



International Combustion (India) Limited

**ANNUAL REPORT
2015-16**

CORPORATE INFORMATION

Board of Directors

Mr. Sanjay Bagaria *Chairman*
 Mr. Indrajit Sen *Managing Director*
 Mr. Ratan Lal Gaggar
 Mr. Ravi Ranjan Prasad
 Mrs. (Prof.) Bharati Ray

Board Committees

Audit Committee

Mr. Ravi Ranjan Prasad *Chairman*
 Mr. Ratan Lal Gaggar
 Mr. Indrajit Sen

Share Transfer & Stakeholders' Relationship Committee

Mr. Sanjay Bagaria *Chairman*
 Mr. Indrajit Sen
 Mrs. (Prof.) Bharati Ray

Nomination & Remuneration Committee

Mr. Ratan Lal Gaggar *Chairman*
 Mr. Ravi Ranjan Prasad
 Mr. Sanjay Bagaria

Corporate Social Responsibility (CSR) Committee

Mr. Sanjay Bagaria *Chairman*
 Mrs. (Prof.) Bharati Ray
 Mr. Ratan Lal Gaggar

Risk Management Committee

Mr. Sanjay Bagaria *Chairman*
 Mr. Indrajit Sen
 Mr. Suhas Chandra Saha

Company Secretary

Mr. Suhas Chandra Saha

Chief Financial Officer

Mr. 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
 Website : 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
 Website : www.internationalcombustion.in

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DIRECTORS' REPORT

To the Members,

Your Directors take pleasure in presenting the Eightieth Annual Report together with the Audited Annual Financial Statements of the Company for the Financial Year ended 31st March, 2016.

FINANCIAL HIGHLIGHTS (Standalone)

	(₹ in lacs)	
	2015-16	2014-15
Profit before depreciation, interest & tax	298.94	599.01
Less: Interest	88.70	86.23
Depreciation	388.34 (477.04)	450.50 536.73
Profit / (Loss) before Tax	(178.10)	62.28
Less: Provision for Income Tax –		
Current Tax	1.06	16.50
Deferred Tax (reversal)/charge	(127.91) (126.85)	(52.04) (35.54)
Profit / (Loss) after Tax	(51.25)	97.82
Profit brought forward from last year	196.64	147.17
Profit available for appropriations	145.39	244.99
Appropriations :		
General Reserve	—	5.00
Proposed Dividend		35.85
Tax on Proposed Dividend		7.50
Balance carried over to Balance Sheet	145.39	196.64
	145.39	244.99

DIVIDEND

In view of the loss suffered by the Company during the Financial Year under review, the Board does not recommend any dividend for the year.

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 operations for the year under review increased marginally to ₹ 91.32 crores as against ₹ 87.27 crores of the previous year.

The loss before tax for the year was ₹ 178.10 lacs as against a profit before tax of ₹ 62.28 lacs of the previous year.

The Board would also like to mention that during the year under review, the existing operations made a profit before tax of ₹ 34.80 lacs but as the production of Building Material Division only started in March, 2016, the revenue expenditure for the full year of the new Division has resulted in the above overall loss of the Company for the year.

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.

As the commercial production of the Building Material Division has commenced, the Company expects a reasonable revenue and profit from this Division in the coming years.

In its previous Report, the Board had reported about the collaboration agreement signed with FLEXIMAT Ges.m.b.H. - a Company from Austria. The Board is pleased to inform that the technology transfer is now complete and the

DIRECTORS' REPORT (Contd.)

first order has already been received. This product is also expected to contribute significantly to the business of the Company in the coming years.

The Company is looking at various new business areas which will contribute to the revenue and profitability of the Company in the future 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, has already commenced and the JV Company has also booked its first order. There are several active enquiries under negotiation and the JV Company is expected to grow at a faster pace in the coming years. MPTPL, however, earned a revenue of ₹ 3.39 lacs during the Financial Year ended 31st March, 2016 from interest and other income as compared to ₹ 3.20 lacs during the previous Financial Year ended 31st March, 2015.

MPTPL suffered a loss of ₹ 7.51 lacs during the Financial Year ended 31st March, 2016 as compared to a loss of ₹ 1.89 lacs during the previous Financial Year ended 31st March, 2015.

The Company has no subsidiaries.

The consolidated financial statements of the Company for the Financial Year ended 31st March, 2016, prepared after taking into consideration the financial statements of its aforementioned Joint Venture Company, also forms part of the Annual Report for the FY 2015-16. The said consolidated financial statements have been prepared in accordance with the relevant accounting standards and based on a line-by-line proportionate consolidation accounting for the Company's interest in the Joint Venture Company by adding together the book value of like items of assets and liabilities, revenues and expenses as per the respective financial statements and eliminating intra group balances, intra group transactions and the unrealized profits on stocks arising out of intra group transactions. The consolidated turnover and consolidated loss before tax thus arrived at for the Financial Year ended 31st March, 2016 are ₹ 9048 lacs and ₹ 219 lacs. However, the corresponding consolidated figures for the previous Financial Year ended 31st March, 2015 have not been presented in the said Consolidated Financial Statements as the same were not prepared for the Financial Year ended 31st March, 2015 as it was then not mandatory in terms of Section 129 of the Companies Act, 2013, read with Rule 6 of the Companies (Accounts) Rules, 2014.

A Statement in Form AOC-1 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 also attached to the Financial Statements.

BUILDING MATERIAL DIVISION

The new Building Material Division of the Company located at Ajmer, Rajasthan, for manufacture of high quality Dry Mix Mortar/ Dry Mix Products and related building materials, has commenced commercial production with effect from 31st March, 2016. Initially, the Company shall manufacture high quality Dry Mix Mortar/Dry Mix products under the brand names 'IC Preciplast', 'IC PreciJoint', 'IC Precigrout', 'IC Preciseal' & 'IC Precifix'.

Currently, the Company is marketing these products in Delhi-NCR area, Uttar Pradesh, Rajasthan and Madhya Pradesh.

CAPITAL EXPENDITURE

The total capital expenditure incurred for the year under review was ₹ 1954.66 lacs (including ₹ 1802.86 lacs 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 31st March, 2016 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 (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.

DIRECTORS' REPORT *(Contd.)*

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, 2016 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, 2016. 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, 2016 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. 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 on 7th April, 2015 and the same was confirmed by the shareholders at their 79th Annual General Meeting held on 18th September, 2015.

Mrs. (Prof.) Ray, Mr. Ravi Ranjan Prasad (DIN 00030458) & Mr. Ratan Lal Gaggar (DIN 00322904), all Independent Directors on the Board, 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 the services of the Company with effect from 1st May, 2015 on the expiry of his term of appointment as Executive Director (Whole-time Director) 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 and the same was approved by the shareholders at their 79th Annual General Meeting held on 18th September, 2015.

Mr. Indrajit Sen retires by rotation at the ensuing 80th Annual General Meeting and being eligible, offers himself for re-appointment.

DIRECTORS' REPORT (Contd.)

The Company has received, at the first meeting of the Board of Directors held during the Financial Year 2016-17, 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.

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.

OTHER KEY MANAGERIAL PERSONNEL

Mr. Suhas Chandra Saha is the Company Secretary of the Company and Mr. Asish Kumar Neogi is the Senior General Manager (Finance) & Chief Financial Officer of the Company.

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, 2016.

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 Eightieth Annual General Meeting of the shareholders of the Company.

DIRECTORS' REPORT *(Contd.)*

COST AUDIT

In terms of the Companies Act, 2013 and the rules made thereunder, audit of the cost accounting records maintained by the Company, relating to the products manufactured by the Company is not applicable for the Financial Year 2015-16.

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, 2016 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.

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 lacs 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 the provisions of the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, 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) Compliance Certificate 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, 2016 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.

DIRECTORS' REPORT (Contd.)

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 Regulation 22 of the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, 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.

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, 2016 or as on 31st March, 2015. The Company did not accept any fixed deposits during the year.

CREDIT RATINGS

In June, 2015, credit rating agency ICRA Limited had revised the long-term scale rating on the ₹ 12.25 crore fund based and ₹ 21.00 crore non-fund based working capital credit facilities enjoyed by the Company from its bankers to [ICRA]A- (pronounced as ICRA A minus) [signifying an adequate degree of safety regarding timely servicing of financial obligations and carrying low credit risk]. The outlook on the long term scale rating has been revised from Negative to Stable. ICRA has 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, 2016.

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. No complaints of sexual harassment were received by the Committee during the year under review.

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
20th May, 2016

Sanjay Bagaria
Chairman

ANNEXURE TO DIRECTORS' REPORT - I
Form No. MGT-9

**EXTRACT OF ANNUAL RETURN
as on the Financial Year ended on 31.03.2016 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	66.84%
2.	Manufacture of Geared Motors & Gear Boxes	271	33.16 %
3.	Manufacture of Dry Mix Products	239	N.A.*

*Commenced commercial production only on 31st March, 2016

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. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Shareholding

	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	
A. Promoters										
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
	Sub-total (A)(1):-	1266931	—	1266931	53.00	1266931	—	1266931	53.00	NIL
2.	Foreign									
	a) NRIs - Individuals	—	—	—	—	—	—	—	—	—
	b) Other - Individuals	—	—	—	—	—	—	—	—	—
	c) Bodies Corp.	—	—	—	—	—	—	—	—	—
	d) Banks / FI	—	—	—	—	—	—	—	—	—
	e) Any Other....	—	—	—	—	—	—	—	—	—
	Sub-total (A)(2):-	—	—	—	—	—	—	—	—	—
	Total share-holding of Promoter (A)=(A)(1)+(A)(2)	1266931	—	1266931	53.00	1266931	—	1266931	53.00	NIL
B. Public Shareholding										
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	—	—	—	—	—	—	—	—	—
	Sub-total (B)(1)	1	250	251	0.01	1	250	251	0.01	NIL
2.	Non-Institutions									
	a) Bodies Corp.									
	i) Indian	32387	302	32689	1.37	32207	302	32509	1.36	-0.01
	ii) Overseas	—	1900	1900	0.08	—	1900	1900	0.08	NIL
	b) Individuals									
	i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	875443	108236	983679	41.15	858084	104839	962923	40.28	-0.87

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	69898	—	69898	2.92	99416	—	99416	4.16	+1.24
	c) Others -									
	NRIs	27353	—	27353	1.14	20931	—	20931	0.88	-0.26
	Clearing Members	7575	—	7575	0.33	5415	—	5415	0.23	-0.10
	Sub-total (B)(2)	1012656	110438	1123094	46.99	1016053	107041	1123094	46.99	NIL
	Total Public Shareholding (B)=(B)(1) +(B)(2)	1012657	110688	1123345	47.00	1016054	107291	1123345	47.00	NIL
C.	Shares held by Custodian for GDRs & ADRs	—	—	—	—	—	—	—	—	—
	Grand Total (A+B+C)	2273862	116414	2390276	100.00	2282985	107291	2390276	100.00	NIL

(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.	Mr. Sanjay Bagaria	43900	1.84	NIL	43900	1.84	NIL	NIL
9.	Mrs. Purnima Bagaria	39600	1.66	NIL	39600	1.66	NIL	NIL
10.	Mr. 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
	Total	1266931	53.00	NIL	1266931	53.00	NIL	NIL

Annexure - I (contd.)

(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 (01/04/2015 to 31/03/2016)	
		No. of shares at the beginning (01/04/2015)/ end of the year (31/03/2016)	% of total shares of the Company				No. of shares	% of total shares of the Company
1.	Bhupesh Kumar Lodha	25000	1.05	1/4/15				
				8/5/15	-25000	Transfer	0	0.00
2.	Sunil Kumar Gupta	18000	0.75	1/4/15				
				24/4/15	-1000	Transfer	17000	0.71
				31/7/15	-3000	Transfer	14000	0.59
		14000	0.59	31/3/16			14000	0.59
3.	Neelam Bansal	15998	0.67	1/4/15		No movement during the year	15998	0.67
		15998	0.67	31/3/16				
4.	Anil Bhavanji Shah	10900	0.46	1/4/15		No movement during the year	10900	0.46
		10900	0.46	31/3/16				
5.	Navanit Lal Rastogi	9365	0.39	1/4/15				
				22/5/15	-1096	Transfer	8269	0.35
				26/6/15	-4002	Transfer	4267	0.18
				30/6/15	-1153	Transfer	3114	0.13
				3/7/15	-2171	Transfer	943	0.04
				17/7/15	-443	Transfer	500	0.02
		500	0.02	31/3/16			500	0.02
6.	Patel Ashokbhai Dinubhai	7592	0.32	1/4/15		No movement during the year		
		7592	0.32	31/3/16			7592	0.32
7.	Patel Kailasben Ashokbhai	7066	0.30	1/4/15		No movement during the year		
		7066	0.30	31/3/16			7066	0.30
8.	Kanchan Sunil Singhania	6877	0.29	1/4/15		No movement during the year		
		6877	0.29	31/3/16			6877	0.29
9.	Roopa Vibhav Kapoor	6442	0.27	1/4/15		No movement during the year		
		6442	0.27	31/3/16			6442	0.27
10.	Niranjana Jitendra Shah	6000	0.25	1/4/15				
				10/4/15	100	Transfer	6100	0.26
				1/5/15	150	Transfer	6250	0.26
				8/5/15	150	Transfer	6400	0.27

Sl. No.	Name	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (01/04/2015 to 31/03/2016)	
		No. of shares at the beginning (01/04/2015)/ end of the year (31/03/2016)	% of total shares of the Company				No. of shares	% of total shares of the Company
				22/5/15	175	Transfer	6575	0.28
				29/5/15	100	Transfer	6675	0.28
				5/6/15	125	Transfer	6800	0.28
				12/6/15	150	Transfer	6950	0.29
				19/6/15	50	Transfer	7000	0.29
				26/6/15	100	Transfer	7100	0.30
				30/6/15	-100	Transfer	7000	0.29
				3/7/15	50	Transfer	7050	0.29
				10/7/15	450	Transfer	7500	0.31
				14/8/15	100	Transfer	7600	0.32
				28/8/15	50	Transfer	7650	0.32
				27/11/15	100	Transfer	7750	0.32
				4/12/15	175	Transfer	7925	0.33
				11/12/19	75	Transfer	8000	0.33
				18/12/15	100	Transfer	8100	0.34
				22/1/16	356	Transfer	8456	0.35
				29/1/16	144	Transfer	8600	0.36
				5/2/16	400	Transfer	9000	0.38
				12/2/16	150	Transfer	9150	0.38
				19/2/16	100	Transfer	9250	0.39
				26/2/16	50	Transfer	9300	0.39
				4/3/16	100	Transfer	9400	0.39
				25/3/16	50	Transfer	9450	0.40
				31/3/16	50	Transfer	9500	0.40
		9500	0.40	31/3/16			9500	0.40
11.	Dr. Ramesh Chimanlal Shah	0	0.00	1/4/15				
				29/5/15	12000	Transfer	12000	0.50
				5/6/15	5550	Transfer	17550	0.73
				3/7/15	6900	Transfer	24450	1.02
				10/7/15	550	Transfer	25000	1.05
				31/7/15	-1025	Transfer	23975	1.00

Annexure - I (contd.)

International Combustion (India) Limited

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01/04/2015 to 31/03/2016)	
		No. of shares at the beginning (01/04/2015)/ end of the year (31/03/2016)	% of total shares of the Company				No. of shares	% of total shares of the Company
				7/8/15	-1575	Transfer	22400	0.94
				14/8/15	-2400	Transfer	20000	0.84
		20000	0.84	31/3/16			20000	0.84
12.	D S K Nageswara Rao	0	0.00	1/4/15				
				8/1/16	10205	Transfer	10205	0.43
				15/1/16	394	Transfer	10599	0.44
				22/1/16	235	Transfer	10834	0.45
				29/1/16	320	Transfer	11154	0.47
				5/2/16	1135	Transfer	12289	0.51
				12/2/16	155	Transfer	12444	0.52
				19/2/16	370	Transfer	12814	0.54
				26/2/16	85	Transfer	12899	0.54
				4/3/16	101	Transfer	13000	0.54
				11/3/16	174	Transfer	13174	0.55
				18/3/16	826	Transfer	14000	0.59
				25/3/16	265	Transfer	14265	0.60
				31/3/16	58	Transfer	14323	0.60
		14323	0.60	31/3/16			14323	0.60
13.	Varsha Agarwal	0	0.00	1/4/15				
				20/11/15	1205	Transfer	1205	0.05
				27/11/15	90	Transfer	1295	0.05
				4/12/15	3365	Transfer	4660	0.19
				11/12/15	1717	Transfer	6377	0.27
				18/12/15	1531	Transfer	7908	0.33
				25/12/15	25	Transfer	7933	0.33
				31/12/15	1067	Transfer	9000	0.38
				1/1/16	800	Transfer	9800	0.41
				8/1/16	1780	Transfer	11580	0.48
				15/1/16	1115	Transfer	12695	0.53
		12695	0.53	31/3/16			12695	0.53
14.	Jitendra Lalbhai Shah	6000	0.25	1/4/15				

Annexure - I (contd.)

Sl. No.	Name	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (01/04/2015 to 31/03/2016)	
		No. of shares at the beginning (01/04/2015)/ end of the year (31/03/2016)	% of total shares of the Company				No. of shares	% of total shares of the Company
				10/4/15	100	Transfer	6100	0.26
				17/4/15	100	Transfer	6200	0.26
				1/5/15	100	Transfer	6300	0.26
				8/5/15	250	Transfer	6550	0.27
				22/5/15	300	Transfer	6850	0.29
				29/5/15	250	Transfer	7100	0.30
				5/6/15	200	Transfer	7300	0.31
				12/6/15	200	Transfer	7500	0.31
				26/6/15	650	Transfer	8150	0.34
				3/7/15	-125	Transfer	8025	0.34
				10/7/15	275	Transfer	8300	0.35
				17/7/15	300	Transfer	8600	0.36
				31/7/15	300	Transfer	8900	0.37
				7/8/15	100	Transfer	9000	0.38
				14/8/15	100	Transfer	9100	0.38
				21/8/15	50	Transfer	9150	0.38
				28/8/15	350	Transfer	9500	0.40
				4/9/15	50	Transfer	9550	0.40
				27/11/15	200	Transfer	9750	0.41
				4/12/15	400	Transfer	10150	0.42
				22/1/16	550	Transfer	10700	0.45
				5/2/16	400	Transfer	11100	0.46
				12/2/16	50	Transfer	11150	0.47
				26/2/16	125	Transfer	11275	0.47
				4/3/16	25	Transfer	11300	0.47
				25/3/16	100	Transfer	11400	0.48
				31/3/16	100	Transfer	11500	0.48
		11500	0.48	31/3/16			11500	0.48
15.	Haresh Mehta	6000	0.25	1/4/15		No movement during the year		
		6000	0.25	31/3/16			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 (01/04/2015 to 31/03/2016)	
		No. of shares at the beginning (01/04/2015)/ end of the year (31/03/2016)	% of total shares of the Company				No. of shares	% of total shares of the Company
1.	Mr. Sanjay Bagaria, Chairman (Director)	43900	1.84	1/4/15		No movement during the year		
		43900	1.84	31/3/16			43900	1.84
2.	Mr. Suhas Chandra Saha, Company Secretary (Key Managerial Personnel)	50	0.002	1/4/15		No movement during the year		
		50	0.002	31/3/16			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 Lacs

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1299.41	—	—	1299.41
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	2.66	—	—	2.66
Total (i+ii+iii)	1302.07	—	—	1302.07
Change in Indebtedness during the financial year				
• Addition	2291.74	—	—	2291.74
• Reduction	(67.22)	—	—	(67.22)
Net Change	2224.52	—	—	2224.52
Indebtedness at the end of the financial year				
i) Principal Amount	3526.59	—	—	3526.59
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	15.32	—	—	15.32
Total (i+ii+iii)	3541.91	—	—	3541.91

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

₹ in Lacs

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	156.65	5.56	162.21
	(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	—	—	—
	Total (A)	156.65	5.56	162.21

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. Mr. Sanjoy Saha retired from the services of the Company with effect from 1st May, 2015 on the expiry of his term. Mr. Indrajit Sen was re-appointed as the Managing Director of the Company for a further period of three years with effect from 1st May, 2015 and an application under Section 197 of the Companies Act, 2013 read with Schedule V to the said Act, for approval of the managerial remuneration paid/ payable to him during the period from 1st May, 2015 to 30th April, 2018 is pending with the Central Government.

B. Remuneration to other directors:

₹ in Lacs

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mrs. (Prof.) Bharati Ray	Mr. Ratan Lal Gaggar	Mr. Ravi Ranjan Prasad	Mr. Sanjay Bagaria	
1.	Independent Directors					
	• Fee for attending Board/ Committee meetings	2.10	1.65	1.45	—	5.20
	• Commission	—	—	—	—	—
	• Others, please specify	—	—	—	—	—
	Total (1)	2.10	1.65	1.45	—	5.20
2.	Other Non-Executive Directors					
	• Fee for attending Board/ Committee meetings	—	—	—	2.30	2.30
	• Commission	—	—	—	—	—
	• Others, please specify	—	—	—	—	—
	Total (2)	—	—	—	2.30	2.30
	Total (B)=(1+2)	2.10	1.65	1.45	2.30	7.50
	Total Managerial Remuneration [Total (A) + Total (B)]					169.71

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) Sitting Fees @ ₹ 10,000/- per Director per meeting has been paid to the non-executive Directors with effect from the Board meeting held on 7th April, 2015, prior to which ₹ 5,000/- per Director per meeting was being paid, which are well within the ceiling limit specified in the Companies Act, 2013.

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

₹ in Lacs

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	34.86	31.65	66.51
	(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	—	—	—
	Total	34.86	31.65	66.51

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)
A. COMPANY					
Penalty			NIL		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NIL		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			NIL		
Punishment					
Compounding					

For & on behalf of the Board

Kolkata
20th May, 2016

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 –
 1. Capacitors are being installed in appropriate places for reducing power factor.
 2. Light fittings are converted into current generation LED & CFL.
 3. Manufacturing process has been optimized in proper manner to reduce consumption of power.
- (b) Impact of the steps taken on conservation of energy :-
 1. Relative reduction in consumption of power or fuel.
 2. Stability in consumption of power & fuel.
- II. The steps taken by the Company for utilising alternate sources of energy – Cost-benefit ratio of commissioning of solar energy system in some of its units is being analysed.
- III. The capital investment on energy conservation equipments – Company has invested major amount in acquiring equipments with low power consumption in its manufacturing unit at Ajmer, Rajasthan.

(B) Technology absorption -

I. Research & Development (R & D)

- i) Specific Areas:
R & D activities have been focused on quality upgradation and adaptation of new technology.
- ii) Benefits derived:
Improved efficiency of the equipments resulted in substantial increase in the productivity of the end users.
- iii) Future plan of action:
The Company has planned to continue its R&D activities for continuous upgradation of its product range.

II. Technology Absorption, Adaptation and Innovation

- i) Efforts made:
Efforts are made for absorption of technology received from the licensed partner from time to time.
- ii) Benefits derived:
Successful implementation of upgraded technology.
- 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
Flip Flow Single and Double Deck Screen	2015	Yes	N.A.

(C) Foreign exchange earnings and Outgo -

During the year foreign exchange earnings was ₹ 1052.86 lacs (Previous Year - ₹ 845.43 lacs) against outgo of ₹ 666.56 lacs (Previous Year - ₹ 334.18 lacs).

For & on behalf of the Board

Kolkata
20th May, 2016

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, 2016.	7th April, 2015.	NIL
2.	Mozer Process Technology Private Limited [Joint Venture Company having common Directors]	Sale of goods	Single transaction	Gross Sale Price of ₹ 1,69,67,201/-	8th May, 2015	₹ 27,18,000/-

For & on behalf of the Board

Kolkata
20th May, 2016

Sanjay Bagaria
Chairman

ANNEXURE TO DIRECTORS' REPORT - IV

[Pursuant to Section 197(12) of the Companies Act, 2013, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

1. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2015-16, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2015-16 are as under :-

Sl. No.	Name of the Director/ KMP and Designation	% increase in remuneration in the FY 2015-16 over FY 2014-15	Ratio of Remuneration of each Director to Median Remuneration of Employees for FY 2015-16
1.	Mr. Sanjay Bagaria (Non-Executive Chairman)	119**	0.71
2.	Mr. Sukhendu Ray (Non-Executive Director) #	N.A.	—
3.	Mr. Ratan Lal Gaggar (Non-Executive Director)	94	0.51
4.	Mr. Ravi Ranjan Prasad (Non-Executive Director)	314	0.45
5.	Mrs. (Prof.) Bharati Ray (Non-Executive Director)@	N. A.	0.65
6.	Mr. Indrajit Sen (Managing Director)	7	48.20
7.	Mr. Sanjoy Saha (Non-Executive Director)*	N.A.	N.A.

Annexure - IV (contd.)

Sl. No.	Name of the Director/ KMP and Designation	% increase in remuneration in the FY 2015-16 over FY 2014-15	Ratio of Remuneration of each Director to Median Remuneration of Employees for FY 2015-16
8.	Mr. Suhas Chandra Saha (Company Secretary)	9	N. A.
9.	Mr. Asish Kumar Neogi (Chief Financial Officer)	10	N. A.

Retired with effect from 2nd April, 2015

@ Mrs. Bharati Ray joined the Board as Independent Woman Director on 7th April, 2015.

Hence corresponding figures for previous year is not available.

* Retired with effect from 1st May, 2015. Represents remuneration for one month viz. April, 2016.

** % increase in remuneration represents increase in sitting fees only as no commission is payable for the year 2015-16.

Notes :

- The median remuneration of the employees of the Company for the financial year ended 31st March, 2016 was ₹ 3.25 lacs.
- During the financial year the median remuneration of employees increased by 6.56%.
- The no. of permanent employees on the rolls of the Company as on 31st March, 2016 was 473.
- Relationship between average increase in remuneration and company performance

Average increase in remuneration of all employees was 2.51% as compared with the previous financial year. Net revenue of the Company during the financial year amounting to ₹ 9132 lacs was higher as compared to the revenue of ₹ 8727 lacs of the previous year. The total employee cost for the FY 2015-16 was ₹ 2700 lacs as against ₹ 2572 lacs for the FY ended 31st March, 2015. Average increase in remuneration is not only linked with Company performance but is also a reflection of the performance of the Industry. There has been severe industrial downturn in last few years which in turn has affected almost all capital manufacturing industries. However, reversing the situation and initiating the growth in future years is a challenge which requires motivated workforce at all levels and for this the salary has been marginally corrected during the FY ended 31st March, 2016.

- Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company :
(₹ in lacs)

Aggregate Remuneration of KMP in the FY 2015-16	228.72
Revenue	9132.44
Remuneration of KMP as a percentage of Revenue	2.50%
Profit Before Tax (PBT)/(Loss)	(178.10)
Remuneration of KMP as a percentage of PBT **	N.A.

**Not ascertainable as the company has incurred a Loss Before Tax of ₹ 178.10 lacs after charging the revenue expenditure of the new Building Material Division for the full year amounting to ₹ 212.86 lacs - the new division having commenced production in March, 2016.

- Variation in the market capitalization of the Company :

Sl. No.	Particulars	As at 31.03.2016	As at 31.03.2015	Increase (₹ in crore)
1.	Closing Market Price per Equity Share on BSE (₹)	275.50	210.00	—
2.	Market Capitalisation (₹ in Cr.)	65.85	50.20	15.65

- Variation in price earnings ratio :

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

As on 31st March, 2016 : **(128.74)**

- 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) – ₹ 275.50

% increase – 2655%

vii. Average percentage increase made in the salaries of the employees other than the managerial personnel in the last financial year i.e. 2015-16 was 2.64% whereas increase of the Managerial Remuneration for the same financial year was 18.14%.

viii. Comparison of the remuneration of each of the Key Managerial Personnel (KMP) against the performance of the Company:

(₹ in lacs)

Particulars of Remuneration	Key Managerial Personnel			
	Mr. I. Sen	Mr. S. Saha#	Mr. S. C. Saha	Mr. A. K. Neogi
Remuneration in FY 2015-16	156.65	5.56	34.86	31.65
Revenue	9132.44	9132.44	9132.44	9132.44
Remuneration as % of Revenue	1.72	—	0.38	0.35
Profit before Tax (PBT)/(Loss)	(178.10)	(178.10)	(178.10)	(178.10)
Remuneration (as % of PBT)	*	*	*	*

* Not ascertainable in view of the loss suffered by the Company during the year 2015-16.

Remuneration received for part of the year viz. for April, 2015 and hence not comparable.

- 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, 2016 is in accordance with the Remuneration Policy of the Company.

2. PARTICULARS OF EMPLOYEES DRAWING REMUNERATION DURING THE FY 2015-16 ABOVE THE PRESCRIBED LIMIT :

Employed throughout the FY 2015-16

Sl. No.	Name	Designation	Age (Years)	Remuneration Received (₹)	Qualifications	Experience (Years)	Date of Commencement of Employment	Last Employment
1.	Mr. Indrajit Sen	Managing Director	76	1,56,65,306	B.E. (Mech)	54	14.12.1971	Hooghly Docking & Engg. Co.Ltd.

Employed for part of the FY 2015-16

2.	Mr. Sanjoy Saha#	Executive Director (Whole-time Director)	71	5,56,480*	B.E. (Met.)	49	15.02.1967	First Employment
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Mr. Sanjoy Saha has retired on expiry of his term on 30th April, 2016.

* Excludes settlement of retirement benefits.

Notes : 1. Gross remuneration comprises of salaries, allowances, leave travel assistance, reimbursement of medical expenses, Company's contribution to Provident & Superannuation Funds. In addition to the above remuneration, the Managing Director is also entitled to gratuity in accordance with the Company's Rules.

2. The appointment of the Managing Director and/Executive Director (Whole-time Director) is/was contractual. Neither the Managing Director nor the Executive Director (Whole-time Director) held any equity shares in the Company and none of them is/ was related to any Director of the Company.

For & on behalf of the Board

Kolkata
20th May, 2016

Sanjay Bagaria
Chairman

ANNEXURE TO DIRECTORS' REPORT - V**ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016**

[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;
 - 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.

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 Gaggar, 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 Gaggar, Independent Director.
3. Average net profits of the company for last three financial years – ₹ 286.54 lacs.
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) – ₹ 5.73 lacs.
5. Details of CSR spent during the financial year –
 - (a) Total amount to be spent for the Financial Year 2015-16, including the shortfall of ₹11.45 lacs in the amount spent during the Financial Year 2014-15 carried forward – ₹ 17.18 lacs.
 - (b) Amount unspent, if any – ₹ 14.38 lacs.
 - (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 (₹)	Amount spent on the Project or programs Sub-heads : (1) Direct expenditure on the projects or programs (2) Overheads (₹)	Cumulative expenditure upto the reporting period (₹)	Amount spent: Direct or through implementing Agency
1.	Vocational training project for under-privileged women at Kolkata to promote employment	Promoting education, & employment enhancing vocational skills among under privileged women [Clauses (ii) of Schedule VII to the Companies Act, 2013].	1) Local Area, 2) State of West Bengal, Kolkata District.	3,00,000	2,00,000 (Direct expenditure on the project)	3,00,000	Through the implementing agency, M/s. Saroj Nalini Dutt Memorial Association, 23/1, Ballygunge Station Road, Kolkata - 700019.
2.	Organizing sit & draw competition for under-privileged & differently abled children	Promoting education including special education among underprivileged and differently abled children [Clause (ii) of Schedule VII to Companies Act, 2013].	1) Local Area, 2) State of West Bengal, Kolkata District.	50,000	50,000 (Direct expenditure on the project)	50,000	Through the implementing agency, M/s. Bengal Chamber of Commerce & Industry, Royal Exchange, 6, Netaji Subhash Road, Kolkata - 700001.
3.	Project of supplying uniforms & granting scholarships to under-privileged students	Promoting education, among under-privileged children [Clause (ii) of Schedule VII to Companies Act, 2013]	1) Local Area, 2) State of West Bengal, Kolkata District.	20,000	20,000 (Direct expenditure on the project)	20,000	Through the implementing agency, Rotary Club of Southwest Calcutta Trust, 22, Palace Court, 1, Kyd Street, Kolkata - 700016.
4.	Project of providing furniture & Laboratory equipment to schools for under-privileged.	Promoting education, among under-privileged children [Clause (ii) of Schedule VII to Companies Act, 2013]	1) Local Area, 2) State of West Bengal, Kolkata District.	10,000	10,000 (Direct expenditure on the project)	10,000	Through the implementing agency, Rotary Club of Calcutta Greens, Simplex House, 2nd Floor, 27, Shakespeare Sarani, Kolkata - 700017.
			TOTAL	3,80,000	2,80,000	3,80,000	

6. Out of an aggregate amount of ₹17.18 lacs required to be spent during the Financial Year ended 31st March, 2016, including the shortfall of ₹11.45 lacs in the amount spent during the Financial Year ended 31st March, 2015 carried forward, towards CSR Activities in terms of Section 135 of the Companies Act, 2013, the Company could spend only ₹ 2.80 lacs. 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 ₹14.38 lacs has been carried forward to be spent in the coming financial years towards which your Company is committed.

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
20th May, 2016

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, 2016

[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, 2016 [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, 2016 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)**;
 - (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;
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable to the Company during the Audit Period)**; and
 - (i) The Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015.

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

- (i) Secretarial Standard on Meetings of the Board of Directors (SS-1) and Secretarial Standard on General Meetings (SS-2) issued by The Institute of Company Secretaries of India and notified & published in the Gazette of India; and
- (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, Agreements, 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, 2016, 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 Special Resolutions passed at their 79th Annual General Meeting held on 18th September, 2015, for alteration of the Articles of Association of the Company by adopting a new set of Articles,
- ii) obtained the consent of its shareholders, vide Special Resolutions passed at their 79th Annual General Meeting held on 18th September, 2015, for 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, and
- iii) entered into a Foreign Technical Collaboration Agreement dated 24th February, 2016 with M/s. Kuper GmbH & Co. KG, Germany, for supply of technical knowhow, designs, manufacturing drawings, manufacturing & assembly method, process know-how, assistance regarding details of specifications machines and facilities needed for production, test & inspection standards, material lists and specification of raw materials required, assistance regarding technical and engineering data & calculations required for applications selection and brand/ trade name to the Company for manufacture in India by the Company, on exclusive basis, of Screen Decks including "Modular Snap-on" Type of Rubber & Polyurethane and Rubber & Rubber-Ceramic Liners of module & other design and for marketing of such products in Asia-Oceania and Africa.

Place : Kolkata
Date : 20th May, 2016

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: 20th May, 2016
Place: Kolkata

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion & Analysis Report for the Financial Year ended 31st March, 2016 as required under Regulation 34 of the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Schedule V to the said Regulations, is presented below :-

1. Industry Structure & Developments

Though the Company had made marginal increase in revenues for the year under review, the market continues to remain sluggish. On account of such slowdown, the competition has also become stiff resulting in price pressure. To circumvent this unfavourable situation, the Company has taken necessary steps to increase the market infrastructure for all their products so as to reach a bigger spectrum of industry and clients. Moreover, the diversification which has been initiated by the Company in Building Material Division and also the introduction of new product range in the market is also expected to overcome this unfavourable market environment.

2. Strengths & Opportunities

The Company continues to be recognized as the technology leaders in their respective fields and have also commenced upgradation of technology to remain at par with the global technology trend.

New business areas are expected to contribute towards this growth effort in the future.

The Company has enhanced their efforts for exporting their products to Middle East and Asian countries and as the product technology is comparable with current global trends, the Company expects growth in this market.

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.

The Company has to deal with aggressive market competition which is putting price of all products under pressure. The Company is aware of these threats and to circumvent this unfavourable situation, the Company has taken necessary steps to increase the market infrastructure for all their products so as to reach a bigger spectrum of industry and clients.

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 these risks as detailed hereinbelow.

The Company has an Enterprise Risk Management (ERM) process which involves periodic identification of risks likely to affect the business adversely, rating the risks, their importance and likelihood, preparation of risk identification procedures, implementation of risk mitigation plans and its continuous monitoring by the Executive Management/Divisional Heads. The Risk Management Committee has already identified the areas of Sales, Finance, Operations, Industrial Relations, Projects of the business for all the business divisions, viz. Mineral and Material Handling Equipment Division, Geared Motors & Gear Boxes Division and the new Building Material Division.

The Risk Management Committee also develops and monitors various mitigation strategies and plans in these areas to reduce or eliminate the likelihood of such risks. The presence in India of the global players with low cost products has intensified the competition in the large domestic market. To mitigate the risks involved in this area, steps have been initiated to move ahead of the competition with the Company's strong brand image along with upgradation of technology and effective marketing framework. The Company also recognizes the steady increase in the cost of raw material as an issue of concern. The Risk Management Committee has identified this issue and has defined the procedure to be followed to minimize the impact of this on the business and performance of the Company for future years.

Recovery of sale proceeds promptly from the clients on sale of products is also an area where risk is involved and needs attention of the Executive Management. The Company gives lots of importance to this area and has adopted various recovery measures for improvement in collection and liquidity position which is also monitored by the Executive Management at regular intervals. The Company has availed Term Loan to partly finance the capital expenditure required for its new plant at Ajmer, Rajasthan for manufacture of Dry Mix Products.

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

The Company recognises that servicing of this debt i.e. repayment of principal and interest in the initial years of this new Building Material Division may be an area of concern. To overcome this risk, the procedure to be followed for smooth servicing of the aforesaid debt regularly and punctually has been set. The retained earnings over the years have been kept invested mainly in Fixed Maturity Plans (F.M.P.) with various fund houses.

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.

The Company has also entered into a new collaboration with FLEXIMAT Ges.m.b.H., 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 Company expects significant contribution from these products in the 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, has booked its first order.

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, has been set up at Ajmer, Rajasthan, which has commenced commercial production with effect from 31st March, 2016.

We expect these hi-tech equipment and systems 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 Part Transactions Policy and other corporate policies are duly complied with.

The Internal Control System is further supplemented by Internal Audit carried out by an independent firm 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.

7. Financial Performance / Operational Performance

(₹ in lacs)

Particulars	2015-2016	2014-2015
Sales	9132	8727
Operating Profit Before Tax / (Loss)	(178)	62
Exceptional Items	–	–
Operating Profit after Tax / (Loss)	(51)	98
Net Cash Flow from Operation	(554)	(333)
Operating Profit to Sales (%)	(2)	1
Basic E.P.S. (₹)	(2.14)	4.09

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

The revenue from operations for the year under review increased marginally as compared to that of the previous year. In spite of the aforementioned marginal increase in turnover, the Company has incurred a loss of ₹ 178.06 lacs during the year under review as against a Profit Before Tax of ₹ 62.28 lacs in the previous year. The revenue expenditure for the full year of the new Building Material Division - which started commercial production only in March, 2016 – having been charged off in the accounts, the same has resulted in an overall loss of the aforesaid amount of the Company for the year under review.

8. Segment-Wise Performance

(₹ in lacs)

Particulars	2015-2016	2014-2015
Segment Revenue (Sales & Other Operating Income)		
a) Mineral & Material Processing & Handling Equipment	6383	5762
b) Geared Motor and Gear Box	3166	3184
Net Sales / Income & Inter-Divisional Transfers	9549	8946
Less : Inter-Segment Transfers	217	78
Net Sales/ Income from Operations	9332	8868
Segment Results (Profit before Tax & Interest)		
a) Mineral & Material Processing & Handling Equipment	1897	1970
b) Geared Motor and Gear Box	(330)	(292)
c) Building Material	(212)	(65)
Total	1355	1613
Less: Finance Costs	89	86
Other Unallocable Expenditure, net of unallocable Income	1444	1465
Total Profit before Tax	(178)	62

9. Human Resources / Industrial Relations

The various human resource development programme undertaken by the Company for all its divisions and operational areas would lead to development, optimization and efficient engagement of the human resources. The industrial relations for the year under review for all units of the Company remained cordial. The number of personnel employed by the Company across all its units and offices is 473 as at 31st March, 2016.

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 & on behalf of the Board

Place : Kolkata
Date : 20th May, 2016

S. Bagaria
Chairman

REPORT ON CORPORATE GOVERNANCE

INTRODUCTION

The Company's Report on Corporate Governance for the Financial Year ended 31st March, 2016 as required under Regulation 34 of the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Schedule V to the said Regulations, is furnished hereinbelow :

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 principles and practices viz. fair and transparent business practices, effective management control by the Board, compliance of laws, monitoring of executive performance, accountability for performance, responsibilities of the Board of Directors 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, 2016, comprised of 5 (five) members with one Executive Director – the Managing Director - and four Non-Executive Directors, three of whom were Independent Directors. 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, 2016 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, 2016 are given below :-

Sl. No.	Name of Director	Nature of Category	No. of Board Meetings attended	Attendance at last AGM held on 18.09.15	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	1	1	—
3.	Mr. Sanjoy Saha#	Executive Director (Wholetime Director) (Non-Promoter)	1	N.A.	—	—	—	—
4.	Mr. Ratan Lal Gaggar	Non-Executive Independent Director	8	Yes	9	—	5	—
5.	Mr. Sukhendu Ray@	Non-Executive Independent Director	N.A.	N.A.	—	—	—	—
6.	Mr. Ravi Ranjan Prasad	Non-Executive Independent Director	8	Yes	—	—	—	—
7.	Mrs. (Prof.) Bharati Ray\$	Non-Executive Independent Director	7	Yes	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 Regulation 26 of the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulation, 2015] 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 7th April, 2015.

Ceased to be a Director w.e.f. 1st May, 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 07.04.2015, 08.05.2015, 28.07.2015, 18.09.2015, 16.10.2015, 22.12.2015, 01.02.2016 & 08.03.2016. 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 Regulation 17(7) of the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Part A of Schedule II to the said Regulations is made available periodically to the Board. Details of Directors seeking appointment/ re-appointment at the forthcoming 80th 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. The composition of the Audit Committee is in line with the Regulation 18 of the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 and the provisions of the Companies Act, 2013. During the year ended 31st March, 2016, 5 (five) Meetings of the Audit Committee were held - on 08.05.2015, 24.06.2015, 28.07.2015, 16.10.2015 & 01.02.2016. 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	–	–
Mr. Ravi Ranjan Prasad#	Chairman	Chartered Accountant	5	5
Mr. Ratan Lal Gaggar	Member	Solicitor & Advocate	5	5
Mr. Indrajit Sen	Member	Engineer	5	5

@ Ceased to be a member of the Committee (of which he was the Chairman) w.e.f. 2nd April, 2015 due to his resignation from the Board.

Was elected Chairman of the Committee w.e.f. 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 Regulation 18 of the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Part C of Schedule II to the said Regulations 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 Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015.
- 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, 2016, the Committee comprised of three Directors viz. Mr. Sanjay Bagaria, Non-Executive Director as Chairman of the Committee, Mr. Indrajit Sen, Managing Director and Mrs. (Prof.) Bharati Ray, Non-Executive Independent Director. During the year under review, this Committee met twelve times – 01.04.2015, 13.07.2015, 22.07.2015, 21.08.2015,

REPORT ON CORPORATE GOVERNANCE (Contd.)

13.10.2015, 04.11.2015, 18.11.2015, 02.12.2015, 23.12.2015, 22.01.2016, 26.02.2016 & 22.03.2016.

(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 Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 & 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
 (for Investors' complaint).

The number of shareholders' complaints received during the Financial Year 2015-16 was 1 (One) which was duly redressed. No shareholders' complaints were pending unresolved as at the end of the Financial Year 2015-16.

(iii) Nomination & Remuneration Committee

As on 31st March, 2016, the Nomination & Remuneration Committee comprised of three Directors, viz. Mr. Ratan Lal Gaggar, Independent Director & Chairman of the Committee, Mr. Ravi Ranjan Prasad, Independent Director and Mr. Sanjay Bagaria, Non-Executive Director. 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, & Regulation 19 of the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Part D of Schedule II to the said Regulations, 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,
- 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 2015-16, the Committee met once – on 7th April, 2015 – which was attended by all the members.

REPORT ON CORPORATE GOVERNANCE (Contd.)

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, 2016

Name	Salary ₹	Perquisites & Allowances ₹	Commission ₹	Sitting Fees ₹	Total ₹
a) Executive Directors :					
Mr. I. Sen, Managing Director	69,63,000	87,02,306*	—	—	1,56,65,306
Mr. S. Saha, Executive Director (Whole-time Director)#	2,72,250	2,84,230	—	—	5,56,480
b) Non-Executive Directors :					
Mr. S. Bagaria	—	—	—	2,30,000	2,30,000
Mr. R. L. Gaggar	—	—	—	1,65,000	1,65,000
Mr. S. Ray**	—	—	—	—	—
Mr. R. R. Prasad	—	—	—	1,45,000	1,45,000
Mrs. (Prof.) Bharati Ray \$	—	—	—	2,10,000	2,10,000
				7,50,000	1,69,71,786

* 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.

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

- 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.
- 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. But in view of loss suffered by the Company, no commission is payable to the Chairman for the year 2015-16.
- 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.

REPORT ON CORPORATE GOVERNANCE (Contd.)

- The non-executive Directors do not have any other pecuniary relationship or transactions vis-a-vis the Company.

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
2014-15	18.09.2015	2.00 P.M.	Kala Kunj 48, Shakespeare Sarani Kolkata 700017	2 (Two)*
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	—

* Special Resolutions relating to Re-appointment of Managing Director and Alteration of Articles of Association of the Company were passed through Remote Electronic-Voting & Poll at the 79th Annual General Meeting held on 18th September, 2015 with 53.12% participation. 99.95% of the votes polled were in favour of the resolution concerning Re-appointment of Managing Director and 99.99% of the votes polled were in favour of the resolution concerning Alteration of Articles of Association. Mr Arup Kumar Roy, Company Secretary in Practice, was Scrutinizer for the said Remote E-Voting & Poll. National Securities Depository Limited was appointed as the Remote E-Voting Agency for the same.

Special Resolutions authorising the Board of Directors to create charge on the assets of the Company was passed through Remote Electronic-Voting at the 78th Annual General meeting held on 12th September, 2014 with 53.90% participation and 99.99% of the votes polled in favour of the resolution.

- No Special resolution is proposed to be passed at the forthcoming 80th Annual General Meeting scheduled to be held on 2nd September, 2016.

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. 32.06 of the Notes to the Financial Statements for the year ended 31st March, 2016 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). 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.

(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.

REPORT ON CORPORATE GOVERNANCE (Contd.)

(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, 2016, 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 Regulation 34 of the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Schedule V to the said Regulations, 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 Senior 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. All Board members and Senior 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 & Regulation 22 of the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, 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 or its Chairperson.

(h) Compliance Certificate by CEO & CFO

The Managing Director (CEO) and the Senior General Manager (Finance) & Chief Financial Officer (CFO) have given a Compliance Certificate to the Board of Directors, as required under Regulation 17(8) of the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Part B of Schedule II to the said Regulations, for the year ended 31st March, 2016, 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.

(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).

(k) Quarterly Compliance Report on Corporate Governance

As required under Regulation 27 of the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, a Quarterly and Half-Yearly/Yearly Compliance Report(s) 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 Regulation 34 of the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Schedule V to the said Regulations, 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 Corporate Governance

The Company has complied with all the mandatory requirements relating to corporate governance as specified in the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015. The Company has complied with the following non-mandatory requirements relating to corporate governance as specified in Regulation 27(1) of the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Part E of Schedule II to the said Regulations :

REPORT ON CORPORATE GOVERNANCE (Contd.)

- 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.
- Separate persons have been appointed to the posts of Chairman and Managing Director.
- There is no qualification/ reservation/ adverse remark in the Auditors' Report to the shareholders of the Company on the Financial Statements for the year ended 31st March, 2016.

G. GENERAL SHAREHOLDERS' INFORMATION :
(a) Annual General Meeting :

The 80th Annual General Meeting of the shareholders of the Company has been convened on Friday, the 2nd September, 2016 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 2015-16	May 20, 2016
2	Mailing of Annual Reports 2015-16	By 4th August, 2016
3	First Quarter Results (30th June, 2016)	By 10th August, 2016
4	Annual General Meeting	September 2, 2016
5	Second Quarter Results (30th Sept., 2016)	By 11th of November, 2016
6	Third Quarter Results (31st Dec., 2016)	By 10th of February, 2017
7	Audited Annual Results for 2016-17	By 30th May, 2017

(d) Book Closure :

The Share Transfer Books and Register of Members of the Company will remain closed from Saturday, 27th August, 2016 to Friday, 2nd September, 2016 (both days inclusive) for the purpose of AGM.

(e) Listing of Equity Shares on Stock Exchange :

The Equity Shares of the Company are listed on the Bombay Stock Exchange Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 and on the Calcutta Stock Exchange Limited, Kolkata (CSE), 7, Lyons Range, Kolkata 700 001. The Board of Directors of the Company have already 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.

(f) Listing Fees

The Company has paid the listing fees for the Financial Year 2016-17 to BSE & CSE.

(g) Custodial Fees to Depository

The Company has paid the custodial fees upto the Financial Year 2016-17 to the National Securities Depository Limited [NSDL] and Central Depository Services (India) Limited [CDSL].

(h) Stock Codes : BSE : 505737
CSE : 019233

(i) Demat ISIN Number : INE403C01014

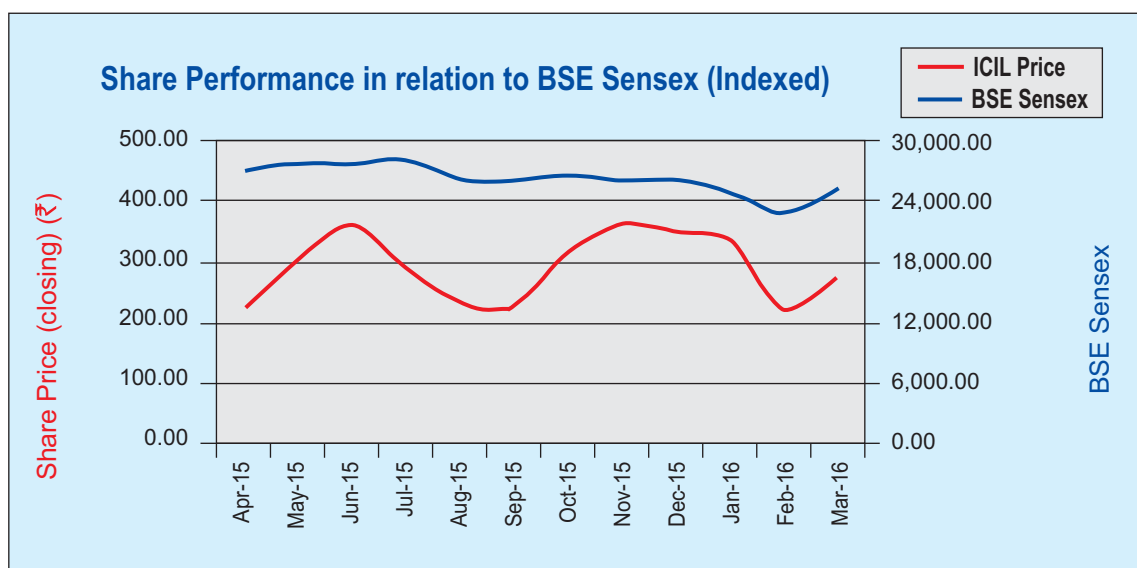
REPORT ON CORPORATE GOVERNANCE (Contd.)

(j) (i) Stock Market price data : (1st April, 2015 to 31st March, 2016)

Month/Year	Bombay Stock Exchange Ltd. (BSE)	
	High (₹)	Low (₹)
April 2015	244.60	210.00
May 2015	332.00	223.00
June 2015	365.10	270.00
July 2015	444.00	279.90
August 2015	289.70	205.40
September 2015	242.00	203.00
October 2015	363.50	216.10
November 2015	364.90	304.00
December 2015	377.80	324.70
January 2016	399.00	306.20
February 2016	353.00	216.00
March 2016	285.00	225.00

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 2015-16 is graphically represented in the chart below:



(k) 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.)
(l) 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 Practising 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 Regulation 40(9) of the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 and submits a copy of the same to the Stock Exchanges.

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

No. of Shares	Shareholders		Shareholding	
	Number	%	No. of Shares held	%
1 - 500	6056	93.73	502857	21.04
501 - 1000	232	3.59	172817	7.23
1001 - 2000	95	1.47	140034	5.86
2001 - 3000	29	0.45	70632	2.95
3001 - 4000	13	0.20	46989	1.96
4001 - 5000	8	0.12	36266	1.52
5001 - 10000	10	0.16	69234	2.90
10001 and above	18	0.28	1351447	56.54
Total	6461	100.00	23,90,276	100.00

(n) Pattern of Shareholding as on 31st March, 2016 :

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)	63	20,931	0.88
5.	Bodies Corporate	107	32,509	1.36
6.	Resident Individuals	6243	10,62,339	44.44
7.	Clearing Members	29	5,415	0.23
	Total	6461	23,90,276	100.00

(o) Dematerialisation of Shares :

As on 31st March, 2016, 95.51% of the Company's total paid up capital representing 22,82,985 shares were held in dematerialized form and the balance 4.49% representing 1,07,291 shares were held in physical scrip form.

REPORT ON CORPORATE GOVERNANCE (Contd.)

(p) 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 2015-16 was 4,220 and the average daily turnover for the scrip on BSE during the Financial Year 2015-16 was ₹ 13.28 lacs.

(q) Outstanding Convertible Instruments :

No securities/ instruments/ warrants convertible into equity shares of the Company are outstanding as on 31st March, 2016.

(r) 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.

(s) Foreign Exchange Exposure :

The Company has limited exposure to foreign exchange rate fluctuations due to its low level of import and export activities and the absence of external commercial borrowings. The limited export and import activities of the Company act as a natural hedge against each other to a substantial extent. The Company does not have any direct exposure to commodity price changes/ risks.

(t) Unclaimed Suspense Account :

There are no shares issued by the Company which are required to be transferred to the Unclaimed Suspense Account/ Demat Suspense Account in terms of Regulation 39(4) of the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Schedule VI to the said Regulations.

(u) Registered & Corporate Office :

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

(v) Factory Locations :

i) Mineral & Material Processing and Handling Equipment Division

Baidyabati Works : 156 (371), G. T. Road, Baidyabati
Dist. - Hooghly-712222, West Bengal

Nagpur Works : L-7, MIDC Industrial Area, Hingna
Nagpur - 440016, Maharashtra

ii) Geared Motors & Gear Boxes Division

Aurangabad Works : B-74/1, MIDC Waluj, P.O. Bajaj Nagar
Aurangabad - 431136, Maharashtra

iii) Building Material Division

Ajmer Works : Plot No. B-300, Ajaymeru Palra Industrial Area
Ajmer - 305002, Rajasthan

REPORT ON CORPORATE GOVERNANCE (Contd.)**(w) 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, Bengaluru - 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 - 700091
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 - 411037
Vadodara	: 307, 3rd Floor, 'Opal Square Building', R.C. Dutt Road, Alkapuri, Vadodara - 390007

(x) Total number of employees as on 31.03.2016 : 473**(y) 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.

For & on behalf of the Board

Kolkata
20th May, 2016

S. Bagaria
Chairman

CEO AND CFO CERTIFICATION

To
The Board of Directors
International Combustion (India) Limited

SUB : COMPLIANCE CERTIFICATE BY CEO / CFO

Dear Sirs,

We hereby certify that :--

- (a) We have reviewed financial statements for the Financial Year 2015-16 i.e. the Balance Sheet as at 31st March, 2016, the Statement of Profit & Loss for the year ended 31st March, 2016 and the Cash Flow Statement for the year ended 31st March, 2016 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, if any, 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
20th May, 2016

Indrajit Sen
Managing Director
(CEO)

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

DECLARATION BY THE MANAGING DIRECTOR PURSUANT TO SCHEDULE V OF THE SECURITIES & EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 READ WITH REGULATIONS 34(3) & 26(3) OF THE SAID REGULATIONS

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 2015-16.

Kolkata
May 20, 2016

Indrajit Sen
Managing Director



AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE

To
The Members of
International Combustion (India) Limited

1. We have examined the compliance of conditions of Corporate Governance by International Combustion (India) Limited ('the Company'), for the year ended 31st March, 2016, as stipulated in Clause 49 of the Listing Agreement ('Listing Agreement') of the Company with the Stock Exchange in India for the period from 1st April, 2015 to 30th November, 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as referred to in Regulation 15(2) of the Listing Regulations for the period from 1st December, 2015 to 31st March, 2016.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was carried out in accordance with the Guidance Note on certification of Corporate Governance issued by the Institute of Chartered Accountants of India to the extent relevant, and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement and Listing Regulations, for the respective period, as applicable.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor of 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 : 20th May, 2016

INDEPENDENT AUDITORS' REPORT

To the Members of International Combustion (India) Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of International Combustion (India) Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, and the Statement of Profit and Loss, and Cash Flow Statement for the year then ended, a summary of significant accounting policies and other notes for the year ended on that date.

Management's Responsibility for the Standalone 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 standalone 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 the disclosures in the financial statements. The procedures selected depend on the auditors' 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 the 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 standalone financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, 2016, and its Loss 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, 2016 ("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", a statement

INDEPENDENT AUDITORS' REPORT (Contd.)

on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) 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, 2014;
- e) On the basis of the written representations received from the directors as on March 31, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) 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. Impact of pending litigations (Other than those already recognised in the accounts) on the financial position of the Company have been disclosed in the financial statement as required in terms of the accounting standards and provisions of the Companies Act, 2013;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, 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 : 20th May, 2016

"Annexure A" to the Independent 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.
- c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

INDEPENDENT AUDITORS' REPORT (Contd.)

- ii) a. As informed, the inventories of the Company except for materials in transit, 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 procedure 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.
- 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, provisions of clause 3 (iii) of the Order is not applicable to the Company.
- iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- 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. Accordingly, provisions of clause 3 (v) of the Order is not applicable to the Company.
- 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 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, during the year, the Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education Protection fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service tax, Custom 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, 2016.
- viii) 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 banks.
- ix) In our opinion and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments), however the term loans raised during the year have been utilised for the purposes for which they were raised.
- x) 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.
- xi) According to the information and explanations given to us and based on our examination of the records of the Company, as stated in Note no. 32.06(i)(a) of the financial statements, payment of remuneration to managing director is in excess of the limits laid down in the Companies Act, 2013. Necessary application for approval of Central Government for ₹ 145.33 lacs paid in this respect has been made and the same is awaited as on this date.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, provisions of clause 3 (xii) of the Order is not applicable to the Company.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, provisions of clause 3 (xiv) of the Order is not applicable to the Company.

INDEPENDENT AUDITORS' REPORT *(Contd.)*

- xv) According to the information and explanations given to us and as represented to us by the management and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, provisions of clause 3 (xv) of the Order is not applicable to the Company.
- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, provisions of clause 3 (xvi) of the Order is not applicable to the Company.

For **Lodha & Co.**
Chartered Accountants
Firm's ICAI Registration No.: 301051E
H. K. Verma
Partner
Membership No.: 055104

Place : Kolkata
Date : 20th May, 2016

“Annexure B” to the Independent Auditor’s Report

(Referred to in paragraph (f) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of International Combustion (India) Limited (“the Company”) as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected

INDEPENDENT AUDITORS' REPORT (Contd.)

depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place : Kolkata
Date : 20th May, 2016

For **Lodha & Co.**
Chartered Accountants
Firm's ICAI Registration No.: 301051E
H. K. Verma
Partner
Membership No.: 055104

BALANCE SHEET AS AT 31ST MARCH, 2016

Particulars	Note No.	(₹ in lacs)	
		As at 31st March, 2016	As at 31st March, 2015
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share Capital	2	239.03	239.03
(b) Reserves and Surplus	3	8942.96	8994.21
(2) Non-current liabilities			
(a) Long-term borrowings	4	2407.27	666.68
(b) Deferred Tax liabilities (net)	5	132.18	260.09
(c) Other Long-term liabilities	6	81.44	—
(d) Long-term provisions	7	72.15	60.99
(3) Current liabilities			
(a) Short-term borrowings	8	735.45	608.13
(b) Trade payables	9		
(i) Total outstanding dues of Micro & Small Enterprises		28.17	61.93
(ii) Total outstanding dues other than Micro & Small Enterprises		1261.96	1533.73
(c) Other current liabilities	10	1163.84	1066.52
(d) Short-term provisions	11	106.11	98.36
TOTAL		15170.56	13589.67
II. ASSETS			
(1) Non-current assets			
(a) Fixed Assets	12		
(i) Tangible assets		3847.92	2741.01
(ii) Intangible assets		14.63	39.02
(iii) Capital work-in-progress		577.64	95.51
(b) Non-Current investments	13	1850.00	2050.00
(c) Long-term loans and advances	14	236.41	129.06
(d) Other non-current assets	15	168.98	72.45
(2) Current assets			
(a) Current investments	16	650.00	550.00
(b) Inventories	17	2964.15	3195.67
(c) Trade receivables	18	4149.99	3923.17
(d) Cash and Bank Balances	19	267.42	304.26
(e) Short-term loans and advances	20	433.43	471.81
(f) Other current assets	21	9.99	17.71
TOTAL		15170.56	13589.67
Summary of Significant Accounting Policies	1		
Notes on Financial Statements	2-32.13		

The notes are an integral part of the Financial Statements

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

On behalf of the Board

H.K. Verma
Partner
Kolkata, 20th May, 2016

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

S. Bagaria, Chairman
I. Sen, Managing Director

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	Note No.	(₹ in lacs)	
		For the year ended 31st March, 2016	For the year ended 31st March, 2015
<i>Revenue:</i>			
I. Revenue from operations	22	9332.67	8868.53
II. Other Income	23	156.86	207.43
III. Total Revenue (I + II)		9489.53	9075.96
<i>IV. Expenses:</i>			
Cost of materials consumed	24	4306.57	4050.94
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	25	109.69	(189.60)
Employee benefit expenses	26	2825.81	2703.34
Finance cost	27	88.70	86.23
Depreciation and amortization expense	12 & 28	388.34	450.50
Other expenses	29	1948.52	1912.27
Total Expenses		9667.63	9013.68
V. Profit/(Loss) before tax (III - IV)		(178.10)	62.28
<i>VI. Tax expense:</i>			
(1) Current tax	30	1.06	16.50
(2) Deferred tax	5	(127.91)	(52.04)
Total Tax Expenses		(126.85)	(35.54)
VII. Profit/(Loss) for the year (V-VI)		(51.25)	97.82
<i>VIII. Earning per equity share:</i>			
(1) Basic	31	(2.14)	4.09
(2) Diluted	31	(2.14)	4.09
Summary of Significant Accounting Policies	1		
Notes on Financial Statements	2-32.13		

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, 20th May, 2016

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, 2016

(₹ in lacs)

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) before Tax and extraordinary items	(178.10)	62.28
Adjustments for :		
Depreciation & Amortisation expenses	388.34	450.50
(Profit)/loss on sale of fixed asset (net)	(5.50)	(1.38)
Provision for diminution in the value of current investments	—	(1.74)
Irrecoverable Debts written off	71.49	9.87
Interest Income	(33.60)	(40.39)
Profit on maturity/redemption of current investments	(99.75)	(157.23)
Finance Costs	88.70	86.23
Liabilities no longer required written back	(69.48)	(27.77)
Difference in Exchange Rate	(0.39)	5.94
Operating profit before Working Capital changes	161.71	386.31
Movement in working capital:		
Increase/ (decrease) in trade Payables	(236.10)	27.35
Increase/ (decrease) in long-term provisions	11.16	3.74
Increase/ (decrease) in short-term provisions	14.70	2.75
Increase/ (decrease) in other current liabilities	(413.63)	212.66
Decrease/ (increase) in trade receivables	(297.87)	(523.32)
Decrease/ (increase) in inventories	231.52	(342.78)
Decrease/ (increase) in long-term loans and advances	(107.34)	(8.87)
Decrease/ (increase) in short-term loans and advances	18.32	(71.92)
Decrease/ (increase) in other current assets	7.72	(4.77)
Cash generated from/(used in) operations	(609.81)	(318.85)
Direct Taxes Paid(net of refunds)	55.40	(14.00)
Net Cash from /(used in) operating activities ...(A)	(554.41)	(332.85)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Sale of fixed asset	5.63	1.60
Purchase of Fixed Assets including intangible assets, CWIP and capital advances	(1721.87)	(581.93)
Proceeds from Redemption/ Maturity of current investments	499.75	907.23
Purchase of Investments	(300.00)	(1100.00)
Maturity of bank deposits (having original maturity of more than three months)	(5.03)	170.04
Interest Received	33.60	40.39
Net Cash from /(used in) investing activities ...(B)	(1487.92)	(562.67)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds/ (Repayment) of long-term borrowings	2103.00	687.81
Proceeds/ (Repayment) of short-term borrowings	127.32	348.42
Interest Paid	(88.70)	(86.23)
Dividends Paid (including corporate tax on dividend)	(44.63)	(43.58)
Net Cash flow from/(used in) Financing activities ...(C)	2096.99	906.42
Net increase/(decrease) in Cash and Cash equivalents (A+B+C)	54.66	10.90
Cash and Cash equivalents at the beginning of the year	133.71	122.81
Cash and Cash equivalents at the close of the year (Refer Note 19)	188.37	133.71

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, 20th May, 2016

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, 2016

1. ACCOUNTING POLICIES

(A) Significant Accounting Policies

(i) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention except in respect of certain fixed assets which are stated at revalued amount in accordance with the provisions of the Companies Act, 2013 and accounting standards as prescribed under Section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014 and other recognized accounting practices. Accounting policies unless specifically stated to be otherwise, are consistent and are in consonance with generally accepted accounting principles.

(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 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 amounts can reasonably be estimated. Differences between the actual results and the estimates are recognized in the year in which the results are known / materialized.

(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:

- (a) Nagpur, Aurangabad and Ajmer 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.
- (b) Other Units - on written down value method based on the useful life as specified in Schedule II to the Companies Act, 2013.
- (c) 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (Contd.)**(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.

(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) BORROWING COSTS

Borrowing costs that are attributable to acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily take substantial period of time to set ready for its intended use. All other borrowing costs are charged to Statement of Profit and Loss.

(x) 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.

(xi) 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/

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (Contd.)

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.

(xii) 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.

(xiii) 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.

(xiv) 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, 2016 (Contd.)

	(₹ in lacs)	
	As at 31st March, 2016	As at 31st March, 2015
2. SHARE CAPITAL		
(a) Authorised Shares		
5000000 Equity Shares of ₹ 10 each	<u>500.00</u>	<u>500.00</u>
(b) Issued, Subscribed and fully paid-up shares		
2390276 Equity Shares of ₹ 10 each fully paid-up (2014-15 - 2390276)	<u>239.03</u>	<u>239.03</u>

- (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) There is no movement in the number of shares outstanding at the beginning and at the end of the year.
- (f) Details of Shareholders holding more than 5% of the shares alongwith number of shares held :

Name of the Shareholder	As at 31st March, 2016 No. of shares	As at 31st March, 2015 No. of shares
Tradelink Securities Limited	343703	343703
Stephen Court Limited	279088	279088
Woolworth Merchandise Private Limited	170609	170609

	(₹ in lacs)	
	As at 31st March, 2016	As at 31st March, 2015
3. RESERVES & SURPLUS		
Capital Reserve		
As per last Balance Sheet	605.34	605.34
Securities Premium Account		
As per last Balance Sheet	890.41	890.41
Revaluation Reserve		
As per last Balance Sheet	—	151.33
Less: Transfer on transitional provisional of Companies Act, 2013	—	<u>(151.33)</u>
	—	—
General Reserve		
As per last Balance Sheet	7301.82	7335.00
Add: Transferred from Surplus	—	5.00
Add: Transfer from Revaluation Reserve	—	151.33
Less : Transfer on transitional provisional of Companies Act, 2013	—	(206.58)
Add: Deferred Tax on above	—	17.07
	<u>7301.82</u>	<u>7301.82</u>

Note No. 12(d)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (Contd.)

(₹ in lacs)

	Note No.	As at 31st March, 2016	As at 31st March, 2015
3. RESERVES & SURPLUS (Contd.)			
Surplus as per Statement of Profit and Loss			
As per last Balance Sheet		196.64	147.17
Add: Net profit after Tax transferred from Statement of Profit and Loss		(51.25)	97.82
Amount available for appropriation		145.39	244.99
Appropriations:			
Proposed Dividend	32.12	—	(35.85)
Tax on proposed dividend		—	(7.50)
Transferred to General Reserve		—	(5.00)
Balance		145.39	196.64
TOTAL		8942.96	8994.21
4. LONG TERM BORROWINGS			
Secured			
Term Loan from Bank	4(a), 4(b), 4(c) & 4(d)	2398.17	659.69
Vehicle Finance loan from Bank	4(e), 4(f) & 4(g)	9.10	6.99
		<u>2407.27</u>	<u>666.68</u>
(a) Term Loan from Kotak Bank is secured	13 & 16		
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			
(b) Term Loan from Axis Bank is secured by way of exclusive hypothecation charge over movable fixed assets at Ajmer unit, equitable mortgage over Company's leasehold land and building thereon situated at Ajmer and second charge as collateral securities by way of equitable mortgage on immovable assets located at Baidyabati, Nagpur and Aurangabad units on which first charge is held for working capital facilities for Baidyabati, Nagpur and Aurangabad units			
(c) Repayment details of Term loan are given below:			
2016-17 (included under Current Maturities of Term loan)		385.73	25.52
2017-18		592.83	112.30
2018-19		638.51	123.20
2019-20		678.90	138.62
2020-21		487.93	155.93
2020-21		—	129.64
		<u>2398.17</u>	<u>659.69</u>
(d) Interest Rate of Term Loan - Axis (Base Rate + 2.50%)		12.00%	
- Kotak - (Base Rate + 1.85%)		11.35%	11.85%
(e) Finance lease obligation is secured against car taken on two finance lease and are repayable in 60 and 36 monthly instalments starting from July, 2014 and March, 2016 respectively			
(f) Repayment details of Vehicle Finance loan are given below:			
2016-17 (included under Current Maturities of Vehicle Finance Lease in Note 10)		3.94	1.92
2017-18		4.34	2.14
2018-19		4.47	2.36
2019-20		0.29	0.57
		<u>9.10</u>	<u>6.99</u>
(g) Interest Rate of Vehicle Finance loan		10.51% & 9.4%	10.51%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (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, 2015	Charge/(Credit) during the year	Closing as on 31st March, 2016
Deferred Tax Assets:			
Expenses Allowable on Payment Basis	25.80	(5.73)	31.53
Unabsorbed Depreciation	—	(95.78)	95.78
Gross Deferred Tax Asset	<u>25.80</u>	<u>(101.51)</u>	<u>127.31</u>
Deferred Tax Liabilities:			
Timing Difference with respect to Fixed Asset	285.89	(26.40)	259.49
Gross Deferred Tax Liabilities	<u>285.89</u>	<u>(26.40)</u>	<u>259.49</u>
Net Deferred Tax Liabilities	260.09	(127.91)	132.18

	Note No.	As at 31st March, 2016	As at 31st March, 2015
6. OTHER LONG TERM LIABILITIES			
Capital Vendors		81.44	—
7. LONG TERM PROVISIONS			
Provision for Employee Benefits	32.03	72.15	60.99
8. SHORT TERM BORROWINGS			
(a) Secured Loans (Repayable on demand)			
Working Capital Facilities from Banks	8(b)	735.45	608.13

- (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 immovable 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, 2016 (Contd.)

		(₹ in lacs)	
	Note No.	As at 31st March, 2016	As at 31st March, 2015
9. TRADE PAYABLES			
Dues to Micro, Small and Medium Enterprises	9(a)	28.17	61.93
Dues to Others		<u>1261.96</u>	<u>1533.73</u>
		<u>1290.13</u>	<u>1595.66</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):			
(i) The principal amount and the interest due remaining unpaid to any supplier as at the end of the year			
Principal amount unpaid		28.17	61.93
Interest due		—	—
(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:			
Payment made beyond the Appointed Date		191.67	203.72
Interest paid beyond the Appointed Date		—	—
(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".			
		—	—
(iv) The amount of interest accrued and remaining unpaid at the end of the year and			
		—	—
(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".			
		—	—
10. OTHER CURRENT LIABILITIES			
Current Maturities of Long Term Loan - Secured	4	385.73	25.52
Current Maturities of Vehicle Finance Lease - Secured	4	3.94	1.74
Unclaimed Dividends *		12.93	14.20
Capital Vendor		149.81	—
Advances from Customers		387.42	726.91
Interest Accrued but not due on Loans		9.52	—
Other Payables			
Statutory deductions/payable - P.F, ESI, Sales tax, VAT etc		105.45	168.26
Excise duty on Closing Stock		<u>109.04</u>	<u>129.89</u>
		<u>1163.84</u>	<u>1066.52</u>
* Not due for payment to Investor Education and Protection Fund			
11. SHORT TERM PROVISIONS			
Provision for Employee Benefits	32.03	69.71	55.01
Proposed Dividend	32.12	—	35.85
Tax on Proposed Dividend		—	7.50
Provision for Taxation		36.40	—
(net of Advance Tax- ₹ 300.87 lakhs, 2014-15 - ₹ Nil)		<u>106.11</u>	<u>98.36</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (Contd.)
12. FIXED ASSETS

Assets	GROSS BLOCK (Cost / on revaluation)			DEPRECIATION / AMORTISATION			NET BLOCK			
	As at 1st April, 2015	Additions/ Adjustments during the year	Deletion during the year	As at 31st March, 2016	Upto 31st March, 2015	During the year Transfer to General Reserve	Deletion during the year	Upto 31st March, 2016	As at 31st March, 2016	As at 31st March, 2015
A. Tangible Assets										
Land -										
Freehold Leasehold	3.04	—	—	3.04	—	—	—	—	3.04	3.04
Buildings	530.80	14.29	—	545.09	0.01	—	—	0.01	545.08	530.79
Buildings - Leasehold	1061.30	65.83	—	1127.13	567.99	—	26.74	594.73	532.40	493.31
Plant and Equipment	789.88	—	—	789.88	164.73	—	46.80	211.53	578.35	625.15
Furniture and Fixtures	3700.41	1230.16	9.65	4920.92	2747.43	—	229.84	2967.62	1953.30	952.98
Vehicles	258.59	3.99	—	262.58	183.02	—	28.46	211.48	51.10	75.57
Freehold Leasehold	43.74	5.49	15.63	33.60	40.38	—	8.24	33.12	0.48	3.36
Office Equipment	40.71	10.85	—	51.56	26.16	—	2.36	28.52	23.04	14.55
Electrical Installation	24.16	—	—	24.16	22.51	—	1.35	23.86	0.30	1.65
	173.80	135.29	—	309.09	133.19	—	15.07	148.26	160.83	40.61
	6626.43	1465.90	25.28	8067.05	3885.42	—	358.86	4219.13	3847.92	2741.01
B. Intangible Assets										
Technical Knowhow fees	328.13	—	—	328.13	294.62	—	25.66	320.28	7.85	33.51
ERP Software	36.20	—	—	36.20	36.18	—	—	36.18	0.02	0.02
Autocad Software	14.38	5.09	—	19.47	9.73	—	2.98	12.71	6.76	4.65
Patent	105.53	—	—	105.53	104.69	—	0.84	105.53	—	0.84
	484.24	5.09	—	489.33	445.22	—	29.48	474.70	14.63	39.02
Total (A+B)	7110.67	1470.99	25.28	8556.38	4330.64	—	388.34	4693.83	3862.55	2780.03
Previous year	6554.77	563.28	7.38	7110.67	3680.72	206.58	450.50	4330.64	2780.03	

Note :

- (a) The Building Material Division of the Company for the manufacture of dry mix product has been commissioned on 31st March, 2016
- (b) 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 lakhs
- (c) Refer Notes 4(b), 4(e) and 8(b)
- (d) Capital Work-in-Progress includes ₹ 529.00 lakhs (2014-15- ₹ 95.51 lakhs) for cost of equipment, construction including material and other costs, interest and following pre-operative expenses, which will be allocated to respective fixed assets on the completion of the project.

	As on 31st March, 2016	As on 31st March, 2015
Amount brought forward		
Addition during the year :		
Consultancy charges	1.75	
Interest on Term Loan	162.88	
Miscellaneous Expenses	0.04	
Less : Capitalised during the year	(116.03)	
Total pre-operative expenses carried forward pending allocation	48.64	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (Contd.)

(₹ in lacs)

	As at 31st March, 2016	As at 31st March, 2015
13. NON CURRENT INVESTMENTS		
Long term		
Equity Shares –		
Unquoted		
Joint Venture		
Mozer Process Technology Pvt Ltd – 500000 shares of Face value ₹ 10 each (2014-15 – 500000)	50.00	50.00
	<u>50.00</u>	<u>50.00</u>
Unquoted-Other than Trade		
Investment in Mutual Funds		
i. DHFL Pramerica Fixed Fund Maturity Plan- Series 68 Nil units of ₹ 10 each (2014-15 – 2500000)	—	250
ii. Reliance Fixed Horizon Fund XXVII Sr-3 2000000 units of ₹ 10 each (2014-15 – 2000000)	200.00	200.00
iii. ICICI Prudential Fixed Maturity Plan Series 75 Plan U Regular Plan Cumulative 3000000 units of ₹ 10 each (2014-15 – 3000000)	300.00	300.00
iv. HDFC FMP 1184 D January 2015 (I) Series 33 2000000 units of ₹10 each (2014-15 – 2000000)	200.00	200.00
v. Kotak FMP Series 172-Growth (Regular Plan) 1500000 units of ₹ 10 each (2014-15 – 1500000)	150.00	150.00
vi. Reliance Fixed Horizon Fund - XXIII Series 11 Nil units of ₹ 10 each (2014-15 – 3000000)	—	300.00
vii. ICICI Prudential FMP Series 73 – 1140 days Plan E Regular Plan Cumulative 2000000 units of face value of ₹ 10 each (2014-15 – 2000000)	200.00	200.00
viii. Birla Sunlife Fixed Term Plan Series JJ Nil units of ₹ 10 each (2014-15 – 1000000)	—	100.00
ix. Birla Sunlife Fixed Term Plan - Corporate Bond Series A 3000000 units of ₹ 10 each (2014-15 – 3000000)	300.00	300.00
x. UTI-FTIF- Series VI 3000000 units of ₹ 10 each (2014-15 – Nil)	300.00	—
xi. Kotak FMP Series 127- Growth (Regular Plan) 1500000 units of ₹ 10 each (2014-15 – Nil)	150.00	—
TOTAL INVESTMENTS IN MUTUAL FUNDS	<u>1800.00</u>	<u>2000.00</u>
Aggregate book value of Quoted Investments:		
in Mutual Funds	—	—
Aggregate book value of Unquoted Investments:		
in Mutual Funds	1800.00	2000.00
in Shares	50.00	50.00
Aggregate NAV of Unquoted Investments:		
in Mutual Funds	2078.53	
TOTAL INVESTMENTS	<u>1850.00</u>	<u>2050.00</u>

13.1 Refer Note No.4(a)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (Contd.)

(₹ in lacs)

13.2 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, 2016	31st March, 2015
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		1.69	5.39
Expenses		7.13	6.32
Assets		130.03	34.73
Liabilities		99.28	0.22

13.3 Refer Note No 16.3 for particulars of investments

	Note No.	(₹ in lacs)	
		As at 31st March, 2016	As at 31st March, 2015
14 LONG TERM LOANS AND ADVANCES			
Unsecured-Considered good			
Capital Advances		113.02	—
Security Deposits		67.98	73.65
Mat Credit Entitlement		55.41	55.41
		236.41	129.06
14.1 The Company is entitled to MAT credit and accordingly based on evidences MAT credit of ₹ 55.41 lakhs (2014-15- ₹ 55.41 lakhs) has been carried forward in these financial statements.			
15. OTHER NON-CURRENT ASSETS			
Unsecured, considered good			
Deposits with banks with more than twelve months maturity (including interest accrued thereon)	19.1	168.98	72.45
		168.98	72.45

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (Contd.)

(₹ in lacs)

	Note No.	As at 31st March, 2016	As at 31st March, 2015
16. CURRENT INVESTMENTS - at cost			
(fully paid-up unless otherwise stated)			
Unquoted - Other than Trade			
Investment in Mutual Funds	16.1		
i. ICICI Prudential FMP Series 63-3 Year Plan L-Cumulative Nil units of ₹ 10 each (2014-15 – 3000000)		—	300.00
ii. DHFL Pramerica Fixed Fund Maturity Plan-Series 68 2500000 units of ₹ 10 each (2014-15 – Nil)		250.00	—
iii. Reliance Fixed Horizon Fund - XXIII Series 11 3000000 units of ₹ 10 each (2014-15 – Nil)		300.00	—
iv. Kotak FMP Series 127- Growth (Regular Plan) Nil units of ₹ 10 each (2014-15 – 1500000)		—	150.00
v. Tata Fixed Maturity Plan Series 46 Scheme - D Plan A Nil units of ₹ 10 each (2014-15 – 1000000)		—	100.00
vi. Birla Sunlife Fixed Term Plan Series JJ 1000000 units of ₹ 10 each (2014-15 – Nil)		100.00	—
TOTAL INVESTMENTS		650.00	550.00
Aggregate book value of Unquoted Investments: in Mutual Funds		650.00	550.00
Aggregate NAV of Unquoted Investments: in Mutual Funds		785.37	

16.1 Current portion of long term investments

16.2 Refer Note No.4(a)

16.3 Particulars of investments as required under Section 186(4) of the Companies Act, 2013 have been disclosed in Note 13 & 16

(₹ in lacs)

	Note No.	As at 31st March, 2016	As at 31st March, 2015
17. INVENTORIES	8(b)		
(As taken, valued and certified by the management)			
Raw Materials and Components [including in transit ₹ Nil (2014-15 - ₹ 0.19 lakhs)]		1106.34	1192.09
Work-in-progress	32.08 (c)	672.60	615.46
Finished Goods	32.08 (c)	981.33	1169.01
Stores		184.67	195.64
Packing Materials		19.21	23.47
		2964.15	3195.67

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (Contd.)

(₹ in lacs)

	Note No.	As at 31st March, 2016	As at 31st March, 2015
18. TRADE RECEIVABLES	8(b)		
Unsecured, considered good			
Trade receivables outstanding for period exceeding six months			
Considered good		785.17	881.24
Other			
Considered good		3364.82	3041.93
		4149.99	3923.17
19. CASH AND BANK BALANCES			
(As certified by the management)			
Cash and Cash Equivalents			
Balances with Banks:			
- Current Accounts		172.65	116.29
- Unclaimed Dividends Accounts		12.93	14.20
Cash in hand		2.79	3.22
		188.37	133.71
Other Bank Balances			
- Fixed Deposit Accounts (including interest accrued thereon) with original maturity of more than twelve months		—	0.50
with original maturity of more than three months but less than twelve months		0.54	20.63
- Margin money with banks (including interest accrued thereon) with original maturity of more than twelve months	19.1	78.51	149.42
		79.05	170.55
		267.42	304.26
19.1 Fixed Deposits receipts of ₹ 239.98 lakhs (2014-15- ₹ 221.87 lakhs) have been deposited with banks against guarantees issued by them			
20. SHORT TERM LOANS AND ADVANCES			
Unsecured-Considered good	8(b)		
Advance to Related Party		0.54	0.24
Advances to suppliers		43.09	52.85
Advance to Employees		9.71	5.04
Advance Tax (net of Provision for Tax - Nil, 2014-15 - ₹ 799.76 lakhs)		—	20.07
Advance for Fringe Benefit Tax (net of Provision for Tax - ₹ Nil.2014-15 - ₹ Nil)		0.34	0.34
Balances with statutory / government authorities		320.90	298.23
Prepaid Expenses		28.77	32.73
Others		30.08	62.31
		433.43	471.81

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (Contd.)

		(₹ in lacs)	
	Note No.	As at 31st March, 2016	As at 31st March, 2015
21. OTHER CURRENT ASSETS			
Export Incentive Receivable	8(b)	9.99	17.71
		<u>9.99</u>	<u>17.71</u>

		(₹ in lacs)	
		For the year ended 31st March, 2016	For the year ended 31st March, 2015
22. REVENUE FROM OPERATIONS			
Sale of products	32.08(b)	10091.36	9554.94
Sale of services		31.36	27.92
Other operating revenue			
Scrap Sales		78.19	68.01
Liability no longer required written back		69.48	27.77
Duty Drawback		21.20	17.59
Less : excise duty		<u>(958.92)</u>	<u>(827.70)</u>
Revenue from Operations (net)		<u>9332.67</u>	<u>8868.53</u>
23. OTHER INCOME			
Interest on deposits,overdue debts etc		33.60	40.39
Profit on sale/redemption of current investments (net)		99.75	157.23
Profit/ (Loss) on sale of Fixed Asset (Net)		5.50	1.38
Net gain/(loss) on foreign currency translation and transaction		17.53	—
Miscellaneous Income		<u>0.48</u>	<u>8.43</u>
		<u>156.86</u>	<u>207.43</u>
24. COST OF MATERIALS CONSUMED			
Raw Materials Consumed	32.09(a)	<u>4306.57</u>	<u>4050.94</u>
25. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE			
Finished Goods:			
Opening stock		1169.01	1034.70
Add/(Less): Provision for Excise duty on finished goods lying at the factories		(20.85)	33.27
Less: Closing Stock		<u>(981.33)</u>	<u>(1169.01)</u>
		166.83	(101.04)
Work-in-progress:			
Opening stock		615.46	526.90
Less: Closing Stock		<u>(672.60)</u>	<u>(615.46)</u>
		<u>(57.14)</u>	<u>(88.56)</u>
(Increase) / decrease		<u>109.69</u>	<u>(189.60)</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (Contd.)

	Note No.	For the year ended 31st March, 2016	For the year ended 31st March, 2015
(₹ in lacs)			
26. EMPLOYEE BENEFIT EXPENSES			
Salaries and Wages		2130.33	2075.20
Contribution to Provident and Other Funds		282.91	246.73
Workmen and Staff Welfare Expenses		111.43	108.04
Travelling and Conveyance		<u>301.14</u>	<u>273.37</u>
		2825.81	2703.34
27. FINANCE COST			
Interest Expense		226.11	77.54
Other Borrowing Cost		25.47	8.69
Less : Capitalised	12(e)	<u>(162.88)</u>	<u>—</u>
		88.70	86.23
27.1 Borrowing costs amounting to ₹ 162.88 lakhs (2014-15- ₹ Nil) attributable to the cost of the fixed assets have been capitalised and the same has been adjusted from the finance cost			
28. DEPRECIATION AND AMORTIZATION EXPENSE			
Depreciation on tangible assets	12	358.86	404.85
Amortisation of intangible assets	12	<u>29.48</u>	<u>45.65</u>
		388.34	450.50
29. OTHER EXPENSES			
Consumable Stores		272.74	288.16
Rent		15.69	16.07
Rates and Taxes		19.10	17.90
Power and Fuel		180.72	165.81
Repairs to - Buildings		9.14	26.11
- Machinery		10.34	10.13
- Others		62.34	42.82
Insurance		9.29	25.70
Selling and Distribution Expenses	29(b)	513.76	463.54
Royalty		166.00	180.82
Directors' Commission		—	2.88
Auditors' Remuneration	29(c)	4.50	4.40
Irrecoverable Debts/Advances written off		71.49	9.87
Communication Expenses		22.09	19.95
Consultancy		20.49	15.98
Net loss on foreign currency translation and transaction		—	20.99
Packing Materials consumed and packing charges (net)		145.72	179.66
Freight Charges (net)		56.94	59.80
Miscellaneous Expenses	29(d)	<u>368.17</u>	<u>361.68</u>
		1948.52	1912.27
(a) Expenditure in Foreign Currency			
Technical Knowhow fees		28.05	—
Royalty		163.59	94.02
Other matters		31.67	20.52
(b) Selling and Distribution Expenses comprise of-			
Travelling Expenses		391.92	380.05
Commission on Sales		108.16	51.42
Other Expenses		13.68	32.07
(c) Auditors' Remuneration:			
Audit Fees		2.75	2.75
Certification		1.75	1.65
(d) Includes expenditure towards activities for Corporate Social Responsibilities - ₹ 2.80 lacs (2014-15 - ₹ 3 lacs)			

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (Contd.)

(₹ in lacs)

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
30. TAX EXPENSE		
Current Tax	—	16.50
Earlier years' short/excess provision	1.06	—
	<u>1.06</u>	<u>16.50</u>

31. EARNINGS PER EQUITY SHARE (EPS)

Year ended 31st March

	2016	2015
I. Profit /(Loss) after tax.....(a)	(51.25)	97.82
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	(2.14)	4.09
Diluted EPS (a/b) in Rupees	(2.14)	4.09

32.01 CONTINGENT LIABILITIES AND COMMITMENTS

Contingent Liabilities

Outstanding Bank Guarantees

75.13

68.59

Commitments

Estimated amount of contracts remaining to be
executed on capital account

1151.86

900.80

31.02 UNHEDGED FOREIGN CURRENCY EXPOSURES ARE AS FOLLOWS :

Nature	Currency	31st March, 2016	31st March, 2015
Import	Euro	8329	16852
Advance for Import	Euro	12338	6965
Export	USD	149321	383272
Export	Euro	139830	130739
Advance received against Export	USD	628	215986
Advance received against Export	Euro	171	670

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (Contd.)
32.03 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:

	(₹ in lacs)	
	2015-16	2014-15
Employer's Contribution to Provident Fund	87.92	98.77
Employer's Contribution to Pension Fund	55.83	44.50
Employer's Contribution to Superannuation Fund	10.15	13.19
Employer's Contribution to Employees State Insurance Scheme	18.76	24.19

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, 2016

(i) Gratuity (Funded)	Year Ended 31st March	
	2016	2015
A. Change in Defined Benefit Obligations:		
Present Value of Defined Benefit Obligations as at the beginning of the year	606.40	571.83
Current Service Cost	40.51	36.82
Interest Cost	50.09	47.13
Benefits Paid	(74.95)	(66.60)
Actuarial (Gains)/ Losses	20.38	17.22
Present Value of Defined Benefit Obligations as at the end of the year	642.43	606.40
B. Change in the Fair Value of Assets:		
Fair value of Plan Assets at the beginning of the year	660.25	664.28
Expected Return on Plan Assets	52.65	52.84
Contributions by the Company	19.86	7.26
Benefits paid	(74.95)	(66.60)
Actuarial Gains/ (Losses)	(1.69)	2.47
Fair value of Plan Assets at the end of the year	656.12	660.25
Total Actuarial (gain)/loss to be recognised	(22.07)	(14.75)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (Contd.)
32.03 EMPLOYEE BENEFITS (Contd.)

(₹ in lacs)

						Year Ended 31st March				
						2016	2015			
C. Actual Return on Plan Assets										
Expected Return on Plan Assets						52.65	52.84			
Acturial gain/(loss) on Plan assets						(1.69)	2.47			
Actual Return on Plan Assets						50.96	55.31			
D. Amount Recognised in Balance Sheet and the Fair Value of Assets:										
Present Value of Defined Benefit Obligations as at the end of the year						642.43	606.40			
Fair value of Plan Assets at the end of the year						656.12	660.25			
Liability /(Assets) recognized in the Balance Sheet						(13.69)	(53.85)			
E. Expenses recognized in the Statement of Profit & Loss										
Current Service Cost						40.51	36.82			
Interest Cost						50.09	47.13			
Expected Return on Plan Assets						(52.65)	(52.84)			
Net Actuarial (Gain)/ Loss						22.07	14.75			
Total Expenses recognized in the Statement of Profit & Loss *						60.02	45.86			
F. Principal Actuarial Assumptions used:										
Discounted Rate (per annum) Compound						8.00%	8.00%			
Expected Rate of return on Plan Assets						8.00%	8.00%			
Rate of Salary increase (per annum)						6.00%	5.00%			
						2015-16	2014-15	2013-14	2012-13	2011-12
Defined Benefit Obligations as at the end						642.43	606.40	571.83	557.54	480.72
Fair value of Plan Assets at the end of the year						656.12	660.25	664.28	638.35	553.58
Funded Status						(13.69)	(53.85)	(92.45)	(80.81)	(72.86)
Experience Adjustments										
Experience gain/(loss) adjustment on plan liabilities						(20.38)	(17.22)	2.45	31.67	7.70
Experience gain/(loss) adjustment on plan assets						(1.69)	2.47	(2.97)	(2.02)	(3.13)
(ii) Leave Encashment (Non Funded)						Year Ended 31st March				
						2016	2015			
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 31.3.2016 is given below :										
Particulars										
Leaves						101.17	95.96			

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (Contd.)
32.03 EMPLOYEE BENEFITS (Contd.)

(₹ in lacs)

(iii) Provident Fund (Funded)	Year Ended 31st March	
	2016	2015
A. Change in Defined Benefit Obligations:		
Present Value of Defined Benefit Obligations as at the beginning of the year	4.06	4.20
Current Service Cost	0.59	0.58
Interest Cost	0.35	0.37
Benefits Paid	—	—
Actuarial (Gains)/ Losses	(0.50)	(1.09)
Present Value of Defined Benefit Obligations as at the end of the year	4.50	4.06
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)	0.23	—
Fair value of Plan Assets at the end of the year	0.23	—
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	4.50	4.06
Fair value of Plan Assets at the end of the year	0.23	—
Liability / (Assets) recognized in the Balance Sheet	4.27	4.06
D. Expenses recognized in the Statement of Profit & Loss		
Current Service Cost	0.59	0.58
Interest Cost	0.35	0.37
Expected Return on Plan Assets	—	—
Actuarial (Gain)/ Loss	(0.73)	(1.09)
Total Expenses recognized in the Statement of Profit & Loss *	0.21	(0.14)
E. Principal Actuarial Assumptions used:		
Discounted Rate (per annum) Compound	7.80%	7.81%
Return on EPFO	8.80%	8.75%

*Included in "Salaries and Wages" and "Contribution to Provident and Other Funds" under "EMPLOYEE BENEFIT EXPENSES" on Note 26.

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 2016-17 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 ₹ 4.27 lacs (Previous Year- ₹ 4.06 lacs) which has been provided in the Accounts for the year ended 31st March, 2016.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (Contd.)

32.04 SEGMENT INFORMATION FOR THE YEAR ENDED 31ST MARCH, 2016

Primary segment reporting - Business Segments

(₹ in lacs)

Particulars	Mineral & Material Processing And Handling Equipment		Gear Box and Geared Motor Drive System		Building Material Division		Unallocated / Corporate {Ref Note (b)}		Eliminations		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
REVENUE												
External Sales / Revenue	6350.08	5738.03	2982.31	3130.50	0.28						9332.67	8868.53
Inter-Segment Sales	33.14	24.39	184.10	53.67					(217.24)	(78.06)		
Total Revenue	6383.22	5762.42	3166.41	3184.17	0.28				(217.24)	(78.06)	9332.67	8868.53
RESULT												
PROFIT BEFORE INTEREST, DEPRECIATION and TAXATION	1973.22	2064.46	(110.36)	(76.42)	(211.58)	(64.17)					1651.28	1923.87
(Less): Depreciation & Amortisation expenses	(74.53)	(93.66)	(219.96)	(215.61)	(0.85)	(0.48)	(93.00)	(140.75)			(388.34)	(450.50)
PROFIT AFTER DEPRECIATION AND AMORTISATION EXPENSE	1898.69	1970.80	(330.32)	(292.03)	(212.43)	(64.65)	(93.00)	(140.75)			1262.94	1473.37
(Less): Finance Costs							(1352.34)	(1324.86)			(1352.34)	(1324.86)
Add: Other unallocable expenditure (net of unallocable revenue)											(178.10)	62.28
PROFIT BEFORE INCOME TAX											(127.91)	16.50
(Less): Provision for income tax											1.06	(52.04)
- Current												
- Deferred												
- Earlier year												
NET PROFIT											(51.25)	97.82
OTHER INFORMATION												
Segment Assets	5535.85	5455.37	3338.16	3700.32	2584.60	520.54	3711.95	3913.44			11458.61	9676.23
Unallocated Corporate assets	5535.85	5455.37	3338.16	3700.32	2584.60	520.54	3711.95	3913.44			3711.95	3913.44
Total Assets	1035.21	1774.29	799.40	783.26	252.29	0.69	237.12	244.77			2086.90	2558.24
Segment liabilities	1035.21	1774.29	799.40	783.26	252.29	0.69	237.12	244.77			237.12	244.77
Unallocated Corporate liabilities	65.50	117.52	47.10	25.25	1802.86	495.36	39.20	20.25			2324.02	2803.01
Total Liabilities	74.53	93.66	219.96	215.61	0.85	0.48	93.00	140.75			1954.66	658.38
Capital Expenditure												
Depreciation / Amortisation												

(a) The Company has identified business segments as primary segments. The reportable business segments are Mineral and Material Processing and Handling Equipment, Geared Motors and Building Material Division 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 ₹ 9132.44 lacs (2014-15 - ₹ 8727.24 lacs), Sales outside India is ₹ 1047.67 lacs (2014-15 - ₹ 844.97 lacs)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (Contd.)

32.05 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.

32.06 Related Party disclosures as identified by the management in accordance with the Accounting Standard 18 on Related Party Disclosures:

a) Key Management Personnel:

Mr. I. Sen - Managing Director

Mr. S. Saha - Executive Director (retired w.e.f.1st May, 2015)

b) Joint Venture Company - Mozer Process Technology Pvt.Ltd

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 :

	2015-16	(₹ in lacs) 2014-15
(i) Key Management Personnel:(a)		
(a) Managing Director	156.65	145.86
Due to inadequacy of profit, the remuneration paid to the Managing Director amounting to ₹ 145.33 lacs on his re-appointment for a period of 3 years w.e.f 1st May, 2015 being in excess of the limit prescribed in Schedule V of the Companies Act, 2013, the Company has made an application before the Central Government and necessary approval is awaited.		
(b) Executive Director	5.56	72.93
Executive Director has retired on expiry of his term on 30th April, 2015. The above remuneration is excluding gratuity amounting to ₹ 75.39 lacs paid towards his past services and also leave encashment amounting to ₹ 3.90 lacs on retirement.		
(ii) Joint Venture Company (b)		(₹ in lacs)
	During the year 2015-16	During the year 2014-15
Recovery of Expenses:		
Sale of Stock-in-trade	169.67	0.62
Rent	0.36	0.36
Selling & Distribution Expenses	0.14	0.64
Miscellaneous Expenses	0.40	0.24
	<u>170.57</u>	<u>1.86</u>
Advance Received	(27.18)	—
	<u>143.39</u>	<u>1.86</u>
Receivable / (payable) as at 31st March, 2016	0.54	0.24
(iii) Commission and / or Sitting fees payable to Mr. Sanjay Bagaria, Chairman & Non-Executive Director (c)	2.30	3.93

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (Contd.)

32.07 LEASES

- a) The Company had certain 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 29
The future minimum lease payments under non-cancellable operating leases is ₹ Nil (2014-15 – ₹ Nil)
- c) The future obligation for vehicle taken on finance lease is given below: (Refer Note-4)

	31st March, 2016	31st March, 2015
		(₹ in lacs)
Not later than one year	3.94	1.74
Later than one year and not later than 5 years	9.10	6.99
Present value of minimum lease rentals	<u>13.04</u>	<u>8.73</u>
32.08 (a) Earnings in Foreign Exchange		
F.O.B.value of exports	1047.67	844.97
Others	5.19	0.46
(b) Details of product sold		
Raymond Grinding Classifications and Drying System	70.00	323.63
Electro Magnetic Vibrators/ Vibratory Feeders	87.29	46.25
Mechanical Vibratory Screens/feeders/Bulk Material Handling Equipment	2047.98	2103.31
Omni Screens/ Feeders	151.80	62.70
Crusher	76.49	—
Vacseal Pumps	9.39	8.43
Mogensen Sizer	782.09	821.72
Drum Dryer	169.67	—
Gear Box & Geared Motor	2440.49	2645.78
Ready Plaster	0.28	—
Finished Spares (none of which individually exceeds 10% of total turnover)	<u>3296.96</u>	<u>2715.42</u>
Sale of product (net of excise duty)	<u>9132.44</u>	<u>8727.24</u>
(c) Details of inventory		
(i) Work-in-progress		
Mechanical Vibratory Screens/feeders/Bulk Material Handling Equipment	120.57	74.14
Omni Screens/ Feeders	26.60	47.83
Electro Magnetic Vibrators/Vibratory Feeders	1.17	23.23
Crusher	—	4.82
Mogensen Sizer	84.05	44.68
Vacseal Pump	—	2.13
Gear Box & Geared Motor	26.47	5.06
Others	<u>413.74</u>	<u>413.57</u>
	<u>672.60</u>	<u>615.46</u>
(ii) Finished Goods		
Mechanical Vibratory Screens/feeders/Bulk Material Handling Equipment	—	1.17
Electro Magnetic Vibrators/Vibratory Feeders	0.66	—
Crusher	134.26	134.26
Gear Box & Geared Motor	275.46	309.48
Ready Plaster	0.27	—
Finished Spares	<u>570.68</u>	<u>724.10</u>
	<u>981.33</u>	<u>1169.01</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (Contd.)

	31st March, 2016	31st March, 2015
(₹ in lacs)		
32.09 (a) Raw Materials consumed		
Steel	941.36	977.83
Castings	719.50	809.50
Components and Spares*	<u>2645.71</u>	<u>2263.61</u>
	<u>4306.57</u>	<u>4050.94</u>
*(none of which individually exceeds 10% of total consumption)		
(b) Details of Purchase of raw materials and components		
Steel	900.04	1015.74
Castings	698.90	838.82
Components and Spares*	2530.74	2194.94
Carriage Inward	<u>91.14</u>	<u>104.84</u>
	<u>4220.82</u>	<u>4154.34</u>
*(none of which individually exceeds 10% of total consumption)		
32.10 Value of Imports (C.I.F.basis)		
Components & Spares	197.00	219.64
Capital Goods	<u>246.25</u>	<u>—</u>

32.11 Value of Indigenous and Imported Raw Materials

	2015-16		2014-15	
	% of total consumption	Value ₹ in lacs	% of total consumption	Value ₹ in lacs
RAW MATERIALS CONSUMED				
Imported	5.12	220.29	6.39	258.70
Indigenous	<u>94.88</u>	<u>4086.28</u>	<u>93.61</u>	<u>3792.24</u>
	<u>100.00</u>	<u>4306.57</u>	<u>100.00</u>	<u>4050.94</u>
STORES AND SPARES CONSUMED				
Imported	—	—	—	—
Indigenous	<u>100.00</u>	<u>272.74</u>	<u>100.00</u>	<u>288.16</u>
	<u>100.00</u>	<u>272.74</u>	<u>100.00</u>	<u>288.16</u>

	2015-16	2014-15
32.12 PROPOSED DIVIDEND	₹	₹
Rate of dividend proposed per Equity Share	—	1.50
Amount of Proposed Dividend (₹ in lacs)	—	<u>35.85</u>

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

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

H.K. Verma
Partner
Kolkata, 20th May, 2016

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, 2016
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 Lacs) ₹ 50,00,000 (Fifty Lacs) 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 for the Financial Year ended 31st March, 2016.#
5. Networth attributable to Shareholding as per latest audited Balance Sheet	₹ 30.75 Lacs*
6. Profit / (Loss) for the year i. Considered in Consolidation ii. Not Considered in Consolidation	₹ 3.76 Lacs* —

However, Consolidated Financial Statements were not prepared for the Financial Year ended 31st March, 2015 as it was then not mandatory in terms of Section 129 of the Companies Act, 2013, read with Rule 6 of the Companies (Accounts) Rules, 2014.

* The figures as given above are as per the Standalone Financial Statements of the Joint Venture Company and hence, effect of inter-company and other adjustments carried out on consolidation have not been considered for the purpose of the above disclosure.

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

H. K. Verma
Partner
Kolkata, 20th May, 2016

On behalf of the Board

S. C. Saha
Company Secretary

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

S. Bagaria
Chairman

I. Sen
Managing Director

INDEPENDENT AUDITORS' REPORT

To the Members of International Combustion (India) Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of International Combustion (India) Limited (hereinafter referred to as "the Holding Company") and its jointly controlled entity comprising of the Consolidated Balance Sheet as at March 31, 2016, and the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other notes for the year ended on that date (hereinafter referred to as "the Consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows including its Jointly Controlled entity 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. The respective Board of Directors of the companies included in the Consolidated Financial Statements is responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities, the 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, which has been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. While conducting the 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 Consolidated Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Holding Company's preparation of the consolidated 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 Holding Company has an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by other auditor's in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated 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 as at 31st March, 2016 and jointly controlled entities as at 31st March, 2016, and their consolidated Loss and their consolidated Cash Flows for the year ended on that date.

Other Matters

- a) We did not audit the financial statements of one joint venture, whose financial statements reflect total assets of ₹ 130.03 lacs as at 31st March, 2016, total revenue of ₹ 1.69 lacs and Net cash flows amounting to (₹ 4.64 lacs) for the year ended as on that date, as considered in the Consolidated Financial Statements. The aforesaid financial statements have been audited by other auditor whose reports have been furnished to us by the Management, and our opinion on the Consolidated Financial Statement, in so far as it relates to the amounts and disclosures included in respect of the joint venture, and our report in terms of sub-section (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid joint venture, is based solely on the reports of the other auditors.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report that to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements;
- b) In our opinion, proper books of accounts as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as appears from our examination of those books and the report of the other auditors;
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
- d) In our opinion, the Consolidated Balance Sheet, Consolidated Statement of Profit and loss and Consolidated Cash Flow Statement comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2016, taken on record by the Board of Directors of the Holding Company and the report of the other statutory auditor of its jointly controlled entity, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our Report in "Annexure A", which is based on the auditors' reports of the Holding company and jointly controlled company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding company and Jointly Controlled Company incorporated in India.
- g) 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:

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

- i. Pending litigations (Other than those already recognised in the consolidated financial statements) on the consolidated financial position of the Holding Company and its jointly controlled entity have been disclosed in the Consolidated Financial Statement as required in terms of the accounting standards and provisions of the Companies Act, 2013;
- ii. The Holding Company and its jointly controlled entity did not have long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.

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

H. K. Verma
Partner

Membership No.: 055104

Place : Kolkata

Date : 20th May, 2016

Annexure “A” to the Independent Auditor’s Report on Consolidated Financial Statements
(Referred to in paragraph (i) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of International Combustion (India) Limited (hereinafter referred to as “the Holding Company”) and its jointly controlled company, which are company incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company and jointly controlled company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor of the joint controlled company, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Holding Company and jointly controlled company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to one Jointly Controlled Company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

Place : Kolkata
Date : 20th May, 2016

For **Lodha & Co.**
Chartered Accountants
Firm's ICAI Registration No.: 301051E
H. K. Verma
Partner
Membership No.: 055104

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2016

Particulars	Note No.	(₹ in lacs)
		As at 31st March, 2016
I. EQUITY AND LIABILITIES		
(1) Shareholders' funds		
(a) Share Capital	2	239.03
(b) Reserves and Surplus	3	8879.66
(2) Non-current liabilities		
(a) Long-term borrowings	4	2407.27
(b) Deferred Tax liabilities (net)	5	132.18
(c) Other Long-term liabilities	6	81.44
(d) Long-term provisions	7	72.15
(3) Current liabilities		
(a) Short-term borrowings	8	735.45
(b) Trade payables	9	
(i) Total outstanding dues of Micro & Small Enterprises		28.17
(ii) Total outstanding dues other than Micro & Small Enterprises		1263.13
(c) Other current liabilities	10	1177.43
(d) Short-term provisions	11	105.94
TOTAL		<u>15121.85</u>
II. ASSETS		
(1) Non-current assets		
(a) Fixed Assets	12	
(i) Tangible assets		3847.92
(ii) Intangible assets		14.68
(iii) Capital work-in-progress		577.64
(b) Non-Current Investments	13	1800.00
(c) Long-term loans and advances	14	236.41
(d) Other non-current assets	15	168.98
(2) Current assets		
(a) Current investments	16	650.00
(b) Inventories	17	3013.55
(c) Trade receivables	18	4065.48
(d) Cash and Bank Balances	19	290.38
(e) Short-term loans and advances	20	446.82
(f) Other current assets	21	9.99
TOTAL		<u>15121.85</u>
Summary of Significant Accounting Policies	1	
Notes on Consolidated Financial Statements	2-32.09	

The notes are an integral part of the Consolidated Financial Statements

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

On behalf of the Board

H.K. Verma
Partner
Kolkata, 20th May, 2016

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

S. Bagaria, Chairman
I. Sen, Managing Director

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	Note No.	(₹ in lacs)
		For the year ended 31st March, 2016
<i>Revenue:</i>		
I. Revenue from operations	22	9247.83
II. Other Income	23	158.35
III. Total Revenue (I +II)		9406.18
IV. Expenses:		
Cost of materials consumed	24	4306.57
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	25	60.29
Employee benefit expenses	26	2830.65
Finance cost	27	88.70
Depreciation and amortization expense	12 & 28	388.35
Other expenses	29	1950.60
Total Expenses		9625.16
V. Profit /(Loss) before tax (III - IV)		(218.98)
VI. Tax expense:		
(1) Current tax	30	1.06
(2) Deferred tax	5	(120.98)
Total Tax Expenses		(119.92)
VII. Profit/(Loss) for the year (V-VI)		(99.06)
VIII. Earning per equity share:		
(1) Basic	31	(4.14)
(2) Diluted	31	(4.14)
Summary of Significant Accounting Policies	1	
Notes on Consolidated Financial Statements	2-32.09	

The notes are an integral part of the Consolidated Financial Statements

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

H.K.Verma
Partner
Kolkata, 20th May, 2016

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

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

(₹ in lacs)

	For the year ended 31st March, 2016
A. CASH FLOW FROM OPERATING ACTIVITIES	
Net Profit / (Loss) before Tax and extraordinary items	(218.98)
Adjustments for :	
Depreciation & Amortisation expenses	388.35
(Profit)/loss on sale of fixed asset (net)	(5.50)
Irrecoverable Debts written off	71.49
Interest Income	(35.28)
Profit on maturity/redemption of current investments	(99.75)
Finance Costs	88.70
Liabilities no longer required written back	(69.48)
Difference in Exchange Rate	(0.39)
Operating profit before Working Capital changes	119.16
Movement in working capital:	
Increase/ (decrease) in trade Payables	(235.14)
Increase/ (decrease) in long-term provisions	11.16
Increase/ (decrease) in short-term provisions	14.70
Increase/ (decrease) in other current liabilities	(400.04)
Decrease/ (increase) in trade receivables	(213.36)
Decrease/ (increase) in inventories	182.12
Decrease/ (increase) in long-term loans and advances	(107.35)
Decrease/ (increase) in short-term loans and advances	5.06
Decrease/ (increase) in other current assets	7.72
Cash generated from/(used in) operations	(615.97)
Direct Taxes Paid(net of refunds)	55.23
Net Cash from /(used in) operating activities ...(A)	(560.74)
B. CASH FLOW FROM INVESTING ACTIVITIES	
Sale of fixed asset	5.63
Purchase of Fixed Assets including intangible assets, CWIP and capital advances	(1721.87)
Proceeds from Redemption/ Maturity of current investments	499.75
Purchase of Investments	(300.00)
Investment in bank deposits (having original maturity of more than three months)	(5.09)
Interest Received	35.28
Net Cash from /(used in) investing activities ...(B)	(1486.30)
C. CASH FLOW FROM FINANCING ACTIVITIES	
Proceeds/ (Repayment) of long-term borrowings	2103.00
Proceeds/ (Repayment) of short term borrowings	127.32
Interest Paid	(88.70)
Dividends Paid (including corporate tax on dividend)	(44.63)
Net Cash flow from/(used in) Financing activities ...(C)	2096.99
Net increase/(decrease) in Cash and Cash equivalents (A+B+C)	49.95
Cash and Cash equivalents at the beginning of the year	133.71
Add: Cash and Cash equivalents of Joint Venture as on 1st April, 2015	7.26
	140.97
Cash and Cash equivalents at the close of the year. (Refer Note 19)	190.92

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, 20th May, 2016

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 CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- 1.1 The Consolidated Financial Statements have been prepared in accordance with the Accounting Standard (AS) – 21 on “Consolidated Financial Statements” and AS – 27 on “Financial Reporting of Interest in Joint Ventures” notified vide Companies (Accounting Standards) Rules, 2006.
- 1.2 The Consolidated Financial Statements relate to International Combustion (India) Limited (the Company) and its joint ventures, Mozer Process Technology Pvt.Ltd., a company incorporated in India having ownership interest of 50%.

1.3 CONSOLIDATION PROCEDURE:

- i. The financial statements of the parent Company and its subsidiaries have been prepared based on a line-by-line consolidation by adding together the book value of like items of assets and liabilities, revenue and expenses as per the respective financial statements. Intra group balances, intra group transactions and the unrealised profits on stocks arising out of intra group transaction have been eliminated.
 - ii. As far as possible, the consolidated financial statements are prepared using uniform accounting policies for similar material transactions and other events in similar circumstances otherwise as stated elsewhere.
 - iii. The difference between the costs of investment in the Joint Venture, over the net assets at the time of acquisition of shares in the Joint Venture is recognised in the consolidated financial statements as Goodwill or Capital Reserve as the case may be.
 - iv. The group’s interest in the jointly controlled entity is accounted using proportionate consolidation.
- 1.4 Investments other than in subsidiaries, joint ventures and associates have been accounted as per AS- 13 on “Accounting for Investments.”

1.5 OTHER SIGNIFICANT ACCOUNTING POLICIES:

(i) BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared under the historical cost convention except in respect of certain fixed assets which are stated at revalued amount in accordance with the provisions of the Companies Act, 2013 and accounting standards as prescribed under section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014 and other recognized accounting practices. Accounting policies unless specifically stated to be otherwise, are consistent and are in consonance with generally accepted accounting principles.

(ii) USE OF ESTIMATES

The preparation of consolidated financial statements require management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures relating to contingent liabilities 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 amounts can reasonably be estimated. Differences between the actual results and estimates are recognized in the year in which the results are known / materialized.

(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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (Contd.)**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:

- (a) 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.
- (b) Other Units - on written down value method based on the useful life as specified in Schedule II to the Companies Act, 2013.
- (c) 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.

(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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

(ix) BORROWING COSTS

Borrowing costs that are attributable to acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily take substantial period of time to set ready for its intended use. All other borrowing costs are charged to Statement of Profit and Loss.

(x) 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.

(xi) 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.

(xii) 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.

(xiii) 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.

(xiv) 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 CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (Contd.)

		(₹ in lacs)
		As at 31st March, 2016
2. SHARE CAPITAL		
(a) Authorised Shares		
5000000 Equity Shares of ₹ 10 each		<u>500.00</u>
(b) Issued, Subscribed and fully paid-up shares		
2390276 Equity Shares of ₹ 10 each fully paid up (2014-15 - 2390276)		<u>239.03</u>
(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.		
(f) There is no movement in the number of shares outstanding at the beginning and at the end of the year.		

		(₹ in lacs)
3. RESERVES & SURPLUS		
Capital Reserve		
As per last Balance Sheet		605.34
Securities Premium Account		
As per last Balance Sheet		890.41
General Reserve		
As per last Balance Sheet		7301.82
Surplus as per Statement of Profit and Loss		
As per last Balance Sheet		196.64
Add: Transitional Provision of Joint Venture Share of Loss	3.1	(15.49)
Add: Net profit after Tax transferred from Statement of Profit and Loss		(99.06)
Balance		<u>82.09</u>
TOTAL		<u>8879.66</u>

3.1 During the year Consolidated Financial Statement has been prepared in accordance with the requirement of Companies Act, 2013, accordingly share of Joint Venture Loss as on 1st April, 2015 has been adjusted against Surplus and shown under Transitional Provision as required under Accounting Standard 21 on Consolidated Financial Statements.

		(₹ in lacs)
		As at 31st March, 2016
4. LONG TERM BORROWINGS		
Secured		
Term Loan from Bank	4(a), 4(b), 4(c) & 4(d)	2398.17
Vehicle Finance loan from Bank	4(e), 4(f) & 4(g)	9.10
		<u>2407.27</u>
(a) Term Loan from Kotak 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	13 & 16	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (Contd.)

(₹ in lacs)

Note No.	As at 31st March, 2016
4. LONG TERM BORROWINGS (Contd.)	
(b) Term Loan from Axis Bank is secured by way of exclusive hypothecation charge over movable fixed assets at Ajmer unit, equitable mortgage over Company's leasehold land and building thereon situated at Ajmer and second charge as collateral securities by way of equitable mortgage on immovable assets located at Baidyabati, Nagpur and Aurangabad units on which first charge is held for working capital facilities for Baidyabati, Nagpur and Aurangabad units.	
(c) Repayment details of Term loan are given below:	
2016-17 (included under Current Maturities of Term loan)	385.73
2017-18	592.83
2018-19	638.51
2019-20	678.90
2020-21	487.93
	2398.17
(d) Interest Rate of Term Loan - Axis (Base Rate + 2.50%)	12.00%
- Kotak-(Base Rate + 1.85%)	11.35%
(e) Finance lease obligation is secured against car taken on two finance lease and are repayable in 60 and 36 monthly instalments starting from July, 2014 and March, 2016 respectively	
(f) Repayment details of Vehicle Finance loan are given below:	
2016-17 (included under Current Maturities of Vehicle Finance Lease in Note 10)	3.94
2017-18	4.34
2018-19	4.47
2019-20	0.29
	9.10
(g) Interest Rate of Vehicle Finance loan	10.51% & 9.4%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (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, 2015	Charge/(Credit) during the year	Closing as on 31st March, 2016
Deferred Tax Assets:			
Expenses Allowable on Payment Basis	25.80	(5.73)	31.53
Unabsorbed Depreciation	—	(95.78)	95.78
Unabsorbed Business Loss **	6.93	6.93	—
Gross Deferred Tax Asset	<u>32.73</u>	<u>(94.58)</u>	<u>127.31</u>
Deferred Tax Liabilities:			
Timing Difference with respect to Fixed Asset	<u>285.89</u>	<u>(26.40)</u>	<u>259.49</u>
Gross Deferred Tax Liabilities	<u>285.89</u>	<u>(26.40)</u>	<u>259.49</u>
Net Deferred Tax Liabilities	253.16	(120.98)	132.18

** Includes Share of Joint Venture - ₹ 6.93 lacs

6. OTHER LONG TERM LIABILITIES

Note No.

(₹ in lacs)

Capital Vendors

81.44

7. LONG TERM PROVISIONS

Provision for Employee Benefits

32.03

72.15

8. SHORT TERM BORROWINGS

(a) Secured Loans (Repayable on demand)

 Working Capital Facilities from Banks

8(b)

735.45

735.45

(b) Working Capital Facilities 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 CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (Contd.)

(₹ in lacs)

	Note No	As at 31st March, 2016
9. TRADE PAYABLES		
Dues to Micro, Small and Medium Enterprises	9(a)	28.17
Dues to Others		1263.13*
		<u>1291.30</u>
* Includes share of Joint Venture- ₹ 1.17 lacs		
(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):		
(i) The principal amount and the interest due remaining unpaid to any supplier as at the end of the year		
Principal amount unpaid		28.17
Interest due		—
(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:		
Payment made beyond the Appointed Date		191.67
Interest paid beyond the Appointed Date		—
(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".		
		—
(iv) The amount of interest accrued and remaining unpaid at the end of the year and		
		—
(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".		
		—
10. OTHER CURRENT LIABILITIES		
Current Maturities of Long Term Loan - Secured	4	385.73
Current Maturities of Vehicle Finance Lease - Secured	4	3.94
Unclaimed Dividends *		12.93
Capital Vendor		149.81
Interest Accrued but not due on Loans		9.52
Advances from Customers		401.01**
Other Payables		
Statutory deductions/payable - P.F., ESI, Sales tax, VAT etc.		105.45
Excise duty on Closing Stock		109.04
		<u>1177.43</u>
* Not due for payment to Investor Education and Protection Fund		
** Includes share of Joint Venture - ₹ 13.59 lacs.		
11. SHORT TERM PROVISIONS		
Provision for Employee Benefits	32.03	69.71
Provision for Taxation (net of Advance Tax - ₹ 301.04 lacs)		36.23*
		<u>105.94</u>
* Net of share of Joint Venture - Tax Deducted At Source - ₹ 0.17 lacs		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (Contd.)
12. FIXED ASSETS

Assets	GROSS BLOCK (Cost / on revaluation)		DEPRECIATION / AMORTISATION			NET BLOCK			
	As at 1st April, 2015	Additions/ Adjustments during the year	Deletion during the year	As at 31st March, 2016	Upto 31st March, 2015	During the year	Deletion during the year	Upto 31st March, 2016	As at 31st March, 2016
A. Tangible Assets									
Land -									
Freehold	3.04	—	—	3.04	—	—	—	—	3.04
Leasehold	530.80	14.29	—	545.09	0.01	—	—	0.01	545.08
Buildings	1061.30	65.83	—	1127.13	567.99	26.74	—	594.73	532.40
Buildings - Leasehold	789.88	—	—	789.88	164.73	46.80	—	211.53	578.35
Plant and Equipments	3700.41	1230.16	9.65	4920.92	2747.43	229.84	9.65	2967.62	1953.30
Furniture and Fixtures	258.59	3.99	—	262.58	183.02	28.46	—	211.48	51.10
Vehicles									
Freehold	43.74	5.49	15.63	33.60	40.38	8.24	15.50	33.12	0.48
Leasehold	40.71	10.85	—	51.56	26.16	2.36	—	28.52	23.04
Office Equipment	24.16	—	—	24.16	22.51	1.35	—	23.86	0.30
Electrical Installation	173.80	135.29	—	309.09	133.19	15.07	—	148.26	160.83
	6626.43	1465.90	25.28	8067.05	3885.42	358.86	25.15	4219.13	3847.92
B. Intangible Assets									
Technical Knowhow fees	328.13	—	—	328.13	294.62	25.66	—	320.28	7.85
ERP Software	36.20	—	—	36.20	36.18	—	—	36.18	0.02
Autocad Software	14.38	5.09	—	19.47	9.73	2.98	—	12.71	6.76
Patent	105.53	—	—	105.53	104.69	0.84	—	105.53	0.00
Tally Accounting Package *	0.09	—	—	0.09	0.03	0.01	—	0.04	0.05
	484.33	5.09	—	489.42	445.25	29.49	—	474.74	14.68
Total (A+B)	7110.76	1470.99	25.28	8556.47	4330.67	388.35	25.15	4693.87	3862.60

Note :

* Share of Joint Venture

- (a) The Building Material Division of the Company for the manufacture of dry mix product has been commissioned on 31st March, 2016
- (b) 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
- (c) Refer Notes 4(b), 4(e) and 8(b)
- (d) Capital Work-in-Progress includes ₹ 529.00 lacs for cost of equipments, construction including material and other costs, interest and following pre-operative expenses, which will be allocated to respective fixed assets on the completion of the project.

	Rs. in lacs
Amount brought forward	As on 31st March, 2016
Addition during the year:	
Consultancy charges	1.75
Interest on Term Loan	162.88
Miscellaneous Expenses	0.04
Less : Capitalised during the year	(116.03)
Total pre-operative expenses carried forward pending allocation	48.64

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (Contd.)

		(₹ in lacs)
		As at
		31st March, 2016
Note No.		
13. NON CURRENT INVESTMENTS		
Long term		
Unquoted - Other than Trade		
Investment in Mutual Funds		
i.	Reliance Fixed Horizon Fund XXVII Sr-3 2000000 units of ₹ 10 each	200.00
ii.	ICICI Prudential Fixed Maturity Plan Series 75 Plan U Regular Plan Cumulative 3000000 units of ₹ 10 each	300.00
iii.	HDFC FMP 1184 D January 2015 (I) Series 33 2000000 units of ₹ 10 each	200.00
iv.	Kotak FMP Series 172-Growth (Regular Plan) 1500000 units of ₹ 10 each	150.00
v.	ICICI Prudential FMP Series 73-1140 days Plan E Regular Plan Cumulative 2000000 units of face value of ₹ 10 each	200.00
vi.	Birla Sunlife Fixed Term Plan - Corporate Bond Series A 3000000 units of ₹ 10 each	300.00
vii.	UTI-FTIF- Series VI 3000000 units of ₹ 10 each	300.00
viii.	Kotak FMP Series 127- Growth (Regular Plan) 1500000 units of ₹ 10 each	150.00
TOTAL INVESTMENTS IN MUTUAL FUNDS		1800.00
Aggregate book value of Quoted Investments: in Mutual Funds		—
Aggregate book value of Unquoted Investments: in Mutual Funds		1800.00
Aggregate NAV of Unquoted Investments: in Mutual Funds		2078.53
TOTAL INVESTMENTS		1800.00

13.1 Refer Note No.4(a)

(₹ in lacs)

13.2 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, 2016	
Mozer Process Technology Pvt Ltd	India	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			1.69
Expenses			7.13
Assets			130.03
Liabilities			99.28

Figures as given above are as per standalone financial statements of Joint Venture and hence effect of inter company and other adjustments carried out on consolidation has not been considered for the purpose of above disclosure.

13.3 Refer Note No 16.3 for particulars of investments

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (Contd.)

		(₹ in lacs)
	Note No.	As at 31st March, 2016
14. LONG TERM LOANS AND ADVANCES		
Unsecured - Considered good		
Capital Advances		113.02
Security Deposits		67.98
Mat Credit Entitlement		55.41
		236.41
14.1 The Company is entitled to MAT credit and accordingly based on evidences MAT credit of ₹ 55.41 lacs has been carried forward in these financial statements.		
15. OTHER NON-CURRENT ASSETS		
Unsecured, considered good		
Deposits with banks with more than twelve months maturity (including interest accrued thereon)	19.1	168.98
		168.98
16. CURRENT INVESTMENTS - at cost		
(fully paid-up unless otherwise stated)		
Unquoted - Other than Trade		
Investment in Mutual Funds		
	16.1	
i. DHFL Pramerica Fixed Fund Maturity Plan-Series 68 2500000 units of ₹ 10 each		250.00
ii. Reliance Fixed Horizon Fund - XXIII Series 11 3000000 units of ₹ 10 each		300.00
iii. Birla Sunlife Fixed Term Plan Series JJ 1000000 units of ₹ 10 each		100.00
		650.00
Aggregate book value of Unquoted Investments: in Mutual Funds		650.00
Aggregate Market Value of Quoted Investments in Mutual Funds		—
Aggregate NAV of Unquoted Investments: in Mutual Funds		785.37
16.1 Current portion of long term investments		
16.2 Refer Note No.4(a)		
16.3 Particulars of investments as required under Section 186(4) of the Companies Act, 2013 have been disclosed in Note 13 & 16		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (Contd.)

(₹ in lacs)

	Note No	As at 31st March, 2016
17. INVENTORIES		
(As taken, valued and certified by the management)	8(b)	
Raw Materials and Components		1106.34
Work-in-progress		672.60
Finished Goods		981.33
Stock-in-Trade		49.40*
Stores		184.67
Packing Materials		19.21
		<u>3013.55</u>
17.1 * Includes Share of Joint Venture - ₹ 49.40 lacs at cost		
18. TRADE RECEIVABLES		
Unsecured, considered good	8(b)	
Trade receivables outstanding for period exceeding six months		
Considered good		785.17
Other		
Considered good		3280.31
		<u>4065.48</u>
19. CASH AND BANK BALANCES		
(As certified by the management)		
Cash and Cash Equivalents		
Balances with Banks:		
- Current Accounts		175.17*
- Unclaimed Dividends Accounts		12.93
Cash in hand		2.82*
		<u>190.92</u>
Other Bank Balances		
with original maturity of more than three months but less than twelve months		20.95*
- Margin money with banks (including interest accrued thereon) with original maturity of more than twelve months	19.1	78.51
		<u>99.46</u>
		<u>290.38</u>

19.1 Fixed Deposits receipts of ₹ 239.98 lacs have been deposited with banks against guarantees issued by them

* Includes share of Joint Venture - Bank Balances - ₹ 2.52 lacs
Cash in hand - ₹ 0.03 lacs
Fixed Deposit - ₹ 20.41 lacs

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (Contd.)

(₹ in lacs)

	Note No.	As at 31st March, 2016
20. SHORT TERM LOANS AND ADVANCES		
Unsecured-Considered good	8(b)	
Advances to Suppliers		43.76*
Advance to Employees		9.71
Advance for Fringe Benefit Tax (net of Provision for Tax - ₹ Nil)		0.34
Balances with statutory / government authorities		334.16*
Prepaid Expenses		28.77
Others		30.08
		<u>446.82</u>
* Includes share of Joint Venture - Advance to Suppliers - ₹ 0.13 lacs Balances with statutory / government authorities - ₹ 13.26 lacs		

21. OTHER CURRENT ASSETS

Export Incentive Receivable	8(b)	9.99
		<u>9.99</u>

(₹ in lacs)

	For the year ended 31st March, 2016
22. REVENUE FROM OPERATIONS	
Sale of products	9995.20
Sale of services	31.36
Other operating revenue	
Scrap Sales	78.19
Liability no longer required written back	69.48
Duty Drawback	21.20
Less : excise duty	(947.60)
Revenue from Operations (net)	<u>9247.83</u>
23. OTHER INCOME	
Interest on deposits, overdue debts etc	35.28*
Profit on sale/redemption of current investments (net)	99.75
Profit/ (Loss) on sale of Fixed Asset (Net)	5.50
Net gain/(loss) on foreign currency translation and transaction	17.52*
Miscellaneous Income	0.30
	<u>158.35</u>

* Includes share of Joint Venture - Interest on Deposits - ₹ 1.68 lacs
loss on foreign currency translation and transaction - ₹ 0.01 lacs

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (Contd.)

		(₹ in lacs)
		As at
		31st March, 2016
	Note No.	
24. COST OF MATERIALS CONSUMED		
Raw Materials Consumed		4306.57
25. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Finished Goods:		
Opening stock		1169.01
Add/(Less) : Provision for Excise duty on finished goods lying at the factories		(20.85)
Less: Closing Stock		(981.33)
		166.83
Stock-in-Trade		
Opening stock		—
Less: Closing Stock		(49.40)*
		(49.40)
Work-in-progress:		
Opening stock		615.46
Less: Closing Stock		(672.60)
		(57.14)
(Increase) / decrease		60.29
* Includes share of Joint Venture - ₹ 49.40 lacs		
		(₹ in lacs)
		For the year ended
		31st March, 2016
	Note No	
26. EMPLOYEE BENEFIT EXPENSES		
Salaries and Wages		2134.22*
Contribution to Provident and Other Funds		282.91
Workmen and Staff Welfare Expenses		111.53*
Travelling and Conveyance		301.99*
		2830.65
* Includes share of Joint Venture - Salaries and Wages - ₹ 3.89 lacs		
Workmen and Staff Welfare Expenses - ₹ 0.10 lacs		
Travelling and Conveyance - ₹ 0.85 lacs		
27. FINANCE COST		
Interest Expense		226.11
Other Borrowing Cost		25.47
Less : Capitalised	12(e)	(162.88)
		88.70
27.1 Borrowing costs amounting to ₹ 162.88 lacs (2014-15- ₹ Nil) attributable to the cost of the fixed assets have been capitalised and the same has been adjusted from the finance cost.		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (Contd.)

		(₹ in lacs)
		As at 31st March, 2016
28. DEPRECIATION AND AMORTIZATION EXPENSE	Note No.	
Depreciation on tangible assets	12	358.86
Amortisation of intangible assets	12	29.49*
		388.35
* Includes share of Joint Venture - ₹ 0.01 lacs		
29. OTHER EXPENSES		
Consumable Stores		272.74
Rent		15.69
Rates and Taxes		19.16*
Power and Fuel		180.72
Repairs to - Buildings		9.14
- Machinery		10.34
- Others		62.34
Insurance		9.29
Selling and Distribution Expenses	29(b)	515.37*
Royalty		166.00
Auditors' Remuneration	29(c)	4.60*
Irrecoverable Debts/Advances written off		71.49
Communication Expenses		22.11*
Consultancy		20.49
Packing Materials consumed and packing charges (net)		145.72
Freight Charges (net)		56.94
Miscellaneous Expenses	29(d)	368.46*
		1950.60
* Includes share of Joint Venture		
Rates & Taxes - ₹ 0.06 lacs		
Selling and Distribution Expenses - ₹ 1.61 lacs		
Auditors' Remuneration - ₹ 0.10 lacs		
Communication Expenses - ₹ 0.02 lacs		
Miscellaneous Expenses - ₹ 0.29 lacs		
(a) Expenditure in Foreign Currency		
Technical Knowhow fees		28.05
Royalty		163.59
Other matters		31.67
(b) Selling and Distribution Expenses comprise of-		
Travelling Expenses		393.53
Commission on Sales		108.16
Other Expenses		13.68
(c) Auditors' Remuneration:		
Audit Fees		2.85
Certification		1.75
(d) Includes expenditure towards activities for Corporate Social Responsibilities - ₹ 2.80 lacs		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (Contd.)

(₹ in lacs)

Note No.	As at 31st March, 2016
30. TAX EXPENSE	
Current Tax	—
Earlier years' short/excess provision	1.06
	1.06

Note No.	For the year ended 31st March, 2016
31. EARNINGS PER EQUITY SHARE (EPS)	
I. Profit /(Loss) after tax.....(a)	(99.06)
II. Shares	
Number of Equity Shares as on 31st March	2390276
Weighted average number of Equity shares outstanding during the year (for EPS)(b)	2390276
III. EPS (Face value of ₹ 10 each)	
Basic EPS (a/b) in Rupees	(4.14)
Diluted EPS (a/b) in Rupees	(4.14)
32.01 CONTINGENT LIABILITIES AND COMMITMENTS	
Contingent Liabilities	
Outstanding Bank Guarantees	75.13
Commitments	
Estimated amount of contracts remaining to be executed on capital account	1151.86

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

Nature	Currency	31st March, 2016
Import	Euro	8329
Advance for Import	Euro	12338
Export	USD	149321
Export	Euro	139830
Advance received against Export	USD	628
Advance received against Export	Euro	171

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (Contd.)
32.03 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:

	(₹ in lacs)
	<u>2015-16</u>
Employer's Contribution to Provident Fund	87.92
Employer's Contribution to Pension Fund	55.83
Employer's Contribution to Superannuation Fund	10.15
Employer's Contribution to Employees State Insurance Scheme	18.76

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, 2016

	(₹ in lacs)
(i) Gratuity (Funded)	Year Ended 31st March
	2016
A. Change in Defined Benefit Obligations:	
Present Value of Defined Benefit Obligations as at the beginning of the year	606.40
Current Service Cost	40.51
Interest Cost	50.09
Benefits Paid	(74.95)
Actuarial (Gains)/ Losses	20.38
Present Value of Defined Benefit Obligations as at the end of the year	642.43
B. Change in the Fair Value of Assets:	
Fair value of Plan Assets at the beginning of the year	660.25
Expected Return on Plan Assets	52.65
Contributions by the Company	19.86
Benefits paid	(74.95)
Actuarial Gains/ (Losses)	(1.69)
Fair value of Plan Assets at the end of the year	656.12
Total Actuarial (gain)/loss to be recognised	(22.07)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (Contd.)

32.03 EMPLOYEE BENEFITS (Contd.)

(₹ in lacs)

Year Ended 31st March					
	2016				
C. Actual Return on Plan Assets					
Expected Return on Plan Assets	52.65				
Acturial gain/(loss) on Plan assets	(1.69)				
Actual Return on Plan Assets	50.96				
D. Amount Recognised in Balance Sheet and the Fair Value of Assets:					
Present Value of Defined Benefit Obligations as at the end of the year	642.43				
Fair value of Plan Assets at the end of the year	656.12				
Liability /(Assets) recognized in the Balance Sheet	(13.69)				
E. Expenses recognized in the Statement of Profit & Loss					
Current Service Cost	40.51				
Interest Cost	50.09				
Expected Return on Plan Assets	(52.65)				
Net Actuarial (Gain)/ Loss	22.07				
Total Expenses recognized in the Statement of Profit & Loss *	60.02				
F. Principal Actuarial Assumptions used :					
Discounted Rate (per annum) Compound	8.00%				
Expected Rate of return on Plan Assets	8.00%				
Rate of Salary increase (per annum)	6.00%				
	2015-16	2014-15	2013-14	2012-13	2011-12
Defined Benefit Obligations as at the end	642.43	606.40	571.83	557.54	480.72
Fair value of Plan Assets at the end of the year	656.12	660.25	664.28	638.35	553.58
Funded Status	(13.69)	(53.85)	(92.45)	(80.81)	(72.86)
Experience Adjustments					
Experience gain/(loss) adjustment on plan liabilities	(20.38)	(17.22)	2.45	31.67	7.70
Experience gain/(loss) adjustment on plan assets	(1.69)	2.47	(2.97)	(2.02)	(3.13)

(₹ in lacs)

(ii) Leave Encashment (Non Funded)		Year Ended 31st March
		2016
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 31.3.2016 is given below :		
Particulars		
Leaves		101.17

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (Contd.)
32.03 EMPLOYEE BENEFITS (Contd.)

(₹ in lacs)

(iii) Provident Fund (Funded)	Year Ended 31st March
	2016
A. Change in Defined Benefit Obligations:	
Present Value of Defined Benefit Obligations as at the beginning of the year	4.06
Current Service Cost	0.59
Interest Cost	0.35
Benefits Paid	—
Actuarial (Gains)/ Losses	(0.50)
Present Value of Defined Benefit Obligations as at the end of the year	4.50
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)	0.23
Fair value of Plan Assets at the end of the year	0.23
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	4.50
Fair value of Plan Assets at the end of the year	0.23
Liability / (Assets) recognized in the Balance Sheet	4.27
D. Expenses recognized in the Statement of Profit & Loss	
Current Service Cost	0.59
Interest Cost	0.35
Expected Return on Plan Assets	—
Actuarial (Gain)/ Loss	(0.73)
Total Expenses recognized in the Statement of Profit & Loss *	0.21
E. Principal Actuarial Assumptions used:	
Discounted Rate (per annum) Compound	7.80%
Return on EPFO	8.80%

*Included in "Salaries and Wages" and "Contribution to Provident and Other Funds" under "EMPLOYEE BENEFIT EXPENSES" on Note 26

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 2016-17 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 ₹ 4.27 lacs which has been provided in the Accounts for the year ended 31st March, 2016.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (Contd.)

32.04 SEGMENT INFORMATION FOR THE YEAR ENDED 31ST MARCH, 2016

Primary segment reporting - Business Segments

(₹ in lacs)

Particulars	Mineral & Material Processing And Handling Equipment	Gear Box and Geared Motor Drive System	Building Material Division	Unallocated / Corporate {Ref Note (b)}	Eliminations	Total
	2016	2016	2016	2016	2016	2016
REVENUE						
External Sales / Revenue	6265.24	2982.31	0.28	—	—	9247.83
Inter-Segment Sales	33.14	184.10	—	—	(217.24)	—
Total Revenue	6298.38	3166.41	0.28	—	(217.24)	9247.83
RESULT						
PROFIT BEFORE INTEREST, DEPRECIATION and TAXATION	1932.53	(110.36)	(211.58)	—	—	1610.59
(Less): Depreciation & Amortisation expenses	(74.54)	(219.96)	(0.85)	(93.00)	—	(388.35)
PROFIT AFTER DEPRECIATION AND AMORTISATION EXPENSE	1857.99	(330.32)	(212.43)	(93.00)	—	1222.24
(Less): Finance Costs	—	—	—	—	—	(88.70)
Add: Other unallocable expenditure (net of unallocable revenue)	—	—	—	(1352.52)	—	(1352.52)
PROFIT BEFORE INCOME TAX	—	—	—	—	—	(218.98)
(Less): Provision for income tax	—	—	—	—	—	—
- Current	—	—	—	—	—	—
- Deferred	—	—	—	—	—	(120.98)
- Earlier year	—	—	—	—	—	1.06
NET PROFIT	—	—	—	—	—	(99.06)
OTHER INFORMATION						
Segment Assets	5487.14	3338.16	2584.60	—	—	11409.90
Unallocated Corporate assets	—	—	—	3711.95	—	3711.95
Total Assets	5487.14	3338.16	2584.60	3711.95	—	15121.85
Segment liabilities	1049.80	799.40	252.29	—	—	2101.49
Unallocated Corporate liabilities	—	—	—	237.12	—	237.12
Total Liabilities	1049.80	799.40	252.29	237.12	—	2338.61
Capital Expenditure	65.50	47.10	1802.86	39.20	—	1954.66
Depreciation / Amortisation	74.54	219.96	0.85	93.00	—	388.35

(a) The Company has identified business segments as primary segments. The reportable business segments are Mineral and Material Processing and Handling Equipment, Geared Motors and Building Material Division 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 ₹ 9047.60 lacs (2014-15 - ₹ 8727.24 lacs), Sales outside India is ₹ 1047.67 lacs (2014-15 - ₹ 844.97 lacs)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (Contd.)

32.05 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.

32.06 Related Party disclosures as identified by the management in accordance with the Accounting Standard 18 on "Related Party Disclosures".

a) Key Management Personnel:

Mr. I. Sen - Managing Director

Mr. S. Saha - Executive Director (retired w.e.f.1st May, 2015)

b) Joint Venture 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:

	(₹ in lacs)
	<u>2015-16</u>
(i) Key Management Personnel:(a)	
(a) Managing Director	156.65
Due to inadequacy of profit, the remuneration paid to the Managing Director amounting to ₹ 145.33 lacs on his re-appointment for a period of 3 years w.e.f 1st May, 2015 being in excess of the limit prescribed in Schedule V of the Companies Act, 2013, the Company has made an application before the Central Government and necessary approval is awaited.	
(b) Executive Director	5.56
Executive Director has retired on expiry of his term on 30th April, 2015. The above remuneration is excluding gratuity amounting to ₹ 75.39 lacs paid towards his past services and also leave encashment amounting to ₹ 3.90 lacs on retirement.	
(ii) Joint Venture Company (b)	(₹ in lacs)
	<u>During the year 2015-16</u>
Recovery of Expenses:	
Sale of Stock-in-trade	169.67
Rent	0.36
Selling & Distribution Expenses	0.14
Miscellaneous Expenses	0.40
	<u>170.57</u>
Advance Received	(27.18)
	<u>143.39</u>
Receivable / (payable) as at 31st March, 2016	0.54
(iii) Sitting fees payable to Mr. Sanjay Bagaria, Chairman & Non-Executive Director (c)	2.30

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (Contd.)

32.07 LEASES

- The Company had certain non-cancellable operating lease arrangements for residential and office premises which are renewable by mutual consent and mutually agreed terms.
- The aggregate lease rentals payable are charged as "Rent" in Note 29
The future minimum lease payments under non-cancellable operating leases is ₹ Nil
- The future obligation for vehicle taken on finance lease is given below: (Refer Note-4)

	(₹ in lacs)
Not later than one year	31st March, 2016 3.94
Later than one year and not later than 5 years	9.10
Present value of minimum lease rentals	13.04

32.08 Additional Information as required under Schedule III of the Companies Act, 2013 of enterprises consolidated as Subsidiary/ Associate/ Joint Venture

(₹ in lacs)

Name of the entity	Net Assets i.e. total assets minus total liabilities		Share in Profit or Loss	
	As % of Consolidated Net Assets	Amount	As % of Consolidated profits or loss	Amount
1	2	3	4	5
Parent				
International Combustion (India) Limited	100.69	9,182.00	51.74	(51.25)
Joint Venture (as per proportionate consolidation/ investment as per equity method)				
Indian				
Mozer Process Technology Private Limited	0.34	30.75	3.79	(3.76)
Grand Total		9,118.70		(99.06)

Figure as given above are as per standalone financial statements of the respective company and hence effect of inter company and other adjustments carried out on consolidation has not been considered for the purpose of above disclosure.

- 32.09 This being the first year for preparation of Consolidated Financial Statement in accordance with the requirement of Companies Act, 2013 and accordingly in terms of Accounting Standard 21 on Consolidated Financial Statement, exemption has been granted for disclosure of previous year figures.

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

H.K. Verma
Partner
Kolkata, 20th May, 2016

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

TEN YEARS' FINANCIAL STATISTICS

(₹ in lacs)

	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
OPERATING RESULTS										
Sales	7981	9519	9819	9699	10556	10587	11843	9661	8727	9132
Other Income	108	158	154	339	274	374	224	439	349	357
Exceptional Income	—	—	—	—	—	989*	—	—	—	—
Total Income	8089	9677	9973	10038	10830	11950	12067	10100	9076	9489
Profit before Interest, Depreciation & Tax (PBIDT)										
Interest	33	42	63	33	66	84	122	76	86	89
Depreciation	264	301	315	351	281	364	403	414	451	388
Profit before Tax / (Loss)	1293	1802	1516	1745	1478	2320	731	66	62	(178)
Profit after Tax / (Loss)	828	1173	991	1196	1003	1646	448	80	98	(51)
Dividends	115	120	120	120	120	120	120	36	36	—
Tax on Dividend	19	20	20	20	20	19	20	6	7	—
Retained Profit	694	1033	851	1056	863	1507	308	38	55	(51)
NET ASSETS EMPLOYED										
Net Fixed Assets	1857	1987	1899	1920	2770	3560	3235	2951	2876	4440
Net Current Assets	2116	3083	3841	5499	5593	6332	6770	6677	7632**	7885
Net Assets Employed	3973	5070	5740	7419	8363	9892	10005	9628	10508	12325
Financed by –										
Shareholders' Fund	3882	4808	5645	6687	7537	9031	9335	9368	9233	9182
Borrowings	91	262	95	732	826	861	670	260	1275	3143
Funds Employed	3973	5070	5740	7419	8363	9892	10005	9628	10508	12325
RATIOS										
PBIDT to Sales (%)	19.9	22.5	19.3	22.0	17.3	26.1	10.6	5.76	6.86	3.27
Debt : Equity	0.02	0.05	0.02	0.11	0.11	0.10	0.07	0.03	0.14	0.34
Earnings per Share (Basic) (₹)	36.11	49.09	41.46	50.03	41.94	68.86	18.74	3.34	4.09	(2.14)
Dividend per Equity Share (₹)	5.00	5.00	5.00	5.00	5.00	5.00	5.00	1.50	1.50	—
Book value per Share (₹)	169.35	201.15	236.17	279.76	315.32	377.82	390.54	391.92	386.27	384.14

* 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.