

On the trajectory of
sustainable **growth!**



International Conveyors Limited | Annual Report 2011-12

Forward-looking statement

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

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At International Conveyors Limited, we are deeply passionate to drive our business ahead in all times.

This is visibly reflected in the fact that in 2011-12, even as the world economy was sluggish and tumultuous, we reported a 26.49% increase in revenue and a substantial 273.82% surge in net profits.



Reinforcing the belief that at our Company, unwavering focus, rock solid commitment, steadfast dedication and relentless perseverance represent the core elements required to remain on the trajectory of sustainable growth.

International Conveyors Limited (ICL) enjoys India's leading 40% share in the PVC Conveyor Belting market for underground mines.

It is also one of the country's largest PVC Belting exporters to the demanding markets of USA and Canada.

Enabling it to capitalize on opportunities arising in the core sector industries of coal and fertilizers.

We stand tall

Vision

To be a globally respected enterprise that strives to achieve and maintain the highest parameters in quality and customer service.

Legacy

ICL possesses a rich industry presence of about 40 years, promoted by Mr. R.K. Dabriwala, an industrialist of repute.

Spread

The Company's solid woven PVC Conveyor Belting manufacturing facilities are located in Aurangabad (Maharashtra, the largest such manufacturing facility in the world) and its 100% subsidiary, International Belting Limited's (IBL's) manufacturing facilities are located in Falta SEZ (West Bengal). The combined PVC Belting installed capacity at Aurangabad and Falta stands at 11,25,800 metres per annum.

We have performed well in 2011-12



Products

PVC fire-resistant anti-static solid woven coal Conveyor Belting and wind power.

Green power

Operates a cumulative 4.65 MW wind generation capacity dispersed across the states of Karnataka, Maharashtra, Gujarat and Andhra Pradesh.

Listing

Equity scrip listed on the BSE and CSE

Stock details

Scrip code: 509709

Scrip ID: INTLCONV

We cater to several brand-enhancing customers

India

- ▶ South Eastern Coalfields Limited
- ▶ Western Coalfields Limited
- ▶ The Singareni Collieries Company Limited
- ▶ Eastern Coalfields Limited
- ▶ Monnet Ispat and Energy Limited
- ▶ Bharat Coking Coal Limited
- ▶ Jayaswal Neco Industries Limited
- ▶ Mahanadi Coalfields Limited
- ▶ Sunflag Iron and Steel Company Limited
- ▶ Central Coalfields Limited

International

- ▶ Potash Corp. of Saskatchewan Inc. through Continental Mine and Industrial Supply Ltd. (Canada)
- ▶ Mosaic Potash Carlsbad Inc., Silverspur Conveyors, RBH Mill & Elevator, Rosebud Mining Co., Empire Rubber, ICL (Harbor Freight) (USA)
- ▶ CC Components Pty Limited (Australia)

%

Dividend*

25

*proposed

₹

Earnings per share

1.52

₹

Book value per share

9.87

Debt-equity ratio

1:1.27

“We are leveraging our robust business insights and aiming to double our turnover over the next two/three years”

Mr. R.K. Dabriwala, *Managing Director*, looks back on the year 2011-12 and looks ahead with optimism.

How have you created a sustainable business model at ICL?

Our business is a faithful proxy of the coal and fertiliser industries.

The coal mining sector is gaining traction on account of the growing demand from power plants. The fertilizer industry is also witnessing healthy demand towards ensuring food security for an ever growing population.

In line with the upcoming opportunities, several of our customers are ramping up their capacities. At ICL, we are reinforcing our focus on developing innovative products and strengthening our quality standards to strengthen business sustainability with an overall focus on doubling our topline over the next two / three years.

You mentioned innovation as a key focus area. Can you elaborate?

At ICL, research and development is an ongoing effort towards creating new products and strengthening value engineering initiatives. During the year under report, we developed the value-added Type-10 products, a 72-inch wide PVC belt and supplied it to Potash Corporation of Canada. The advantages of this product include:

- ▶ Carriage of larger tonnage on account of a wider 72 inch surface area.
- ▶ Cost-effective transportation because of heavy loads.

What were some of the key highlights of 2011-12?

Several in fact:

- ▶ Manufactured 3,90,701 metres of PVC Belting.
- ▶ Attained the prestigious 'Export House' status, which will reinforce our global image and visibility.
- ▶ Revenue from export of PVC Conveyor Belting amounted to ₹7,491.53 lacs (₹5,565.75 lacs in 2010-11).
- ▶ Received product approvals from China and Australia and we intend to commence supplies to these countries during 2012-13, thereby reinforcing our export presence.
- ▶ Commissioned a new 4,25,000 metres annual installed capacity PVC

Belting manufacturing facilities at Falta in IBL, 100% subsidiary and proposes to merge this subsidiary with the parent with a view to achieve higher operational synergies.

- ▶ Strengthened average realizations and achieved turnover growth of 28.5% to ₹9662 lacs.
- ▶ Executed major modernization initiatives at our Aurangabad facilities, which will strengthen output, streamline production and optimize cost structures.
- ▶ Proposed a dividend of 25% (₹0.25 per equity share of face value of ₹1) as compared to a dividend of 15% in previous year (₹0.15 per equity share of face value of ₹1).
- ▶ Invested ₹22 cr. (funded 32.34% through Promoter's contribution and rest 67.66% through debt) at the new Falta plant of IBL, a 100% subsidiary.

What is the status of your order book?

Our order book of ₹5163 lacs as on 31 March 2012 (₹3310 lacs as on 31 March 2011) provides robust revenue visibility over the next 5 months. Besides, with a renewed focus on strengthening customer relationships, we intend to strengthen our order book, going ahead.

How are you rightly positioned in the industry landscape to tap emerging opportunities?

We are rightly positioned as India offers

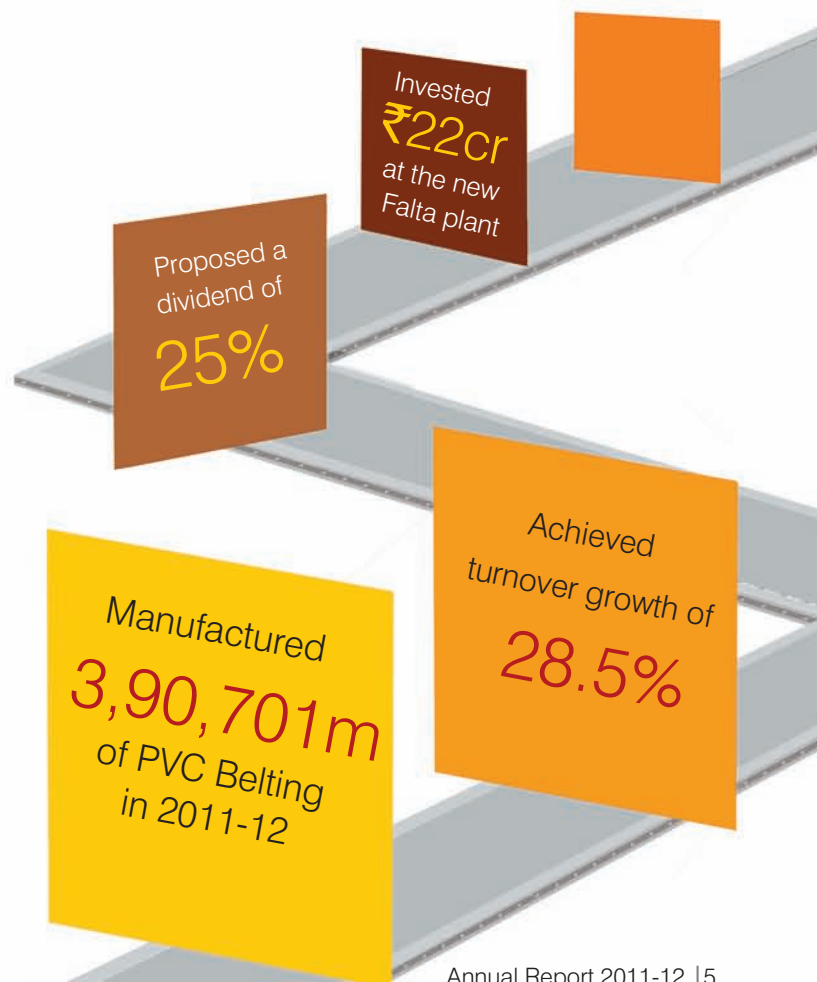
low-cost manufacturing for the skills needed to produce PVC mining belting, among several other advantages.

What is the blueprint for 2012-13 and beyond?

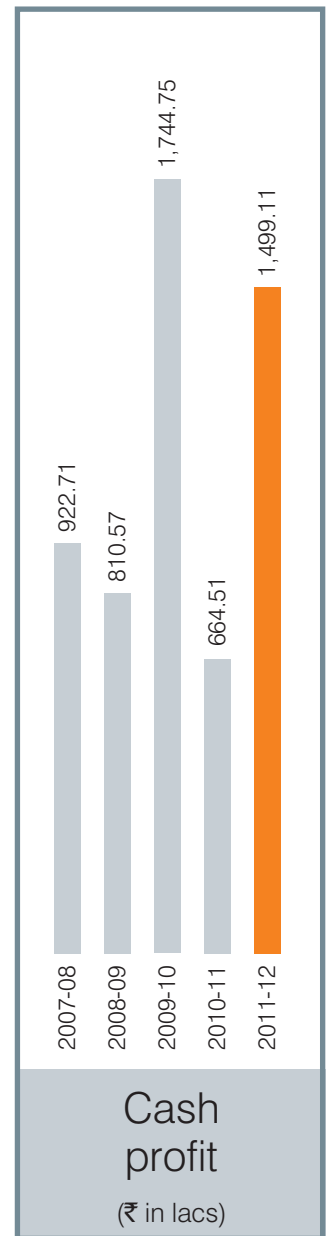
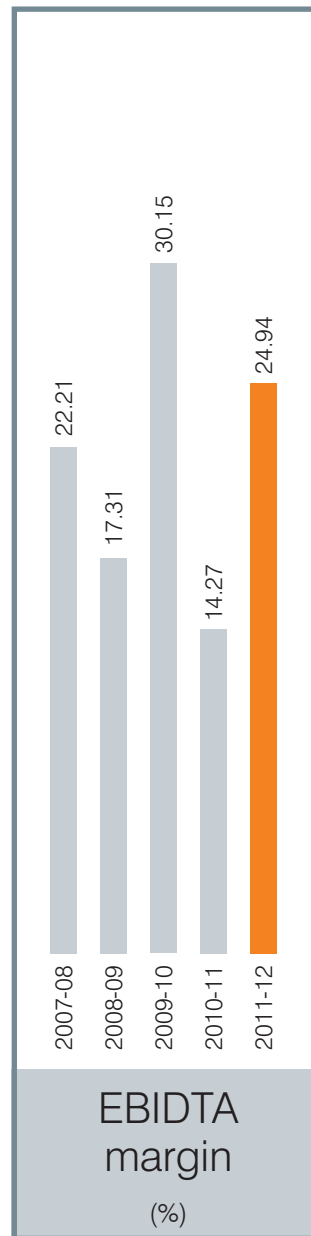
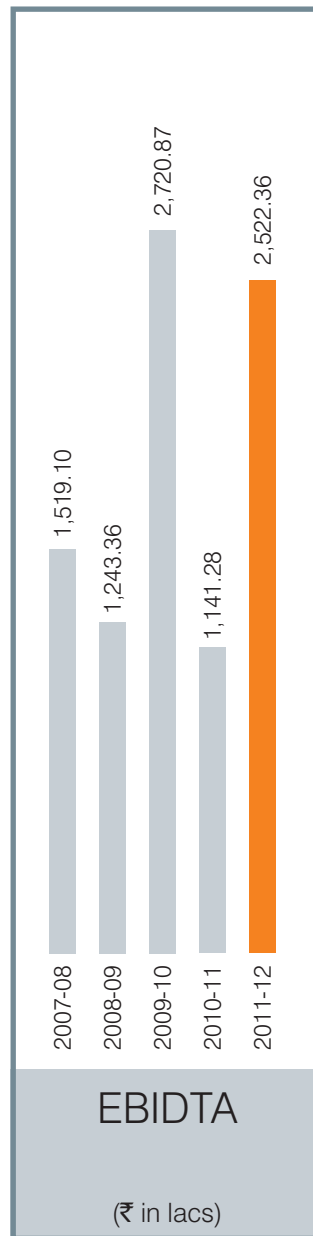
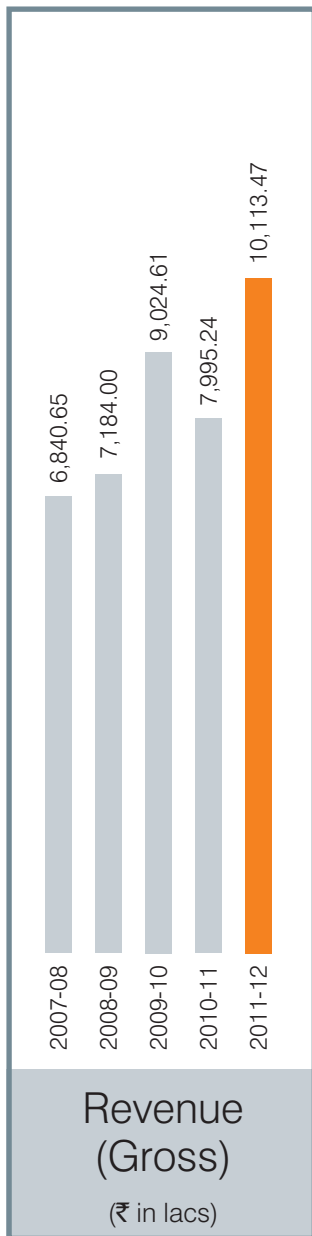
We will launch new value-added product, Type-12 (72-inch, 12,000 lb/ inch) in 2012-13 and we have already booked orders for this product. With a sharper focus on value-added products in the overall sales mix, we expect to strengthen our margins, going forward. We are tapping newer geographies with a special focus on the coal mining sector.

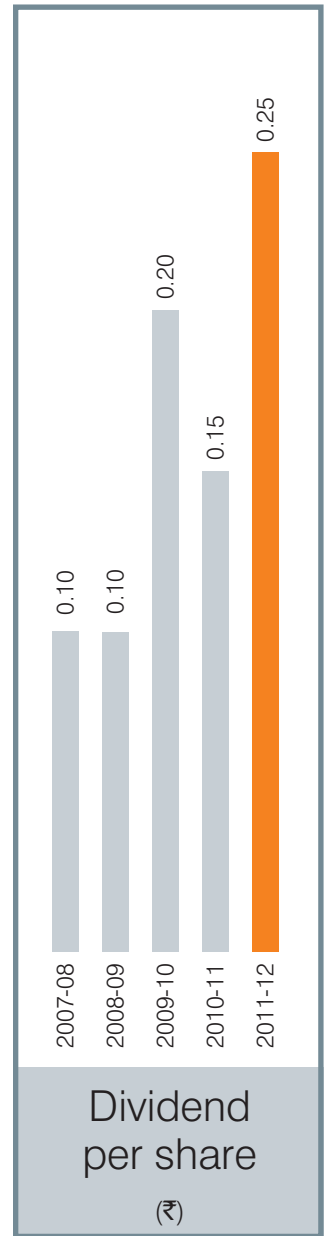
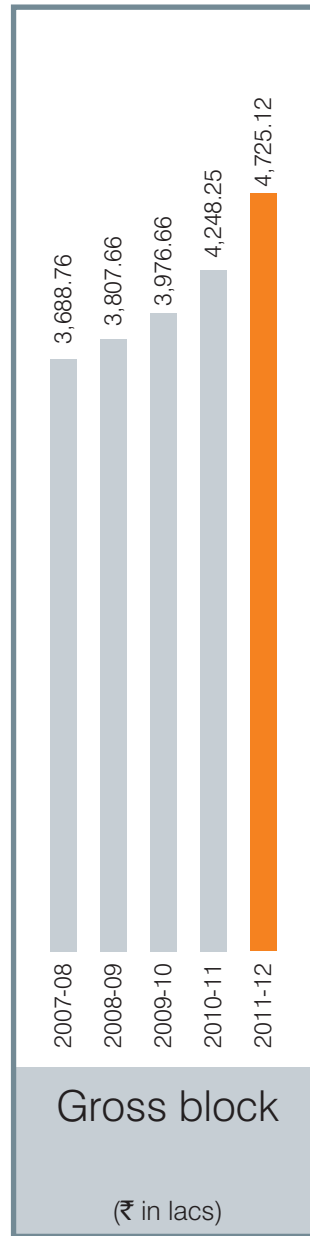
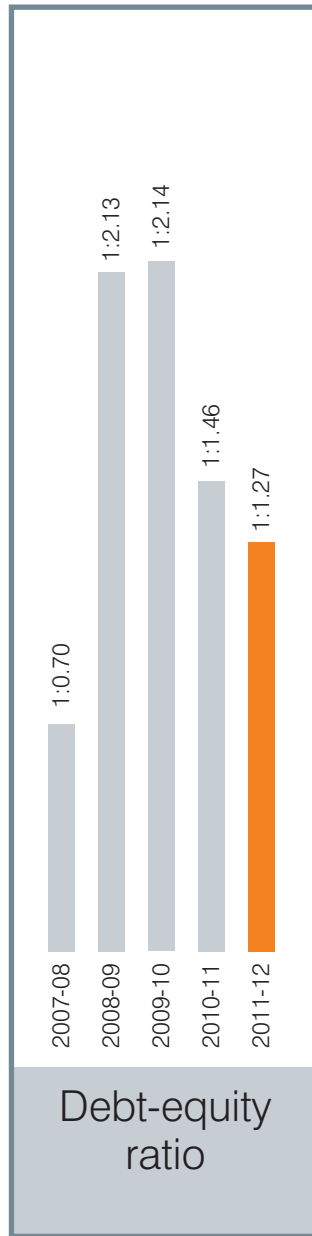
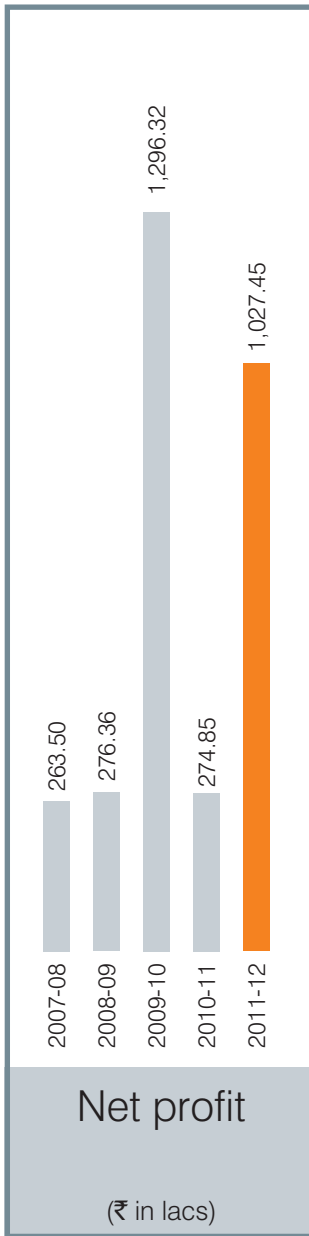
How do you expect to continue to generate shareholder value?

At ICL, we balance the need of conserving funds on the one hand and dividend payouts on the other. We have declared a dividend of 25% (₹0.25 per equity share of face value of ₹1) for 2011-12, up from 15% in 2010-11. We are passionate in our Company's future and with a focus on doubling our topline over the next two/three years, we expect to continue to enrich shareholder value, going ahead.



Success of the past, excitement of the future!







On the trajectory of sustainable growth

Unwavering focus on innovation

At ICL, we continually focus on enhancing our engineering skills, developing new products and strive to meet the customers' evolving requirements.

During the year 2011-12, we introduced a value-added product, Type-10, a 72-inch PVC Belting that was widely accepted by one of our global customers, Potash Corporation of Canada. With a wider 72 inch surface area, this product strengthens customer business by carrying a higher tonnage and transports material at a significantly lower cost.

Over 2012-13, we expect to introduce Type-12 (72-inch, 12,000 lb/ inch) PVC Belting for which we have already received confirmed orders.

On the trajectory of sustainable growth

Stringent control on quality

At ICL, we leverage decades of industry experience to control quality, focusing on every aspect of the production and supply chain with stringent intermediate checks, resulting in the supply of world-class products to our customers and minimal rejects.

Having received the product approvals from Australia and China, paving the way for supplies in 2012-13, we reinforced our quality focus and made inroads into the markets of these countries.

Certifications received by ICL

General category:

- ▶ India – Directorate General of Supplies and Disposals Registration.
- ▶ Global – Dun and Bradstreet assigned D&B D-U-N-S Number: 86-225-1696
- ▶ Global – ISO 9001:2008 Certification.

Country specific Mine Safety Approval (Fire Retardant Antistatic – FRAS) for product usage:

- ▶ India - Directorate General of Mines Safety (DGMS) approval conforming to IS 3181:1992 (Second Revision).
- ▶ USA – Mine Safety and Health Administration approval conforming to US-MSHA Part-14, Title 30 of Code of Federal Regulations (CFR).
- ▶ USA – Mine Safety and Health Administration approval conforming to US-MSHA Part-18, Title 30 of Code of Federal Regulations (CFR).
- ▶ Canada – Canada Centre for Mineral and Energy Technology (CANMET) conforming to CAN/CSA-M422-M87 (reaffirmed 2011), Category A-1.
- ▶ Australia – TestSafe Australia conforming to AS 4606:2000 Grade 'S'.
- ▶ China – MT 914 – 2008 Chinese Standard.



Key competitive advantages

Unique

In the field of producing solid woven fire-retardant anti-static PVC Conveyor Belting for underground mining we are the India's largest listed company having about 40% domestic market share.

Robust quality practices

We are an ISO 9001:2008 certified Company meeting international quality benchmarks. We also enjoy several certifications and endorsements from stringent global regulatory bodies.

Products portfolio

We manufacture the most extensive range of products comprising Type-3 to Type-6 that are the most suitable for meeting Indian requirements and Type-3 to Type-12 that are popular in markets abroad. A significant part of our overall sales mix comprises value-added products.

Adherence to timelines

We deploy wide-ranging engineering capabilities to complete manufacturing of products on schedule realizing that our products drive our customer's business ahead.

Integrating the value chain

We provide several value-added products in our sales mix and count several demanding multinationals as clients.

Strong vendor relationships

We enjoy robust relationships with several reputed Indian and International vendors for cost-effective and uninterrupted sourcing of key raw material resource inputs.

Comprehensive customer portfolio

We are regular suppliers to several subsidiaries of Coal India Ltd., the world's largest coal resource company. We also supply to several reputed private sector industries.

Advanced training

We proactively develop several training programmes for our employees to enable them to remain up-to-date with the latest technology, resulting in minimal attrition and retention of intellectual capital.

Managing risks at ICL

International Conveyors Limited's risk management framework reinforces:

- ▶ Prudent checks and balances.
- ▶ Timely interaction across functions at respective units.
- ▶ Timely escalation of key issues to the corporate committee to ensure swift review of strategy, policies and processes for effective response.

1

Macro-economic factors might impact operations and demand for the Company's products

Being global commodities, coal and fertilizers are exposed to world demand-supply dynamics, geo-political situations and regulatory issues. The Company's business prospects and growth might be affected in the event of a downturn.

Risk mitigation

The Company's market research cell keeps a stringent vigil on the changes in global economies that have a strong influence on the coal mining and fertilizers sectors to analyse their impact and suggest and implement mitigation measures. By virtue of an expansive presence in India with a near 40% share in PVC Conveyor Belting for underground mines and a robust supply to the US and Canadian markets, the Company is well-insulated in terms of products and geographies. With India's thrust on economic development (6.5% projected GDP growth for 2011-12), the Company will continue to witness robust demand for its products, going forward. Besides, the Company's innovation capabilities are reflected in it introducing a new value-added product, Type-12 (72-inch, 12,000 lb/ inch), to be supplied to a global multinational, Potash Corporation of Canada.

2

Raw material security risks

Non-availability and price volatility of critical raw material resources can affect production and offtake.

Risk mitigation

The Company proactively keeps track of the factors affecting key resource availability and plans its sourcing strategies accordingly. The prices of its principal raw materials (comprising poly-yarn, PVC and fire-retardant inputs) are closely linked with crude and with crude prices remaining more or less stable during the year, the Company was able to optimize its raw material costs. Besides, the Company's order book of about ₹5,163 lacs (as on 31st March 2012) will protect profitability in terms of adverse raw material price movements. Moreover, the Company has secured forward contracts with raw material suppliers in order to safeguard against currency fluctuations.

3

Forex risks

With a large import-export exposure, the Company might be affected in terms of adverse currency movements.

Risk mitigation

The Company enjoys a natural hedge in terms of imports of key raw materials and exports of finished products. Besides, the Company's forex cell actively tracks currency movements and adopts such measures as hedging, forward contracts and swaps.

4

Infrastructure and logistics support risks

Expanding business operations have multiplied volumes and brought forth material management challenges.

Risk mitigation

The Company proactively plans for adequate infrastructure for loading/unloading and storage across its plant sites and stock points. Besides, it also streamlines distribution between its manufacturing facilities, warehouses and customer supply points. In a significant initiative, the company attained the 'Star Export House' status in 2011-12, thereby enhancing its international reputation.

5

Competition risks

A highly competitive industry environment might impact profitability.

Risk mitigation

The Company enjoys a dominant 40% market share in PVC Conveyor Belting for underground mines in India and continually reinforces this competitive advantage through an unwavering focus on new product development, optimizing cost structures and creating stronger customer relationships. This is amply reflected in the fact that repeat business constituted nearly 100% of the Company turnover in 2011-12.

6

Rejection risks

The Company's products might face customer rejections.

Risk mitigation

The Company's unwavering focus on quality, certified by several global institutions, ensure products are made to the most demanding standards. This is evident in the fact that during the year under report, the Company did not face any rejects from its customers.

7

Product risks

The Company's products might suffer slackening demand and can be exposed to substitution risks.

Risk mitigation

On the contrary, the Company's products find critical application in the safe and cost-effective transportation of coal and potash from underground mines to pitheads. The product being cost-effective enhances business for customers. In recognition, the Company received approvals from China & Australia in 2011-12, a testimony of a global product appeal. Besides, a capacity utilization of 60% at the Aurangabad manufacturing unit, commissioning of the new Falta unit of its Subsidiary viz. IBL and a near-zero bad debt on the balance sheet, demonstrates high product acceptance and a growing reputation as a quality supplier.

8

Environment, Health and Safety (EHS) risks

Improper EHS systems and processes can adversely impact human life, assets and operations.

Risk mitigation

The Company maintains safety of the highest standards within its operating units, which facilitates in minimizing hazards during day-to-day operations. The Company also possesses proper environmental control assets, which minimizes effluents discharge and helps create a green and clean environment.

9

Industrial risks

The Company's operating units might face closure on account of industrial unrest.

Risk mitigation

The Company maintains robust relations with its work force and engages in continual dialogues with a view to build trust and credibility on an ongoing basis. Besides, it also endeavours to align individual aspirations with corporate goals with a view to create win-win situations and provides continual training with a view to enhance skill sets and augment productivity. The Company has also empowered key employees and also delegated key tasks for them to take quick on-ground decisions for capitalizing on opportunities.

10

Financial risks

The Company's financial strength might weaken, thereby impacting normal operations.

Risk mitigation

Quite on the contrary, the Company's key financial metrics are robust. It enjoys a healthy interest cover of 3.38 times, zero bad debt on its books, a 14.26% growth in networth to ₹6659.75 lacs (2011-12), a strong receivables cycle of 125 days, a healthy operating margin of 24.94% and a comfortable debt-equity ratio of 1:1.27. Besides, the Company continually reviews its financial strength and undertakes swift course corrective measures to protect liquidity.



Financial review – Key financial performance indicators that will help you appraise our Company

Gross turnover

Our standalone gross turnover increased from ₹7995.24 lacs in 2010-11 to ₹10113.47 lacs in 2011-12. Continued order book increase and project execution capabilities ensured turnover growth.

Return on capital employed (ROCE)

Capital employed is the sum of equity contribution and debt financing. At ICL, return on capital employed is a measure of our profitability. ROCE (average) increased from 17.20% in 2010-11 to 33.72% in 2011-12, signifying an effective utilisation of resources.

Debt-equity ratio

Our debt-equity ratio stood at 1:1.27 in 2011-12 (from 1:1.46 in 2010-11), indicating comfortable ability to raise low-cost resources for future expansion plans.

EBIDTA and EBIDTA margin

At ICL, EBIDTA increased from ₹1141.28 lacs in 2010-11 to ₹2522.36 lacs in 2011-12. This is a crucial component for measuring overall profitability. EBIDTA margin increased 1067 basis points in 2011-12 indicating greater operational efficiency and optimised cost structures.

Net profit and net profit margin

Growing net profit increases shareholder wealth and firm valuations. At ICL, net profit increased from ₹274.85 lacs in 2010-11 to ₹1027.45 lacs in 2011-12; net profit margin increased from 672 basis points from 3.44 % in 2010-11 to 10.16% in 2011-12, indicating growing profitability.

Commitment to health, safety, environment and sustainability

At ICL, we believe that business sustainability is closely linked with societal responsibility, workplace safety, environmental protection and robust governance. We undertook several initiatives in this regard.



Environmental focus

We closely monitor energy and water usage and devise ways to optimize their consumption.



Workplace safety

Our focus revolves around safe processes, minimised atmospheric discharges and zero workplace injuries.



Society upliftment

We provide social infrastructure, enrich human capabilities and organise several welfare camps. We also provide extensive training to enhance employability and continually create work opportunities for the local populace.



Infrastructure

We develop roads and other social infrastructure for common good.



Ethical governance

Our Board of Directors and Senior Management oversee governance processes and our internal audit teams focus on enhancing transparency and stakeholder trust.

Corporate Information

DIRECTORS

Shri M. P. Jhunjunwala

Shri L.K. Tibrawalla

Shri A. Hussain

Smt. R. Dalmia (upto 14.02.2012)

Shri J. S. Vanzara

Shri K. T. Reddy (from 14.02.2012)

MANAGING DIRECTOR

Shri R. K. Dabriwala

COMPANY SECRETARY

Ms. Alka Malpani

AUDITORS

M/s. Lodha & Co.

Chartered Accountants

14, Government Place East

Kolkata - 700 069, West Bengal, India

BANKERS

State Bank of India

REGISTERED OFFICE

10, Middleton Row

Kolkata - 700071, West Bengal, India

E-mail -investors@iclbeltng.com

WORKS

E-39 and H-19, M.I.D.C. Industrial Area

Chikalthana, Aurangabad - 431 006

Maharashtra, India

REGISTRAR & SHARE

TRANSFER AGENT

Maheshwari Datamatics Pvt. Ltd.

6, Mangoe Lane

2nd Floor, Kolkata - 700001

West Bengal, India

Notice

Notice is hereby given that the 39th Annual General Meeting of **INTERNATIONAL CONVEYORS LIMITED** will be held at 10, Middleton Row, Kolkata – 700 071 on Wednesday the 25th day of July 2012 at 3:30 P. M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Profit & Loss Account of the company for the year ended 31st March, 2012, 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, 2012.
3. To appoint a Director, in place of Shri L. K. Tibrawalla who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director, in place of Shri J. S. Vanzara 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 resolution as Ordinary Resolution:

“RESOLVED THAT Mr. Kunchala Thirupal Reddy, who was appointed by the Board of Directors as an Additional Director of the Company under Section 260 of the Companies Act, 1956 and who holds office upto the date of this Annual General Meeting

and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

7. To consider and, if thought fit, to pass, with or without modifications the following resolution as Special Resolution:

“RESOLVED THAT pursuant to Section 198, 269, 309, 310, 311 & Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to all such approvals as may be required, the Company hereby approves the reappointment and payment of remuneration to Shri R. K. Dabriwala as Managing Director of the Company for a further period of one year effective from October 1, 2012 on the terms and conditions as set out in the explanatory statement annexed hereto and also draft agreement submitted to this meeting, with the liberty to the Board of Directors (the “Board”) to revise, amend, alter and vary the terms and conditions of his appointment and remuneration, in such manner as may be permitted in accordance with the provisions of the Companies Act, 1956 and Schedule XIII or any modification thereto and as recommended by the Remuneration Committee and as may be agreed to by the Board and Shri R. K. Dabriwala.

RESOLVED FURTHER THAT the Board or any committee thereof be and is hereby authorized to do and perform all such acts, deeds, matter and things as may be considered desirable or expedient to give effect to this resolution.”

**By Order of the Board
For International Conveyors Ltd.**

Registered Office:

10, Middleton Row, Kolkata - 700 071

May 30, 2012

Alka Malpani
Company Secretary

NOTES:

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

Proxy forms 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 18th July, 2012 to 25th July, 2012, both days inclusive.

As per the amendments to the Companies Act, 1956 the dividends for the year 2004-05, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11 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 electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change of address immediately to the Company/Registrar and Share Transfer Agent, M/s Maheshwari Datamatics Private Limited.

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.

At the ensuing Annual General Meeting Shri L. K. Tibrawalla and Shri J. S. Vanzara, retires by rotation and, being eligible, seek re-appointment. Pursuant to Clause 49 of the Listing Agreement relating to the Code of Corporate Governance, brief particulars of the aforesaid Directors to be appointed / re-appointed are given below:

Profiles of Directors seeking appointment / re-appointment at the ensuing AGM

Shri K. T. Reddy

Date of Birth	: 02-11-1944
Qualifications	: M. Sc; M.B.A. (1st Rank in SV University and University of Madras)
Expertise and experience in specific functional areas	: He is an Executive Director in TM Tyres Limited functioning as overall in charge. He is having 42 years of experience in Sales and Marketing areas out of which he has experience of about 32 years in PVC Belting Industry. Having worked in various esteemed organization viz. Fenner (India) Limited, J K Industries Limited, MRF-Tyres, in the capacity of Director (India), General Manager-Marketing, District Manager-Sales, he bagged the position of CEO on the Board of TM Tyres Limited in 2010. He has also conducted Training Programmes for Executives at different levels on Quantitative techniques such as PERT / CPM, Linear Programming, SQC etc. He was also the Hon. Faculty in Management in Madras University and Jawaharlal Nehru Technological University. He was also associated with the Employers Federation of Southern India and had been the President of EFSI during the period 2000-2002 and Chairman of the EFSI, A. P. Branch during the period 1998-2000.
Directorships/ Partnership held in other companies as on 31.03.2012	: T M Tyres Limited
Membership in other Board Committees as on 31.03.2012	: Nil
Shareholding in the Company as on 31.03.2012	: Nil

Shri L. K. Tibrawalla

Date of Birth	: 25-10-1943
Qualifications	: B. Com
Expertise and experience in specific functional areas	: He has 44 years of experience in the field of Coal and Coke Industry. He is the founder and Managing Director of Shree Shyam Coal Co. Ltd. which is one of the largest unit in the belt of Nirsachatty, Dhanbad, Jharkhand and he is also the promoter of many body corporates.
Directorships/ Partnership held in other companies as on 31.03.2012	: Shree Shyam Coal Co. Ltd., Pure Coke Ltd., Gunpatroy Pvt. Ltd., Chengmari Tea Co. Ltd., Rock Fort Pvt. Ltd., Mica Pvt. Ltd., Sanskriti Holdings Pvt. Ltd., Creative Hortifarms Pvt. Ltd., Shree Hanuman Sugar & Industries Ltd., International Belting Ltd., Kedco Processors Pvt. Ltd, Goel Fintrade Pvt. Ltd., Laxmi Textiles (Partner), Pure Coke (Partner).
Membership in other Board Committees as on 31.03.2012	: Audit Committee, Remuneration Committee and Shareholders Committee of the Company.
Shareholding in the Company as on 31.03.2012	: 36000 shares

Shri J. S. Vanzara

Date of Birth	: 08-09-1965
Qualifications	: B. Com (Hons) FCA, GRAD CWA
Expertise and experience in specific functional areas	: He is a member of various professional bodies like Institute of Internal Auditors, Association of Secretaries and Managers etc. He is the Ex-Vice President of The Association of Corporate Executives & Advisors which is a leading professional body based in Kolkata for last 52 years and is still an active member of the same. M/s J. S. Vanzara & Associates has three partners including Jinesh S. Vanzara and twelve executives/staff members. The firm has expertise in the field of Auditing and Direct Taxation with specific focus on Income Tax surveys, search & seizure and the related assessments. The firm has client profile from different industries and fields throughout the Eastern Region as well as some other parts of the country.
Directorships/ Partnership held in other companies as on 31.03.2012	: Jalaram Properties Pvt. Ltd., Srinathji Commercials Pvt. Ltd., Jaikarni Holdings Pvt. Ltd., Subhratna Investment Pvt. Ltd., Mathura Towers Pvt. Ltd., Vaishno Nirman Pvt. Ltd., Mahabali Nirman Pvt. Ltd., Ambica Appartment Pvt. Ltd., Aristocrat Vanijya Pvt. Ltd., Cromex Agency Pvt. Ltd., Gomati Agencies Pvt. Ltd., J S Vanzara & Associates (Partner)
Membership in other Board Committees as on 31.03.2012	: Audit Committee and Remuneration Committee of the Company.
Shareholding in the Company as on 31.03.2012	: Nil

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

Item No. 6

The Board of Directors of the Company appointed Shri Kunchala Thirupal Reddy as an Additional Director of the Company with effect from 14th February, 2012, in terms of section 260 of the Companies Act, 1956, read with Article 95 of the Articles of Association of the Company. Shri Kunchala Thirupal Reddy will hold office as an Additional Director upto the date of the Annual General Meeting. The Company has received notice in writing from a member, under section 257 of the Companies Act, 1956, signifying his intention to propose Shri Kunchala Thirupal Reddy to act as Director of the Company, if appointed.

Your Directors recommend the resolution for your approval.

Except Shri Kunchala Thirupal Reddy, none of the other Directors of the Company is in any way, concerned or interested in the resolution.

Item No. 7

The Present term of appointment of Shri Rajendra Kumar Dabriwala as Managing Director of the Company expires on September 30, 2012. His re-appointment as Managing Director, for a further period of one year from October 01, 2012 was recommended by the Remuneration Committee and approved by the Board of Directors in their meeting held on May 30, 2012. The re-appointment and other terms and conditions, need approval of the members. Hence this resolution at point no.7. The proposed agreement shall be available for inspection of any member during 11:00 hours to 12:30 hours on all 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 conditions of his re-appointment.

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

I. SALARY

₹3,00,000/- p.m. (INR Three Lacs 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% of 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-imburement 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 ₹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 remuneration is justified having regard to the responsibilities, which he is called upon to bear as a Managing Director of the Company.

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.

Your Directors recommend the resolution for your approval.

Except Shri R. K. Dabriwala, none of the other Directors of the Company is in any way, concerned or interested in the resolution.

The accompanying Notice together with the Explanatory Statement should 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 Order of the Board
For International Conveyors Ltd.

Alka Malpani
Company Secretary

Registered Office:

10, Middleton Row, Kolkata - 700 071

May 30, 2012

Directors' Report

Dear Shareholders,

Your Directors take pleasure in presenting the Audited Accounts of the Company for the year ended 31.03.2012

WORKING RESULTS

(Amount in ₹)

	31.03.2012	31.03.2011
Profit before depreciation and taxation	19,16,20,823	8,17,06,941
Less: Depreciation	4,71,66,217	3,89,66,395
	14,44,54,606	4,27,40,546
Less: Provisions for Taxation	4,17,10,029	1,52,55,593
Profit after taxes	10,27,44,577	2,74,84,953
Add: Profit brought from last year	2,28,51,038	1,71,33,614
Profit available for appropriation	12,55,95,615	4,46,18,567
Balance appropriated as under:		
Transfer to General Reserve	5,00,00,000	1,00,00,000
Proposed Dividend	1,68,75,000	1,01,25,000
Tax on Dividend	27,37,547	16,42,529
Balance Carried to Balance Sheet	5,59,83,068	2,28,51,038
	12,55,95,615	4,46,18,567

DIVIDEND

Your directors are pleased to recommend dividend of ₹0.25 per share on Equity Share of ₹1/- each or 25% on paid up capital (Previous year ₹0.15 per share on Equity Share of ₹1/- each), the consequent outflow will be ₹196.13 lac including dividend tax (Previous year ₹117.68 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 ₹10113.47 lacs (Previous year ₹7995.24 lacs). Two Wind Turbine Generator with the capacity of 0.8 MW each were installed at Kurnool district in Andhra Pradesh and one Wind Turbine Generator with the capacity of 0.8 MW at Tumkur

district of Karnataka was disposed off during the financial year 2011-12.

Your Company got the much awaited approval for its products from China; hence can look forward to export business from China.

SUBSIDIARY

In view of expanding the business globally your Company has made M/s International Belting Limited (IBL) its Wholly Owned Subsidiary by way of acquiring entire paid up equity shares of IBL during the year 2011-12. Hence the production capacity of your Company has increased from 7,00,800 mtrs p.a. to 11,25,800 mtrs p.a.

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of subsidiaries and joint-ventures have been prepared in accordance with Accounting Standards 21 of The Institute of Chartered Accountants of India which forms part of the Annual Report and are reflected in the Consolidated Accounts of the Company.

The consolidated financial results includes the operations of its wholly owned Subsidiary viz. M/s International Belting Limited.

In terms of section 212 of the Companies Act, 1956, your Company is required to attach the directors report, balance sheet, profit and loss account of its subsidiary companies to its Annual Report. However, the Ministry of Corporate Affairs (MCA), Government of India, New Delhi vide its Circular No.2/2011, dated: 08-02-2011 has granted a general exemption to all the Companies for not attaching the above documents of subsidiaries with the Annual Report of the Holding Company, subject to compliance of the conditions specified therein. As required under the said general circular, the Board of directors of your Company at its meeting held on May 30, 2012 gave its specific consent for not attaching the balance sheet of its subsidiary, as they would be made available to its members at the company's website.

In terms of the said notification of the MCA, a summary of the financial information of the subsidiary of your Company is provided in the Accounts portion of this Annual Report. Any member intends to have a certified copy of the Balance Sheet and other financial statements of the subsidiary may write to the Company Secretary. Accordingly, this annual report does not contain the reports and other statements of the subsidiary company. These documents will also be available for inspection during the business hours at the registered office of the company and also at the registered office of the subsidiary company.

FUTURE PROSPECTS

Your Directors are of the opinion that there is a strong growth uptrend expected in the global coal mining industry over the next few years and this creates a strong platform for ICL to grow continually over the next decade. Since M/s International Belting Limited has become a wholly owned subsidiary of ICL and the

total production capacity of ICL have increased, the company is aiming expansion in the Australian and Chinese markets.

DIRECTORS

Smt. Ritu Dalmia resigned from the Directorship of the Company on 14.02.2012. The Board recorded its deep appreciation for the valuable services rendered by her during her long association with the Company. Shri Kunchala Thirupal Reddy was appointed as an Additional Director of the Company w.e.f. 14.02.2012.

The Company has received a notice from a member of the Company proposing the candidature of Shri Kunchala Thirupal Reddy as a Director of the Company.

Shri Lakshmikant Tibrawalla and Shri Jinesh Suryakant Vanzara, Directors of the Company are liable to retire by rotation and being eligible offer themselves for reappointment.

Consent of members is sought at the ensuing Annual General Meeting for reappointment of Shri Rajendra Kumar Dabriwala as Managing Director of the Company for a period of one year w.e.f. 01.10.2012.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the Provisions of Section 217(2AA) of the Companies Act, 1956, the Directors give here under 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 Directors have selected such Accounting Policies and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year on March 31, 2012 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 Ninth 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

The Company has not paid aggregate remuneration of ₹60,00,000/- or more per annum and has not employed any person for a part of the year with a remuneration of ₹5,00,000/- or more per month as per Section 217(2A) of the Companies Act, 1956.

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

Your Directors express their deep and sincere appreciation for the continued co-operation and support extended to the Company by the Government authorities, Company's Bankers, Vendors, Customers and Shareholders during the year under review. Your Directors also express and convey their warm appreciation to all employees for the diligence and contribution to the growth of the Company.

For and on behalf of the Board of Directors

R. K. Dabriwala
Managing Director

M. P.Jhunjunwala
Director

Registered Office:

10, Middleton Row, Kolkata - 700 071

May 30, 2012

Encl.: Information under Section 217(1) (e)

ANNEXURE - I

Disclosure of Particulars 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 and forming part of the Directors Report for the year ended March 31, 2012.

A. CONSERVATION OF ENERGY:

Continuous efforts are being made to reduce energy consumption in KWH per meter. The following steps were taken towards our objective during the year under review:

- a) The power factor is being monitored constantly and maintained at less than 1, thereby availing 5% rebate on MSEDCL power tariff every year. GTL Limited has been appointed as franchise of MSEDCL and power distribution and revenue are being managed by this private sector franchise on behalf of MSEDCL.
- b) Express feeder line commissioned in 2009-10, has helped in reducing diesel consumption for running DG sets from ₹3.44 lacs in 2010-11 to ₹2.17 lacs in 2011-12.
- c) Consumption per unit of production for the year 2011-12:

Particulars	(KWH)	₹
Purchased Units from MSEDCL / GTL	38,28,296	2,39,47,882
Units generated (DG)	16,942	2,17,430
Total	38,45,238	2,41,65,312
Rate per unit	–	6.28
Consumption per meter of manufacture	12.72	–

MSEDCL / GTL had effected increase in HT tariff rates under various heads during the year under review – (i) Fuel adjustment charge has been increased gradually every month from ₹0.340 / unit in April 2011 to ₹0.6031 / unit in February and March 2012; (ii) a New Additional Charge of ₹0.5406 / unit has been imposed w.e.f. October 2011; (iii) Genco charge of ₹0.20 / unit has been imposed w.e.f. August 2011. The net adverse cost impact between April 2011 and March 2012 has been ₹1.0037 / unit.

a) The Company presently has in total five Wind Mills out of which two Wind Turbine Generators with the capacity of 0.8 MW each were installed at Kurnool district in Andhra Pradesh during the year 2011-12. All these Wind Mills are generating green energy in the states of Karnataka, Maharashtra, Gujarat and in Andhra Pradesh and the same is supplied to respective state consumers through state grids. During the financial year 2011-12, one Wind Turbine Generator with the capacity of 0.8 MW at Tumkur district of Karnataka was disposed off.

A. FOREIGN EXCHANGE EARNING AND OUTGO

	2011-12 (₹)	2010-2011 (₹)
1. Foreign Exchange Earned		
a) Sale of Beltings	77,32,72,503	38,26,06,493
2. Foreign Exchange Outgo		
a) C.I.F. Value of Imports		
i) Raw Materials	35,90,52,048	15,75,17,382
ii) Components & Spare Parts	35,502	61,477
iii) Trading Goods	86,12,142	78,68,230
b) i) Traveling & Hotel Boarding Expenses	33,30,685	17,49,589
ii) Rent	15,54,626	–
iii) Commission	3,81,908	1,78,908
iv) Freight	6,33,51,651	1,42,16,854
v) Interest on PCFC, FCNRB-DL and Buyers Credit	20,82,135	18,15,264
vi) Other Expenses	36,07,636	50,50,964

For and on behalf of the Board of Directors

R. K. Dabriwala
Managing Director

M. P.Jhunjunwala
Director

Registered Office:

10, Middleton Row, Kolkata - 700 071

May 30, 2012

Management Discussion & Analysis Report

INDUSTRY STRUCTURE AND DEVELOPMENTS

International Conveyors Limited (ICL) excels in manufacturing and marketing solid woven carcass reinforced fire retardant antistatic (FRAS) PVC Conveyor Belting in a very niche segment-explosive fire hazardous underground mine application.

Due to the uniqueness of the product, only a handful of manufacturers have found success in manufacturing and marketing this product although every major country having underground mines use FRAS PVC Conveyor Belting – USA, Canada, Australia, China, South Africa, India, Russia, Poland, Ukraine, etc.

Coal and Potash are the primary products mined through underground mechanized mining method. Coal is used as fuel for infrastructure industry the world over, be it thermal power generation or steel or cement making. Potash is the largest input for fertilizer industry.

Why is solid woven PVC Conveyor Belting a unique product? In the industry parlance this product is known as “Non-Newtonian”, which means that during the manufacturing process it does not follow any fixed or set rule. The total production process requires very strict quality check at every step. Slight slackness or complacency can lead to disastrous results of the end product. Constant monitoring and preventive action round the clock by experienced personnel can only take out quality product. This is probably the main reason why many potential manufacturers have tried to enter this segment but could not succeed. ICL’s is a success story.

OPPORTUNITIES AND THREATS

Ups and downs are a part of any manufacturing industry – PVC Conveyor Belting being no exception. Trend analysis of last one decade would reveal peaks and troughs in annual demand

and consumption. However, being a lifeline to infrastructure (coal) and agricultural (potash) industry, there is endless opportunity for growth in demand of the product. With rising cost of petroleum products and disaster in nuclear power plant in Japan, global emphasis has shifted back to coal fed thermal power plants. Fertilizer is the primary nutrient for good agricultural output to feed the ever increasing global population.

We at ICL treat threats in demand or competitive pricing as temporary. The macro industry in which we operate has high demand and growth potential. Lower pricing is temporary as no quality manufacturer can sustain at non-remunerative prices for long. We treat every threat as opportunity which helps us to evolve suitably for future.

SEGMENT-WISE AND PRODUCT-WISE PERFORMANCE

The segment-wise and product-wise performance of the Company are given in the notes to accounts for the year ended 31st March 2012.

OUTLOOK

Outlook for the product is very encouraging. We have received favourable test results and re-approval from Australia, fresh approvals from China, and high tensile belt type approvals from Canada and India – both Type-12.

We have ended the financial year with a record turnover and starting the new financial year with largest ever orders in hand. We hope to keep the momentum going by retaining our large number of satisfied customers and by adding new customers and countries with our “going-global” outlook.

RISKS AND CONCERNS

Risks are evaluated based on the probability and impact of

each risk. Risk Owners prepare their risk plans which include responsibilities and timelines. These are periodically updated for the actions taken. In the normal course of business, the Company is exposed to certain financial risks, principally payment risk, competitor risk, foreign exchange risk, risks associated with compliance, environment risk, industry risk, industrial relation risk, reputation risk etc. These risks are managed through risk management policies that are designed to minimize the potential adverse effects of these risks on financial performance. The policies are reviewed and approved by the Board.

The Risk Management framework of the Company ensures, amongst others, compliance with the requirements of Clause 49 of the Listing Agreement. The framework establishes risk management across all service areas and functions of the Company, and has in place procedures to inform the Board Members about the risk assessment and minimization process. These processes are periodically reviewed to ensure that the management of the Company controls risks through a defined framework.

INTERNAL CONTROL SYSTEMS

The Company has in place adequate systems of internal control in all areas. It ensures efficiency of the operations, financial reporting and statutory compliances. It has documented procedures covering all financial and operating functions. The Board takes responsibility for the total process of risk management in the organization. The Audit Committee regularly reviews the observations and suggestions of the Internal Auditor and takes necessary corrective actions. The system provides for utilization of resources to the optimum level, safeguarding of assets, recording and reporting of transactions correctly, protection against loss, unauthorized use and disposition of assets.

FINANCIAL PERFORMANCE

During the year, the Company recorded net sales of ₹9934.73

lacs in 2011-12 as compared to ₹7839.00 lacs in 2010-11. The Company derived 24.59% of its sales from within India. Exports constituted 75.41%. Profit before tax were at ₹1444.55 lacs and Profit after tax were at ₹1027.45 lacs for the year ended 31st March 2012 as compared to ₹ 427.41 lacs and ₹ 274.85 lacs for the financial year ended 31st March 2011 respectively.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED.

The Company recognizes the need to have optimum level of human resource and orientation towards team efforts for sustained growth and performance. Your Company believes that people constitutes the strength of an organization and has established systems that reduces hierarchy and fosters performance, transparency, fairness and empowerment at all levels. The relations with Company's work force continue to be very cordial and their un-stinted co-operation has enabled your Company to achieve continuous growth, both quantitatively and qualitatively. The commitment of the workforce is one of the strong pillars for the sustenance of growth in the years ahead.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis Report in regard to projections, estimates and expectations have been made in good faith. Many unforeseen factors may come into play and affect the actual results, which could be different from what the Directors envisage in terms of future performance and outlook. Market data and product information contained in this Report have been based on information gathered from various published and unpublished reports, and their accuracy, reliability and completeness cannot be assured.

For and on behalf of the Board of Directors

R. K. Dabriwala
Managing Director

M. P.Jhunjunwala
Director

Registered Office:

10, Middleton Row, Kolkata - 700 071

May 30, 2012

Corporate Governance Report

Company's philosophy on Corporate Governance

The Company firmly believes that Corporate Governance is very closely linked to its core values and is associated with best practices, a fine blend of law, regulation and voluntary practices with the overall objective of protecting the interests of its stakeholders. The Company continues to focus on best practices in the area of Corporate Governance with specific emphasis on ensuring accountability and transparency.

The Company believes in Corporate Governance that is dynamic and continuously evolving with passage of time. Accordingly, the Company has sought to institutionalize best governance practices to effectively fulfill its corporate responsibilities. The Company is committed to a high level of transparency, accountability, integrity, ethical conduct and fairness and contributing towards the social and environmental

growth of the surroundings in which it operates.

Some aspects of Corporate Governance related to the year 2011-2012 are appended below:

(A) Board of Directors:

(i) Composition

The Board of Directors 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.

The composition of the Board of Directors with their shareholdings as on 31st March, 2012 and their attendance at the Board Meetings held during the year and also at the last Annual General Meeting alongwith the number of other Directorship and Committee Membership, as required under Clause 49 of the Listing Agreement are given below:

Sl. No.	Name of Directors	Category	No. of Board Meetings attended	Attendance at last AGM	No. of Other Directorship/ Partnership	Membership of other Committees of the Company		Shares held (Nos.)
						Member	Chairman	
1.	Shri R. K. Dabriwala	Executive Non-independent director	6	Yes	6	1	–	54,12,620
2.	Shri M. P. Jhunjhunwala	Non-executive Independent director	6	Yes	–	3	1 (Remuneration Committee)	200
3.	Shri L. K. Tibrawalla	Non-executive Independent director	6	Yes	14 (includes partnership in two firms)	3	1 (Shareholders Committee)	36,000
4.	Shri A. Hussain	Non-executive Independent director	4	Yes	1	–	–	–
5.	Smt. Ritu Dalmia*	Non-executive-Non-independent director	Nil	No	N.A.	–	–	8,26,286
6.	Shri J. S. Vanzara	Non-executive Independent director	5	Yes	12 (includes partnership in one firm)	2	1 (Audit Committee)	–
7.	Shri K. T. Reddy**	Non-executive Independent director	2	No	1	–	–	–

* Resigned from Directorship w.e.f. 14.02.2012, ** Inducted on the Board w.e.f. 14.02.2012

(ii) Meetings of the Board of Directors

The meetings of the Board of Directors are held at the registered office of the Company at 10, Middleton Row, Kolkata – 700 071. During the year under review 6 (Six) Board Meetings were held on 28.05.2011, 10.08.2011, 14.11.2011, 14.02.2012, 21.03.2012 and 28.03.2012.

The Agenda for every meeting is prepared and the same is circulated in advance to every director. The Board meets at least once in every quarter to review the quarterly results and other items on the Agenda. The details as required under Annexure 1A to Clause 49 of the Listing Agreement are made available periodically to the Board. Details of Directors seeking reappointment in the 39th Annual General Meeting are being circulated with the Notice convening the Annual General Meeting. The Board periodically reviews the compliance reports of various laws applicable to the Company and takes steps to rectify instances of non-compliance, if any. Copies of Minutes of the Board Meetings are circulated among the members of the Board for their comments, if any.

(B) Board Committees

(i) Shareholders Committee

The Shareholders Committee Meetings have been held as required 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.

Composition and Meetings

The Committee comprises of Shri R. K. Dabriwala, Mg. Director and 2 (two) Non-Executive Independent Directors viz. Shri L. K. Tibrawalla and Shri M. P. Jhunjhunwala. Shri L. K. Tibrawalla is the Chairman of the Committee. The Company Secretary acts as the Secretary to the Committee. During the year under review the Committee met on 28.05. 2011. Each member had attended the committee meeting held on the date mentioned above.

During the year 2011-12, 3 letters received from the shareholders regarding Non-receipt of Dividend, Annual Reports etc. and letters for revalidation of Dividend Warrants were responded to and at the end of the year, no investor grievance(s) remained pending.

(ii) Remuneration Committee

Remuneration of employees largely consists of base remuneration, perquisites, bonus, exgratia, etc. The components of the total remuneration vary for different cadres/grades and are governed by industry pattern, qualification and experience of the employee, responsibilities handled by him/her, individual performance, etc. The objectives of the remuneration policy are to motivate employees to excel in their performance, recognize their contribution, retain talent in the organisation, reward merits and protect organizational stability & flexibility.

Composition and Meetings

The Remuneration Committee comprises of 3 (three) Non-executive Independent Directors, viz. Shri M. P. Jhunjhunwala, Shri L.K. Tibrawalla and Shri J. S. Vanzara. Shri M. P. Jhunjhunwala is the chairman of the Committee. The Remuneration Committee Meeting is being held to recommend / determine the remuneration package of the Managing Director based on performance and defined criteria in consonance with the existing industrial practice. During the year under review the Committee met on 28.05.2011. Each member except Shri J. S. Vanzara, had attended the committee meeting held on the date mentioned above.

(iii) Audit Committee

The broad terms and references of Audit Committee are to oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible and to review the remuneration of Internal Auditors and Statutory Auditors.

Composition and Meetings

The Audit Committee has been constituted following the provisions of section 292A of the Companies Act 1956, and the guidelines set out in the Listing Agreements with the Stock Exchanges. The Audit Committee of the Company consists of 3 (three) Non-executive Independent Directors, viz. Shri M. P. Jhunjhunwala, Shri L. K. Tibrawalla and Shri J. S. Vanzara. Shri J. S. Vanzara is the Chairman of the Committee. The Company Secretary acts as the Secretary to the Committee. The Senior Finance Manager & Asst. Company Secretary, the Statutory Auditor and the Internal Auditor of the Company are permanent invitees at the meetings of the Committee. During the year under review, the Committee met on 28.05.2011, 10.08.2011,

14.11.2011 and 14.02.2012. Each member had attended all committee meetings held at the respective dates mentioned above except Shri J. S. Vanzara who was not present in one meeting held on 28.05.2011.

The Audit Committee acts as a link between the management, statutory auditors, internal auditors and the Board of Directors. The terms of reference of the Audit Committee include those specified under Clause 49 of the Listing Agreement as well as under Section 292A of the Companies Act, 1956 such as:

- The adequacy of the Internal Audit function and observations of the Internal Auditors.
- Compliance with Accounting Standards.

- Compliance with the Listing Agreement and other legal requirements concerning financial statements and related party transactions.
- The appointment and removal of Internal Auditors, fixation of audit fees and also approval of payment for any other services.
- Quarterly / Half Yearly Results and the Audited Financial Results before they are submitted to the Board.
- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Disclosure of contingent liability, if any.

(C) Details of Directors' remuneration for the year ended 31st March, 2012.

Name	Salary (₹)	Perquisites (₹)	Contribution to Gratuity Fund (₹)	Commission (₹)	Sitting Fees (₹)	Total (₹)
i) Executive Director: Mr. R. K. Dabriwala Managing Director	21,00,000	13,51,063	1,00,962	12,48,431	–	48,00,456
ii) Non-Executive Directors						
Mr. M. P. Jhunjhunwala	–	–	–	–	38,000	
Mr. L. K. Tibrawalla	–	–	–	–	38,000	
Mr. A. Hussain	–	–	–	–	16,000	
Mr. J. S. Vanzara	–	–	–	–	29,000	
Mrs. Ritu Dalmia	–	–	–	–	–	
Mr. K. T. Reddy	–	–	–	–	8,000	1,29,000

(D) General Body Meetings:

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

Financial year	Date	Time	Location	No. of Special Resolution(s) Passed
2010-11	28.09.2011	3:30 P.M.	10, Middleton Row, Kolkata – 700 071	2
2009-10	27.09.2010	3:30 P.M.	Calcutta Chamber of Commerce, 18H Park Street, Stephen Court, Kolkata – 700 071	–
2008-09	17.09.2009	4:00 P.M.	10, Middleton Row, Kolkata – 700 071	–

(E) Postal Ballot

No Special Resolution was passed during the Financial Year ended 31st March, 2012 through Postal Ballot.

(F) Disclosures

(i) Disclosure by Key managerial persons about related party transactions

All related party transactions have been entered into in the ordinary course of business and are placed periodically before the Audit Committee in summary form. There are no significant related party transactions that would have potential conflict with the interests of the Company at large. Details of related party transactions are given in the Notes to Accounts (Note 26) of the Annual Report.

(ii) Disclosure of Accounting treatment

The applicable accounting standards as specified in the Companies (Accounting Standards) Rules, 2006 have been followed in preparation of the financial statements of the Company.

(iii) Board Disclosures – Risk Management

During the year ended 31st March 2012, the Company continues to follow the established risk assessment / minimization procedure. The procedures for risk assessment and minimization are being updated / formalized at regular intervals.

(iv) Matters related to capital market

The Company has complied with all the requirements of the Listing Agreement of the Stock Exchanges as well as regulations and guidelines of SEBI. No penalties / strictures have been imposed on the Company by SEBI, Stock Exchanges or any other Statutory Authority on any matter relating to capital markets during the last three years.

The Company complies with all the requirements of the listing agreement including the mandatory requirements of Clause 49.

(v) Management Discussion & Analysis Report

The Management Discussion & Analysis Report is attached and forms part of the Directors' Report.

(vi) Code of conduct

The Company has adopted a code of conduct for its Board of Directors and Senior Management personnel and the same has been posted on the Company's website (www.iclbelting.com). The declaration of the Managing Director is annexed.

(vii) Status of Non-Mandatory requirements

The Company continues to follow the following non-mandatory requirements on Corporate Governance recommended under clause 49 of the listing agreement.

- The Company has a Remuneration Committee comprising three Non-executive Independent Directors.
- The Company is moving towards the regime of unqualified financial statements.

The Company does not have any Whistle Blower Policy. However any employee, if he/she so desires, would have free access to meet Senior Level Management and report any matter of concern.

Other non-mandatory requirements viz. Shareholder Rights, Training of Board Members and Tenure of Independent Directors, Mechanism for performance evaluation of non-executive Board Members will be implemented by the Company when required and/or deemed necessary by the Board.

(viii) CEO & CFO's Certification

The CEO of the Company has given a certificate to the Board of Directors as per Clause 49(V) of the Listing Agreement for the year ended 31st March 2012.

(ix) Means of Communication

The Company's quarterly/yearly financial results are published in widely circulated national and local dailies like The Financial Express, Business Standard and Kalantar (Regional). The Company's results and official news releases were displayed on the BSE's website.

(x) Disclosure under Clause 53 of the Listing Agreement regarding certain agreements with the media companies

Pursuant to the requirement of Clause 53 of the Listing Agreement, the Company would like to inform that no agreement(s) have been entered with media companies and/or their associates which has resulted / will result in any kind of shareholding in the Company and consequently any other related disclosures viz. details of nominee(s) of the media companies on the Board of the Company, any management control or potential conflict of interest arising out of such agreements, etc. are not applicable. Nor has the Company entered into any other back to back treaties / contracts / agreements / MoUs or similar instruments with media companies and / or their associates.

(G) GENERAL SHAREHOLDERS' INFORMATION :

(i) Annual General Meeting.

39th Annual General Meeting

Date	: 25th July, 2012
Time	: 3:30 P. M.
Venue	: 10, Middleton Row, Kolkata - 700 071

(ii) **Financial Calendar Year** : April 1, 2012 to March 31, 2013

(iii) **For adoption of quarterly results** : **Expected date**

- Quarter ending 30th Jun 2012	: 2nd Week of August' 2012
- Quarter ending 30th Sept 2012	: 2nd Week of November' 2012
- Quarter ending 31st Dec 2012	: 2nd Week of February' 2013
- Year and quarter ending 31st Mar 2013	: Last week of May'2013

(iv) **Book closure** : 18th July, 2012 to 25th July, 2012(both days inclusive)

(v) **Expected dividend payment date** : 30th July, 2012

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

(i) The Calcutta Stock Exchange Ltd.

7, Lyons Range, Kolkata – 700 001

(ii) Bombay Stock Exchange Ltd.

Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai-400023

Listing fees for the year 2012 -2013 have been paid to all the aforesaid
Stock Exchanges.

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

(viii) Stock Market Price Data for the year 2011– 2012:

Month	BSE			SENSEX (BSE)	
	High (₹)	Low (₹)	Volume (BSE)	High (₹)	Low (₹)
April 2011	21.10	13.00	66,05,197	19811.14	18976.19
May 2011	18.25	14.50	81,792	19253.87	17786.13
June 2011	17.80	13.80	48,277	18873.39	17314.38
July 2011	15.00	13.25	16,763	19131.70	18131.86
August 2011	14.90	9.90	43,477	18440.07	15765.53
September 2011	13.95	10.41	73,333	17211.80	15801.01
October 2011	14.20	11.01	28,057	17908.13	15745.43
November 2011	14.99	10.75	44,847	17702.26	15478.69
December 2011	14.14	11.84	25,146	17003.71	15135.86
January 2012	19.00	12.15	98,435	17258.97	15358.02
February 2012	18.15	13.75	40,355	18523.78	17061.55
March 2012	20.20	13.12	1,32,575	18040.69	16920.61

(ix) Registrar and Share Transfer Agent : The Company has engaged Maheshwari Datamatics 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).

(x) Share Transfer System : Share transfers are registered and the certificates are returned within a period of 20 days from the date of lodgement if the documents are complete in all respects. As per directives issued by the SEBI, it is compulsory to trade in the Company's equity shares in dematerialized form. The Company offers the facility of transfer cum dematerialization to its shareholders.

(xi) Distribution of Share holding as on 31st March, 2012

No. of Shares	No. of Shareholders	No. of Shares held	% of holding to total Shares
1-500	1213	220115	0.3261
501-1000	249	218346	0.3235
1001-2000	138	228200	0.3381
2001-3000	47	121309	0.1797
3001-4000	29	108124	0.1602
4001-5000	16	76552	0.1134
5001-10000	47	346607	0.5135
10001 and above	95	66180747	98.0455
Total	1834	67500000	100.0000

(xii) Pattern of Shareholding as on 31st March, 2012

Sl. No.	Category	No. of Shareholders	Total No. of Shares	Percentage of Shareholdings
1.	Promoters Group			
	Individuals / HUF (Indian)	8	19350986	28.6681
	Individuals (NRI / Foreign Individuals)	1	7974000	11.8133
	Bodies Corporate (Indian)	4	8571320	12.6983
	Total shareholding of promoter and promoter group	13	35896306	53.1797
2.	Non-Promoter Group			
	Indian – Bodies Corporate	71	823810	1.2205
	Indian – Individual holding nominal share capital up to ₹1 Lakh	1707	3155140	4.6743
	Indian – Individual holding nominal share capital in excess of ₹1 Lakh	4	1380878	2.0457
	Foreign Institutional Investors	5	26202400	38.8184
	Non-resident Individuals	23	35591	0.0527
	Clearing Member	11	5875	0.0087
	Total Public Shareholding	1821	31603694	46.8203

(xiii) Dematerialisation of Shares : 99.2821% of the Company's total shares representing 67015420 shares were held in dematerialised form as on 31st March, 2012 and the balance 0.7179% representing 484580 shares were in physical form.

(xiv) Demat ISIN Number in NSDL & CDSL : INE575C01027

(xv) Number of Employees : Location wise break-up of the number of employees of the Company as on 31st March, 2012:

Location	No. of employees
1) H.O.	19
2) Aurangabad Works	83
Total	102

(xvi) Factory Locations : E-39 and H-19, M.I.D.C. Area, Chikalthana
Aurangabad – 431006, Maharashtra (India)

(xvii) Shareholders' Correspondence : For transfer/dematerialisation of shares and any other query relating to the shares of the company, please contact:

Maheshwari Datamatics Pvt. Ltd.
(Registrar & Share Transfer Agent of our company)
6, Mangoe Lane, Kolkata – 700001.
Tele Nos. 033 2243 5809 / 5029

(xviii) Reconciliation of Share Capital and Audit Report : As stipulated by SEBI, a qualified Practicing Company Secretary carries out the reconciliation of Share Capital and prepares his Audit Report to reconcile the total admitted share capital with National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL) and the total issued and listed capital on quarterly basis. The report thereon is submitted to the Stock Exchanges where the Company's shares are listed. The audit confirms that the total Listed and Paid-up Capital is in agreement with total number of shares in physical forms and total number of dematerialised shares held with NSDL & CDSL.

(xix) Service of documents through electronic mode : As a part of Green Initiative, the members who wish to receive the notice/documents through e-mail, may kindly intimate their e-mail address to the Company's Registrar and Share Transfer Agent, M/s Maheshwari Datamatics Pvt. Ltd., 6, Mangoe Lane, Kolkata – 700001.

(xx) Outstanding GDR/ADR Warrants or Convertible Bonds : The Company has not issued any of the securities mentioned above.

For any query on annual report etc. please contact:

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

For and on behalf of the Board of Directors

R. K. Dabriwala
Managing Director

M. P.Jhunjunwala
Director

Registered Office:

10, Middleton Row, Kolkata - 700 071

May 30, 2012

Declaration by the Managing Director on the Code of Conduct

A Code of Conduct for the Directors and Senior Management Personnel has already been approved by the Board of Directors of the Company. As stipulated under the provisions of sub-clause I(D) (ii) of Clause 49 of the Listing Agreement with stock exchanges, all the Directors and the designated personnel in the Senior Management of the Company have affirmed compliance with the said code for the financial year ended March 31, 2012.

Place: Kolkata
Date: May 30, 2012

R. K. Dabriwala
Managing Director

Auditors Certificate on Compliance of Corporate Governance

**To the Members of
International Conveyors Limited**

We have examined the compliance of conditions of corporate governance by International Conveyors Limited for the year ended March 31, 2012 as stipulated in clause 49 of the Listing Agreement entered into by Company with the stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of corporate governance. It is neither an audit, nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that company has complied in all material respects with the conditions of corporate governance as stipulated in the above mentioned Listing Agreement. The Company has established risk assessment / minimization and internal control procedures which are being updated / formalised.

We state that such compliance is neither an assurance as to the future viability of the Company, nor efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Lodha & Co.
Chartered Accountants
Firm's ICAI Registration Number: 301051E

Place: Kolkata
Date: May 30, 2012

H.K. Verma
Partner
Membership Number: 55104

Financial Section

Auditors' Report

The Members,

International Conveyors Limited

1. We have audited the attached Balance Sheet of International Conveyors Limited as at 31st March 2012 and the Statement of Profit and Loss 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. 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 Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;

(d) In our opinion, the Balance Sheet, the Statement of 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 2012 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 2012 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 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 2012;

ii) In so far as it relates to the Statement of 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

Firm's ICAI Registration Number: 301051E

H.K. Verma

Partner

Membership Number: 055104

Place: Kolkata

Date: May 30, 2012

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 loans to four companies which are covered in the register maintained under section 301 of the Act. The maximum amount outstanding at any time during the year in respect of such loans granted was ₹52,99,88,320 and the year end balance ₹22,78,06,424 from three 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 amount outstanding in respect of such loans and interest thereon.

e. The Company has taken unsecured loans from three companies which are covered in the register maintained under section 301 of the Act. The maximum amount outstanding at any time during the year in respect of such loans taken were ₹2,16,96,991 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 the section.

b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance 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 any deposits from the public covered under Sections 58A, 58AA or any other relevant provision of the Act and rules framed there under.

vii. The Company has appointed a firm 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. We have broadly reviewed the books of accounts maintained by the Company pursuant to the order made by the Central Government for the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether these are accurate or complete.

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, 2012.

b. According to the information and explanations given to us, the details of Income Tax, Wealth Tax, Service Tax, Sales Tax, Custom Duty, Excise Duty and Cess, not deposited on account of any dispute are as follows:

Name of the Statute	Nature of the Dues	Relating to the year	Amount (₹)	Forum where dispute is Pending
Income Tax Act, 1961	Income Tax	2003-2004	3,33,207	Commissioner of Income Tax (Appeals)
Custom Act, 1962	Custom Duty	1996-97	1,735,119	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 guarantees given to banks by the Company for body

corporate for ₹19,70,00,000 are, prima facie, not prejudicial to the interest of the Company.

xvi. According to the information and explanations given to us, the term loans applied for the purposes for which the loan 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

Firm's ICAI Registration Number: 301051E

H.K. Verma

Partner

Membership Number: 055104

Place: Kolkata

Date: May 30, 2012

Balance Sheet as at March 31, 2012

(Amount in ₹)

Particulars	Note No.	As at March 31, 2012	As at March 31, 2011
I. EQUITY AND LIABILITIES			
(1) Shareholders' Fund			
(a) Share capital	2	67,500,250	67,500,250
(b) Reserves and surplus	3	598,475,068	515,343,038
(2) Non-current liabilities			
(a) Long-term borrowings	4	38,497,914	6,421,823
(b) Deferred tax liabilities (Net)	5	13,797,652	1,087,623
(3) Current liabilities			
(a) Short-term borrowings	6	468,389,768	389,943,383
(b) Trade payables	7	151,638,933	92,416,246
(c) Other current liabilities	8	33,647,842	22,598,270
(d) Short-term provisions	9	21,161,625	13,901,357
TOTAL		1,393,109,052	1,109,211,990
II. ASSETS			
(1) Non-current Assets			
(a) Fixed assets			
(i) Tangible assets	10	181,160,380	141,146,124
(ii) Intangible assets	10	164,012	307,368
(iii) Capital work-in-progress		6,369,783	14,443,915
(b) Non-current investments	11	91,696,554	43,012,381
(c) Long-term loans and advances	12	315,956,344	9,377,707
(d) Other non-current assets	13	19,747,900	12,268,150
(2) Current assets			
(a) Inventories	14	138,392,702	74,122,507
(b) Trade receivables	15	348,141,442	341,898,380
(c) Cash and Bank balances	16	8,807,053	18,460,398
(d) Short-term loans and advances	17	275,185,339	452,908,119
(e) Other current assets	18	7,487,543	1,266,941
TOTAL		1,393,109,052	1,109,211,990

Summary of significant accounting policies 1
 Notes to financial statements 2-26
 The notes are an integral part of the Financial Statements

For and on behalf of the Board

As per our report of even date

For LODHA & CO.

Chartered Accountants

H. K. Verma
Partner

R. K. Dabriwala
Managing Director

M. P. Jhunjunwala
Director

Alka Malpani
Company Secretary

Place : Kolkata

Date : May 30, 2012

Statement of Profit and Loss for the year ended March 31, 2012

(Amount in ₹)

Particulars	Note No.	For the year ended March 31, 2012	For the year ended March 31, 2011
REVENUE			
Revenue from operations (Gross)			
Sale of Products (Less: Returns, Claims etc)	26.8	1,011,346,989	799,524,183
Other operating revenue		3,413,848	2,911,270
		1,014,760,837	802,435,453
Less : Excise Duty		21,287,587	18,535,169
Revenue from operations (Net)		993,473,250	783,900,284
Other Income	19	99,222,802	32,985,116
Total Revenue		1,092,696,052	816,885,400
EXPENSES			
Cost of Materials consumed	20	590,219,638	478,010,462
Purchase of Stock in Trade	21	23,030,564	19,209,826
Changes in Inventories of Finished Goods, Work in Progress & Stock in Trade	22	(40,178,533)	(4,354,355)
Employee Benefit Expense	23	58,908,728	57,881,346
Finance Cost	24	60,615,258	32,421,093
Depreciation and Amortization Expenses	10	47,166,217	38,966,395
Other Expenses	25	208,479,574	152,010,087
Total Expenses		948,241,446	774,144,854
Profit before tax		144,454,606	42,740,546
Tax Expenses			
Current		29,000,000	15,350,000
Deferred		12,710,029	(94,127)
Income Tax For Earlier Year		–	(280)
		41,710,029	15,255,593
Profit after tax		102,744,577	27,484,953
Earning per Equity Share			
-Basic		1.52	0.41
-Diluted		1.52	0.41

Summary of significant accounting policies 1
 Notes to financial statements 2-26
 The notes are an integral part of the Financial Statements

For and on behalf of the Board

As per our report of even date

For LODHA & CO.

Chartered Accountants

H. K. Verma
Partner

R. K. Dabriwala
Managing Director

M. P. Jhunjunwala
Director

Alka Malpani
Company Secretary

Place : Kolkata
Date : May 30, 2012

Cash Flow Statement for the year ended March 31, 2012

(Amount in ₹)

	Year ended March 31, 2012	Year ended March 31, 2011
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	144,454,606	42,740,546
Adjustment for		
Depreciation	47,166,217	38,966,395
(Profit)/Loss on sale of Fixed Assets (Net)	(23,163,462)	(38,137)
Liquidated Damages / Rebate & discount	145,920	15,583
Dividend from Long Term Investment	(53,063)	(61,971)
Finance Cost	60,615,258	32,531,454
Interest Income	(64,797,301)	(27,560,372)
Liability/PBDD Written off/ back (Net)	(731,412)	(1,420,184)
Operating profit before working capital changes	163,636,763	85,173,314
Adjustment for		
Trade and other receivables	(35,184,647)	168,653,265
Inventories	(64,270,195)	(12,755,421)
Trade and other Payables	56,390,139	22,817,073
	(43,064,703)	178,714,917
Cash generated from Operation	120,572,060	263,888,231
Direct Taxes (paid)/Refund received	(35,265,243)	(17,754,176)
Net Cash from/(used in) Operating Activities	85,306,817	246,134,055
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(94,299,173)	(16,380,733)
Sale of Fixed Assets	38,499,650	4,672,101
(Purchase)/Sale of Investments	1,715,827	(3,000,000)
Investments in subsidiary	(50,400,000)	–
Advance against Capital Assets/Investments	(41,923,694)	(260,012,865)
Receivables against Capital Sale from Subsidiary	(4,384,543)	–
Loans Given	(27,196,987)	(83,582,471)
Loans Given to Subsidiary	(35,040,439)	–
Dividend received	53,063	61,971
Deposits with bank (For more than 3 months)	(4,204,352)	(18,269,950)
Interest received	73,727,413	32,012,728
Net Cash from/(used in) Investing Activities	(143,453,235)	(344,499,219)

Cash Flow Statement for the year ended March 31, 2012

(Amount in ₹)

	Year ended March 31, 2012	Year ended March 31, 2011
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Borrowings	124,216,408	134,507,154
Dividend Paid (Including Corporate Dividend Tax thereon)	(11,828,141)	(11,769,235)
Interest paid	(60,619,796)	(31,377,912)
Net cash from/(used in) Financing Activities	51,768,471	91,360,007
Net increase/(Decrease) in Cash and Cash Equivalents	(6,377,947)	(7,005,157)
Cash and Cash Equivalents at the beginning of the year	12,458,598	19,463,755
Cash and Cash Equivalents at the end of the year (Refer Note No. 16)	6,080,651	12,458,598

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.

For and on behalf of the Board

As per our report of even date

For LODHA & CO.

Chartered Accountants

H. K. Verma

Partner

R. K. Dabriwala

Managing Director

M. P. Jhunjunwala

Director

Alka Malpani

Company Secretary

Place : Kolkata

Date : May 30, 2012

Notes Forming Part of The Financial Statements as at March 31, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1. General

The financial statements 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.

1.2. 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 Sheet date and the reported amount of revenues 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.

1.3. Fixed Assets, Depreciation and Amortization

1.3.1 Tangible Assets

a) Gross Block

Tangible 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 ₹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.

1.3.2 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.

1.4. Investments

Non-Current 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.

1.5. 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 and 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.

1.6. 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

Notes Forming Part of The Financial Statements as at March 31, 2012

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 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 prorate basis.

1.7. 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 revenues or expenses in the Statement of Profit and Loss.

1.8. Revenue Recognition

a) All expenses and revenue 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.

c) Dividend is recognized when the right to receive is established.

1.9. Sales

Revenue from sale of goods is recognized at the point of dispatch to the customers. Gross sales include excise duty and rebate, discounts, claims, returns, central sales tax (CST) / 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.

1.10. 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.

1.11. Employee Benefits

Short term employee benefit are recognized as an expenses at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.

The Company has Defined Contribution Plan for its employees retirement benefits comprising of Provident Fund and Pension Fund. The Company makes regular contribution to Provident Fund, which are fully funded and administered by the Government. Contributions are recognized in Statement of Profit and Loss 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 financial statements.

The actuarial gain and losses comprise experience judgment and are recognized in the Statement of Profit and Loss in the year in which they arise.

1.12. 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.

Notes Forming Part of The Financial Statements as at March 31, 2012

1.13. 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 finance cost in the year in which they are incurred.

1.14. Income Tax

Provision for Tax is made for current tax and deferred tax. Current tax is provided on the taxable income using the applicable tax rates and tax laws. Deferred tax assets and/or 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 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.

1.15. 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.

Particulars	Reference Note No.	(Amount in ₹)	
		As at March 31, 2012	As at March 31, 2011
2. SHARE CAPITAL			
Authorised Shares			
98,000,000 (98,000,000) Equity Share of ₹1/- each		98,000,000	98,000,000
20,000 (20,000) Preference Share of ₹100/- each		2,000,000	2,000,000
		<u>100,000,000</u>	<u>100,000,000</u>
Issued, Subscribed and Fully Paid-up Shares:			
67,500,000 (67,500,000) Equity Shares of ₹1/- each (Out of the above, 33,750,000 equity shares of ₹1/- each were allotted as fully paid-up bonus shares during the financial year ended on 2009-2010.)		67,500,000	67,500,000
Forfeited Shares		250	250
		<u>67,500,250</u>	<u>67,500,250</u>

2.1 Out of the above issued shares, the company has only one class of equity shares having a par value of ₹1/- each. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing general meeting. Each holder of equity shares is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount in proportion of their shareholding.

2.2 Details of the shareholders holding more than 5% shares of the total number of equity shares issued by the Company :

Notes Forming Part of The Financial Statements as at March 31, 2012

Name of the Shareholder	No. of shares held as at March 31, 2012	No. of shares held as at March 31, 2011
Surbhit Dabriwala	7,974,000	7,974,000
Yamini Dabriwala	6,409,900	6,409,900
Rajendra Kumar Dabriwala	5,412,620	5,412,620
Elara India Opportunities Fund Ltd.	6,500,000	6,500,000
Cresta Fund Ltd.	6,500,000	6,500,000
Ipro Funds Ltd.	6,500,000	–
Lotus Global Investments Ltd	4,299,400	4,299,400
Mavi Investment Fund Ltd.	–	6,500,000

(Amount in ₹)

Particulars	Reference Note No.	As at March 31, 2012	As at March 31, 2011
3. RESERVES AND SURPLUS			
Capital Reserve			
As per last Balance Sheet (Central Subsidy)		3,942,000	3,942,000
		<u>3,942,000</u>	<u>3,942,000</u>
General Reserve			
As per last Balance Sheet		300,000,000	290,000,000
Add : Transferred from Surplus		50,000,000	10,000,000
		<u>350,000,000</u>	<u>300,000,000</u>
Securities Premium Account			
As per last Balance Sheet		188,550,000	188,550,000
		<u>188,550,000</u>	<u>188,550,000</u>
Surplus			
As per last Balance Sheet		22,851,038	17,133,614
Add : Net Profit After Tax transferred from Statement of Profit and Loss		102,744,577	27,484,953
Amount available for appropriation		<u>125,595,615</u>	<u>44,618,567</u>
Less : Appropriations			
- Transferred to General Reserve		50,000,000	10,000,000
- Proposed Equity Dividend		16,875,000	10,125,000
- Tax on Equity Dividend		2,737,547	1,642,529
		<u>69,612,547</u>	<u>21,767,529</u>
Net Surplus		<u>55,983,068</u>	<u>22,851,038</u>
Total Reserves and Surplus		598,475,068	515,343,038

Notes Forming Part of The Financial Statements as at March 31, 2012

(Amount in ₹)

Particulars	Reference Note No.	As at		As at	
		March 31, 2012		March 31, 2011	
		Non- Current	Current	Non- Current	Current
4. LONG TERM BORROWINGS					
SECURED LOAN					
Term Loan					
From bank	4.1	31,940,000	14,320,000	–	–
Vehicle Finance Loan					
From banks	4.2	1,676,161	1,243,753	540,610	1,245,578
		33,616,161	15,563,753	540,610	1,245,578
UNSECURED LOAN					
Sales Tax Deferment Loan	4.3	4,881,753	999,460	5,881,213	1,623,703
		4,881,753	999,460	5,881,213	1,623,703
		38,497,914	16,563,213	6,421,823	2,869,281

- 4.1 Term Loan from State Bank of India has been secured by first charge on Plant and Equipment of the Wind Mill project in Andhra Pradesh, Current Assets of the Company, both present and future and extension of equitable mortgage of the leasehold industrial plot at Maharashtra Industrial Development Corporation, Aurangabad. The loan carries interest at 4.25% above base rate + Term Premium of 0.50% and is repayable as follows :

Year	Amount in ₹
2013-14	14,230,000
2014-15	14,200,000
2015-16	3,510,000

- 4.2 Vehicle Loan is secured by hypothecation of Vehicles and is repayable as follows:

Rate of Interest	2013-14	2014-15	2015-16	2016-17
11.76%	457,078	317,989	–	–
12.26%	91,623	122,353	128,228	132,102
12.50%	209,974	216,814	–	–

- 4.3 Deferred Sales Tax Loan is interest free and is payable as per the repayment schedule as follows:

Year	Amount in ₹
2013-2014	1,033,207
2014-2015	1,112,379
2015-2016	1,082,759
2016-2017	773,379
2017-2018	533,687
2018-2019	318,097
2019-2020	28,245

Notes Forming Part of The Financial Statements as at March 31, 2012

(Amount in ₹)

Particulars	Reference Note No.	As at March 31, 2012	As at March 31, 2011
5. DEFERRED TAX LIABILITIES (NET)			
Deferred Tax Liability:			
On account of depreciation difference as per Income tax and books of account.		15,658,223	2,731,024
Gross Deferred Tax Liability		15,658,223	2,731,024
Deferred Tax Assets:			
Employee Benefits		827,728	480,778
Provision for doubtful debt and deposit		1,032,843	1,162,623
Gross Deferred Tax Asset		1,860,571	1,643,401
Net Deferred Tax Liability		13,797,652	1,087,623
6. SHORT TERM BORROWINGS			
SECURED LOAN			
Working Capital Facility From Bank	6.1		
Indian Currency		211,292,082	213,004,803
Foreign Currency		147,097,686	64,715,276
		358,389,768	277,720,079
UNSECURED LOAN			
Inter Corporate Deposits		110,000,000	112,223,304
		110,000,000	112,223,304
		468,389,768	389,943,383

6.1 Working Capital facility from Bank 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 Chikalhana Industrial Area (MIDC). This is further secured by personal guarantee by one of the directors of the company.

7. TRADE PAYABLES			
Payables For Goods and Services	7.1 and 7.2	151,638,933	92,416,246
		151,638,933	92,416,246
7.1 Payables For Goods and Services include			
Acceptances		43,079,253	290,265
Creditors for raw materials purchases		35,631,669	35,845,801

7.2 Disclosure of Trade Payables is based on the information available with the company regarding the status of the suppliers as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" (the Act). There are no delays in payment made to such suppliers. There is no overdue amount outstanding as at the Balance Sheet date. Based on above the relevant disclosures u/s 22 of the Act are as follows:

(i) Principal amount outstanding at the end of the year		–	2,196,810
(ii) Interest amount due at the end of the year		–	–
(iii) Interest paid to suppliers		–	–

Notes Forming Part of The Financial Statements as at March 31, 2012

(Amount in ₹)

Particulars	Reference Note No.	As at March 31, 2012	As at March 31, 2011
8. OTHER CURRENT LIABILITIES			
Current Maturities of Long-term borrowings	4	14,320,000	–
Current Maturities of Vehicle Finance Loan	4	1,243,753	1,245,578
Current Maturities of Sales Tax Deferment Loan	4	999,460	1,623,703
Interest accrued but not due on borrowings		803,391	366,274
Interest accrued and due on borrowings		833,872	302
Other Payables			
Unpaid Dividends	8.1	241,953	302,565
Other Payables		15,205,413	19,059,848
		33,647,842	22,598,270

8.1 This is not due for payment to Investor Education And Protection Fund.

9. SHORT TERM PROVISIONS			
Provision for employee benefits		1,549,078	2,133,828
Proposed Dividend		16,875,000	10,125,000
Tax on Proposed Dividend		2,737,547	1,642,529
		21,161,625	13,901,357

10. FIXED ASSETS

(Amount in ₹)

PARTICULARS	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	As on 01.04.2011	Additions	Adjustments/ Deductions	As on 31.03.2012	Upto 31.03.2011	For the Year	Adjustments/ Deductions	Upto 31.03.2012	As on 31.03.2012	As on 31.03.2011
Tangible Assets										
(a) Land(Leasehold)	1,120,489	–	–	1,120,489	133,744	18,285	–	152,029	968,460	986,745
(b) Buildings	18,021,235	879,711	–	18,900,946	8,012,716	959,976	–	8,972,692	9,928,254	10,008,519
(c) Plant & Equipment	165,578,022	10,391,348	13,775,051	162,194,319	99,796,367	18,122,138	9,213,226	108,705,279	53,489,040	65,781,655
(d) Wind Mill	218,733,100	87,410,426	39,000,000	267,143,526	163,208,285	25,755,190	28,927,916	160,035,559	107,107,967	55,524,815
(e) Electrical Installation	3,449,254	28,701	–	3,477,955	1,764,010	235,061	–	1,999,071	1,478,884	1,685,244
(f) Office Equipment	4,535,626	520,920	72,572	4,983,974	3,226,697	402,208	69,534	3,559,371	1,424,603	1,308,929
(g) Furniture & Fixtures	6,499,307	82,500	–	6,581,807	3,797,121	562,157	–	4,359,278	2,222,529	2,702,186
(h) Vehicles	6,168,504	3,059,699	1,838,817	7,389,386	3,020,473	967,846	1,139,576	2,848,743	4,540,643	3,148,031
Total Tangible Assets	424,105,537	102,373,305	54,686,440	471,792,402	282,959,413	47,022,861	39,350,252	290,632,022	181,160,380	141,146,124
Previous year Tangible Assets	397,174,243	35,944,318	9,013,024	424,105,537	248,489,095	38,849,378	4,379,060	282,959,413	141,146,124	148,685,148
Intangible Assets										
Computer Software	719,474	–	–	719,474	412,106	143,356	–	555,462	164,012	307,368
Total Intangible Assets	719,474	–	–	719,474	412,106	143,356	–	555,462	164,012	307,368
Previous Year Intangible Assets	491,816	227,658	–	719,474	295,089	117,017	–	412,106	307,368	196,727
TOTAL	424,825,011	102,373,305	54,686,440	472,511,876	283,371,519	47,166,217	39,350,252	291,187,484	181,324,392	141,453,492
Previous Year	397,666,059	36,171,976	9,013,024	424,825,011	248,784,184	38,966,395	4,379,060	283,371,519	141,453,492	148,881,875

10.1 Addition of Wind Mill includes ₹1,410,426/- towards borrowing cost.

10.2 Refer Note 4.1 & 4.2

Notes Forming Part of The Financial Statements as at March 31, 2012

(Amount in ₹)

Particulars	Reference Note No.	As at March 31, 2012		As at March 31, 2011	
		No. of Shares	Value	No. of Shares	Value
11. NON CURRENT INVESTMENTS					
(Valued at cost unless stated otherwise)					
Investment in Equity Shares					
(Fully paid-up unless otherwise stated)					
Trade					
In Equity Shares of subsidiary company					
Un-quoted:					
International Belting Limited (Face Value of Share ₹10/- each)	11.5	750,000	72,900,000	–	–
		750,000	72,900,000	–	–
Others					
In Equity Shares of other body corporates:					
Un-quoted:					
I.G.E. (India) Limited (Face Value of Share ₹10/- each)	11.4	775	7,543	–	–
Pure Coke Ltd. (Face Value of Share ₹10/- each)	11.6	154,560	1,767,989	304,560	3,483,816
Dabri Properties and Trading Company Limited (Face Value of Share ₹10/- each)		60	600	60	600
International Belting Limited - Associate Company (Face Value of Share ₹10/- each)	11.5	–	–	270,000	22,500,000
		155,395	1,776,132	574,620	25,984,416
Quoted:					
Uco Bank (Face Value of Share ₹10/- each)		200	2,400	200	2,400
Dunlop India Limited (Face Value of Share ₹10/- each)		25	631	25	631
Garware-Wall Ropes Limited (Face Value of Share ₹10/- each)		350	28,465	350	28,465
Radaan Media Works (I) Limited (Face Value of Share ₹2/- each)		73,190	815,753	73,190	815,753
Oil Country Tubular Limited (Face Value of Share ₹10/- each)		6,000	782,853	6,000	782,853
Tide Water Oil (India) Limited (Face Value of Share ₹10/- each)		434	2,170,391	434	2,170,391
Faridabad Investment Co. Limited (Face Value of Share ₹100/- each)	11.4	–	–	100	7,543
Elpro International Limited (Face Value of Share ₹10/- each)		347,058	13,056,947	347,058	13,056,947
R.C.A.Limited (Face Value of Share ₹10/- each)		13,548	162,982	13,548	162,982
		440,805	17,020,422	440,905	17,027,965
			91,696,554		43,012,381
11.1 Aggregate Market value of Quoted Investments			124,510,074		134,110,014
11.2 Aggregate amount of Quoted Investments			17,020,422		17,027,965
11.3 Aggregate amount of Un-Quoted Investments			74,676,132		25,984,416

11.4 775 Shares of I.G.E. (india) Limited received on 13.07.2011 against 100 Shares of FICL on amalgamation of Faridabad Investment Company Limited with I.G.E. (India) Limited in the ratio of 31 Shares of IGE (India) Limited for every 4 shares held in FICL.

11.5 During the year the Company has further invested in the equity shares of International Belting Limited' an associate and consequently 100% equity shares are owned by the Company and the same has become Subsidiary of the Company.

11.6 During the year the Company has sold 150000 shares of Pure Coke Limited and consequently the said Company has ceased to be an associate w.e.f. 31.03.2012.

Notes Forming Part of The Financial Statements as at March 31, 2012

(Amount in ₹)

Particulars	Reference Note No.	As at March 31, 2012	As at March 31, 2011
12. LONG TERM LOANS AND ADVANCES (Unsecured Considered Good)			
Loans and Advances to related parties - Capital Advance	12.1 and 26.7	300,000,000	-
Other Capital Advances		220,732	12,865
Security Deposits		3,019,825	2,832,128
Advance Income Tax(net of provision)		12,541,921	6,276,678
Advance Fringe Benefit Tax(net of provision)		125,532	125,532
Others		48,334	130,504
		315,956,344	9,377,707
12.1 Paid as advance towards acquiring certain capital assets pending finalisation of terms and conditions and possession of assets.			
13. OTHER NON CURRENT ASSETS			
Balance with Bank	13.1		
- In Fixed Deposits (having maturity more than 12 months)		19,747,900	12,268,150
		19,747,900	12,268,150
13.1 Kept as lien against Letter of Credit and Bank Guarantee.			
14. INVENTORIES (Valued at lower of cost and net realisable value) (As valued, taken and certified by the management)			
Raw Materials		27,207,838	29,270,271
Raw Materials In Transit		24,973,459	-
Work-in-process		49,642,118	29,982,646
Finished Goods		12,763,527	4,021,464
Finished Goods in Transit		15,978,243	4,575,320
Stock in Trade		3,228,964	3,433,960
Stock in Trade In Transit		1,696,927	95,609
Stores and Spares		2,893,119	2,576,723
Loose Tools		8,507	166,514
		138,392,702	74,122,507
14.1 Refer Note 6.1			
15. TRADE RECEIVABLES			
Unsecured			
Trade receivables outstanding for a period exceeding six months from the date they are due for payment:			
Considered Good		12,419,721	2,357,680
Considered Doubtful		1,213,845	1,544,847
Less: Provision for Doubtful debt		(1,213,845)	(1,544,847)
		12,419,721	2,357,680
Others			
Considered Good		335,721,721	339,540,700
		348,141,442	341,898,380

Notes Forming Part of The Financial Statements as at March 31, 2012

(Amount in ₹)

Particulars	Reference Note No.	As at March 31, 2012	As at March 31, 2011
16. CASH AND BANK BALANCES			
Cash and Cash Equivalents			
(i) Balances with Banks			
In Current Accounts		4,490,705	542,665
In Unpaid Dividend Accounts	8.1	259,472	319,817
Fixed Deposit With Bank (With Original Maturity of less than 3 months)	16.1	1,044,000	11,125,000
(ii) Cash on Hand		286,474	471,116
		6,080,651	12,458,598
Other Bank Balances			
Fixed Deposit With Bank (With Original Maturity of more than 3 months but less than 12 months)	16.1	2,726,402	6,001,800
		2,726,402	6,001,800
		8,807,053	18,460,398
16.1 Kept as lien against Letter of Credit And Bank Guarantee			
17. SHORT TERM LOAN AND ADVANCES (Unsecured Considered Good)			
Loans and advances to related parties	17.1 and 26.7	229,522,251	390,870,393
Deposit Others		–	49,525,416
Security Deposits		167,938	–
Income Tax (Refundable)		214,174	214,174
Balance with Government authorities		11,018,383	7,829,059
Advances for supply of goods and services		29,589,878	702,417
Others		4,672,715	3,766,660
		275,185,339	452,908,119
(Unsecured Considered doubtful)			
Deposit to other body corporate		1,969,521	2,038,519
Less: Provision for doubtful deposit		(1,969,521)	(2,038,519)
		–	–
		275,185,339	452,908,119

17.1 Include ₹ Nil (Previous Year ₹260,000,000/-) paid towards subscription to right issue of Elpro International Ltd.

Notes Forming Part of The Financial Statements as at March 31, 2012

17.2 Disclosure of Loans and Advances as per the requirement of clause 32 of the Listing agreement with the Stock Exchanges in India.

(Amount in ₹)

	Amount outstanding at the year end 2011-12	Maximum amount outstanding during the year 2011-12	Amount outstanding at the year end 2010-11	Maximum amount outstanding during the year 2010-11
Loans and Advances in the nature of Loans to Subsidiary, Associates etc:				
- International Belting Limited	35,040,439	35,040,439	–	21,354,483
- Pure Coke Limited (Associate upto 30.03.2012)	36,088,291	58,500,000	58,283,678	88,066,864
- Elpro International Limited	156,677,694	431,807,776	70,807,776	70,807,776
- I.G.E.(India) Limited	–	25,657,751	1,238,621	110,124,273

(Amount in ₹)

Particulars	Reference Note No.	As at March 31, 2012	As at March 31, 2011
18. OTHER CURRENT ASSETS			
Interest accrued on deposits with Bank and others		746,032	1,104,331
Gratuity Receivable		2,356,968	162,610
Receivable from subsidiary			
On Capital Sale	18.1 and 26.7	4,384,543	–
		7,487,543	1,266,941

18.1 Represents amount receivable on sale of certain items of fixed assets.

Notes Forming Part of The Financial Statements for the year ended March 31, 2012

(Amount in ₹)

Particulars	Reference Note No.	For the year ended March 31, 2012	For the year ended March 31, 2011
19. OTHER INCOME			
Rent		–	29,760
Interest on loans, deposits with bank , etc. - Gross Tax Deducted at Source ₹6,508,388/- (Previous Year ₹2,752,001/-)		64,797,301	27,560,372
Dividend on long-term investments		53,063	61,971
Profit on Sale of Fixed Assets (Net)		23,163,462	38,137
Foreign Exchange Gain (Net)		11,208,976	4,484,774
Miscellaneous		–	810,102
		99,222,802	32,985,116
20. COST OF MATERIALS CONSUMED			
Cost of Materials Consumed	20.1	590,219,638	478,010,462
		590,219,638	478,010,462

Notes Forming Part of The Financial Statements for the year ended March 31, 2012

(Amount in ₹)

Particulars	Reference Note No.	For the year ended March 31, 2012	For the year ended March 31, 2011
20.1 Details of Materials Consumed			
(a) Polyester Yarn		178,742,179	123,869,458
(b) Spun Yarn		30,628,680	15,818,880
(c) Cotton Yarn		40,239,183	35,066,210
(d) Chemicals			
(i) PVC Resin		112,584,992	93,365,537
(ii) Phosphate Plasticizer		123,825,426	109,657,619
(iii) Others		82,652,387	76,841,407
(e) Fabrics		21,546,791	23,391,351
		590,219,638	478,010,462
21. PURCHASE OF STOCK IN TRADE			
Purchase of Stock In Trade	21.1	23,030,564	19,209,826
		23,030,564	19,209,826
21.1 Details of Purchase of Stock In Trade			
(a) Fittings and Accessories		12,640,038	8,020,428
(b) Equipments		415,452	10,233,579
(c) Yarn and Chemicals		9,975,074	955,819
		23,030,564	19,209,826
22. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE			
Closing Stock:			
Finished Goods (including in transit ₹15,978,243/-)		28,741,770	8,596,784
Less: Excise Duty		1,393,950	371,703
		27,347,820	8,225,081
Work-in-process		49,642,118	29,982,646
Stock in Trade (including in transit ₹1,696,927/-)		4,925,891	3,529,569
		81,915,829	41,737,296
Less: Opening Stock			
Finished Goods (including in transit ₹4,575,320/-)		8,596,784	9,953,883
Less: Excise Duty		371,703	923,659
		8,225,081	9,030,224
Work-in-process		29,982,646	24,115,132
Stock in Trade (including in transit ₹95,609/-)		3,529,569	4,237,585
		41,737,296	37,382,941
		(40,178,533)	(4,354,355)

Notes Forming Part of The Financial Statements for the year ended March 31, 2012

(Amount in ₹)

Particulars	Reference Note No.	For the year ended March 31, 2012	For the year ended March 31, 2011
23. EMPLOYEE BENEFIT EXPENSE			
Salaries and Wages		55,422,117	51,192,455
Contribution to Provident, Gratuity and other Funds		664,396	4,038,542
Staff Welfare Expenses		2,822,215	2,650,349
		58,908,728	57,881,346

24. FINANCE COST			
Interest Expenses	24.1	59,628,271	31,927,336
Other Borrowing cost		986,987	493,757
		60,615,258	32,421,093

24.1 The expense is net of ₹14,10,426/- which is capitalised (Also refer note 10.1)

25. OTHER EXPENSES			
Consumption of Stores and Spares Part		4,078,881	2,066,025
Power and Fuel		26,709,171	25,461,890
Job Charges		19,481,820	–
Rent	25.1	3,299,261	3,277,262
Repairs			
Buildings		248,398	695,628
Machinery		7,566,345	9,180,776
Others		2,855,721	1,393,520
Insurance Charges		1,345,905	1,202,714
Rates and Taxes		355,081	226,678
Travelling and Conveyance		11,220,270	7,450,741
Directors Fees		120,000	118,000
Auditors Remuneration:			
Audit Fees		120,000	100,000
Tax Audit Fees		30,000	20,000
Other Services		140,000	93,090
Transport, Packing and Forwarding		72,231,163	65,145,987
Commission on Sales		14,122,066	6,569,076
Legal and Professional Fees		12,437,035	9,884,512
Subscription and Donation		8,124,403	854,817
Miscellaneous Expenses		23,994,054	18,269,371
		208,479,574	152,010,087

25.1 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 recognised in the Statement of Profit and Loss amounts to ₹993,061/- (Previous Year ₹1,004,522/-).

Notes Forming Part of The Financial Statements as at March 31, 2012

NOTE: 26

26.1. Contingent liabilities not provided for in respect of:

(Amount in ₹)

	2011-12	2010-11
a) Guarantees given by bank on behalf of the Company	39,291,648	34,818,538
b) Corporate Guarantees given by the Company	197,000,000	197,000,000
c) Excise duty demand under appeal before the Hon'ble Supreme Court of India	1,735,119	1,735,119
d) Income Tax matter under Appeal	1,519,592	1,519,592

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

26.2 Estimated amount of contracts remaining to be executed on account and not provided for :

(Amount in ₹)

	2011-12	2010-11
a) On capital account	1,581,884	112,900
b) Others	–	–

26.3 Employee Benefits:

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

(Amount in ₹)

	2011-12	2010-11
Employer's Contribution to Provident Fund	779,582	733,567
Employer's Contribution to Pension Fund	579,172	627,197
Employer's Contribution to Employees State Insurance Scheme	270,302	247,069

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

Disclosures for defined benefit plans based on actuarial reports as on March 31, 2012

(Amount in ₹)

	Gratuity (Funded)	
	2011-12	2010-11
A. Change in Defined Benefit Obligations:		
Present Value of Defined Benefit Obligations as at the beginning of the year	13,531,481	10,708,934
Current Service Cost	579,456	608,816
Interest Cost	992,848	969,617
Benefits Paid	(2,241,770)	(723,738)
Actuarial (Gains)/ Losses	(1,217,077)	1,967,852
Present Value of Defined Benefit Obligations as at the end of the year	11,644,938	13,531,481
B. Change in the Fair Value of Assets:		
Fair value of Plan Assets at the beginning of the year	13,694,091	12,165,044
Expected Return on Plan Assets	1,064,013	1,034,365
Contributions by the Employer	1,453,910	1,148,859
Benefits paid	(2,241,770)	(723,738)
Actuarial Gains/ (Losses)	31,662	69,561
Fair value of Plan Assets at the end of the year	14,001,906	13,694,091

Notes Forming Part of The Financial Statements as at March 31, 2012

Disclosures for defined benefit plans based on actuarial reports as on March 31, 2012

(Amount in ₹)

	Gratuity (Funded)	
	2011-12	2010-11
C. Reconciliation of Present value of Defined Benefit Obligation and the Fair Value of Assets:		
Present Value of Defined Benefit Obligations as at the end of the year	11,644,938	13,531,481
Fair value of Plan Assets at the end of the year	14,001,906	13,694,091
Liability /(Assets) recognized in the Balance Sheet	(2,356,968)	(162,610)
D. Expenses recognized in the Profit & Loss Account		
Current Service Cost	579,456	608,816
Interest Cost	992,848	969,617
Expected Return on Plan Assets	(1,064,013)	(1,034,365)
Net Actuarial (Gain)/ Loss	(1,248,739)	1,898,291
Total Expenses recognized in the Profit & Loss Account*	(740,448)	2,442,359
E. Principal Actuarial Assumptions used		
Discounted Rate (per annum) Compound	8.50%	8.00%
Expected Rate of return on Plan Assets	8.00%	8.00%
Rate of Salary increase (per annum)	5.00%	5.00%

(Amount in ₹)

F. Experience History	2011-12	2010-11	2009-10	2008-09	2007-08
Net Assets/(Liability) recognized in Balance Sheet (including experience adjustment impact)					
Present Value of Defined Benefit Obligations	11,644,938	13,531,000	10,709,000	9,999,000	9,151,000
Fair value of Plan Assets	14,001,906	13,694,000	12,165,000	10,744,000	9,237,000
Status [Surplus/(Deficit)]	2,356,968	163,000	1,456,000	745,000	86,000
Experience Adjustment of Plan Assets [Gain/(Loss)]	31,662	70,000	59,000	18,000	(36,000)
Experience Adjustment of Obligation [Gain/(Loss)]	325,752	1,968,000	98,000	131,000	1,014,000

Disclosures for defined benefit plans based on actuarial reports as on March 31, 2012

(Amount in ₹)

	Leave Encashment (Non Funded)	
	2011-12	2010-11
A. Change in Defined Benefit Obligations:		
Present Value of Defined Benefit Obligations as at the beginning of the year	1,644,433	1,573,886
Current Service Cost	99,285	155,486
Interest Cost	125,247	128,733
Benefits Paid	(157,688)	(99,292)
Actuarial (Gains)/ Losses	(195,748)	(114,380)
Present Value of Defined Benefit Obligations as at the end of the year	1,515,529	1,644,433

Notes Forming Part of The Financial Statements as at March 31, 2012

Disclosures for defined benefit plans based on actuarial reports as on March 31, 2012

(Amount in ₹)

	Leave Encashment (Non Funded)	
	2011-12	2010-11
B. Change in the Fair Value of Assets:		
Fair value of Plan Assets at the beginning of the year	–	–
Expected Return on Plan Assets	–	–
Contributions by the Employer	–	–
Benefits paid	–	–
Actuarial Gains/ (Losses)	–	–
Fair value of Plan Assets at the end of the year	–	–
C. Reconciliation of Present value of Defined Benefit Obligation and the Fair Value of Assets:		
Present Value of Defined Benefit Obligations as at the end of the year	1,515,529	1,644,433
Fair value of Plan Assets at the end of the year	–	–
Liability /(Assets) recognized in the Balance Sheet	1,515,529	1,644,433
D. Expenses recognized in the Profit & Loss Account		
Current Service Cost	99,285	155,486
Interest Cost	125,247	128,733
Expected Return on Plan Assets	–	–
Net Actuarial (Gain)/ Loss	(195,748)	(114,380)
Total Expenses recognized in the Profit & Loss Account*	28,784	169,839
E. Principal Actuarial Assumptions used		
Discounted Rate (per annum) Compound	8.50%	8.00%
Expected Rate of return on Plan Assets	–	–
Rate of Salary increase (per annum)	5.00%	5.00%

(Amount in ₹)

F. Experience History	2011-12	2010-11	2009-10	2008-09	2007-08
Net Assets/(Liability) recognized in Balance Sheet (including experience adjustment impact)					
Present Value of Defined Benefit Obligations	1,515,529	1,644,433	1,573,886	1,339,000	971,000
Fair value of Plan Assets	–	–	–	–	–
Status [Surplus/(Deficit)]	(1,515,529)	(1,644,433)	(1,573,886)	(1,339,000)	(971,000)
Experience Adjustment of Plan Assets [Gain/(Loss)]	–	–	–	–	–
Experience Adjustment of Obligation [(Gain)/Loss]	(195,748)	(114,000)	65,000	289,000	(295,000)

*Included in "Salaries, Wages and Bonus" and "Contribution to Provident Fund, Gratuity and Other Funds" under "EMPLOYEE BENEFIT EXPENSES" on Note 23.

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 2012-13 is not ascertained.

Notes Forming Part of The Financial Statements as at March 31, 2012

26.4 Unhedged Foreign Currency exposures as on March 31, 2012 are as follows:-

Nature	Currency	Current year amount in Foreign currency	Previous year amount in Foreign currency
Import	USD	533,377.81	1,453,948.59
Advance to creditors	USD	498,565.92	50,000.00
Advance to creditors	GBP	20,333.93	14.92
PCFC Loan	USD	874,000.00	–
Buyers Credit & Interest	USD	950,607.49	1,425,442.15
Others	USD	850,774.38	1,178,605.44
Others	CDN	314,680.44	40,991.60
Export	USD	2,185,508.64	3,338,839.24
Export	CDN	3,322,039.26	2,312,686.90
Export	AUD	–	45,354.20

26.5 Earning Per Share (EPS) :

	Year Ended 31.03.2012	Year Ended 31.03.2011
(a) Profit / (Loss) attributable to Shareholders (₹)	102,744,577	27,484,953
(b) Weighted average number of Equity Shares	67,500,000	67,500,000
(c) Nominal Value of Equity Share (₹)	1	1
(d) Basic and Diluted EPS (₹)	1.52	0.41

26.6 Segment information for the year ended March 31, 2012

(i) Information about primary business segments:

(Amount in ₹)

	Conveyor Belting		Wind Energy		Trading Goods		Unallocated Corporate		Total Amount	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
a. Segment Revenue										
Sale and Services to External customers	965,606,334	752,192,094	20,742,095	20,319,577	24,998,560	27,012,512	–	–	1,011,346,989	799,524,183
Other operating revenue	–	–	–	–	–	–	3,413,848	2,911,270	3,413,848	2,911,270
Gross Turnover	965,606,334	752,192,094	20,742,095	20,319,577	24,998,560	27,012,512	3,413,848	2,911,270	1,014,760,837	802,435,453
Less: Excise Duty / Service tax recovered	21,287,587	18,535,169	–	–	–	–	–	–	21,287,587	18,535,169
Net Turnover	944,318,747	733,656,925	20,742,095	20,319,577	24,998,560	27,012,512	3,413,848	2,911,270	993,473,250	783,900,284
b. Segment Results	155,938,406	60,391,988	15,106,000	(2,758,188)	2,867,531	67,531,55	–	–	173,911,937	64,386,955
Unallocated Corporate Expenses	–	–	–	–	–	–	(33,639,374)	(16,785,688)	(33,639,374)	(16,785,688)
	155,938,406	60,391,988	15,106,000	(2,758,188)	2,867,531	6,753,155	(33,639,374)	(16,785,688)	140,272,563	47,601,267
Interest Expenses	–	–	(3,401,378)	(16,912)	–	–	(57,213,880)	(32,404,181)	(60,615,258)	(32,421,093)
Interest Income	–	–	–	–	–	–	64,797,301	27,560,372	64,797,301	27,560,372
Profit/(Loss) before Tax and Exceptional Items	155,938,406	60,391,988	11,704,622	(2,775,100)	2,867,531	6,753,155	(26,055,953)	(21,629,497)	144,454,606	42,740,546
Exceptional Items	–	–	–	–	–	–	–	–	–	–
Profit / (Loss) Before Tax	155,938,406	60,391,988	11,704,622	(2,775,100)	2,867,531	6,753,155	(26,055,953)	(21,629,497)	144,454,606	42,740,546
Income Taxes	–	–	–	–	–	–	(41,710,029)	(15,255,593)	(41,710,029)	(15,255,593)
Profit After Tax	155,938,406	60,391,988	11,704,622	(2,775,100)	2,867,531	6,753,155	(67,765,982)	(36,885,090)	102,744,577	27,484,953
c. Segment Assets	602,198,038	505,818,307	109,973,071	60,585,788	11,959,681	12,371,672	–	–	724,130,790	578,775,767
Unallocated Corporate Assets	–	–	–	–	–	–	668,978,262	530,436,223	668,978,262	530,436,223
Total Assets	602,198,038	505,818,307	109,973,071	60,585,788	11,959,681	12,371,672	668,978,262	530,436,223	1,393,109,052	1,109,211,990
d. Segment liabilities	(171,825,845)	(119,559,126)	(46,876,407)	(12,000)	–	–	–	–	(218,702,252)	(119,571,126)
Unallocated Corporate Liabilities	–	–	–	–	–	–	(508,431,482)	(406,797,576)	(508,431,482)	(406,797,576)
Total Liabilities	(171,825,845)	(119,559,126)	(46,876,407)	(12,000)	–	–	(508,431,482)	(406,797,576)	(727,133,734)	(526,368,702)
e. Cost incurred during the period to acquire segment fixed assets	12,354,240	35,167,324	87,410,426	–	–	–	2,608,639	1,004,652	102,373,305	36,171,976
f. Depreciation / Amortisation	19,946,227	15,994,861	25,755,190	21,400,670	–	–	1,464,800	1,570,864	47,166,217	38,966,395
g. Non cash expenses other than Amortisation	–	–	–	–	–	–	–	–	–	–

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.

Notes Forming Part of The Financial Statements as at March 31, 2012

(ii) Information about secondary Business Segments

(Amount in ₹)

Revenue by geographical market	2011-12	2010-11
Sale of products		
Domestic	262,193,719	242,555,723
Export	749,153,270	556,968,460
Total	1,011,346,989	799,524,183
Assets		
Trade Receivable		
Within India	39,298,099	41,698,507
Outside India	308,843,343	300,199,873
Total	348,141,442	341,898,380

26.7 Related Party Disclosure as required by Accounting Standard 18 "Related Party Disclosure" as specified in the Companies (Accounting Standards) Rules, 2006 prescribed by the Central Government are as follows:

A. Associates:

1) None

B. Subsidiary (w.e.f.22.03.2012):

1) International Belting Limited

C. Key Management Personnel:

Shri R. K. Dabriwala – Managing Director

D. Enterprises where key management personnel and their relatives have substantial interest and /or significant influence:

- 1) R.C.A. Limited
- 2) Faridabad Investment Co. Limited
- 3) I.G.E.(India) Limited
- 4) Pure Coke Limited
- 5) Elpro International Limited
- 6) Dabri Properties and Trading Co. Limited

Details of transaction made with Related Parties during the year:

(Amount in ₹)

Nature of transaction	International Belting Limited		R.C.A. Limited		Pure Coke Limited		I.G.E. (India) Limited		Elpro International Ltd.		Faridabad Investment Co. Ltd.		Dabri Properties & Trading Co. Ltd.		Key Management		
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	
Director Remuneration	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,800,456	3,468,243
Interest on Loan																	
Received	1,285,021	-	-	-	6,221,605	6,856,975	-	4,974,443	47,966,576	4,230,862	-	-	-	-	-	-	-
Paid	-	856,180	-	-	-	-	81,147	-	-	-	-	534,301	-	98,515	-	-	-
Rent Received	-	-	-	29,760	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent Paid	-	-	-	18,840	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Received on LC Funding	-	-	-	-	3,849,043	2,253,308	-	-	-	-	-	-	-	-	-	-	-
Finance charges Recd on LC Funding	-	-	-	-	-	4,000,000	-	-	-	-	-	-	-	-	-	-	-
Inter Corporate Deposit:																	
Loan Given	42,383,921	8,608,966	-	-	27,400,000	133,683,136	27,315,502	63,500,000	503,000,000	97,115,227	-	-	-	-	-	-	-
Repayment of Loan	8,500,000	29,963,449	-	-	49,411,153	84,000,000	28,554,123	113,624,273	460,300,000	30,115,227	-	-	-	-	-	-	-
Loan Taken	-	45,436,551	-	-	-	-	-	31,684,498	-	-	-	9,300,000	300,000	1,350,000	-	-	-
Loan Repaid	11,916,079	34,291,034	-	-	-	-	31,684,498	-	-	-	9,580,870	200,000	1,738,663	-	-	-	-
LC Funded																	
LC Funded	-	-	-	-	52,924,708	128,507,609	-	-	-	-	-	-	-	-	-	-	-
Repayment of LC Funded	-	-	-	-	58,708,386	128,507,609	-	-	-	-	-	-	-	-	-	-	-
Advance for Capital Assets	-	-	-	-	-	-	-	-	300,000,000	-	-	-	-	-	-	-	-
Subscription for Right Issue	-	-	-	-	-	-	-	-	-	260,000,000	-	-	-	-	-	-	-
Refund of Subscription of Right Issue	-	-	-	-	-	-	-	-	260,000,000	-	-	-	-	-	-	-	-
Purchase of Shares	-	-	15,750,000	-	-	3,000,000	34,650,000	-	-	-	-	-	-	-	-	-	-
Sale of shares	-	-	-	-	-	-	-	-	-	-	-	-	-	1,715,827	-	-	-
Purchase of Materials/Services	19,481,820	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Materials/Services	14,252,326	1,597,439	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Outstanding																	
Loan Given	35,040,439	-	-	-	36,088,291	58,283,678	-	1,238,621	156,677,694	70,807,776	-	-	-	-	-	-	-
Loan Taken	-	11,916,079	-	-	-	-	-	-	-	-	-	9,580,870	-	1,438,663	-	-	-
Sale of Materials/Services	162,427	1,597,439	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Capital Goods / Investment	4,384,543	-	-	-	-	-	-	-	-	-	-	-	-	1,715,827	-	-	-
Advance for Capital Assets	-	-	-	-	-	-	-	-	300,000,000	-	-	-	-	-	-	-	-
Subscription for Right Issue	-	-	-	-	-	-	-	-	-	260,000,000	-	-	-	-	-	-	-
Guarantee given and outstanding	163,000,000	163,000,000	-	-	-	-	34,000,000	34,000,000	-	-	-	-	-	-	-	-	-

Notes Forming Part of The Financial Statements as at March 31, 2012

26.8 Revenue from operations:

Sale of Products

(Amount in ₹)

Particulars	Note No.	2011-12	2010-11
PVC Fire Resistant Antistatic Solid Woven Coal Conveyor Belting		965,606,334	752,192,094
Trading Goods	26.8.1	24,998,560	27,012,512
Wind Energy	26.8.2	20,742,095	20,319,577
Total		1,011,346,989	799,524,183

26.8.1 Details of sale of Trading Goods

Fittings and Accessories		15,719,736	14,479,967
Equipments		590,431	11,509,414
Yarn and Chemicals		8,688,393	1,023,131
Total		24,998,560	27,012,512

26.8.2 Details of sale of Wind Energy

Total Numbers of units generated and sold.* (In Kwh units)		5,909,224	5,838,924
Sales (in ₹)		20,742,095	20,319,577

* Net of 24,708 Units (Previous Year 27,608 Units) being transmission loss.

26.9 Value and percentage of Imported and Indigenous Raw Materials, stores and Loose Tools consumed

Particulars	2011-12		2010-11	
	₹	%	₹	%
(a) Raw Materials:				
Imported	332,687,373	56	258,956,940	54
Indigenous	257,532,265	44	219,053,522	46
Total	590,219,638	100	478,010,462	100
(b) Stores, Spares & Components:				
Imported	45,188	1	10,762	1
Indigenous	4,033,693	99	2,055,263	99
Total	4,078,881	100	2,066,025	100

26.10 C.I.F Value of Imports:

(Amount in ₹)

Particulars	2011-12	2010-11
(a) Raw Materials	386,639,050	222,212,717
(b) Capital Goods	45,704	276,249
(c) Trading Goods	13,067,863	9,953,458
Total	399,752,617	232,442,424

Notes Forming Part of The Financial Statements as at March 31, 2012

26.11 Expenditure in Foreign Currency:

(Amount in ₹)

Particulars	2011-12	2010-11
Travelling Expenses	3,030,684	1,749,589
Postage & Telegram	46,538	46,152
Rent	899,561	812,520
Commission	13,943,276	6,279,519
Freight Expenses	57,417,981	48,551,069
Interest on PCFC & FCNRB DL Loan	65,085	1,154,351
Interest on LC- Buyers Credit	2,687,413	1,123,835
Testing Expenses	24,630	850,999
Other Expenses	5,901,840	2,404,762
Total	84,317,008	62,972,796

26.12 Earning in Foreign Currency:

Export of Beltings at F.O.B. Value	713,298,788	527,110,676
Total	713,298,788	527,110,676

26.13 Till the year end March 31, 2011, the Company was using pre-revised schedule VI to the Companies Act, 1956 for the preparation and presentation of its financial statement. During the year ended March 31, 2012, the revised schedule VI notified under the Companies Act, 1956 has become applicable to the Company. The Company has reclassified previous year figures to conform to this year classification.

Note 1 to 26.13 forms an integral part of the Financial Statement.

For and on behalf of the Board

As per our report of even date

For LODHA & CO.

Chartered Accountants

H. K. Verma

Partner

R. K. Dabriwala

Managing Director

M. P. Jhunjunwala

Director

Alka Malpani

Company Secretary

Place : Kolkata

Date : May 30, 2012

Consolidated Accounts

Auditors' Report on the Consolidated Financial Statements

To The Board of Directors

International Conveyors Limited

1. We have audited the attached Consolidated Balance Sheet of International Conveyors Limited (the Company) and its Subsidiary (collectively referred to as group) as at March 31, 2012 and the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement of the group for the year ended on that date annexed thereto (all together referred to as "The Consolidated Financial Statements". These Consolidated Financial Statements are the responsibility of the Company's management and have been prepared on the basis of separate financial statements and other information regarding components. Our responsibility is to express an opinion on these Consolidated 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. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements) as notified under the Companies (Accounting Standards) Rules, 2006.
3. Based on our audit, and on consideration of the separate audit reports on the individual financial statements of the Company and the Subsidiary, and to the best of our information and according to the explanations given to us , the said accounts 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 Consolidated Balance Sheet, of the state of the affairs of the Group as at March 31, 2012.
 - ii) In so far as it relates to the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date and
 - iii) In so far as it relates to the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For Lodha & Co.

Chartered Accountants

Firm's ICAI Registration Number: 301051E

H.K. Verma

Partner

Membership Number: 055104

Place: Kolkata

Date: May 30, 2012

Consolidated Balance Sheet as at March 31, 2012

(Amount in ₹)

Particulars	Note No.	As at March 31, 2012
I. EQUITY AND LIABILITIES		
(1) Shareholders' Fund		
(a) Share capital	2	67,500,250
(b) Reserves and surplus	3	597,495,304
(2) Non-current liabilities		
(a) Long-term borrowings	4	121,925,656
(b) Deferred tax liabilities (Net)	5	13,797,652
(3) Current liabilities		
(a) Short-term borrowings	6	468,389,768
(b) Trade payables	7	151,788,723
(c) Other current liabilities	8	63,165,262
(d) Short-term provisions	9	21,161,625
TOTAL		1,505,224,240
II. ASSETS		
(1) Non-current Assets		
(a) Goodwill on consolidation		10,113,526
(b) Fixed assets		
(i) Tangible assets	10	371,492,045
(ii) Intangible assets	10	164,012
(iii) Capital work-in-progress		19,324,246
(c) Non-current investments	11	18,820,554
(d) Long-term loans and advances	12	316,131,025
(e) Other non-current assets	13	19,747,900
(2) Current assets		
(a) Inventories	14	142,384,588
(b) Trade receivables	15	347,979,015
(c) Cash and Bank balances	16	15,010,099
(d) Short-term loans and advances	17	240,022,187
(e) Other current assets	18	4,035,043
TOTAL		1,505,224,240

Summary of significant accounting policies 1

Notes to financial statements 2-26

The notes are an integral part of the Consolidated Financial Statements

For and on behalf of the Board

As per our report of even date

For LODHA & CO.

Chartered Accountants

H. K. Verma

Partner

R. K. Dabriwala

Managing Director

M. P. Jhunjunwala

Director

Alka Malpani

Company Secretary

Place : Kolkata

Date : May 30, 2012

Consolidated Statement of Profit and Loss for the year ended March 31, 2012

(Amount in ₹)

Particulars	Note No.	For the year ended March 31, 2012
REVENUE		
Revenue from operations (Gross)		
Sale of Products (Less: Returns, Claims etc)	26.8	988,442,815
Other operating revenue		3,413,848
		991,856,663
Less : Excise Duty		21,287,587
Revenue from operations (Net)		970,569,076
Other Income	19	97,766,623
Total Revenue		1,068,335,699
EXPENSES		
Cost of Materials consumed	20	588,689,788
Purchase of Stock in Trade	21	20,768,499
Changes in Inventories of Finished Goods, Work in Progress & Stock in Trade	22	(40,178,533)
Employee Benefit Expense	23	58,946,819
Finance Cost	24	59,641,689
Depreciation and Amortization Expenses	10	47,839,012
Other Expenses	25	189,153,583
Total Expenses		924,860,857
Profit before tax		143,474,842
Tax Expenses		
Current		29,000,000
Deferred		12,710,029
		41,710,029
Profit after tax		101,764,813
Earning per Equity Share		
-Basic		1.51
-Diluted		1.51

Summary of significant accounting policies 1

Notes to financial statements 2-26

The notes are an integral part of the Consolidated Financial Statements

For and on behalf of the Board

As per our report of even date

For LODHA & CO.

Chartered Accountants

H. K. Verma

Partner

R. K. Dabriwala

Managing Director

M. P. Jhunjunwala

Director

Alka Malpani

Company Secretary

Place : Kolkata

Date : May 30, 2012

Consolidated Cash Flow Statement for the year ended March 31, 2012

(Amount in ₹)

	Year ended March 31, 2012
A. CASH FLOW FROM OPERATING ACTIVITIES	
Net Profit before Tax	143,474,842
Adjustment for	
Depreciation	47,839,012
(Profit)/Loss on sale of Fixed Assets (Net)	(22,965,358)
Liquidated Damages / Rebate & discount	145,920
Dividend from Long Term Investment	(53,063)
Finance Cost	59,641,689
Interest Income	(63,539,150)
Liability/PBDD Written off/ back (Net)	(731,412)
Operating profit before working capital changes	163,812,480
Adjustment for	
Trade and other receivables	(31,676,897)
Inventories	(67,288,710)
Trade and other Payables	53,690,852
	(45,274,755)
Cash generated from Operation	118,537,725
Direct Taxes (paid)/Refund received	(35,124,570)
Net Cash from/(used in) Operating Activities	83,413,155
B. CASH FLOW FROM INVESTING ACTIVITIES	
Purchase of Fixed Assets	(131,080,426)
Sale of Fixed Assets	38,301,546
(Purchase)/Sale of Investments	1,715,827
Investments in subsidiary	(38,351,292)
Advance against Capital Assets/Investments	(43,432,105)
Loans Given	(7,273,088)
Dividend received	53,063
Deposits with bank (For more than 3 months)	(4,204,352)
Interest received	74,814,166
Net Cash from/(used in) Investing Activities	(109,456,661)

Consolidated Cash Flow Statement for the year ended March 31, 2012

(Amount in ₹)

	Year ended March 31, 2012
C. CASH FLOW FROM FINANCING ACTIVITIES	
Proceeds from Borrowings	102,294,830
Dividend Paid (Including Corporate Dividend Tax thereon)	(11,828,141)
Interest paid	(69,292,102)
Net cash from/(used in) Financing Activities	21,174,587
Net increase/(Decrease) in Cash and Cash Equivalents	(4,868,919)
Cash and Cash Equivalents at the beginning of the year	14,772,616
Cash and Cash Equivalents at the end of the year (Refer Note No. 16)	9,903,697

Note :

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

The Company has further invested in the equity shares of International Belting Limited and consequently became the Parent Company during the year. Accordingly there are no figures for previous year in respect of Consolidated Cash Flow Statement.

For and on behalf of the Board

As per our report of even date

For LODHA & CO.

Chartered Accountants

H. K. Verma

Partner

R. K. Dabriwala

Managing Director

M. P. Jhunjunwala

Director

Alka Malpani

Company Secretary

Place : Kolkata

Date : May 30, 2012

Notes Forming Part of the Consolidated Financial Statements as at March 31, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES OF CONSOLIDATED ACCOUNTS

1.1 The Consolidated Financial Statements have been prepared in accordance with the Accounting Standard (AS) – 21 on “Consolidated Financial Statements”, notified vide Companies (Accounting Standards) Rules, 2006.

1.2 The Consolidated Financial Statements relates to International Conveyors Limited (the Company), and its subsidiary. The details are as given below:

Name of the subsidiary	Country of Incorporation	Proportion of ownership interest
International Belting Limited	India	100%

1.3 CONSOLIDATION PROCEDURE:

i. The financial statements of the parent company and its subsidiary have been prepared based on a line-by-line consolidation by adding together the book value of like items of assets and liabilities, revenue and expenses as per the respective financial statements. Intra group balances, intra group transactions and the unrealised profits on stocks arising out of intra group transaction have been eliminated.

ii. As far as possible, the consolidated financial statements are prepared using uniform accounting policies for similar material transactions and other events in similar circumstances otherwise as stated elsewhere.

iii. The difference between the cost of investments in the subsidiary, over the net assets at the time of acquisition of shares in the subsidiary is recognised in the financial statements as Goodwill or Capital Reserve as the case may be.

1.4 Investments other than in subsidiary have been accounted as per AS-13 on “Accounting for Investments.”

1.5 Other significant accounting policies:

1.5.1 General

The financial statements 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.

1.5.2 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 Sheet date and the reported amount of revenues 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.

1.5.3 Fixed Assets, Depreciation and Amortization

1.5.3.(i) Tangible Assets

a) Gross Block

Tangible 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 ₹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

Notes Forming Part of the Consolidated Financial Statements as at March 31, 2012

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.

1.5.3.(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.

1.5.4 Investments

Non-Current 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.

1.5.5 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 and 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.

1.5.6 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 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 prorate basis.

1.5.7 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 revenues or expenses in the Statement of Profit and Loss.

1.5.8 Revenue Recognition

a) All expenses and revenue 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.

c) Dividend is recognized when the right to receive is established.

1.5.9 Sales

Revenue from sale of goods is recognized at the point of dispatch to the customers. Gross sales include excise duty and rebate, discounts, claims, returns, central sales tax (CST) / 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.

1.5.10 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.

Notes Forming Part of the Consolidated Financial Statements as at March 31, 2012

1.5.11 Employee Benefits

Short term employee benefit are recognized as expenses at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.

The Company has Defined Contribution Plan for its employees retirement benefits comprising of Provident Fund and Pension Fund. The Company makes regular contribution to Provident Fund, which are fully funded and administered by the Government. Contributions are recognized in Statement of Profit and Loss 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 financial statements.

The actuarial gain and losses comprise experience judgment and are recognized in the Statement of Profit and Loss in the year in which they arise.

1.5.12 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.

1.5.13 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 finance cost in the year in which they are incurred.

1.5.14 Income Tax

Provision for Tax is made for current tax and deferred tax. Current tax is provided on the taxable income using the applicable tax rates and tax laws. Deferred tax assets and/or 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 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.

1.5.15 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.

Notes Forming Part of the Consolidated Financial Statements as at March 31, 2012

(Amount in ₹)

Particulars	Reference Note No.	As at March 31, 2012
2. SHARE CAPITAL		
Authorised Shares		
98,000,000 Equity Share of ₹1/- each		98,000,000
20,000 Preference Share of ₹100/- each		2,000,000
		100,000,000
Issued, Subscribed and Fully Paid-up Shares:		
67,500,000 Equity Shares of ₹1/- each		67,500,000
(Out of the above, 33,750,000 equity shares of ₹1/- each were allotted as fully paid-up bonus shares during the financial year ended on 2009-2010.)		
Forfeited Shares		250
		67,500,250

- 2.1 Out of the above issued shares, the company has only one class of equity shares having a par value of ₹1/- each. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing general meeting. Each holder of equity shares is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount in proportion of their shareholding.

3. RESERVES AND SURPLUS		
Capital Reserve		
As per last Balance Sheet (Central Subsidy)		3,942,000
		3,942,000
General Reserve		
As per last Balance Sheet		300,000,000
Add : Transferred from Surplus		50,000,000
		350,000,000
Securities Premium Account		
As per last Balance Sheet		188,550,000
		188,550,000
Surplus		
As per last Balance Sheet		22,851,038
Add : Net Profit After Tax transferred from Statement of Profit and Loss		101,764,813
Amount available for appropriation		124,615,851
Less : Appropriations		
- Transferred to General Reserve		50,000,000
- Proposed Equity Dividend		16,875,000
- Tax on Equity Dividend		2,737,547
		69,612,547
Net Surplus		55,003,304
Total Reserves & Surplus		597,495,304

Notes Forming Part of the Consolidated Financial Statements as at March 31, 2012

(Amount in ₹)

Particulars	Reference Note No.	As at March 31, 2012	
		Non- Current	Current
4. LONG TERM BORROWINGS			
SECURED LOAN			
Term Loan			
From bank	4.1	115,144,522	41,120,000
		115,144,522	41,120,000
Vehicle Finance Loan			
From banks	4.2	1,676,161	1,243,753
From others	4.3	223,220	120,790
		1,899,381	1,364,543
		117,043,903	42,484,543
UNSECURED LOAN			
Sales Tax Deferment Loan	4.4	4,881,753	999,460
		4,881,753	999,460
		121,925,656	43,484,003

4.1 Term loan referred above to the extent of:

- a) ₹31,940,000 has been secured by first charge on Plant & Equipment of the Wind Mill project in Andhra Pradesh, Current Assets of the Company, both present and future and extension of equitable mortgage of the leasehold industrial plot at Maharashtra Industrial Development Corporation, Aurangabad. The loan carries interest at 4.25% above base rate + Term Premium of 0.50% and is repayable as follows:

Year	Amount in ₹
2013-14	14,230,000
2014-15	14,200,000
2015-16	3,510,000

- b) ₹83,204,522 has been secured by first charge on all fixed assets of the Company both present & future, second charge on entire current assets of the Company both present & future, and is also secured by personal and corporate guarantee and is repayable in 21 quarterly installment commencing from June 2011. Last installment due in June 2016, rate of interest as per State Bank Advance Rate (SBAR).

Year	Amount in ₹
2013-14	26,800,000
2014-15	26,800,000
2015-16	26,800,000
2016-17	2,804,522

4.2 Vehicle Loan from banks is secured by hypothecation of Vehicles and is repayable as follows:

Rate of Interest	2013-14	2014-15	2015-16	2016-17
11.76%	457,078	317,989	–	–
12.26%	91,623	122,353	128,228	132,102
12.50%	209,974	216,814	–	–

4.3 Vehicle Loan from other is secured by hypothecation of Vehicles and is repayable as follows:

Rate of Interest	2013-14	2014-15
11.96%	136,053	87,167

4.4 Deferred Sales Tax Loan is interest free and is payable as per the repayment schedule as follows:

Year	Amount in ₹
2013-2014	1,033,207
2014-2015	1,112,379
2015-2016	1,082,759
2016-2017	773,379
2017-2018	533,687
2018-2019	318,097
2019-2020	28,245

Notes Forming Part of the Consolidated Financial Statements as at March 31, 2012

(Amount in ₹)

Particulars	Reference Note No.	As at March 31, 2012
5. DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liability:		
On account of depreciation difference as per Income tax and books of account		15,658,223
Gross Deferred Tax Liability		15,658,223
Deferred Tax Assets:		
Employee Benefits		827,728
Provision for doubtful debt and deposit		1,032,843
Gross Deferred Tax Asset		1,860,571
Net Deferred Tax Liability		13,797,652

6. SHORT TERM BORROWINGS		
SECURED LOAN		
Working Capital Facility From Banks	6.1	
Indian Currency		211,292,082
Foreign Currency		147,097,686
		358,389,768
UNSECURED LOAN		
Inter Corporate Deposits		110,000,000
		110,000,000
		468,389,768

6.1 Working Capital facility from bank as referred above 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 Chikalhana Industrial Area (MIDC). This is further secured by personal guarantee by one of the directors of the company.

7. TRADE PAYABLE		
Payable For Goods and Services	7.1	151,788,723
		151,788,723
7.1 Payable For Goods and Services includes		
Acceptances		43,079,253
Creditors for raw materials purchases		35,631,669

Notes Forming Part of the Consolidated Financial Statements as at March 31, 2012

(Amount in ₹)

Particulars	Reference Note No.	As at March 31, 2012
8. OTHER CURRENT LIABILITIES		
Current Maturities of Long-term borrowings	4	41,120,000
Current Maturities of Vehicle Finance Loan	4	1,364,543
Current Maturities of Sales Tax Deferment Loan	4	999,460
Interest accrued but not due on borrowings		806,819
Interest accrued and due on borrowings		2,299,253
Other Payables		
Unpaid Dividends	8.1	241,953
Other Payables		16,333,234
		63,165,262

8.1 This is not due for payment to Investor Education and Protection Fund

9. SHORT TERM PROVISIONS		
Provision for employee benefits		1,549,078
Proposed Dividend		16,875,000
Tax on Proposed Dividend		2,737,547
		21,161,625

10. FIXED ASSETS

(Amount in ₹)

PARTICULARS	GROSS BLOCK				DEPRECIATION / AMORTISATION					NET BLOCK	
	As on 01.04.2011	Additions	Adjustments/ Deductions	As on 31.03.2012	Upto 31.03.2011	On acquisition of Subsidiary	For the Year	Adjustments/ Deductions	Upto 31.03.2012	As on 31.03.2012	As on 31.03.2011
Tangible Assets											
(a) Land(Leasehold)	1,120,489	-	-	1,120,489	133,744	-	18,285	-	152,029	968,460	986,745
(b) Buildings	18,021,235	48,143,873	-	66,165,108	8,012,716	2,549,857	1,031,601	-	11,594,174	54,570,934	10,008,519
(c) Plant & Equipment	165,578,022	157,175,749	13,775,051	308,978,720	99,796,367	4,295,771	18,712,759	9,213,226	113,591,671	195,387,049	65,781,655
(d) Wind Mill	218,733,100	87,410,426	39,000,000	267,143,526	163,208,285	-	25,755,190	28,927,916	160,035,559	107,107,967	55,524,815
(e) Electrical Installation	3,449,254	3,303,035	-	6,752,289	1,764,010	226,492	241,423	-	2,231,925	4,520,364	1,685,244
(f) Office Equipment	4,667,770	670,219	72,572	5,265,417	3,264,519	58,250	403,844	69,534	3,657,079	1,608,338	1,403,251
(g) Furniture & Fixtures	6,611,619	133,243	-	6,744,862	3,871,616	13,635	562,540	-	4,447,791	2,297,071	2,740,003
(h) Vehicles	6,263,478	3,545,842	1,838,817	7,970,503	3,031,027	77,177	970,014	1,139,576	2,938,642	5,031,862	3,232,451
Total Tangible Assets	424,444,967	300,382,387	54,686,440	670,140,914	283,082,284	7,221,182	47,695,656	39,350,252	298,648,870	371,492,045	141,362,683
Intangible Assets											
Computer Software	719,474	-	-	719,474	412,106	-	143,356	-	555,462	164,012	307,368
Total Intangible Assets	719,474	-	-	719,474	412,106	-	143,356	-	555,462	164,012	307,368
TOTAL	425,164,441	300,382,387	54,686,440	670,860,388	283,494,390	7,221,182	47,839,012	39,350,252	299,204,332	371,656,057	141,670,051

10.1 Addition of Wind Mill includes ₹1,410,426/- towards borrowing cost.

10.2 Refer Note 4.1, 4.2 and 4.3

Notes Forming Part of the Consolidated Financial Statements as at March 31, 2012

(Amount in ₹)

Particulars	Reference Note No.	As at March 31, 2012	
		No of Shares	Value
11. NON CURRENT INVESTMENTS (Valued at cost unless stated otherwise)			
Investment in Equity Shares (Fully paid-up unless otherwise stated)			
Others			
In Equity Shares of other body corporates:			
Un-quoted:			
I.G.E. (India) Limited (Face Value of Share ₹10/- each)		2,975	29,543
Pure Coke Ltd. (Face Value of Share ₹10/- each)		154,560	1,767,989
Dabri Properties & Trading Company Ltd. (Face Value of Share ₹10/- each)		60	600
		157,595	1,798,132
Quoted:			
Uco Bank (Face Value of Share ₹10/- each)		200	2,400
Dunlop India Ltd. (Face Value of Share ₹10/- each)		25	631
Garware-Wall Ropes Ltd. (Face Value of Share ₹10/- each)		350	28,465
Radaan Media Works (I) Ltd. (Face Value of Share ₹2/- each)		73,190	815,753
Oil Country Tubular Ltd. (Face Value of Share ₹10/- each)		6,000	782,853
Tide Water Oil (India) Ltd. (Face Value of Share ₹10/- each)		434	2,170,391
Elpro International Ltd. (Face Value of Share ₹10/- each)		347,058	13,056,947
Elpro Estates Ltd. (Face Value of Share ₹10/- each)		200	2,000
R.C.A.Ltd. (Face Value of Share ₹10/- each)		13,548	162,982
		441,005	17,022,422
			18,820,554
11.1 Aggregate Market value of Quoted Investments			124,510,074
11.2 Aggregate amount of Quoted Investments			17,022,422
11.3 Aggregate amount of Un-quoted Investments			1,798,132

(Amount in ₹)

Particulars	Reference Note No.	As at March 31, 2012
12. LONG TERM LOANS AND ADVANCES (Unsecured Considered Good)		
Loans and Advances to related parties - Capital Advance	12.1 and 26.7	300,000,000
Other Capital Advances		1,729,143
Security Deposits		3,196,825
Advance Income Tax (net of provision)		11,031,191
Advance Fringe Benefit Tax (net of provision)		125,532
Others		48,334
		316,131,025

12.1 Paid as advance towards acquiring certain capital assets pending finalisation of terms and conditions and possession of assets.

Notes Forming Part of the Consolidated Financial Statements as at March 31, 2012

(Amount in ₹)

Particulars	Reference Note No.	As at March 31, 2012
13. OTHER NON CURRENT ASSETS		
Balance With Bank	13.1	
- In Fixed Deposits (having maturity more than 12 months)		19,747,900
		19,747,900

13.1 Kept as lien against Letter of Credit & Bank Guarantee.

14. INVENTORIES (Valued at lower of cost or net realisable value) (As valued, taken and certified by the management)		
Raw Materials		28,023,352
Raw Materials In Transit		24,973,459
Work-in-process		49,642,118
Finished Goods		15,459,367
Finished Goods in Transit		15,978,243
Stock in Trade		3,228,964
Stock in Trade In Transit		1,696,927
Stores and Spares		3,312,456
Loose Tools		69,702
		142,384,588

14.1 Refer Note 6.1

15. TRADE RECEIVABLES (Unsecured)		
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Considered Good		12,419,721
Considered Doubtful		1,213,845
Less: Provision for Doubtful debt		(1,213,845)
		12,419,721
Others		
Considered Good		335,559,294
		347,979,015

Notes Forming Part of the Consolidated Financial Statements as at March 31, 2012

(Amount in ₹)

Particulars	Reference Note No.	As at March 31, 2012
16. CASH AND BANK BALANCES		
Cash and Cash Equivalent		
(i) Balances With Banks		
In Current Accounts		7,206,466
In Unpaid Dividend Accounts	8.1	259,472
Fixed Deposit With Bank (With Original Maturity of less than 3 months)	16.1	1,044,000
(ii) Cash on Hand		1,393,759
		9,903,697
Other Bank Balances		
Fixed Deposit With Bank (With Original Maturity of more than 3 months but less than 12 months)	16.1	5,106,402
		5,106,402
		15,010,099

16.1 Kept as lien against Letter of Credit & Bank Guarantee

17. SHORT TERM LOAN AND ADVANCES (Unsecured Considered Good)		
Loans and advances to related parties	17.1 and 26.7	194,481,812
Security Deposits		167,938
Income Tax (Refundable)		214,174
Balance with Government authorities		11,133,768
Advances for supply of goods and services		29,589,878
Others		4,434,617
		240,022,187
(Unsecured Considered doubtful)		
Deposit to other body corporate		1,969,521
Less: Provision for doubtful deposit		(1,969,521)
		–
		240,022,187

17.1 Disclosure of Loans and Advances as per the requirement of clause 32 of the Listing Agreement with the Stock Exchanges in India.

(Amount in ₹)

Particulars	Amount Outstanding at the year end 2011-12	Maximum Amount outstanding during the year
Loans and Advances in the nature of Loans to Subsidiary, Associates etc:		
- Pure Coke Limited (Associate upto 30.03.2012)	36,088,291	58,500,000
- Elpro International Limited	156,677,694	431,904,787
- I.G.E.(India) Limited	–	26,385,277

Notes Forming Part of the Consolidated Financial Statements as at March 31, 2012

(Amount in ₹)

Particulars	Reference Note No.	As at March 31, 2012
18. OTHER CURRENT ASSETS		
Interest accrued on deposits with related parties	26.7	824,537
Interest accrued on deposits with Bank and others		853,538
Gratuity Receivable		2,356,968
		4,035,043

Notes Forming Part of the Consolidated Financial Statements for the year ended March 31, 2012

(Amount in ₹)

Particulars	Reference Note No.	For the year ended March 31, 2012
19. OTHER INCOME		
Interest on loans, deposits with bank, etc. - Gross Tax Deducted at Source ₹7,047,894/-		63,539,150
Dividend on long-term investments		53,063
Profit on Sale of Fixed Assets (Net)		22,965,358
Foreign Exchange Gain (Net)		11,209,053
		97,766,623
20. COST OF MATERIALS CONSUMED		
Cost of Materials Consumed	20.1	588,689,788
		588,689,788
20.1 Details of Materials Consumed		
(a) Polyester Yarn		178,677,032
(b) Spun Yarn		30,601,097
(c) Cotton Yarn		40,230,658
(d) Chemicals		
(i) PVC Resin		112,224,625
(ii) Phosphate Plasticizer		123,374,407
(iii) Others		82,035,178
(e) Fabrics		21,546,791
		588,689,788
21. PURCHASE OF STOCK IN TRADE		
Purchase of Stock In Trade	21.1	20,768,499
		20,768,499
21.1 Details of Purchase of Stock In Trade		
(a) Fittings & Accessories		12,640,038
(b) Yarn and Chemicals		8,128,461
		20,768,499

Notes Forming Part of the Consolidated Financial Statements for the year ended March 31, 2012

(Amount in ₹)

Particulars	Reference Note No.	For the year ended March 31, 2012
22. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE		
Closing Stock:		
Finished Goods (including in transit ₹15,978,243/-)		28,741,770
Less: Excise Duty		1,393,950
		27,347,820
Work-in-process		49,642,118
Stock in Trade (including in transit ₹1,696,927/-)		4,925,891
		81,915,829
Less: Opening Stock		
Finished Goods (including in transit ₹4,575,320/-)		8,596,784
Less: Excise Duty		371,703
		8,225,081
Work-in-process		29,982,646
Stock in Trade (including in transit ₹95,609/-)		3,529,569
		41,737,296
		(40,178,533)

23. EMPLOYEE BENEFIT EXPENSE	23.1	
Salaries and Wages		55,460,048
Contribution to Provident, Gratuity and other Funds		664,396
Staff Welfare Expenses		2,822,375
		58,946,819

23.1 Considering only few employees in the Subsidiary Company and that they have not put in qualifying period of service to be eligible for payment of gratuity, provision for the year end liability of gratuity has not been made. In absence of actuarial valuation for ascertaining the year end liability, the impact on the financial statements could not be ascertained. However, due to this there is not likely to be material impact on the financial statements. Steps are being taken to comply with requirements of Accounting Standard – 15 on Employee Benefits as notified under the Companies (Accounting Standards) Rules, 2006

24. FINANCE COST		
Interest Expenses	24.1	58,654,702
Other Borrowing cost		986,987
		59,641,689

24.1 The expense is net of ₹1,410,426/- which is capitalised (Also refer note 10.1)

Notes Forming Part of the Consolidated Financial Statements for the year ended March 31, 2012

		(Amount in ₹)
Particulars	Reference Note No.	For the year ended March 31, 2012
25. OTHER EXPENSES		
Consumption of Stores and Spares Part		4,117,088
Power and Fuel		26,757,901
Rent	25.1	3,314,735
Repairs		
Buildings		248,548
Machinery		7,575,935
Others		2,855,721
Insurance Charges		1,346,724
Rates and Taxes		356,294
Travelling and Conveyance		11,220,270
Directors Fees		120,000
Auditors Remuneration:		
Audit Fees		120,767
Tax Audit Fees		30,153
Other Services		140,151
Transport, Packing and Forwarding		72,231,163
Commission on Sales		14,122,066
Legal and Professional Fees		12,437,035
Subscription and Donation		8,124,403
Miscellaneous Expenses		24,034,628
		189,153,583

25.1 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 recognised in the Statement of Profit and Loss amounts to ₹993,061/-.

Notes Forming Part of the Consolidated Financial Statements as at March 31, 2012

NOTE: 26

26.1. Contingent liabilities not provided for in respect of:

(Amount in ₹)

	2011-12
a) Guarantees given by bank on behalf of the Company	39,291,648
b) Corporate Guarantees given by the Company	197,000,000
c) Excise duty demand under appeal before the Hon'ble Supreme Court of India	1,735,119
d) Income Tax matter under Appeal	1,519,592

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

26.2 Estimated amount of contracts remaining to be executed on account and not provided for:

(Amount in ₹)

	2011-12
a) On capital account	4,197,528
b) Others	–

26.3 Employee Benefits:

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

(Amount in ₹)

	2011-12
Employer's Contribution to Provident Fund	779,582
Employer's Contribution to Pension Fund	579,172
Employer's Contribution to Employees State Insurance Scheme	270,302

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

Disclosures for defined benefit plans based on actuarial reports as on March 31, 2012

(Amount in ₹)

	Gratuity (Funded) 2011-12
A. Change in Defined Benefit Obligations:	
Present Value of Defined Benefit Obligations as at the beginning of the year	13,531,481
Current Service Cost	579,456
Interest Cost	992,848
Benefits Paid	(2,241,770)
Actuarial (Gains)/ Losses	(1,217,077)
Present Value of Defined Benefit Obligations as at the end of the year	11,644,938
B. Change in the Fair Value of Assets:	
Fair value of Plan Assets at the beginning of the year	13,694,091
Expected Return on Plan Assets	1,064,013
Contributions by the Employer	1,453,910
Benefits paid	(2,241,770)
Actuarial Gains/ (Losses)	31,662
Fair value of Plan Assets at the end of the year	14,001,906

Notes Forming Part of the Consolidated Financial Statements as at March 31, 2012

Disclosures for defined benefit plans based on actuarial reports as on March 31, 2012

(Amount in ₹)

	Gratuity (Funded) 2011-12
C. Reconciliation of Present value of Defined Benefit Obligation and the Fair Value of Assets:	
Present Value of Defined Benefit Obligations as at the end of the year	11,644,938
Fair value of Plan Assets at the end of the year	14,001,906
Liability /(Assets) recognized in the Balance Sheet	(23,56,968)
D. Expenses recognized in the Profit & Loss Account	
Current Service Cost	579,456
Interest Cost	992,848
Expected Return on Plan Assets	(1,064,013)
Net Actuarial (Gain)/ Loss	(1,248,739)
Total Expenses recognized in the Profit & Loss Account*	(740,448)
E. Principal Actuarial Assumptions used	
Discounted Rate (per annum) Compound	8.50%
Expected Rate of return on Plan Assets	8.00%
Rate of Salary increase (per annum)	5.00%
F. Experience History	
Net Assets/(Liability) recognized in Balance Sheet (including experience adjustment impact)	
Present Value of Defined Benefit Obligations	11,644,938
Fair value of Plan Assets	14,001,906
Status [Surplus/(Deficit)]	2,356,968
Experience Adjustment of Plan Assets [Gain/(Loss)]	31,662
Experience Adjustment of Obligation [Gain/(Loss)]	325,752

Disclosures for defined benefit plans based on actuarial reports as on March 31, 2012

(Amount in ₹)

	Leave Encashment (Non Funded) 2011-12
A. Change in Defined Benefit Obligations:	
Present Value of Defined Benefit Obligations as at the beginning of the year	1,644,433
Current Service Cost	99,285
Interest Cost	125,247
Benefits Paid	(157,688)
Actuarial (Gains)/ Losses	(195,748)
Present Value of Defined Benefit Obligations as at the end of the year	1,515,529
B. Change in the Fair Value of Assets:	
Fair value of Plan Assets at the beginning of the year	-
Expected Return on Plan Assets	-
Contributions by the Employer	-
Benefits paid	-
Actuarial Gains/ (Losses)	-
Fair value of Plan Assets at the end of the year	-

Notes Forming Part of the Consolidated Financial Statements as at March 31, 2012

Disclosures for defined benefit plans based on actuarial reports as on March 31, 2012

(Amount in ₹)

	Leave Encashment (Non Funded) 2011-12
C. Reconciliation of Present value of Defined Benefit Obligation and the Fair Value of Assets:	
Present Value of Defined Benefit Obligations as at the end of the year	1,515,529
Fair value of Plan Assets at the end of the year	–
Liability /(Assets) recognized in the Balance Sheet	1,515,529
D. Expenses recognized in the Profit & Loss Account	
Current Service Cost	99,285
Interest Cost	125,247
Expected Return on Plan Assets	–
Net Actuarial (Gain)/ Loss	(195,748)
Total Expenses recognized in the Profit & Loss Account*	28,784
E. Principal Actuarial Assumptions used	
Discounted Rate (per annum) Compound	8.50%
Expected Rate of return on Plan Assets	–
Rate of Salary increase (per annum)	5.00%
F. Experience History	
Net Assets/(Liability) recognized in Balance Sheet (including experience adjustment impact)	
Present Value of Defined Benefit Obligations	1,515,529
Fair value of Plan Assets	–
Status [Surplus/(Deficit)]	(1,515,529)
Experience Adjustment of Plan Assets [Gain/(Loss)]	–
Experience Adjustment of Obligation [(Gain)/Loss]	(195,748)

*Included in "Salaries, Wages and Bonus" and "Contribution to Provident Fund, Gratuity and Other Funds" under "EMPLOYEE BENEFIT EXPENSES" on Note 23.

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 2012-13 is not ascertained.

26.4 Unhedged Foreign Currency exposures as on March 31, 2012 are as follows:-

Nature	Currency	Current year amount in Foreign currency
Import	USD	533,377.81
Advance to creditors	USD	498,565.92
Advance to creditors	GBP	20,333.93
PCFC Loan	USD	874,000.00
Buyers Credit & Interest	USD	950,607.49
Others	USD	850,774.38
Others	CDN	314,680.44
Export	USD	2,185,508.64
Export	CDN	3,322,039.26

Notes Forming Part of the Consolidated Financial Statements as at March 31, 2012

26.5 Earning Per Share (EPS) :

	Year Ended 31.03.2012
(a) Profit / (Loss) attributable to Shareholders (₹)	101,764,813
(b) Weighted average number of Equity Shares	67,500,000
(c) Nominal Value of Equity Share (₹)	1
(d) Basic and Diluted EPS (₹)	1.51

26.6 Segment information for the year ended March 31, 2012

(i) Information about primary business segments:

(Amount in ₹)

	Conveyor Belting	Wind Energy	Trading Goods	Unallocated Corporate	Total Amount
	2011-12	2011-12	2011-12	2011-12	2011-12
a. Segment Revenue					
Sale and Services to External customers	946,394,731	20,742,095	21,305,989	–	988,442,815
Other operating revenue	–	–	–	3,413,848	3,413,848
Gross Turnover	946,394,731	20,742,095	21,305,989	3,413,848	991,856,663
Less: Excise Duty / Service tax recovered	21,287,587	–	–	–	21,287,587
Net Turnover	925,107,144	20,742,095	21,305,989	3,413,848	970,569,076
b. Segment Results	155,243,224	15,106,000	2,867,531	–	173,216,755
Unallocated Corporate Expenses	–	–	–	(33,639,374)	(33,639,374)
	155,243,224	15,106,000	2,867,531	(33,639,374)	139,577,381
Interest Expenses	(311,452)	(3,401,378)	–	(55,928,859)	(59,641,689)
Interest Income	26,870	–	–	63,512,280	63,539,150
Profit/(Loss) before Tax and Exceptional Items	154,958,642	11,704,622	2,867,531	(26,055,953)	143,474,842
Exceptional Items	–	–	–	–	–
Profit / (Loss) Before Tax	154,958,642	11,704,622	2,867,531	(26,055,953)	143,474,842
Income Taxes	–	–	–	(41,710,029)	(41,710,029)
Profit After Tax	154,958,642	11,704,622	2,867,531	(67,765,982)	101,764,813
c. Segment Assets	714,797,248	109,973,071	11,475,659	–	836,245,978
Unallocated Corporate Assets	–	–	–	668,978,262	668,978,262
Total Assets	714,797,248	109,973,071	11,475,659	668,978,262	1,505,224,240
d. Segment liabilities	(284,920,797)	(46,876,407)	–	–	(331,797,204)
Unallocated Corporate Liabilities	–	–	–	(508,431,482)	(508,431,482)
Total Liabilities	(284,920,797)	(46,876,407)	–	(508,431,482)	(840,228,686)
e. Cost incurred during the period to acquire segment fixed assets	210,363,322	87,410,426	–	2,608,639	300,382,387
f. Depreciation / Amortisation	20,619,022	25,755,190	–	1,464,800	47,839,012
g. Non cash expenses other than Amortisation	–	–	–	–	–

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.

Notes Forming Part of the Consolidated Financial Statements as at March 31, 2012

(ii) Information about secondary Business Segments

(Amount in ₹)

Revenue by geographical market	2011-12
Sale of products	
Domestic	239,289,545
Export	749,153,270
Total	988,442,815
Assets	
Trade Receivable	
Within India	39,135,672
Outside India	308,843,343
Total	347,979,015

26.7 Related Party Disclosure as required by Accounting Standard 18 "Related Party Disclosure" as specified in the Companies (Accounting Standards) Rules, 2006 prescribed by the Central Government are as follows:-

A. Key Management Personnel:

Shri R. K. Dabriwala – Managing Director

B. Enterprises where key management personnel and their relatives have substantial interest and /or significant influence:

- 1) R.C.A. Limited
- 2) Faridabad Investment Co. Limited
- 3) I.G.E. (India) Limited
- 4) Pure Coke Limited
- 5) Elpro International Limited
- 6) Dabri Properties and Trading Co. Limited

Details of transaction made with Related Parties during the year

(Amount in ₹)

Nature of transaction	R.C.A. Limited	Pure Coke Limited	I.G.E. (India) Limited	Elpro International Ltd.	Faridabad Investment Co. Ltd.	Dabri Properties & Trading Co. Ltd.	Key Management
	2011-12	2011-12	2011-12	2011-12	2011-12	2011-12	2011-12
Director Remuneration	-	-	-	-	-	-	4,800,456
Interest on Loan							
Received	-	6,221,605	-	47,966,576	-	-	-
Paid	-	-	81,147	-	-	-	-
Interest Received on LC Funding	-	3,849,043	-	-	-	-	-
Inter Corporate Deposit :							
Loan Given	-	27,400,000	27,315,502	503,000,000	-	-	-
Repayment of Loan	-	49,411,153	28,554,123	460,300,000	-	-	-
Loan Taken	-	-	31,684,498	-	-	300,000	-
Loan Repaid	-	-	31,684,498	-	9,580,870	1,738,663	-
LC Funded							
LC Funded	-	52,924,708	-	-	-	-	-
Repayment of LC Funded	-	58,708,386	-	-	-	-	-
Advance for Capital Assets	-	-	-	300,000,000	-	-	-
Refund of Subscription of Right Issue	-	-	-	260,000,000	-	-	-
Purchase of Shares	15,750,000	-	34,650,000	-	-	-	-
Sale of shares	-	-	-	-	-	1,715,827	-
Outstanding							
Loan Given	-	36,088,291	-	156,677,694	-	-	-
Interest Receivable	-	-	727,526	97,011	-	-	-
Sale of Investment	-	-	-	-	-	1,715,827	-
Advance for Capital Assets	-	-	-	300,000,000	-	-	-
Guarantee given and outstanding	-	-	34,000,000	-	-	-	-

Notes Forming Part of the Consolidated Financial Statements as at March 31, 2012

26.8 Revenue from operations:

Sale of Products:

(Amount in ₹)

Particulars	Note No.	2011-12
PVC Fire Resistant Antistatic Solid Woven Coal Conveyor Belting		946,394,731
Trading Goods	26.8.1	21,305,989
Wind Energy	26.8.2	20,742,095
Total		988,442,815

26.8.1 Details of sale of Trading Goods

Fittings and Accessories	15,719,736
Equipments	12,250
Yarn and Chemicals	5,574,003
Total	21,305,989

26.8.2 Details of sale of Wind Energy

Total Numbers of units generated and sold.* (In Kwh units)	5,909,224
Sales (in ₹)	20,742,095

* Net of 24,708 Units (Previous Year 27,608 Units) being transmission loss.

26.9 Value and percentage of Imported and Indigenous Raw Materials, Stores and Loose Tools consumed

Particulars	2011-12	
	₹	%
(a) Raw Materials:		
Imported	331,810,840	56
Indigenous	256,878,948	44
Total	588,689,788	100
(b) Stores, Spares & Components:		
Imported	45,188	1
Indigenous	4,071,900	99
Total	4,117,088	100

26.10 C.I.F Value of Imports:

(Amount in ₹)

Particulars	2011-12
(a) Raw Materials	386,639,050
(b) Capital Goods	45,704
(c) Trading Goods	13,067,863
Total	399,752,617

Notes Forming Part of the Consolidated Financial Statements as at March 31, 2012

26.11 Expenditure in Foreign Currency:

(Amount in ₹)

Particulars	2011-12
Travelling Expenses	3,030,684
Postage & Telegram	46,538
Rent	899,561
Commission	13,943,276
Freight Expenses	57,417,981
Interest on PCFC & FCNRB DL Loan	65,085
Interest on LC- Buyers Credit	2,687,413
Testing Expenses	24,630
Other Expenses	5,901,840
Total	84,317,008

26.12 Earning in Foreign Currency:

Export of Beltings at F.O.B. Value	713,298,788
Total	713,298,788

26.13 The Consolidated Financial Statements have been prepared in accordance with the principles and procedures for the preparation and presentation of the Consolidated Financial Statements mandated by Rule 3 of the Companies (Accounting Standards) Rules 2006, the Provision of the Companies's Act, 1956 and guidelines issued by the Securities and Exchange Board of India.

26.14 In respect of unrealized profit resulting from inter group transaction that are included in the carrying amount of the fixed assets are eliminated in full.

26.15 The Consolidated Financial Statements for the year ended March 31, 2012 comprise of the financial statements of International Conveyors Limited and its subsidiary, International Belting Limited which has become subsidiary during the year. Accordingly there are no figures for previous year in respect of Consolidated Financial Statements.

26.16 Figures pertaining to the subsidiary company have been reclassified, wherever necessary to bring them in line with the Parent Company's Financial Statements.

Note 1 to 26.16 forms an integral part of the Consolidated Financial Statements.

For and on behalf of the Board

As per our report of even date

For LODHA & CO.

Chartered Accountants

H. K. Verma

Partner

R. K. Dabriwala

Managing Director

M. P. Jhunjunwala

Director

Alka Malpani

Company Secretary

Place : Kolkata

Date : May 30, 2012

Financial Information with respect to Subsidiary as on March 31, 2012

(Amount in ₹)

Particulars	International Belting Limited
Capital	7,500,000
Reserves	55,137,465
Total Assets	217,973,610
Total Liabilities	155,336,145
Investments	24,000
Turnover	20,468,059
Profit/(Loss) before taxation	(5,453,707)
Provision for taxation	–
Profit/(Loss) after Taxation	(5,453,707)
Proposed Dividend	–



International Conveyors Limited

Registered Office: 10, Middleton Row, Kolkata - 700071, West Bengal, India

ATTENDANCE SLIP

NAME & ADDRESS OF THE MEMBER

MEMBER'S FOLIO NUMBER/CLIENT ID NO.

NUMBER OF SHARES HELD

NAME OF PROXY (IN BLOCK LETTER)

(To be filled in if the Proxy attends the meeting instead of the Member)

MEMBER'S/PROXY'S SIGNATURE

I hereby record my presence at the 39th Annual General Meeting of the Company to be held at 10, Middleton Row, Kolkata – 700 071 on Wednesday, the 25th day of July, 2012 at 3:30 P. M.

To be signed at the time of handing over this slip.

As no extra copy of this attendance slip will be available, Members are requested to bring it with them positively.

This attendance slip filled in accordance with the specimen signature registered with the Company to be handed over before the meeting.

Tear here-----



International Conveyors Limited

Registered Office: 10, Middleton Row, Kolkata - 700071, West Bengal, India

PROXY FORM

Reg. Folio No./Client ID No.

No. of Shares held

I/We

of

being a member/members of the Company hereby appoint

as my/our proxy at the 39th Annual General Meeting of the Company to be held at 10, Middleton Row, Kolkata - 700 071 on Wednesday, the 25th day of July, 2012 at 3:30 P. M.

Signed this day of2012

(Signature of the shareholder).....

Affix
Revenue
Stamp of
₹1

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 holding the aforesaid Meeting.

Financial Highlights 2008-2012

(₹ in Lacs)

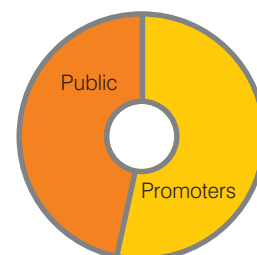
	2008	2009	2010	2011	2012
Turnover	6840.65	7184.00	9024.61	7995.24	10113.47
Operating Profit	950.88	906.46	2505.54	817.07	1916.21
Depreciation	659.21	534.21	448.43	389.66	471.66
Profit Before Tax	291.67	372.25	2057.11	427.41	1444.55
Tax	28.17	95.89	760.79	152.56	417.10
Profit After Tax	263.50	276.36	1296.32	274.85	1027.45
Dividend Payout	56.16	56.93	157.55	117.68	196.13
Retained Earnings	207.34	219.43	1138.77	157.17	831.32
Shareholders' Funds	1992.56	4532.49	5671.26	5828.43	6659.75
Borrowings	2827.19	2124.56	2647.27	3992.34	5234.51
Gross Fixed Assets	3688.76	3807.66	3976.66	4248.25	4725.12
Debt Equity Ratio	1:0.70	1:2.13	1:2.14	1:1.46	1:1.27
Earning Per Share (₹)	0.55	0.57	1.92	0.41	1.52
Dividend Per Share (₹)	0.10	0.10	0.20	0.15	0.25
Net Worth Per Share (₹)	4.15	6.71	8.40	8.63	9.87

Share Data (as on 31.03.2012)

No. of Shares Issued	: 67500000
Market Capitalisation (₹)	: 1248075000
No. of Shareholders	: 1834
Listing at	: Kolkata & Mumbai

Share Holding Pattern

Promoters	53.18%
Public	46.82%





International Conveyors Limited

10 Middleton Row, Kolkata 700071