Co. Ltd. (Rs. 100/- each)	100	7,543	100	7,543
Garware-Wall Ropes Ltd.	350	28,465	350	28,465
R.C.A. Ltd.	13548	1,62,982	13548	1,62,982
Radaan Media Works (I) Ltd.	73190	8,15,753	73190	8,15,753

**Un-quoted :****Others**

Dabri Properties & Trading Company Ltd.	60	600	1,00,060	25,00,600
Borrowing's Fine Art Auctioneers (P) Ltd.	320000	32,00,000	320000	32,00,000
International Belting Limited	120000	75,00,000	50000	5,00,000
Pure Coke Ltd.	4560	4,83,816	4560	4,83,816

**Total****2,52,59,137****2,07,59,137**

Aggregate Market value of Quoted Investments	<b>9,06,58,796</b>	22,97,52,250
Aggregate Book Value of Quoted Investments	<b>1,40,74,721</b>	1,40,74,721
Aggregate Book Value of Un-quoted Investments	<b>1,11,84,416</b>	66,84,416



**Schedules** forming part of the accounts as at March 31, 2009

(Amount in Rs.)

	As at 31st March, 2009	As at 31st March, 2008
<b>SCHEDULE : 7 INVENTORIES</b>		
(As taken, value and certified by the management)		
Stores and Spares (including traded brought out item of Rs. 42,78,741/-, Previous Year Rs. 11,08,156/-)	70,68,110	35,99,529
Loose Tools	20,130	21,645
Raw Materials (including in transit Rs. 32,36,841/-, Previous Year Rs. NIL)	2,03,63,585	93,19,182
Work-in-process	2,53,68,969	2,30,01,587
Finished Goods (including in transit Rs. 55,89,156/-, Previous Year Rs. 1,69,76,546/-)	88,59,205	2,13,06,870
	<u>6,16,79,999</u>	<u>5,72,48,813</u>
<b>SCHEDULE : 8 SUNDRY DEBTORS</b>		
(Unsecured, Considered Good)		
Outstanding for period exceeding six months	19,24,092	1,96,21,503
Other Debts	19,89,92,464	13,48,75,102
	<u>20,09,16,556</u>	<u>15,44,96,605</u>
<b>SCHEDULE : 9 CASH AND BANK BALANCES</b>		
Cash on Hand	2,58,055	1,92,883
Balances with Schedule Banks :		
In Current Accounts	5,67,656	18,16,353
In Deposit Account (Under lien)	68,29,350	33,30,717
In Unpaid Dividend Accounts	1,97,486	1,75,343
	<u>75,94,492</u>	<u>53,22,413</u>
	<u>78,52,547</u>	<u>55,15,296</u>

**Schedules** forming part of the accounts as at March 31, 2009

(Amount in Rs.)

	As at 31st March, 2009	As at 31st March, 2008
<b>SCHEDULE : 10 LOANS AND ADVANCES</b>		
(Unsecured, Considered Good unless otherwise stated)		
Loans (including interest receivable thereon)	1,55,61,495	10,13,05,155
Advances (Recoverable in cash or in kind or for value to be received)	23,84,81,312	72,76,349
Advance payment of Income Tax including tax deducted at source	3,82,44,663	3,34,22,752
Less : Provision for Income Tax	3,49,33,769	2,67,75,000
Advance payment of Fringe Benefit Tax	20,37,664	18,72,292
Less : Provision for Fringe Benefit Tax	19,12,412	18,36,132
Deposits with Government Authorities and Others	17,22,228	12,30,000
Balances with Excise and Customs Authorities	1,15,64,695	52,32,691
	<b>27,07,65,876</b>	<b>12,17,28,107</b>
<b>SCHEDULE : 11 CURRENT LIABILITIES AND PROVISIONS</b>		
<b>Current Liabilities :</b>		
Sundry Creditors :		
Due to Micro and Small Enterprises (Refer Note B5 of Schedule 18)	10,64,203	3,77,995
Others Creditors	9,06,38,716	7,07,19,098
Others Liabilities	57,48,721	57,41,528
Unclaimed Dividends *	1,74,237	1,45,685
(*This does not include amount to be transferred to Investors Education & Protection Fund)		
<b>Provisions :</b>		
Proposed Dividend	48,65,918	48,00,000
Tax on Proposed Dividend	8,26,963	8,15,760
Provision for losses on mark to market basis on derivative transaction (Refer note no. B11C of Schedule no. 18)	—	2,34,50,645
	<b>56,92,881</b>	<b>2,90,66,405</b>
	<b>10,33,18,758</b>	<b>10,60,50,711</b>

**Schedules** forming part of the accounts for the year ended March 31, 2009

(Amount in Rs.)

	Year ended 31st March, 2009	Year ended 31st March, 2008
<b>SCHEDULE : 12 OTHER INCOME</b>		
Rent	29,760	29,760
Income from Investments		
– Dividend from Long Term Investments	28,171	14,423
Interest on loans, etc. – Gross (Tax Deducted at Source Rs. 13,24,871/-, Previous Year Rs. 21,30,017/-)	83,14,266	1,08,47,529
Sale of Scrap	11,85,310	12,46,909
Liability Written Back	2,79,427	2,780
Interest on Income Tax Refund	—	52,410
Miscellaneous Receipts	8,110	30,24,315
	<b>98,45,044</b>	<b>1,52,18,126</b>
<b>SCHEDULE : 13 ACCRETION/(DECRETION) IN STOCK</b>		
<b>Closing Stock :</b>		
Finished Goods (including in transit Rs. 55,89,156/-)	88,59,205	2,13,06,870
Less : Excise Duty	2,46,260	2,67,714
	<b>86,12,945</b>	<b>2,10,39,156</b>
Work-in-process	2,53,68,969	3,39,81,914
	<b>3,39,81,914</b>	<b>4,40,40,743</b>
<b>Less : Opening Stock</b>		
Finished Goods (including in transit Rs. 1,69,76,546/-)	2,13,06,870	62,10,243
Less : Excise Duty	2,67,714	47,437
	<b>2,10,39,156</b>	<b>61,62,806</b>
Work-in-process	2,30,01,587	4,40,40,743
	<b>4,40,40,743</b>	<b>1,78,83,891</b>
	<b>(1,00,58,829)</b>	<b>1,99,94,046</b>
<b>SCHEDULE : 14 MATERIALS, MANUFACTURING AND OTHER EXPENSES</b>		
Raw Materials Consumed	36,97,39,333	36,15,98,736
Purchase of Traded goods	84,15,724	1,91,59,513
Stores and Spares Consumed	20,64,129	19,62,357
Power, Fuel and Water Charges	1,51,07,572	1,87,41,097
Repairs to		
– Machinery	77,97,262	80,58,958
– Building	4,61,702	4,57,647
	<b>40,35,85,722</b>	<b>40,99,78,308</b>

**Schedules** forming part of the accounts for the year ended March 31, 2009

(Amount in Rs.)

	Year ended 31st March, 2009	Year ended 31st March, 2008
<b>SCHEDULE : 15 PAYMENTS TO AND PROVISION FOR EMPLOYEES</b>		
Salaries, Wages and Bonus	2,81,77,659	2,89,36,797
Contribution to Provident, Gratuity and other Funds	24,10,499	30,98,545
Staff Welfare Expenses	21,12,065	19,75,026
	<b>3,27,00,223</b>	<b>3,40,10,368</b>
<b>SCHEDULE : 16 ADMINISTRATIVE, SELLING AND OTHER EXPENSES</b>		
Bank Charges	31,05,037	21,17,592
Rent	32,15,115	22,36,741
Rates & Taxes	3,14,006	2,71,854
Insurance Charges	13,55,830	13,37,383
Travelling and Conveyance	91,32,245	92,90,786
Directors Remuneration	23,75,000	19,37,500
Directors Fees	1,04,000	80,000
Auditors Remuneration :		
Audit Fees	55,000	55,000
Tax Audit Fees	15,000	15,000
Other Services	30,000	30,000
Transport, Packing & Forwarding	5,01,59,676	3,33,35,734
Commission on Sales	1,19,95,869	51,48,085
Foreign Exchange Loss on derivative transaction	3,26,60,123	—
Legal & Professional Fees	72,45,982	45,72,744
Subscription and Donation	1,08,833	5,12,088
Repairs to Others	93,52,708	41,46,660
Loss on Sale of Fixed Assets (Net)	65,725	1,07,340
Miscellaneous Expenses	1,14,25,454	1,26,79,426
	<b>14,27,15,603</b>	<b>7,78,73,933</b>
<b>SCHEDULE : 17 INTEREST AND FINANCE CHARGES</b>		
On Cash Credit	1,84,88,129	1,44,95,938
On Term Loan	1,31,52,992	1,71,93,594
On Others	20,48,695	16,81,160
	<b>3,36,89,816</b>	<b>3,33,70,692</b>



## Schedules forming part of the accounts as at March 31, 2009

### SCHEDULE : 18 ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

#### A) SIGNIFICANT ACCOUNTING POLICIES

##### 1. General

The accounts have been prepared under the historical cost convention in accordance with the provision of the Companies Act, 1956 and mandatory Accounting Standards as specified in the Companies (Accounting Standards) Rules, 2006, prescribed by the Central Government. Accounting policies unless specifically stated to be otherwise, are consistent and are in consonance with generally accepted accounting principle.

##### 2. Use of Estimates

The preparation of financial statements require management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures relating to contingent liabilities and assets as at the Balance Sheets date and the reported amounts of income and expenses during the year. Difference between the actual results and the estimates are recognized in the year in which the results are known/ materialized.

##### 3. Fixed Assets and Depreciation

###### i) Tangible Assets

###### a) Gross Block

Fixed Assets are stated at cost of acquisition with subsequent improvements thereto. Cost of acquisition includes taxes, duties, inward freight and installation expenses.

Expenditure incurred on improvements/ modifications of fixed assets that increases the future benefits from the existing asset beyond its previously assessed standard of performance, e.g., increase in capacity / efficiency, are capitalized.

###### b) Depreciation is provided on written down value method as per Schedule XIV of the Companies Act, 1956. However assets costing Rs. 5000/- or less are depreciated fully in the year of addition. Leasehold land is amortized over the period of lease.

Additions on account of improvements/ modifications, which becomes an integral part of the existing asset and either do not have separate identity and/or are not capable of being used after the existing asset is disposed off, are depreciated over the remaining useful lives of the assets (improved /modified) they are attached with.

###### ii) Intangible Assets

Intangible assets are stated at cost of acquisition less accumulated amortization. Computer software packages are amortized over a period of five year on straight line basis.

##### 4. Investments and Dividend

Long-term investments are stated at cost less provision for diminution other than temporary in nature. Current investments are carried at lower of cost and fair value.

##### 5. Inventories

###### a) Inventories are valued at lower of the cost and net realizable value. The cost in respect of raw materials and stores and spares is determined on FIFO basis and in respect of finished goods and stock in process is determined on average basis. Cost of raw materials and stores & spares include the taxes and duties other than those recoverable from taxing authorities and expenses incidental to the procurement of the same. Cost in case of stock-in-process and finished goods represent prime cost and appropriate portion of overheads.

###### b) Custom duty on bonded materials and excise duty on finished goods at factory are accounted for and included in cost of inventory.

##### 6. Impairments

Fixed Assets are reviewed at each Balance Sheet date for impairment. In case events and circumstances indicate any impairment, recoverable amounts of fixed assets is determined. An impairment loss is recognized, whenever the carrying amount of assets belonging to the Cash Generating Unit (CGU) exceeds recoverable amount. The recoverable amount is the greater of assets net selling price or its value in use. In assessing the value in use, the estimated future cash flows from the use of assets are discounted to their present

## Schedules forming part of the accounts as at March 31, 2009

### **SCHEDULE : 18 ACCOUNTING POLICIES AND NOTES TO ACCOUNTS** (Contd.)

value as appropriate. An impairment loss is reversed if there has been change in the recoverable amount and such loss either no longer exists or has decreased. Impairment loss/reversal thereof is adjusted to the carrying value of the respective assets, which in case of CGU, are allocated to its assets on a prorata basis.

#### **7. Foreign Currency Transaction**

Transactions in Foreign Currencies are accounted for at the exchange rate prevailing as on the date of the transaction. Foreign Currency monetary assets and liabilities at the year end are translated using closing rates whereas non monetary assets are translated at the rate on the date of transaction. The loss or gain thereon and also on the exchange differences on settlement of the foreign currency transaction during the year are recognized as income or expenses and are adjusted to the Profit and Loss Account under respective heads of accounts.

#### **8. Revenue Recognition**

- a) All expenses and income to the extent considered payable and receivable respectively, unless specifically stated to be otherwise, are accounted for on mercantile basis.
- b) Insurance and other claims are accounted for as and when admitted or realized.

#### **9. Sales**

Sales include excise duty and rebate, discounts, claims, returns, sales tax / value added tax (VAT) etc., are excluded there from. Sale of Electricity is accounted for on delivery of Electricity to grid in terms of agreement with the Electricity Board.

#### **10. Expenses**

Expenses under primary heads such as salary, wages, consumption of stores etc., are being shown under respective heads and have not been functionally reclassified.

#### **11. Employee Benefits**

The Company has Defined Contribution Plan for its employees Retirement Benefits comprising of Provident Fund, Pension Fund. The Company makes regular contribution to Provident Fund, which are fully funded and administered by the Government. Contributions are recognized in Profit and Loss Account on accrual basis.

The Company has Defined Benefit Plan comprising of Gratuity and Leave Encashment schemes. The Company contributes to the Gratuity Fund under the Group Gratuity Cash Accumulation Scheme with Life Insurance Corporation (LIC) for future payment of gratuity liability to its employees. Consequent to the adoption of Accounting Standard 15 (AS 15 Revised) on "Employee Benefits", the liability for the Gratuity and Leave Encashment as at the year end has been determined on the basis of an independent actuarial valuation in accordance with the method stated in AS 15 Revised and such liability has been adjusted/ provided in these Accounts.

#### **12. Grants**

- a) Government Grants including subsidy are accounted for as and when realized.
- b) Grants, other than those related to specific assets which are adjusted there against, are treated either under capital or revenue account depending upon the nature of the same.

#### **13. Borrowing Cost**

Borrowing Cost incurred in relation to acquisition or construction of fixed assets are allocated to the fixed assets, other borrowing cost are recognized as expenses in the year in which they are incurred.

#### **14. Income Tax**

Provision for Tax is made for current tax, deferred tax and fringe benefit taxes. Current tax is provided on the taxable income using the applicable tax rates and tax laws. Deferred tax assets and liabilities arising on account of timing difference, which are capable of reversal in subsequent periods are recognized using tax rates and tax laws, which has been enacted or substantively enacted. Deferred tax assets are recognized only to the extent that there is a reasonable certainty that sufficient future taxable income will

**Schedules** forming part of the accounts as at March 31, 2009**SCHEDULE : 18 ACCOUNTING POLICIES AND NOTES TO ACCOUNTS** (Contd.)

be available against which such deferred tax assets will be realized. In case of carry forward of unabsorbed depreciation and tax losses, deferred tax assets are recognized only if there is "virtual certainty" that such deferred tax assets can be realized against future taxable profits.

**15. Provisions, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Assets are neither recognized nor disclosed in the financial statement. Contingent Liabilities, if material, are disclosed by way of notes.

**B) NOTES ON ACCOUNTS:****1. Contingent liabilities not provided for in respect of :**

	<b>2008-09</b> (Rs.)	2007-08 (Rs.)
a) Counter Guarantees given by the Company	<b>1,55,22,120</b>	40,78,943
b) Corporate Guarantee given by the Company	<b>3,40,00,000</b>	3,40,00,000
c) Excise duty/Custom duty demand under appeal	<b>17,35,119</b>	17,80,151
d) Income Tax matter under Appeal	<b>10,54,186</b>	Nil

Note : Future cash outflows in respect of (b & c) above are dependent upon the outcome of judgments / decisions.

- Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advance) Rs. 9,88,133/- (Previous Year Rs.11,04,541).
- Capital work-in-progress includes Rs. 26,81,102/- being the advance on Capital Account (Previous year Rs. Nil).
- Foreign Exchange fluctuation loss (net) amounting to Rs.58,20,589/- (Previous Year gain (net) Rs. 69,50,706/-) has been debited in the Profit and Loss Account.
- Disclosure of sundry creditors under current liabilities is based on the information available with the company regarding the status of the suppliers as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" (the Act). Based on above the relevant disclosures u/s 22 of the Act are as follows :

(Rs.)

1. Principal amount outstanding at the end of the year	10,64,203
Interest amount due at the end of the year	Nil
2. Interest paid to suppliers	Nil
3. Interest payable for delayed payment	Nil
4. Interest accrued and remaining unpaid at the end of the year	Nil
5. Interest remaining due and payable in the succeeding years	Nil

**6. Directors Remuneration**

	<b>2008 - 09</b> (Rs.)	2007 - 08 (Rs.)
Salary	<b>15,00,000</b>	12,25,000
House Rent Allowance	<b>7,50,000</b>	6,12,500
Contribution to Provident Fund and Gratuity Fund	<b>2,52,115</b>	2,19,115
Perquisites*	<b>1,55,000</b>	1,12,500
<b>Total</b>	<b>26,57,115</b>	21,69,115

\*Perquisite includes Rs 1,25,000/- on account of LTA and Rs.30,000/- on account of Club Subscription.

**Schedules** forming part of the accounts as at March 31, 2009**SCHEDULE : 18 ACCOUNTING POLICIES AND NOTES TO ACCOUNTS** (Contd.)

7. Certain debit and credit balances including sundry debtors, creditors and advances are subject to confirmation and reconciliation with respect to the same.
8. Quantities and valuation of finished goods and semi finished goods are as certified by the management
9. The break up of deferred tax assets and deferred tax liability is as under :

	As at 01.04.2008 (Rs.)	Current Year (Rs.)	As at 31.03.2009 (Rs.)
<b>Deferred Tax Liability :</b>			
On Depreciation	97,84,543	(71,26,363)	<b>26,58,180</b>
<b>Deferred Tax Assets :</b>			
Employee Benefits	(3,29,928)	(1,25,149)	<b>(4,55,077)</b>
Provision for losses on Derivative transaction on mark to market basis	(79,70,874)	79,70,874	<b>Nil</b>
Net Deferred Tax Liability	14,83,741	7,19,362	<b>22,03,103</b>

## 10. Employee Benefits :

- a) Contributions to Defined Contribution Plan recognized as expenses for the year are as under :

	2008-09 (Rs.)	2007-08 (Rs.)
Employer's Contribution to Provident Fund	<b>12,36,346</b>	10,38,528
Employer's Contribution to Pension Fund	<b>5,59,797</b>	5,14,607
Employer's Contribution to Employees State Insurance Scheme	<b>1,64,045</b>	2,17,499

- b) The disclosure as per the Accounting Standard 15 (AS-15) "Employee Benefits" are given below :

The Company operates post retirement benefit plans as following :

Funded : Gratuity

Non Funded : Leave Encashment



## Schedules forming part of the accounts as at March 31, 2009

### SCHEDULE : 18 ACCOUNTING POLICIES AND NOTES TO ACCOUNTS (Contd.)

#### Disclosures for defined benefit plans based on actuarial reports as on 31st March, 2009

	Gratuity (Funded)		Leave Encashment (Non Funded)	
	2008-09 Rs.	2007-08 Rs.	2008-09 Rs.	2007-08 Rs.
<b>A. Change in Defined Benefit Obligations:</b>				
Present Value of Defined Benefit Obligations as at the beginning of the year	91,50,993	76,08,774	9,70,662	5,52,441
Current Service Cost	4,66,156	4,32,423	80,183	83,294
Interest Cost	7,65,980	6,70,391	92,381	60,924
Benefits Paid	(5,15,923)	(5,74,389)	(92,923)	(21,342)
Actuarial (Gains)/Losses	1,31,311	10,13,794	2,88,552	2,95,345
<b>Present Value of Defined Benefit Obligations as at the end of the year</b>	<b>99,98,517</b>	<b>91,50,993</b>	<b>13,38,855</b>	<b>9,70,662</b>
<b>B. Change in the Fair Value of Assets :</b>				
Fair value of Plan Assets at the beginning of the year	92,36,505	70,39,696	—	—
Actual Return on Plan Assets	7,99,226	6,51,048	—	—
Contributions by the Employer	12,06,181	21,56,247	92,923	—
Benefits paid	(5,15,923)	(5,74,389)	(92,923)	—
Actuarial (Gains)/Losses	18,161	(36,097)	—	—
<b>Fair value of Plan Assets at the end of the year</b>	<b>1,07,44,150</b>	<b>92,36,505</b>	<b>—</b>	<b>—</b>
<b>C. Reconciliation of Present value of Defined Benefit Obligation and the Fair Value of Assets :</b>				
Present Value of Defined Benefit Obligations as at the end of the year	99,98,517	91,50,993	13,38,855	9,70,662
Fair value of Plan Assets at the end of the year	1,07,44,150	92,36,505	—	—
<b>Liability /(Assets) recognized in the Balance Sheet</b>	<b>(7,45,633)</b>	<b>(85,512)</b>	<b>13,38,855</b>	<b>9,70,662</b>
<b>D. Expenses recognized in the Profit &amp; Loss Account :</b>				
Current Service Cost	4,66,156	4,32,423	80,183	83,294
Interest Cost	7,65,980	6,70,391	92,381	60,924
Expected Return on Plan Assets	(7,99,226)	(6,51,048)	—	—
Net Actuarial (Gain)/Loss	1,13,150	10,49,891	2,88,552	2,95,345
<b>Total Expenses recognized in the Profit &amp; Loss Account *</b>	<b>5,46,060</b>	<b>15,01,657</b>	<b>4,61,116</b>	<b>4,39,563</b>
<b>E. Principal Actuarial Assumptions used :</b>				
Discounted Rate (per annum) Compound	8.00%	7.50%	8.00%	7.50%
Expected Rate of return on Plan Assets	8.00%	—	—	—
Rate of Salary increase (per annum)	5.00%	5.00%	5.00%	5.00%

\*Included in "Salaries, Wages and Bonus" and "Contribution to Provident Fund, Gratuity and Other Funds" under "PAYMENTS TO AND PROVISIONS FOR EMPLOYEES" on Schedule 15 & Directors remuneration under "ADMINISTRATIVE, SELLING AND OTHER EXPENSES" on Schedule 16.

## Schedules forming part of the accounts as at March 31, 2009

### SCHEDULE : 18 ACCOUNTING POLICIES AND NOTES TO ACCOUNTS (Contd.)

The expected return on Plan Assets is based on the actuarial expectation of the average long-term rate of return expected. The discount rate is based on the prevailing market yields on Government bonds as at the balance sheet date.

The contributions expected to be made by the Company for the year 2009-10 is not ascertained.

11. (a) Category wise outstanding derivatives contracts entered for hedging as on March 31, 2009 are as follows :

Sl. No.	Category	Currency	Current Year		Previous Year		Underlying Purpose
			No. of Deals	Amount (Rs.)	No. of Deals	Amount (Rs.)	
1.	Option	USD	2	9,86,20,000	2	14,43,96,000	Export
2.	Swap	USD/CHF	—	Nil	1	13,00,00,000	Liabilities
3.	Forward	USD	7	21,81,46,549	—	Nil	Export

- (b) Unhedged Foreign Currency exposures as on March 31, 2009 are as follows :

Nature	Currency	Current year amount in Foreign currency	Previous year amount in Foreign currency
Import	USD	4,77,857.24	1,29,316.60
Advance to creditors	USD	1,60,891.31	70,002.00
Advance to creditors	AUD	1,181.00	Nil
Advance to creditors	GBP	15,265.37	Nil
FCNRB DL Loan	USD	Nil	10,00,000.00
Others	USD	4,17,314.36	2,38,219.15
Export	CDN	24,57,868.39	19,26,790.42
Export	AUD	28,011.10	Nil

- (c) As on March 31, 2009, the company had inter-alia outstanding forward exchange contracts for hedging future exports against the associated currency rate risks. The Mark-to-Market (MTM) losses on such forward contract as on March 31, 2009 stood at Rs. 2,42,66,902.

Further, MTM losses on outstanding derivative contracts viz. Options Contracts entered into, based on past performance/ underlying of foreign currency and other exposures to hedge the associated currency and/or interest rate risks as on March 31, 2009 stood at Rs. 2,40,32,279. Such losses being notional and not affecting cash flow of the Company and the actual gain or loss in this respect is ascertained and getting accrued only on culmination of respective contracts, are recognized accordingly. In view of above no provision has been considered necessary and will be given effect to at the end of the year or on the date of the respective settlements.

12. Earning Per Share (EPS) :

	Year Ended 31.03.09	Year Ended 31.03.2008
(a) Profit/(Loss) attributable to Share holders (Rs.)	2,76,36,364	2,63,49,676
(b) Weighted average number of Equity Shares	24,32,959	24,00,000
(c) Nominal Value of Equity Shares (Rs.)	10	10
(d) Basic and Diluted EPS (Rs.)	11.36	10.98

## Schedules forming part of the accounts as at March 31, 2009

### SCHEDULE : 18 ACCOUNTING POLICIES AND NOTES TO ACCOUNTS (Contd.)

#### 13. Segment information for the year ended March 31, 2009

##### (i) Information about primary business segments

	Conveyor Belting		Wind Energy		Trading Goods		Unallocated Corporate		Total Amount	
	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
<b>a. Segment Revenue</b>										
Sale and Services to External customers	667590786	596662956	24549510	20045442	11411144	21851618			703551440	638560016
<b>Total Segment Revenue</b>	<b>667590786</b>	<b>596662956</b>	<b>24549510</b>	<b>20045442</b>	<b>11411144</b>	<b>21851618</b>			<b>703551440</b>	<b>638560016</b>
<b>b. Segment Results</b>	<b>139033421</b>	<b>124127212</b>	<b>(18666305)</b>	<b>(33994268)</b>	<b>2995420</b>	<b>2627818</b>			<b>123362536</b>	<b>92760762</b>
Unallocated Corporate Expenses							(60761549)	(17672265)	(60761549)	(17672265)
	139033421	124127212	(18666305)	(33994268)	2995420	2627818	(60761549)	(17672265)	62600987	75088497
Interest Expenses			(13152992)	(17193594)			(20536824)	(16177098)	(33689816)	(33370692)
Interest Income							8314266	10899939	8314266	10899939
Profit/(Loss) from Investment										
<b>Profit/(Loss) before Tax and Exceptional Items</b>	<b>139033421</b>	<b>124127212</b>	<b>(31819297)</b>	<b>(51187862)</b>	<b>2995420</b>	<b>2627818</b>	<b>(72984107)</b>	<b>(22949424)</b>	<b>37225437</b>	<b>52617744</b>
Exceptional Items								(23450645)		(23450645)
Profit/(Loss) Before Tax	139033421	124127212	(31819297)	(51187862)	2995420	2627818	(72984107)	(46400069)	37225437	29167099
Income Taxes							(9589073)	(2817423)	(9589073)	(2817423)
Profit After Tax	139033421	124127212	(31819297)	(51187862)	2995420	2627818	(82573180)	(49217492)	27636364	26349676
<b>c. Segment Assets</b>	<b>364061272</b>	<b>273222621</b>	<b>109240755</b>	<b>151907813</b>	<b>8909909</b>	<b>23247394</b>			<b>482211936</b>	<b>448377828</b>
Unallocated Corporate Assets							289015581	141131535	289015581	141131535
<b>Total Assets</b>	<b>364061272</b>	<b>273222621</b>	<b>109240755</b>	<b>151907813</b>	<b>8909909</b>	<b>23247394</b>	<b>289015581</b>	<b>141131535</b>	<b>771227518</b>	<b>589509363</b>
<b>d. Segment liabilities</b>	<b>(86143951)</b>	<b>(85166596)</b>	<b>(57666000)</b>	<b>(130524000)</b>					<b>(143809951)</b>	<b>(215690596)</b>
Unallocated Corporate Liabilities							(174168235)	(174562918)	(174168235)	(174562918)
<b>Total Liabilities</b>	<b>(86143951)</b>	<b>(85166596)</b>	<b>(57666000)</b>	<b>(130524000)</b>			<b>(174168235)</b>	<b>(174562918)</b>	<b>(317978186)</b>	<b>(390253514)</b>
<b>e. Cost incurred during the period to acquire segment fixed assets</b>	<b>26472522</b>	<b>6224421</b>					<b>1742124</b>	<b>504230</b>	<b>28214646</b>	<b>6728651</b>
<b>f. Depreciation/Amortisation</b>	<b>11072573</b>	<b>11078591</b>	<b>41076518</b>	<b>53413520</b>			<b>1271763</b>	<b>1429032</b>	<b>53420854</b>	<b>65921143</b>
<b>g. Non cash expenses other than Amortisation</b>										

Note : (a) Conveyor Belting segment includes manufacturing and sale of PVC Conveyor Belting.  
 (b) Wind Energy Segment includes generation, supply and sale of Wind Power (Electricity).  
 (c) Unallocated / Corporate Segment includes Corporate, Administrative and Financing activity.

## Schedules forming part of the accounts as at March 31, 2009

### SCHEDULE : 18 ACCOUNTING POLICIES AND NOTES TO ACCOUNTS (Contd.)

#### 13. (ii) Information about secondary Business Segments

Revenue by geographical market	2008-09 (Rs.)	2007-2008 (Rs.)
<b>Sales</b>		
Domestic	17,27,92,596	30,57,54,834
Export	53,07,58,844	33,28,05,182
<b>Total</b>	<b>70,35,51,440</b>	<b>63,85,60,016</b>
<b>Assets</b>		
Sundry Debtors		
Within India	5,75,14,270	5,21,46,518
Outside India	14,34,02,286	10,23,50,087
<b>Total</b>	<b>20,09,16,556</b>	<b>15,44,96,605</b>

#### 14. Related Party Disclosure as required by Accounting Standard 18 "Related Party Disclosure" issued by the Institute of Chartered Accountants of India are as follows :

##### A. Associates :

- 1) R.C.A Ltd
- 2) Faridabad Investment Co. Ltd.
- 3) International Belting Ltd.

##### B. Key Management Personnel :

Shri R.K. Dabriwala - Managing Director

##### C. Enterprise where key management personnel and their relatives have substantial interest and/or for significant influence : None

Details of transactions made with Related Parties during the year :

Nature of Transaction	International Belting Ltd.		R.C.A Limited		Faridabad Investment Co. Limited		Key Management Personnel	
	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
Director Remuneration	-	-	-	-	-	-	2657115	2169115
Interest on Loan :								
- Received	696822	-	-	39721	302852	2315321	-	-
- Paid	-	72131	1001474	-	-	-	-	-
Rent Received	-	-	29760	29760	-	-	-	-
Rent Paid	-	-	18840	18840	-	-	-	-
Inter Corporate Deposit :								
- Loan given	8150000	1000000	3850000	9900000	93450000	177130866	-	-
- Repayment of Loan	9150000	-	3850000	9900000	104590669	164680866	-	-
- Loan taken	-	5500000	154900000	9700000	56459331	80891687	-	-
- Loan repaid	-	5500000	154900000	9700000	56459331	80891687	-	-
Outstanding								
- Loan given	-	1000000	-	-	3100000	12450000	-	-
- Loan Taken	-	-	-	-	-	-	-	-
- Interest Receivable	-	-	-	-	234225	1790669	-	-
Sale of Shares	-	-	-	-	2500000	-	-	-
Purchase of Shares	7000000	-	-	-	-	-	-	-

**Schedules** forming part of the accounts as at March 31, 2009**SCHEDULE : 18 ACCOUNTING POLICIES AND NOTES TO ACCOUNTS** (Contd.)

15. Revenue recognition in respect of diminution of Rs.32,00,000/- in the value of investments in Bowring's Fine Art Auctioneers (P) Ltd. has not been made in these accounts since these are long term strategic investments.
16. Loans to Bodies Corporate amounting Rs.20,38,519 including interest receivable amounting to Rs.88,519 has become overdue for payment. Persuasive steps are been taken to recover the same along with interest accrued till 31st March, 2002 Rs 88,519/- . Pending outcome, the said amount has been considered good of recovery. Interest for subsequent period considering the uncertainty as to realization will be accounted for as and when settled / received.
17. Contingent Liabilities for Excise duty demand under appeal, amounting to Rs.17,35,119/- being the refund of custom duty received by the company in the year 1995 has been disputed by the Central Excise and Customs Department vide its Order No. BPS/(140)/06/2004/3182 dated 31.03.2004 issued by the Commissioner of Central Excise and Customs (Appeals) Aurangabad and Central Excise and Service Tax Appellate Tribunal (CESTAT) Mumbai order No. A/1426/WZB/2004/CI dated 06.09.2004 for which the Company has filed an Appeal before the Supreme Court of India.
18. The Company has certain cancellable operating lease arrangements for office / residential accommodation and for use of machineries with a lease period of one to five years which can be further extended after mutual consent and agreement. The lease agreement can be terminated after giving a notice as per the terms of the lease by either of the party.

Expenditure incurred on account of Operating lease rentals during the year and recognized in the Profit and Loss account amounts to Rs.10,78,925/- (Previous Year Rs.7,35,101/-).

19. During the year, the Company has raised Rs. 2,32,05,000 being 10% of the total amount towards issue of 9,75,000 warrants, each convertible into 1 equity shares of Rs. 10 each at a price of Rs. 238 per share. The above warrants were converted into 9,75,000 equity shares of a face value of Rs. 10 each on receipt of balance 90% amounting to Rs. 20,88,45,000. Consequently Rs. 22,23,00,000 have been credited to share premium account.

Out of the money raised as above, the Company has utilized Rs. 212 Lakhs for the purpose of Capital expenditure, Rs. 400 Lakhs towards repayment of Debts, Rs. 530 lakhs towards working Capital requirement and the Balance 1178.50 Lakhs remaining unutilized has been kept as advance for acquiring certain Properties as referred to in Note no. 20 below.

20. During the year the Company has entered into an agreement with a body corporate to acquire certain properties for a sum of Rs. 2589 Lakhs and has paid a sum of Rs. 2300 Lakhs as advance towards the same. Pending transfer of property in the name of the Company and possession of the same, the amount of Rs. 2300 Lakhs paid has been shown as advance and included under Advances (Recoverable in Cash or kind or for value to be received) in Schedule - 10 (Loans and Advanaces) of Balance Sheet.

21. (I) **Statement of Additional Information :**

PARTICULARS RELATING TO CAPACITIES, PRODUCTION, TURNOVER and STOCK

(As Certified by the Management)

	2008-2009	2007-2008
(a) <b>Licensed Capacity :</b>		
PVC Fire Resistant Antistatic Solid Woven (Mtrs)	2,01,600	2,01,600
Coal Conveyor Belting including Food Conveyor Belting V-Belts (Nos)	4,20,000	4,20,000
(b) <b>Installed Capacity :</b>		
PVC Fire Resistant Antistatic Solid Woven (Mtrs)	4,00,000	4,00,000
Conveyor Belting		
Industrial and Food PVC Conveyor Belting (Mtrs)	1,75,000	175,000
(c) <b>Actual Production :</b>		
PVC Fire Resistant Antistatic Solid Woven ( Mtrs)	2,70,802	3,43,327
Conveyor Belting		

**Schedules** forming part of the accounts as at March 31, 2009**SCHEDULE : 18 ACCOUNTING POLICIES AND NOTES TO ACCOUNTS** (Contd.)

	31.03.2009		31.03.2008	
	Qty. (Mtrs)	Value (Rs.)	Qty. (Mtrs.)	Value (Rs.)
(d) <b>Turnover :</b>				
PVC Fire Resistant Antistatic Solid Woven Coal Conveyor Belting	<b>2,83,017</b>	<b>68,24,39,095</b>	3,29,919	64,21,68,405
(e) <b>Opening and Closing stock of Finished Goods :</b>				
1. <b>Opening Stock</b>				
PVC Fire Resistant Antistatic Solid Woven Coal Conveyor Belting	<b>17,727</b>	<b>2,13,06,870</b>	4,319	62,10,243
2. <b>Closing Stock</b>				
PVC Fire Resistant Antistatic Solid Woven Coal Conveyor Belting	<b>5,512</b>	<b>88,59,205</b>	17,727	2,13,06,870

**(f) Opening and Closing Stock of Traded Goods :**

Items	Opening Stocks	Purchase	Sales/Adjust	Closing Stock
	Rs.	Rs.	Rs.	Rs.
Fittings and Accessories	<b>1108157</b> (1607854)	<b>8130359</b> (7878123)	<b>*10621042</b> * (10176826)	<b>1601511</b> (1108157)
Equipments	- (-)	<b>1348711</b> (-)	<b>1160317</b> (-)	<b>234974</b> (-)
Light Weight Belts	- (-)	<b>2425856</b> (-)	- (-)	<b>2425856</b> (-)
Cotton Belting	- (70912)	- (1161709)	- (1170395)	- (-)
Rubber Conveyor Belting	- (-)	- (10084062)	- (10479735)	- (-)
Fabrics	- (-)	- (42873)	- (59954)	- (-)

\* Include Rs.3,70,215/- (Previous Year Rs.35,293/-) being captive consumption.

Figures in bracket pertains to figures of previous year.

21. (ii)

	31st March, 2009	31st March, 2008
The derated installed capacity of the Generating station of the Company *	<b>3.85 M.W.</b>	3.85 M.W.
Total Numbers of units generated and sold **(In Kwh units)	<b>7148954</b>	5888025
Sales (in Rupees)	<b>24549510</b>	20045442

\* This being a technical matter has been taken as certified by the management and has not been verified by auditors.

\*\* Net of 36652 Units (Previous Year 43934 Units) transmission loss.

## Schedules forming part of the accounts as at March 31, 2009

### SCHEDULE : 18 ACCOUNTING POLICIES AND NOTES TO ACCOUNTS (Contd.)

#### 22. Raw Materials Consumed :

	2008-2009		2007-2008	
	Qty. (Kgs.)	Value (Rs.)	Qty. (Kgs.)	Value (Rs.)
(a) Polyester Yarn	1063696	123749628	835413	73483740
(b) Spun Yarn	305514	28216461	317133	30159569
(c) Cotton Yarn	257374	17809403	234677	14958307
(d) Chemicals				
i) PVC Resin	958850	64633116	1120550	69314792
ii) Phosphate Plasticizer	336548	42818998	635839	68211040
iii) Others	986902	76264273	844714	58659542
(e) Fabrics	109991	16247454	403391	46811746
<b>Total</b>		<b>369739333</b>		<b>361598736</b>

#### 23. Value and percentage of Imported and Indigenous Raw Materials, Stores and Loose Tools consumed

	2008-2009		2007-2008	
	(Rs.)	%	(Rs.)	%
(a) <b>Raw Materials :</b>				
Imported	22,88,08,459	62	17,22,52,450	48
Indigenous	14,09,30,874	38	18,93,46,286	52
<b>Total</b>	<b>36,97,39,333</b>	<b>100</b>	<b>36,15,98,736</b>	<b>100</b>
(b) <b>Stores, Spares &amp; Components :</b>				
Imported	-	-	-	-
Indigenous	20,64,129	100	19,62,357	100
<b>Total</b>	<b>20,64,129</b>	<b>100</b>	<b>19,62,357</b>	<b>100</b>

#### 24. C.I.F Value of Imports :

	2008-2009 (Rs.)	2007-2008 (Rs.)
(a) Raw Materials	21,58,22,769	15,40,57,399
(b) Components and Spare parts	35,70,037	29,96,805
(c) Trading Goods	77,34,884	1,51,03,754
<b>Total</b>	<b>22,71,27,690</b>	<b>17,21,57,958</b>

**Schedules** forming part of the accounts as at March 31, 2009**SCHEDULE : 18 ACCOUNTING POLICIES AND NOTES TO ACCOUNTS** (Contd.)**25. Expenditure in Foreign Currency :**

Travelling Expenses	<b>27,90,400</b>	27,45,317
Postage & Telegram	<b>33,805</b>	-
Rent	<b>9,28,673</b>	7,35,101
Commission	<b>1,18,04,687</b>	50,65,041
Freight Expenses	<b>3,18,29,513</b>	2,34,35,476
Interest on PCFC & FCNRB DL Loan	<b>34,56,927</b>	36,18,910
Interest on LC - Buyers Credit	<b>63,383</b>	-
Testing Expenses	<b>7,38,116</b>	-
Fluctuation Loss on Derivatives	<b>3,26,60,123</b>	-
Other Expenses	<b>46,74,205</b>	26,45,159
Total	<b>8,89,79,832</b>	3,82,45,004

**26. Earning in Foreign Currency :**

Export of Beltings at F.O.B. Value	<b>49,53,02,784</b>	30,64,53,255
Total	<b>49,53,02,784</b>	30,64,53,255

27. Previous years figures have re-arranged/re-grouped wherever necessary.

28. Schedule 1 to 18 forms an integral part of the accounts.

As per our report of even date

For **LODHA & CO.**

Chartered Accountants

**H. K. Verma**

Partner

Membership No. : 55104

Place : Kolkata

The 29th day of June, 2009.

For & on behalf of the Board

**R. K. Dabriwala**  
Managing Director

**M. P. Jhunjunwala**  
Director

**L. K. Tibrawalla**  
Director



**Cash Flow Statement** for the year ended 31st March 2009

(Amount in Rs.)

	Year ended 31st March, 2009	Year ended 31st March, 2008
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax	3,72,25,437	2,91,67,099
Adjustment for :		
Depreciation	5,34,20,854	6,59,21,143
Provision for losses on mark to market basis on derivative transation	(2,34,50,645)	2,34,50,645
Security Transaction Tax	—	1,014
(Profit)/Loss on Sale of Fixed Assets (Net)	65,725	1,07,340
Liquidated Damages / Rebate & Discount	5,67,407	9,19,777
Free Replacement	—	54,06,942
Dividend from Long Term Investment	(28,171)	(14,423)
Interest Paid	3,36,89,816	3,33,70,692
Interest Received	(83,14,266)	(1,08,47,529)
Interest on IT Refund	—	(52,410)
Liability Written Off / back (Net)	(2,79,427)	(2,780)
Operating Profit before Working Capital changes	9,28,96,730	14,74,27,510
Adjustment for :		
Trade and other receivables	(28,50,06,680)	(1,35,98,090)
Inventories	(44,31,186)	(1,74,64,104)
Trade and Other Payables	1,87,40,600	8,31,834
	(27,06,97,266)	(3,02,30,360)
Cash generated from Operation	(17,78,00,536)	11,71,97,150
Direct Taxes (Paid)/Refund received	(56,22,795)	(57,45,441)
Net Cash from/(used in) Operating Activities	(18,34,23,331)	11,14,51,709
<b>B. CASH FLOW FROM INVESTMENT ACTIVITES</b>		
Purchase of Fixed Assets	(2,90,68,021)	(2,44,62,114)
Sale of Fixed Assets	5,89,444	1,65,540
(Purchase)/Sale of Investment	(45,00,000)	(33,16,766)
Loans Given	8,15,04,698	(4,06,09,883)
Dividend received	28,171	14,423
Interest received	1,25,43,354	83,80,071
Net Cash from / (used in) Investing Activities	6,10,97,646	(5,98,28,729)

**Cash Flow Statement** for the year ended 31st March 2009 (Contd.)

(Amount in Rs.)

	Year ended 31st March, 2009	Year ended 31st March, 2008
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Borrowings	(7,02,62,737)	(1,54,07,692)
Proceeds from Equity Shares	23,20,50,000	—
Dividend Paid (Including Corporate Dividend Tax on that)	(55,87,208)	(56,24,960)
Interest Paid	(3,15,37,119)	(3,34,33,180)
Net Cash from/(used in) Financing Activities	12,46,62,936	(5,44,65,832)
Net increase/(Decrease) in Cash and Cash Equivalents	23,37,251	(28,42,852)
Cash and Cash Equivalents at the beginning of the year	55,15,296	83,58,148
Cash and Cash Equivalents at the end of the year	78,52,547	55,15,296

## Note :

Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard (AS) 3 : "Cash Flow Statements" as specified in the Companies (Accounting Standards) Rules, 2006.

This is the Cash Flow Statement referred to in our report of even date.

For & on behalf of the Board

For **LODHA & CO.**

Chartered Accountants

**H. K. Verma**

Partner

Membership No. : 55104

Place : Kolkata

The 29th day of June, 2009.

**R. K. Dabriwala**  
Managing Director

**M. P. Jhunjunwala**  
Director

**L. K. Tibrawalla**  
Director



## Balance Sheet Abstract and Company's General Business Profile

### I. Registration Details :

Registration No.

2 8 8 5 4

State Code :

2 1

CIN

L21300WB1973PLC028854

Balance Sheet Date :

3 1 0 3 2 0 0 9

### II. Capital raised during the year (Rs.)

Public Issue

N I L

Right Issue

N I L

Bonus Issue

N I L

Private Placement

9 7 5 0 0 0 0

### III. Position of Mobilisation and Deployment of Funds (Rs. '000) :

Total Liabilities

7 7 1 2 2 8

Total Assets

7 7 1 2 2 8

Source of Funds :

Paid-up Capital

3 3 7 5 0

Reserves &amp; Surplus

4 1 9 4 9 9

Secured Loans

1 9 9 1 6 7

Unsecured Loans

1 3 2 9 0

Deferred Tax Liabilities

2 2 0 3

Application of Funds :

Net Fixed Assets

2 0 4 7 5 4

Investments

2 5 2 5 9

Net Current Assets

4 3 7 8 9 6

Misc. Expenditure

0 0 0

### IV. Performance of Company (Rs.) :

Turnover (including Other Income)

7 0 3 3 3 7

Total Expenditure

6 6 6 1 1 2

Profit before Tax

3 7 2 2 5

Profit After Tax

2 7 6 3 6

Earning Per Share in Rs.

1 1 3 6

Dividend

2 0 0

### V. Generic Name of the Principal Products of the Company :

Product Description :

PVC Fire Resistant Antistatic Solid

Item Code No. (ITC Code)

Woven Coal Conveyor Belting

3 9 2 6 9 0 0 1

Wind Power

N. A.

For &amp; on behalf of the Board

**R. K. Dabriwala**  
Managing Director

**M. P. Jhunjhunwala**  
Director

**L. K. Tibrawalla**  
Director

## Financial Highlights 2005-2009

(Rs. In Lacs)

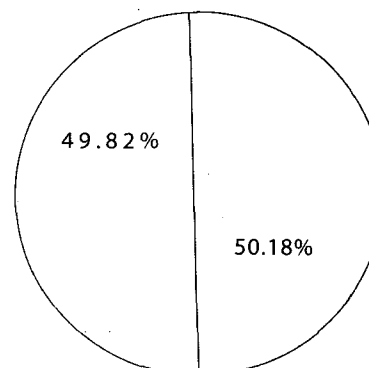
	2005	2006	2007	2008	2009
TURNOVER	3353.70	3775.18	5195.67	6840.65	7184.00
OPERATING PROFIT	259.99	573.47	927.77	950.88	906.46
DEPRECIATION	94.57	171.90	192.11	659.21	534.21
PROFIT BEFORE TAX	165.42	401.57	735.66	291.67	372.25
TAX	7.98	127.28	85.09	28.17	95.89
PROFIT AFTER TAX	157.44	274.29	650.57	263.50	276.36
DIVIDEND PAYOUT	27.37	27.37	56.16	56.16	56.93
RETAINED EARNINGS	130.07	246.92	594.41	207.34	219.43
SHAREHOLDERS'S FUNDS	931.44	1178.36	1772.77	1992.56	4532.49
LOANS	733.48	1303.09	2981.27	2827.19	2124.56
GROSS FIXED ASSETS	1398.31	1529.05	3628.98	3688.76	3807.66
DEBT EQUITY RATIO	1:1.27	1:0.90	1:0.59	1:0.70	1:2.13
EARNING PER SHARE (Rs.)	6.56	11.43	27.11	10.98	11.36
DIVIDEND PER SHARE (Rs.)	1.00	1.00	2.00	2.00	2.00
NET WORTH PER SHARE (Rs.)	38.81	49.10	73.87	83.02	134.30

### SHARE DATA

(As On 31.03.2009)

NO. OF SHARES ISSUED : 3375000  
 MARKET CAPITALISATION (Rs.) : 384918750  
 NO. OF SHAREHOLDERS : 878  
 LISTING AT : Kolkata & Mumbai

### SHARE HOLDING PATTERN



☐ Promoters & Associates  
☐ Public



**INTERNATIONAL CONVEYORS LIMITED**

10, Middleton Row, Kolkata-700 071