

INTERNATIONAL CONSTRUCTIONS LIMITED

CIN: L45309KA1983PLC038816

BOARDS' REPORT

To

The Members

Your Directors have pleasure in presenting their Thirty Fourth Annual Report and Audited statement of accounts of the Company for the year ended 31st March 2017.

Financial Results:

(Rs. In lakhs)

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
Sales and Income from operations	72.78	23.56
Other Income	28.51	671.83
Gross Income	101.29	695.39
Expenses including Depreciation	195.41	221.75
Gross Profit/(Loss)	(94.12)	473.64
Less: Tax expense	4.46	110.76
Profit/(Loss)	(98.58)	362.88

During the year under review, the company has disinvested its stake in its one of the Subsidiaries namely ADD Technologies (India) Ltd.

Having submitted all the documents and paid the revocation fee as required and advised by NSE, the Company still looks for revocation by NSE for the suspension of trading of its shares happened in 2000. After due revocation, the Company plans for improving the trading platform.

Dividend:

Your Directors do not recommend any dividend for the year as the Company requires funds for its future diversification. Current year profit is not carried to reserves but adjusted in the P&L surplus and shown under the heading 'Reserves & Surplus'.

NUMBER OF BOARD MEETINGS HELD DURING THE YEAR UNDER REVIEW:

There were Nine (9) Board meetings held during the year under review as below:

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Sr. No	Date of Board Meeting
1.	20.04.2016
2.	27.05.2016
3.	06.08.2016
4.	11.08.2016
5.	06.09.2016
6.	21.09.2016
7.	11.11.2016
8.	13.02.2017
9.	13.03.2017

BOARD COMMITTEES:

As per Regulation 15 of SEBI (Listing and Obligations and Disclosures Requirements) Regulations, 2015, the provision of Regulation 18 relating to Audit Committee, Regulation 19 relating to Nomination & Remuneration Committee and Regulation 20 Relating to Stakeholders Relationship Committee are not applicable to our Company with effect from 1st December 2015.

POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS, KMP AND THEIR REMUNERATION & OTHER CRITERIA'S:

The Policy on Directors' appointment & remuneration including of KMP and the criteria for determining qualification, positive attributes, and independence of a Director is annexed to this Board Report. (Annexure-1)

DEPOSITS:

The Company has not accepted any deposits during the year under review within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY U/s 186 DURING THE YEAR UNDER REVIEW:

Provision of Section 186 of Companies Act 2013 except Sub Section (1) of the said Section are not applicable to the Company as it is an NBFC Company. However details of Loans/ Guarantee given and investment as on 31.03.2017 is as follows:

Loans given by the Company: Rs. 7.42 Crores/-

Guarantee given by the Company: Nil

Investments made by the Company: Rs. 16.25 Crores/-

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The details of the investments are given under Schedule 10 of Notes to Financial Statements in for the year ended 31/03/2017.

CHANGE IN THE NATURE OF BUSINESS, IF ANY:

There is no change in the nature of the business of the Company.

DETAILS ABOUT THE HOLDING COMPANY/SUBSIDIARY COMPANY/ASSOCIATE COMPANY:

Company does not have any Holding Company. Details of Subsidiary and Associate Companies are given as below:

Sl. No	Name of the company	CIN/GLN	Holding/ Subsidiary / Associate
1	ADD REALTY LIMITED	U70101KA2007PLC042211	SUBSIDIARY COMPANY
2	SANMATI POWER COMPANY PRIVATE LIMITED	U40101KA2001PTC028939	ASSOCIATE COMPANY
3	SPM ENGINEERS LIMITED	L29120WB1984PLC066611	ASSOCIATE COMPANY
4	SURAKSHA INSURANCE BROKERS PRIVATE LIMITED	U67190WB2003PTC095855	ASSOCIATE COMPANY
5	DELHI WASTE MANAGEMENT LIMITED	U74999DL2005PLC131954	ASSOCIATE COMPANY
6	MEENA INTEGRATED TEXTILE INFRA LTD.	U45203TZ2008PLC017356	SUBSIDIARY COMPANY
7	ADD INDUSTRIAL PARK (TAMIL NADU) LIMITED	U45209TZ2007PLC017365	SUBSIDIARY COMPANY
8	ADD ECO-ENVIRO LIMITED	U55101KA2004PLC034379	SUBSIDIARY COMPANY
9	ADD ELCINA ELECTRONICS PVT LTD	U31401KA2015PTC080857	SUBSIDIARY COMPANY

ADD TECHNOLOGIRE (INDIA) LIMITED ceased to be the subsidiary of our Company w.e.f 31.3.17.

The details for the Subsidiary and Associate Companies in Form AOC-I is forming part of the financial statement as Annexure-2.

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DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Mr. Anil Kumar Sethi is Managing Director of the Company, Mr. Amitava Basu, Mr. Subhash Kumar Jain and Mrs. Priti Devi Sethi continue to act as Directors of the Company.

Mr. S. Nakkiran is AGM & Company Secretary of the Company and Mr. Om Prakash Sharma is Chief Executive Officer in the Company.

Mr. Subhash Kumar Jain (DIN: 2838708), Director of the Company retires by rotation at the forthcoming AGM and offers himself for re-appointment.

AUDITORS AND AUDITOR'S REPORT:

The Board of Directors, with due recommendation of the Audit Committee, pursuant to Section 139 & 142 of the Companies Act, 2013, recommended the appointment of M/s Maheshwari & Associates, Chartered Accountants Bangalore (Firm Registration No. 311008E) as statutory auditors of the Company, in place of retiring auditors M/s Vijay Kumar Agarwal and Co., Chartered Accountants (Firm Registration No 320185E) to hold office from the close of 34th Annual General Meeting (AGM) till the conclusion of the 39th Annual General Meeting (AGM) subject to ratification by members every year..

Members may approve their appointment as above and as per item No.3 of the AGM notice.

The notes on accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further comments.

AUDITORS QUALIFICATION/REMARKS IN AUDITORS REPORTS (IF ANY):

There are no qualification/adverse remarks given by the auditors in their report given for the year ended 31/03/2017 relating to standalone Balance Sheet.

Regarding the remarks given by the auditors in their report given for the year ended 31/03/2017 relating to Consolidated Financial Statements, the Directors clarify as below:

- with regard to non-consolidation for the investment of the Company in M/s Splendor Relators Pvt Ltd & M/s Sunview Enclave Pvt Ltd (Associate Companies), note number 1A (i) to the consolidated financial statements is self-explanatory.
- with regard to inability to meet the obligations with respect to agreement to sell the land and refund the advances received, note number 6 to the consolidated financial statements is self-explanatory.
- with regard to pending approvals for project from local Authorities & Government agencies and transfer of capital work in progress to cost of land (Fixed Assets) during the financial year, note number 13 to the consolidated financial statements is self-explanatory.

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INTERNAL FINANCIAL CONTROL

Our Company has laid down internal financial controls and that such internal financial controls were adequate and was operating effectively during the year under review.

SECRETARIAL AUDITORS:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. NAVNEET JHUNJHUNWALA & ASSOCIATES, Company Secretaries, Kolkata to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed to this Board Report. Annexure 3

ADVERSE REMARK BY THE COMPANY SECRETARY IN PRACTICE IN HIS SECRETARIAL AUDIT REPORT (IF ANY):

Regarding the remarks given by the Company Secretary in Practice in his report relating to non-maintenance of minimum 25% public shareholding in spite of SEBI directions, the Directors clarify that the company has not complied with minimum public shareholding requirement as required under Regulation 38 of SEBI (LODR) Regulations, 2015 as the trading of shares of the company was suspended long back and the company's request for revocation of the said suspension is under consideration by NSE. The Company has paid the revocation fee in January 2017 as advised by NSE.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO

(A) PARTICULARS OF ENERGY CONSERVATION

i	The steps taken or impact on conservation of energy;	Energy conservation dictates how efficiently a company can conduct its operations. Considering the nature of the business of the Company, there are no particulars to be disclosed relating to the Conservation of Energy as required u/s 134(3)(m) of the Companies Act 2013 read with relevant Rule 8(3) of the Companies (Accounts) Rules, 2014, during the year under review
ii	The steps taken by the company for utilizing alternate sources of energy;	Considering the nature of the business of the Company, no step is required to be taken by the Company for utilizing alternate sources of energy.
iii	The capital investment on energy conservation equipments;	During year under review, the Company had not made any investment on the energy conservation equipments as the same were not warranted.

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(B) PARTICULARS OF TECHNOLOGY ABSORPTION, RESEARCH AND DEVELOPMENT

- i. The efforts made towards technology absorption;- Nil
- ii. The benefits derived like product improvement, cost reduction, product - Nil development or import substitution;- Nil
- iii. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-

(a)	the details of technology imported	:	NIL
(b)	the year of import;	:	NIL
(c)	whether the technology been fully absorbed	:	NIL
(d)	if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	:	NIL

(C) PARTICULARS OF FOREIGN EXCHANGE EARNINGS & OUTGO

Foreign Exchange Earnings- Nil

Foreign Exchange Outgo - Nil

MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENT RELATE AND THE DATE OF THE REPORT:

There are no material changes and commitments affecting the financial position of the Company which has occurred between the end of the financial year to which this financial statement relate and on the date of this report.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNALS IMPACTING GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

There are no significant and material orders passed by regulators or courts or tribunals impacting going concern status and company's operations in future.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:

Since there are no unpaid/unclaimed Dividends declared and paid yester years, the provisions of Section 125 of the Companies Act, 2013 does not apply for the Company during the year under review.

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DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to provisions of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, your Directors hereunder state that for the year under review;

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis;
- (e) the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DETAILS IN RESPECT OF FRAUD REPORTED BY THE AUDITOR U/s 143(12) OF COMPANIES ACT, 2013:

There are no frauds reported by the Auditor U/s. 143(12) of Companies Act, 2013 during the year under review.

STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS U/s. 149(6) OF COMPANIES ACT, 2013:

As per the provisions of Companies Act, 2013 and the Rules, the Company has received the declarations by all the Independent Directors namely Mr. Amitava Basu, and Mr. Subhash Kumar Jain.

EXTRACT OF ANNUAL RETURN:

The extract of Annual Return made upto 31/03/2017 pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is furnished in **Annexure 5** which is attached to this Boards' Report.

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DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:

The Company has not developed and implemented any Corporate Social Responsibility (CSR) initiatives as the provisions for the said CSR are not applicable to it for the year under review.

STATEMENT INDICATING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY:

The Company has adequate Risk Management Policy during the year under review.

STATEMENT INDICATING THE MANNER IN WHICH FORMAL ANNUAL EVALUATION HAS BEEN MADE BY THE BOARD OF THE PERFORMANCE OF THE COMPANY AND THAT OF ITS COMMITTEES AND THE DIRECTORS:

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees.

PARTICULARS OF CONTRACTS/ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN 188(1) IN FORM AOC.2 OF COMPANIES (ACCOUNTS) RULES, 2014:

There are no Contracts/Arrangements with related parties referred to in Section 188(1) of Companies Act, 2013 and hence furnishing details in form AOC II does not arise.

CONSOLIDATED FINANCIAL STATEMENTS:

In accordance with the Accounting Standards AS-21 on Consolidated Financial Statements read with Accounting Standard AS-23 on Accounting for investments in Subsidiaries & Associates, your Directors provide the Audited consolidated financial statements for the financial year ended 31st March, 2017 forming part of the Annual Report and Accounts.

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VIGIL MECHANISM:

As per the Regulation 15 of SEBI (Listing and Obligations and Disclosures Requirements) Regulations, 2015, the provision of Regulation 22 relating to Vigil Mechanism is not applicable to our Company with effect from 1st December 2015.

CORPORATE GOVERNANCE:

As per Regulation 15 of SEBI (Listing and Obligations and Disclosures Requirements) Regulations, 2015, the Company is not required to comply with requirement of reporting on the Corporate Governance. However, Company emphasizes on the broad principles of Corporate Governance. Company's pursuit towards achieving good governance is an ongoing process.

ACKNOWLEDGEMENT:

Your Directors would like to place on record their appreciation of support, co-operation and assistance received from the company's clients, Reserve Bank of India, Bankers, shareholders and suppliers.

By Order of the Board
For International Constructions Limited



Anil Kumar Sethi
Chairman & Managing Director
(DIN NO: 00035800)

Place: Bangalore
Date: 12.05.2017