



# International Combustion (India) Limited

Regd. Off.: Infinity Benchmark, 11th Fl., Plot No. G-1,  
Block-EP & GP, Sector-V, Salt Lake, Kolkata - 700 091, India

## FORM A

### Format of Covering Letter of the Annual Audit Report to be filed with the Stock Exchange

1.	Name of the Company	International Combustion (India) Limited
2.	Annual Financial Statements for the Year ended	31 <sup>st</sup> March, 2015
3.	Type of Audit Observation	Un-qualified
4.	Frequency of Observation	Not Applicable

Date : 18.08.2015

For International Combustion (India) Limited

**Asish Kumar Neogi**  
Senior General Manager (Finance) &  
Chief Financial Officer

For International Combustion (India) Limited

  
**Indrajit Sen**  
Managing Director

For International Combustion (India) Limited

**Ravi Ranjan Prasad**  
Chairman, Audit Committee

For Lodha & Co., Chartered Accountants  
Statutory Auditors  
Firm's ICAI Registration No. : 301051E

**H. K. Verma**  
Partner  
Membership No. : 55104



**International Combustion (India) Limited**

**ANNUAL REPORT  
2014-15**

## CORPORATE INFORMATION

### Board of Directors

Sanjay Bagaria *Chairman*  
 Indrajit Sen *Managing Director*  
 Ratan Lal Gaggar  
 Ravi Ranjan Prasad  
 Bharati Ray – Joined the Board on 7th April, 2015

### Board Committees

#### Audit Committee

Ravi Ranjan Prasad *Chairman*  
 Ratan Lal Gaggar  
 Indrajit Sen

#### Share Transfer & Stakeholders' Relationship Committee

Sanjay Bagaria *Chairman*  
 Indrajit Sen  
 Bharati Ray

#### Nomination & Remuneration Committee

Ratan Lal Gaggar *Chairman*  
 Ravi Ranjan Prasad  
 Sanjay Bagaria

#### Corporate Social Responsibility (CSR) Committee

Sanjay Bagaria *Chairman*  
 Bharati Ray  
 Ratan Lal Gaggar

#### Risk Management Committee

Sanjay Bagaria *Chairman*  
 Indrajit Sen  
 Suhas Chandra Saha

#### Company Secretary

Suhas Chandra Saha

#### Chief Financial Officer

Asish Kumar Neogi

#### Auditors

Lodha & Co., Chartered Accountants

#### Bankers

UCO Bank  
 Axis Bank  
 IDBI Bank  
 ICICI Bank  
 Kotak Mahindra Bank  
 DCB Bank

#### Registrars & Share Transfer Agents

C. B. Management Services Pvt. Ltd.  
 P-22, Bondel Road  
 Kolkata – 700 019  
 Phone : (033) 40116700/15/17/24/42  
 Fax : (033) 4011-6739  
 E-mail : [rta@cbmsl.com](mailto:rta@cbmsl.com)  
 Website : [www.cbmsl.com](http://www.cbmsl.com)

#### Registered Office

Infinity Benchmark,  
 11th Floor, Plot No. G-1,  
 Block EP & GP, Sector – V,  
 Salt Lake Electronics Complex  
 Kolkata – 700 091  
 Telephone : (033) 33153000  
 Fax : (033) 2357-6653  
 Email : [info@internationalcombustion.in](mailto:info@internationalcombustion.in)  
 Website : [www.internationalcombustion.in](http://www.internationalcombustion.in)

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**DIRECTORS' REPORT**

To the Members,

Your Directors take pleasure in presenting the Seventy-ninth Annual Report together with the Audited Annual Financial Statements of the Company for the Financial Year ended 31st March, 2015.

**FINANCIAL HIGHLIGHTS**

	(₹ in lacs)	
	2014-15	2013-14
Profit before depreciation, interest & tax	599.01	556.35
Less: Interest	86.23	75.71
Depreciation	450.50	414.24
Profit before Tax	62.28	66.40
Less: Provision for Income Tax –		
Current Tax	16.50	2.70
Deferred Tax (reversal)/charge	(52.04)	(16.11)
Profit after Tax	97.82	79.81
Profit brought forward from last year	147.17	144.30
Profit available for appropriations	244.99	224.11
Appropriations :		
General Reserve	5.00	35.00
Proposed Dividend	35.85	35.85
Tax on Proposed Dividend	7.50	6.09
Balance carried over to Balance Sheet	196.64	147.17
	244.99	224.11

**DIVIDEND**

Your Directors recommend a dividend of 15% (i.e. ₹ 1.50 per equity share) on 23,90,276 equity shares of ₹ 10/- each for the financial year ended 31st March, 2015. The dividend, if approved at the forthcoming Annual General Meeting, will absorb ₹ 35.85 lac excluding tax on dividend of ₹ 7.50 lac.

**OPERATIONS AND STATE OF THE COMPANY'S AFFAIRS**

During the year under review, the market remained sluggish and the industrial slowdown continued. The revenue from the operations for the year under review was ₹ 87.27 crore as against ₹ 96.61 crore for the previous year.

The profit before tax for the year was ₹ 62 lakhs as against ₹ 66 lakhs for the previous year. Despite the drop in revenue of around ₹ 10 crore, the company was able to minimise the adverse impact on the profit for the year under review, through diligent control on the cost of material and operating expenses and with better quality of orders.

**FUTURE OUTLOOK**

There has not been any significant change in the demand for capital goods in the steel, mining and sugar industry, where your Company is active. This pattern is expected to continue for some more time and your Company, therefore, considers it necessary to expand the market base by introducing new products together with active marketing strategy for other products introduced in the last couple of years.

Keeping the above in view, the Company has entered into a new collaboration agreement with

## **DIRECTORS' REPORT (Contd.)**

AVITEQ Vibrationstechnik GmbH, Germany for manufacture of wide range of unbalance motors, which finds application not only in material handling segment but are also used extensively in various other segments such as construction, foundry, etc.

The Company has also entered into a new collaboration with FLEXIMAT GmbH, Austria, for manufacture of special design of Flip Flop Screens which are used for difficult to screen material such as wet coal and other wet minerals and are extensively used in power plants and chemical industry.

The above products shall be launched in the market in the latter part of this current year and the Company expects significant contribution from these products in the current and future financial years.

### **JOINT VENTURE COMPANY**

The commercial operations of Mozer Process Technology Pvt. Ltd. (MPTPL), the Company's Joint Venture Company with Allgaier Werke GmbH, Germany, with respect to its principal business activity, namely, marketing, commissioning and servicing of Mozer Type Dryers, are yet to commence. However, MPTPL expects to book its first revenue from its principal business activity during the first quarter of the Financial Year 2015-16. MPTPL, however, earned a revenue of ₹ 7.57 lac during the Financial Year ended 31st March, 2015 from miscellaneous trading activities and commission services rendered as compared to no revenue from operations during the previous Financial Year ended 31st March, 2014. Besides, MPTPL earned interest and other income of ₹ 3.20 lac during the Financial Year ended 31st March, 2015 as compared to ₹ 2.88 lac during the previous Financial Year ended 31st March, 2014.

MPTPL suffered a nominal loss of ₹ 1.89 lac during the Financial Year ended 31st March, 2015 as compared to a loss of ₹ 29.09 lac for its first Financial Year ended 31st March, 2014.

The Company has no subsidiaries.

A Statement in Form AOC-I relating to the Associate/Joint Venture Company as required pursuant to Section 129 (3) of the Companies Act, 2013, read with Rule 5 of Companies (Accounts) Rules, 2014, is attached to the Financial Statements.

### **BUILDING MATERIAL DIVISION**

A new Business Division of the Company, viz. the Building Material Division as a Strategic Business Unit for manufacture of high quality Dry Mix Mortar/ Dry Mix Products and related building materials, is being set up at Ajmer, Rajasthan. The initial investment for setting up the plant at Ajmer is estimated at around ₹ 20 crores which shall be financed primarily from a term loan facility of ₹ 15 crores and the balance amount of investment shall be financed from internal accruals.

The Company has already acquired the land for the project. Construction of the plant is in progress and the commercial production of the said unit is expected to commence in the last quarter of the current Financial Year 2015-16.

### **CAPITAL EXPENDITURE**

The total capital expenditure incurred for the year under review was ₹ 581.93 lac (including ₹ 496.90 lac incurred for the Building Material Division at Ajmer).

### **EXTRACT OF ANNUAL RETURN**

An extract of the Annual Return as on the Financial Year ended on 31.03.2015 as required under Section 134(3) of the Companies Act, 2013, read with Section 92(3) of the said Act and Rule 12(1) of the Companies (Management and Administration) Rules, 2014 are set out in Annexure-I, forming part of this Report.

### **ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO**

As required under Section 134(3)(m) of the Companies Act, 2013, read with the Rule 8(3) of Companies



## DIRECTORS' REPORT *(Contd.)*

(Accounts) Rules, 2014, particulars regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo are set out in Annexure-II, forming part of this Report.

### RELATED PARTY TRANSACTIONS

Your Board has framed a Related Party Transactions Policy which is available on the Company's website. During the year, the Company had not entered into any contract/ arrangement/ transaction with any related party which could be considered material in accordance with the Related Party Transactions Policy of the Company.

Details of related party transactions (which are not considered material) entered into on an arm's length basis during the Financial Year ended 31st March, 2015 are set out in Annexure-III, forming part of this Report, pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Section 188 of the said Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

### DETAILS RELATING TO REMUNERATION OF DIRECTORS & EMPLOYEES

A statement as required under Section 197(12) of the Companies Act, 2013, read with Rule 5 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, relating to details of remuneration of directors and employees, are set out in Annexure-IV, forming part of this Report.

### NUMBER OF BOARD MEETINGS

8 (Eight) Board meetings of the Company were held during the Financial Year ended 31st March, 2015. For further details, please refer to the Report on Corporate Governance forming part of this Annual Report.

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) of the Companies Act, 2013 read with Section 134(5) of the said Act, the Directors, to the best of their knowledge and belief, confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed by the Company, along with proper explanation relating to material departures, if any;
- b) appropriate accounting policies have been selected and applied consistently and such judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2015 and of the profit of the Company for the year ended on that date;
- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Annual Accounts have been prepared on a going concern basis ;
- e) the Board had laid down internal financial controls to be followed by the Company and that such internal financial controls were adequate and were operating effectively; and
- f) proper systems to ensure compliance with the provisions of all applicable laws have been devised and such systems were adequate and operating effectively.

### DIRECTORS

Mr. Ravi Ranjan Prasad (DIN 00030458) was appointed as an Independent Director on the Board on 25th July, 2014 and the same was confirmed by the shareholders at their 78th Annual General Meeting held on 12th September, 2014.

Mr. Sukhendu Ray, Independent Director (DIN 00009110), resigned from the Board of Directors of the Company with effect from 2nd April, 2015. The Board acknowledges and places on record the invaluable contributions rendered by Mr. Ray during his tenure as a Director of the Company.

Mrs. (Prof.) Bharati Ray (DIN 06965340) was appointed as an Independent Woman Director on the Board



## **DIRECTORS' REPORT (Contd.)**

on 7th April, 2015 subject to the approval of the shareholders at their forthcoming 79th Annual General Meeting.

Mr. Prasad, Mrs. (Prof.) Ray & Mr. Ratan Lal Gaggar (DIN 00322904) another Independent Director, are not liable to retire by rotation in terms of the provisions of Section 149(13) of the Companies Act, 2013.

Mr. Sanjoy Saha (DIN 00226685) retired from his position of Executive Director (Whole-time Director) with effect from 1st May, 2015 and thus ceased to be a Director on the Company's Board. The Board acknowledges and places on record the invaluable contributions rendered by Mr. Saha both as an employee and as a Whole-time Director of the Company during his long association with the Company.

The Board of Directors of the Company, at its meeting held on 7th April, 2015, re-appointed Mr. Indrajit Sen (DIN 00216190) as the Managing Director of the Company for a further period of three years with effect from 1st May, 2015 subject to the approval of the shareholders at their forthcoming 79th Annual General Meeting.

Mr. Sanjay Bagaria, Chairman, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

The Company has received, at the first meeting of the Board of Directors held during the Current Financial Year 2015-16, the declarations pursuant to Section 149(7) of the Companies Act, 2013 from Mr. Ratan Lal Gaggar, Mr. Ravi Ranjan Prasad & Mrs. (Prof.) Bharati Ray, Independent Directors of the Company, to the effect that they meet the criteria of independence as specified in Section 149(6) of the said Act.

The Nomination & Remuneration Committee of the Board has devised and the Board has duly adopted a Board Diversity Policy dealing with Board composition and appointments, which is available on the Company's website. The Nomination & Remuneration Committee nominates new appointees to the Board and the appointments are made by the Board.

The Nomination & Remuneration Committee of the Board has also formulated the criteria for determining the qualifications, positive attributes and independence of Independent Directors to be appointed on the Board of the Company.

## **REMUNERATION POLICY**

The Nomination & Remuneration Committee of the Board has devised and the Board has duly adopted a Remuneration Policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees of the Company.

The Remuneration Policy of the Company ensures that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the employees in order to run the Company successfully. The Policy sets out the guiding principles for determining the remuneration payable to the Directors, Key Managerial Personnel and other employees of the Company.

The remuneration payable to the Executive Directors is recommended by the Nomination & Remuneration Committee based on the guiding principles as set out in the Remuneration Policy and subject to the approval of the Board and the shareholders.

As regards the Non-Executive Directors, the Board, from time to time, determines the sitting fee payable for attending each meeting of the Board or Committee thereof within the overall limits fixed under the Companies Act, 2013 and rules made thereunder. The Non-Executive Chairman is paid a Commission @ 1% of the net profits of the Company with the approval of the Board and shareholders.

The employees of the Company are assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the Company. Individual remuneration is determined within the appropriate grade and is based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.



## DIRECTORS' REPORT *(Contd.)*

### BOARD EVALUATION

The Nomination & Remuneration Committee of the Board has formulated the criteria for evaluating the performance of the Board and the individual Directors and the same has been adopted by the Board. The Independent Directors, in their separate meeting, evaluate the non-independent Directors and the Board as a whole once a year. The Independent Directors are evaluated individually once a year by the entire Board sans the Independent Director being evaluated. The various Committees of the Board are evaluated by the Board once a year. The first such evaluation of the Board as a whole, its various Committees and of the individual Directors has been completed.

### OTHER KEY MANAGERIAL PERSONNEL

Mr. Suhas Chandra Saha, hitherto acting as the Company Secretary & Chief Financial Officer of the Company, ceased to be Chief Financial Officer with effect from 1st February, 2015 but continues to be the Company Secretary. Mr. Asish Kumar Neogi was appointed as the Chief Financial Officer of the Company with effect from 1st February, 2015.

### AUDITORS' REPORT

There are no reservations, qualifications or adverse remarks in the Auditors' Report on the Annual Financial Statements for the Financial Year ended 31st March, 2015.

### AUDITORS

In accordance with Section 139 of the Companies Act, 2013, M/s. Lodha & Co., Chartered Accountants, were appointed as the Statutory Auditors of the Company at the 78th Annual General Meeting (AGM) of the shareholders of the Company held on 12th September, 2014, for a period of three years with effect from the conclusion of the said 78th AGM till the conclusion of the 81st AGM subject to ratification at the 79th & 80th AGMs. They having expressed their willingness to continue in office and having further confirmed that their appointment, if ratified, shall be within the limits specified in Section 141(3)(g) of the Companies Act, 2013, the Board recommends to the shareholders, the ratification of the appointment of M/s. Lodha & Company as the Statutory Auditors of the Company at the ensuing Seventy-Ninth Annual General Meeting of the shareholders of the Company.

### COST AUDIT

M/s. S. Datta & Co., Cost Accountants in Practice, who conducted the audit of the cost accounting records relating to all the products manufactured by the Company across all its plants for the Financial Year 2013-14 pursuant to Order No. F.No. 52/26/CAB-2010 dated 24th January, 2012, issued by the Cost Audit Branch, Ministry of Corporate Affairs, Government of India under Section 233B of the Companies Act, 1956, filed the Cost Audit Report with the Ministry of Corporate Affairs, Government of India on 30th September, 2014. The due date for filing the said report was 30th September, 2014.

In terms of the Companies Act, 2013 and the rules made thereunder, audit of the cost accounting records relating to the products manufactured by the Company is not applicable for the Financial Year 2014-15.

### AUDIT COMMITTEE

The Audit Committee of the Board, as on date, consists of Mr. Ravi Ranjan Prasad, Chairman of the Committee & Independent Director, Mr. Ratan Lal Gaggar, Independent Director and Mr. Indrajit Sen, Managing Director. For further details, please refer to the Report on Corporate Governance forming part of this Annual Report.

### SECRETARIAL AUDIT REPORT

The Secretarial Audit Report for the Financial Year ended 31st March, 2015 issued by Mr. Arup Kumar Roy, Company Secretary in Practice, Secretarial Auditor of the Company, is annexed to this Report and marked as Annexure VI as required under Section 204 of the Companies Act, 2013.

There are no reservations, qualifications or adverse remarks in the said Secretarial Audit Report.



## **DIRECTORS' REPORT (Contd.)**

### **LOANS, GUARANTEES OR INVESTMENTS U/S 186**

The Company has not granted any loans to other bodies corporate nor has the Company given any guarantees or provided any security for loans by other bodies corporate under Section 186 of the Companies Act, 2013.

The Company invests its surplus fund in Fixed Deposits with banks or in Fixed Maturity Plans with Mutual Fund Houses, which are fixed income bearing debt funds. The Company has invested ₹ 50 lac in the equity shares of its Joint Venture Company, Mozer Process Technology Pvt. Ltd.

### **RISK MANAGEMENT**

The Company has a Risk Management Plan in place approved by the Board of Directors. The Risk Management Committee is responsible for the implementation of the plan and reporting thereon to the Board.

### **INTERNAL FINANCIAL CONTROLS**

In the opinion of the Board, the internal financial controls with reference to the Financial Statements established by the Board are adequate. During the year, such controls were tested and no material weakness in the design, operation or implementation thereof was observed.

### **CORPORATE GOVERNANCE**

In compliance with Clause 49 of the Equity Listing Agreement with Stock Exchanges relating to Corporate Governance, the following Reports/Certificates are attached which form part of this Annual Report :

- i) Management Discussions and Analysis Report.
- ii) Report on Corporate Governance.
- iii) Certification by CEO/CFO.
- iv) Declaration from the Managing Director on compliance of Code of Conduct by the Directors and Senior Management Personnel.
- v) Auditors' Certificate regarding compliance of conditions of Corporate Governance.

### **CORPORATE SOCIAL RESPONSIBILITY**

In accordance with Section 135 of the Companies Act, 2013, a Corporate Social Responsibility (CSR) Committee of the Board of Directors of the Company has been constituted which, as on date, consists of Mr. Sanjay Bagaria, Chairman of the Committee, Mrs. (Prof.) Bharati Ray, Independent Director & Mr. Ratan Lal Gaggar, Independent Director. The CSR Committee has developed a CSR Policy which has been duly approved by the Board and is available on the website of the Company. The CSR Committee is responsible for implementing the CSR Policy of the Company and reporting thereon to the Board.

An Annual Report on CSR Activities including the Responsibility Statement of the CSR Committee for the Financial Year ended 31st March, 2015 as required under Section 135 of the Companies Act, 2013, read with Rule 8 of the Companies (Corporate Social Responsibility) Rules, 2014 are set out in Annexure-V, forming part of this Report.

### **VIGIL MECHANISM**

Pursuant to Section 177 of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and revised Clause 49 of the Equity Listing Agreement with Stock Exchanges, the Board of Directors of the Company have established a Vigil Mechanism (Whistle Blower Policy) of the Company for the purpose of enabling the Directors and Employees to report unethical behaviour, actual or suspected fraud and violation of the Company's Code of Conduct or ethics policy, and the same has been posted on the website of the Company. The Audit Committee of the Board is responsible for overseeing/monitoring the functioning and implementation of the Vigil Mechanism which is available on the Company's website.



## DIRECTORS' REPORT *(Contd.)*

### HUMAN RESOURCE MANAGEMENT

The human resource development programmes in various areas are undertaken on an ongoing basis.

### INDUSTRIAL RELATIONS

Industrial relations for the year under review at all units remained cordial.

### FIXED DEPOSITS

The Company did not have any outstanding fixed deposits as on 31st March, 2015 or as on 31st March, 2014. The Company did not accept any fixed deposits during the year.

### CREDIT RATINGS

In March, 2014, credit rating agency ICRA Limited had reaffirmed the [ICRA]A (pronounced as ICRA A) long-term scale rating (signifying an adequate degree of safety regarding timely servicing of financial obligations and carrying low credit risk) assigned to the ₹ 12.25 crore fund based and ₹ 21.00 crore non-fund based working capital credit facilities enjoyed by the Company from its bankers. The outlook on the long-term scale rating had been revised from Stable to Negative. ICRA had also reaffirmed the [ICRA]A1 (pronounced as ICRA A one) short-term scale rating (signifying a very strong degree of safety regarding timely payment of financial obligations and carrying lowest credit risk) assigned to the ₹ 10.00 crore fund based sub-limits and ₹ 5.00 crore non-fund based sub limits within the overall working capital credit facilities enjoyed by the Company from its bankers. However, the credit ratings are due for a review in June, 2015.

### QUALITY CERTIFICATIONS

The Quality Management Systems of the Company with respect to all its plants - at Baidyabati, Nagpur & Aurangabad - and also its Corporate Office at Kolkata, have been certified by the Indian Register Quality Systems (Accreditation by RvA, the Netherlands) to conform to the requirements of the Standard ISO 9001:2008.

### GENERAL

No significant or material orders have been passed by the regulators or courts or tribunals impacting the going concern status of the Company or the Company's operations in future.

An Internal Complaints Committee as required under the recently enacted The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, has been formed.

### ACKNOWLEDGEMENT

Your Directors take this opportunity to thank all government authorities, banks, customers, suppliers and shareholders, for the continuous support extended by them to the Company. Your Directors place on record their appreciation for the dedication and commitments of the employees at all levels in achieving and sustaining excellence in all areas of the operation of the Company.

For & on behalf of the Board

Kolkata  
8th May, 2015

**Sanjay Bagaria**  
Chairman

## ANNEXURE TO DIRECTORS' REPORT - I

## Form No. MGT-9

**EXTRACT OF ANNUAL RETURN  
as on the Financial Year ended on 31.03.2015 of  
INTERNATIONAL COMBUSTION (INDIA) LIMITED**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies  
(Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

i)	CIN	L36912WB1936PLC008588
ii)	Registration Date	22nd April, 1936
iii)	Name of the Company	International Combustion (India) Limited
iv)	Category / Sub-Category of the Company	Public Company / Limited by Shares
v)	Address of the Registered office and contact details	Infinity Benchmark, 11th Floor, Plot No. G-1 Block EP & GP, Sector V, Salt Lake Electronics Complex Kolkata - 700 091; Phone No. (033) 33153000 Fax (033) 23576653; e-mail : info@internationalcombustion.in website : www.internationalcombustion.in
vi)	Whether listed company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. CB Management Services Private Limited P-22, Bondel Road, Kolkata - 700 019 Phone Nos. : (033) 4011-6700/ 6715/6717/6724/ 6742 Fax No. : (033) 4011-6739; e-mail : rta@cbmsl.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company are stated below:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Manufacture of Heavy Engineering Equipment	282	64.70%
2.	Manufacture of Geared Motors & Gear Boxes	271	35.30 %

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sl. No.	Name & Address of the Company	CIN / GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Mozer Process Technology Pvt. Ltd. Infinity Benchmark 11th Floor, Plot No. G-1 Block EP & GP Sector V, Salt Lake Electronics Complex Kolkata-700 091	U29253WB2013PTC193621	Associate	50.00	2(6)

Annexure - I (contd.)

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
*i) Category-wise Share Holding*

	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A.</b>	<b>Promoters</b>									
1.	Indian									
	a) Individual/ HUF	139600	—	139600	5.84	139600	—	139600	5.84	NIL
	b) Central Govt	—	—	—	—	—	—	—	—	—
	c) State Govt(s)	—	—	—	—	—	—	—	—	—
	d) Bodies Corp.	1125531	—	1125531	47.09	1125531	—	1125531	47.09	NIL
	e) Banks / FI	—	—	—	—	—	—	—	—	—
	f) Any Other (Trust)	1800	—	1800	0.07	1800	—	1800	0.07	NIL
	<b>Sub-total (A)(1):-</b>	<b>1266931</b>	<b>—</b>	<b>1266931</b>	<b>53.00</b>	<b>1266931</b>	<b>—</b>	<b>1266931</b>	<b>53.00</b>	<b>NIL</b>
2.	Foreign									
	a) NRIs - Individuals	—	—	—	—	—	—	—	—	—
	b) Other - Individuals	—	—	—	—	—	—	—	—	—
	c) Bodies Corp.	—	—	—	—	—	—	—	—	—
	d) Banks / FI	—	—	—	—	—	—	—	—	—
	e) Any Other....	—	—	—	—	—	—	—	—	—
	<b>Sub-total (A)(2):-</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
	<b>Total share-holding of Promoter (A)=(A)(1)+(A)(2)</b>	<b>1266931</b>	<b>—</b>	<b>1266931</b>	<b>53.00</b>	<b>1266931</b>	<b>—</b>	<b>1266931</b>	<b>53.00</b>	<b>NIL</b>
<b>B.</b>	<b>Public Shareholding</b>									
1.	Institutions									
	a) Mutual Funds	—	—	—	—	—	—	—	—	—
	b) Banks / FI	1	250	251	0.01	1	250	251	0.01	NIL
	c) Central Govt	—	—	—	—	—	—	—	—	—
	d) State Govt(s)	—	—	—	—	—	—	—	—	—
	e) Venture Cap. Funds	—	—	—	—	—	—	—	—	—
	f) Ins. Cos.	—	—	—	—	—	—	—	—	—
	g) FIs	—	—	—	—	—	—	—	—	—
	h) Foreign Ven. Capital Funds	—	—	—	—	—	—	—	—	—
	i) Others	—	—	—	—	—	—	—	—	—
	<b>Sub-total (B)(1)</b>	<b>1</b>	<b>250</b>	<b>251</b>	<b>0.01</b>	<b>1</b>	<b>250</b>	<b>251</b>	<b>0.01</b>	<b>NIL</b>
2.	Non-Institutions									
	a) Bodies Corp.									
	i) Indian	30180	302	30482	1.28	32387	302	32689	1.37	+0.09
	ii) Overseas	—	1900	1900	0.08	—	1900	1900	0.08	NIL
	b) Individuals									
	i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	845582	113962	959544	40.14	875443	108236	983679	41.15	+1.01

*Annexure - I (contd.)*

	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
	ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	82933	—	82933	3.47	69898	—	69898	2.92	-0.55
	c) Others -									
	NRIs	43495	—	43495	1.82	27353	—	27353	1.14	-0.68
	Clearing Members	4740	—	4740	0.20	7575	—	7575	0.33	+0.13
	<b>Sub-total (B)(2)</b>	<b>1006930</b>	<b>116164</b>	<b>1123094</b>	<b>46.99</b>	<b>1012656</b>	<b>110438</b>	<b>1123094</b>	<b>46.99</b>	<b>NIL</b>
	<b>Total Public Shareholding (B)=(B)(1) +(B)(2)</b>	<b>1006931</b>	<b>116414</b>	<b>1123345</b>	<b>47.00</b>	<b>1012657</b>	<b>110688</b>	<b>1123345</b>	<b>47.00</b>	<b>NIL</b>
<b>C.</b>	<b>Shares held by Custodian for GDRs &amp; ADRs</b>	—	—	—	—	—	—	—	—	—
	<b>Grand Total (A+B+C)</b>	<b>2273862</b>	<b>116414</b>	<b>2390276</b>	<b>100.00</b>	<b>2279588</b>	<b>110688</b>	<b>2390276</b>	<b>100.00</b>	<b>NIL</b>

## (ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total Shares of the company	% of Shares Pledged/ Encumbered to total shares	No. of shares	% of total Shares of the Company	% of Shares Pledged/ Encumbered to total shares	
1.	Tradelink Securities Limited	343703	14.38	NIL	343703	14.38	NIL	NIL
2.	Stephen Court Limited	279088	11.68	NIL	279088	11.68	NIL	NIL
3.	Wool Worth Merchandise Private Limited	170609	7.14	NIL	170609	7.14	NIL	NIL
4.	Primestar Exim Private Limited	92100	3.85	NIL	92100	3.85	NIL	NIL
5.	Mahadeo Jute & Industries Limited	90696	3.79	NIL	90696	3.79	NIL	NIL
6.	Amulyanidhi India Limited	82099	3.43	NIL	82099	3.43	NIL	NIL
7.	Amravati Eximp Limited	62336	2.61	NIL	62336	2.61	NIL	NIL
8.	Sanjay Bagaria	43900	1.84	NIL	43900	1.84	NIL	NIL
9.	Purnima Bagaria	39600	1.66	NIL	39600	1.66	NIL	NIL
10.	Shiva Prasad Bagaria	27300	1.14	NIL	27300	1.14	NIL	NIL
11.	Sanjay Bagaria (HUF)	20600	0.86	NIL	20600	0.86	NIL	NIL
12.	Shiva Prasad Bagaria (HUF)	8200	0.34	NIL	8200	0.34	NIL	NIL
13.	Lakshmi Farms Private Limited	4900	0.20	NIL	4900	0.20	NIL	NIL
14.	Satyam Bagaria Benefit Trust	1800	0.08	NIL	1800	0.08	NIL	NIL
	<b>Total</b>	<b>1266931</b>	<b>53.00</b>	<b>NIL</b>	<b>1266931</b>	<b>53.00</b>	<b>NIL</b>	<b>NIL</b>

(iii) *Change in Promoters' Shareholding : There was no change in the promoters' shareholding during the year under review.*

(iv) *Shareholding Pattern of top ten Shareholders (other than Directors & Promoters)*

Sl. No.	Name	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (01/04/2014 to 31/03/2015)	
		No. of shares at the beginning (01/04/2014)/ end of the year (31/03/2015)	% of total shares of the Company				No. of shares	% of total shares of the Company
1.	Bhupesh Kumar Lodha	22500	0.94	1/4/14				
				20/6/14	2500	Transfer	25000	1.05
		25000	1.05	31/3/15			25000	1.05
2.	Sunil Kumar Gupta	22000	0.92	1/4/14				
				30/5/14	-500	Transfer	21500	0.90
				13/6/14	-500	Transfer	21000	0.88
				30/6/14	-1000	Transfer	20000	0.84
				21/11/14	-1000	Transfer	19000	0.79
				28/11/14	-1000	Transfer	18000	0.75
		18000	0.75	31/3/15			18000	0.75
3.	Neelam Bansal	15998	0.67	1/4/14		No movement during the year	15998	0.67
		15998	0.67	31/3/15				
4.	Navanit Lal Rastogi	11535	0.48	1/4/14				
				21/11/14	-2170	Transfer	9365	0.39
		9365	0.39	31/3/15			9365	0.39
5.	Manu Mansharamani	11242	0.47	1/4/14				
				6/6/14	-11242	Transfer	0	0.00
6.	Anil Bhavanji Shah	10900	0.46	1/4/14		No movement during the year	10900	0.46
		10900	0.46	31/3/15				
7.	S. N. Rajan	8304	0.35	1/4/14				
				25/4/14	-545	Transfer	7759	0.32
				23/5/14	-3000	Transfer	4759	0.20
				13/6/14	-1000	Transfer	3759	0.16
				4/7/14	-1000	Transfer	2759	0.12
				22/8/14	802	Transfer	3561	0.15
				7/11/14	-1300	Transfer	2261	0.09
				21/11/14	-500	Transfer	1761	0.07
		28/11/14	-1761	Transfer	0	0.00		
8.	Rakesh Kumar Jain	7778	0.33	1/4/14				
				25/4/14	-2778	Transfer	5000	0.21
		5000	0.21	31/3/15			5000	0.21
9.	Asha Bhagwandas	7400	0.31	1/4/14				
				28/11/14	-7200	Transfer	200	0.01
		200	0.01	31/3/15			200	0.01
10.	Roopa Vibhav Kapoor	6442	0.27	1/4/14		No movement during the year	6442	0.27
		6442	0.27	31/3/15				

Annexure - I (contd.)



Sl. No.	Name	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (01/04/2014 to 31/03/2015)	
		No. of shares at the beginning (01/04/2014)/ end of the year (31/03/2015)	% of total shares of the Company				No. of shares	% of total shares of the Company
11.	Patel Ashokbhai Dinubhai	5437	0.23	1/4/14				
				30/6/14	67	Transfer	5504	0.23
				11/7/14	488	Transfer	5992	0.25
				25/7/14	600	Transfer	6592	0.28
				1/8/14	500	Transfer	7092	0.30
				8/8/14	290	Transfer	7382	0.31
				15/8/14	210	Transfer	7592	0.32
		7592	0.32	31/3/15			7592	0.32
12.	Patel Kailasben Ashokbhai	3600	0.15	1/4/14				
				20/6/14	300	Transfer	3900	0.16
				30/6/14	200	Transfer	4100	0.17
				11/7/14	200	Transfer	4300	0.18
				18/7/14	200	Transfer	4500	0.19
				25/7/14	901	Transfer	5401	0.23
				1/8/14	1500	Transfer	6901	0.29
				15/8/14	165	Transfer	7066	0.30
		7066	0.30	31/3/15			7066	0.30
13.	Kanchan Sunil Singhania	0	0.00	1/4/14				
				6/2/15	1860	Transfer	1860	0.08
				20/2/15	315	Transfer	2175	0.09
				20/3/15	4702	Transfer	6877	0.29
		6877	0.29	31/3/15			6877	0.29
14.	Niranjana Jitendra Shah	6000	0.25	1/4/14		No movement during the year		
		6000	0.25	31/3/15			6000	0.25
15.	Jitendra Lalbhai Shah	6000	0.25	1/4/14		No movement during the year		
		6000	0.25	31/3/15			6000	0.25
16.	Haresh Mehta	6000	0.25	1/4/14		No movement during the year		
		6000	0.25	31/3/15			6000	0.25

(v) *Shareholding of Directors and Key Managerial Personnel:*

Sl. No.	Name of Director / Key Managerial Personnel	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (01/04/2014 to 31/03/2015)	
		No. of shares at the beginning (01/04/2014)/ end of the year (31/03/2015)	% of total shares of the Company				No. of shares	% of total shares of the Company
1.	Sanjay Bagaria, Chairman (Director)	43900	1.84	1/4/14		No movement during the year		
		43900	1.84	31/3/15			43900	1.84
2.	Suhas Chandra Saha, Company Secretary (Key Managerial Personnel)	50	0.002	1/4/14		No movement during the year		
		50	0.002	31/3/15			50	0.002

**Note :** No other Director or Key Managerial Personnel had any shareholding in the Company either at the beginning or at the end of the year.

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

₹ in Lakhs

		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>					
i)	Principal Amount	265.84	—	—	<b>265.84</b>
ii)	Interest due but not paid	—	—	—	—
iii)	Interest accrued but not due	—	—	—	—
<b>Total (i+ii+iii)</b>		<b>265.84</b>	—	—	<b>265.84</b>
<b>Change in Indebtedness during the financial year</b>					
• Addition		1040.92	—	—	<b>1040.92</b>
• Reduction		(7.35)	—	—	<b>(7.35)</b>
<b>Net Change</b>		<b>1033.57</b>	—	—	<b>1033.57</b>
<b>Indebtedness at the end of the financial year</b>					
i)	Principal Amount	1299.41	—	—	<b>1299.41</b>
ii)	Interest due but not paid	—	—	—	—
iii)	Interest accrued but not due	2.66	—	—	<b>2.66</b>
<b>Total (i+ii+iii)</b>		<b>1302.07</b>	—	—	<b>1302.07</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

₹ in Lac

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Mr. Indrajit Sen	Mr. Sanjoy Saha	
1.	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	145.86	72.93	218.79
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	—	—	—
	(c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	—	—	—
2.	Stock Option	—	—	—
3.	Sweat Equity	—	—	—
4.	Commission			
	- as % of profit	—	—	—
	- others, specify...	—	—	—
5.	Others	—	—	—
	<b>Total (A)</b>	<b>145.86</b>	<b>72.93</b>	<b>218.79</b>

**Ceiling as per the Act :** The appointments of Mr. Indrajit Sen, Managing Director & Mr. Sanjoy Saha, Executive Director (Whole-time Director), were made for identical periods of three years with effect from 1st May, 2012, under Notification No. G. S. R. 534(E) dated 14th July, 2011 read with General Circular No. 46/2011 dated 14th July, 2011, issued by the Ministry of Corporate Affairs, Government of India, under the Companies Act, 1956 and further clarified vide General Circular No. 7/2015 dated 10th April, 2015, dispensing with the ceiling limit on remuneration, as Mr. Sen & Mr. Saha are both professional managerial persons having no interest in the capital of the Company and not related to the promoters or other Directors of the Company in any way and possess graduate level qualifications with expert and specialized knowledge in the fields of their profession.

**B. Remuneration to other directors:**

₹ in Lac

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		Mr. Sukhendu Ray	Mr. Ratan Lal Gaggar	Mr. Ravi Ranjan Prasad	Mr. Sanjay Bagaria	
1.	<b>Independent Directors</b>					
	• Fee for attending Board/ Committee meetings	1.45	0.85	0.35	—	2.65
	• Commission	—	—	—	—	—
	• Others, please specify	—	—	—	—	—
	<b>Total (1)</b>	<b>1.45</b>	<b>0.85</b>	<b>0.35</b>	<b>—</b>	<b>2.65</b>
2.	<b>Other Non-Executive Directors</b>					
	• Fee for attending Board/ Committee meetings	—	—	—	1.05	1.05
	• Commission	—	—	—	2.88	2.88
	• Others, please specify	—	—	—	—	—
	<b>Total (2)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>3.93</b>	<b>3.93</b>
	<b>Total (B)=(1+2)</b>	<b>1.45</b>	<b>0.85</b>	<b>0.35</b>	<b>3.93</b>	<b>6.58</b>
	<b>Total Managerial Remuneration [Total (A) + Total (B)]</b>					<b>225.37</b>

Annexure - I (contd.)

**Overall Ceiling as per the Act :**

- (a) For remuneration paid to Executive Directors, the matter relating to ceiling has been clarified under Para VI.A above.
- (b) Commission has been paid to Mr. Sanjay Bagaria, Non-Executive Chairman, @ 1% of the net profits of the Company, which has been specified as the ceiling under the Companies Act, 2013.
- (c) Sitting Fees @ Rs. 5,000/- per Director per meeting has been paid to the non-executive Directors which is well within the ceiling limit specified in the Companies Act, 2013.

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

₹ in Lac

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Mr. S. C. Saha, Company Secretary	Mr. A K Neogi, CFO	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	31.95*	28.68	<b>60.63</b>
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	—	—	—
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	—	—	—
2.	Stock Option	—	—	—
3.	Sweat Equity	—	—	—
4.	Commission			
	– as % of profit	—	—	—
	– others, specify...	—	—	—
5.	Others	—	—	—
	<b>Total</b>	<b>31.95*</b>	<b>28.68</b>	<b>60.63</b>

\* Excludes settlement of retirement benefits.

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding Fees Imposed	Authority (RD/ NCLT/ Court)	Appeal made, if any (give details)
<b>A. COMPANY</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			NIL		
Punishment					
Compounding					

For &amp; on behalf of the Board

 Kolkata  
8th May, 2015

**Sanjay Bagaria**  
Chairman

## ANNEXURE TO DIRECTORS' REPORT - II

**PARTICULARS RELATING TO CONSERVATION OF ENERGY, TECHNOLOGY  
ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO**

[Pursuant to clause (m) of sub-section (3) of Section 134 of the Companies Act, 2013  
and Rule 8(3) of the Companies (Accounts) Rules, 2014]

**(A) Conservation of energy -**

- (i) (a) The steps taken for conservation of energy - Teams have been formed at all the manufacturing units and at the Corporate Office at Kolkata with an objective to identify the areas of conservation of energy. Following steps have been taken at each unit in this regard :-
- 1) Gradual replacement of conventional lighting and fittings by current generation LED & CFL light fittings,
  - 2) Installation of capacitors to improve factor, and
  - 3) Optimising the process of manufacture by automation in phased manner.
- (b) Impact of the steps taken on conservation of energy -
- 1) Stability in energy conservation, and
  - 2) Reduction in energy cost in coming years.
- (ii) The steps taken by the Company for utilising alternate sources of energy - The Company is considering commissioning of solar energy system at Company's Dry Mortar Plant at Ajmer.
- (iii) The capital investment on energy conservation equipments - An investment of ₹ 15 lac has been planned for acquiring energy conservation equipments at the Company's plants at Baidyabati, Nagpur, Aurangabad & Ajmer.

**(B) Technology absorption -****I. Research & Development (R & D)**

- i) Specific Areas:  
Several steps have been taken to improve the efficiency of the existing range of products through perpetual value engineering.
- ii) Benefits derived:  
Successful development and upgradation of the products, customer satisfaction by achieving desired efficiency of the products.
- iii) Future plan of action:  
The Company will continue their programme of upgradation and also add new technology of screening and feeding equipments.

**II. Technology Absorption, Adaptation and Innovation**

- i) Efforts made:  
The Company continue its effort to absorb the latest technology available by selecting the right technology partner as a part of its total quality management programme.
- ii) Benefits derived:  
Improvement in efficiency of the existing products and introduction of new range of product.
- iii) Imported Technology:

Technology imported	Year of Import	Has Technology been fully absorbed?	If not absorbed, areas where this has not taken place, reasons thereof & future plans of action
Single & Double MOZER Type Drum Dryer	2012	Yes	N.A.
Flip Flow Single and Double Deck Screen	2015	No	Under process of absorption

**(C) Foreign exchange earnings and Outgo -**

During the year foreign exchange earnings was ₹ 845.43 lac (Previous Year - ₹ 1237.86 lac) against outgo of ₹ 334.18 lac (Previous Year - ₹ 527.34 lac).

For & on behalf of the Board

Kolkata  
8th May, 2015

**Sanjay Bagaria**  
Chairman

**ANNEXURE TO DIRECTORS' REPORT - III**
**Form No. AOC-2**

[Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto**

1. Details of contracts or arrangements or transactions not at arm's length basis : NIL.
2. Details of material contracts or arrangement or transactions at arm's length basis:

Sl. No.	Name (s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
1.	Mozer Process Technology Private Limited [Joint Venture Company having common Directors]	Letting of office space on leave and licence basis	11 months with option of renewal	License Fee of ` 3,000/- per month aggregating to ` 36,000/- during the Financial Year ended 31st March, 2015.	17th July, 2013.	NIL
2.	Mozer Process Technology Private Limited [Joint Venture Company having common Directors]	Sale of goods	Single transaction	Gross Sale Price of ` 62,044/-	2nd May, 2014	NIL

For & on behalf of the Board

Kolkata  
8th May, 2015

**Sanjay Bagaria**  
Chairman

**ANNEXURE TO DIRECTORS' REPORT - IV**
**PARTICULARS OF DIRECTORS' & EMPLOYEES' REMUNERATION**

1. Details pertaining to remuneration as required under Section 197(12) of the Companies act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2014-15, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2014-15 are as under :-

Sl. No.	Name of the Director/ KMP and Designation	Remuneration of the Director/KMP for FY 2014-15 (₹ in Lac)	% increase in Remuneration in the FY 2014-15 over FY 2013-14	Ratio of Remuneration of each Director to Median Remuneration of Employees for FY 2014-15
1.	Mr. Sanjay Bagaria (Non-Executive Chairman)	3.93	13.45	1.79
2.	Mr. Sukhendu Ray (Non-Executive Director) #	1.45	26.09	0.66
3.	Mr. Ratan Lal Gaggar (Non-Executive Director)	0.85	30.77	0.39
4.	Mr. Ravi Ranjan Prasad (Non-Executive Director)	0.35	N. A.^	0.16
5.	Mrs. (Prof.) Bharati Ray (Non-Executive Director)@	N. A.	N. A.	N. A.
6.	Mr. Indrajit Sen (Managing Director)	145.86	9.97	66.60
7.	Mr. Sanjoy Saha (Non-Executive Director)*	72.93	10.01	33.30

Annexure - IV (contd.)



Sl. No.	Name of the Director/ KMP and Designation	Remuneration of the Director/KMP for FY 2014-15 (₹ in Lac)	% increase in Remuneration in the FY 2014-15 over FY 2013-14	Ratio of Remuneration of each Director to Median Remuneration of Employees for FY 2014-15
8.	Mr. Suhas Chandra Saha (Company Secretary)\$	31.95**	1.09	N. A.
9.	Mr. Asish Kumar Neogi (Chief Financial Officer)>	28.68	4.42	N. A.

# Retired with effect from 2nd April, 2015

^ Details not given as Mr. Ravi Ranjan Prasad was not Director in the financial year 2013-14.

@ Appointed as Independent Woman Director on 7th April, 2015.

\* Retired with effect from 1st May, 2015.

\$ Acted as both Company Secretary and CFO till 31st January, 2015 and ceased to be CFO with effect from 1st February, 2015.

\*\* Excludes settlement of retirement benefits

> Sr.General Manager (Finance) designate was appointed as CFO with effect from 1st February, 2015.

#### Notes :

- The median remuneration of the employees of the Company for the financial year ended 31st March 2015 was Rs.2.19 lac.
- During the financial year the median remuneration of employees increased by 5.53%.
- The number of permanent employees on the rolls of the Company as on 31st March 2015 was **466**.
- Relationship between average increase in remuneration and company performance : The Profit Before Tax for the financial year ended 31st March, 2015 decreased marginally by 6% while the Profit After Tax has gone up by 22.5% from PAT of the previous financial year. As against this decrease in PBT/increase in PAT, the median remuneration of employees has increased by 5.53%.
- Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company :

Profit before Tax (PBT) for the year 2014-15 has marginally decreased by about 6% to ₹62.28 lac from ₹66.40 lac in the year 2013-14. The total remuneration of the Key Managerial Personnel increased by 8.3% from ₹258.02 lac in the year 2013-14 to ₹279.42 lac in the year 2014-15 as against increase in Profit After Tax (PAT) which has gone up during the year 2014-15 by 22.5% from ₹79.8 lac of 2013-14 to ₹97.8 lac in the year 2014-15.

- (a) Variation in the market capitalization of the Company :

Sl. No.	Particulars	As at 31.03.2015	As at 31.03.2014	Increase (₹ in crore)
1.	Closing Market Price per Equity Share on BSE (₹)	210.00	166.65	—
2.	Market Capitalisation (₹ in Cr.)	50.20	39.83	10.37

- (b) Variation in price earnings ratio :

As on 31st March, 2014 : **49.90**

As on 31st March, 2015 : **51.34**

- (c) Percentage increase in the market quotations of the shares in comparison of the rate at which the Company came out with the Last Public offer :

Last Public offer was in 1974 – Issued at face value ₹ 10/-

Market price (Face Value ₹ 10/-) as on 31st March 2015 (BSE) – ₹ 210/-

% increase – 2000%

- (vii) Average percentage increase made in the salaries of the employees other than the managerial personnel in the last financial year i.e. 2014-15 was 10.45% whereas increase of the Managerial Remuneration for the same financial year was 8.3%.
- (viii) Comparison of the remuneration of each of the Key Managerial Personnel (KMP) against the performance of the Company :

The increase in remuneration of each KMP in the financial year ended 31st March 2015 over that in the previous financial year ended 31st March, 2014 has been given in the table under Para 1(i) above.

- (ix) The key parameters for any variable component of remuneration availed by the Directors –  
Not applicable as there is no variable component of remuneration availed by the Directors.
- (x) The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year.:  
Not Applicable.
- (xi) It is hereby affirmed that the remuneration paid during the financial year ended 31st March 2015 is in accordance with the Remuneration Policy of the Company.

## 2. PARTICULARS OF EMPLOYEES DRAWING REMUNERATION DURING THE FY 2014-15 ABOVE THE PRESCRIBED LIMIT :

### Employed throughout the FY 2014-15

Sl. No.	Name	Designation	Age (Years)	Remuneration Received (₹)	Qualifications	Experience (Years)	Date of Commencement of Employment	Last Employment
1.	Mr. Indrajit Sen	Managing Director	75	1,45,85,955/-	B.E. (Mech)	53	14.12.1971	Hooghly Docking & Engg. Co.Ltd.
2.	Mr. Sanjoy Saha	Executive Director (Whole-time Director)	70	72,93,470/-	B.E. (Met.)	48	15.02.1967	First Employment

Notes : a) Gross remuneration comprises of salaries, perquisites, leave travel assistance, reimbursement of medical expenses and Company's contribution to Provident & Superannuation Funds. In addition to the above remuneration, the Managing Director and the Executive Director (Whole-time Director) are entitled to gratuity in accordance with the Company's Rules.

b) The appointments of the Managing Director and the Executive Director (Whole-time Director) are contractual. Neither the Managing Director nor the Executive Director (Whole-time Director) hold any equity shares in the Company and none of them are related to any Director of the Company.

For & on behalf of the Board

Kolkata  
8th May, 2015

**Sanjay Bagaria**  
Chairman

## ANNEXURE TO DIRECTORS' REPORT - V

### ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

[Pursuant to Section 135 of the Companies Act, 2013, read with Rule 8 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. A brief outline of the Company's CSR policy including overview of the projects or programs proposed to be undertaken - It is the Company's policy -
  - a) To direct its CSR Programmes, inter alia, towards achieving one or more of the following -
    - i) eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation ;
    - ii) promoting education, including special education and employment enhancing vocational skills, especially among children, women, elderly, and the differently abled and livelihood enhancement projects ;
    - iii) protection of national heritage, art and culture ;
    - iv) contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government/ State Governments for socio-economic development ;
    - v) ensuring environmental sustainability, ecological balance, protection of flora and fauna, conservation of natural resources and maintaining quality of soil, air and water ;
    - vi) creating livelihoods for people, especially those from disadvantaged sections of society, in rural and urban India ;
  - b) To develop the required capability and self-reliance of beneficiaries at the grass roots, in the belief that these are prerequisites for social and economic development ;
  - c) To pursue CSR Programmes primarily in areas that fall within the economic vicinity of the Company's operations to enable close supervision and ensure maximum development impact ;

Annexure - V (contd.)

- d) To carry out CSR Programmes in relevant local areas to fulfill commitments arising from requests by government/regulatory authorities ;
- e) To provide equal opportunities to beneficiaries of the Company's CSR Programmes such as vendors or employees on merit ;
- f) To promote sustainability in partnership with industry associations, like the Bengal Chamber of Commerce & Industry, Indian Chamber of Commerce, Confederation of Indian Industry (CII), Indo-German Chamber of Commerce, etc. of which the Company is a member through various activities and programmes.

The full CSR Policy of the Company is available at the Company's official website and the web-link thereto is as below :-

[http://www.internationalcombustion.in/admin/uploadpdf/CSR\\_Policy.pdf](http://www.internationalcombustion.in/admin/uploadpdf/CSR_Policy.pdf).

2. The Composition of the CSR Committee - The CSR Committee was constituted on 2nd May, 2014 and it consisted of Mr. Sanjay Bagaria, Chairman of the Committee, Mr. Sukhendu Ray, Independent Director and Mr. Ratan Lal Gagar, Independent Director. Mr. Sukhendu Ray ceased to be a member of the Committee with effect from 2nd April, 2015 due to his resignation from the Board of Directors of the Company. Mrs. (Prof.) Bharati Ray, Independent Director, was inducted as a member of the Committee with effect from 7th April, 2015. Currently, the Committee consists of Mr. Sanjay Bagaria, Chairman of the Committee, Mrs. (Prof.) Bharati Ray, Independent Director & Mr. Ratan Lal Gagar, Independent Director.
3. Average net profits of the company for last three financial years - ₹ 722.74 lac.
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) - ₹ 14.45 lac.
5. Details of CSR spent during the financial year -
- (a) Total amount to be spent for the Financial Year 2014-15 - ₹ 14.45 lac.
- (b) Amount unspent, if any - ₹ 11.45 lac.
- (c) Manner in which the amount spent during the financial year is detailed below.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	CSR project or activity identified	Sector in which the Project is Covered	Projects or programs (1) Local area or other (2) Specify the State or district where the Project or program was undertaken	Amount outlay (budget) Project or program wise (₹ in Lac)	Amount spent on the Project or programs Sub-heads : (1) Direct expenditure on the projects or programs (2) Overheads (₹ in Lac)	Cumulative expenditure upto the reporting period (₹ in Lac)	Amount spent: Direct or through implementing Agency
1.	Setting up of a new educational classical dance academy for under-privileged students.	Promoting education, including special education and employment enhancing vocational skills among children [Clauses (ii) & (vii) of Schedule VII to the Companies Act, 2013].	1) Local Area, 2) State of West Bengal, Kolkata District.	2.00	2.00 (Direct expenditure on the project)	2.00	Through the implementing agency, M/s. South Gurukul Society, 25-B, Southend Park, Kolkata -700029.
2.	Secondary education and vocational training project for women.	Promoting education and employment enhancing vocational skills among women [Clauses (ii) & (vii) of Schedule VII to the Companies Act, 2013].	1) Local Area, 2) State of West Bengal, Kolkata District.	1.00	1.00 (Direct expenditure on the project)	1.00	Through the implementing agency, M/s. Saroj Nalini Dutt Memorial Association, 23/1, Ballygunge Station Road, Kolkata - 700019.
			<b>TOTAL</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>	

6. Out of an aggregate amount of ₹ 14.45 lac required to be spent during the Financial Year ended 31st March, 2015 towards CSR Activities in terms of Section 135 of the Companies Act, 2013, the Company could spend only ₹ 3.00 lac. The CSR Committee is in the process of identifying and selecting suitable projects for incurring such CSR expenditure from amongst various alternatives. The unspent amount of ₹ 11.45 lac has been carried forward to be spent in the coming financial years towards which your Company is committed.

Annexure - V (contd.)



## 7. RESPONSIBILITY STATEMENT

The Responsibility Statement of the Corporate Social Responsibility (CSR) Committee of the Board of Directors of the Company is reproduced below :-

'The implementation and monitoring of the Corporate Social Responsibility (CSR) Policy is in compliance with the CSR objectives and Policy of the Company.'

For **International Combustion  
(India) Limited**

**Indrajit Sen**  
Managing Director

Kolkata  
8th May, 2015

For and on behalf of the  
**Corporate Social  
Responsibility Committee**

**Sanjay Bagaria**  
Chairman, CSR Committee

## ANNEXURE TO DIRECTORS' REPORT - VI

### Form No. MR-3

#### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,  
The Members,  
International Combustion (India) Limited  
Infinity Benchmark, 11th Floor, Plot No. G-1, Block EP& GP, Sector - V,  
Salt Lake Electronics Complex,  
Kolkata - 700 091

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by International Combustion (India) Limited [hereinafter called the "Company"]. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2015 [hereinafter called the "Audit Period"], complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings **(Not applicable to the Company during the Audit Period)** ;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not applicable to the Company during the Audit Period)** ;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 **(Not applicable to the Company during the Audit Period)** ;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during the Audit Period)** ;

Annexure - VI (contd.)

- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable to the Company during the Audit Period)**.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India **(Not notified and hence not applicable to the Company during the Audit Period)**;
- (ii) The Listing Agreements entered into by the Company with The Bombay Stock Exchange Limited (BSE) and The Calcutta Stock Exchange Limited (CSE).

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that adequate systems and processes are in place in the Company to monitor and ensure compliance with the general laws including labour laws, industrial laws, competition law, environmental laws, foreign trade laws, foreign exchange laws and other State legislations, local and municipal laws as are applicable to the Company and its various establishments.

Based on the Statutory Auditors' Report on the Annual Financial Statements for the Financial Year ended 31st March, 2015, I report that the Company is largely compliant with the financial and tax laws relating to income tax, wealth tax, excise duty, customs duty, service tax, Research & Development Cess, Central Sales Tax, Value-added tax, local sales tax, entry tax, Octroi Duty, Profession & Employment Taxes and other State, local and municipal taxes, duties and cesses as are applicable to the Company and its various establishments.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board & Committee meetings are generally carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be. However, in case of dissent or abstention, majority decision is carried through while the dissenting/ abstaining members' views are captured and recorded as part of the minutes. Directors interested in a particular business/ matter do not participate in the discussions or voting on the matter in accordance with the Act.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the Audit Period, the Company has -

- i) obtained the consent of its shareholders, vide a Special Resolution passed at their 78th Annual General Meeting held on 12th September, 2014, for the creation/ ratification of all charges on the various movable & immovable properties of the Company, both present and future, in favour of present and future lenders for securing the loan and credit facilities availed / to be availed by the Company,
- ii) obtained the consent of its shareholders, vide a Special Resolution passed through Postal Ballot on 31st December, 2014, for making alterations in the Objects Clause of the Memorandum of Association of the Company in order to enable the Company to diversify its business by setting up a new Building Material Division at Ajmer, Rajasthan, for manufacture of Dry Mix Products,
- iii) entered into a Foreign Technical Collaboration Agreement dated 20th January, 2015 with M/s. Aviteq Vibrationstechnik GmbH, Hattersheim, Germany, for supply of technical knowhow, designs, drawings and trade name to the Company for manufacture in India by the Company, on exclusive basis, of Unbalance Motors and for marketing of such products in Asia-Oceania, and
- iv) entered into a Foreign Technical Collaboration Agreement dated 24th February, 2015 with M/s. FLEXIMAT Ges.m.b.H., Austria, for supply of technical knowhow, designs, drawings and trade name to the Company for manufacture in India by the Company, on exclusive basis, of Flip Flow Screens and for marketing of such products in Asia-Oceania.

Place : Kolkata  
Date : 8th May, 2015

Arup Kumar Roy  
Company Secretary in Practice  
ACS No. 6784 ; C P No. 9597

**This report is to be read with my letter of even date which is annexed and marked as 'Annexure A' and forms an integral part of this Report.**



To,  
The Members,  
International Combustion (India) Limited  
Infinity Benchmark, 11th Floor, Plot No. G-1, Block EP & GP, Sector - V,  
Salt Lake Electronics Complex,  
Kolkata - 700 091

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Date: 8th May, 2015  
Place: Kolkata

ARUP KUMAR ROY  
Practising Company Secretary  
Membership No. A6784  
Certificate of Practice No. 9597



## MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion & Analysis Report for the Financial Year ended 31st March, 2015 as required under Clause 49 of the Equity Listing Agreement with Stock Exchanges, is presented below :-

### 1. Industry Structure & Developments

During the year under review, the market remained sluggish and the industrial slowdown continued. Despite the drop in revenue of over ₹ 10 crore during the year under review as compared to the previous year, the Company was able to minimise the adverse impact on the profit for the year under review, through diligent control on the cost of material and operating expenses and with better quality of orders.

Further, because of the continued slowdown in the global market, the export business including supply of parts to the collaborators also declined during the year.

### 2. Opportunities

Your Company has always been recognized as a technology leader in their area of operations and this has helped the Company to continually expand the business, both in India and abroad. This trend is expected to continue.

New business areas in Crushing, Dryers & Coolers and Dry Mix Products are also expected to make significant contributions towards the future growth.

### 3. Threats

Over the last few years, the gradual increase in raw material costs, in general, continues to be an issue of concern. While the Company has a system of reviewing the price of its products periodically to take corrective measures against the rise in input costs, low cost manufacturers from other Asian countries continue to be a threat to the Indian industries. To meet this challenge, the Company has adopted a policy of upgrading the technology through both in-house development and foreign technology collaboration agreements. New production techniques are also being developed to maintain high quality of its products at competitive prices.

### 4. Risk & Concerns

The Company has identified, inter-alia, the following Risks & Concerns as significant and has also devised a Risk Management Plan for managing as well as mitigating those risks, as detailed below:-

#### (a) Competition

Increased number of global players have started operating in India with low cost products. This has intensified the competition in the large domestic market. Necessary steps have been initiated to move ahead of competitors with the Company's strong brand image and also by upgradation of technology and effective marketing framework.

#### (b) Costs

The steady increase in the cost of raw materials continues to be an issue of concern. The Company recognizes this situation and is making efforts to minimize the impact of this on the business and performance for the future years.

#### (c) Human Resources

The Company has undertaken various human resource development programmes involving all divisions and operational areas. The programmes would lead to development, optimization and efficient engagement of the human resources currently available and to be inducted in future.

#### (d) Receivables

To facilitate smooth recovery of sale proceeds, the Company has adopted various recovery measures and the debtor management system have resulted in improvement in collections and the liquidity position of the Company.

#### (e) Financials

The comfortable liquidity position arising out of retained earnings over the preceding few years

## MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

has enabled the Company to meet most of its capital expenditure requirements out of internal generation. The Company, however, is also availing a term loan facility to part-finance the capital expenditure requirement for its new plant at Ajmer, Rajasthan, under construction for manufacture of dry-mix products. The surplus remaining after meeting the capital expenditure has been kept invested partly in Fixed Maturity Plans (F.M.P.) and partly in Fixed Deposit Schemes for short periods with various banks/finance Companies/ mutual funds/ debt funds.

### 5. Outlook

There has not been any significant change in the demand for capital goods in the steel, mining and sugar industry, where your Company is active. This pattern is expected to continue for some more time and your Company, therefore, considers it necessary to expand the market base by introducing new products together with active marketing strategy for other products introduced in the last couple of years.

Keeping the above in view, the Company has entered into new collaboration agreements with AVITEQ Vibrationstechnik GmbH, Germany for manufacture of wide range of unbalance motors, which finds application not only in material handling segment but are also used extensively in various other segments such as construction, foundry etc.

The company has also entered into a new collaboration with FLEXIMAT GmbH, Austria, for manufacture of special design of Flip Flop Screens which are used for 'difficult to screen' material such as wet coal and other wet minerals and are extensively used in power plants and chemical industry.

The above products shall be launched in the market in the later part of this current year and the Company expects significant contribution from these products in the current and future financial years.

Mozer Process Technology Pvt. Ltd. (MPTPL), the Company's Joint Venture Company with Allgaier Werke GmbH, Germany, formed for the purpose of marketing, commissioning and servicing of Mozer Type Dryers, expects to book its first revenue from its principal business activity during the first quarter of the Financial Year 2015-16.

A new Business Division of the Company, viz. the Building Material Division as a Strategic Business Unit for manufacture of high quality Dry Mix Mortar/ Dry Mix Products and related building materials, is being set up at Ajmer, Rajasthan. The initial investment for setting up the plant at Ajmer is estimated at around ` 20 crores which shall be financed primarily from a term loan facility of ₹ 15 crores and the balance amount of investment shall be financed from internal accruals.

The Company has already acquired the land for the project and the commercial production of the said unit is expected to commence in the last quarter of the current Financial Year 2015-16.

We expect these hi-tech equipment and building material products to make substantial contribution to the performance of the Company in the current and the future years.

The capacity enhancement undertaken by your Company in the recent past for the Gear Box and Geared Motors Division is expected to support the business growth in this area.

### 6. Internal Control Systems & Their Adequacy

The Company has an adequate system of Internal Control commensurate with its size and nature of operations to ensure that all assets are safeguarded and transactions authorised and reported properly and correctly. The system also ensures that applicable statutes & policies – the Code of Conduct of the Company, The Vigil Mechanism (Whistle-Blower Policy), The Risk Management Plan, the Related Party Transactions Policy and other corporate policies are duly complied with.

The Internal Control System is further supplemented by Internal Audit carried out by two independent firms of Chartered Accountants who submit their reports on half yearly basis to the Management and the Audit Committee. The Audit Committee reviews the Reports of Internal Auditors and addresses significant issues raised by both the Internal Auditors and the Statutory Auditors. The Committee also follows up the implementation of the corrective actions suggested by the Auditors to ensure adequacy of the Internal Control System.

## MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

## 7. Financial Performance / Operational Performance

(₹ in lacs)

Particulars	2014-2015	2013-2014
Sales	8727	9661
Operating Profit Before Tax	62	66
Exceptional Items	—	—
Operating Profit after Tax	98	80
Net Cash Flow from Operation	333	633
Operating Profit to Sales (%)	1	1
Basic E.P.S. (₹)	4.09	3.34

## 8. Segment-Wise Performance

(₹ in lacs)

Particulars	2014-2015	2013-2014
<b>Segment Revenue</b> (Sales & Other Operating Income)		
a) Mineral & Material Processing & Handling Equipment	5762	6171
b) Geared Motor and Gear Box	3184	4154
Net Sales / Income & Inter-Divisional Transfers	8946	10325
Less : Inter-Segment Transfers	78	453
Net Sales/ Income from Operations	8868	9872
<b>Segment Results</b> (Profit before Tax & Interest)		
a) Mineral & Material Processing & Handling Equipment	1970	1250
b) Geared Motor and Gear Box	(292)	239
Total	1678	1489
Less: Finance Costs	86	76
Other Unallocable Expenditure, net of unallocable Income	1530	1347
Total Profit before Tax	62	66

## 9. Human Resources / Industrial Relations

The human resource development programmes in various areas are undertaken on an ongoing basis. Industrial relations for the year under review at all units remained cordial. The number of personnel employed by the Company across all its units and offices is 466 as at 31st March, 2015.

## 10. Cautionary Statement

Certain statements in this report relating to Company's objectives, outlooks, projections, expectations etc. may be "forward looking statements" within the meaning of the applicable laws and regulations. Although the Company believes that the expectations reflected in such "forward looking statements" are reasonable, the Company does not and cannot guarantee the accuracy of various assumptions underlying such expectations would prove to be correct. Accordingly, actual results or performance could differ materially from such expectations, projections etc., whether expressed or modified, due to changes in global economy and business conditions, changes in political environment, changes in the Government regulations, tax laws, external economic condition affecting demand and supply, influencing price condition in the market in which the Company operates, natural phenomena such as flood and earthquake, customers' strategies etc. over which the Company does not have any control. The Company does not assume any responsibility/obligation in respect of forward-looking statement which may undergo changes in future on the basis of subsequent developments or events.

For &amp; on behalf of the Board

Place : Kolkata  
Date : 8th May, 2015

**S. Bagaria**  
Chairman

## REPORT ON CORPORATE GOVERNANCE

### INTRODUCTION

The Company's Report on Corporate Governance for the year ended 31st March, 2015 as required under Clause 49 of the Equity Listing Agreement with Stock Exchanges, is furnished below :

#### A. Company's Philosophy on Corporate Governance

The philosophy of the Company is to aim for optimum performance at all levels. For achieving the same, the Company follows the basic Corporate Governance practices viz. fair and transparent business practices, effective management control by the Board, compliance of laws, monitoring of executive performance, accountability for performance and monitoring of business risks. The Company believes that good Corporate Governance generates from the mind-set of the organisation and is based on the principles of equity, accountability and commitment to do things in a manner where the resources available can be effectively utilised to meet the stakeholders' aspirations and social expectations.

The Company consistently strives to protect and facilitate the exercise of shareholders' rights, to provide adequate and timely information to shareholders on relevant matters and to ensure equitable treatment of all shareholders. The Company recognizes the rights and interests of all its various stakeholders and seeks to encourage co-operation with them.

#### B. Board of Directors

##### (i) Composition

The Board of Directors of the Company, as on 31st March, 2015, comprised of 6 (six) members with two Executive Directors – Managing Director and Executive Director (Whole-time Director) and four Non-Executive Directors, three of whom were Independent Directors. Mr. Sukhendu Ray, Independent Director, resigned from the Board on 2nd April, 2015 and Mrs. (Prof.) Bharati Ray was appointed as an Independent Director on 7th April, 2015. The Chairman of the Board is a Non-Executive Director. The Non-Executive Directors with specialization in their respective fields are bringing in a wide range of skills and experience.

(ii) Attendance of the Directors at the Board Meetings of the Company held during the year ended 31st March, 2015 and at the last Annual General Meeting (AGM) along with no. of other Directorship(s), other Committee Membership(s) and the Directors' shareholding as on 31st March, 2015 are given below :-

Sl. No.	Name of Director	Category	No. of Board Meetings attended	Attendance at last AGM held on 12.09.14	No. of Other Directorships*	Other Membership of Committees*		Shares held (Nos.)
						Chairman	Member	
1.	Mr. Sanjay Bagaria	Chairman & Non-Executive Director (Promoter)	8	Yes	4	—	—	43,900
2.	Mr. Indrajit Sen	Managing Director (Non-Promoter)	8	Yes	1	—	2	—
3.	Mr. Sanjoy Saha#	Executive Director (Wholetime Director) (Non-Promoter)	7	Yes	—	—	—	—
4.	Mr. Ratan Lal Gaggar	Non-Executive Independent Director	6	Yes	9	—	6	—
5.	Mr. Sukhendu Ray@	Non-Executive Independent Director	8	Yes	1	2	—	—
6.	Mr. Ravi Ranjan Prasad%	Non-Executive Independent Director	3	No	—	—	—	—
7.	Mrs. Bharati Ray\$	Non-Executive Independent Director	N.A.	N.A.	1	—	—	—

\* For the purpose of computing 'Other Directorships', & 'Other Membership of Committees' as above, Private Limited Companies and Section 8 Companies have been excluded and for computing 'Other Membership of Committees', Chairmanship/Membership in Audit Committee & Stakeholders' Relationship Committee alone have been considered.

- None of the Directors on the Board is a member of more than 10 Committees or Chairman of more than 5 Committees (as specified in Clause 49 of the Listing Agreement) across all the Companies in which he/ she is a Director.
- Mrs. Bharati Ray & Mr. Sukhendu Ray are spouse of each other. However, they did not act as Directors of the Company concurrently.

@ Ceased to be a Director w.e.f. 2nd April, 2015 due to his resignation.

% Joined the Board on 25th July, 2014.

\$ Joined the Board on 7th April, 2015.

# Ceased to be a Director w.e.f. 01.05.2015 due to his retirement.

## REPORT ON CORPORATE GOVERNANCE (Contd.)

### (iii) Meetings of the Board of Directors

The meetings of the Board are usually held at the Registered Office of the Company at Infinity Benchmark, 11th Floor, Plot No. G-1, Block EP & GP, Sector - V, Salt Lake Electronics Complex, Kolkata - 700 091. During the year under review, 8 (eight) Board Meetings were held on 02.05.2014, 20.05.2014, 11.06.2014, 25.07.2014, 12.09.2014, 05.11.2014, 24.12.2014 & 06.02.2015. The Company Secretary prepares the Agenda in consultation with the Chairman of the Board, for each meeting and circulates the same in advance to the Directors. The Board meets at least once in every quarter to review the Quarterly Results and other items on the Agenda. The information as required under Annexure 1A to Clause 49 of the Listing Agreement is made available periodically to the Board. Details of Directors seeking appointment/ re-appointment at the forthcoming 79th Annual General Meeting are being circulated with the Notice convening the Annual General Meeting. The Board periodically reviews the compliance reports on 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 confirmation and comments, if any.

## C. Board Committees

### (i) Audit Committee

The Audit Committee of the Board of Directors of the Company currently comprises of three Directors – two of whom are Independent and Non-Executive. The Chairman of the Committee is an Independent Non-Executive Director. As on 31st March, 2015, the Committee comprised of a fourth member, Mr. Sukhendu Ray, who was acting as its Chairman till his resignation from the Board on 2nd April, 2015. The composition of the Audit Committee is in line with the Clause 49 of the Listing Agreement and provisions of the Companies Act, 2013. During the year ended 31st March, 2015, 9 (nine) Meetings of the Audit Committee were held - on 02.05.2014, 20.05.2014, 25.07.2014, 14.08.2014, 05.11.2014, 20.11.2014, 22.01.2015, 06.02.2015 & 17.03.2015. The composition of the Audit Committee along with the attendance of the each member are given below :-

Name of Director	Designation	Profession	Committee Meetings	
			Held	Attended
Mr. Sukhendu Ray@	Chairman	Chartered Accountant	9	9
Mr. Ravi Ranjan Prasad#	Chairman	Chartered Accountant	9	4
Mr. Ratan Lal Gaggar	Member	Solicitor & Advocate	9	8
Mr. Indrajit Sen	Member	Engineer	9	9

@ Ceased to be a member of the Committee (of which he was the Chairman) w.e.f. 02.04.2015 due to his resignation from the Board.

# Was inducted as a member of the Committee w.e.f. 5th November, 2014 and was elected Chairman of the Committee with effect from 8th May, 2015.

The Company Secretary attends the Committee Meetings as Secretary to the Committee. The Statutory Auditors, Internal Auditors & Sr. General Manager (Finance) & Chief Financial Officer are invitees to the Audit Committee meetings.

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, inter-alia, include those specified under the revised Clause 49 of the Listing Agreement as well as under Section 177 of the Companies Act, 2013, such as :

- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of Statutory Auditors, Cost Auditors, Internal Auditors and Tax Auditors and fixation of their fees;



## REPORT ON CORPORATE GOVERNANCE *(Contd.)*

- Approval of payment for any other services rendered by Statutory Auditors;
- Reviewing the Quarterly/Half Yearly Financial Results and the Audited Financial Results before they are submitted to the Board for their approval;
- 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;
- Approval/ ratification of related party transactions on quarterly basis;
- Granting of omnibus approval to material related party transactions in accordance with the Related Party Transactions Policy of the Company;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval.
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.).
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Discussion with internal auditors of any significant findings and follow up there on;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To review the functioning of the Whistle Blower mechanism;
- Approval of appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate ;
- Review of the following information :-
  - a. Management discussion and analysis of financial condition and results of operations;
  - b. Internal Audit Reports.

### **(ii) Share Transfer & Stakeholders' Relationship Committee**

#### **(a) Terms of reference**

- Approval of transfers, transmission and transposition of shares or other securities, if any, including the power to disapprove the transfers in accordance with the provisions of the Companies Act, 2013, Securities Contracts (Regulation) Act, 1956, and the Listing Agreements with Stock Exchanges.
- Issue of new share certificates on split/consolidation, issue of duplicate share certificates against lost/mutilated shares, etc.
- Redressal of shareholders' complaints including complaints related to non-receipt of Annual Reports, non-receipt of declared dividends, non-receipt of share certificates after transfer, transmission, split, consolidation, etc.

#### **(b) Composition**

As on 31st March, 2015, the Committee comprised of three Directors viz. Mr. Sanjay Bagaria, Non-Executive Director as Chairman of the Committee, Mr. Indrajit Sen, Managing Director and Mr. Sukhendu Ray, Non-Executive Independent Director. Post the resignation of Mr. Sukhendu Ray from the Board of Directors of the Company and his resulting cessation from

**REPORT ON CORPORATE GOVERNANCE (Contd.)**

the membership of the Committee with effect from 2nd April, 2015, Mrs. (Prof.) Bharati Ray, appointed as an Independent Director on 7th April, 2015, was inducted as a member of the Committee with effect from the said date. During the year under review, this Committee met eight times – 11.04.2014, 22.05.2014, 04.06.2014, 09.07.2014, 08.08.2014, 02.12.2014, 12.01.2015 & 18.02.2015. All the meetings of the Share Transfer & Stakeholders' Relationship Committee were attended by all members except one meeting which Mr. Sukhendu Ray could not attend.

**(c) Investors' Complaints**

Mr. Suhas Chandra Saha, Company Secretary, is the Compliance Officer of the Company for, inter-alia, ensuring compliance with the requirements under the Listing Agreement with Stock Exchanges & Companies Act, 2013 and also for attending to the investor-related issues and grievances.

Investors' complaints which cannot be settled at the level of Compliance Officer and CB Management Services (P) Ltd. – Registrar and Share Transfer Agents of the Company, are forwarded to the Share Transfer & Stakeholders' Relationship Committee for final settlement. The Share Transfer & Stakeholders' Relationship Committee also reviews all complaints received through SCORES, the web-based investor grievance redressal portal launched by the Securities & Exchange Board of India.

Name, designation & address of Compliance Officer :

Name : Mr. Suhas Chandra Saha  
 Designation : Company Secretary  
 Address : Infinity Benchmark, 11th Floor, Plot No. G-1, Block EP.  
 & GP, Sector – V, Salt Lake Electronics Complex,  
 Kolkata – 700 091.  
 E-mail ID : [sc.saha@internationalcombustion.in](mailto:sc.saha@internationalcombustion.in)  
 (for Investors' complaint).

The number of shareholders' complaints received during the Financial Year 2014-15 was 2 (two) which were duly redressed. No shareholders' complaints were pending unresolved as at the end of the Financial Year 2014-15.

**(iii) Nomination & Remuneration Committee**

As on 31st March, 2015, the Nomination & Remuneration Committee comprised of four Directors, viz. Mr. Ratan Lal Gaggar, Independent Director & Chairman of the Committee, Mr. Ravi Ranjan Prasad, Independent Director (inducted into the Committee with effect from 6th February, 2015), Mr. Sukhendu Ray, Independent Director and Mr. Sanjay Bagaria, Non-Executive Director (inducted into the Committee with effect from 2nd May, 2014). Mr. Sukhendu Ray resigned from the Board of Directors of the Company with effect from 2nd April, 2015 and resultantly, ceased to be a member of the Committee. The Committee has power to regulate its meetings and proceedings. In accordance with the requirement of Section 178 of the Companies Act, 2013, & the revised Clause 49 of the Equity Listing Agreement with Stock Exchanges, its terms of reference have also been expanded. Presently, the Committee is responsible, inter-alia, for :-

- Recommending to the Board the appointments/ re-appointments of Directors and of other Key Managerial Personnel,
- Formulation of criteria for determining qualifications, positive attributes and independence of a Director,
- Recommending to the Board of Directors, the remuneration payable to the Managing Director, Executive Directors and other Key Managerial Personnel of the Company,



**REPORT ON CORPORATE GOVERNANCE (Contd.)**

- Recommending to the Board, the Remuneration Policy of the Company,
- Devising a Policy on Board Diversity,
- Formulation of criteria for performance evaluation of all Directors and the Board as a whole.

During the Financial Year 2014-15, the Committee met three times – on 20th May, 2014, 11th June, 2014 & 24th December, 2014. Mr. Sanjay Bagaria & Mr. Sukhendu Ray attended all three meetings whereas Mr. Ratan Lal Gaggar attended two meetings.

The Board, on 20th May, 2014, adopted a Remuneration Policy recommended by the Nomination & Remuneration Committee. The Policy ensures that the level of remuneration payable to the Executive Directors and Key Managerial Personnel is reasonable and sufficient to attract, retain & motivate them. For further details of the Remuneration Policy, please refer to the Directors' Report forming part of this Annual Report.

**D. Details of Directors' Remuneration for the year ended 31st March, 2015**

Name	Salary ₹	Perquisites & Allowances* ₹	Commission ₹	Sitting Fees ₹	Total ₹
a) Executive Directors :					
Mr. I. Sen, Managing Director	64,84,500	81,01,455	—	—	1,45,85,955
Mr. S. Saha, Executive Director (Whole-time Director)#	32,42,250	40,51,220	—	—	72,93,470
b) Non-Executive Directors :					
Mr. S. Bagaria	—	—	2,87,699	1,05,000	3,92,699
Mr. R. L. Gaggar	—	—	—	85,000	85,000
Mr. S. Ray**	—	—	—	1,45,000	1,45,000
Mr. R. R. Prasad^	—	—	—	35,000	35,000
				<b>3,70,000</b>	<b>2,25,37,124</b>

\* Inclusive of Retirement benefits

\*\* Ceased to be a Director w.e.f. 02.04.2015 due to his resignation.

# Ceased to be a Director w.e.f. 01.05.2015 due to his retirement.

^ Appointed Director w.e.f. 25.07.2014.

- The tenure of office of the Managing Director and Executive Director (Whole-time Director) of the Company was for a period of three years with effect from 1st May, 2012 to 30th April, 2015. Mr. Sanjoy Saha has retired from the services of the Company with effect from 1st May, 2015 and has thus ceased to be an Executive Director (Whole-time Director). Mr. Indrajit Sen has been re-appointed as the Managing Director of the Company for a further period of three years with effect from 1st May, 2015. The MD's tenure of office can however be terminated by either party by giving six months' notice in writing or salary in lieu thereof. There is no separate provision for payment of severance fees to the MD.
- Pursuant to the Companies Act, 2013, now, all the Directors except the Independent Directors retire by rotation.

**REPORT ON CORPORATE GOVERNANCE (Contd.)**

- There are no stock options available/ issued to any Director of the Company.
- The Chairman is paid a commission @ 1% of the net profits of the Company which has been approved by the Board and the shareholders and is in conformity with the provisions of Section 197 of the Companies Act, 2013.
- The Non-executive Directors were paid a fee of ₹ 5,000/- (₹ 10,000/- with effect from 7th April, 2015) for attending each meeting of the Board or committee thereof.

**E. General Body Meetings**

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

Financial Year	Date	Time	Location	No. of Special Resolutions Passed
2013-14	12.09.2014	2.00 P.M.	Kala Kunj 48, Shakespeare Sarani Kolkata 700017	1 (One)*
2012-13	04.09.2013	2.00 P.M.	Kala Kunj 48, Shakespeare Sarani Kolkata 700017	—
2011-12	07.09.2012	3.30 P.M.	Kala Kunj 48, Shakespeare Sarani Kolkata 700017	3 (Three)#

\* Passed through Electronic-Voting with 53.09% participation and 99.99% of the votes polled being in favour of the resolution. Mr. Arup Kumar Roy, Company Secretary in Practice, was the Scrutinizer for the said E-Voting exercise.

# Passed by show of hands.

- The Objects Clause of the Memorandum of Association of the Company was altered vide a Special Resolution passed through Postal Ballot on 31st December, 2014 with 54.10% participation and 99.98% of the votes polled being in favour of the resolution. Mr. Arup Kumar Roy, Company Secretary in Practice, was the Scrutinizer for the said Postal Ballot Voting exercise.
- Special Resolutions relating to Re-appointment of Managing Director and Alteration of Articles of Association of the Company are proposed to be passed through Electronic Voting & Poll at the forthcoming 79th Annual General Meeting scheduled to be held on 18th September, 2015. National Securities Depository Limited have been appointed as the E-Voting Agency for the same. The detailed procedure for E-Voting & Poll is mentioned in the Notice convening the 79th Annual General Meeting.

**F. Disclosures****(a) Related party transactions**

All related party transactions have been entered into in the ordinary course of business on an arm's length basis and are placed periodically before the Audit Committee in summary form. There are no significant related party transactions, which have conflict with the interests of the Company at large. The related party transactions have been disclosed in Note No. 31.06 of the Notes to the Financial Statements for the year ended 31st March, 2015 and also as an Annexure to the Board's Report for the said year.

The Board has adopted a Related Party Transactions Policy which has been posted on the website of the Company (weblink : [http://www.internationalcombustion.in/admin/uploadpdf/RPT\\_Policy.pdf](http://www.internationalcombustion.in/admin/uploadpdf/RPT_Policy.pdf)). The Audit Committee of the Board has been made responsible for monitoring the implementation of the said Policy and for ensuring compliance with the same.

**REPORT ON CORPORATE GOVERNANCE (Contd.)****(b) Disclosure of accounting treatment**

The applicable Accounting Standards as issued by the Institute of Chartered Accountants of India and notified by the Central Government under the Companies Act have been followed in preparation of the financial statements of the Company and the same has been disclosed in the notes to the Annual Financial Statements.

**(c) Board Disclosures – Risk Management**

The Company has established a Risk Management Plan, covering the risk assessment/minimization procedures as approved by the Board. During the year ended 31st March 2015, these procedures for risk assessment and minimization have been updated. These have been disclosed in the Management Discussion and Analysis Report forming a part of the Directors' Report. The Board has constituted a Risk Management Committee comprising of Mr. Sanjay Bagaria, Chairman of the Committee, Mr. Indrajit Sen, Managing Director & Mr. S. C. Saha, Company Secretary, which is responsible for implementing the Risk Management Plan framed by the Board.

**(d) Matters related to capital market**

The Company has complied with the requirements of the Stock Exchanges, SEBI and other authorities on all matters relating to capital markets. No penalties or strictures have been imposed on the Company by any Stock Exchange or SEBI or any statutory authority on any matter relating to capital markets during the last three years.

**(e) Management Discussion & Analysis Report**

The Management Discussion & Analysis Report, as required under Clause 49 of the Equity Listing Agreement with Stock Exchanges, is attached to and forms a part of the Directors' Report.

**(f) Code of Conduct**

The Company has laid down a Code of Conduct for all Board members and Sr. Managerial Personnel of the Company. In accordance with the Companies Act, 2013, the Code of Conduct has been revised to include therein the Code for Independent Directors as specified in Schedule IV to the said Act. The Code of Conduct is available on the website of the Company at [www.internationalcombustion.in](http://www.internationalcombustion.in). All Board members and Sr. Management Personnel affirm compliance with the Code of Conduct on an annual basis. A declaration to this effect duly signed by the Managing Director of the Company is annexed along with this Report.

**(g) Vigil Mechanism (Whistle Blower Policy)**

As required under the Companies Act, 2013 & the revised Clause 49 of the Equity Listing Agreement with Stock Exchanges, a Vigil Mechanism (Whistle Blower Policy) of the Company was adopted by the Board on 2nd May, 2014 and placed on the Company's website for the purpose of enabling the Directors and Employees to report unethical behaviour, actual or suspected fraud and violation of the Company's Code of Conduct or ethics policy. The Audit Committee of the Board has been made responsible for overseeing/ monitoring the functioning and implementation of the said Vigil Mechanism. It is hereby affirmed that no personnel of the Company has been denied access to the Audit Committee of the Board.

**(h) CEO & CFO's Certification**

The Managing Director (CEO) and the Senior General Manager (Finance) & Chief Financial Officer (CFO) have given a Certificate to the Board of Directors as per Clause 49(V) of the Listing Agreement for the year ended 31st March, 2015, which is annexed at the end of this Report.

**(i) Means of Communication**

Quarterly/half yearly unaudited and annual audited financial results of the Company are sent to the Stock Exchanges immediately after they are reviewed by the Audit Committee and approved

## REPORT ON CORPORATE GOVERNANCE (Contd.)

by the Board. The quarterly and annual financial results are normally published in leading English Daily newspaper (Business Standard - all editions) and a Bengali Daily ("Ei Samay"). The same is also posted on the website of the Company – [www.internationalcombustion.in](http://www.internationalcombustion.in).

### **(j) Independent Directors**

In accordance with the Companies Act, 2013, the maximum tenure of the Independent Directors has now been fixed at five years from the date of their appointment or the commencement of the Act, whichever is later, subject, however, to the possibility of a second and final term of five years with the consent of the shareholders vide a Special Resolution. A formal letter of appointment is issued to Independent Directors and the same is placed on the website of the Company.

The performance evaluation of the Independent Directors is carried out on a yearly basis by the entire Board (excluding the Director being evaluated) on the basis of the following evaluation criteria formulated by the Nomination & Remuneration Committee of the Board :-

- i) Adequacy of Preparation by the Director for Board & Committee Meetings,
- ii) Effectiveness of Participation by the Director at Board & Committee Meetings,
- iii) Insight & Observations given/ made by the Director
- iv) Expression of Views by the Director,
- v) Amount of time provided by the Director even outside Board/ Committee Meetings,
- vi) Understanding by the Director of the sector and needs of the Company, and
- vii) Level of confidence and respect of the Board & Management enjoyed by the Director.

A separate meeting of Independent Directors is held once a year to review the performance of non-independent Directors & the Board as a whole and to assess the quality, quantity and timeliness of flow of information between the Company management and Board.

The details of familiarization programmes for Independent Directors has been posted on the website of the Company (weblink : [http://www.internationalcombustion.in/admin/uploadpdf/FAM\\_PROG\\_ID.pdf](http://www.internationalcombustion.in/admin/uploadpdf/FAM_PROG_ID.pdf)).

### **(k) Quarterly Compliance Report on Corporate Governance**

As required under Clause 49 of the Equity Listing Agreement with Stock Exchanges, a Quarterly Compliance Report on Corporate Governance in the prescribed format signed by the Compliance Officer is submitted to the Stock Exchanges within fifteen days of the end of the quarter.

### **(l) Auditors' Certificate on Compliance of Conditions of Corporate Governance**

As stipulated under Clause 49 of the Equity Listing Agreement with Stock Exchanges, the Company obtains an annual certificate from M/s. Lodha & Co., Statutory Auditors, confirming compliance of conditions of Corporate Governance and the same is annexed to the Directors' Report and sent to shareholders and Stock Exchanges as part of the Annual Report.

### **(m) Compliance with Mandatory/ Non-Mandatory requirements of Clause 49**

The Company has complied with all the mandatory requirements prescribed in Clause 49 of the Equity Listing Agreement with Stock Exchanges. The Company has complied with the following non-mandatory requirements prescribed in Clause 49 of the Equity Listing Agreement with Stock Exchanges :

- The Company is maintaining an office for the Non-Executive Chairman at the Registered Office of the Company and the Non-Executive Chairman is also allowed reimbursement of expenses incurred by him in performance of his duties.

**REPORT ON CORPORATE GOVERNANCE (Contd.)**

- Separate persons have been appointed to the posts of Chairman and Managing Director.
- There is no qualification in the Auditors' Report to the shareholders of the Company on the Financial Statements for the year ended 31st March, 2015.

**G. GENERAL SHAREHOLDERS' INFORMATION :**

**(a) Annual General Meeting :**

The 79th Annual General Meeting of the shareholders of the Company has been convened on Friday, the 18th September, 2015 at Kala Kunj, 48, Shakespeare Sarani, Kolkata – 700 017 at 2.00 P.M.

**(b) Financial Year of the Company : 1st April to 31st March.**

**(c) Tentative Financial Calendar :**

	Events	Period
1	Audited Annual Results for 2014-15	May 8, 2015
2	Mailing of Annual Reports 2014-15	By 18th August, 2015
3	First Quarter Results (30th June, 2015)	By 31st July, 2015
4	Annual General Meeting	September 18, 2015
5	Second Quarter Results (30th Sept., 2015)	By second week of November, 2015
6	Third Quarter Results (31st Dec., 2015)	By first week of February, 2016
7	Audited Annual Results for 2015-16	By 30th May, 2016

**(d) Book Closure :**

The Share Transfer Books and Register of Members of the Company will remain closed from Saturday, 12th September, 2015 to Friday, 18th September, 2015 (both days inclusive) for the purpose of AGM & Dividend.

**(e) Dividend Payment :**

Dividend, if declared at the Annual General Meeting, will be paid on and from Monday, 28th September, 2015, to those members/beneficial owners whose names appear on the Register of Members as at the close of business on Friday, 11th September 2015.

**(f) Listing of Equity Shares on Stock Exchange :**

The Equity Shares of the Company are listed on the Bombay Stock Exchange Limited (BSE) and on the Calcutta Stock Exchange Limited, Kolkata (CSE). The Board of Directors of the Company at their meeting held on 13th November, 2013, have resolved to voluntarily delist the equity shares of the Company from the CSE in compliance with the Securities & Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. However, the equity shares of the Company shall continue to be listed on the BSE. The Company is in the process of complying with the procedural requirements of the CSE for effecting the said voluntary delisting.

**(g) Listing Fees**

The Company has paid the listing fees for the Financial Year 2015-16 to BSE.

**(h) Custodial Fees to Depository**

The Company has paid the custodial fees upto the Financial Year 2014-15 to the National Securities Depository Limited [NSDL] and Central Depository Services (India) Limited [CDSL]. The custodial fees for the Financial Year 2015-16 shall be paid to NSDL & CDSL on receipt of the invoices from them.

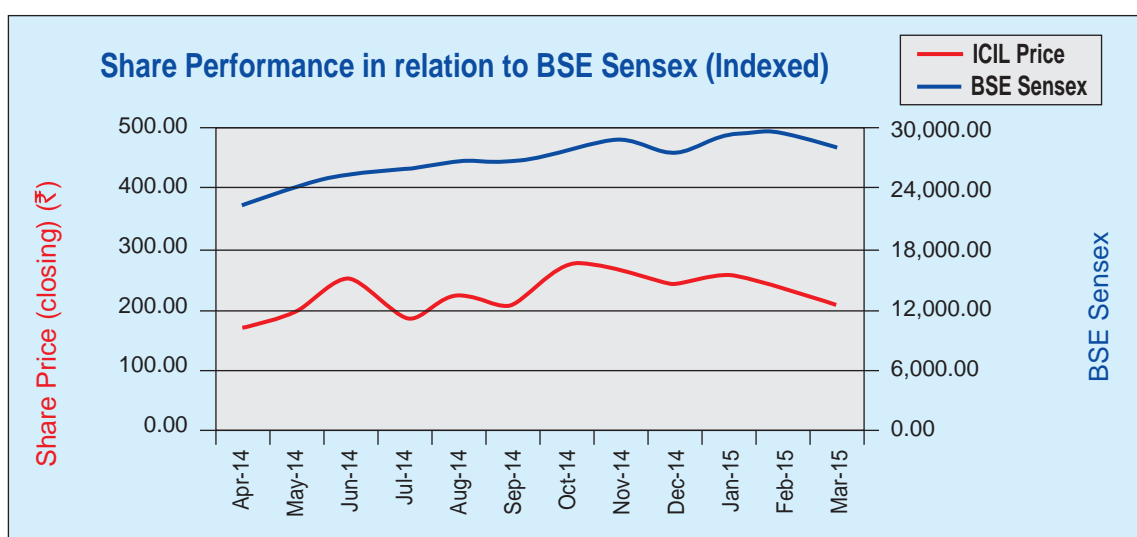
## REPORT ON CORPORATE GOVERNANCE (Contd.)

- (i) **Stock Codes :** BSE : 505737  
CSE : 019233
- (j) **Demat ISIN Number :** INE403C01014.
- (k) (i) **Stock Market price data :** (1st April, 2014 to 31st March, 2015)

Month/Year	Bombay Stock Exchange Ltd. (BSE)	
	High (₹)	Low (₹)
April 2014	196.10	155.00
May 2014	230.15	160.00
June 2014	254.40	201.05
July 2014	268.75	189.00
August 2014	228.75	178.30
September 2014	265.00	200.00
October 2014	275.00	201.25
November 2014	300.00	234.00
December 2014	289.00	236.50
January 2015	264.80	232.30
February 2015	274.80	211.20
March 2015	238.80	192.10

ii) **Stock Performance vs. BSE Sensex :**

The performance of the Company's equity share scrip on the Bombay Stock Exchange Limited (BSE) in comparison to the BSE Sensex during 2014-15 is graphically represented in the chart below:



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

The Company has retained C B Management Services (P) Ltd., P-22, Bondel Road, Kolkata – 700019 (CBMS), SEBI registered Registrars & Share Transfer Agents, to carry out the share related activities, both physical and dematerialised.



**REPORT ON CORPORATE GOVERNANCE (Contd.)**
**(m) Share Transfer System**

Transfers/ transmissions of shares in scrip/ physical form are processed and share certificates duly endorsed & delivered within a period of fifteen days from the date of receipt thereof, subject to the documents relating to the transfers being valid and complete in all respects. To improve and speed up the investor servicing, the Board has delegated the authority for approving transfers, transmissions, etc. to the Share Transfer & Stakeholders' Relationship Committee which approves the same within a fortnight of the lodgement thereof. The endorsements on the share certificates of the transfers are duly authenticated by the Company Secretary. The Company obtains a half-yearly certificate from a Practicing Company Secretary confirming timely completion of all activities in connection with the share transfers/ transmissions/ transpositions, splits/ consolidations/ issue of duplicate share certificates, rematerialisation of share certificates, etc. as required under Clause 47(c) of the Equity Listing Agreements with Stock Exchanges and submits a copy of the same to the Stock Exchanges.

**(n) Distribution of Shareholding as on 31st March, 2015 :**

No. of Shares	Shareholders		Shareholding	
	Number	%	No. of Shares held	%
1 - 500	6196	93.91	529905	22.17
501 - 1000	229	3.47	169069	7.07
1001 - 2000	101	1.53	142547	5.96
2001 - 3000	24	0.36	60545	2.53
3001 - 4000	10	0.15	36119	1.51
4001 - 5000	11	0.17	50199	2.10
5001 - 10000	12	0.18	79963	3.35
10001 and above	15	0.23	1321929	55.31
<b>Total</b>	<b>6598</b>	<b>100.00</b>	<b>23,90,276</b>	<b>100.00</b>

**(o) Pattern of Shareholding as on 31st March, 2015 :**

Sl. No.	Category	No. of Shareholders	No. of Shares	Percentage of Shareholding
1.	Promoter & Promoter Group	14	12,66,931	53.00
2.	Banks/ Financial Institutions	4	251	0.01
3.	Foreign Institutional Investors/ Overseas Corporate Bodies	1	1,900	0.08
4.	Non-Resident Indians (NRIs)	77	27,353	1.14
5.	Bodies Corporate	111	32,689	1.37
6.	Resident Individuals	6365	10,53,577	44.08
7.	Others (Clearing Members)	26	7,575	0.32
	<b>Total</b>	<b>6598</b>	<b>23,90,276</b>	<b>100.00</b>

**(p) Dematerialisation of Shares :**

As on 31st March, 2015, 95.37% of the Company's total paid up capital representing 22,79,588 shares were held in dematerialized form and the balance 4.63% representing 1,10,688 shares were held in scrip form.



**REPORT ON CORPORATE GOVERNANCE (Contd.)**

**(q) Liquidity :**

The average daily number of equity shares of the Company's scrip traded on the Bombay Stock Exchange Limited (BSE) during the Financial Year 2014-15 was 2,433 and the average daily turnover for the scrip on BSE was ₹ 5.81 lac.

**(r) Outstanding Convertible Instruments :**

No securities/ instruments/ warrants convertible into equity shares of the Company are outstanding as on 31st March, 2015.

**(s) Share Capital Reconciliation Audit Report :**

As stipulated by the Securities and Exchange Board of India, a qualified Practising Company Secretary has been appointed to carry out the Share Capital Reconciliation Audit at quarterly intervals to reconcile the total admitted Capital held in dematerialised form in National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and in physical form with the total issued and listed Capital. The Audit is carried out every quarter and the Report thereon is submitted to the Stock Exchanges and is also placed before the Board of Directors. The Report, inter-alia, confirms that the total listed and paid up share capital of the Company is in agreement with the aggregate of the total dematerialized shares and those in the physical mode.

**(t) Registered & Corporate Office :**

Infinity Benchmark, 11th Floor, Plot No. G-1, Block EP & GP, Sector - V, Salt Lake Electronics Complex, Kolkata - 700 091

**(u) Factory Locations :**

Baidyabati : 156 (371), G. T. Road, Baidyabati, Dist. - Hooghly-712222, West Bengal  
 Nagpur : L-7, MIDC Industrial Area, Hingna, Nagpur - 440016, Maharashtra  
 Aurangabad : B-74/1, MIDC Waluj, P.O. Bajaj Nagar, Aurangabad - 431136, Maharashtra  
 Ajmer (Factory for Building Material Division under construction) : Plot No. B-300, Ajaymeru Palra Industrial Area, Ajmer – 305 002, Rajasthan.

**(v) Regional / Branch Offices :**

Aurangabad : B-74/1, MIDC Waluj, P.O. Bajaj Nagar, Aurangabad - 431136, Maharashtra  
 Bengaluru : No. 548/51, 2nd Floor, Andal Temple Street, (Behind R. V. Teacher's College) R. V. Road, Basavangudi, Bangalore - 560 004  
 Chennai : Modern Towers, 5th Floor, 23, West Cott Road, Royapettah Chennai - 600014  
 Hyderabad : Flat No.303, Bhanu Enclave, 7-1-638 to 643 Sundar Nagar, Hyderabad - 500038  
 Kolkata : Infinity Benchmark, 11th Floor, Plot No. G-1, Block EP & GP, Sector - V, Salt Lake Electronics Complex, Kolkata - 700 091  
 Mumbai : Khanna Construction House, 44, Dr. R. G. Thadani Marg, Worli, Mumbai - 400018  
 Nagpur : L-7, MIDC Industrial Area, Hingna, Nagpur - 440016, Maharashtra  
 New Delhi : 2E/28, Jhandewalan Extn., New Delhi - 110055  
 Pune : D 407, Business Court, Mukund Nagar, Pune - 411 037  
 Vadodara : 307, 3rd Floor, 'Opal Square Building', R.C. Dutt Road, Alkapuri, Vadodara - 390007



## REPORT ON CORPORATE GOVERNANCE *(Contd.)*

(w) Total number of employees as on 31.03.2015 : 466

(x) Address for Shareholders' Correspondence :

- i) **For Shares held in Physical Form** – All correspondence regarding share transfers/ transmissions, change of address, bank mandates, nomination, etc. should be addressed to the Registrars and Share Transfer Agents of the Company at the following address :

C. B. Management Services (P) Limited  
Unit : International Combustion (India) Limited  
P-22, Bondel Road, Kolkata – 700019  
Telephone : (033) 40116700/6715/6717/6724/6742;  
Fax : (033) 4011-6739  
E-mail : rta@cbmsl.com

- ii) **Shares held in Dematerialized Form** – All correspondence regarding change of address, bank mandates, nomination, etc. should be addressed to their respective depository participants.

- iii) **For Shares held in Physical/ Dematerialized Form** – All correspondence regarding non-receipt of dividend, non-receipt of Annual Report or regarding any other general matter or regarding any difficulties, complaints or grievances, may be addressed to the Registrars and Share Transfer Agents of the Company at their address mentioned above or to Mr. S. C. Saha, Company Secretary (Compliance Officer) at the Registered Office at Infinity Benchmark, 11th Floor, Plot No. G-1, Block EP & GP, Sector - V, Salt Lake Electronics Complex, Kolkata 700 091 (Phone No. : 033-33153000/ 3013 ; Fax No. : 033-23576653) or sent by email at [sc.saha@internationalcombustion.in](mailto:sc.saha@internationalcombustion.in).

For & on behalf of the Board

Kolkata  
8th May, 2015

**S. Bagaria**  
Chairman

## CEO AND CFO CERTIFICATION

To  
The Board of Directors  
International Combustion (India) Limited

### SUB : CEO / CFO CERTIFICATE

Dear Sirs,

We hereby certify that :--

- (a) We have reviewed financial statements for the Financial Year 2014-15 i.e. the Balance Sheet as at 31st March, 2015, the Statement of Profit & Loss for the year ended 31st March, 2015 and the Cash Flow Statement for the year ended 31st March, 2015 and that to the best of our knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee
  - (i) significant changes, if any, in internal control over financial reporting during the year;
  - (ii) significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

However, during the year, there were no such changes or instances.

Yours sincerely,

Kolkata  
8th May, 2015

**Indrajit Sen**  
Managing Director  
(CEO)

**A. K. Neogi**  
Sr. GM (Finance) & CFO

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### DECLARATION BY THE MANAGING DIRECTOR UNDER CLAUSE 49 OF THE LISTING AGREEMENT

To  
The Shareholders of  
International Combustion (India) Limited

#### **Sub : Compliance with Code of Conduct**

I hereby declare that all the Board Members and Senior Managerial Personnel of the Company have affirmed compliance with the Code of Conduct of the Company (including the Code for Independent Directors applicable to Independent Directors as required under Schedule IV to the Companies Act, 2013), as adopted by the Board of Directors, for the Financial Year 2014-15.

Kolkata  
May 8, 2015

**Indrajit Sen**  
Managing Director



## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To  
The Members of  
International Combustion (India) Limited

We have examined the compliance of conditions of Corporate Governance by International Combustion (India) Limited, for the year ended on 31st March, 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

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 the 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 the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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

For **Lodha & Co.**  
*Chartered Accountants*  
*Firm's ICAI Registration No.: 301051E*

**H. K. Verma**  
*Partner*  
*Membership No.: 055104*

Place : Kolkata  
Date : 8th May, 2015

## INDEPENDENT AUDITORS' REPORT

### To the Members of International Combustion (India) Limited

#### Report on the Financial Statements

We have audited the accompanying financial statements of International Combustion (India) Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act read with Rule 7 of Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the Accounting and Auditing Standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements 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, of the state of affairs of the Company as at 31st March, 2015, and its Profit and its Cash Flows for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.



## INDEPENDENT AUDITORS' REPORT (Contd.)

As required by Section 143(3) of the Act, 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) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from the branches not visited by us;
- c) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2013;
- d) On the basis of written representations received from the directors as on March 31, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164 (2) of the Act.
- e) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position;
  - ii. The Company did not have long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **Lodha & Co.**  
Chartered Accountants  
Firm's ICAI Registration No.: 301051E

**H. K. Verma**  
Partner

Membership No.: 055104

Place : Kolkata

Date : 8th May, 2015

### Annexure to the Auditors' Report of even date:

- i)
  - a. The Company has maintained proper records showing full particulars, including quantitative details and situations of fixed assets.
  - b. During the year, fixed assets have been physically verified by the management according to a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verifications.
- ii)
  - a. As informed, the inventories of the Company except for those lying with third parties have been physically verified by the management during the year. In our opinion and according to the information and explanations given to us, the frequency of such verification is reasonable.
  - b. In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
  - c. In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- iii) The Company has not granted any loans secured or unsecured to companies, firms or parties covered in the register maintained under Section 189 of the Act. Accordingly, clause 3 (iii) of the Order is not applicable to the Company.
- iv) Having regard to the fact that certain items are of special nature for which comparative quotations are not readily available, in our opinion the internal control procedures of the Company relating to purchases of stores, raw materials including components, plant and machinery, equipment and other similar assets

## INDEPENDENT AUDITORS' REPORT (*Contd.*)

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) The Company has not accepted any deposits from public covered under Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder.
- vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Act in respect of the Company's products to which the said rules are made applicable and are of the opinion that prima facie, the prescribed records have been made and maintained. We have however, not made a detailed examination of the said records with a view to determine whether they are accurate or complete.
- vii)
  - a. According to the information and explanations given to us, the Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other statutory dues as applicable to it.
  - b. According to the information and explanations given to us, there were no disputed dues of sales tax, income tax, customs duty, wealth tax, excise duty, service tax, and cess, if any, as at 31st March, 2015.
  - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- viii) The Company does not have any accumulated losses as at the end of the year and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- ix) In our opinion and on the basis of information and explanations given to us by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
- x) According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from bank and financial institutions.
- xi) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised.
- xii) 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 cases by the management.

For **Lodha & Co.**  
*Chartered Accountants*  
*Firm's ICAI Registration No.: 301051E*

**H. K. Verma**  
*Partner*  
*Membership No.: 055104*

Place : Kolkata  
Date : 8th May, 2015





## BALANCE SHEET AS AT 31ST MARCH, 2015

Particulars	Note No.	(₹ in lacs)	
		As at 31st March, 2015	As at 31st March, 2014
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' funds</b>			
(a) Share Capital	2	239.03	239.03
(b) Reserves and Surplus	3	8994.21	9129.25
<b>(2) Non-current liabilities</b>			
(a) Long-term borrowings	4	666.68	—
(b) Deferred Tax liabilities (net)	5	260.09	329.20
(c) Long term provisions	6	60.99	57.25
<b>(3) Current liabilities</b>			
(a) Short-term borrowings	7	608.13	259.71
(b) Trade payables	8	1595.66	1596.05
(c) Other current liabilities	9	1066.52	834.36
(d) Short term provisions	10	98.36	94.20
<b>TOTAL</b>		<b>13589.67</b>	<b>12539.05</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed Assets	11		
(i) Tangible assets		2741.01	2789.38
(ii) Intangible assets		39.02	84.67
(iii) Capital work-in-progress		95.51	76.86
(b) Non-Current Investments	12	2050.00	50.00
(c) Long term loans and advances	13	129.06	120.19
(d) Other non-current assets	14	72.45	95.96
<b>(2) Current assets</b>			
(a) Current investments	15	550.00	2198.26
(b) Inventories	16	3195.67	2852.89
(c) Trade receivables	17	3923.17	3370.29
(d) Cash and Bank Balances	18	304.26	485.23
(e) Short-term loans and advances	19	471.81	402.38
(f) Other current assets	20	17.71	12.94
<b>TOTAL</b>		<b>13589.67</b>	<b>12539.05</b>
Summary of Significant Accounting Policies	1		
Notes on Financial Statements	2 - 31.13		

The notes are an integral part of the Financial Statements

As per our report of even date

For **Lodha & Co.,**  
Chartered Accountants,

**H.K. Verma**  
Partner  
Kolkata, 8th May, 2015

**S.C. Saha**  
Company Secretary  
**A.K. Neogi**  
Sr. General Manager (Finance) & CFO

On behalf of the Board

**S. Bagaria, Chairman**  
**I. Sen, Managing Director**

## STATEMENT OF PROFIT &amp; LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

		(₹ in lacs)	
Particulars	Note No.	For the year ended 31st March, 2015	For the year ended 31st March, 2014
<i>Revenue:</i>			
I. Revenue from operations	21	8868.53	9872.14
II. Other Income	22	207.43	227.86
III. <b>Total Revenue (I + II)</b>		<b>9075.96</b>	<b>10100.00</b>
<i>Expenses:</i>			
Cost of materials consumed	23	4050.94	5053.78
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	24	(189.60)	73.63
Employee benefit expenses	25	2703.34	2563.90
Finance cost	26	86.23	75.71
Depreciation and amortization expense	11&27	450.50	418.69
Less : Transferred from Revaluation Reserve		—	(4.45)
Other expenses	28	1912.27	1852.34
<b>Total Expenses</b>		<b>9013.68</b>	<b>10033.60</b>
V Profit before tax (III - IV)		62.28	66.40
VI. Tax expense:	29		
(1) Current tax		16.50	2.70
(2) Deferred tax	5	(52.04)	(16.11)
Total Tax Expenses		(35.54)	(13.41)
VII. Profit for the period (V - VI)		97.82	79.81
VIII. Earning per equity share:			
(1) Basic	30	4.09	3.34
(2) Diluted	30	4.09	3.34
Summary of Significant Accounting Policies	1		
Notes on Financial Statements	2 - 31.13		

The notes are an integral part of the Financial Statements

As per our report of even date

For **Lodha & Co.**,  
Chartered Accountants,

**H.K. Verma**  
Partner  
Kolkata, 8th May, 2015

**S.C. Saha**  
Company Secretary  
**A.K. Neogi**  
Sr. General Manager (Finance) & CFO

On behalf of the Board

**S. Bagaria**, Chairman

**I. Sen**, Managing Director



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

(₹ in lacs)

	For the year ended 31st March, 2015	For the year ended 31st March, 2014
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net Profit / (Loss) before Tax and extraordinary items</b>	<b>62.28</b>	<b>66.40</b>
Adjustments for :		
Depreciation & Amortisation expenses	450.50	414.24
(Profit)/loss on sale of fixed asset (net)	(1.38)	8.23
Provision for diminution in the value of current investments	(1.74)	1.74
Irrecoverable Debts written off	9.87	60.72
Interest Income	(40.39)	(38.14)
Profit on maturity/redemption of current investments	(157.23)	(168.61)
Interest on borrowings	86.23	75.71
Liabilities no longer required written back	(27.77)	(71.91)
Difference in Exchange Rate	5.94	(3.02)
<b>Operating profit before Working Capital changes</b>	<b>386.31</b>	<b>345.36</b>
<b>Movement in working capital:</b>		
Increase/ (decrease) in trade Payables	27.35	(412.49)
Increase/ (decrease) in long-term provisions	3.74	4.96
Increase/ (decrease) in short-term provisions	2.75	0.45
Increase/ (decrease) in other current liabilities	212.66	(1.35)
Decrease/ (increase) in trade receivables	(523.32)	374.88
Decrease/ (increase) in inventories	(342.78)	229.33
Decrease/ (increase) in long-term loans and advances	(8.87)	(1.75)
Decrease/ (increase) in short-term loans and advances	(71.92)	177.88
Decrease/ (increase) in other current assets	(4.77)	(6.18)
<b>Cash generated from/(used in) operations</b>	<b>(318.85)</b>	<b>711.09</b>
Direct Taxes Paid(net of refunds)	(14.00)	(78.31)
<b>Net Cash from /(used in) operating activities ...(A)</b>	<b>(332.85)</b>	<b>632.78</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale of fixed asset	1.60	11.63
Purchase of Fixed Assets including intangible assets, CWIP and capital advances	(581.93)	(154.27)
Proceeds from Redemption/ Maturity of current investments	907.23	1618.61
Purchase of Investments	(1100.00)	(1550.00)
Investment in joint venture	—	(50.00)
Maturity of bank deposits (having original maturity of more than three months)	170.04	—
Investment in bank deposits (having original maturity of more than three months)	—	(23.48)
Interest Received	40.39	38.14
<b>Net Cash from /(used in) investing activities ...(B)</b>	<b>(562.67)</b>	<b>(109.37)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from long-term borrowings	—	—
Proceeds/ (Repayment) of long-term borrowings	687.81	(7.49)
Proceeds/ (Repayment) of short term borrowings	348.42	(404.77)
Interest Paid	(86.23)	(75.71)
Dividends Paid (including corporate tax on dividend)	(43.58)	(139.43)
<b>Net Cash flow from/(used in) Financing activities ...(C)</b>	<b>906.42</b>	<b>(627.40)</b>
<b>Net increase/(decrease) in Cash and Cash equivalents (A+B+C)</b>	<b>10.90</b>	<b>(103.99)</b>
Cash and Cash equivalents at the beginning of the year	122.81	226.80
Cash and Cash equivalents at the close of the year (Refer Note 18)	133.71	122.81

Notes: (i) Figures in brackets represent loss/outflows

(ii) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard 3 on "Cash Flow Statements" as prescribed by Companies (Accounting Standard) Rules, 2006.

As per our report of even date

For **Lodha & Co.,**

Chartered Accountants,

**H.K. Verma**

Partner

Kolkata, 8th May, 2015

**S.C. Saha**

Company Secretary

**A.K. Neogi**

Sr. General Manager (Finance) & CFO

On behalf of the Board

**S. Bagaria, Chairman**

**I. Sen, Managing Director**

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

### 1. ACCOUNTING POLICIES

#### (A) Significant Accounting Policies

##### (i) ACCOUNTING CONCEPTS

The Company follows the Mercantile System of Accounting and recognises Revenue and Expenditure on Accrual basis.

The financial statements have been prepared on historical cost, adjusted by the revaluation of certain fixed assets, as a going concern, and are consistent with generally accepted accounting principles. The accounts have been prepared in accordance with the provisions of the Companies Act, 2013 and Accounting Standards notified vide Companies (Accounting Standard) Rules, 2006 which continue to apply as per Section 133 of Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other recognised accounting practices.

##### (ii) 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 amounts of revenue and expenses during the year. Contingencies are recorded when it is probable that a liability will be incurred and the amount can reasonably be estimated. Difference between the actual results and the estimates are recognised in the year in which the results are known / materialised.

##### (iii) FIXED ASSETS

###### Tangible

Fixed assets are stated at cost or at revalued amount, as the case may be. Cost includes taxes, freight and other incidental expenses related to acquisition and installation of the respective assets, interest on specific borrowings and other pre-operative expenses related to the project.

###### Intangible

Costs incurred on intangible assets, resulting in future economic benefits are capitalized as intangible assets.

###### Capital Work-in-progress

Capital Work-in-progress includes equipments to be installed, constructions and erection expenses etc.

##### (iv) DEPRECIATION & AMORTIZATION

Depreciation on fixed assets (Tangible) (other than on certain building and vehicles which is amortised over the period of lease) is provided on the following basis:

- Nagpur and Aurangabad Units - on straight line method in respect of assets acquired/installed based on the useful life as specified in Schedule II to the Companies Act, 2013.
- Other Units - on written down value method based on the useful life as specified in Schedule II to the Companies Act, 2013.
- Leasehold Land being perpetuity in nature and having 99 years of lease with an option of renewal has not been amortised.

Intangible assets are amortized on straight line method over a period of six years.

##### (v) IMPAIRMENT

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 recognised, 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 prorata basis.

##### (vi) INVESTMENTS

Long-term investments are stated at cost less provision for diminution in value other than temporary.

Current Investments are carried at lower of cost or fair value.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (Contd.)****(vii) INVENTORIES**

Inventories are stated at lower of cost or net realisable value. Cost of inventories is determined on weighted average cost. Cost in case of work-in-progress and finished goods represent material, labour, and other appropriate overheads. Cost in respect of raw materials, components, stores and spares include expenses incurred for procuring the same.

**(viii) FOREIGN CURRENCY TRANSACTIONS**

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. The loss or gain thereon and also on the exchange differences on settlement of the foreign currency transaction during the year are recognized as revenue or expenses and are adjusted in the Statement of Profit and Loss.

The difference between the forward rate and exchange rate at the date of transaction is recognized as revenue or expense over the life of the contract.

**(ix) REVENUE RECOGNITION**

Revenue from sale of goods is recognised at the point of despatch to the customers. Gross Sales include excise duty and exclude returns and Value Added Tax (VAT) and Central Sales Tax (CST).

Revenue in respect of others is recognized when there is reasonable certainty as to ultimate collection.

**(x) EMPLOYEE BENEFITS**

The Company has Defined Contribution Plan for its employees Retirement Benefits comprising of Provident Fund, Superannuation Fund and Pension Fund. The Company makes regular contribution to Provident Fund which are fully funded and administered by the Trustee/Government. Contributions are recognized in the Statement of Profit and Loss on accrual basis. The Company contributes to Superannuation Fund administered through its Trustees for certain category of employees and also contributes to the Employees' Pension Scheme, 1995 for certain group of employees. Short term employee benefits are however recognized as an expense in the Statement of Profit and Loss for the year in which the related services are rendered.

The Company has Defined Benefit Plan comprising of Gratuity and Leave Encashment schemes. The Company contributes to the Gratuity Fund which is administered through its Trustees. The Trustee managed Gratuity Fund has taken a Master Policy with Life Insurance Corporation (LIC) for future payment of gratuity liability to its employees.

Long-term employee benefits under Defined Benefit Scheme are determined at the close of the year at present value of the amount payable using actuarial valuation techniques. Actuarial gain and loss are recognized in the year when they arise.

**(xi) INCOME TAX**

Provision for tax is made for both current and deferred taxes. Current Tax is provided on the taxable income using the applicable tax rates and tax laws. Deferred tax arising on account of timing differences, which are capable of reversals in one and more subsequent years, are recognised using tax rates and tax laws, which have been enacted. Deferred tax assets are recognised to the extent there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets will be realised. In case of carry forward of unabsorbed depreciation and business losses, deferred tax assets are recognised only if there is virtual certainty that such deferred tax assets can be realized against future taxable profits.

**(xii) PROVISION, 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 statements. Contingent liabilities, if material, are disclosed by way of notes.

**(xiii) FINANCE LEASE**

Asset acquired on finance lease is capitalized and a corresponding liability disclosed as lease obligation under "Long Term Borrowings". Such assets are capitalized at fair values or present value of minimum lease payments whichever is lower, at the inception of the lease term and disclosed as leased assets. Rentals/ Equated Monthly Instalments paid by the Company are apportioned between the finance charges and as a reduction of the outstanding liability.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (Contd.)

(₹ in lacs)

**2. SHARE CAPITAL****(a) Authorised Shares**

5000000 Equity Shares of ₹ 10 each

**(b) Issued, Subscribed and fully paid-up shares**2390276 Equity Shares of ₹ 10 each  
fully paid (2013-14 - 2390276)

	As at 31st March, 2015	As at 31st March, 2014
	500.00	500.00
	239.03	239.03
	<b>239.03</b>	239.03

- (c) The Company has only one class of equity shares having a par value of ₹ 10/- each. Each holder of equity shares is entitled for one vote per share.
- (d) In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company, after distribution of all preferential amounts in proportion of their shareholding.
- (e) The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. For the year ended 31st March, 2015 the amount of per share dividend recognised as distribution to the equity shareholder is ₹ 1.50 per share
- (f) There is no movement in the number of shares outstanding at the beginning and at the end of the year
- (g) Details of Shareholders holding more than 5% of the shares alongwith number of shares held :

Name of the Shareholder	As at 31st March, 2015 No. of shares	As at 31st March, 2014 No. of shares
Tradelink Securities Limited	343703	343703
Stephen Court Limited	279088	279088
Woolworth Merchandise Private limited	170609	170609

(₹ in lacs)

**3. RESERVES & SURPLUS****Capital Reserve**

As per last Balance Sheet

**Securities Premium Account**

As per last Balance Sheet

**Revaluation Reserve**

As per last Balance Sheet

Less: Transfer on transitional provisional  
of Companies Act, 2013**General Reserve**

As per last Balance Sheet

Add: Transferred from Surplus

Add: Transfer from Revaluation Reserve

Less : Transfer on transitional provisional  
of Companies Act, 2013

Add: Deferred Tax on above

Note No.

	As at 31st March, 2015	As at 31st March, 2014
	605.34	605.34
	890.41	890.41
	151.33	155.78
11(d)	(151.33)	(4.45)
	—	151.33
	7335.00	7300.00
	5.00	35.00
11(e)	151.33	—
11(d)	(206.58)	—
11(d)	17.07	—
	<b>7301.82</b>	7335.00



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (Contd.)

		(₹ in lacs)	
	Note No.	As at 31st March, 2015	As at 31st March, 2014
<b>3. RESERVES &amp; SURPLUS (Contd.)</b>			
<b>Surplus as per Statement of Profit and Loss</b>			
As per last Balance Sheet		147.17	144.30
Add: Net profit after Tax transferred from Statement of Profit and Loss		97.82	79.81
Amount available for appropriation		244.99	224.11
Appropriations:			
Proposed Dividend	31.12 & 2(e)	(35.85)	(35.85)
Tax on proposed dividend		(7.50)	(6.09)
Transferred to General Reserve		(5.00)	(35.00)
Balance		<u>196.64</u>	<u>147.17</u>
<b>TOTAL</b>		<b><u>8994.21</u></b>	<b><u>9129.25</u></b>
<b>4. LONG TERM BORROWINGS</b>			
<b>Secured</b>			
Term Loan from Bank	4(a),4(b) & 4(c)	659.69	—
Vehicle Finance Loan from Bank	4(d),4(e) & 4(f)	6.99	—
		<b><u>666.68</u></b>	—
(a) Term Loan from bank is secured by way of lien on investments in units of mutual fund held by the Company and is repayable in 60 monthly instalments starting from January, 2016	12 & 15		
(b) Repayment details of Term Loan are given below:			
2015-16 (included under Current Maturities of Term Loan)		<u>25.52</u>	—
2016-17		109.64	—
2017-18		123.20	—
2018-19		138.62	—
2019-20		155.93	—
2020-21		<u>129.64</u>	—
		<u>657.03</u>	—
(c) Interest Rate of Term Loan (Base Rate + 2%)		11.85%	
(d) Finance lease obligation is secured against car taken on finance lease and is repayable in 60 monthly instalments starting from July, 2014			
(e) Repayment details of Vehicle Finance Loan are given below:			
2014-15		<u>1.22</u>	—
2015-16 (included under Current Maturities of Vehicle Finance Lease in Note 9)		<u>1.74</u>	—
2016-17		1.92	—
2017-18		2.14	—
2018-19		2.36	—
2019-20		<u>0.57</u>	—
		<u>6.99</u>	—
(f) Interest Rate of Vehicle Finance Loan		10.51%	



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (Contd.)

**5. DEFERRED TAX LIABILITIES (Net)**

The break-up of deferred tax assets and liabilities are as given below:

(₹ in lacs)

	Opening as on 1st April, 2014	Charge/(Credit) during the year in		Closing as on 31st March, 2015
		General Reserve for Transitional Provision*	Statement of Profit & Loss	
Deferred Tax Assets :				
Expenses Allowable on Payment Basis	33.52	—	7.72	25.80
Unabsorbed Depreciation	19.53	—	19.53	—
Gross Deferred Tax Asset	<u>53.05</u>	<u>—</u>	<u>27.25</u>	<u>25.80</u>
Deferred Tax Liabilities :				
Timing Difference with respect to Fixed Asset	382.25	(17.07)	(79.29)	285.89
Gross Deferred Tax Liabilities	<u>382.25</u>	<u>(17.07)</u>	<u>(79.29)</u>	<u>285.89</u>
Net Deferred Tax Liabilities	329.20	(17.07)	(52.04)	260.09

\*Refer Note 11(d)

	Note No.	As at 31st March, 2015	As at 31st March, 2014
<b>6. LONG TERM PROVISIONS</b>			
Provision for Employee Benefits	31.03	<u>60.99</u>	<u>57.25</u>
<b>7. SHORT TERM BORROWINGS</b>			
(a) Secured Loans (Repayable on demand)			
Cash credit from Banks	7(b)	<u>608.13</u>	<u>259.71</u>
		<u>608.13</u>	<u>259.71</u>

(b) Cash Credit from UCO Bank and Axis Bank are secured by hypothecation of stock of raw materials, work-in-progress, finished goods, stores and spares, book debts and other current assets of the Company and all moveable assets and by equitable mortgage by deposit of title deeds of immoveable properties comprising of land and buildings of the Company's factories situated at Baidyabati, Nagpur and Aurangabad.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (Contd.)

		(₹ in lacs)	
	Note No.	As at 31st March, 2015	As at 31st March, 2014
<b>8. TRADE PAYABLES</b>			
Dues to Micro, Small and Medium Enterprises	8(a)	61.93	46.08
Dues to Others		1533.73	1549.97
		<u>1595.66</u>	<u>1596.05</u>
(a) Disclosures of these dues 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):			
<b>(i) The principal amount and the interest due remaining unpaid to any supplier as at the end of the year</b>			
Principal amount unpaid		61.93	46.08
Interest due		—	—
<b>(ii) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the year:</b>			
Payment made beyond the Appointed Date		203.72	116.73
Interest paid beyond the Appointed Date		—	—
<b>(iii) The amount of interest due and payable for the delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprise Development Act, 2006.</b>			
		—	—
<b>(iv) The amount of interest accrued and remaining unpaid at the end of the year and</b>			
		—	—
<b>(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006.</b>			
		—	—
<b>9. OTHER CURRENT LIABILITIES</b>			
Current Maturities of Long Term Loan	4	25.52	—
Current Maturities of Vehicle Finance Lease	4	1.74	6.13
Unclaimed Dividends *		14.20	15.83
Advances from Customers		726.91	604.63
Other Payables			
Statutory deductions/payable-P.F,ESI,Sales tax, VAT etc		168.26	110.97
Others		129.89	96.80
		<u>1066.52</u>	<u>834.36</u>
* Not due for payment to Investor Education and Protection Fund			
<b>10. SHORT TERM PROVISIONS</b>			
Provision for Employee Benefits	31.03	55.01	52.26
Proposed Dividend	31.12 & 2(e)	35.85	35.85
Tax on Proposed Dividend		7.50	6.09
		<u>98.36</u>	<u>94.20</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (Contd.)

## 11. FIXED ASSETS

Assets	GROSS BLOCK (Cost / on revaluation)		DEPRECIATION / AMORTISATION			NET BLOCK		
	As at 1st April, 2014	As at 31st March, 2015	Upto 31st March, 2014	During the year Transfer to General Reserve Statement	Deletion during the year	Upto 31st March, 2015	As at 31st March, 2015	As at 31st March, 2014
<b>A. Tangible Assets</b>								
Land -								
Freehold	3.04	3.04	—	—	—	—	3.04	3.04
Leasehold	36.75	530.80	494.05	—	—	0.01	530.79	36.74
Buildings	1061.30	1061.30	—	182.91	—	352.56	493.31	708.74
Buildings - Leasehold	789.88	789.88	—	3.48	—	109.05	625.15	680.83
Plant and Equipment	3646.99	3700.41	56.07	9.65	2.65	2511.81	952.98	1135.18
Furniture and Fixtures	258.09	258.59	0.50	0.68	—	133.64	75.57	124.45
Vehicles								
Freehold	48.26	43.74	—	0.46	4.34	39.07	3.36	9.19
Leasehold	28.40	40.71	12.31	—	—	14.01	14.55	14.39
Office Equipment	24.15	24.16	0.01	3.55	—	14.27	1.65	9.88
Electrical Installation	173.67	173.80	0.34	5.85	0.17	106.73	40.61	66.94
	6070.53	6626.43	563.28	206.58	7.16	3281.15	2741.01	2789.38
<b>B. Intangible Assets</b>								
Technical Knowhow fees	328.13	328.13	—	—	—	268.96	33.51	59.17
ERP Software	36.20	36.20	—	—	—	36.18	0.02	0.02
Autocad Software	14.38	14.38	—	—	—	7.33	4.65	7.05
Patent	105.53	105.53	—	—	—	87.10	0.84	18.43
	484.24	484.24	—	—	—	399.57	39.02	84.67
<b>Total (A+B)</b>	6554.77	7110.67	563.28	206.58	7.16	3680.72	2780.03	2874.05
Previous year	6573.75	6554.77	82.50	—	81.62	3343.65	2874.05	—

Notes :

- (a) Certain Buildings and Plant and Equipments had been revalued on 31st October, 1991 by an approved valuer on market value basis, resulting in an increase in value of such assets by ₹ 437.37 lacs
- (b) Gross depreciation for the current year is ₹ 450.50 lacs (2014- ₹ 418.69 lacs) of which ₹ Nil (2014- ₹ 4.45 lakhs) has been transferred from Revaluation Reserve.
- (c) Refer Notes 4(d) and 7(b)
- (d) During the year depreciation has been provided based on the life of the assets as per Schedule II of the Companies Act, 2013. In terms of Schedule II, the carrying amount of the assets existing as on 1st April, 2014 has been depreciated over the remaining life of the assets. Consequent upon revision in the life of the assets depreciation for the year is higher by ₹ 67.15 lacs
- (ii) where the remaining life of the assets is nil as on 1st April, 2014, the carrying amount of ₹ 206.58 lakhs (including ₹ 151.33 lacs pertaining to revalued assets) after retaining the residual value, has been adjusted against the General Reserve. Deferred tax pertaining to above, amounting to ₹ 17.07 lacs has also been adjusted against General Reserve.
- (e) Revaluation Reserve transferred to General Reserve - ₹ 151.33 lacs (2013-14- ₹ Nil) being corresponding amount of depreciation pertaining to revalued assets.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (Contd.)

(₹ in lacs)

	As at 31st March, 2015	As at 31st March, 2014
<b>12. NON-CURRENT INVESTMENTS</b>		
<b>Long term</b>		
<b>Equity Shares-</b>		
<b>Unquoted</b>		
<b>Joint Venture</b>		
Mozer Process Technology Pvt Ltd - 500000 shares of Face value ₹10 each (2013-14 - 500000)	50.00	50.00
	<u>50.00</u>	<u>50.00</u>
<b>Unquoted-Other than Trade</b>		
<b>Investment in Mutual Funds</b>		
i. DWS Fund Maturity Plan-Series 68 2500000 units of ₹ 10 each (2013-14- Nil)	250.00	—
ii. Reliance Fixed Horizon Fund XXVII Sr-3 2000000 units of ₹ 10 each (2013-14- Nil)	200.00	—
iii. ICICI Prudential Fixed Maturity Plan Series 75 Plan U Regular Plan Cumulative 3000000 units of ₹ 10 each (2013-14- Nil)	300.00	—
iv. HDFC FMP 1184 D January 2015 (I) Series 33 2000000 units of ₹ 10 each (2013-14- Nil)	200.00	—
v. Kotak FMP Series 172-Growth (Regular Plan) 1500000 units of ₹ 10 each (2013-14- Nil)	150.00	—
vi. Reliance Fixed Horizon Fund - XXIII Series 11 3000000 units of ₹ 10 each (2013-14- 3000000)	300.00	—
vii. ICICI Prudential FMP Series 73-1140 days Plan E Regular Plan Cumulative 2000000 units of face value of ₹ 10 each (2013-14- 2000000)	200.00	—
viii. Birla Sunlife Fixed Term Plan Series JJ 1000000 units of ₹ 10 each (2013-14- 1000000)	100.00	—
ix. Birla Sunlife Fixed Term Plan - Corporate Bond Series A 3000000 units of ₹ 10 each (2013-14- 3000000)	300.00	—
	<u>2000.00</u>	<u>—</u>
Aggregate market value of quoted investments	<u>—</u>	<u>—</u>
<b>TOTAL INVESTMENTS IN MUTUAL FUNDS</b>	<b>2000.00</b>	<b>—</b>
Aggregate book value of Quoted Investments : in Mutual Funds	—	—
Aggregate book value of Unquoted Investments : in Mutual Funds	2000.00	—
<b>TOTAL INVESTMENTS</b>	<b>2050.00</b>	<b>50.00</b>

**12.1** During the year, these investments have been reclassified from current investments to long-term investments based on the rollover of date of maturity of such investments for a period beyond one year.

**12.2** Refer Note No.4(a)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (Contd.)

(₹ in lacs)

**12.3 Interest in Joint Venture:**

The Company's interest, as a venture in jointly controlled entity is given below:

Name of Entity	Country of Incorporation	Proportion of ownership interest as at	
		31st March, 2015	31st March, 2014
Mozer Process Technology Pvt Ltd	India	50%	50%
The Company's interest in this Joint Venture is reported as Long-term Investments and stated at cost. However, aggregate amount of the Company's share of each of the assets, liabilities, income and expenses related to its interest in this jointly controlled entity is given below:			
Income		5.39	1.44
Expenses		6.32	22.92
Assets		34.73	35.56
Liabilities		0.22	0.10
<b>13. LONG TERM LOANS AND ADVANCES</b>			
Unsecured-Considered good			
Security Deposits		73.65	64.78
Mat Credit Entitlement		55.41	55.41
		<b>129.06</b>	<b>120.19</b>
<b>13.1</b> The Company is entitled to MAT credit and accordingly based on evidences MAT credit of ₹ Nil (2013-14 - 12.82 lacs) has been recognised in these financial statements.			
<b>14. OTHER NON-CURRENT ASSETS</b>			
Unsecured, considered good			
Long-term Trade receivables		—	45.34
Deposits with banks with more than twelve months maturity (including interest accrued thereon)	18.1	72.45	50.62
		<b>72.45</b>	<b>95.96</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (Contd.)

		(₹ in lacs)	
	Note No.	As at 31st March, 2015	As at 31st March, 2014
<b>15. CURRENT INVESTMENTS-at cost</b>			
(fully paid-up otherwise stated)			
<b>Unquoted-Other than Trade</b>			
<b>Investment in Mutual Funds</b>			
i. ICICI Prudential FMP Series 63-3 Year Plan L- Cumulative 3000000 units of ₹ 10 each (2013-14 - 3000000)	15.1	300.00	300.00
ii. HDFC FMP 24 M- Growth Series XX 2500000 units of ₹ 10 each		—	250.00
iii. HDFC FMP 36 M Series XIX - Growth 2500000 units of ₹ 10 each		—	300.00
iv. Sundaram Flexible Income Fund - Regular Growth 1183635.062 units of ₹ 16.8971 each Less : Diminution in value of investments		— — —	200.00 1.74 198.26
v. Kotak FMP Series 127- Growth (Regular Plan) 1500000 units of ₹ 10 each (2013-14 - 1500000)		150.00	150.00
vi. Tata Fixed Maturity Plan Series 46 Scheme - D Plan A 1000000 units of ₹ 10 each (2013-14 - 1000000)		100.00	100.00
vii. Reliance Fixed Horizon Fund - XXIII Series 11 3000000 units of ₹ 10 each (2013-14 - 3000000)		—	300.00
viii. ICICI Prudential FMP Series 73-1140 days Plan E Regular Plan Cumulative 2000000 units of face value of ₹ 10 each (2013-14 - 2000000)		—	200.00
ix. Birla Sunlife Fixed Term Plan Series JJ 1000000 units of ₹ 10 each (2013-14 - 1000000)		—	100.00
x. Birla Sunlife Fixed Term Plan - Corporate Bond Series A 3000000 units of ₹ 10 each (2013-14 - 3000000)		—	300.00
<b>TOTAL INVESTMENTS</b>		<b>550.00</b>	2198.26
Aggregate book value of quoted investments		—	—
<b>TOTAL INVESTMENTS</b>		<b>550.00</b>	2198.26
Aggregate book value of Unquoted Investments :			
in Mutual Funds		550.00	2198.26
Aggregate Market Value of Quoted Investments in Mutual Funds		—	—
<b>15.1 Current portion of long term investments</b>			
<b>15.2 Refer Note No.4(a)</b>			

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (Contd.)

(₹ in lacs)

	Note No.	As at 31st March, 2015	As at 31st March, 2014
<b>16. INVENTORIES</b>	7(b)		
(As taken, valued and certified by the management)			
Raw Materials and Components [including in transit ₹ 0.19 lakhs (2013-14-₹ 5.52 lakhs)]		1192.09	1088.69
Work-in-progress	31.08(c)	615.46	526.90
Finished Goods	31.08(c)	1169.01	1034.70
Stores		195.64	167.25
Packing Materials		23.47	35.35
		<b>3195.67</b>	<b>2852.89</b>
<b>17. TRADE RECEIVABLES</b>	7(b)		
Unsecured, considered good			
Trade receivables outstanding for period exceeding six months			
Considered good		881.24	801.70
Other			
Considered good		3041.93	2568.59
		<b>3923.17</b>	<b>3370.29</b>
<b>18. CASH AND BANK BALANCES</b>			
(As certified by the management)			
Cash and Cash Equivalents			
Balances with Banks:			
— Current Accounts		116.29	104.79
— Unclaimed Dividends Accounts		14.20	15.83
Cash in hand		3.22	2.19
		<b>133.71</b>	<b>122.81</b>
Other Bank Balances			
— Fixed Deposit Accounts (including interest accrued thereon) with original maturity of more than twelve months		0.50	6.90
with original maturity of more than three months but less than twelve months		20.63	13.52
— Margin money with banks (including interest accrued thereon) with original maturity of more than twelve months	18.1	149.42	342.00
		<b>170.55</b>	<b>362.42</b>
		<b>304.26</b>	<b>485.23</b>
<b>18.1</b> Fixed Deposits receipts of ₹ 221.87 lacs (2014-₹ 342 lacs) have been deposited with banks against guarantees issued by them			
<b>19. SHORT-TERM LOANS AND ADVANCES</b>			
Unsecured-Considered good	7(b)		
Advance to Related Party		0.24	—
Advances to suppliers		52.85	45.02
Advance to Employees		5.04	3.51
Advance Tax (net of Provision - ₹ 799.76 lacs, 2013-14 - ₹ 1248.20 lacs).		20.07	22.55
Advance for Fringe Benefit Tax (net of Provision - ₹ Nil. 2013-14 - ₹ Nil)		0.34	0.34
Balances with statutory / government authorities		298.23	199.59
Prepaid Expenses		32.73	47.01
Others		62.31	84.36
		<b>471.81</b>	<b>402.38</b>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (Contd.)

		(₹ in lacs)	
	Note No.	As at 31st March, 2015	As at 31st March, 2014
<b>20. OTHER CURRENT ASSETS</b>			
Export Incentive Receivable	7(b)	17.71	12.94
		<u>17.71</u>	<u>12.94</u>
		(₹ in lacs)	
		For the year ended 31st March, 2015	For the year ended 31st March, 2014
<b>21. REVENUE FROM OPERATIONS</b>			
Sale of products	31.08(b)	9554.94	10596.61
Sale of services		27.92	42.49
Other operating revenue			
Scrap Sales		68.01	77.14
Liability no longer required written back		27.77	71.91
Duty Drawback		17.59	19.92
Less : excise duty		(827.70)	(935.93)
Revenue from Operations (net)		<u>8868.53</u>	<u>9872.14</u>
<b>22. OTHER INCOME</b>			
Interest on deposits, overdue debts etc		40.39	38.14
Profit on sale/redemption of current investments (net)		157.23	168.61
Profit/ (Loss) on sale of Fixed Asset (Net)		1.38	—
Net gain/(loss) on foreign currency translation and transaction		—	18.91
Miscellaneous Income		8.43	2.20
		<u>207.43</u>	<u>227.86</u>
<b>23. COST OF MATERIALS CONSUMED</b>			
Raw Materials Consumed	31.09(a)	<u>4050.94</u>	<u>5053.78</u>
<b>24. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>			
Finished Goods:			
Opening stock		1034.70	1127.44
Add/(Less) : Provision for Excise duty on finished goods lying at the factories		33.27	(27.40)
Less: Closing Stock		(1169.01)	(1034.70)
		<u>(101.04)</u>	<u>65.34</u>
Work-in-progress:			
Opening stock		526.90	535.19
Less: Closing Stock		(615.46)	(526.90)
		<u>(88.56)</u>	<u>8.29</u>
(Increase) / decrease		<u>(189.60)</u>	<u>73.63</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (Contd.)

		(₹ in lacs)	
	Note No.	For the year ended 31st March, 2015	For the year ended 31st March, 2014
<b>25. EMPLOYEE BENEFIT EXPENSES</b>			
Salaries and Wages		2075.20	1991.61
Contribution to Provident and Other Funds		246.73	189.97
Workmen and Staff Welfare Expenses		108.04	114.07
Travelling and Conveyance		273.37	268.25
		<b>2703.34</b>	<b>2563.90</b>
<b>26. FINANCE COST</b>			
Interest Expense		77.54	68.73
Other Borrowing Cost		8.69	6.98
		<b>86.23</b>	<b>75.71</b>
<b>27. DEPRECIATION AND AMORTIZATION EXPENSE</b>			
Depreciation on tangible assets	11	404.85	355.43
Amortisation of intangible assets	11	45.65	63.26
		450.50	418.69
Less : Transfer from Revaluation Reserve	3	—	(4.45)
		<b>450.50</b>	<b>414.24</b>
<b>28. OTHER EXPENSES</b>			
Consumable Stores		288.16	259.24
Rent		16.07	14.35
Rates and Taxes		17.90	17.06
Power and Fuel		165.81	147.07
Repairs to - Buildings		26.11	31.76
- Machinery		10.13	9.08
- Others		42.82	58.41
Insurance		25.70	48.11
Selling and Distribution Expenses	28(b)	463.54	385.41
Royalty		180.82	195.36
Directors' Commission		2.88	2.71
Auditors' Remuneration	28(c)	4.40	3.90
Irrecoverable Debts/Advances written off		9.87	60.72
Communication Expenses		19.95	21.85
Consultancy		15.98	31.45
Donation		—	0.20
Loss on sales of fixed assets (net)		—	8.23
Net loss on foreign currency translation and transaction		20.99	—
Provision for diminution in the value of current investments		—	1.74
Packing Materials consumed and packing charges (net)		179.66	143.19
Freight Charges (net)		59.80	60.30
Miscellaneous Expenses	28(d)	361.68	352.20
		<b>1912.27</b>	<b>1852.34</b>
(a) Expenditure in Foreign Currency			
Royalty		<b>94.02</b>	180.65
Other matters		<b>20.52</b>	39.17
(b) Selling and Distribution Expenses comprise of-			
Travelling Expenses		<b>380.05</b>	274.25
Commission on Sales		<b>51.42</b>	48.29
Other Expenses		<b>32.07</b>	62.87
(c) Auditors' Remuneration:			
Audit Fees		<b>2.75</b>	2.25
Certification		<b>1.65</b>	1.65
(d) Includes expenditure towards activities for Corporate Social Responsibilities-₹ 3 lacs (2013-14 - ₹ Nil)			

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (Contd.)

(₹ in lacs)

	For the year ended 31st March, 2015	For the year ended 31st March, 2014
<b>29. TAX EXPENSE</b>		
Current Tax	16.50	—
Minimum Alternate Tax	—	12.99
Earlier years' short/excess provision	—	2.53
	16.50	15.52
Less: Minimum Alternate Tax Credit-(Refer Note-13.1)	—	12.82
	16.50	2.70

**30. EARNINGS PER EQUITY SHARE (EPS)**

Year ended 31st March

	2015	2014
I. Profit /(Loss) after tax.....(a)	97.82	79.81
II. Shares		
Number of Equity Shares as on 31st March	2390276	2390276
Weighted average number of Equity shares outstanding during the year (for EPS) .....(b)	2390276	2390276
III. EPS (Face value of ₹ 10 each)		
Basic EPS (a/b) in Rupees	4.09	3.34
Diluted EPS (a/b) in Rupees	4.09	3.34

**31.01 CONTINGENT LIABILITIES AND COMMITMENTS**

**Contingent Liabilities**

Outstanding Bank Guarantees

68.59 96.12

**Commitments**

Estimated amount of contracts remaining to be  
executed on capital account

900.80 —

**31.02 UNHEDGED FOREIGN CURRENCY EXPOSURES  
ARE AS FOLLOWS :**

Nature	Currency	31st March, 2015	31st March, 2014
Import	Euro	16852	20875
Advance for Import	Euro	6965	14333
Export	USD	383272	51233
Export	Euro	130739	673148
Advance received against Export	USD	215986	37654
Advance received against Export	Euro	670	305

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (Contd.)

## 31.03 EMPLOYEE BENEFITS

- a) The Company has Defined Contribution Schemes for its employees' retirement benefits such as Provident Fund, Superannuation and defined Contribution Pension Schemes. For these Schemes, contributions are made by the Company for certain group of employees based on their current salary to recognised funds maintained by the Company and contributions are also made to the State funds for certain other employees. In case of Provident Fund Scheme, the contributions are also made by the employees.

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

	2014-15	2013-14
Employer's Contribution to Provident Fund	98.77	115.91
Employer's Contribution to Pension Fund	44.50	32.57
Employer's Contribution to Superannuation Fund	13.19	11.55
Employer's Contribution to Employees State Insurance Scheme	24.19	24.08

(₹ in lacs)

## Defined Benefit Scheme

The Employee's gratuity fund scheme managed by Life Insurance Corporation of India is a defined benefit plan. The present value of obligations is determined based on actuarial valuation using the projected Unit Credit Method which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

- b) Disclosures for defined benefit plans based on actuarial reports as on 31st March, 2015

(₹ in lacs)

(i) Gratuity (Funded)	Year Ended 31st March	
	2015	2014
A. Change in Defined Benefit Obligations :		
Present Value of Defined Benefit Obligations as at the beginning of the year	571.83	557.54
Current Service Cost	36.82	32.33
Interest Cost	47.13	50.82
Benefits Paid	(66.60)	(71.31)
Actuarial (Gains)/ Losses	17.22	2.45
<b>Present Value of Defined Benefit Obligations as at the end of the year</b>	<b>606.40</b>	<b>571.83</b>
B. Change in the Fair Value of Assets:		
Fair value of Plan Assets at the beginning of the year	664.28	638.35
Expected Return on Plan Assets	52.84	58.62
Contributions by the Company	7.26	41.59
Benefits paid	(66.60)	(71.31)
Actuarial Gains/ (Losses)	2.47	(2.97)
<b>Fair value of Plan Assets at the end of the year</b>	<b>660.25</b>	<b>664.28</b>
Total Actuarial (gain)/loss to be recognised	(14.75)	5.42

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (Contd.)

## 31.03 EMPLOYEE BENEFITS (Contd.)

(₹ in lacs)

		Year Ended 31st March				
		2015	2014	2013	2012	2011
C. Actual Return on Plan Assets						
	Expected Return on Plan Assets	52.84	58.62			
	Acturial gain/(loss) on Plan assets	2.47	(2.97)			
	<b>Actual Return on Plan Assets</b>	<b>55.31</b>	<b>55.65</b>			
D. Amount Recognised in Balance Sheet and the Fair Value of Assets :						
	<b>Present Value of Defined Benefit Obligations as at the end of the year</b>	<b>606.40</b>	<b>571.83</b>			
	Fair value of Plan Assets at the end of the year	660.25	664.28			
	<b>Liability /(Assets) recognized in the Balance Sheet</b>	<b>(53.85)</b>	<b>(92.45)</b>			
E. Expenses recognized in the Statement of Profit & Loss						
	Current Service Cost	36.82	32.33			
	Interest Cost	47.13	50.82			
	Expected Return on Plan Assets	(52.84)	(58.62)			
	Net Actuarial (Gain)/ Loss	14.75	5.42			
	<b>Total Expenses recognized in the Statement of Profit &amp; Loss *</b>	<b>45.86</b>	<b>29.95</b>			
F. Principal Actuarial Assumptions used :						
	Discounted Rate (per annum) Compound	8.00%	8.75%			
	Expected Rate of return on Plan Assets	8.00%	9.00%			
	Rate of Salary increase (per annum)	5.00%	5.00%			
		2015	2014	2013	2012	2011
	Defined Benefit Obligations as at the end of the year	606.40	571.83	557.54	480.72	435.97
	Fair value of Plan Assets at the end of the year	660.25	664.28	638.35	553.58	395.21
	Funded Status	(53.85)	(92.45)	(80.81)	(72.86)	40.76
	<b>Experience Adjustments</b>					
	Experience gain/(loss) adjustment on plan liabilities	(17.22)	2.45	31.67	7.70	62.47
	Experience gain/(loss) adjustment on plan assets	2.47	(2.97)	(2.02)	(3.13)	(1.72)
<b>(ii) Leave Encashment (Non Funded)</b>		Year Ended 31st March				
		2015	2014			
The obligation for compensated absence is recognised in the same manner as gratuity. The actuarial liability of compensated absence (unfunded) of accumulated leaves of the employees of the Company as at 31.3.2015 is given below :						
Particulars						
Leaves		95.96	84.13			

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (Contd.)

## 31.03 EMPLOYEE BENEFITS (Contd.)

(₹ in lacs)

(iii) Provident Fund (Funded)	Year Ended 31st March	
	2015	2014
A. Change in Defined Benefit Obligations :		
Present Value of Defined Benefit Obligations as at the beginning of the year	4.20	5.02
Current Service Cost	0.58	—
Interest Cost	0.37	0.39
Benefits Paid	—	—
Actuarial (Gains)/ Losses	(1.09)	(1.21)
<b>Present Value of Defined Benefit Obligations as at the end of the year</b>	<b>4.06</b>	<b>4.20</b>
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)	—	—
<b>Fair value of Plan Assets at the end of the year</b>	<b>—</b>	<b>—</b>
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	4.06	4.20
Fair value of Plan Assets at the end of the year	—	—
<b>Liability/( Assets) recognized in the Balance Sheet</b>	<b>4.06</b>	<b>4.20</b>
D. Expenses recognized in the Statement of Profit & Loss		
Current Service Cost	0.58	—
Interest Cost	0.37	0.39
Expected Return on Plan Assets	—	—
Actuarial (Gain)/ Loss	(1.09)	(1.21)
<b>Total Expenses recognized in the Statement of Profit &amp; Loss *</b>	<b>(0.14)</b>	<b>(0.82)</b>
E. Principal Actuarial Assumptions used :		
Discounted Rate (per annum) Compound	7.81%	8.89%
Return on EPFO	8.75%	8.75%

\*Included in "Salaries and Wages" and "Contribution to Provident and Other Funds" under "EMPLOYEE BENEFIT EXPENSES" on Note 25

Note:

- 1) Assumptions relating to future salary increases, attrition, interest rate for discount and overall expected rate of return on assets have been considered based on relevant economic factors such as inflation, market growth and other factors applicable to the period over which the obligation is expected to be settled.
- 2) The contributions expected to be made by the Company for the year 2015-16 is yet to be determined.
- 3) The guidance on implementing Accounting Standard (AS-15) (Revised 2005) on Employees' Benefits issued by Accounting Standard Board (ASB) states that provident fund trustees set up by the employers which require the interest shortfall to be met by the employers need to be treated as "Defined Benefit Plan". Accordingly the actuary in consultation with the management, has carried out the actuarial valuation of such provident fund liability on account of shortfall of interest on the basis of the guidelines issued by Actuarial Society of India. Such liability as determined by the actuary amounts to ₹ 4.06 lacs (Previous Year - ₹ 4.20 lacs) which has been provided in the Accounts for the year ended 31st March, 2015.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (Contd.)**
**31.04 SEGMENT INFORMATION FOR THE YEAR ENDED 31ST MARCH, 2015**

Primary segment reporting - Business Segments

(₹ in lacs)

Particulars	Mineral & Material Processing And Handling Equipment		Gear Box and Geared Motor Drive System		Unallocated / Corporate {Ref Note (b)}		Eliminations		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
<b>REVENUE</b>										
External Sales / Revenue	5738.03	6059.02	3130.50	3813.12	—	—	—	—	8868.53	9872.14
Inter-Segment Sales	24.39	112.33	53.67	340.60	—	—	(78.06)	(452.93)	—	—
<b>Total Revenue</b>	<b>5762.42</b>	<b>6171.35</b>	<b>3184.17</b>	<b>4153.72</b>	<b>—</b>	<b>—</b>	<b>(78.06)</b>	<b>(452.93)</b>	<b>8868.53</b>	<b>9872.14</b>
<b>RESULT</b>										
PROFIT BEFORE INTEREST, DEPRECIATION and TAXATION	2064.46	1348.61	(76.42)	473.11	—	—	—	—	1988.04	1821.72
(Less): Depreciation & Amortisation expenses	(93.66)	(98.39)	(215.61)	(234.20)	(141.23)	(81.65)	—	—	(450.50)	(414.24)
PROFIT AFTER DEPRECIATION AND AMORTISATION EXPENSE	1970.80	1250.22	(292.03)	238.91	(141.23)	(81.65)	—	—	1537.54	1407.48
(Less): Finance Costs									(86.23)	(75.71)
Add: Other unallocable expenditure (net of unallocable revenue)					(1389.03)	(1265.37)	—	—	(1389.03)	(1265.37)
PROFIT BEFORE INCOME TAX									62.28	66.40
(Less): Provision for income tax										
- Current									16.50	0.17
- Deferred									(52.04)	(16.11)
- Earlier year									—	2.53
<b>NET PROFIT</b>									<b>97.82</b>	<b>79.81</b>
<b>OTHER INFORMATION</b>										
Segment Assets	5455.37	4439.79	3700.32	4203.74	—	—	—	—	9155.69	8643.53
Unallocated Corporate assets					4433.98	3895.52	—	—	4433.98	3895.52
<b>Total Assets</b>	<b>5455.37</b>	<b>4439.79</b>	<b>3700.32</b>	<b>4203.74</b>	<b>4433.98</b>	<b>3895.52</b>	<b>—</b>	<b>—</b>	<b>13589.67</b>	<b>12539.05</b>
Segment liabilities	1774.29	1324.86	783.26	1052.52	—	—	—	—	2557.55	2377.38
Unallocated Corporate liabilities					245.46	204.48	—	—	245.46	204.48
<b>Total Liabilities</b>	<b>1774.29</b>	<b>1324.86</b>	<b>783.26</b>	<b>1052.52</b>	<b>245.46</b>	<b>204.48</b>	<b>—</b>	<b>—</b>	<b>2803.01</b>	<b>2581.86</b>
Capital Expenditure	117.52	113.58	25.25	28.41	515.61	12.28	—	—	658.38	154.27
Depreciation/Amortisation	93.66	98.39	215.61	234.20	141.23	81.65	—	—	450.50	414.24

(a) The Company has identified business segments as primary segments. The reportable business segments are Mineral and Material Processing and Handling Equipment and Geared Motors based on industry and product lines.

Handling Equipment include Mineral, material processing and other handling equipment. Geared motors include Gear Box, Geared Motor Drive system.

(b) Assets and liabilities (including provision for income tax, deferred tax liability and advance tax) which are not attributable / identifiable / allocable to business segments are shown as unallocated / corporate assets / liabilities.

(c) Secondary segment information - Geographical

Out of total Sales of ₹ 8727.24 lacs (2013-14 - ₹ 9660.68 lacs), Sales outside India is ₹ 844.97 lacs (2013-14 - ₹ 1234.60 lacs).



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (Contd.)

**31.05** In the opinion of the Board of Directors, Current Assets and Loans and Advances have a value at which these are stated in the Balance Sheet, unless otherwise stated and adequate provision for all known liabilities have been made and are not in excess of the amount reasonably required.

**31.06** Related Party disclosures as identified by the management in accordance with the Accounting Standard 18

a) Key Management Personnel:

Mr. I. Sen - Managing Director

Mr. S. Saha - Executive Director

b) Joint Venture Company having substantial interest in the Company

Mozer Process Technology Pvt. Ltd

c) Chairman and non-executive Director - Mr. Sanjay Bagaria

The aggregate amount of transactions with the related parties as mentioned in (a) to (c) above is as given under :

	2014-15	2013-14
		(₹ in lacs)
(i) Key Management Personnel:(a)		
Managing Director	<b>145.86</b>	132.64
Executive Director	<b>72.93</b>	66.30
(ii) Joint Venture Company (b)		
	During the year 2014-15	During the year 2013-14
Recovery of Expenses:		
Purchase of Stock-in-trade	0.62	9.59
Staff Welfare Expenses	—	0.32
Conveyance & Travelling Expenses	—	2.54
Rent	0.36	0.13
Repairs & Maintenance to Motor Car	—	0.29
Selling & Distribution Expenses	0.64	5.25
Telephone & Communication Expenses	—	0.14
Recruitment, Insertion & Notification	—	4.71
Preliminary Expenditure	—	4.6
Miscellaneous Expenses	0.24	1.01
Purchase of Intangible Assets	—	0.18
	<b>1.86</b>	28.76
Non-current Investment	—	50.00
	<b>1.86</b>	78.76
Receivable / (payable) as at 31st March, 2015	<b>0.24</b>	(0.17)
(iii) Commission & sitting fees payable to Mr. Sanjay Bagaria, Chairman & Non-Executive Director	<b>3.93</b>	3.46

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (Contd.)

**31.07 LEASES**

- a) The Company had certain not non-cancellable operating lease arrangements for residential and office premises which are renewable by mutual consent and mutually agreed terms.
- b) The aggregate lease rentals payable are charged as "Rent" in Note 28  
The future minimum lease payments under non-cancellable operating leases is ₹ Nil (2013-14 – ₹ Nil)
- c) The future obligation for vehicle taken on finance lease is given below: (Refer Note-4)

	31st March, 2015	31st March, 2014
		(₹ in lacs)
Not later than one year	1.74	6.13
Later than one year and not later than 5 years	6.99	—
Present value of minimum lease rentals	<u>8.73</u>	<u>6.13</u>
<b>31.08 (a) Earnings in Foreign Exchange</b>		
F.O.B.value of exports	844.97	1234.60
Others	0.46	3.26
<b>(b) Details of product sold</b>		
Raymond Grinding Classifications and Drying System	323.63	121.30
Electro Magnetic Vibrators/ Vibratory Feeders	46.25	146.94
Mechanical Vibratory Screens/Feeders/Bulk Material Handling Equipment	2103.31	2089.04
Omni Screens/ Feeders	62.70	174.65
Vacseal Pumps	8.43	14.03
Mogensen Sizer	821.72	844.40
Gear Box & Geared Motor	2645.78	2953.00
Finished Spares (none of which individually exceeds 10% of total turnover)	2715.42	3317.32
<b>Sale of product (net of excise duty)</b>	<u>8727.24</u>	<u>9660.68</u>
<b>(c) Details of inventory</b>		
(i) Work-in-progress		
Mechanical Vibratory Screens/Feeders/Bulk Material Handling Equipment	74.14	199.12
Omni Screens/ Feeders	47.83	13.32
Electro Magnetic Vibrators/Vibratory Feeders	23.23	0.29
Crusher	4.82	3.89
Mogensen Sizer	44.68	53.68
Vacseal Pump	2.13	2.13
Gear Box & Geared Motor	5.06	4.92
Mill	—	32.06
Others	413.57	217.49
	<u>615.46</u>	<u>526.90</u>
(ii) Finished Goods		
Mechanical Vibratory Screens/Feeders/Bulk Material Handling Equipment	1.17	30.11
Electro Magnetic Vibrators/Vibratory Feeders	—	3.58
Crusher	134.26	131.63
Gear Box & Geared Motor	309.48	258.33
Finished Spares	724.10	611.05
	<u>1169.01</u>	<u>1034.70</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (Contd.)

	31st March, 2015	31st March, 2014
(₹ in lacs)		
<b>31.09 (a) Raw Materials consumed</b>		
Steel	977.83	904.75
Castings	809.50	899.84
Components and Spares*	2263.61	3249.19
	<b>4050.94</b>	5053.78
*(none of which individually exceeds 10% of total consumption)		
<b>(b) Details of Purchase of raw materials and components</b>		
Steel	1015.74	901.68
Castings	838.82	866.48
Components and Spares*	2194.94	3026.83
Carriage Inward	104.84	107.57
	<b>4154.34</b>	4902.56
*(none of which individually exceeds 10% of total consumption)		
<b>31.10 Value of Imports (C.I.F. basis)</b>		
Components & Spares	<b>219.64</b>	307.52

**31.11 Value of Indigenous and Imported Raw Materials**

	2014-15		2013-14	
	% of total consumption	Value ₹ in lacs	% of total consumption	Value ₹ in lacs
SPARES AND COMPONENTS CONSUMED				
Imported	6.39	258.70	6.42	324.31
Indigenous	93.61	3792.24	93.58	4729.47
	<b>100.00</b>	<b>4050.94</b>	100.00	5053.78

**31.12 PROPOSED DIVIDEND**

	2014-15	2013-14
	₹	₹
Rate of dividend proposed per Equity Share	<b>1.50</b>	1.50
	(₹ in lacs)	(₹ in lacs)
Amount of Proposed Dividend	<b>35.85</b>	35.85

**31.13 Previous year's figures have been re-grouped wherever necessary.**

For **Lodha & Co.**,  
Chartered Accountants,

**H.K. Verma**  
Partner  
Kolkata, 8th May, 2015

**S.C. Saha**  
Company Secretary  
**A.K. Neogi**  
Sr. General Manager (Finance) & CFO

On behalf of the Board

**S. Bagaria, Chairman**  
**I. Sen, Managing Director**

**Form AOC-I**

[Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014]

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

**Part “A”: Subsidiaries - NIL**

**Part “B”: Associates and Joint Ventures**

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

1. Name of Joint Venture Company	Mozer Process Technology Private Limited
2. Latest audited Balance Sheet Date	31st March, 2015
Shares of Joint Venture Company held by the Company on the year end :- No. Amount of Investment in the Joint Venture Company Extent of Holding %	5,00,000 (Five Lac) ₹ 50,00,000/- (Fifty Lac) 50%
3. Description of how there is significant influence	50% Equity Shareholding in the Joint Venture Company and joint control of its Board of Directors together with the Joint Venture Partner, M/s. Allgaier Werke, GmbH, Germany, in terms of the agreement dated 23rd July, 2012 for creation of the Joint Venture Company.
4. Reason why the associate / joint venture is not consolidated	Consolidated Financial Statements have not been prepared as the same is not mandatory for the Financial Year ended 31st March, 2015 in terms of Section 129 of the Companies Act, 2013, read with Rule 6 of the Companies (Accounts) Rules, 2014.
5. Networth attributable to Shareholding as per latest audited Balance Sheet	₹ 34,50,926/-
6. Profit / (Loss) for the year i. Considered in Consolidation ii. Not Considered in Consolidation	— (₹ 94,617/-)

Note: The commercial operations of the JV Company with respect to its principal business activity, namely, marketing, commissioning and servicing of Mozer Type Dryers, are yet to commence.

As per our report of even date  
For **Lodha & Co.**  
Chartered Accountants

**H. K. Verma**  
Partner  
Kolkata, 8th May, 2015

On behalf of the Board

**S. C. Saha**  
Company Secretary

**A. K. Neogi**  
Sr. GM (F) & CFO

**S. Bagaria**  
Chairman

**I. Sen**  
Managing Director

## TEN YEARS' FINANCIAL STATISTICS

(₹ in lacs)

2005-06 2006-07 2007-08 2008-09 2009-10 2010-11 2011-12 2012-13 2013-14 2014-15

**OPERATING RESULTS:**

Sales	6684	7981	9519	9819	9699	10556	10587	11843	9661	8727
Other Income	60	108	158	154	339	274	374	224	439	349
Exceptional Income	—	—	—	—	—	—	989*	—	—	—
<b>Total Income</b>	<b>6744</b>	<b>8089</b>	<b>9677</b>	<b>9973</b>	<b>10038</b>	<b>10830</b>	<b>11950</b>	<b>12067</b>	<b>10100</b>	<b>9076</b>
<b>Profit before Interest, Depreciation &amp; Tax (PBIDT)</b>	<b>1171</b>	<b>1590</b>	<b>2145</b>	<b>1894</b>	<b>2129</b>	<b>1825</b>	<b>2768</b>	<b>1256</b>	<b>556</b>	<b>599</b>
Interest	74	33	42	63	33	66	84	122	76	86
Depreciation	192	264	301	315	351	281	364	403	414	451
Profit before Tax / (Loss)	905	1293	1802	1516	1745	1478	2320	731	66	62
<b>Profit after Tax / (Loss)</b>	<b>575</b>	<b>828</b>	<b>1173</b>	<b>991</b>	<b>1196</b>	<b>1003</b>	<b>1646</b>	<b>448</b>	<b>80</b>	<b>98</b>
Dividends	109	115	120	120	120	120	120	120	36	36
Tax on Dividend	15	19	20	20	20	20	19	20	6	7
Retained Profit	451	694	1033	851	1056	863	1507	308	38	55

**NET ASSETS EMPLOYED**

Net Fixed Assets	1557	1857	1987	1899	1920	2770	3560	3235	2951	2876
Net Current Assets	1711	2116	3083	3841	5499	5593	6332	6770	6677	7632**
<b>Net Assets Employed</b>	<b>3268</b>	<b>3973</b>	<b>5070</b>	<b>5740</b>	<b>7419</b>	<b>8363</b>	<b>9892</b>	<b>10005</b>	<b>9628</b>	<b>10508</b>
Financed by –										
Shareholders' Fund	2983	3882	4808	5645	6687	7537	9031	9335	9368	9233
Borrowings	285	91	262	95	732	826	861	670	260	1275
<b>Funds Employed</b>	<b>3268</b>	<b>3973</b>	<b>5070</b>	<b>5740</b>	<b>7419</b>	<b>8363</b>	<b>9892</b>	<b>10005</b>	<b>9628</b>	<b>10508</b>

**RATIOS**

PBIDT to Sales (%)	17.5	19.9	22.5	19.3	22.0	17.3	26.1	10.6	5.76	6.86
Debt : Equity	0.10	0.02	0.05	0.02	0.11	0.11	0.10	0.07	0.03	0.14
Earnings per Share (Basic) (₹)	26.31	36.11	49.09	41.46	50.03	41.94	68.86	18.74	3.34	4.09
Dividend per Equity Share (₹)	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	1.50	1.50
Book value per Share (₹)	136.57	169.35	201.15	236.17	279.76	315.32	377.82	390.54	391.92	386.27

\* represents profit on sale of two office premises of the Company

\*\* includes short term investments

Previous years' figures have been re-arranged and re-grouped wherever necessary.









## **International Combustion (India) Limited**

*Regd. Office* : Infinity Benchmark, 11th Floor, Plot No. G-1,  
Block EP & GP, Sector V, Salt Lake Electronics Complex,  
Kolkata – 700 091

CIN : L36912WB1936PLC008588

Phone : +91(033) 3315 3000 ; Fax : +91(033) 2357 6653

e-mail : [info@internationalcombustion.in](mailto:info@internationalcombustion.in)

Website : [www.internationalcombustion.in](http://www.internationalcombustion.in)

## **Notice of Annual General Meeting**

Notice is hereby given that the SEVENTY-NINTH ANNUAL GENERAL MEETING of the shareholders of International Combustion (India) Limited will be held at Kala Kunj, 48, Shakespeare Sarani, Kolkata - 700017 on Friday, the 18th September, 2015 at 2.00 P.M. to transact the following business :—

### **AS ORDINARY BUSINESSES & AS ORDINARY RESOLUTIONS**

1. To receive, consider and adopt the Statement of Profit & Loss and the Cash Flow Statement for the year ended 31st March, 2015, the Balance Sheet as at that date together with the Reports of the Board of Directors and Auditors thereon.
2. To declare a Dividend.
3. To appoint a Director in place of Mr. Sanjay Bagaria (DIN - 00233455), who retires by rotation and being eligible, offers himself for re-appointment.
4. To ratify the appointment of Auditors and to fix their remuneration and, in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :

“RESOLVED THAT pursuant to Sections 139 of the Companies Act, 2013 (the Act) read with the Companies (Audit & Auditors) Rules 2014 and any other applicable provisions of the Act, as amended from time to time and also in conformity with the resolution passed earlier at the seventy-eighth Annual General Meeting (AGM) appointing M/s. Lodha & Co., as Statutory Auditors for a period from the conclusion of said AGM till the conclusion of 81st AGM (subject to ratification of their appointment at each AGM in between) the appointment of M/s. Lodha & Co., Chartered Accountants (Firm Registration No. 301051E) as the Statutory Auditors of the Company to hold office from the conclusion of this AGM till the conclusion of 80th AGM be and is hereby ratified on such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors, plus service tax and reimbursement of out-of-pocket expenses, as may be actually incurred.”

### **AS SPECIAL BUSINESSES**

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to Sections 149 & 152 of the Companies Act, 2013 (hereinafter referred to as ‘the said Act’), read with Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014, Schedule IV to the said Act, any other applicable provisions of the said Act and Clause 49 of the Equity Listing Agreement with Stock Exchanges, the consent of the shareholders of the Company be and is hereby accorded to the appointment of Mrs. (Prof.) Bharati Ray (holding Director Identification Number 06965340), who has duly filed with the Company the requisite declaration as per Section 149(7) of the said Act and who was appointed as an Additional Director of the Company by the Board of Directors at their meeting held on 7th April, 2015 under the powers conferred by Section 161 of the said Act read with Article 88 of the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a shareholder proposing her candidature for the office of Director pursuant to Section 160 of the said Act, as an Independent Director of the Company, whose period of office shall not be liable to be determined by retirement of Directors by rotation, for a period of five years with effect from 7th April, 2015.”



6. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution :

“RESOLVED THAT pursuant to the applicable provisions of Section 152, Chapter XIII and all other applicable provisions of the Companies Act, 2013 (hereinafter referred to as ‘the Act’) read with Schedule V of the Act and such other consents, permissions, sanctions and approvals as may be required, the Company hereby accords its approval to the re-appointment of Mr. Indrajit Sen as the Managing Director of the Company for a further period of three years with effect from 1st May, 2015 on such terms and conditions including remuneration by way of salary and perquisites during the aforesaid period, as set out in the Explanatory Statement annexed to the Notice, provided that in the event of loss or inadequacy of profit in any financial year the aforesaid remuneration shall be considered as a minimum remuneration payable to Mr. Indrajit Sen during the currency of his tenure as aforesaid in terms of Schedule V, Part II, Section II of the Companies Act, 2013, subject to the approval of the Central Government, and that an Agreement, a draft of which is placed before the Meeting, approved and initialled by the Chairman for the purpose of identification, be entered into with Mr. Indrajit Sen as Managing Director, with a liberty to alter, vary and modify the terms and conditions of the said appointment and / or remuneration and / or terms of the Agreement referred to above in such manner as may be agreed between the Board of Directors and Mr. Indrajit Sen, and as laid down under the Act or any amendment / statutory modifications thereto.”

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution :

“RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 read with relevant Rules, the existing Articles of Association of the Company be and is hereby altered and replaced by a new set of Articles of Association of the Company duly incorporating all the clauses in conformity with the provisions of the newly enacted Companies Act, 2013.

RESOLVED FURTHER THAT the Board of directors of the Company be and is hereby authorised to take all such steps and actions and give directions as may be in its absolute discretion deemed necessary and to settle any question that may arise to give effect to this resolution.”

By Order of the Board

Kolkata  
The 8th May, 2015

**S. C. Saha**  
*Company Secretary*

#### NOTES :

1. **A member entitled to attend and vote at this Annual General Meeting is entitled to appoint one or more proxies to attend and vote on a poll instead of himself/herself and the proxy need not be a Member of the Company.** A person can act as proxy on behalf of Members not exceeding fifty(50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting right.

A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as Proxy and such person shall not act as a Proxy for any other person or shareholder.

**The Proxy form should be lodged with the Company at least 48 hours before the scheduled commencement of the Meeting.**

2. The Register of Members and the Share Transfer Books of the Company shall remain closed from Saturday, 12th September, 2015 to Friday, 18th September, 2015 (both days inclusive).
3. Corporate members are requested to send/bring a duly certified copy of Board/Governing body Resolution under Section 113 of the Companies Act, 2013, authorising their representative to attend and vote on their behalf.
4. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the Special Businesses is annexed hereto.

5. Members are requested to bring the Annual Report for their reference at the Annual General Meeting. Members are requested to fill in the Attendance Slip in all respects including Folio No./DP.ID/Client ID as the case may be and sign the same before presenting to registration desk at the venue of Annual General Meeting.
6. The dividend, if declared at the Meeting, will be paid to those members –
  - (a) whose names appear as beneficial owners as at the end of business hours on 11th September, 2015 in the list to be furnished by National Securities Depository Ltd.('NSDL') and Central Depository Services (India) Ltd.('CDSL') in respect of the share held in electronic form and
  - (b) whose names appear as member in the Register of Member of the Company after giving effect to valid share transfer in physical form lodged with the Company on or before 11th September 2015.The payment will be made to them on and from Monday, 28th September 2015.
7. Shareholders' holding share in physical form are requested to notify to the Company's Registrar & Share Transfer Agents – M/s. C. B. Management Services (P) Ltd., P-22, Bondel Road, Kolkata 700019, quoting their folio no., any change in their registered address with Pin Code/Mandate/Bank details and in case shares are held in dematerialized form, such information should be passed on to their respective Depository Participants.
8. The Securities and Exchange Board of India (SEBI) has made it mandatory for all Companies to use the Bank Account details furnished by the depositories for depositing dividends. Dividend will be credited to the members' bank account through NECS wherever complete banking details are available with the Company. Dividend Warrants will be issued to the Members with Bank details printed thereon, as available in the Company's records.
9. The Company has transferred the unpaid/or unclaimed Dividend declared upto the financial year 2006-07 from time to time on due dates to the Investor Education & Protection Fund (IEPF) established by the Central Government.

In accordance with the provisions of Section 124 of The Companies Act, 2013 (the Act), the unpaid/unclaimed dividend for the year ended 31st March, 2008 will be transferred to Investors' Education and Protection Fund (IEPF) of the Central Government after **5th October, 2015**. Shareholders who have not so far encashed their dividend warrants, are **requested to claim immediately** the dividend in writing to the Company's Registrar & Share Transfer Agents on or before **5th September, 2015**. It may please be noted that once the unclaimed dividend is transferred to IEPF, no claim shall be made either to the Company or to the Fund.
10. Shareholders who have not encashed their dividend warrants for the years 2007-08 to 2013-14, are requested to claim immediately the dividend in writing to the Company's Registrar & Share Transfer Agents at the address given under Item No. 7 above. It may please be noted that once the unclaimed dividend is transferred to IEPF, on expiry of 7 years from the date they first became due for payment, no claim shall lie against the Company or IEPF in respect of such unclaimed dividends. Pursuant to the provision of Investor Education & Protection Fund (Uploading of information regarding unpaid or unclaimed amount lying with the Companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amount lying with the Company as on 12th September, 2014 (date of last AGM) on the website of the Company - [www.internationalcombustion.in](http://www.internationalcombustion.in) and also on the website of the Ministry of Corporate Affairs.
11. As per the provisions of the Companies Act, 2013 the facility for making/varying/canceling nominations is available to individuals, holding shares in the Company. Nominations can be made in Form SH13 and any variation/cancellation thereof can be made by giving notice in Form SH 14 prescribed under the Companies (Share Capital and Debentures) Rules, 2014 for the purpose. The Forms can be obtained from the Registrar and Share Transfer Agents/Company.
12. Members, who have multiple accounts in identical names or joint names in same order are requested to intimate the Registrar & Share Transfer Agents – M/s. C.B. Management Services (P) Ltd., at their address given under item no. 7 above, the Ledger Folios of such accounts to enable the Company to consolidate all such shareholdings into one account.
13. Electronic mode of the Notice of the 79th Annual General Meeting of the Company inter-alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the



Members whose e-mail Ids are registered with the Company/Depository Participant(s) for communication purposes unless any Member has requested for a hard copy of the same.

In addition, the Annual Report for the year 2014-15 in physical form shall be sent to those shareholders who have not intimated/ registered their e-mail addresses for the purpose of receiving the same in electronic form.

Members may also note that the Notice of 79th Annual General Meeting and Annual Report for 2014-15 will also be available on the Company's website [www.internationalcombustion.in](http://www.internationalcombustion.in).

14. Disclosure pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, with respect to Directors seeking re-appointment/appointment in the forthcoming annual General Meeting is given in the Annexure.
15. All the documents referred in the accompanying Notice will be available for inspection at the Registered Office of the Company between 10.00 a.m. and 2.00 p.m. on all working days till the date of ensuing Annual General Meeting.

**16. Voting through electronic means**

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ('remote e-voting') will be provided by National Securities Depository Limited (NSDL).
- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM, may also attend the AGM but shall not be entitled to cast their vote again.
- IV. **The remote e-voting period commences on 15th September, 2015 at 9.00 a.m. and ends on 17th September, 2015 at 5.00 p.m.** During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the **cut-off date of 11th September, 2015**, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. The process and manner for remote e-voting are as under :
  - A. In case a Member receives an email from NSDL [for members whose email Ids are registered with Company/Depository Participant(s)] :
    - (i) Open email and open PDF file i.e. "**International Combustion (India) Ltd. remote e-voting.pdf**" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
    - (ii) Launch internet browser by typing the following URL:" <https://www.evoting.nsdl.com/>
    - (iii) Click on Shareholder – Login.
    - (iv) Put user ID and password as initial Password/PIN noted in step (i) above. Click Login.
    - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
    - (vi) Home page of remote e-voting opens. Click on remote e-voting : Active Voting Cycles.
    - (vii) Select "EVEN" of **International Combustion (India) Limited**.
    - (viii) Now you are ready for remote e-voting as Cast Vote page opens.

- (ix) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
  - (x) Upon confirmation, the message “Vote cast successfully” will be displayed.
  - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
  - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [arupkroy@rediffmail.com](mailto:arupkroy@rediffmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). You can also forward the documents at the Company’s e-mail ID: [info@internationalcombustion.in](mailto:info@internationalcombustion.in).
- B. In case a Member receives physical copy of the Notice of AGM [for members whose email Ids are not registered with the Company/Depository Participant(s) or requesting physical copy] :
- (i) Initial password is provided in e-voting particulars annexed to the Notice for the AGM in the following format :

<u><b>EVEN (Remote e-voting Event Number)</b></u>	<u><b>USER ID</b></u>	<u><b>PASSWORD/PIN</b></u>
---	-----------------------	----------------------------
  - (ii) Please follow all steps from Sl.No.(A) (ii) to Sl.No.(A) (xii) above, to cast vote.
- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and Password/PIN for casting your vote.
- VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 11th September, 2015.
- X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 11th September, 2015 may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or Issuer/RTA, mentioning his/her folio No. or DP ID & Client ID.
- XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XIII. Mr. Arup Kumar Roy, Practicing Company Secretary (Membership No. CP 9597) has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XIV. The Chairman shall, at the AGM at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ‘Poling Paper’ for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XV. The scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutiniser’s report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XVI. The results declared along with the Report of the Scrutinizer shall be placed on the website of the Company [www.internationalcombustion.in](http://www.internationalcombustion.in) and also on the website of NSDL immediately after the declaration of the result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited and Calcutta Stock Exchange Limited.





**BRIEF PROFILE OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT :**

Name	Mr. Sanjay Bagaria	Mr. Indrajit Sen	Mrs.(Prof.) Bharati Ray
Age	53 years	75 years	81 years
Qualifications	B. Com.	B.E. (Mech.)	M.A., PhD
Other Professional Membership	—	—	—
Expertise in specific functional area	27 years' experience in Corporate Management	53 years' experience in Engineering Industry and Corporate Management	28 years' professional experience –14 years' experience in university teaching & research, 8 years' in academic administration and 6 years' as a Member of Rajya Sabha in Parliament.
List of other Companies in which Directorship held	<ul style="list-style-type: none"> <li>• Mahadeo Jute &amp; Industries Ltd.</li> <li>• Jagatdal Jute &amp; Industries Ltd.</li> <li>• Odyssey Travels Ltd.</li> <li>• Bagaria More Co. Ltd.</li> <li>• Bee Emm Trade Holdings Pvt. Ltd.</li> <li>• Mozer Process Technology Private Limited</li> </ul>	<ul style="list-style-type: none"> <li>• Stone India Ltd.</li> <li>• Mozer Process Technology Private Limited</li> </ul>	<ul style="list-style-type: none"> <li>• IFGL Refractories Ltd.</li> </ul>
Member of the Committees of the Board of other Companies on which he/she is a Director as on 31st March 2015	Nil	<b>Audit Committee-</b> <ul style="list-style-type: none"> <li>• Stone India Ltd.</li> </ul> <b>Shareholders'/ Investors' Grievance Committee -</b> <ul style="list-style-type: none"> <li>• Stone India Ltd.</li> </ul>	<b>Audit Committee-</b> None  <b>Shareholders'/ Investors' Grievance Committee -</b> None
Shareholding in the Company of the Non-Executive Directors	43,900	Nil	Nil
Inter-se Relationship between Directors	Nil	Nil	Nil

Kolkata  
8th May, 2015

By Order of the Board

**S. C. Saha**  
Company Secretary

**Explanatory Statement pursuant to Section 102 of the Companies Act 2013 in respect of Special Business to be incorporated in the Notice convening the 79th Annual General Meeting of the Company, to be held on 18th September, 2015**

**Item No. 5**

As per the provision of Section 149(1) of the Companies Act, 2013 (the Act), the Company should have at least one Woman Director. Accordingly, pursuant to the provisions contained in Article 88 of the Articles of Association of the Company and also Section 161 of the Companies Act, 2013 and Clause 49 of the Listing Agreement with the Stock Exchanges, the Board of Directors of the Company, based on the recommendation of the Nomination & Remuneration Committee has appointed Mrs. (Prof.) Bharati Ray as an Additional Independent Director of the Company on 7th April, 2015. According to the provisions of Article 88 and the aforesaid Section, she will hold office only upto the date of this Annual General Meeting (AGM). The Company has received a Notice in writing from a member along with a deposit of requisite amount under Section 160 of the Act, proposing the candidature of Mrs. (Prof.) Bharati Ray for the office of Director of the Company.

Mrs. (Prof.) Bharati Ray, M.A., PhD, has distinguished herself in several roles including as the first woman Pro-Vice Chancellor (Academic Affairs) in the history of Calcutta University. Mrs. Ray was a Member of Parliament, Rajya Sabha for about 6 years till 2002. She was also an Associate Professor of Deptt. of History, Calcutta University between 1974 and 1988. Her 14 years of service in University teaching and research, 8 years in academic administration and 6 years in Parliament as Member of Rajya Sabha have resulted in a comprehensive compilation of professional experience at all levels.

Keeping in view her vast expertise and knowledge, which is a combination of grass route level knowledge, academic expertise, administrative ability and Parliamentary experience it will be in the interest of the Company that Mrs. (Prof.) Bharati Ray is appointed as an Independent Director of the Company. Mrs. (Prof.) Bharati Ray shall not be liable for retirement by rotation and shall hold office for a period of 5 years with effect from 7th April, 2015.

Copy of the letter issued to Mrs. (Prof.) Bharati Ray upon her appointment as an Independent Director, containing the terms and conditions of the appointment shall be open for inspection at the Registered Office of the Company by any member of the Company at the Registered Office during normal business hours on any working day except Saturday & Sunday, prior to the date of the Meeting and will also be available for inspection during the Meeting.

Members are further requested to note that Mrs. (Prof.) Bharati Ray has given declaration that she is not disqualified for becoming a Director u/s 164(2) of the Act and her consent to hold office as Director. Mrs. (Prof.) Bharati Ray does not hold by herself or by any other person on a beneficial basis, any shares in the Company as per declaration given by her.

Details in respect of Mrs. (Prof.) Bharati Ray who is proposed to be appointed as an Independent Director, is furnished in the Annexure of this Notice.

Your Board firmly believes that owing to the rich and varied experience, her association would be of immense benefit to the Company and it is desirable to avail services of Mrs. (Prof.) Bharati Ray as an Independent Director. Accordingly, the Board recommends the resolution for the appointment of Mrs. (Prof.) Bharati Ray as an Independent Director, for the approval by the shareholders of the Company.

Except Mrs. (Prof.) Bharati Ray and her relatives to the extent of their shareholding interest, if any, in the Company, none of the Directors/Key Managerial Personnel of the Company/ their relatives, are in any way, concerned or interested, financially or otherwise, in the resolution set out at item no.5 .

**Item No.6**

Mr. I. Sen has been reappointed as Managing Director of the Company for a period of 3 years with effect from 1st May, 2012 with the approval of the members of the Company, obtained at the AGM held on 7th September, 2012. In terms of the said appointment, the tenure of the office of Mr. I. Sen having expired on 30th April, 2015, the Board of Directors of the Company, on the recommendation of the Nomination and Remuneration Committee, at their meeting held on 7th April, 2015 reappointed Mr. I. Sen as Managing Director for a further term of 3 years on and from 1st May, 2015 in terms of Section 152 and Chapter XIII of the Companies Act, 2013 ('the Act'). The Remuneration payable to Mr. I. Sen during his tenure as Managing Director of the Company was also approved by the Board of Directors at its meeting held on the same day, based on the recommendation of Nomination & Remuneration Committee at its meeting held on 7th April, 2015.





Accordingly, a separate Agreement is to be entered into between the Company and Mr. I. Sen specifying the remuneration effective from 1st May, 2015 and also the terms and conditions of his reappointment as Managing Director, a draft of which will be available for inspection by the members at the Registered Office during normal business hours on any working day except Saturday & Sunday, prior to the date of the Meeting and will also be available for inspection during the Meeting. An extract of the remuneration effective from 1st May, 2015 as well as the terms and conditions of the reappointment of Mr. I. Sen contained in the aforesaid Agreement is set out below for consideration of the member.

Notwithstanding anything contained elsewhere, Mr. I. Sen during the currency of his tenure as Managing Director, for a period of three years effective 1st May, 2015 shall be entitled to the below mentioned remuneration which, in the event of inadequacy or absence of profit, also be considered as the minimum remuneration payable to Mr. I. Sen in terms of Schedule V, Part II, Section II of the Act, subject to the approval of the Central Government.:

**PART 'A'**

SI. No.	Particulars of Remuneration	1st May, 2015 to 30th April, 2016 (₹)	1st May, 2016 to 30th April, 2017 (₹)	1st May, 2017 to 30th April, 2018 (₹)
1.	Salary	70,00,000	75,00,000	80,00,000
2.	Perquisites(HRA/ Furnishing/ Gas & Electricity/LTA/Medical/ Club Fees, etc.)	70,00,000	75,00,000	80,00,000
	<b>TOTAL</b>	<b>1,40,00,000</b>	<b>1,50,00,000</b>	<b>1,60,00,000</b>

**PART 'B'**

Besides, Mr. Sen shall also be entitled to the Company's contribution to Provident Fund & Superannuation Fund, Gratuity payable and encashment of leave at the end of the tenure in accordance with the Rules of the Company.

**PART 'C'**

- (a) Provisions of car for use on Company's business and telephone facilities at the residence will not be considered as perquisites provided that personal long distance calls shall be billed by the Company to him.
- (b) The Managing Director shall be entitled to earn Privilege Leave on full pay and allowances as per the rules of the Company but not more than one month's leave for every eleven months of service.
- (c) The Managing Director shall be entitled to reimbursement of entertainment expenses actually and properly incurred by him in connection with the business of the Company.
- (d) The Managing Director shall not, as long as he functions as the Managing Director of the Company, be entitled to receive any fee for attending any meeting of the Board or a Committee thereof.

Either the Company or the Managing Director may terminate the appointment at any time by giving to the other party not less than six months' notice in writing provided that either party may in the alternative terminate this appointment by paying to the other six months' salary in lieu of such notice.

The proposed remuneration which is also to be considered as minimum remuneration in the event of absence or inadequacy of profit in any year ,being in excess of the limit for minimum remuneration laid down in Clause A of Section II of Part II of Schedule V of the Act ,Central Government approval is to be obtained for payment of proposed minimum remuneration to Mr. I. Sen. during the tenure of his office as Managing Director in terms of Schedule V, Part II, Section II of the Act.

However, the reappointment of Mr. I. Sen as Managing Director and the remuneration payable to him require the approval of the Company at the ensuing AGM by a Special Resolution in terms of Schedule V, Part II, Section II of the Act. The resolution set out in Item No.6 of the accompanying Notice is intended for the purpose.

Mr. I. Sen may be deemed to be interested in the said resolution. No other Director is interested in this resolution.

The Board recommend that the resolution set out in the Item No.6 of the Notice convening the meeting, be approved by the members.

The above may please be considered as an abstract of the draft Agreement and Memorandum of Interest u/s 190 of the Act.

**Item No. 7**

The Companies Act, 2013 has made drastic changes in various provisions of the Companies Act, 1956 by amending/renumbering/deleting some of the old Sections and also by introducing various new Sections. The existing Articles of Association which was prepared based on the provisions of the old Companies Act, need to be thoroughly changed. It necessitates adoption of a new Articles of Association in place of old one to bring the new Articles in line and also in conformity with the amended/new provisions of the Companies Act, 2013.

The draft copy of the Articles of Association of the Company is available for inspection at the Registered Office of the Company at Infinity Benchmark, 11th Floor, Plot No.G1, Block EP & GP, Sector V, Salt Lake, Kolkata - 700091 on any working day during business hours.

None of the Directors/Key Managerial Personnel of the Company/their relatives are in any way, concerned or interested, in these resolutions, except as shareholder of the Company.

The Board recommends that the Special Resolution set out in Item No.7 of the Notice be approved by the shareholders at the ensuing Annual General Meeting.

**Statement forming part of the Explanatory Statement as required under Section II(B)(iv) of Part II of Schedule V to the Companies Act 2013.**

**I. GENERAL INFORMATION**

**i) Nature of Industry**

The Company operates in Engineering Sector and caters to the need of Core Sector Industries like Steel, Cement, Fertilizer, Chemical, Mining, Infrastructure, etc. It manufactures Heavy Duty Grinding Mills, Screening & Feeding Equipment, Bulk Material Handling Equipment and Industrial Gear Boxes and Geared Motors.

**ii) Date of Commencement of Commercial Production**

The Company was incorporated on 22nd April, 1936. Commercial Production has already commenced.

**iii) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus**

Not Applicable.

**iv) Financial Performance based on given Indicators :**

(₹ in lacs)

Financial Parameters	Year				
	2014-15	2013-14	2012-13	2011-12	2010-11
(a) Turnover	8727.24	9660.68	11843.50	10587.44	10555.49
(b) Net Profit/(Loss)-u/s198	287.65	271.15	929.10	1529.64	1640.39
(c) Net Profit/(Loss) as per Profit & Loss Account	97.82	79.81	447.96	1645.93	1002.53
(d) Amount of Dividend Paid/ Payable	35.85	35.85	119.51	119.51	119.51
(e) Rate of Dividend	15%*	15%	50%	50%	50%

\*Proposed

**v) Export Performance and Net Foreign Exchange Collaborations**

The Company has wide experience in dealing with export markets in various countries of Europe, South-East Asia, Middle East and other neighbouring countries. The export performances for last 5 years are given below :

(₹ in lacs)

Years	2014-15	2013-14	2012-13	2011-12	2010-11
Export Performance	844.97	1234.60	1006.03	1077.85	803.71

**vi) Foreign Investments or Collaborators, if any**

The Company entered into a number of technical collaborations with the leading Companies in different areas of operation which are summarized below :

<b>Products</b>	<b>Collaborators</b>
1. Heavy Duty Grinding Mills, IMP Mills, Vertical Mills	ABB Raymond,U.S.A.
2. Microfine Classifiers/Minerl Processing Systems	ECUTEK, Spain
3. Mechanical Screens & Feeders	Carl Schenck AG, Germany
4. OMNI Screens & Feeders	IMS Engineering, South Africa
5. Sugar Grader/Sizer	Mogensen GmbH, Germany
6. Polyurethane Screen Decks	Gummi Kuper GmbH, Germany
7. Industrial Geared Motors & Gear Boxes	Bauer Gear Motor GmbH Germany
8. Cone Crushers, Jaw Crushers & Roll Crushers	ADEN Advanced Engineering Ltda, Brazil
9. Unbalance Motors	Aviteq Vibrationstechnik GmbH Germany
10. Flip Flop Screen	Fleximat GmbH, Austria

**II. INFORMATION ABOUT APPOINTEE**
**i) Background Details**

Mr. Indrajit Sen, aged 75 years, a Graduate in Mechanical Engineering, joined this Company as Works Manager of Baidyabati Works in the year 1971 after serving Hooghly Docking & Engg. Co. Ltd., a Company of reputed Martin Burn Group, in the similar position for about seven years.

Mr. Sen was elevated to the position of General Manager (Manufacturing) in the Company in the year 1980. Mr. I. Sen as General Manager (Manufacturing) was In-Charge of all engineering and manufacturing functions of the Company. In the year 1985, Mr. Sen joined the Board of Directors of the Company as "Director & General Manager". In the year 1989, he was appointed as Managing Director of the Company which position he held till 30th April, 2015.

Mr. Sen was re-appointed as Managing Director of the Company for a period of three years w.e.f. 1st May, 2015 which position he holds as on date.

**ii) Past Remuneration**

<b>Financial Year</b>	<b>Salary (₹)</b>	<b>Perquisites (₹)</b>	<b>Commission (₹)</b>	<b>Retirement Benefits (₹)</b>	<b>Total (₹)</b>
2010-11	36,00,000	35,98,705	1,03,223	9,00,000	82,01,928
2011-12	36,00,000	35,96,377	—	9,00,000	80,96,377
2012-13	52,50,000	51,80,815	—	13,12,500	117,43,315
2013-14	58,95,000	58,94,930	—	14,73,750	132,63,680
2014-15	64,84,500	64,80,330	—	16,21,125	145,85,955

**iii) Recognition or Awards/Achievement**

Mr. I. Sen, in order to ensure sustained growth of the Company, initiated various steps including expanding the product base through numerous collaborations with leading global manufacturers including Schenck, Germany; ABB Raymond, USA; Mogensen, Germany; Gummi Kuper, Germany; Bauer Geared Motor GmbH, Germany; Ecutek, Spain & USA, IMS, South Africa and ADEN Advanced Engineering Ltda, Brazil. Under his guidance, the Company successfully absorbed the sophisticated and advanced technology and introduced the products in the Indian and other international markets.

During Mr. Sen's tenure, the Company also set up new plants at Nagpur and Aurangabad, with state-of-the-art facility for manufacture of various products of advanced technology and as per the exacting standards specified by the collaborators and required by the international market.

During Mr. Sen's last tenure a new collaboration agreement with ADEN Advanced Engineering Ltda, a company from Brazil has been entered into, and the company has commenced manufacture of Cone Crushers, Jaw crushers and Roll Crushers in India.

The Omni Screens for which the Company had a license agreement with IMS, South Africa was completely revamped and upgraded by in-house R&D Centre under guidance of Mr. I. Sen, and thereafter the global patent rights of Omni Screens have been taken over by the Company.

During the year 2013-14, Mr. Sen took the initiative of forming a Joint Venture company namely Mozer Process Technology Pvt. Ltd. – with Allgaier Werke GmbH, Germany (Allgaier) as the other partner in the Venture. This Joint Venture Company would be marketing the Mozer Dryers and Coolers to be manufactured by International Combustion (India) Ltd. (ICIL) with the technical know-how from Allgaier.

In an effort to expand the product profile of the Company, Mr. Sen had initiated and finalised two collaboration agreements with AVITEQ, Germany for manufacture of wide range of "Unbalance Motors" and with Fleximat, Austria for manufacture of resonance "Flip Flop Screen" of high capacity.

Both collaborators have high global reputation and the products find application in various industries including in power plant, construction and oil exploration.

To meet the challenges of slowdown in some of the core sector industries such as steel, mining, etc. the Company as part of significant diversification programme, has entered into the field of manufacturing Dry Mortars of various types. Considering India's organisational focus and organisation programmes and the change in construction, this product has a demand and a strong potential for the future. The plant is being set up in Ajmer, Rajasthan by one of the leading German Company in this field. The new plant is expected to commence production around end of the current financial year.

**iv) Job profile and his suitability**

Mr. I. Sen, as Managing Director on his proposed re-appointment with effect from 1st May, 2015 will continue to be responsible for the entire management of the business and affairs of the Company. Mr. Sen will also keep on performing other duties and services as may be entrusted to him from time to time by the Board of Directors.

**v) Remuneration Proposed**

Subject to the provisions of the Companies Act, 2013 ('the Act'), Mr. I. Sen during the currency of his tenure as Managing Director for a period of three years from 1st May, 2015 shall be entitled to the following remuneration :

Notwithstanding anything stated elsewhere, Mr. Sen during the currency of his tenure as Managing Director, shall subject to the approval of the Central Government, be entitled to the following remuneration by way of salary and perquisites, irrespective of the condition that the said remuneration shall exceed the ceiling on remuneration under Section 197 of the Act and also minimum remuneration, where the Company has no profits or its profits are inadequate.

**PART 'A'**

Sl. No.	Particulars of Remuneration	1st May, 2015 to 30th April, 2016 (₹)	1st May, 2016 to 30th April, 2017 (₹)	1st May, 2017 to 30th April, 2018 (₹)
1.	Salary	70,00,000	75,00,000	80,00,000
2.	Perquisites(HRA/ Furnishing/ Gas & Electricity/LTA/Medical/ Club Fees, etc.)	70,00,000	75,00,000	80,00,000
	<b>TOTAL</b>	<b>1,40,00,000</b>	<b>1,50,00,000</b>	<b>1,60,00,000</b>



**PART 'B'**

Besides, Mr. Sen shall also be entitled to the Company's contribution to Provident Fund and Superannuation Fund, Gratuity payable and encashment of leave at the end of the tenure in accordance with the Rules of the Company.

**PART 'C'**

- a) Provisions of car for use on Company's business and telephone facilities at the residence will not be considered as perquisites provided that personal long distance calls shall be billed by the Company to him.
  - b) The Managing Director shall be entitled to earn Privilege Leave on full pay and allowances as per the rules of the Company but not more than one month's leave for every eleven months of service.
  - c) The Managing Director shall be entitled to reimbursement of entertainment expenses actually and properly incurred by him in connection with the business of the Company.
  - d) The Managing Director shall not, as long as he functions as Managing Director of the Company, be entitled to receive any fee for attending any meeting of the Board or a Committee thereof.
- vi) Comparative Remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details w.r.t. the country of his origin)**
- Considering the size of the Company, the profile of Mr. I. Sen, Managing Director, responsibility shouldered by him and the industry benchmark, the enhanced remuneration proposed is commensurate with the remuneration packages paid to similar senior level appointees in other Companies.
- viii) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any**
- Not applicable.

**III. OTHER INFORMATION**

During the year the market remained sluggish and the industrial slowdown continued. The profit for the year dropped marginally to ₹ 62 lac as against ₹ 66 lac for the previous year, despite the drop in revenue of over ₹ 10 crore. The Company was able to minimize the adverse impact on the profit for the year under review through diligent control on the cost of material and operating expenses with better quality of order.

**IV. DISCLOSURES**

1. The information relating to the proposed remuneration of Mr. I. Sen, Managing Director has been detailed out in the Notice and Explanatory Statement attached herewith.
2. The following disclosures have been made in the Report of the Board of Directors under the heading "Corporate Governance", attached to the Annual Report:
  - i) All elements of remuneration package such as salary, benefits, bonuses, stock options, pension etc. of all the directors:  
This has fully been covered under the Corporate Governance of the Annual Report.
  - ii) Details of fixed component and performance linked incentives along with the performance criteria:  
Details of the proposed remuneration payable to Mr. I. Sen, Managing Director, have been shown in Item No.6 of the Notice and Explanatory Statement attached hereto.
  - iii) Service Contracts, notice period, severance fees:  
As given in Item 6 of the Explanatory Statement.
  - iv) Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable:  
Not applicable.

By Order of the Board

Kolkata  
8th May, 2015

**S. C. Saha**  
Company Secretary



SEVENTY-NINTH ANNUAL GENERAL MEETING  
**International Combustion (India) Limited**

CIN : L36912WB1936PLC008588  
Registered Office : Infinity Benchmark, 11th Floor, Plot No.G1, Block EP & GP  
Sector V, Salt Lake, Kolkata 700091  
Phone No.+91(033)3315 3000, Fax:+91(033)2357 6653  
Website:www.internationalcombustion.in  
e-mail : info@internationalcombustion.in

**ATTENDANCE SLIP**

DATE  
18th September, 2015

VENUE  
Kala Kunj,  
48 Shakespeare Sarani, Kolkata 700017

TIME  
2.00 P.M.

**Name & Address of Member**

Name : .....  
Address : .....  
E-mail Id : .....  
Folio No./Client ID : ..... DP ID.....

I certify that I am a Member/Proxy for the Member holding ..... shares.

Please , in the box

Member       Proxy

.....  
Member's Signature

.....  
Name of the Proxy (in Block Letter)

.....  
Proxy's Signature

- Note : i) Members/Proxyholders who wish to attend the Annual General Meeting (AGM) must bring their Attendance Slips to the AGM and hand over the same duly signed at the entrance.  
ii) Duplicate Attendance Slips will not be issued at the venue.



# International Combustion (India) Limited

CIN : L36912WB1936PLC008588  
 Registered Office : Infinity Benchmark, 11th Floor, Plot No.G1, Block EP & GP  
 Sector V, Salt Lake, Kolkata 700091  
 Phone No.+91(033)3315 3000, Fax:+91(033)2357 6653  
 Website:www.internationalcombustion.in  
 e-mail : info@internationalcombustion.in

## PROXY FORM

Name of the member(s) : .....

Registered address : .....

E-mail Id : .....

Folio No./ Client ID.....DP ID.....

I/We being the Member(s) of ..... shares of the above named Company, hereby appoint

- Name : .....  
 Address .....  
 E-mail Id : ..... Signature .....or failing him
- Name : .....  
 Address .....  
 E-mail Id : ..... Signature .....or failing him
- Name : .....  
 Address .....  
 E-mail Id : ..... Signature .....

as my/our Proxy to attend and vote (on a poll ) for me/us and on my/our behalf at the Seventy-ninth Annual General Meeting (AGM) of the Company to be held on **Friday, 18th September, 2015** at 2.00 P.M. at Kala Kunj, 48, Shakespeare Sarani, Kolkata 700017 and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution No.	Resolutions
1.	Adoption of Audited Annual Accounts, Reports of the Directors and Auditors
2.	Declaration of Dividend on Equity Shares
3.	Reappointment of Mr. Sanjay Bagaria, Director, who retires by rotation
4.	Appointment of Statutory Auditors and fixing of their remuneration
5.	Appointment of Mrs. (Prof.) Bharati Ray as Independent Director for five (5) years
6.	Reappointment of Mr. Indrajit Sen as Managing Director
7.	Approval for alteration of Article of Association

Signed this .....day of.....2015

Signature of Shareholder(s).....

Signature of Proxy holder(s).....

Affix Re.1 Revenue Stamp
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- Note : i) The Proxy must be deposited at the Registered Office of the Company at Infinity Benchmark, 11th Floor, Plot No.G-1, Block EP & GP, Sector V, Salt Lake Electronics Complex, Kolkata 700091 not less than 48 hours before the commencement of the AGM i.e. by 2.00 P.M. on 16th September 2015.
- ii) Please mark the envelope '**ICIL-Proxy**'.