



International Combustion (India) Limited

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

3rd August, 2019

M/s. Bombay Stock Exchange Ltd.
Corporate Relationship Department
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai - 400 001

Scrip Code : 505737
Sub : Annual Report for the FY 2018-19

Dear Sir,

In terms of Regulation 34 of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith a copy of the Annual Report of the Company for the Financial Year 2018-19 alongwith the Notice convening the 83rd Annual General Meeting of the shareholders of the Company scheduled to be held on Wednesday, 4th September, 2019 at Kala Kunj, 48, Shakespeare Sarani, Kolkata - 700 017.

Thanking You,

Yours faithfully,
For International Combustion (India) Limited

S. C. Saha
Company Secretary

Encl. : As above



International Combustion (India) Limited

CIN : L36912WB1936PLC008588

Regd. Office: Infinity Benchmark, 11th Floor, Plot No. G-1, Block EP & GP

Sector V, Salt Lake Electronics Complex, Kolkata – 700 091

Phone: +91(33) 4080 3000; Fax: +91(33) 2357 6653

e-mail: info@internationalcombustion.in

Website: www.internationalcombustion.in

Notice of 83rd Annual General Meeting

Notice is hereby given that the EIGHTY-THIRD ANNUAL GENERAL MEETING of the shareholders of International Combustion (India) Limited shall be held at Kala Kunj, 48, Shakespeare Sarani, Kolkata – 700017 on Wednesday, the 4th September, 2019 at 2.00 P.M. to transact the following businesses:

As Ordinary Businesses & As Ordinary Resolutions

1. To receive, consider and adopt the Annual Audited Financial Statements (both Standalone & Consolidated) of the Company for the Financial Year ended 31st March, 2019, drawn up in accordance with the Indian Accounting Standards (IND AS) as prescribed by the Companies (Indian Accounting Standards) Rules, 2015, i.e. the Statement of Profit & Loss, including the Statement of Other Comprehensive Income, for the Financial Year ended 31st March, 2019, the Balance Sheet as on that date and the Cash Flow Statement and the Statement of Changes in Equity for the Financial Year ended on that date (including the notes, schedules, annexures & attachments thereto) together with the Reports of the Board of Directors (including its annexures & attachments) and Auditors (including its annexures) thereon.
2. To declare a Dividend.
3. To appoint a Director in place of Mr. Sanjay Bagaria (DIN 00233455), who retires by rotation and being eligible, offers himself for re-appointment.

As Special Businesses

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution :
“RESOLVED THAT pursuant to Regulation 17(1A) of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the consent and approval of the shareholders of the Company be and is hereby accorded to the continuance in office of Mrs. (Prof.) Bharati Ray (DIN 06965340), an Independent Director of the Company, with effect from 1st April, 2019 till the completion of her first term of five years under the Companies Act, 2013, i.e. till the close of business on 6th April, 2020.”
5. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:
“RESOLVED THAT pursuant to Sections 149 & 152 of the Companies Act, 2013, read with Schedule IV to the said Act, any other applicable provisions of the said Act and Regulation 17(1A) of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the current term of office of Mrs. (Prof.) Bharati Ray (DIN 06965340) as an Independent Director of the Company expiring at the close of business on 6th April, 2020, the consent and approval of the shareholders of the Company be and is hereby accorded to her re-appointment as an Independent Director of the Company for a second and final consecutive term, under the Act, of five years with effect from 7th April, 2020, she having duly consented to such re-appointment and having filed with the Company the requisite declaration as per Section 149(7) of the said Act and whose period of office shall not be liable to be determined by retirement of Directors by rotation.”



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

“RESOLVED THAT pursuant to Regulation 17(1A) of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the consent and approval of the shareholders of the Company be and is hereby accorded to the continuance in office of Mr. Ratan Lal Gaggar (DIN 00066068), an Independent Director of the Company, with effect from 1st April, 2019 till the completion of his second and final consecutive term of five years under the Companies Act, 2013, i.e. till the close of business on 31st March, 2024.”

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

“RESOLVED THAT pursuant to Section 197(1) of the Companies Act, 2013 (hereinafter referred to as “the said Act”), read with Schedule V to the said Act and any other applicable provisions of the said Act, the consent and approval of the shareholders of the Company be and is hereby accorded for the payment of an aggregate managerial remuneration to the Directors of the Company of upto Rs. 206.11 lakhs for the Financial Year ended 31st March, 2019, as detailed in the Explanatory Statement appended to the Notice convening the 83rd Annual General Meeting of the shareholders of the Company scheduled to be held on 4th September, 2019, but excluding the sitting fees paid to Non-Executive Directors for attending Board & Committee meetings during the Financial Year ended 31st March, 2019, notwithstanding that such aggregate managerial remuneration of upto Rs. 206.11 lakhs payable by the Company to its Directors during the said Financial Year ended 31st March, 2019, exceeds 11% of the net profits of the Company calculated in the manner laid down in Section 198 of the said Act.”

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

“RESOLVED THAT pursuant to Regulation 17(6)(ca) of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the consent and approval of the shareholders of the Company be and is hereby accorded for the payment to Mr. Sanjay Bagaria, Non-Executive Chairman of a total gross remuneration of upto Rs. 14.47 lakhs, for the Financial Year ended 31st March, 2019, comprising of a Commission of upto Rs. 12.37 lakhs, being the Commission payable @ 2% of the net profits of the Company calculated in the manner set out in Section 198 of the Companies Act, 2013, and sitting fees of Rs. 2.10 lakhs paid to him for attending Board & Committee meetings during the said Financial Year, notwithstanding that such total gross remuneration of upto Rs. 14.47 lakhs, exceeds 50% of the aggregate sum total of the remuneration payable to all the Non-Executive Directors of the Company (including Mr. Bagaria) put together.”

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

“RESOLVED THAT pursuant to Section 148(3) of the Companies Act, 2013, read with Rule 14 of the Companies (Audit & Auditors) Rules, 2014, the consent and approval of the shareholders of the Company be and is hereby accorded for the payment of a remuneration of Rs. 80,000/- (Rupees Eighty Thousand Only) plus Goods and Services Tax (GST) as may be applicable and reimbursement of actual out-of-pocket expenses as may be incurred, to M/s. S. Datta & Co. of Flat No. 4A, 4th Floor, 39, Baguiati Road, Kolkata – 700 028, Cost Accountants in Practice, the Cost Auditors of the Company appointed for auditing the cost accounting records of the Company for the Financial Year ended 31st March, 2019, relating to all the products manufactured by the Company, whether belonging to the Heavy Engineering Division, the Geared Motors/Gear Box Division or Building Material Division and across all the plants of the Company, which remuneration was duly recommended by the Audit Committee of the Board of Directors of the Company and also duly approved by the Board of Directors of the Company.”

Place : Kolkata
Date : 8th May, 2019

By Order of the Board
Suhas Chandra Saha
Company Secretary

Notes:

1. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a Member of the Company.** A person can act as proxy on behalf of such number of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company provided that a member holding more than ten percent of the total share capital of the Company may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. Proxies, in order to be effective, must be in the Form No. MGT-11 appended to the Companies (Management and Administration) Rules, 2014, and received by the Company not less than 48 hours before the meeting.
2. The Register of Members and the Share Transfer Books of the Company shall remain closed from Thursday, 29th August, 2019 to Wednesday, 4th September, 2019 (both days inclusive).
3. Corporate members are requested to send/bring a duly certified copy of Board/Governing body Resolution under Section 113 of the Companies Act, 2013, authorising their representative to attend and vote on their behalf.
4. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Businesses is annexed hereto.
5. Members are requested to bring their attendance slips alongwith copy of the Annual Report to the Annual General Meeting.
6. The dividend, if declared at the Meeting, shall be paid to those members/beneficial owners, whose names appear on the Company's Register of Members as at the close of business on Wednesday, 28th August, 2019, or to their mandattes. The said Dividend, if declared, shall be paid/dispatched **on or after Monday, 16th September, 2019**, and within the time-limit specified in the Companies Act, 2013.
7. In respect of the unpaid/unclaimed dividends on the equity shares of the Company declared upto and inclusive of the Financial Year ended 31st March, 1995 (FY 1994-95), which have been transferred to the General Revenue Account of the Government of India, the concerned shareholders may claim the same by making an application to the Registrar of Companies, West Bengal, in Form II of the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978, alongwith a copy of their Aadhaar Card and Cancelled Cheque leaf.
8. In respect of the unpaid/unclaimed dividends on the equity shares of the Company declared thereafter i.e. from the Financial Year ended 31st March, 1996 (FY 1995-96) to the Financial Year ended 31st March, 2011 (FY 2010-11), which have been transferred to the Investor Education & Protection Fund of the Ministry of Corporate Affairs, Government of India, the concerned shareholders may claim the same by submitting an online application to the Investor Education & Protection Fund Authority in e-Form IEPF-5 available on the website www.iepf.gov.in and thereafter by sending the following documents to the Company at its registered office:-
 - a) Print out of duly filed e-Form IEPF-5 duly signed by the shareholder,
 - b) Copy of acknowledgement for filing the e-Form IEPF-5,
 - c) Indemnity Bond (original) in the format prescribed, duly signed by the shareholder,
 - d) Advance Stamped receipt (original) in the format prescribed, duly signed by the shareholder,
 - e) Copy of the Aadhaar Card of the shareholder,
 - f) Copy of the PAN Card of the shareholder, and
 - g) Cancelled Cheque leaf of the shareholder.



9. In accordance with the provisions of Section 124 of The Companies Act, 2013 (the Act), the unpaid/unclaimed dividend for the Financial Year ended 31st March, 2012 (Financial Year 2011-12) shall be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government after 8th October, 2019. Shareholders who have not so far encashed their dividend warrants for the said Financial Year 2011-12, are **requested to claim immediately** the dividend in writing either to the Company at its Registered Office address or to the Company's Registrar & Share Transfer Agents, M/s. C. B. Management Services (P) Ltd., P-22, Bondel Road, Kolkata 700019, on or before 30th September, 2019.
10. The Shareholders who have not encashed their dividend warrants for the Financial Years 2012-13 to 2014-15, are requested to claim immediately the dividend in writing either to the Company at its Registered Office address or to the Company's Registrar & Share Transfer Agents at the address given under Item No. 8 above.
11. As required under Section 124(6) of the Companies Act, 2013, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, which were notified on 7th September, 2016, general newspaper notice was published and specific notice by Registered Post was sent to those shareholders, whose dividend warrants for seven consecutive Financial Years were remaining unencashed, requesting them to claim the said dividends within a period of three months of the said notice, failing which their shares would have to be transferred to the Investor Education and Protection Fund Authority (IEPF Authority). Subsequently, in November, 2017, equity shares of 21,127 nos. of the Company, representing 0.88% of the paid-up equity share capital of the Company and belonging to shareholders who had not encashed their dividend warrants for seven consecutive Financial Years, were transferred in favour of the Investor Education and Protection Fund Authority in dematerialized form. Further, after giving due notice as mentioned above, in October, 2018, equity shares of 1,803 nos. of the Company, representing 0.08% of the paid-up equity share capital of the Company were transferred in favour of the Investor Education and Protection Fund Authority in dematerialized form. Once the concerned shareholders claim their unpaid/unclaimed dividends by submitting e-Form IEPF-5 as aforesaid and fulfilling other requirements, the underlying equity shares shall also be credited to their demat accounts.
12. Further, the Company shall be giving three months' notice to those shareholders whose shares are due to be transferred in favour of the IEPF Authority during the Financial Year 2019-20 by sending individual letters to them through Registered Post, hosting the details of the relevant shares on the Company website and by issuing necessary advertisements in newspapers as required under the aforementioned Rules.
The concerned shareholders may yet claim any of their dividends before actual transfer of the said shares to the IEPF Authority, whereupon the shares would not be so transferred.
13. Shareholders holding shares in physical form are requested to notify immediately to the Registrar & Share Transfer Agents any change of address and/or "Pin Code" in case the mailing address mentioned on this Notice is without Pin Code/incorrect Pin Code.
14. In terms of the provisions of Section 72 of the Companies Act, 2013, individual shareholders holding shares in physical form, may make nomination in Form SH-13 which can be obtained from the Registrar & Share Transfer Agents of the Company. However, in case of dematerialized holdings, the shareholders should approach their respective depository participants for making nominations.
15. Members, who have multiple accounts in identical names or joint names in same order are requested to intimate the Registrar & Share Transfer Agents, M/s. C.B. Management Services (P) Ltd., at their address given under item no. 8 above, the Ledger Folios of such accounts to enable the Company to consolidate all such shareholdings into one account.

16. Member are also requested to update their Permanent Account Number (PAN) and bank account details by sending to the Company/ RTA, a copy of their PAN card and original cancelled cheque leaf /attested bank passbook showing name of account holder as required under Circular SEBI/HO/MIRSD/DOP1/ CIR/P/2018/73 dated April 20, 2018 issued by the Securities and Exchange Board of India.
17. Members are requested to fill in the Attendance Slips in all respects including Folio No. or DP ID/ Client ID as the case may be and sign the same before presenting to registration desk at the venue of AGM.
18. In terms of the Companies Act, 2013 and the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Annual Report for the Financial Year 2018-19 in electronic form shall be sent by e-mail to those shareholders who have intimated/registered their e-mail addresses for the purpose. In addition, the Annual Report for the Financial Year 2018-19 in physical form shall be sent to those shareholders who have not intimated/ registered their e-mail addresses for the purpose of receiving the same in electronic form. It may please be noted that the full text of the Annual Report shall also be available in an easily navigable format on the website of the Company at www.internationalcombustion.in for download by the shareholders. Further, as mandated under law, a full copy of the Annual Report for the Financial Year 2018-19 in physical form shall be dispatched to those shareholders who make a specific request for the same.

Voting through electronic means

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM (“remote e-voting”) will be provided by National Securities Depository Limited (NSDL).
- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on **Sunday, 1st September, 2019 (9:00 am)** and ends on **Tuesday, 3rd September, 2019 (5:00 pm)**. During this period members’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. **Wednesday, 28th August, 2019**, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. **The process and manner for remote e-voting are as under:**
 - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participant(s)]:
 - (i) Open email and open PDF file i.e. “**International Combustion (India) Ltd. remote e-voting.pdf**” with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.



- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
- (iii) Click on Shareholder - Login
- (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
- (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
- (vii) Select “EVEN” of “**International Combustion (India) Limited**”.
- (viii) Now you are ready for remote e-voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
- (x) Upon confirmation, the message “Vote cast successfully” will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to arupkroy@rediffmail.com with a copy marked to evoting@nsdl.co.in

- B. In case a Member receives physical copy of the Notice of AGM [for members whose email Ids are not registered with the Company/Depository Participant(s) or requesting physical copy]:
- (i) Initial password is provided in e-voting particulars annexed to the Notice for the AGM in the following format:
EVEN (Remote e-voting Event Number) USER ID/PASSWORD/PIN
 - (ii) Please follow all steps from Sl. No.(A) (ii) to Sl. No.(A) (xii) above, to cast vote.

VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.

VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.

VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the **cut-off date of 28th August, 2019**.

X. a) Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 28th August, 2019, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA, mentioning his/her Folio No. or DP ID & Client ID.

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990. In case shareholders are holding

shares in demat mode, USER-ID is the combination of (DPID+ClientID) and in case shareholders are holding shares in physical mode, USER-ID is the combination of (EVEN NO.+FOLIO NO.)

If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

- b) Members can also use the OTP (One Time Password) based on login for casting the votes on the e-Voting system of NSDL.
- i) After entering your password, click on Agree to “Terms and Conditions” by selecting on the check box.
 - ii) Now, you will have to click on “Login” button.
 - iii) After you click on the “Login” button, Home page of e-Voting will open.

XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

XIII. Mr. Arup Kumar Roy, Practicing Company Secretary (Membership No. ACS-6784 ; CoP No. 9597) has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

XIV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of “Polling Paper” for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

XV. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than forty eight hours from the conclusion of the AGM, a consolidated scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

XVI. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.internationalcombustion.in and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

Brief Profile of the Directors Seeking Appointment/Re-Appointment/Continuance at the forthcoming 83rd Annual General Meeting Pursuant to Regulation 36 of the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015

Name	Sanjay Bagaria	Ratan Lal Gaggar	Bharati Ray
Age	57 years	86 years	85 years
Qualifications	Bachelor of Commerce	B. A. (Hons.), LLB	M.A., Ph.D.
Other Professional Membership	-	-	-
Expertise in specific functional areas	31 years’ experience in Corporate Management.	Practicing as a Solicitor & Advocate at the Hon’ble High Court at Calcutta since last more than 51 years.	32 years’ professional experience –14 years’ experience in university teaching & research, 8 years’ in academic administration, 6 years’ as a Member of Rajya Sabha in Parliament and 4 years’ experience as an Independent Director in Companies.



Name	Sanjay Bagaria	Ratan Lal Gaggar*	Bharati Ray
List of other Companies in which Directorship held	● Mahadeo Jute & Industries Ltd.	● Mayfair Hotels & Resorts Ltd.	IFGL Refractories Limited
	● Jagatdal Jute & Industries Ltd.	● Duroply Industries Ltd.	
	● Odyssey Travels Ltd.	● TIL Ltd.	
	● Bagaria More Co. Ltd.	● Paharpur Cooling Towers Ltd.	
	● Bee Emm Trade Holdings Pvt. Ltd.	● Sumedha Fiscal Services Limited	
	● Mozer Process Technology Private Limited	● Shree Cement Limited ● Machino Polymer Ltd. ● Subhash Kabini Power Corporation Ltd.	
Membership of the Committees of the Board of other Companies in which he/she is a Director	NIL	Audit Committee -	NIL
		● TIL Ltd.	
		● Shree Cement Ltd.	
		● Paharpur Cooling Towers Ltd.	
		● Duroply Industries Ltd.	
		● Subhash Kabini Power Corporation Ltd.	
		Stakeholders Relationship Committee -	
		● Shree Cement Ltd. (Chairman) ● Duroply Industries Ltd.	
Shareholding in the Company	43,900 Equity Shares	NIL	NIL
Inter-se Relationship between Directors	NIL	NIL	NIL

* It is to be noted that Mr. Gaggar had resigned from the Directorship of M/s. Machino Plastic Ltd. and all committee positions therein with effect from 26th April, 2019.

By Order of the Board

Place : Kolkata
Date : 8th May, 2019

Suhas Chandra Saha
Company Secretary

Explanatory Statement Pursuant to Section 102(1) of the Companies Act, 2013, in respect of the Special Businesses set out in item nos. 4 to 8 of the Notice convening the 83rd Annual General Meeting of the Shareholders of the Company Scheduled to be held on Wednesday, September 4, 2019

Item No. 4

The appointment of Mrs. (Prof.) Bharati Ray (DIN 06965340) as an Independent Director on the Board of Directors of the Company for a period of five years with effect from 7th April, 2015, under the Companies Act, 2013, was approved by the shareholders of the Company at their 79th Annual General Meeting (AGM) held on 18th September, 2015.

Mrs. (Prof.) Ray is an Independent Director of the Company within the meaning of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015. Mrs. (Prof.) Ray, being an Independent Director on the Board of Directors of the Company, is not liable to retire by rotation in terms of the provisions of Section 149(13) of the Companies Act, 2013.

However, as per Regulation 17(1A) of the SEBI (LODR) Regulations, 2015, brought into force with effect from 1st April, 2019, no Company shall appoint/ re-appoint or continue in office any person, who has attained the age of seventy-five years, as a non-executive Director on its Board, unless approval is accorded to by the shareholders by means of a Special Resolution. Currently, Mrs. (Prof.) Ray is 85 years old.

The Board of Directors of the Company, at its meeting held on 8th May, 2019, formed an opinion that Mrs. (Prof.) Ray continues to be a person of integrity and fulfills the conditions specified in the Act & rules made thereunder and that she is independent of the Management.

Approval of the members is therefore being sought by means of a Special Resolution in terms of Regulation 17(1A) of SEBI (LODR) Regulations, 2015, for the continuance in office of Mrs. (Prof.) Ray as an Independent Director on the Board of Directors of the Company for the remainder of her first term of five years under the Act, till 6th April, 2020.

Accordingly and as required under Regulation 17(11) of SEBI (LODR) Regulations, 2015, the Board recommends to the shareholders, the continuance in office of Mrs. (Prof.) Ray as an Independent Director of the Company for the remainder of her first term of five years under the Act, till 6th April, 2020. In view of the relevant experience and expertise possessed by Mrs. (Prof.) Ray, the Board is of the opinion that the continuance in office of Mrs. (Prof.) Ray as an Independent Director on the Board of the Company is justified despite the fact that Mrs. (Prof.) Ray has attained the age of seventy-five years.

The Company and Mrs. (Prof.) Ray, Independent Director, shall abide by the provisions specified in Schedule IV to the Companies Act, 2013, relating to the Code of Conduct for Independent Directors.

The Board is of the opinion that it would be in the interest of the Company if Mrs. (Prof.) Ray continues in office as an Independent Director. The Board recommends that the resolution set out in Item No. 4 of the Notice be approved by the members by means of a Special Resolution.

Mrs. (Prof.) Ray may be deemed to be interested in the resolution set out in the said Item No. 4. No other Director/Key Managerial Personnel or their relatives are concerned or interested in the said resolution.



Item No. 5

The appointment of Mrs. (Prof.) Bharati Ray (DIN 06965340) as an Independent Director on the Board of Directors of the Company for a period of five years with effect from 7th April, 2015 was approved by the shareholders of the Company at their 79th Annual General Meeting (AGM) held on 18th September, 2015.

Mrs. (Prof.) Ray, being an Independent Director on the Board of Directors of the Company, is not liable to retire by rotation in terms of the provisions of Section 149(13) of the Companies Act, 2013. However, in accordance with Section 149(10) of the Companies Act, 2013, her term in office as an Independent Director on the Board of the Company expires at the close of business on 6th April, 2020, on the completion of five years from the effective date of her appointment. Mrs. (Prof.) Ray, being eligible for a second and final consecutive term of five years under the Act and having consented to such second and final consecutive term, the Board has accorded its approval for such re-appointment which is subject, however, to the approval of the shareholders of the Company by means of a Special Resolution, which is herewith being placed at their ensuing 83rd Annual General Meeting, as required under Section 149(10) of the Act.

Mrs. (Prof.) Ray is an Independent Director of the Company within the meaning of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015. The Board of Directors of the Company, at its meeting held on 8th May, 2019, formed an opinion that Mrs. (Prof.) Ray continues to be a person of integrity and possesses relevant expertise and experience for being re-appointed as an Independent Director of the Company. In the opinion of the Board, Mrs. (Prof.) Ray fulfills the conditions specified in the Act and the rules made thereunder and that she is independent of the Management. Mrs. (Prof.) Ray has also submitted a declaration as required under Section 149(7) of the Act and Regulation 25(8) of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the effect that she continues to meet the criteria of independence as specified in Section 149(6) of the Act and as provided in Regulation 16(1)(b) of the said Regulations and that she is not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact her ability to discharge her duties with an objective independent judgment and without any external influence.

Further, as per Regulation 17(1A) of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, brought into force with effect from 1st April, 2019, no Company shall appoint/re-appoint or continue in office any person, who has attained the age of seventy-five years, as a non-executive Director on its Board, unless approval is accorded to by the shareholders by means of a Special Resolution. Currently, Mrs. (Prof.) Ray is 85 years old.

Approval of the members is therefore being sought by means of a Special Resolution for the re-appointment of Mrs. (Prof.) Ray as an Independent Director of the Company for a second and final consecutive term of five years with effect from 7th April, 2020, both in terms of Section 149(10) of the Companies Act, 2013, read with Section 152 of the said Act and in accordance with the requirements of Regulation 17(1A) of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Accordingly and as required under Regulation 17(11) of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board recommends to the shareholders, the re-appointment of Mrs. (Prof.) Ray as an Independent Director of the Company for a further period of five years. In view of the relevant experience and expertise possessed by Mrs. (Prof.) Ray, the Board is of the opinion that the re-appointment of Mrs. (Prof.) Ray as an Independent Director on the Board of the Company is justified despite the fact that Mrs. (Prof.) Ray has attained the age of seventy-five years.

The Company and Mrs. (Prof.) Ray, Independent Director, shall abide by the provisions specified in Schedule IV to the Companies Act, 2013, relating to the Code of Conduct for Independent Directors, and shall be governed and guided by the guidelines of professional conduct, role and functions, duties, manner of appointment/re-appointment, resignation or removal, separate meetings and evaluation mechanism as provided therein.

In accordance with Section 149(13) of the said Act, Mrs. (Prof.) Ray, Independent Director, shall not be liable to retire by rotation during her second and final consecutive term of five years. Mrs. (Prof.) Ray shall not be eligible for re-appointment as an Independent Director of the Company for a third term under the Act before the expiry of three years after the completion of her aforementioned second and final consecutive term of five years under the Act.

The Board is of the opinion that it would be in the interest of the Company to re-appoint Mrs. (Prof.) Ray as an Independent Director. The Board recommends that the resolution set out in Item No. 5 of the Notice be approved by the members by means of a Special Resolution.

Mrs. (Prof.) Ray may be deemed to be interested in the resolution set out in the said Item No. 5. No other Director/ Key Managerial Personnel or their relatives are concerned or interested in the said resolution.

Item No. 6

The appointment of Mr. Ratan Lal Gaggar (DIN 00066068) as an Independent Director on the Board of Directors of the Company for a period of five years with effect from 1st April, 2014, under the Companies Act, 2013, was approved by the shareholders of the Company at their 78th Annual General Meeting (AGM) held on 12th September, 2014. Further, his re-appointment as an Independent Director for a second and final consecutive term of five years with effect from 1st April, 2019 under the Act was approved by the shareholders of the Company vide a Special Resolution passed at their 82nd Annual General Meeting (AGM) held on 3rd September, 2018.

Mr. Gaggar is an Independent Director of the Company within the meaning of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015. Mr. Gaggar, being an Independent Director on the Board of Directors of the Company, is not liable to retire by rotation in terms of the provisions of Section 149(13) of the Companies Act, 2013.

However, as per Regulation 17(1A) of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, brought into force with effect from 1st April, 2019, no Company shall appoint/re-appoint or continue in office any person, who has attained the age of seventy-five years, as a non-executive Director on its Board, unless approval is accorded to by the shareholders by means of a Special Resolution. Currently, Mr. Gaggar is 86 years old.

The Board of Directors of the Company, at its meeting held on 8th May, 2019, formed an opinion that Mr. Gaggar continues to be a person of integrity and possesses relevant expertise and experience for continuing in office as an Independent Director of the Company. In the opinion of the Board, Mr. Gaggar fulfills the conditions specified in the Act and the rules made thereunder and that he is independent of the Management.

Approval of the members is therefore being sought by means of a Special Resolution in terms of Regulation 17(1A) of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the continuance in office of Mr. Gaggar as an Independent Director on the Board of Directors of the Company for the remainder of his second and final consecutive term of five years under the Act, till 31st March, 2024.



Accordingly and as required under Regulation 17(11) of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board recommends to the shareholders, the continuance in office of Mr. Gaggar as an Independent Director of the Company for the remainder of his second and final consecutive term of five years under the Act, till 31st March, 2024. In view of the relevant experience and expertise possessed by Mr. Gaggar, the Board is of the opinion that the continuance in office of Mr. Gaggar as an Independent Director on the Board of the Company is justified despite the fact that Mr. Gaggar has attained the age of seventy-five years.

The Company and Mr. Gaggar, Independent Director, shall abide by the provisions specified in Schedule IV to the Companies Act, 2013, relating to the Code of Conduct for Independent Directors, and shall be governed and guided by the guidelines of professional conduct, role and functions, duties, manner of appointment/re-appointment, resignation or removal, separate meetings and evaluation mechanism as provided therein.

In accordance with Section 149(13) of the said Act, Mr. Gaggar, Independent Director, shall not be liable to retire by rotation during his second and final consecutive term of five years under the Act. Mr. Gaggar shall not be eligible for re-appointment as an Independent Director of the Company for a third term under the Act before the expiry of three years after the completion of his aforementioned second and final consecutive term of five years under the Act.

The Board is of the opinion that it would be in the interest of the Company if Mr. Gaggar continues in office as an Independent Director. The Board recommends that the resolution set out in Item No. 6 of the Notice be approved by the members by means of a Special Resolution.

Mr. Gaggar may be deemed to be interested in the resolution set out in the said Item No. 6. No other Director/ Key Managerial Personnel or their relatives are concerned or interested in the said resolution.

Item No. 7

The shareholders of the Company, vide a Special Resolution passed at their 81st Annual General Meeting (AGM) held on 20th September, 2017, had approved payment to Mr. Sanjay Bagaria (DIN 00233455), Chairman & Non-Executive Director of the Company, of a Commission @ 2% of the net profits of the Company, to be calculated in the manner set out in Section 198 of the Companies Act, 2013, for a period of 5 years commencing with the Financial Year ended 31st March, 2018, subject to the approval of the Central Government, for which necessary application was made. However, with the enactment of the Companies (Amendment) Act, 2017, amending Section 197 of the Companies Act, 2013, brought into force with effect from 12th September, 2018, which mandated that all applications pending with the Central Government under Section 197 of the Companies Act, 2013, on that date, shall abate. The Ministry of Corporate Affairs, Government of India, vide its letter dated 22nd October, 2018, intimated the Company accordingly and closed the application. The effect of the said amendment, is that if the remuneration paid by the Company in any financial year to all its Directors put together, excluding sitting fees for attending meetings of the Board & its Committees, exceeds 11% of the net profits of the Company to be calculated in the manner set out in Section 198 of the Companies Act, 2013, the same shall be approved by the shareholders of the Company by means of a Special Resolution.

Further, the shareholders of the Company, vide a Special Resolution passed at their 82nd Annual General Meeting (AGM) held on 3rd September, 2018, had approved the re-appointment of Mr. Indrajit Sen (DIN 00216190) as the Managing Director of the Company for a further period of three years with effect from 1st May, 2018, at a remuneration which is duly compliant with the provisions of Section 197 of the Companies

Act, 2013 read with Schedule V to the said Act. The remuneration paid to Mr. Sen during the Financial Year 2018-19 was Rs. 193.74 lakhs.

The commission computed @ 2% of the net profits of the Company payable to Mr. Bagaria for the Financial Year 2018-19 works out to Rs. 12.37 lakhs and thus the combined total remuneration of Rs. 206.11 lakhs payable for the Financial Year 2018-19 to all the Directors put together, excluding sitting fees for attending meetings of the Board & its Committees, exceeds 11% of the net profits of the Company calculated in the manner set out in Section 198 of the Companies Act, 2013. Hence, the approval of the shareholders of the Company by means of a Special Resolution has become necessary.

Approval of the members of the Company is therefore being sought under Section 197 of the Companies Act, 2013, by means of a Special Resolution, for the payment of a combined total remuneration to all the Directors of the Company put together, excluding sitting fees for attending meetings of the Board & its Committees, during the Financial Year 2018-19, upto a sum of Rs. 206.11 lakhs, notwithstanding that the same exceeds 11% of the net profits of the Company for the said Financial Year, calculated in the manner set out in Section 198 of the Companies Act, 2013.

Accordingly and as required under Regulation 17(11) of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board recommends to the shareholders, the payment of a combined total remuneration to all the Directors of the Company put together, excluding sitting fees for attending meetings of the Board & its Committees, during the Financial Year 2018-19, upto a sum of Rs. 206.11 lakhs, notwithstanding that the same exceeds 11% of the net profits of the Company for the said Financial Year, calculated in the manner set out in Section 198 of the Companies Act, 2013.

The Board is of the opinion that it would be in the interest of the Company to make payment of the aforementioned remuneration. The Board recommends that the resolution set out in Item No. 7 of the Notice be approved by the members by means of a Special Resolution.

Mr. Bagaria and Mr. Sen may be deemed to be interested in the resolution set out in the said Item No. 7. No other Director/Key Managerial Personnel or their relatives are concerned or interested in the said resolution.

Item No. 8

As stated in the explanatory statement to the preceding item of business at Item No. 6, Mr. Sanjay Bagaria (DIN 00233455), Chairman & Non-Executive Director of the Company, is entitled to a Commission @ 2% of the net profits of the Company, to be calculated in the manner set out in Section 198 of the Companies Act, 2013, for a period of 5 years commencing with the Financial Year ended 31st March, 2018, which, for the Financial Year 2018-19, works out to Rs. 12.37 lakhs.

All the non-executive Directors of the Company are entitled to a sitting fee of Rs. 10,000/- for attending each meeting of the Board or Committee thereof in accordance with the resolution passed by the Board of Directors of the Company at its meeting held on 7th April, 2015, which is within the limits prescribed under the relevant provisions of the Companies Act, 2013 and the rules made thereunder. During the Financial Year 2018-19, all the non-executive Directors of the Company, put together, were paid an aggregate sitting fees of Rs. 7,00,000/- out of which Mr. Sanjay Bagaria was paid a sitting fee of Rs. 2,10,000/-.

As per Regulation 17(6)(ca) of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the approval of the shareholders by means of a Special Resolution shall be required in cases where a single non-executive Director is proposed to be paid remuneration in any financial year in excess of 50% of the aggregate sum total of the remuneration payable to all the Non-Executive Directors of the Company put together.



As the remuneration proposed to be paid to Mr. Sanjay Bagaria for the Financial Year 2018-19 aggregates upto Rs. 14.47 lakhs (inclusive of Commission of Rs. 12.37 lakhs and sitting fees of Rs. 2.10 lakhs) and would exceed 50% of the aggregate sum total of the remuneration payable to all the Non-Executive Directors of the Company (including Mr. Bagaria) put together during the said Financial Year, the approval of the shareholders of the Company by means of a Special Resolution would be required and hence your approval is being sought for the same. On payment of the Commission of upto Rs. 12.37 lakhs to Mr. Bagaria, the aggregate sum total of the remuneration, including sitting fees, that would be paid to all the Non-Executive Directors of the Company (including Mr. Bagaria) put together, during the Financial Year 2018-19 would be Rs. 19.37 lakhs.

Accordingly and as required under Regulation 17(11) of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board recommends to the shareholders, the payment of a gross total remuneration of upto Rs. 14.47 lakhs (inclusive of Commission of Rs. 12.37 lakhs and sitting fees of Rs. 2.10 lakhs) to Mr. Sanjay Bagaria, Non-Executive Chairman, for the Financial Year 2018-19, notwithstanding that the same exceeds 50% of the aggregate sum total of the remuneration that would be paid to all the Non-Executive Directors of the Company (including Mr. Bagaria) put together during the said Financial Year.

The Board is of the opinion that it would be in the interest of the Company to make payment of the aforementioned remuneration. The Board recommends that the resolution set out in Item No. 8 of the Notice be approved by the members by means of a Special Resolution.

Mr. Bagaria may be deemed to be interested in the resolution set out in the said Item No. 8. No other Director/ Key Managerial Personnel or their relatives are concerned or interested in the said resolution.

Item No. 9

As the sales turnover of the Company was in excess of Rs. 100 crores for the Financial Year ended 31st March, 2018, audit of the Cost Accounting records of the Company relating to all the products manufactured by the Company, had become mandatory for the Financial Year ending 31st March, 2019, in accordance with Section 148 of the Companies Act, 2013, read with the Companies (Cost Records and Audit) Rules, 2014.

Accordingly, pursuant to the aforementioned legislative provisions and also in compliance with the relevant provisions of the Companies (Audit and Auditors) Rules, 2014, the Board of Directors of the Company, at their meeting held on 8th August, 2018, taking into consideration the recommendations of the Audit Committee on the matter, appointed M/s. S. Datta & Co. of Flat No. 4A, 4th Floor, 39, Baguiati Road, Kolkata – 700 028, Cost Accountants in Practice, as the Cost Auditors for auditing the cost accounting records for the Financial Year ended 31st March, 2019, relating to all the products manufactured by the Company, whether belonging to the Heavy Engineering Division, the Geared Motors/Gear Box Division or Building Material Division and across all the plants of the Company, at a remuneration of Rs. 80,000/- (Rupees Eighty Thousand Only) plus Goods and Services Tax (GST) and reimbursement of actual out-of-pocket expenses incurred, if any, subject to the approval of the said remuneration by the shareholders of the Company.

Section 148 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, mandates that the remuneration payable to the Cost Auditors shall be ratified by the shareholders of the Company and hence your approval is being sought for the same.

Accordingly and as required under Regulation 17(11) of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board recommends to the shareholders, the ratification/approval of the aforementioned remuneration payable to the Cost Auditors.

The Board is of the opinion that the same would be in the interest of the Company. The Board recommends that the resolution set out in Item No. 9 of the Notice be approved by the members by means of an Ordinary Resolution.

None of the Directors/Key Managerial Personnel or their relatives are concerned or interested in the said resolution.

By Order of the Board

Place : Kolkata
Date : 8th May, 2019

Suhas Chandra Saha
Company Secretary



Annual Report
2018-19



**International Combustion
(India) Limited**



Corporate Information

Board of Directors

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

Board Committees

Audit Committee

Mr. Ravi Ranjan Prasad	<i>Chairman</i>
Mr. Ratan Lal Gaggar	
Mr. Indrajit Sen	

Share Transfer & Stakeholders' Relationship Committee

Mr. Sanjay Bagaria	<i>Chairman</i>
Mr. Indrajit Sen	
Mrs. (Prof.) Bharati Ray	

Nomination & Remuneration Committee

Mr. Ratan Lal Gaggar	<i>Chairman</i>
Mr. Ravi Ranjan Prasad	
Mr. Sanjay Bagaria	

Corporate Social Responsibility (CSR) Committee

Mr. Sanjay Bagaria	<i>Chairman</i>
Mrs. (Prof.) Bharati Ray	
Mr. Ratan Lal Gaggar	

Risk Management Committee

Mr. Sanjay Bagaria	<i>Chairman</i>
Mr. Indrajit Sen	
Mr. Suhas Chandra Saha	

Company Secretary

Mr. Suhas Chandra Saha

Chief Financial Officer

Mr. Asish Kumar Neogi

Presiding Officer of Internal Complaints Committee under The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013

Mrs. Swagata Roy, Assistant General Manager-Finance

Statutory Auditors

M/s. Ray & Ray, 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) 4080 3000
Fax: (033) 2357-6653
Email: info@internationalcombustion.in
Website: www.internationalcombustion.in

Contents

Directors' Report	02	Cash Flow Statement	63
Annexures to Directors' Report	10	Notes to the Financial Statements	64
Management Discussion and Analysis	29	Form AOC-1	107
Report on Corporate Governance	33	Five Years' Financial Statistics	108
CEO/CFO Certification	49	Consolidated Financial Statements:	
Compliance with Code of Conduct	49	Consolidated Independent Auditors' Report	109
Corporate Governance Compliance Certificate	50	Balance Sheet	116
Independent Auditors' Report	51	Statement of Profit & Loss	117
Balance Sheet	60	Statement of changes in Equity	118
Statement of Profit & Loss	61	Cash Flow Statement	119
Statement of changes in Equity	62	Notes to the Consolidated Financial Statements	120

Directors' Report

To the Members,

Your Directors take pleasure in presenting the Eighty-Third Annual Report, including the Audited Annual Financial Statements of the Company for the Financial Year ended 31st March, 2019.

Financial Results (Standalone)

(₹in lakhs)

	2018-19		2017-18	
Revenue from Operations		13416		10764
Profit before depreciation, interest & tax		1242		561
Less: Interest	316		397	
Depreciation	514	830	524	921
Profit/(Loss) before Tax		412		(360)
Less: Provision for Income Tax -				
Current Tax	101		-	
Deferred Tax (reversal)/charge	(45)	56	(125)	(125)
Profit/(Loss) after Tax		356		(235)
Other Comprehensive Income/(Loss) for the year (net of tax)		(19)		(14)
Total Comprehensive Income/(Loss)		337		(249)

Dividend

Your Directors are pleased to recommend a dividend of 10% (i.e. Re. 1/- per equity share) on 23,90,276 equity shares of the face / nominal value of Rs.10/- each for the Financial Year ended 31st March, 2019. The dividend, if approved at the forthcoming Annual General Meeting, will absorb Rs. 23.90 lakhs excluding tax on dividend of Rs. 4.91 lakhs.

Operations and State of the Company's Affairs

For the year under review, there has been significant improvement in the performance of the Heavy Engineering Division and Bauer Division of the Company and the revenue from operations for the Company was Rs. 13416 lakhs as against Rs. 10764 lakhs of the previous year. The EBIDTA for the year was Rs. 1242 lakhs as against Rs. 561 lakhs for the previous year and the Profit Before Tax was Rs. 412 lakhs as against loss of Rs. 360 lakhs for the previous year.

The market for Building Material Division continued to be sluggish and this has adversely affected the performance of the Company for the current year.

Future Outlook

For the year under review, the business growth of Engineering Division was 34% and that of Bauer Division was 18% and this growth is expected to continue.

There has been significant improvement in the business of Crushers and the demand is expected to grow in the future years in view of Government of India's strong focus on development of infrastructure.

In the year under review, the business of Building Material Division remained sluggish and the situation was further affected by inadequate product range where many important segments were not suitably covered.

Directors' Report (Contd.)

The Company has taken necessary steps to increase the product profile to meet the market demand and has negotiated and finalized a collaboration agreement with Cementos CAPA – a leading manufacturer in Spain with global presence. The Company will manufacture various high end products under this agreement and market these in India and other Asian markets under the brand name of CAPA.

On introduction of these products under this collaboration agreement, the Company expects substantial business growth of this Division.

Joint Venture Company

Mozer Process Technology Pvt. Ltd. (MPTPL), a Joint Venture Company of the Company with Allgaier Werke GmbH, Germany, offers Mozer Dryers, which is a highly specialized product with sophisticated technology.

For the year under review, the revenue from operations of MPTPL was Rs. 157.96 lakhs as compared to Rs. 0.90 lakhs during the previous Financial Year ended 31st March, 2018. MPTPL suffered a Loss Before Tax of Rs. 10.34 lakhs during the Financial Year ended 31st March, 2019 as compared to a Loss Before Tax of Rs. 32.39 lakhs during the previous Financial Year ended 31st March, 2018.

The Company is pleased to inform that MPTPL has started to receive larger number of direct orders from Allgaier for export to various countries.

Consolidated Financial Statements

The consolidated financial statements of the Company for the Financial Year ended 31st March, 2019, prepared after taking into consideration the financial statements of its aforementioned Joint Venture Company, also forms part of the Annual Report for the FY 2018-19. The said consolidated financial statements have been prepared adopting the Indian Accounting Standards (IND AS) under equity method of consolidation, considering the transition date as 1st April, 2016. The consolidated revenue from operations and consolidated profit before tax thus arrived at for the Financial Year ended 31st March, 2019 are Rs. 13415.71 lakhs and Rs. 408.50 lakhs respectively as compared to a consolidated revenue from operations and consolidated loss before tax for the previous Financial Year ended 31st March, 2018 of Rs. 10763.90 lakhs and Rs. 375.90 lakhs respectively.

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.

The Company has no subsidiaries.

Capital Expenditure

The total capital expenditure incurred by the Company during the Financial Year under review was Rs. 248.77 lakhs.

Extract of Annual Return

An extract of the Annual Return as on the Financial Year ended on 31st March, 2019 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.

Directors' Report (Contd.)

Energy Conservation, Technology Absorption and Foreign Exchange Earnings & Outgo

With an attempt to reduce energy consumption and for better environmental management, the Company has taken multifarious steps, including the replacement of halogen lamps, fluorescent lamps & tubes and incandescent lamps with LED lamps at all its manufacturing units. The details of all such steps and other particulars regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo are set out in Annexure-II, forming part of this Report, as required under Section 134(3)(m) of the Companies Act, 2013, read with the Rule 8(3) of Companies (Accounts) Rules, 2014.

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, 2019 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, drawn during the Financial Year ended 31st March, 2019, are set out in Annexure-IV, forming part of this Report.

Number of Board Meetings

6 (Six) Board meetings of the Company were held during the Financial Year ended 31st March, 2019. 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 judgements 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, 2019 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;

Directors' Report (Contd.)

- 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

There was no change in the composition of the Board of Directors of the Company during the Financial Year under review.

Considering the recommendations of the Nomination and Remuneration Committee of the Board, the Board of Directors of the Company, at its meeting held on 26th April, 2018, reappointed Mr. Indrajit Sen (DIN : 00216190) as the Managing Director of the Company for a further period of three years with effect from 1st May, 2018, which was duly approved by the shareholders of the Company vide Special Resolution passed at their 82nd Annual General Meeting held on 3rd September, 2018.

Mrs. (Prof.) Bharati Ray (DIN 06965340), Mr. Ravi Ranjan Prasad (DIN 00030458) & Mr. Ratan Lal Gaggar (DIN 00066068), 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.

However, in accordance with Section 149 of the Companies Act, 2013, the terms in office of Mr. Ratan Lal Gaggar (DIN 00066068) and Mr. Ravi Ranjan Prasad (DIN 00030458) as Independent Directors of the Company expired/ shall expire at the close of business on 31st March, 2019 and 24th July, 2019, respectively, on the completion of five years from their respective effective dates of appointment. They being eligible for a second and final term of five years under the Act and having consented to continue in office for such second term, the shareholders of the Company by means of a Special Resolutions passed at their 82nd Annual General Meeting held on 3rd September, 2018, re-appointed them as Independent Directors for a second and final term of five years under the Act. However, in view of the recent amendments in the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, which have come into force with effect from 1st April, 2019, as Mr. Ratan Lal Gaggar has already attained the age of 75 years, the Board, after taking into consideration the recommendation of the Nomination and Remuneration Committee on the matter, has again approved the continuance in office of Mr. Ratan Lal Gaggar as an Independent Director of the Company with effect from 1st April, 2019 till the completion of his second and final term under the Act, which continuance shall, however, be again subject to the approval of the shareholders of the Company by means of a Special Resolution to be placed at their ensuing 83rd Annual General Meeting, alongwith the justification for the same in the opinion of the Board.

Further, in accordance with Section 149 of the Companies Act, 2013, the term in office of Mrs. (Prof.) Bharati Ray (DIN 06965340) as an Independent Director of the Company expires at the close of business on 6th April, 2020, on the completion of five years from the date of her appointment. She being eligible for a second and final term of five years under the Act and having consented to continue in office for such second term, the Board, after taking into consideration the recommendation of the Nomination and Remuneration Committee on the matter, has accorded its approval for such re-appointment, which is subject, however, to the approval of the shareholders of the Company by means of a Special Resolution to be placed at their ensuing 83rd Annual General Meeting.

Mr. Sanjay Bagaria (DIN : 00233455) retires by rotation at the ensuing 83rd 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 2019-20, the declarations pursuant to Section 149(7) of the Companies Act, 2013 from Mr. Ratan Lal Gagar, 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, the shareholders and the Central Government, wherever applicable.

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 of upto 2% of the net profits of the Company, subject to the approval of the Nomination and Remuneration Committee, the Board, the shareholders and the Central Government, wherever applicable.

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.

Other Key Managerial Personnel

Mr. Suhas Chandra Saha is the Company Secretary of the Company and Mr. Asish Kumar Neogi is the Chief Financial Officer of the Company.

Directors' Report (Contd.)

Auditors' Report

There are no reservations, qualifications or adverse remarks in the Auditors' Report on the Annual Financial Statements, either Standalone or Consolidated, for the Financial Year ended 31st March, 2019.

Auditors

In accordance with Section 139 of the Companies Act, 2013, M/s. Ray & Ray (Firm Registration No. 301072E), Chartered Accountants, of Webel Bhawan, Ground Floor, Block EP & GP, Bidhan Nagar, Sector V, Salt Lake, Kolkata – 700 091, were appointed as the Statutory Auditors of the Company at the 81st Annual General Meeting (AGM) of the shareholders of the Company held on 20th September, 2017, for a period of five years with effect from the conclusion of the said 81st AGM till the conclusion of the 86th AGM.

Cost Records and Audit

In terms of the provisions of Section 148(1) of the Companies Act, 2013, read with the Companies (Cost Records and Audit) Rules, 2014, the Company is required to maintain cost accounting records relating to all the products manufactured by the Company and accordingly, such accounts and records are made and maintained by the Company.

Further, in terms of the aforementioned provisions, as the sales turnover of the Company was in excess of the specified limit of Rs. 100 crores during the Financial Year ended 31st March, 2018, audit of such cost accounting records relating to all the products manufactured by the Company was applicable for the Financial Year 2018-19.

Accordingly, M/s. S. Datta & Co., Cost Accountants in Practice, were appointed as the Cost Auditors of the Company to audit the cost accounting records relating to all the products manufactured by the Company across all its plants for the said Financial Year 2018-19.

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, 2019 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 Rs. 50 lakhs in the equity shares of its Joint Venture Company, Mozer Process Technology Pvt. Ltd.

Directors' Report (Contd.)

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) Certificate by a Practicing Company Secretary 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, 2019 as required under Section 135 of the Companies Act, 2013, read with Rule 8 of the Companies (Corporate Social Responsibility) Rules, 2014 are set out in Annexure-V, forming part of this Report.

Vigil Mechanism

Pursuant to Section 177 of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and 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.

Directors' Report (Contd.)

Human Resource Management

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

Industrial Relations

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

Fixed Deposits

The Company did not have any outstanding fixed deposits as on 31st March 2019 or as on 31st March, 2018. The Company did not accept any fixed deposits during the year.

Credit Ratings

In March, 2019, credit rating agency ICRA Limited had reaffirmed the long-term scale rating on the working capital credit facilities enjoyed by the Company from its bankers on consortium basis of [ICRA] BBB- (pronounced as ICRA triple B minus) [signifying a moderate degree of safety regarding timely servicing of financial obligations and carrying moderate credit risk]. The outlook on the long term scale rating is Stable. ICRA had also reaffirmed the short-term scale rating on the aforementioned facilities of [ICRA]A3 (pronounced as ICRA A three) [signifying a moderate degree of safety regarding timely servicing of financial obligations and carrying higher credit risk as compared to instruments/facilities rated in the higher categories].

Quality Certifications

The Quality Management Systems of the Company with respect to 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 Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, had been formed with Mrs. Swagata Roy, Assistant General Manager – Finance, the senior-most woman employee in the Company, as its Presiding Officer. 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.

Kolkata
8th May, 2019

For & on behalf of the Board

Sanjay Bagaria
Chairman

Annexure to Directors' Report – I

Form No. MGT-9

EXTRACT OF ANNUAL RETURN as on the Financial Year ended on 31.03.2019 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: (033) 4080 3000, Fax: (033) 2357 6653 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	62.35 %
2	Manufacture of Geared Motors & Gear Boxes	271	36.23 %
3	Manufacture of Dry Mix Products	239	1.42 %

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.	Mozar Process Technology Private Limited Infinity Benchmark, 11th Floor, Plot No. G-1, Block EP & GP, Sector V, Salt Lake Electronics Complex, Kolkata – 700 091	U29253WB2013PTC193621	Associate	50%	2(6)

Annexure to Directors' Report – I (Contd.)

IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders		No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	Promoters									
1	Indian									
	a) Individual/HUF	141400	–	141400	5.91	141400	–	141400	5.91	NIL
	b) Central Govt	–	–	–	–	–	–	–	–	–
	c) State Govt(s)	–	–	–	–	–	–	–	–	–
	d) Bodies Corp.	1120531	–	1120531	46.88	1120531	–	1120531	46.88	NIL
	e) Banks/FI	–	–	–	–	–	–	–	–	–
	f) Any Other	–	–	–	–	–	–	–	–	–
	Sub-total (A) (1)	1261931	–	1261931	52.79	1261931	–	1261931	52.79	NIL
2	Foreign									
	a) NRIs - Individuals	–	–	–	–	–	–	–	–	–
	b) Other – Individuals	–	–	–	–	–	–	–	–	–
	c) Bodies Corp.	–	–	–	–	–	–	–	–	–
	d) Banks / FI	–	–	–	–	–	–	–	–	–
	e) Any Other	–	–	–	–	–	–	–	–	–
	Sub-total (A) (2)	–	–	–	–	–	–	–	–	–
	Total shareholding of Promoter (A)=(A)(1)+ (A)(2)	1261931	–	1261931	52.79	1261931	–	1261931	52.79	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) FIIs	–	–	–	–	–	–	–	–	–
	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 Corporate									
	i) Indian	79997	250	80247	3.36	62556	250	62806	2.63	-0.73
	ii) Overseas	–	–	–	–	–	–	–	–	–
	b) Individuals									
	i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	805543	77417	882960	36.94	824995	64230	889225	37.20	+0.26
	ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	98074	–	98074	4.10	114245	–	114245	4.78	+0.68

Annexure to Directors' Report – I (Contd.)

IV. Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity)(Contd.)

i) Category-wise Shareholding (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	
c) Others -									
NRIs	40095	–	40095	1.68	36036	–	36036	1.51	-0.17
Trusts	–	–	–	–	–	–	–	–	–
Clearing Members	5591	–	5591	0.24	2852	–	2852	0.12	-0.12
IEPF Authority	21127	–	21127	0.88	22930	–	22930	0.96	+0.08
Sub-total (B)(2)	1050427	77667	1128094	47.20	1063614	64480	1128094	47.20	NIL
Total Public Shareholding (B)=(B)(1) +(B)(2)	1050428	77917	1128345	47.21	1063615	64730	1128345	47.21	NIL
C. Shares held by Custodian for GDRs & ADRs	–	–	–	–	–	–	–	–	–
Grand Total (A+B+C)	2312359	77917	2390276	100.00	2325546	64730	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 Pvt. Ltd.	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	85696	3.58	NIL	85696	3.58	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	0.21	NIL	4900	0.21	NIL	NIL
14	Mr. Satyam Bagaria	1800	0.07	NIL	1800	0.07	NIL	NIL
	Total	1261931	52.79	NIL	1261931	52.79	NIL	NIL

Annexure to Directors' Report – I (Contd.)

IV. Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity)(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 (01/04/2018 to 31/03/2019)	
		No. of shares at the beginning (01/04/2018)/ end (31/03/2019) of the year	% of total shares of the Company				No. of shares	% of total shares of the Company
1.	Utsav Pramodkumar Shrivastav	24000	1.00	1/4/18				
				21/9/18	-24000	Transfer	0	0.00
		0	0.00	31/3/19			0	0.00
2.	Edelweiss Broking Limited	22787	0.95	1/4/18				
				6/4/18	30	Transfer	22817	0.95
				20/4/18	240	Transfer	23057	0.96
				4/5/18	-175	Transfer	22882	0.96
				11/5/18	-7	Transfer	22875	0.96
				18/5/18	-23	Transfer	22852	0.96
				25/5/18	-22527	Transfer	325	0.01
				22/6/18	270	Transfer	595	0.02
				13/7/18	50	Transfer	645	0.03
				3/8/18	343	Transfer	988	0.04
				10/8/18	-269	Transfer	719	0.03
				17/8/18	200	Transfer	919	0.04
				24/8/18	-638	Transfer	281	0.01
				31/8/18	2	Transfer	283	0.01
				7/9/18	9	Transfer	292	0.01
				26/10/18	10	Transfer	302	0.01
				2/11/18	-2	Transfer	300	0.01
				9/11/18	-30	Transfer	270	0.01
				23/11/18	-69	Transfer	201	0.01
				30/11/18	30	Transfer	231	0.01
		18/1/19	-30	Transfer	201	0.01		
		25/1/19	110	Transfer	311	0.01		
		1/2/19	30	Transfer	341	0.01		
		8/2/19	-1	Transfer	340	0.01		
		15/2/19	1	Transfer	341	0.01		
		22/2/19	-340	Transfer	1	0.00		
		15/3/19	-1	Transfer	0	0.00		
		0	0.00	31/3/19			0	0.00
3.	Girish Nilkanth Kulkarni	22500	0.94	1/4/18				
				22/2/19	-2151	Transfer	20349	0.85
				1/3/19	-1200	Transfer	19149	0.80
				15/3/19	-1982	Transfer	17167	0.72
		17167	0.72	31/3/19			17167	0.72
4.	Neelam Bansal	15186	0.64	1/4/18				
		15186	0.64	31/3/19		No movement during the year	15186	0.64

Annexure to Directors' Report – I (Contd.)

IV. Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity)(Contd.)

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

Sl. No.	Name	Shareholding		Date	Increase/Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01/04/2018 to 31/03/2019)	
		No. of shares at the beginning (01/04/2018)/ end (31/03/2019) of the year	% of total shares of the Company				No. of shares	% of total shares of the Company
5.	D S K Nageswara Rao	13353	0.56	1/4/18				
				15/6/18	-82	Transfer	13271	0.56
				22/6/18	-139	Transfer	13132	0.55
				29/6/18	-144	Transfer	12988	0.54
				6/7/18	-20	Transfer	12968	0.54
				13/7/18	-218	Transfer	12750	0.53
				20/7/18	-93	Transfer	12657	0.53
				27/7/18	-146	Transfer	12511	0.52
				3/8/18	-104	Transfer	12407	0.52
				10/8/18	-961	Transfer	11446	0.48
				17/8/18	-214	Transfer	11232	0.47
				24/8/18	-174	Transfer	11058	0.46
				31/8/18	-168	Transfer	10890	0.46
				7/9/18	-175	Transfer	10715	0.45
				14/9/18	-78	Transfer	10637	0.45
		21/9/18	-200	Transfer	10437	0.44		
		10437	0.44	31/3/19		10437	0.44	
6.	Jitendra Lalbhai Shah	13350	0.56	1/4/18				
				6/4/18	150	Transfer	13500	0.56
				13/4/18	50	Transfer	13550	0.57
				20/4/18	50	Transfer	13600	0.57
				15/6/18	150	Transfer	13750	0.58
				6/7/18	100	Transfer	13850	0.58
				13/7/18	96	Transfer	13946	0.58
				20/7/18	354	Transfer	14300	0.60
				27/7/18	300	Transfer	14600	0.61
				31/8/18	100	Transfer	14700	0.61
				28/9/18	100	Transfer	14800	0.62
				26/10/18	146	Transfer	14946	0.63
				2/11/18	104	Transfer	15050	0.63
				18/1/19	100	Transfer	15150	0.63
		29/3/19	50	Transfer	15200	0.64		
		15200	0.64	31/3/19		15200	0.64	
7.	Prabha Mohta	12538	0.52	1/4/18	No movement during the year			
		12538	0.52	31/3/19			12538	0.52
8.	Nila Anilkumar Desai	10500	0.44	1/4/18				
				20/4/18	300	Transfer	10800	0.45
				13/7/18	200	Transfer	11000	0.46
		11000	0.46	31/3/19		11000	0.46	
9.	Dr. Ramesh Chimanlal Shah	10000	0.42	1/4/18				
				16/11/18	100	Transfer	10100	0.42
		10100	0.42	31/3/19			10100	0.42

Annexure to Directors' Report – I (Contd.)

IV. Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity)(Contd.)

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

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01/04/2018 to 31/03/2019)	
		No. of shares at the beginning (01/04/2018)/ end (31/03/2019) of the year	% of total shares of the Company				No. of shares	% of total shares of the Company
10.	Niranjana Jitendra Shah	9400	0.39	1/4/18				
				6/4/18	200	Transfer	9600	0.40
				13/4/18	100	Transfer	9700	0.41
				20/4/18	100	Transfer	9800	0.41
				4/5/18	100	Transfer	9900	0.41
				25/5/18	150	Transfer	10050	0.42
				1/6/18	50	Transfer	10100	0.42
				20/7/18	50	Transfer	10150	0.42
				27/7/18	100	Transfer	10250	0.43
				3/8/18	100	Transfer	10350	0.43
				24/8/18	100	Transfer	10450	0.44
				28/9/18	200	Transfer	10650	0.45
				9/11/18	100	Transfer	10750	0.45
		11/1/19	100	Transfer	10850	0.45		
		8/3/19	150	Transfer	11000	0.46		
		11000	0.46	31/3/19		11000	0.46	
11.	Centrum Broking Limited – Client Account	0	0.00	1/4/18				
				28/9/18	24000	Transfer	24000	1.00
				19/10/18	2	Transfer	24002	1.00
				26/10/18	1	Transfer	24003	1.00
				16/11/18	4	Transfer	24007	1.00
				30/11/18	-7	Transfer	24000	1.00
				28/12/18	-23995	Transfer	5	0.00
				31/12/18	24000	Transfer	24005	1.00
		24005	1.00	31/3/19		24005	1.00	
12.	Abhay Chandak HUF	0	0.00	1/4/18				
				25/5/18	22054	Transfer	22054	0.92
		22054	0.92	31/3/19			22054	0.92

Note: For the purposes of the above, the Investor Education & Protection Fund Authority (IEPF Authority), to whom an aggregate of 22,930 equity shares representing 0.96% of the paid-up equity share capital of the Company were transferred in dematerialized form in two tranches in November, 2017 and October, 2018 respectively, as statutorily required under Section 124(6) of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the voting rights on which shares shall remain frozen until the rightful owner claims the said shares in accordance with the said Rules, has not been considered.

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 (01/04/2018 to 31/03/2019)	
		No. of shares at the beginning (01/04/2018)/ end (31/03/2019) of the year	% of total shares of the Company				No. of shares	% of total shares of the Company
1.	Mr. Sanjay Bagaria, Chairman (Director)	43900	1.84	1/4/18	No movement during the year			
		43900	1.84	31/3/19			43900	1.84
2.	Mr. Suhas Chandra Saha, Company Secretary (Key Managerial Personnel)	50	0.002	1/4/18	No movement during the year			
		50	0.002	31/3/19			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.

Annexure to Directors' Report – I (Contd.)

V. Indebtedness

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

(₹in lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2821.97	–	–	2821.97
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	14.11	–	–	14.11
Total (i+ii+iii)	2836.08	–	–	2836.08
Change in Indebtedness during the financial year				
• Addition	151.88	–	–	151.88
• Reduction	(656.39)	–	–	(656.39)
Net Change	(504.51)	–	–	(504.51)
Indebtedness at the end of the financial year				
i) Principal Amount	2323.24	–	–	2323.24
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	8.33	–	–	8.33
Total (i+ii+iii)	2331.57	–	–	2351.57

VI. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹in lakhs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Mr. Indrajit Sen, MD	
1.	Gross salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	193.74	193.74
	(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)	193.74	193.74

Annexure to Directors' Report – I (Contd.)

VI. Remuneration of Directors and Key Managerial Personnel (Contd.)

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (Contd.)

Ceiling as per the Act: 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, 2018, at a total gross remuneration of upto Rs. 1,95,00,000/- for the period from 1st May, 2018 to 30th April, 2019, Rs. 2,10,00,000/- for the period from 1st May, 2019 to 30th April, 2020 and Rs. 2,25,00,000/- for the period from 1st May, 2020 to 30th April, 2021. This remuneration payable to Mr. Sen does not require the approval of the Central Government, notwithstanding the fact that the same may exceed the limits laid down in Chapter XIII of the Companies Act, 2013, read with Schedule V to the said Act, by virtue of Notification No. S. O. 2922(E) dated 12th September, 2016, issued by the Ministry of Corporate Affairs, Government of India, as Mr. Sen is a managerial person, who is functioning in a professional capacity, and 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 possesses a graduate level qualification with expert and specialized knowledge in the field in which the Company operates.

B. Remuneration to other directors

(₹in lakhs)

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	1.80	1.60	1.50	–	4.90
	• Commission	–	–	–	–	–
	• Others, please specify	–	–	–	–	–
	Total (1)	1.80	1.60	1.50	–	4.90
2.	Other Non-Executive Directors					
	• Fee for attending Board/Committee meetings	–	–	–	2.10	2.10
	• Commission	–	–	–	12.36	12.36
	• Others, please specify	–	–	–	–	–
	Total (2)	–	–	–	14.46	14.46
	Total (B)=(1+2)	1.80	1.60	1.50	14.46	19.36
	Total Managerial Remuneration [Total(A) + Total(B)]					213.10

Overall Ceiling as per the Act:

- For remuneration paid to Managing Director, the matter relating to ceiling has been clarified under Para VI.A above.
- Sitting Fees @ Rs. 10,000/- per Director per meeting is paid to the non-executive Directors which is well within the ceiling limit specified in the Companies Act, 2013.
- Commission @ 2% of the net profits of the Company is payable to Mr. Sanjay Bagaria, Non-Executive Chairman, for a period of five years with effect from the Financial Year 2017-18 in accordance with the approval of the shareholders of the Company accorded by a Special Resolution passed at their 81st Annual General Meeting held on 20th September, 2017.

Annexure to Directors' Report – I (Contd.)

VI. Remuneration of Directors and Key Managerial Personnel (Contd.)

C. Remuneration To Key Managerial Personnel Other than MD/Manager/Whole-time Director:

(₹in lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. S. C. Saha, Company Secretary	Mr. Asish Kumar Neogi, CFO	Total
1.	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	41.67	39.54	81.21
	(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	41.67	39.54	81.21

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

Sanjay Bagaria
 Chairman

 Kolkata
 8th May, 2019

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. Energy conservation programme has been undertaken at the Company's manufacturing units,
2. All conventional lightings and associated fittings are replaced by low-energy-consuming LED lights and fittings, and
3. All manufacturing processes have also been rationalized as much as possible to reduce consumption of energy.

(b) Impact of the steps taken on conservation of energy:

1. Savings in energy consumption and costs, and
2. Consciousness in energy conservation amongst all concerned.

II. The steps taken by the Company for utilising alternate sources of energy – Commissioning of alternative sources of energy is being considered.

III. The capital investment on energy conservation equipments – An Investment of Rs. 25 lakhs has been allocated for acquiring energy saving equipments during the current Financial Year ending 31st March, 2020.

(B) Technology absorption

I. Research & Development (R & D)

i) Specific Areas:

Company's in-house R&D Department is engaged in improving efficiencies of the equipments manufactured by the Company through innovative designs and value engineering.

ii) Benefits derived:

Manufacture by the Company of equipments of international quality and standards with wide acceptance.

iii) Future plan of action:

The Company is committed to upgrade its equipments through innovative designs and technology.

II. Technology Absorption, Adaptation and Innovation

i) Efforts made:

Efforts are made to absorb the international technology through selection of right technology partners.

ii) Benefits derived:

Acquisition of foreign brands through technical collaboration agreements.

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
Technology imported from Cementos Capa, SL, Spain for manufacture of various Building Material products	2019	No	Technology transfer is under process

(C) Foreign exchange Earnings and Outgo

During the year, foreign exchange earnings was Rs. 459.47 lakhs (Previous Year – Rs. 953.27 lakhs) against outgo of Rs. 755.86 lakhs (Previous Year – Rs. 381.74 lakhs).

For & on behalf of the Board

Kolkata
8th May, 2019

Sanjay Bagaria
Chairman

Annexure to Directors' Report – III

Form No. AOC-2

[Pursuant to *clause (b) 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 Rs. 3,000/- per month aggregating to Rs. 36,000/- during the Financial Year ended 31st March, 2019.	6th February, 2018	NIL
2.	Mozer Process Technology Private Limited [Joint Venture Company having common Directors]	Sale of goods	Multiple transaction(s)	Total Sale Value of Rs. 1.57 crore during the Financial Year ended 31st March, 2019.*	-	NIL

*The Audit Committee of the Board of Directors, at its meeting held on 23rd May, 2018, had given an omnibus approval for sale of Driers by the Company to its Joint Venture Company for an aggregate value not exceeding Rs. 12 crore during the Financial Year 2018-19 pursuant to the Related Party Transactions Policy of the Company, which had been duly approved by the Board of Directors.

Kolkata
8th May, 2019

For & on behalf of the Board

Sanjay Bagaria
Chairman

Annexure to Directors' Report – IV

PARTICULARS OF DIRECTORS' & EMPLOYEES' REMUNERATION

[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. (i) The percentage increase in remuneration of each Director, the Chief Financial Officer and the Company Secretary during the Financial year 2018-19 as compared to the previous Financial Year 2017-18, and the ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial year 2018-19 are as under:

Sl. No.	Name of the Director/ KMP and Designation	% increase (decrease) in remuneration in the Financial Year 2018-19 over Financial Year 2017-18	Ratio of Remuneration of each Director to median remuneration of employees for Financial Year 2018-19
1.	Mr. Sanjay Bagaria (Non-Executive Chairman)	703.54	4.62
2.	Mr. Ratan Lal Gaggar (Independent Director)	23.08	0.51
3.	Mr. Ravi Ranjan Prasad (Independent Director)	15.38	0.48
4.	Mrs. (Prof.) Bharati Ray (Independent Director)	5.88	0.58
5.	Mr. Indrajit Sen (Managing Director)	8.26	61.90
6.	Mr. Suhas Chandra Saha (Company Secretary)	6.44	N.A.
7.	Mr. Asish Kumar Neogi (Chief Financial Officer)	8.75	N.A.

- (ii) The median remuneration of the employees of the Company for the Financial Year ended 31st March, 2019 was Rs. 3.13 lakhs.
- (iii) During the Financial Year ended 31st March, 2019, the median remuneration of employees increased by 7.93%.
- (iv) The number of permanent employees on the rolls of the Company as on 31st March, 2019 was 486.
- (v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2018-19 was 6.93% whereas increase in the Managerial Remuneration for the same financial year was 8%.
- (vi) It is hereby affirmed that the remuneration paid during the financial year ended 31st March, 2019 is in accordance with the Remuneration Policy of the Company.

Annexure to Directors' Report – IV (Contd.)

2. PARTICULARS OF EMPLOYEES DRAWING REMUNERATION ABOVE THE PRESCRIBED LIMIT AND TOP TEN EMPLOYEES IN TERMS OF REMUNERATION DRAWN DURING THE FY 2018-19

Name	Age (Years)	No. of Shares held	Designation & Nature of Duties	Remuneration (₹)	Qualification	Experience (Years)	Date of Commencement of Employment	Last Employment
Indrajit Sen	79	NIL	Managing Director	1,93,74,074	B.E.(Mech)	57	14.12.1971	Hooghly Docking & Engg. Co.Ltd.
Suhas Chandra Saha	73	50	Company Secretary	41,67,140	M.Com, ACA, ACS	48	12.01.1982	Scott & Saxby Ltd
Rana Pratap Singh	52	NIL	Vice-President & SBU Head-Heavy Engg. Divn.	40,03,200	B.E., PGDM	30	01.08.2018	FLSmith Pvt. Ltd.
Asish Kumar Neogi	63	NIL	Chief Financial Officer	39,54,105	B.Com., ACMA	39	01.08.1997	Anglo India Jute Co Ltd
Swapn Kumar. Goswami	69	20	Vice-President (Crushers & Dryers)	37,43,340	B.E. (Mech.)	46	14.06.1983	The Gramophone Co. of India Ltd
Debasish Dutta	54	NIL	Asstt. Vice-President (Marketing) - HED	36,84,145	B.E. (Mech.)	29	01.02.1991	Lloyd Insulation (I) Pvt Ltd
Ranjan Sen	57	NIL	Asstt. Vice-President (Marketing) – Bauer Divn.	32,87,365	B.E.(Mech.), PGDBM (Mktg. & Finance)	37	01.09.2006	MAN Turbo India Pvt. Ltd. (Sulzer India Ltd.)
Asish Bharadwaj	61	NIL	Asstt. Vice-President (IT)	31,98,905	B.Sc.	39	27.06.1984	BES Consultancy Services (India) Pvt. Ltd.
Uttam Kumar Pal	65	100	Asstt. Vice-President (Design)	31,83,305	B. Tech., PGDBM	43	17.04.1986	Lagan Jute Machinery Co. Ltd.
Rajesh Kumar Singh	40	NIL	Sr. General Manager (Operations) – Heavy Engg. Divn.	31,80,647	B. Tech.	18	13.04.2012	JCB India Ltd.

Notes:

- Gross remuneration comprises of salaries, allowances, reimbursement of medical expenses, Leave Travel Expenses due and paid, Leave Encashment and retirement benefits, wherever applicable. In addition to the above remuneration, the employees are entitled to gratuity in accordance with the Company's Rules.
- Mr. Rana Pratap Singh was employed for part of the year.
- All appointments are contractual.
- No employee is a relative of any Director or Key Managerial Personnel of the Company. Rule 5(2)(iii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is not applicable to any employee.

For & on behalf of the Board

Sanjay Bagaria
Chairman

Kolkata
8th May, 2019

Annexure to Directors' Report – V

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

[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 currently, consists of Mr. Sanjay Bagaria, Chairman of the Committee, Mrs. (Prof.) Bharati Ray, Independent Director & Mr. Ratan Lal Gagar, Independent Director.
3. Average net Profit/(Loss) of the company for last three financial years – (Rs. 88.87 lakhs).
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) – Not Applicable in respect of the Financial Year ended 31st March, 2019.
5. Details of CSR spent during the financial year –
 - (a) Total amount to be spent during the Financial Year 2018-19, being the shortfall in the amount required to be spent during the Financial Years 2014-15 & 2015-16, carried forward and remaining unspent at the beginning of the Financial Year 2018-19 – Rs. 8.12 lakhs.

Annexure to Directors' Report – V (Contd.)

(b) Amount unspent, if any, at the end of the Financial Year 2018-19 – Rs. 7.02 lakhs.

(c) Manner in which the amount spent during the financial year is detailed below.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. 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.	Primary School for under-privileged children & Vocational training project for under-privileged women to promote employment, both at Kolkata.	Promoting education & employment enhancing vocational skills among under-privileged children and women respectively [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. Saroj Nalini Dutt Memorial Association, 23/1, Ballygunge Station Road, Kolkata – 700019.
2.	T.E.A.C.H. Program of the implementing agency in partnership with Rotary India Literacy Mission, which aims to bring about total literacy in India.	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, M/s. Inner Wheel Club of Calcutta South West, District 329, Kolkata.
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.	15,000	15,000 (Direct expenditure on the project)	15,000	Through the implementing agency, M/s. Eastern India Women's Association, 12, Block H, New Alipore, Kolkata – 700 053.
4.	Promoting the cause of education for the under-privileged children.	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.	15,000	15,000 (Direct expenditure on the project)	15,000	Through the implementing agency, M/s. Siksha Educational Trust, a social welfare organization at 33/2H, Raja Naba Krishna Street, Kolkata – 700 005.

Annexure to Directors' Report – V (Contd.)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. 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
5.	Project of imparting vocational training to under-privileged women of the society.	Promoting employment enhancing vocational skills among under-privileged women [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, M/s. National Indian Association of Women, 10A, Rawdon Street, 4th Floor, Kolkata – 700 017.
	TOTAL			1,10,000	1,10,000	1,10,000	

6. Out of an aggregate amount of Rs. 8.12 lakhs required to be spent during the Financial Year ended 31st March, 2019, being the shortfall in the amount required to be spent during the Financial Years ended 31st March, 2015 & 31st March, 2016 carried forward and remaining unspent at the beginning of the Financial Year 2018-19, towards CSR Activities in terms of Section 135 of the Companies Act, 2013, the Company could spend only Rs. 1.10 lakhs. 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 Rs. 7.02 lakhs 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
8th May, 2019

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, 2019

[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, 2019 [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, 2019 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, 2015;
 - (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 (Share Based Employee Benefits) Regulations, 2014 (**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;

Annexure to Directors' Report – VI (Contd.)

- (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.
- (j) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 / 2018;

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 approved by the Ministry of Corporate Affairs, Government 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, 2019, 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, Goods & Services Tax (GST), 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. There were no changes in the composition of the Board of Directors of the Company during the period under review.

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.

Arup Kumar Roy
Company Secretary in Practice
Membership No. ACS-6784
Certificate of Practice No. 9597

Place : Kolkata
Date : 8th May, 2019

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.



‘Annexure A’

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 records 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.

Arup Kumar Roy
Company Secretary in Practice
Membership No. ACS-6784
Certificate of Practice No. 9597

Place : Kolkata
Date : 8th May, 2019

Management Discussion and Analysis Report

The Management Discussion & Analysis Report for the Financial Year ended 31st March, 2019 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 & Development

During the year under review, the capital goods market in steel, mining, sugar, cement and various other industries, where your Company is active has generally remained sluggish except during the last quarter of 2018-19 where marginal improvement has been noticed in steel mining and infrastructure business segments. The Company expects these segments to grow in the coming years.

2. Strength & Opportunities

Your Company continues to be recognized as a technology leader in the products manufactured by Heavy Engineering Division and Gear Box and Geared Motor Divn. The Company is consistently upgrading the technology for these products to remain at par with the global technology trend.

The Company is pleased to announce that it has been successful in the breaking into the area of crushing and screening system under license from Omni/Aden Brazil, the Company had supplied number of crushing and screening plants in the year under review. As the Govt's focus continues to be in the development of infrastructure, the demand in such crushing and screening plants is expected to increase in the coming years.

The Company is also manufacturing Dryers for their joint venture partner – Mozer Process Technology Pvt. Ltd. for exporting the same to Allgaier Werke GmbH, Germany.

Your Directors are pleased to report that there has also been some positive market response for the sophisticated Dryers being manufactured by the Company under this joint venture.

3. Threats

Over the last few years, the progressive increase in the raw material cost in general continues to be an issue of concern. Weakening of the Rupee against Euro and Dollar is also contributing towards increase in the input cost and ultimately narrow down the gap between the selling price and the cost of raw material input.

The cumulative effect of all this is creating severe uncertainty in the area of execution of the booked Order, and is also resulting in acute financial pressure on the Company.

4. Risk & Concerns

The Company has adopted a Risk Management Policy 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. The Executive Management/ Divisional Heads are continuously monitoring identification of the risks in various business areas and is also developing various mitigation strategies and plans in these areas to reduce or eliminate the likelihood of such risks.

The presence in India of players with a low cost products which has intensified the competition in the large domestic market consequently shrinking the margin for the Company's product – is considered as an area of risk. To mitigate the risk involved, steps have been taken to go ahead of the competition with the Company's strong brand image along with the effective marketing framework for the Company's products – particularly of the products of Heavy Engineering Divn.

Collection of sale proceeds promptly from the clients on sale of products, is also an area where risk is involved. Paucity of funds of our customer in various sectors particularly in steel industry is a cause of concern.

Management Discussion and Analysis Report (Contd.)

This in turn is disturbing the Company's fund position severely and the execution of the contracts which are occasionally slowing down or even getting suspended. Few of our customers have even shelved their expansion projects and are looking forward to the outcome of the insolvency proceedings against their customers for recovery of their dues.

The market of Building Material Division in India is dominated mainly by foreign companies operating in India either on their own or through joint ventures. There are of course other Indian Companies in the market producing some of the basic products.

Most of these foreign companies offer high end products whose demands are increasing progressively. The Company is aware of this major shift in demand from low end products to high end products and is trying to locate a suitable partner for offering high end products.

Keeping the above in view, your Directors anticipate that the business of this Division will grow at a slower pace than what was expected.

5. Outlook

The business growth of Heavy Engineering Division was 34% and that of Gear Box & Geared Motor Division was 18% and this pattern of growth is expected to continue in the coming years.

There has been significant improvement in the business of crushers and demand is expected to grow in the future years in view of Govt. of India's strong focus on the development of infrastructure.

During the year under review, the business of Building Material Division remain sluggish and the situation was further affected by inadequate product range of the Company where many more ranges were not suitably covered.

Keeping this in view, the Company has taken necessary steps to increase the product profile to meet the market demand and has negotiated and finalized a collaboration Agreement with Cementos CAPA, a leading manufacturer of Spain with global presence. The Company will manufacture various high end products under this Agreement and market these products in India and other Asian countries under the brand name of CAPA.

On introduction of these products under the aforesaid collaboration Agreement with CAPA, the Company expects substantial business growth of this division.

Mozer Process Technology Pvt. Ltd. (Mozer) – a joint venture company with Allgaier Werke GmbH, Germany formed for the purpose of marketing, commissioning and servicing of Mozer type Dryers, during the year under review has registered a revenue from operations of Rs.157.96 lakh.

Your Company is pleased to inform that Mozer Process Technology Pvt. Ltd. has started receiving large number of direct orders from Allgaier for export to various countries.

6. Internal Financial Control System and Their Adequacy

The Company has an established Internal Financial Control System commensurate with its size and nature of operation to ensure that all assets are safeguarded and the system has been designed to ensure orderly and efficient conduct of its business, the accuracy and completeness of the accounting records, timely preparation of reliable accounting and financial information.

The systems also ensures compliance with applicable statutory policies, viz. the Code of Conduct of the Company, Vigil Mechanism (Whistle-Blower Policy), the Related Party Transaction Policy and Risk Management Plan and other Corporate Policies.

Management Discussion and Analysis Report (Contd.)

The Internal Control Systems are routinely tested by the Management, Internal Auditors and the Statutory Auditors, who submit their Reports on half yearly basis to the Management and the Audit Committee. The Audit Committee reviews the report of the Internal Auditors and addresses significant issues raised by both the Internal Auditors and 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/Operational Performance (Standalone)

(₹ in lakh)

Particulars	2018-2019	2017-2018
Revenue from Operations	13415	10764
Operating Profit/(Loss) Before Tax	412	(360)
Exceptional Items	-	-
Operating Profit/(Loss) after Tax	356	(235)
Net Cash Flow from operation	544	712
Operating Profit/(Loss) to Sales (%)	3	(2)
Basic E.P.S. (Rs.)	14.90	(9.83)

8. Segment-wise Performance (Standalone)

Particulars	2018-2019	2017-2018
Segment Revenue (Sales & Other Operating Income)		
a) Mineral & Material Processing & Handling Equipment	8489	6330
b) Geared Motor and Gear Box	4934	4260
c) Building Material	193	341
Net Sales/Income & Inter-Divisional Transfers	13616	10931
Less : Inter-Segment Transfers	201	167
Net Sales/Income from Operations	13415	10764
Segment Results (Profit before Tax & Interest)		
a) Mineral & Material Processing & Handling Equipment	2733	1946
b) Geared Motor and Gear Box	118	146
c) Building Material	(417)	(540)
Total	2434	1552
Less : Finance Costs	316	397
Othe Unallocable Expenditure, net of unallocable Income	1706	1515
Total Profit/(Loss) before Tax	412	(360)

9. Details of significant changes in the Key Financial Ratios & Return on Net Worth

As per the amendment made under Schedule V to the Listing Regulations read with Regulation 34(3) of the Listing Regulations, details of significant changes (i.e. change of 25% or more as compared to the

Management Discussion and Analysis Report (Contd.)

immediately previous financial year) in Key Financial Ratios and any changes in Return on Net Worth of the Company are given below:-

Sl. No.	Particulars	Current FY Year ended March 31, 2019	Previous FY ended March 31, 2018	%Changes between Current FY & Previous FY
1	Debtors Turnover Ratio	3.27	2.67	22%
2	Inventory Turnover	3.59	3.26	10%
3	Interest Coverage Ratio	2.30	0.09	24.5%
4	Current Ratio	1.67	1.92	(-)13%
5	Debt Equity Ratio	0.24	0.30	(-)20%
6	Operating Profit Margin (%)	1.24%	(6.06)%	120%*
7	Net Profit Margin (%) or sector-specific equivalent ratios, as applicable	2.60%	(2.12)%	222%*
8	Return on Net Worth (%)	4.22%	(3.82)%	210%**

Note: Above ratios are based on the standalone financial statements of the Company.

* Percentage increase in Operating Profit as well as percentage increase in Net Profit margin over last year is mainly attributable to substantial increase in the volume of sales in the current year.

** Percentage increase of Return on Net Worth has gone up due to higher volume of Profit as compared to previous year.

10. Human Resources/Industrial Relation

The various Human Resources development programmes undertaken by the Company for all its Divisions and operational areas would lead to development, optimization and efficient engagement of the human resources.

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 was 486 as on 31st March 2019.

11. 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. 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, price conditions 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 such forward-looking statement which may undergo changes in future on the basis of subsequent developments or events.

Place : Kolkata
Date : 8th May, 2019

For & on behalf of the Board
S. Bagaria
Chairman

Report on Corporate Governance

INTRODUCTION

The Company's Report on Corporate Governance for the Financial Year ended 31st March, 2019 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 2019, 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 non-Independent 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 2019 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, 2019 are given below:-

Sl. No.	Name of Director	Nature of Category	No. of Board Meetings attended	Attendance at last AGM held on 03.09.2018	No. of Other Directorships*	Other Membership of Committees*		Shares held (Nos.)
						Chairman	Member	
1.	Mr. Sanjay Bagaria	Chairman & Non-Executive Director (Promoter)	6	Yes	4	-	-	43,900
2.	Mr. Indrajit Sen	Managing Director (Non-Promoter)	6	Yes	-	-	-	-
3.	Mr. Ratan Lal Gaggar	Non-Executive Independent Director	6	Yes	9	1	6	-
4.	Mr. Ravi Ranjan Prasad	Non-Executive Independent Director	6	Yes	-	-	-	-
5.	Mrs. (Prof.) Bharati Ray	Non-Executive Independent Woman Director	6	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.

Report on Corporate Governance (Contd.)

- 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) Regulations, 2015] across all the Companies in which he/she is a Director.
- (iii) The names of the other listed entities, where each Director of the Company is a Director and the category of Directorship therein is as follows :-

Sr. No.	Name of the Director	Other Listed Entities where he/ she is a Director	Category of Directorship therein
1.	Mr. Sanjay Bagaria	-	-
2.	Mr. Indrajit Sen	-	-
3.	Mr. Ratan Lal Gagar	<ul style="list-style-type: none"> Duroply Industries Ltd. TIL Ltd. Sumedha Fiscal Services Limited Shree Cement Limited Machino Plastics Ltd.* 	Non-Executive Independent Director Non-Executive Independent Director Non-Executive Independent Director Non-Executive Independent Director Non-Executive Independent Director
4.	Mr. Ravi Ranjan Prasad	-	-
5.	Mrs. (Prof.) Bharati Ray	IFGL Refractories Limited	Non-Executive Independent Woman Director

*However, Mr. Gagar resigned from the Directorship of M/s. Machino Plastics Limited and all Committee positions therein with effect from 26th April, 2019.

- (iv) The table given below sets out the list of core skills/expertise/competencies that have been identified by the Board of Directors of the Company as required by it in the context of the business(es) and sector(s) in which the Company operates for it to function effectively and those actually available with the Board.

Sr. No.	Core skill/expertise/competency required by Board as identified by it	Whether available with the Board
1.	In-depth technical and business knowledge of the Heavy Engineering Industry	Yes
2.	In-depth technical and business knowledge of the Geared Motors/ Gear Boxes Industry	Yes
3.	In-depth technical and business knowledge of the Building Materials/ Construction/Real Estate/Infrastructure Industry	Yes
4.	Knowledge of accounting, financial management and audit areas	Yes
5.	Knowledge of legal/regulatory/secretarial/compliance and corporate governance areas	Yes
6.	Knowledge of other functional business areas like purchases & procurement, sales & marketing and human resources management & general administration	Yes
7.	Knowledge of risk management areas	Yes
8.	Knowledge of environmental management, sustainable development and Corporate Social Responsibility (CSR) areas	Yes

Report on Corporate Governance (Contd.)

- v) **The Board of Directors of the Company confirms that:**
- in its opinion, the independent directors fulfill the conditions specified in the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 and are independent of the management, and
 - no Independent Director of the Company, during the Financial Year 2018-19, had resigned before the expiry of his/ her tenure.

(vi) **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, 6 (six) Board Meetings were held - on 26.04.2018, 23.05.2018, 08.08.2018, 03.09.2018, 14.11.2018 & 08.02.2019. 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 83rd 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 2019, 5 (five) Meetings of the Audit Committee were held - on 23.05.2018, 22.06.2018, 08.08.2018, 14.11.2018 & 08.02.2019. The composition of the Audit Committee along with the attendance of each member are given below :-

Name of Director	Designation	Profession	Committee Meetings	
			Held	Attended
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

The Company Secretary attends the Committee Meetings as Secretary to the Committee. The Statutory Auditors, Internal Auditors & Chief Financial Officer are permanent 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 :

Report on Corporate Governance (Contd.)

- 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;
- 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;
- 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, 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, 2019, 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 ten times – 02.05.2018, 05.06.2018, 25.06.2018, 10.07.2018, 03.10.2018,

Report on Corporate Governance (Contd.)

30.10.2018, 05.12.2018, 02.01.2019, 25.02.2019 & 19.03.2019, which were attended to by all the members, with the exception of the meeting held on 3rd October, 2018, which Mr. Sen could not attend.

(c) Investors' Complaints

Mr. Suhas Chandra Saha, Company Secretary, is the Compliance Officer of the Company for, inter-alia, ensuring compliance with the requirements under the 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 2018-19 was 2 (Two) which were duly redressed. No shareholder's complaint was pending unresolved as at the end of the Financial Year 2018-19.

(iii) Nomination & Remuneration Committee

As on 31st March, 2019, 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. 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, other Key Managerial Personnel and the Senior Management 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 2018-19, the Committee met thrice – on 26th April, 2018, 23rd May, 2018 and 14th November, 2018 - which were attended to 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, 2019

Name	Salary Rs.	Perquisites & Allowances Rs.	Retirement Benefits	Commission Rs.	Sitting Fees Rs.	Total Rs.
a) Executive Directors:						
Mr. Indrajit Sen, Managing Director	96,03,500	97,70,574	-	-	-	1,93,74,074
b) Non-Executive Directors:						
Mr. Sanjay Bagaria	-	-	-	12,36,377	2,10,000	14,46,377
Mr. Ratan Lal Gagar	-	-	-	-	1,60,000	1,60,000
Mr. Ravi Ranjan Prasad	-	-	-	-	1,50,000	1,50,000
Mrs. (Prof.) Bharati Ray	-	-	-	-	1,80,000	1,80,000
					7,00,000	2,13,10,451

- The tenure of office of the Managing Director was for a period of three years with effect from 1st May 2015, which expired on 30th April, 2018. Considering the recommendations of the Nomination and Remuneration Committee of the Board, the Board of Directors of the Company, at its meeting held on 26th April, 2018, re-appointed Mr. Indrajit Sen as the Managing Director of the Company for a further period of three years with effect from 1st May, 2018, which was duly approved by the shareholders of the Company by means of a Special Resolution passed at their 82nd Annual General Meeting held on 3rd September, 2018. 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 @ 2% of the net profits of the Company for a period of five years with effect from the Financial Year 2017-18 as recommended by the Nomination & Remuneration Committee and approved by the Board and the shareholders.
- Each Non-Executive Director is paid a fee of Rs. 10,000/- for attending each meeting of the Board or Committee thereof.
- The Non-Executive Directors do not have any other pecuniary relationship or transactions vis-à-vis the Company.

Report on Corporate Governance (Contd.)

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
2017-18	03.09.2018	2.00 P.M.	Kala Kunj, 48, Shakespeare Sarani, Kolkata 700017	3 (Three)*
2016-17	20.09.2017	2.00 P.M.	Kala Kunj, 48, Shakespeare Sarani, Kolkata 700017	1 (One)#
2015-16	02.09.2016	2.00 P.M.	Kala Kunj, 48, Shakespeare Sarani, Kolkata 700017	-

- * Special Resolutions for approving re-appointment of Mr. Indrajit Sen as Managing Director and Mr. Ratan Lal Gaggar & Mr. Ravi Ranjan Prasad as Independent Directors were passed through Remote Electronic-Voting & Poll at the 82nd Annual General Meeting held on 3rd September, 2018 with 52.87% participation. 99.99% of the votes polled were in favour of the resolutions. Mr. Arup Kumar Roy, Company Secretary in Practice, was the Scrutinizer for the said Remote E-Voting & Poll. National Securities Depository Limited was appointed as the Remote E-Voting Agency for the same.
- # A Special Resolution for approving payment of Commission to Non-Executive Chairman @ 2% of the net profits of the Company for a period of five years beginning with the Financial Year 2017-18 subject to the approval of the Central Government was passed through Remote Electronic-Voting at the 81st Annual General Meeting held on 20th September, 2017 with 52.87% participation. 99.97% of the votes polled were in favour of the resolution. Mr. Arup Kumar Roy, Company Secretary in Practice, was the 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 for approving re-appointment of Mrs. (Prof.) Bharati Ray as an Independent Director, continuance in office of Mr. Ratan Lal Gaggar as an Independent Director, payment of aggregate remuneration (excluding Sitting Fees) to Directors for the Financial Year 2018-19 in excess of 11% of the net profits of the Company and payment of remuneration to the Non-Executive Chairman for the Financial Year 2018-19 in excess of 50% of the aggregate remuneration being paid to all non-executive Directors put together, are proposed to be considered at the forthcoming 83rd Annual General Meeting scheduled to be held on 4th September, 2019.

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. 42 of the Notes to the Financial Statements for the year ended 31st March, 2019 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.

Report on Corporate Governance (Contd.)

(b) Disclosure of accounting treatment

During the Financial Year 2017-18, the Company had migrated to the Indian Accounting Standards (IND AS) and its Financial Statements for the Financial Year ended 31st March, 2019 have also been prepared in accordance with the Indian Accounting Standards (IND AS) as prescribed by the Companies (Indian Accounting Standards) Rules, 2015. The said Indian Accounting Standards (IND AS) in accordance with which the Financial Statements have been prepared are disclosed in the notes to the Annual Audited Financial Statements.

(c) Board Disclosures – Risk Management

The Company has established a Risk Management Plan, covering the risk assessment/minimization procedures as approved by the Board. During the year ended 31st March 2019, 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.

Report on Corporate Governance (Contd.)

(h) Compliance Certificate by CEO & CFO

The Managing Director (CEO) and the 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 Financial Year ended 31st March, 2019, 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 by the Board. An extract of the Quarterly (Standalone) and Annual (Standalone & Consolidated) Financial Results are normally published in leading English Daily newspaper (Business Standard/ Business Line/ Financial Express - all editions) and a Bengali Daily (Aaj Kal). The full format of the financial results is also posted on the website of the Company at 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. Further, as per Regulation 17(1A) of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, brought into force with effect from 1st April, 2019, no Company shall appoint/ re-appoint or continue in office any person, who has attained the age of seventy-five years, as a non-executive Director on its Board, unless approval is accorded to by the shareholders by means of a Special Resolution.

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.

Report on Corporate Governance (Contd.)

(l) Certificate by Practising Company Secretary 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 has obtained a certificate from Mr. Arup Kumar Roy, Practising Company Secretary, confirming compliance of conditions of Corporate Governance by the Company during the Financial Year ended 31st March, 2019 and the same is annexed to the Directors' Report & being sent to the 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:

- 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' Reports to the shareholders of the Company on the Financial Statements (either Standalone or Consolidated) for the Financial Year ended 31st March, 2019.

G. General Shareholders' Information:

(a) Annual General Meeting:

The 83rd Annual General Meeting of the shareholders of the Company has been convened on Wednesday, the 4th September, 2019 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) Financial Calendar :

Sl. No.	Events	Tentative Dates
1	Audited Annual Results for 2018-19	May 8, 2019
2	Mailing of Annual Reports 2018-19	By 3rd August, 2019
3	First Quarter Results (30th June, 2019)	By 31st July, 2019
4	Annual General Meeting	September 4, 2019
5	Second Quarter Results (30th Sept., 2019)	By 14th November, 2019
6	Third Quarter Results (31st Dec., 2020)	By 14th February, 2020
7	Audited Annual Results for 2019-20	By 29th May, 2020

(d) Book Closure:

The Share Transfer Books and Register of Members of the Company will remain closed from Thursday, 29th August, 2019 to Wednesday, 4th September, 2019 (both days inclusive) for the purpose of AGM and payment of Dividend.

Report on Corporate Governance (Contd.)

(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 various procedural requirements of the CSE for effecting the said voluntary delisting and the final approval of the CSE confirming the delisting is awaited.

(f) Listing Fees

The Company has paid the listing fees upto the Financial Year 2019-20 to the BSE.

(g) Custodial Fees to Depository

The Company has paid the custodial fees upto the Financial Year 2018-19 to the Central Depository Services (India) Limited [CDSL] and the National Securities Depository Limited [NSDL]. The custodial fees for the Financial Year 2019-20 shall be paid to CDSL and NSDL on receipt of the respective invoices from them.

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

(i) **Demat ISIN Number** : INE403C01014.

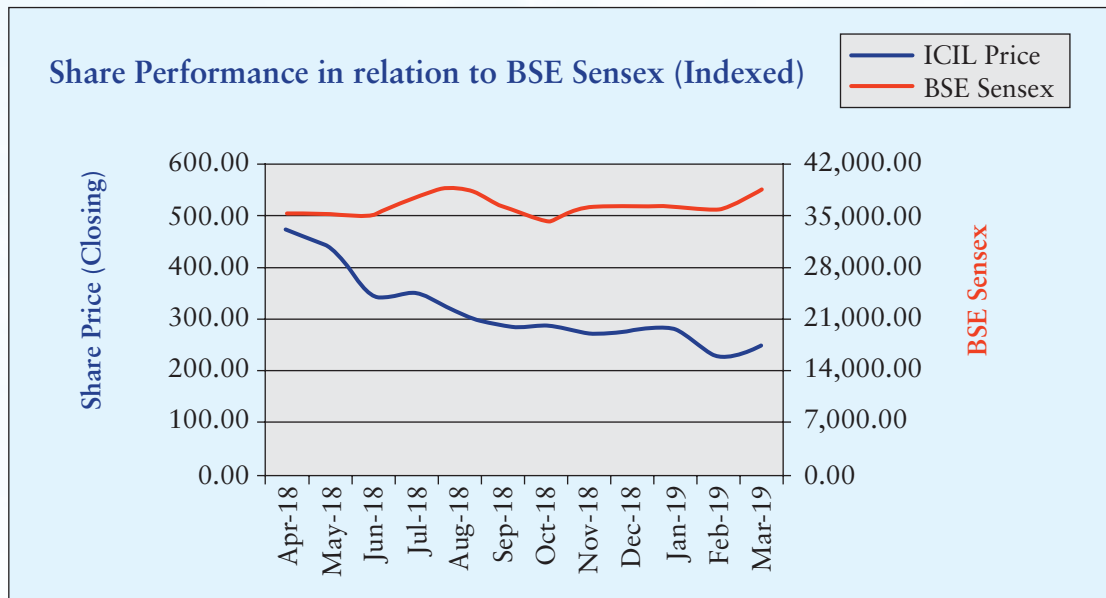
(j) (i) **Stock Market price data: (1st April, 2018 to 31st March 2019)**

Month/Year	Bombay Stock Exchange Ltd. (BSE)	
	High (Rs.)	Low (Rs.)
April 2018	528.00	381.95
May 2018	488.50	379.95
June 2018	468.80	332.05
July 2018	388.00	281.00
August 2018	395.00	306.10
September 2018	337.95	270.00
October 2018	307.00	225.60
November 2018	368.80	260.00
December 2018	306.00	260.20
January 2019	320.00	265.00
February 2019	288.80	206.20
March 2019	276.00	229.00

Report on Corporate Governance (Contd.)

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 the Financial Year 2018-19 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.

(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.

However, the amendment to Regulation 40 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 vide Gazette notification dated June 8, 2018 read with Gazette notification dated November 30, 2018, has mandated that transfer of securities would be carried out in dematerialized form only and that transfer of equity shares in physical form would not be permissible with effect from 1st April, 2019, except in cases where the transfer deeds had been lodged earlier and the transfer had been rejected on technical grounds and the same have been re-lodged on or after 1st April, 2019.

Report on Corporate Governance (Contd.)

(m) Distribution of Shareholding as on 31st March, 2019 :

No. of Shares	Shareholders		Shareholding	
	Number	%	No. of Shares held	%
1-500	6213	94.36	475562	19.90
501-1000	202	3.07	150749	6.31
1001-2000	85	1.29	117427	4.91
2001-3000	36	0.55	89771	3.76
3001-4000	9	0.14	30930	1.29
4001-5000	5	0.08	23705	0.99
5001-10000	12	0.18	83484	3.49
10001 and above	22	0.33	1418648	59.35
Total	6584	100.00	23,90,276	100.00

(n) Pattern of Shareholding as on 31st March, 2019:

Sl. No.	Category	No. of Share-holders	No. of Shares	Percentage of Share-holding
1.	Promoter & Promoter Group	14	12,61,931	52.79
2.	Banks/ Financial Institutions	4	251	0.01
3.	Non-Resident Indians (NRIs)	82	36,036	1.51
4.	Bodies Corporate	96	62,806	2.63
5.	Resident Individuals	6373	10,03,470	41.98
6.	Clearing Members	14	2,852	0.12
7.	Investor Education and Protection Fund Authority	1	22,930	0.96
Total		6584	23,90,276	100.00

(o) Dematerialisation of Shares:

As on 31st March, 2019, 97.29% of the Company's total paid up capital representing 23,25,546 shares were held in dematerialized form and the balance 2.71% representing 64,730 shares were held in physical scrip form as per details mentioned below :-

Form in which shares held	No. of Shareholders	% of total number of Shareholders	No. of Shares	% of total number of Shares
Physical Scrip Form	775	11.77	64,730	2.71
Dematerialised Form with NSDL	3336	50.67	19,06,336	79.75
Dematerialised Form with CDSL	2473	37.56	4,19,210	17.54
Total	6584	100.00	23,90,276	100.00

(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 2018-19 was 1,465 and the average daily turnover for the scrip on BSE during the Financial Year 2018-19 was Rs. 4.84 lakhs.

Report on Corporate Governance (Contd.)

(q) Outstanding Convertible Instruments

No securities/instruments/warrants convertible into equity shares of the Company are outstanding as on 31st March, 2019.

(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. The major commodity, whose price-changes might impact the costs of the Company on any meaningful scale, is steel, being a major raw-material for the Company.

(t) Credit Ratings

In March, 2019, credit rating agency ICRA Limited had reaffirmed the long-term scale rating on the working capital credit facilities enjoyed by the Company from its bankers on consortium basis of [ICRA]BBB- (pronounced as ICRA triple B minus) [signifying a moderate degree of safety regarding timely servicing of financial obligations and carrying moderate credit risk]. The outlook on the long term scale rating is Stable. ICRA had also reaffirmed the short-term scale rating on the aforementioned facilities of [ICRA]A3 (pronounced as ICRA A three) [signifying a moderate degree of safety regarding timely servicing of financial obligations and carrying higher credit risk as compared to instruments/ facilities rated in the higher categories].

- (i) The Company, during the Financial Year 2018-19, did not raise any funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015.
- (ii) A certificate from Mr. Arup Kumar Roy, Company Secretary in Practice, to the effect that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities & Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority, has been duly obtained.
- (iii) There was no such instance during the Financial Year 2018-19, where the Board of Directors of the Company had not accepted any recommendation of any Committee of the Board, which is mandatorily required.
- (iv) The total fees for all services paid by the Company, on a consolidated basis during the Financial Year 2018-19, to M/s. Ray & Ray, Statutory Auditors of the Company and to all entities in the network firm/network entity of which the Statutory Auditors are a part, was Rs. 4,89,700/- [inclusive of Goods and Services Tax (GST)].
- (v) An Internal Complaints Committee as required under The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, had been formed with Mrs.

Report on Corporate Governance (Contd.)

Swagata Roy, Assistant General Manager – Finance, the senior-most woman employee in the Company, as its Presiding Officer. No complaints of sexual harassment were received by the Committee during the Financial Year 2018-19.

(u) Transfer of Equity Shares to Unclaimed Suspense Account/ IEPF Authority:

- i) 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.
- ii) However, as required under Section 124(6) of the Companies Act, 2013, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, 21,127 equity shares of the Company, representing 0.88% of the paid-up equity share capital of the Company and belonging to shareholders who had not encashed their dividend warrants for seven consecutive Financial Years, were transferred in favour of the Investor Education and Protection Fund Authority in dematerialized form in November, 2017. Again, in October, 2018, after giving due notice as mentioned above, 1,803 equity shares of the Company, representing 0.08% of the paid-up equity share capital of the Company were transferred in favour of the Investor Education and Protection Fund Authority in dematerialized form. Once the concerned shareholders claim their unpaid/ unclaimed dividends by submitting e-Form IEPF-5 as aforesaid and fulfilling other requirements, the underlying equity shares shall also be credited to their demat accounts. Till that time, the voting rights on such shares, thus transferred, shall remain frozen, in accordance with the statutory provisions.
- iii) Further, the Company shall be giving three months' notice to those shareholders whose shares are due to be transferred in favour of the IEPF Authority during the Financial Year 2019-20 by sending individual letters to them through Registered Post, hosting the details of the relevant shares on the Company website and by issuing necessary advertisements in newspapers as required under the aforementioned Rules.

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

(w) Factory Locations:

(i) Mineral & Material Processing and Handling Equipment Division

Baidyabati Works : 156 (371), G. T. Road Baidyabati,
Dist. Hooghly – 712 222, West Bengal.

Nagpur Works : L-7, MIDC Industrial Estate, Hingna,
Nagpur – 440016, Maharashtra.

(ii) Geared Motors & Gear Boxes Division

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

(iii) Building Material Division

Ajmer Works : Plot No. B-300, Ajaymeru Palra, RIICO Industrial Area,
Ajmer – 305025, Rajasthan.

(x) Regional/Branch Offices :

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

Report on Corporate Governance (Contd.)

Bengaluru	: No. 548/51, 2nd Floor, Andal Temple Street, (Behind R. V. Teacher's College) R.V. Road, Basavanagudi Bengaluru – 560 004.
Chennai	: The Polygon, 2nd Floor, Door No. 56/142, Anna Salai, Saidapet Chennai – 600015.
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	: 407, Acme Plaza, 4th Floor, B-Wing, Andheri Kurla Road, Opp. Sangam Theatre, Andheri (East), Mumbai – 400059.
Nagpur	: L-7, MIDC Industrial Estate, Hingna, Nagpur – 440016, Maharashtra.
New Delhi	: 2E/28, Jhandewallan Extn. New Delhi – 110055
Pune	: D 407 Business Court, Mukund Nagar Pune – 411 037
Vadodara	: 403, 4th Floor, 'Opal Square Building', Behind Express Hotel, R.C. Dutta Road, Alkapuri, Vadodara – 390007, Gujarat
Jamshedpur	: 4th Floor, Office No. 4, H. No. 5, Line No. 2, S.B. Shop Area, Meghdeep Building, Q. Road, Bistupur, Jamshedpur – 831 001, Jharkhand.
Indore	: 308, B-Block, 3rd Flr., Prakrati Corporate (Nr. Malwameel Square), Y.N. Road, Indore – 452 002, Madhya Pradesh.
Jaipur	: S-211, Amrapali Plaza, Near Amrapali Circle, Vaishali Nagar, Jaipur – 302 021

(y) Total number of Employees as on 31.03.2019 : 486.

(z) 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.: 033-40803000/3013; Fax No.: 033-23576653) or sent by email at sc.saha@internationalcombustion.in.

Place: Kolkata
Date: 8th May, 2019

For & on behalf of the Board
Sanjay Bagaria
Chairman

CEO and CFO Certification

The Board of Directors
International Combustion (India) Limited

SUB : COMPLIANCE CERTIFICATE BY CEO / CFO

Dear Sirs,

We hereby certify that:-

- (a) We have reviewed the Financial Statements (both Standalone & Consolidated) of the Company for the Financial Year ended 31st March, 2019, drawn up in accordance with the Companies (Indian Accounting Standards) Rules, 2015, i.e. the Statement of Profit & Loss, including the Statement of Other Comprehensive Income, for the Financial Year ended 31st March, 2019, the Balance Sheet as on that date and the Cash Flow Statement and the Statement of Changes in Equity for the Financial Year ended on that date (including the notes, schedules, annexures & attachments thereto) 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 the Indian Accounting Standards (IND AS), 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 instances.

Yours Sincerely

Kolkata
Date : 8th May, 2019

Indrajit Sen
Managing Director
(CEO)

Asish Kumar Neogi
Chief Financial Officer
(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 2018-19.

Kolkata
Date : 8th May, 2019

Indrajit Sen
Managing Director



Corporate Governance Compliance Certificate

CIN of the Company : L36912WB1936PLC008588

Nominal Capital : ₹ 2,39,02,760/-

To

The Members

International Combustion (India) Limited

Infinity Benchmark, 11th Floor,

Plot No. G-1, Block EP & GP, Sec V,

Salt Lake Electronics Complex

Kolkata – 700091.

I have examined all relevant records of International Combustion (India) Limited (the Company) for the purpose of certifying compliance of the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and Regulation 46 of the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Schedules II & V to the said Regulations for the Financial Year ended 31st March, 2019. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of the certification.

The compliance of the conditions of Corporate Governance is the responsibility of the management. My examination was limited to the procedure and implementation thereof. This certificate 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.

On the basis of my examination of the records produced, explanations and information furnished, I certify that the Company has complied with –

- (a) all the mandatory conditions of Regulations 17 to 27 and Regulation 46 of the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Schedules II & V to the said Regulations, and
- (b) the following non-mandatory/ discretionary requirements specified in Regulation 27(1) of the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Part E of Schedules II to the said Regulations :-
 - i) 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.
 - ii) Separate persons have been appointed to the posts of Chairman and Managing Director.
 - iii) The Auditors' Report to the shareholders of the Company on the Financial Statements (both Standalone & Consolidated) of the Company for the Financial Year ended 31st March, 2019 is with unmodified audit opinion.

Place : Kolkata

Date : 8th May, 2019

Arup Kumar Roy

Company Secretary in Practice

Membership No. : ACS-6784

Certificate of Practice No. : 9597

Independent Auditors' Report

To The Members International Combustion (India) Limited

Report on the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **International Combustion (India) Limited** (“the Company”), which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as “financial statements”).

In our opinion and to the best of our information and according to explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements section of our report*. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that in our professional judgment were of most significance in our audit of the Standalone Financial Statements for the year ended March 31, 2019. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters.

Independent Auditors' Report (Contd.)

Key Audit Matters	Auditors' Response
Adoption of Ind AS 115-Revenue from contracts with customers	Principal Audit Procedures
The Company has adopted Ind AS as stated in Note to the standalone financial Statements, which is the new revenue accounting standard. The application and transition to this accounting standard is complex and is in an area of focus in the audit. The revenue standard establishes comprehensive framework for determining whether, how much and when revenue is recognized. This involves certain key judgments relating to identification of distinct performance obligations, determining of transaction price of identified performance obligation, the appropriateness of the basis used to measure revenue recognized over a period. Additionally, the standard mandates robust disclosures in respect of revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.	Our audit procedures on adoption of Ind AS 115, Revenue from contracts with customers which is the new revenue accounting standard, include: 1. Assessed the design and implementation of the processes and internal controls relating to implementation of the new revenue accounting standard; 2. Evaluated the detailed analysis performed by Management on revenue streams by selecting samples to test the operating effectiveness of the internal control relating to identification of contract with customers, performance obligations and their corresponding determination of transaction price with customers. We have then considered the revenue recognition policy in the current period in respect of these revenue streams. A number of procedures involving enquiry and observation, re- performance and inspection of evidence in respect of operation of these controls were carried out by us.
The Company has adopted Ind AS 115 and applied the available exemption provided therein, to not restate the comparative periods.	3. Assessed the IT systems w.r.t. access and controls relating to contracts and related information used in recording and disclosing revenue in accordance with the new revenue accounting standard. 4. Evaluated the cumulative effect adjustments as at 1 April, 2018 for compliance with the new revenue standard. 5. We also performed analytical procedures for reasonableness of revenue disclosed from product and service offerings.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

Independent Auditors' Report (Contd.)

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of the financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act, read with relevant rules issued there under.

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 Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also

Independent Auditors' Report (Contd.)

responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable those economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosures about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefit of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our report 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;

Independent Auditors' Report (Contd.)

- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those book;
- c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, Statement of changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account;
- d) In our opinion, the aforesaid financial statements comply with Companies (Indian Accounting Standards) Rules, 2015 as 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 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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" and
- 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 read with the Companies (Audit & Auditors) Amendment Rules, 2017, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations against the Company on its financial position in its Standalone Financial Statements.
 - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts that are required to be transferred to the Investor Education and Protection Fund by the Company.

For **Ray & Ray**
Chartered Accountants
Firm's Registration No. 301072E

K. K. Ghosh
Partner
Membership No. 059781

Place: Kolkata
Date: 8th May, 2019

Independent Auditors' Report (Contd.)

Annexure A to the Independent Auditor's Report

(The Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date)

- i. a) The Company maintains its fixed assets register showing full particulars, including quantitative details and situation of property, plant and equipment.
b) Fixed Assets of the Company have been physically verified by the management in accordance with a regular programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, any material discrepancy noticed on such verification between book records and the physical records has been properly dealt with in the books of accounts.
c) According to the information and explanation given to us and on the basis of our examination of records of the Company, the title/lease deeds of immovable properties are held in the name of the Company.
- ii. Inventories have been physically verified by the Management during the year at reasonable intervals. The discrepancies noticed on verification between the physical records and book records were not material and have been properly dealt with in the books of account.
- iii. According to the information and explanation given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Therefore, clauses 3 (iii) (a), (b) and (c) of the aforesaid Order are not applicable.
- iv. In our opinion and according to the information and explanation given to us, the Company has not violated the provisions of section 185 and 186 of the Companies Act 2013 in respect of loans, investments, guarantees and security.
- v. The Company has not accepted any deposits from the public. Accordingly paragraph 3(v) of the Order is not applicable to the company.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act, 2013 for the Company. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- vii. a) According to the records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues, including Provident Fund, Employees' State Insurance, income-tax, custom duty, Goods and Service Tax, cess and other statutory dues applicable to it.
According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees state insurance, sales tax, value added tax, custom duty, excise duty, goods and service tax, income tax, service tax and cess were outstanding, as at 31st March, 2019 for a period of more than six months from the date they became payable.
b) According to the information and explanations given to us, there are no dues of income tax,

Independent Auditors' Report (Contd.)

sales tax/value added tax, service tax, custom duty, excise duty and Goods and Service Tax which have not been deposited as at 31st March, 2019 on account of any dispute.

- viii. The Company has taken loan from banks and is regular in repayment. The Company has not issued any debentures during the year.
- ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). The Company has not taken any term loan during the year.
- x. During the course of our examination of the books of account carried out in accordance with Generally Accepted Auditing Practices, we have neither come across any instance of fraud on or by the Company, nor have we been informed of any such instances by the Management.
- xi. The Company has complied with the requirement of Section 197 of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013.
- xii. The Company is not a Nidhi Company. Accordingly paragraph 3 (xii) of the Order is not applicable.
- xiii. In our opinion and according to the information and explanations given to us, the transactions with the related parties are in compliance with section 188 of the Companies Act, 2013 where applicable and the details of such transactions has been disclosed in the Notes to the Ind AS financial statements as required by the applicable Accounting Standards (Ind AS).
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3 (xv) of the Order is not applicable.
- xvi. In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45IA of the Reserve Bank of India Act, 1934.

For **Ray & Ray**
Chartered Accountants
Firm's Registration No. 301072E

K. K. Ghosh
Partner
Membership No. 059781

Place: Kolkata
Date: 8th May, 2019

Independent Auditors' Report (Contd.)

“Annexure B” to Independent Auditor's Report of International Combustion (India) Limited.

Report on the Internal Financial Control 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 31st March, 2019 in conjunction with our audit of the Ind AS 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 (“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 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”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. 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 depend on the auditor's judgement, including the assessment of the risks of material misstatement of the IND AS 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.

Independent Auditors' Report (Contd.)

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 the IND AS financial statements for external purposes in accordance with generally accepted accounting principles including the Indian Accounting Standards (Ind AS). 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 the IND AS 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 IND AS 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 and to the best of our information and according to the explanation 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 31st March, 2019, 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 ICAI.

For Ray & Ray
Chartered Accountants
Firm's Registration No. 301072E

K. K. Ghosh
Partner
Membership No. 059781

Place: Kolkata
Date: 8th May, 2019

Balance Sheet As at March 31, 2019

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current Assets			
(a) Property, Plant and Equipment	5	4367.46	4615.87
(b) Capital Work-in-Progress	5&6	-	38.79
(c) Intangible Assets	6	67.85	86.16
(d) Financial Assets			
(i) Investments	7	1752.53	930.28
(ii) Other financial assets	8	688.39	730.07
(e) Deferred Tax Assets (Net)	9	8.08	-
		6884.31	6401.17
Current Assets			
(a) Inventories	10	3948.51	3404.62
(b) Financial Assets			
(i) Investments	11	420.19	1525.17
(ii) Trade Receivables	12	4076.49	3876.65
(iii) Cash and Cash equivalents	13	116.07	126.14
(iv) Bank Balances other than (iii) above	14	119.76	30.20
(v) Other financial assets	15	52.11	56.07
(c) Other Current Assets	16	510.42	383.33
		9243.55	9402.18
Total Assets		16127.86	15803.35
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	17	239.03	239.03
(b) Other Equity	18	9510.07	9173.11
		9749.10	9412.14
Liabilities			
Non-current Liabilities			
(a) Financial Liabilities			
Borrowings	19	708.00	1318.18
(b) Provisions	20	149.32	128.89
(c) Deferred Tax Liabilities (Net)	21	-	44.05
		857.32	1491.12
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	22	970.08	860.56
(ii) Trade Payables	23		
A. Total outstanding dues of micro enterprises and small enterprises		106.76	61.18
B. Total outstanding dues of creditors other than micro enterprises and small enterprises		2461.48	2169.05
(iii) Other Financial Liabilities	24	747.31	713.73
(b) Other Current Liabilities	25	991.87	952.82
(c) Provisions	26	97.16	94.26
(d) Current Tax Liabilities (Net)	27	146.78	48.49
		5521.44	4900.09
Total Equity and Liabilities		16127.86	15803.35

Significant Accounting Policies and other accompanying Notes (1 to 45) form an integral part of the financial statements.

This is the Balance Sheet as per our report of even date

For and on behalf of the Board of Directors

For Ray & Ray
Chartered Accountants
(Firm's Registration No. 301072E)

I. Sen
Managing Director
(DIN No. 00216190)

S. Bagaria
Chairman
(DIN No. 00233455)

K.K. Ghosh
Partner
(Membership No. 059781)
Place: Kolkata
Date: 8th May, 2019

S.C. Saha
Company Secretary

A.K. Neogi
Chief Financial Officer

Statement of Profit & Loss for the year ended March 31, 2019

(₹ in lakhs)

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
INCOME			
Revenue From Operations	28	13415.71	10763.90
Other Income	29	241.38	293.29
Total Income		13657.09	11057.19
EXPENSES			
Cost of materials consumed	30	6352.59	4991.81
Changes in inventories of finished goods, stock-in-trade and work-in-progress	31	(47.25)	(120.65)
Employee benefits expense	32	3405.57	3279.17
Finance costs	33	316.49	396.84
Depreciation and amortisation expense	34	513.77	524.07
Other expenses	35	2703.84	2345.66
Total Expenses		13245.01	11416.90
Profit /(Loss) before tax		412.08	(359.71)
Tax expense:	36		
Current tax		100.64	-
Deferred tax/(Reversal)		(44.73)	(124.80)
Total Tax Expenses		55.91	(124.80)
Profit/(Loss) for the year		356.17	(234.91)
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss	37	(26.61)	(20.08)
(ii) Income tax relating to items that will not be reclassified to profit or loss	36.3	7.40	6.20
Other Comprehensive Income for the year (Net of taxes)		(19.21)	(13.88)
Total Comprehensive Income /(Loss) for the year		336.96	(248.79)
Earnings per equity share of par value of Rs. 10 each.	40		
(1) Basic (Rs.)		14.90	(9.83)
(2) Diluted (Rs.)		14.90	(9.83)

Significant Accounting Policies and other accompanying Notes (1 to 45) form an integral part of the financial statements.

This is the Statement of Profit and Loss
as per our report of even date

For and on behalf of the Board of Directors

For Ray & Ray
Chartered Accountants
(Firm's Registration No. 301072E)

I. Sen
Managing Director
(DIN No. 00216190)

S. Bagaria
Chairman
(DIN No. 00233455)

K.K. Ghosh
Partner
(Membership No. 059781)
Place: Kolkata
Date: 8th May, 2019

S.C. Saha
Company Secretary

A.K. Neogi
Chief Financial Officer

Statement of changes in Equity for the year ended March 31, 2019

A. Equity Share Capital	Amount (₹ in lakhs)
Balance as at April 1, 2017	239.03
Changes during the year	-
Balance as at March 31, 2018	239.03
Changes during the year	-
Balance as at March 31, 2019	239.03

B. Other Equity

As at March 31, 2019

(₹ in lakhs)

Particulars	Surplus				Items of other comprehensive income	Total
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Re-measurement of defined benefit plans	
Balance as at April 01, 2018	605.34	890.41	7,301.82	468.35	(92.81)	9,173.11
Total Comprehensive Income for the year	-	-	-	356.17	(19.21)	336.96
Balance at March 31, 2019	605.34	890.41	7,301.82	824.52	(112.02)	9,510.07

As at March 31, 2018

Particulars	Surplus				Items of other comprehensive income	Total
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Re-measurement of defined benefit plans	
Balance as at April 1, 2017	605.34	890.41	7,301.82	703.26	(78.93)	9,421.90
Total Comprehensive Income for the year	-	-	-	(234.91)	(13.88)	(248.79)
Balance at March 31, 2018	605.34	890.41	7,301.82	468.35	(92.81)	9,173.11

Refer Note no. 18 for nature and purpose of reserves.

This is the Statement of changes in Equity as per our report of even date

For and on behalf of the Board of Directors

For Ray & Ray

Chartered Accountants

(Firm's Registration No. 301072E)

K.K. Ghosh

Partner

(Membership No. 059781)

Place: Kolkata

Date: 8th May, 2019

I. Sen

Managing Director

(DIN No. 00216190)

S.C. Saha

Company Secretary

S. Bagaria

Chairman

(DIN No. 00233455)

A.K. Neogi

Chief Financial Officer

Cash Flow for the Year Ended March 31, 2019

(₹ in lakhs)

Particulars	Year ended		Year ended	
	March 31 2019	March 31 2019	March 31 2018	March 31 2018
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit before Tax		412.08		(359.71)
Add: Depreciation and amortisation expenses	513.77		524.07	
Irrecoverable Debts/Advances written off	63.55		58.01	
Provision for expected Credit losses	(23.82)		16.66	
Finance Cost	316.49	869.99	396.84	995.58
		1,282.07		635.87
Less: Interest Income	10.56		12.44	
Net gain/(loss) on sale of Current Investments	11.60		6.84	
Net gain/(loss) on fair valuation of investments through Profit and Loss	126.05		173.57	
Provisions/Liabilities no longer required written back	16.12		42.18	
Fair valuation of Surrender Value of Keyman Insurance policy	65.36		58.64	
Profit/(Loss) on sale/discard of Fixed Assets (Net)	2.91	232.60	(0.97)	292.70
Operating Profit before Working Capital changes		1,049.47		343.17
Less: Increase/(Decrease) in Inventories	543.89		366.19	
Increase/(Decrease) in Trade Receivables	239.57		91.57	
Increase/(Decrease) in Loans & advances, other financial and non-financial assets	109.46		(86.60)	
(Increase)/Decrease in Trade Payables, other financial and non-financial liabilities and provisions	(389.90)	503.02	(759.38)	(388.22)
Cash generated from Operations		546.45		731.39
Less: Direct Taxes paid (Net)		2.35		19.44
Net cash flow from Operating activities (A)		544.10		711.95
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Property, Plant and Equipment and movements in Capital work in progress	(166.18)		(415.83)	
(Purchase)/Sale of Investment (net)	420.38		786.46	
Interest received	2.88		12.44	
Investment in fixed deposits (having original maturity of more than 3 months)	11.49	268.57	(0.25)	382.82
Net Cash flow from Investing activities (B)		268.57		382.82
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds/(Repayments) from short term borrowings (net)	109.52		(94.39)	
Proceeds/(Repayments) from long term borrowings (net)	(608.24)		(605.89)	
Interest and other borrowing cost paid	(322.27)		(399.97)	
Dividends	(1.75)	(822.74)	(2.32)	(1,102.57)
Net cash flow from Financing activities (C)		(822.74)		(1,102.57)
Cash and Cash equivalents (A+B+C)		(10.07)		(7.80)
Cash and Cash equivalents as at 1st April		126.14		133.94
Cash and Cash equivalents as at 31st March (Refer note no. 13)		116.07		126.14

Note: The above Statement of Cash Flow has been prepared under the 'Indirect Method' as set out in Ind AS 7- 'Statement of Cash Flows'.

This is the Cash Flow Statement as per our report of even date

For and on behalf of the Board of Directors

For Ray & Ray
Chartered Accountants
(Firm's Registration No. 301072E)

I. Sen
Managing Director
(DIN No. 00216190)

S. Bagaria
Chairman
(DIN No. 00233455)

K.K. Ghosh
Partner
(Membership No. 059781)
Place: Kolkata
Date: 8th May, 2019

S.C. Saha
Company Secretary

A.K. Neogi
Chief Financial Officer

Notes to Financial Statements for the year ended March 31, 2019

1 Corporate Information

International Combustion (India) Limited is a public limited company in India, having its registered office in Kolkata, West Bengal located in India engaged in the manufacture and supply of Heavy Engineering Equipment, Geared Motors and Gear Boxes and Dry Mix Morters. The Company's shares are listed and publicly traded on the Bombay Stock Exchange Limited.

The Consolidated Financial Statements relates to International Combustion (India) Limited (hereinafter referred to as 'the Company') and its joint ventures as detailed below:

Investment in Joint Ventures

Name of the Joint Venture	Principal Activity	Principal place of business	Effective proportion of ownership interest (%)	
			As at March 31, 2019	As at March 31, 2018
Mozer Process Technology Private Limited	Trading in Mozer Dryers	India	50.00%	50.00%

2 Statement of Compliance

The Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2016 (as amended) read with Section 133 of the Companies Act, 2013 ("the Act") with effect from April 1, 2017 and therefore Ind ASs issued, notified and made effective till the financial statements are authorized have been considered for the purpose of preparation of these financial statements.

3 Significant Accounting Policies

3.1 Basis of Preparation

The Financial Statements have been prepared under the historical cost convention except certain financial instruments which are measured in terms of relevant Ind AS at fair values/ amortized costs at the end of each reporting period.

Historical cost convention is generally based on the fair value of the consideration given in exchange for goods and services.

As the operating cycle cannot be identified in normal course, the same has been assumed to have duration of 12 months. All Assets and Liabilities have been classified as current or non-current as per the operating cycle and other criteria set out in Ind AS 1 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013.

The Financial Statements are presented in Indian Rupees and all values are rounded off to the nearest two decimal lakhs except otherwise stated.

Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

Notes to Financial Statements for the year ended March 31, 2019 (Contd.)

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed for such measurement:

- a) **Level 1:** Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- b) **Level 2:** Inputs other than quoted prices included within level 1 that are observable either directly or indirectly for the asset or liability.
- c) **Level 3:** Inputs for the asset or liability which are not based on observable market data.

3.2 Property Plant and Equipment (PPE)

Property, plant and equipment are stated at cost of acquisition or deemed cost on the date of transition or construction and subsequent improvements thereto less accumulated depreciation and impairment losses, if any. Cost of an asset comprises its purchase price or its construction cost including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, inward freight, dismantling costs, installation expenses and adjustment for exchange differences wherever applicable and any cost directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended by the management. For major projects, interest and other costs incurred on / related to direct borrowings to finance projects / fixed assets during construction period and related pre-operative expenses, if appropriate, are capitalized.

Parts of an item of PPE having different useful lives and material value and subsequent expenditure on Property, Plant and Equipment arising on account of capital improvement or other factors are accounted for as separate components.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statement when incurred.

Capital Work-in-progress includes preoperative and development expenses of equipments to be installed, construction and erection materials, advances etc. Such properties are classified to the appropriate categories of PPE when completed and ready for intended use.

Depreciation and Amortization of Expenses:

Depreciation on Property, Plant and Equipment (other than on certain building and vehicles which is amortised over the period of lease) is provided on useful life as specified in Schedule II of the Companies Act, 2013 on the following basis:

- a) Nagpur, Aurangabad and Ajmer Units - on straight line method;
- b) Other Units - on written down value method.
- c) Leasehold Land being perpetuity in nature and having a term upto 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.

Depreciation on Property, Plant and Equipments commences when the assets are ready for their

Notes to Financial Statements for the year ended March 31, 2019 (Contd.)

intended use. Based on above, the estimated useful lives of assets for the current period are as follows.

Category	Useful life (years)
Buildings	
Non-Factory Building (RCC Frame Structure)	60
Factory Building	30
Roads	
Carpeted Roads-RCC	-
Carpeted Roads-other than RCC	-
Non-Carpeted Roads	3
Plant and machinery	
Continuous Process Plant	15
Computer equipment	
Servers and networks	6
Others	3
Furniture and fixtures and Laboratory Equipment's	10
Office equipment	5
Vehicles	
Motor cycles, scooters and other mopeds	-
Others	8

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

3.3 Intangible Assets

Intangible assets are stated at cost comprising of purchase price inclusive of duties and taxes less accumulated amount of amortization and impairment losses. Such assets, are amortised over the useful life using straight line method and assessed for impairment whenever there is an indication of the same.

Accordingly, Technical Knowhow fees, cost of computer software packages (ERP and others) and Patents are amortized over a period of 6 years.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

3.4 Derecognition of Tangible assets

An item of PPE is de-recognised upon disposal or when no future economic benefits are expected to arise from its use or disposal. Gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

Notes to Financial Statements for the year ended March 31, 2019 (Contd.)

3.5 Leases

Leases are classified as finance leases, whenever the terms of the lease transfer substantially all the risks and rewards incidental to the ownership of an asset to the Company. All other leases are classified as operating leases.

Finance leases are capitalized at the inception of the lease at lower of its fair value and the present value of the minimum lease payments and a liability is recognised for an equivalent amount. Any initial direct costs of the lessee are added to the amount recognised as an asset. Each lease payments are apportioned between finance charge and reduction of the lease liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the outstanding amount of the liabilities

Payments made under operating leases are recognised as expenses on a straight-line basis over the term of the lease unless the lease arrangements are structured to increase in line with expected general inflation or another systematic basis which is more representative of the time pattern of the benefits availed. Contingent rentals, if any, arising under operating leases are recognised as an expense in the period in which they are incurred.

3.6 Impairment of Tangible Assets

Tangible assets are reviewed at each Balance Sheet date for impairment. In case events and circumstances indicate any impairment, recoverable amount of assets is determined. An impairment loss is recognized in the Statement of Profit and Loss, whenever the carrying amount of assets either belonging to Cash Generating Unit (CGU) or otherwise exceeds recoverable amount. The recoverable amount is the higher of assets' fair value less cost to disposal and its value in use. In assessing value in use, the estimated future cash flows from the use of the assets are discounted to their present value at appropriate rate.

Impairment losses recognized earlier may no longer exist or may have come down. Based on such assessment at each reporting period the impairment loss is reversed and recognized in the Statement of Profit and Loss. In such cases the carrying amount of the asset is increased to the lower of its recoverable amount and the carrying amount that have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

3.7 Financial assets and financial liabilities

Financial assets and financial liabilities (financial instruments) are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

The financial assets and financial liabilities are classified as current if they are expected to be realised or settled within operating cycle of the company or otherwise these are classified as non-current.

Notes to Financial Statements for the year ended March 31, 2019 (Contd.)

The classification of financial instruments whether to be measured at amortized cost, at fair value through Profit and Loss (FVTPL) or at fair value through Other Comprehensive Income (FVTOCI) depends on the objective and contractual terms to which they relate. Classification of financial instruments are determined on initial recognition.

i) Cash and cash equivalents

All highly liquid financial instruments, which are readily convertible into determinable amounts of cash and which are subject to an insignificant risk of change in value and are having original maturities of three months or less from the date of purchase, are considered as cash equivalents. Cash and cash equivalents includes balances with banks which are unrestricted for withdrawal and usage.

ii) Financial Assets and Financial Liabilities measured at amortised cost

Financial Assets held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortized cost.

The above Financial Assets and Financial Liabilities subsequent to initial recognition are measured at amortized cost using Effective Interest Rate (EIR) method.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts (including all fees and points paid or received, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability to the gross carrying amount of the financial asset or to the amortised cost of financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

iii) Financial Asset at Fair Value Through Other Comprehensive Income (FVTOCI)

Financial assets are measured at fair value through Other Comprehensive Income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Subsequent to initial recognition, they are measured at fair value and changes therein are recognised directly in Other Comprehensive Income.

iv) For the purpose of para (ii) and (iii) above, principal is the fair value of the financial asset at initial recognition and interest consists of consideration for the time value of money and associated credit risk.

v) Financial Assets or Liabilities at Fair value through profit or loss

Financial Instruments which does not meet the criteria of amortised cost or fair value through Other Comprehensive Income are classified as fair value through Profit or loss. These are recognised at fair value and changes therein are recognized in the Statement of Profit and Loss.

vi) Investments in Joint Venture are being carried at cost.

Notes to Financial Statements for the year ended March 31, 2019 (Contd.)

vii) Impairment of financial assets

A financial asset is assessed for impairment at each reporting date. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

The Company measures the loss allowance for a financial asset at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

However, for trade receivables or contract assets that result in relation to revenue from contracts with customers, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

viii) Derecognition of financial instruments

The Company derecognizes a financial asset or a group of financial assets when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable are recognized in Statement of Profit and Loss.

On derecognition of assets measured at FVTOCI the cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from Equity to Profit or Loss as a reclassification adjustment.

Financial liabilities are derecognized if the Company's obligations specified in the contract expire or are discharged or cancelled. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in Statement of Profit and Loss.

3.8 Inventories

Inventories are valued at lower of cost or net realisable value. Cost of inventories is ascertained on 'weighted average' basis. Materials and other supplies held for use in the production of inventories are not written down below cost if the related finished products are expected to be sold at or above cost.

Cost in respect of raw materials and stores and spares includes expenses incidental to procurement of the same. 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.

3.9 Asset Held for Sale

Non-current assets or disposal groups comprising of assets and liabilities are classified as 'held for sale' when all of the following criteria's are met: (i) decision has been made to sell. (ii) the assets are available for immediate sale in its present condition. (iii) the assets are being actively

Notes to Financial Statements for the year ended March 31, 2019 (Contd.)

marketed and (iv) sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.

Subsequently, such non-current assets and disposal groups classified as held for sale are measured at the lower of its carrying value and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortised.

3.10 Foreign Currency Transactions

Transactions in foreign currencies are translated into the functional currency at the exchange rates prevailing on the date of the transactions. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate as at the date of transaction. The loss or gain thereon and also on the exchange differences on settlement of the foreign currency transactions during the year are recognized as income or expense in the Profit and Loss Account. Foreign exchange gain/loss to the extent considered as adjustment to interest cost are considered as part of borrowing cost.

3.11 Equity Share Capital

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Par value of the equity shares is recorded as share capital and the amount received in excess of par value is classified as Securities Premium.

Costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

3.12 Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a legal or constructive obligation as a result of past events and it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of obligation. Provisions are not recognised for future operating losses. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Contingent liabilities are not recognized and are disclosed by way of notes to the financial statements when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or when there is a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the same or a reliable estimate of the amount in this respect cannot be made.

Contingent assets are not recognised but disclosed in the Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

3.13 Employee Benefits

Employee benefits are accrued in the year in which services are rendered by the employees. Short term employee benefits are recognized as an expense in the Statement of Profit and Loss for the year in which the related service is rendered.

Notes to Financial Statements for the year ended March 31, 2019 (Contd.)

Contribution to defined contribution plans such as Provident Fund, Superannuation Fund and Pension Fund is being made in accordance with statute and are recognised as and when incurred.

Contribution to defined benefit plans consisting of contribution to gratuity scheme and Interest Rate Guarantee on Provident Fund schemes which are determined at close of the year at present value of the amount payable using actuarial valuation techniques. Actuarial gain and losses arising from experience adjustments and changes in actuarial assumptions are recognized in Other Comprehensive Income.

Other long term employee benefits consisting of leave encashment are determined at close of the year at present value of the amount payable using actuarial valuation techniques. The changes in the amount payable including actuarial gain/loss are recognised in the Statement of Profit and Loss.

3.14 Revenue

Sale of goods:

Revenue from contract with customers is recognised when the Company satisfies performance obligations by transferring promised goods and services to the customer. Performance obligations are said to be satisfied at a point of time when the customer obtains controls over the assets.

Revenue is considered at the fair value of consideration received or receivable when the significant risk and rewards of goods and ownership of goods have been transferred and the amount thereof can be measured reliably. This represents the net invoice value of goods supplied after deducting discounts, rebates and taxes collected on behalf of third parties and is inclusive of goods and service tax which the Company pays as principal.

Interest, Dividend and Claims

Dividend income is recognized when the right to receive payment is established. Interest has been accounted using effective interest rate method. Insurance claims/other claims are accounted as and when admitted/settled.

Export Benefits

Export benefits are accounted for as and when the ultimate realisability of such benefits are established.

3.15 Government Grants

Government grants are recognized on systematic basis when there is reasonable certainty of realization of the same. Revenue grants including subsidy/rebates are credited to Statement of Profit and Loss Account under "Other Income" or deducted from the related expenses for the period to which these are related. Grants which are meant for purchase, construction or otherwise acquire non current assets are recognized as Deferred Income and disclosed under Non Current Liabilities and transferred to Statement of Profit and Loss on a systematic basis over the useful life of the respective asset. Grants relating to non-depreciable assets is transferred to Statement of Profit and Loss over the periods that bear the cost of meeting the obligations related to such grants.

Notes to Financial Statements for the year ended March 31, 2019 (Contd.)

3.16 Borrowing Costs

Borrowing cost comprises of interest and other costs incurred in connection with the borrowing of the funds. All borrowing costs are recognized in the Statement of Profit and Loss using the effective interest method except to the extent attributable to qualifying Property Plant Equipment (PPE) which are capitalized to the cost of the related assets. A qualifying PPE is an asset, that necessarily takes a substantial period of time to get ready for its intended use or sale. Borrowing cost also includes exchange differences to the extent considered as an adjustment to the borrowing costs.

3.17 Taxes on Income

Income tax expense representing the sum of current tax expenses and the net charge of the deferred taxes is recognized in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in Equity or Other Comprehensive Income.

Current income tax is provided on the taxable income and recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability and such benefit can be measured reliably and it is probable that the future economic benefit associated with the same will be realised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized.

3.18 Earnings Per Share

Basic earnings per share are computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares

3.19 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided

Notes to Financial Statements for the year ended March 31, 2019 (Contd.)

to the chief operating decision-maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

Segments are organised based on business which have similar economic characteristics as well as exhibit similarities in nature of products and services offered, the nature of production processes, the type and class of customer and distribution methods. Segment revenue arising from third party customers is reported on the same basis as revenue in the financial statements. Inter-segment revenue is reported on the basis of transactions which are primarily market led. Segment results represent profits before finance charges, unallocated corporate expenses and taxes.

“Unallocated Corporate Expenses” include revenue and expenses that relate to initiatives/costs attributable to the enterprise as a whole and are not attributable to segments.

4. Critical accounting judgments, assumptions and key sources of estimation and uncertainty

The preparation of the financial statements in conformity with the measurement principle of Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Differences between the actual results and estimates are recognized in the year in which the results are known/materialized and, if material, their effects are disclosed in the notes to the financial statements.

Application of accounting policies that require significant areas of estimation, uncertainty and critical judgements and the use of assumptions in the financial statements have been disclosed below. The key assumptions concerning the future and other key sources of estimation uncertainty at the Balance Sheet date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below:

4.1 An arrangement containing leases and classification of leases

The Company enters into service/hiring arrangements for various assets/services. The determination of lease and classification of the service/hiring arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

4.2 Depreciation/amortization and impairment loss on property, plant and equipment

Property, plant and equipment and intangible assets are depreciated/ amortized on straight-line /written down value basis over the estimated useful lives (or lease term if shorter) in accordance with Schedule II of the Companies Act, 2013, taking into account the estimated residual value, wherever applicable.

Notes to Financial Statements for the year ended March 31, 2019 (Contd.)

The Company reviews its carrying value of its Tangible and Intangible Assets whenever there is objective evidence that the assets are impaired. In such situation Assets' recoverable amount is estimated which is higher of asset's or cash generating units (CGU) fair value less cost of disposal and its value in use. In assessing value in use the estimated future cash flows are discounted using pre-tax discount rate which reflect the current assessment of time value of money. In determining fair value less cost of disposal, recent market realisations are considered or otherwise in absence of such transactions appropriate valuations are adopted. The Company reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation/amortization and amount of impairment expense to be recorded during any reporting period. This reassessment may result in change estimated in future periods.

4.3 Impairment loss on trade receivables

The Company evaluates whether there is any objective evidence that trade receivables are impaired and determines the amount of impairment loss as a result of the inability of the customers to make required payments. The Company bases the estimates on the ageing of the trade receivables balance, credit-worthiness of the trade receivables and historical write-off experience. If the financial conditions of the trade receivable were to deteriorate, actual write-offs would be higher than estimated.

4.4 Income taxes

The Company provides for tax considering the applicable tax regulations and based on reasonable estimates. Management periodically evaluates positions taken in the tax returns giving due considerations to tax laws and establishes provisions in the event if required as a result of differing interpretation or due to retrospective amendments, if any.

The recognition of deferred tax assets is based on availability of sufficient taxable profits in the Company against which such assets can be utilized. MAT (Minimum Alternate Tax) is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax and will be able to utilize such credit during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the Statement of Profit and Loss and is included in Deferred Tax Assets. The Company reviews the same at each Balance Sheet date and if required, writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will be able to absorb such credit during the specified period.

4.5 Provisions and Contingencies

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations/against the Company as it is not possible to predict the outcome of pending matters with accuracy. Based on management best estimates the same does not qualify for recognition in the financial statements.

4.6 Insurance Claim and Liquidated damages

Insurance claims are accounted as and when admitted/settled. Liquidated damages and penalties are accounted for in accordance with the terms of agreement for loss of opportunity/profit of the Company due to delay in completion. Subsequent changes in value if any are provided for.

Notes to Financial Statements for the year ended March 31, 2019 (Contd.)

4.7 Defined benefit obligation (DBO)

Critical estimate of the DBO involves a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate, anticipation of future salary increases etc. as estimated by Independent Actuary appointed for this purpose/Management. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

4.8 Impairment on Investments in Joint Venture

Investments in Joint Venture are been carried at cost. The Company has tested for impairment at year end based on the Net Asset Value computed with reference to the book value/ projected discounted cash flow of such Company in respect of unquoted investments.

Notes to Financial Statements for the year ended March 31, 2019 (Contd.)

5. Property, Plant and Equipment:

As at March 31, 2019

Particulars	(₹ in lakhs)											
	Freehold land	Leasehold Land	Freehold Buildings	Leasehold Buildings	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipment	Electrical Installation	Total	Capital Work-in-progress	Total Property, Plant and Equipment including Work-in-progress
Gross Block as at April 1, 2018	3.04	549.04	1,193.76	578.35	2,911.90	71.08	12.60	4.09	260.03	5,583.89	38.79	5622.68
Additions	-	-	40.51	13.16	127.08	10.01	52.74	1.07	4.20	248.77	-	248.77
Disposals	-	-	-	0.18	-	-	1.59	-	0.06	1.83	-	1.83
Adjustment	-	-	-	-	-	-	4.87	-	-	4.87	(38.79)	(33.92)
As at March 31, 2019	3.04	549.04	1,234.27	591.33	3,038.98	81.09	68.62	5.16	264.17	5,835.70	-	5835.70
Accumulated Depreciation as at April 1, 2018	-	0.10	126.59	83.33	660.64	34.10	6.42	1.58	55.26	968.02	-	968.02
Charge for the period	-	0.05	67.54	37.30	330.80	11.43	20.27	1.08	26.99	495.46	-	495.46
Disposals	-	-	-	-	-	-	0.10	-	0.01	0.11	-	0.11
Adjustment	-	-	-	-	-	-	4.87	-	-	4.87	-	4.87
As at March 31, 2019	-	0.15	194.13	120.63	991.44	45.53	31.46	2.66	82.24	1,468.24	-	1468.24
Net carrying amount as at March 31, 2019	3.04	548.89	1,040.14	470.70	2,047.54	35.56	37.16	2.50	181.93	4,367.46	-	4367.46

As at March 31, 2018

Particulars	(₹ in lakhs)											
	Freehold land	Leasehold Land	Freehold Buildings	Leasehold Buildings	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipment	Electrical Installation	Total	Capital Work-in-progress	Total Property, Plant and Equipment including Work-in-progress
Gross Block as at April 1, 2017	3.04	549.04	1,166.38	578.35	2,810.96	72.79	18.75	3.27	258.24	5,460.82	50.06	5510.88
Additions	-	-	27.38	-	116.77	1.17	-	1.48	1.79	148.59	13.45	162.04
Disposals	-	-	-	-	15.83	2.88	6.15	0.66	-	25.52	24.72	50.24
As at March 31, 2018	3.04	549.04	1,193.76	578.35	2,911.90	71.08	12.60	4.09	260.03	5,583.89	38.79	5622.68
Accumulated Depreciation as at April 1, 2017	-	0.05	61.50	43.29	320.58	20.60	6.16	0.80	27.88	480.86	-	480.86
Charge for the period	-	0.05	65.09	40.04	355.89	14.29	5.63	1.44	27.38	509.81	-	509.81
Disposals	-	-	-	-	15.83	0.79	5.37	0.66	-	22.65	-	22.65
As at March 31, 2018	-	0.10	126.59	83.33	660.64	34.10	6.42	1.58	55.26	968.02	-	968.02
Net carrying amount as at March 31, 2018	3.04	548.94	1,067.17	495.02	2,251.26	36.98	6.18	2.51	204.77	4,615.87	38.79	4654.66

Notes:

5.1 The Company has elected to continue with the carrying value of its Property, Plant & Equipment (PPE) recognised as of April 1, 2016 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date.

Notes to Financial Statements for the year ended March 31, 2019 (Contd.)

5. Property, Plant and Equipment (Contd.):

Notes (Contd.):

5.2 The Building Material Division of the Company for the manufacture of dry mix product has been commissioned on March 31, 2016

5.3 Refer Notes 19.2, 19.3 and 22 to financial statements in respect of charges created against borrowings

5.4 Details of assets under lease included above

A. Finance Lease disclosures:

The leasehold lands located at Nagpur, Aurangabad, Ajmer and Kolkata has been classified under finance lease. The lease term ranges from 89 to 99 years.

The net carrying amount of the leasehold land, classified as finance lease, is Rs. 548.90 lakh as at March 31, 2019 (March 31, 2018 : Rs. 548.95 lakh).

Finance Lease Liabilities

(₹ in lakhs)

Particulars	Minimum Lease Payments		Present Value of Minimum Lease	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Not later than one year	0.38	0.38	0.16	0.18
Later than one year and not later than five years	2.16	2.53	0.67	1.02
Later than five years	189.89	189.89	1.63	1.63

5.5 Capital Work-in-Progress includes Plant and Equipments, construction including material and other costs and other assets amounting to Rs. nL (March 31, 2018: Rs. 38.79 lakhs).

Notes to Financial Statements for the year ended March 31, 2019 (Contd.)

6. Intangible Assets:

As at March 31, 2019

(₹ in lakhs)

Particulars	Technical Knowhow fees	ERP Software	Autocad Software	Total	Capital Work-in-progress	Total Other Intangible Assets including Work-in-progress
Gross Block as at April 1, 2018	84.72	23.64	6.76	115.12	-	115.12
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-
As at March 31, 2019	84.72	23.64	6.76	115.12	-	115.12
Accumulated Depreciation as at April 1, 2018	18.12	7.54	3.30	28.96	-	28.96
Charge for the period	12.81	3.94	1.56	18.31	-	18.31
Disposals	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-
As at March 31, 2019	30.93	11.48	4.86	47.27	-	47.27
Net carrying amount as at March 31, 2019	53.79	12.16	1.90	67.85	-	67.85

As at March 31, 2018

Particulars	Technical Knowhow fees	ERP Software	Autocad Software	Total	Capital Work-in-progress	Total Other Intangible Assets including Work-in-progress
Gross Block as at April 1, 2017	44.71	23.64	6.76	75.11	20.17	95.28
Additions	40.01	-	-	40.01	19.84	59.85
Disposals	-	-	-	-	-	-
Other Adjustments	-	-	-	-	40.01	40.01
As at March 31, 2018	84.72	23.64	6.76	115.12	-	115.12
Accumulated Depreciation as at April 1, 2017	9.36	3.60	1.74	14.70	-	14.70
Charge for the period	8.76	3.94	1.56	14.26	-	14.26
Disposals	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-
As at March 31, 2018	18.12	7.54	3.30	28.96	-	28.96
Net carrying amount as at March 31, 2018	66.60	16.10	3.46	86.16	-	86.16

Notes:

6.1 The Company has elected to continue with the carrying value of its Intangible Assets recognised as on April 1, 2016 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date

Notes to Financial Statements for the year ended March 31, 2019 (Contd.)

7. Non-Current Investments

(Fully paid up except otherwise stated)

(₹ in lakhs)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Holding	Value	Holding	Value
Investments in Equity Instruments	(Nos)		(Nos)	
Investment measured at Cost				
Unquoted				
Joint Venture				
Mozer Process Technology Private Limited (Face value of Rs.10/- each)	500000	50.00	500000	50.00
		50.00		50.00
Investment in Mutual Funds				
Investment measured at fair value through Profit and Loss				
Quoted				
BOI AXA Corporate Credit Spectrum Fund (Face Value of Rs. 10 each)	-	-	837479	111.79
Reliance Corporate Bond	1875314.12	275.74	-	-
L&T FMP Sr.XVII - Plan B(1452D) Growth Plan (Face Value of Rs. 10 each)	5000000	537.25	-	-
DSP BlackRock FMP Series 238 36M Regular Growth (Face Value of Rs. 10 each)	3000000	317.71	-	-
Kotak FMP Series 127 730 Days (Face Value of Rs. 10 each)	-	-	1500000	221.44
HDFC FMP 1213 D Mar 2017(1) Reg Gr (Face Value of Rs. 10 each)	3000000	345.51	3000000	323.73
ICICI Prudential FMP Series 81 -1101 Days-Plan E (Face Value of Rs. 10 each)	2000000	226.32	2000000	211.96
Kotak FMP 183 -Direct Plan Growth (Face Value of Rs. 10 each)	-	-	42000	5.17
Kotak FMP 186 -Direct Plan Growth (Face Value of Rs. 10 each)	-	-	50000	6.19
		1,702.53		880.28
Total -Non -Current Investments		1,752.53		930.28
Aggregate NAV of Quoted Investments				
- Mutual Funds		1,702.53		880.28

7.1 The Company as on the transition date has adopted to measure investment in Joint Venture at Cost

7.2 Particulars of Investments as required under section 186(4) of the Companies Act, 2013 has been disclosed herein above

7.3 Refer Note No. 19.1 and 22.2 to financial statements in respect of charges created against borrowings

7.4 Details of Joint Venture in accordance with Ind AS 112 "Disclosure of Interest in other entities"

Name of the Company	Country	Proportion of Ownership Interest/ Voting rights by the Company
Mozer Process Technology Private Limited	India	50%

Notes to Financial Statements for the year ended March 31, 2019 (Contd.)

8. Other Financial Assets

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
Unsecured, Considered Good			
Security Deposits		65.12	63.48
Fixed Deposit with Banks (having original maturity of more than 1 year)	14.1	1.30	102.35
Accrued Interest on Fixed Deposit with Banks (having original maturity of more than 1 year)		0.35	7.98
Surrender Value of Keyman Insurance Policy	8.1	621.62	556.26
		688.39	730.07

8.1 The Company has recognised the surrender value of Keyman insurance policy considering the expected accrual of proceeds thereof on maturity in favour of the Company.

9. Deferred Tax Assets

The following is the analysis of deferred tax assets/(liabilities) presented in the Balance Sheet:

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
Deferred tax Assets		406.38	-
Deferred tax Liabilities		398.30	-
Net Deferred Tax Assets/(Liabilities)		8.08	-

Components of Deferred tax Assets/(Liabilities) as at March 31, 2019 are given below:

Particulars	As at April 1, 2018	Charge/ (Credit) recognised in Profit and Loss	Charge/ (Credit) recognised in other comprehensive income	As at March 31, 2019
Deferred Tax Assets:				
Fair valuation of financial assets and financial liabilities	3.50	0.35	-	3.15
Leasehold liability	0.82	0.14	-	0.68
MAT Credit Entitlement	77.11	(100.64)	-	177.75
Unabsorbed depreciation loss	201.84	104.60	-	97.24
Provision for expected credit losses against financial assets	22.69	8.91	-	13.78
Expenses allowable on payment basis	80.10	15.22	-	64.88
Remeasurement of defined benefit obligations	41.50	-	(7.40)	48.90
Total Deferred Tax Assets	427.56	28.58	(7.40)	406.38
Deferred Tax Liabilities:				
Fair valuation (gain)/ loss on Investments	91.51	(19.77)	-	71.74
Timing difference with respect to Property, Plant & Equipment and Intangible Assets	378.42	(52.38)	-	326.04
Borrowings designated at Amortised Cost	1.68	(1.16)	-	0.52
Total Deferred Tax Liabilities	471.61	(73.31)	-	398.30
Net Deferred Tax Assets/(Liabilities)	(44.05)	(44.73)	(7.40)	8.08

Notes to Financial Statements for the year ended March 31, 2019 (Contd.)

10. Inventories

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
Raw materials		1,892.60	1,380.10
Work-In-Progress		629.33	521.19
Finished goods		1,187.11	1,248.00
Packing Materials		24.52	222.64
Stores and spares		214.95	32.69
		3,948.51	3,404.62

Note: Refer Note No. 22.1 to financial statements in respect of charges created against borrowings

11. Current Investments

(Fully paid up except otherwise stated)

(₹ in lakhs)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Holding	Value	Holding	Value
Investment measured at fair value through Profit and Loss				
Investment in Mutual Funds	(Nos.)		(Nos.)	
Mutual Funds (Quoted)				
Kotak FMP Series 127 -730 Days (Face Value of Rs. 10 each)	1500000	240.85	-	-
Kotak FMP 183 -Direct Plan Growth (Face Value of Rs. 10 each)	42000	5.21	-	-
Kotak FMP 186 -Direct Plan Growth (Face Value of Rs. 10 each)	50000	6.74	-	-
UTI-FTIF Series XXII-VI(1098 D) Growth Fund (Face Value of Rs. 10 each)	-	-	3000000	389.82
BOI AXA Corporate Credit Spectrum Fund (Face Value of Rs. 10 each)	837479	110.85	-	-
Kotak FMP Series 194 Direct Plan Growth (Face Value of Rs. 10 each)	30000	3.77	-	-
UTI Credit Risk Fund - Regular Growth Plan (Face Value of Rs. 10 each)	315471.35	52.77	-	-
ICICI Prudential Fixed Maturity Plan-Sr.75-1246 Days-Plan U (Face Value of Rs. 10 each)	-	-	3000000	409.54
Kotak FMP Series 172 - 1126 Days (Face Value of Rs. 10 each)	-	-	1500000	196.93
HDFC FMP 1184D January 2015(I) - Sr.33 (Face Value of Rs. 10 each)	-	-	2000000	266.09
Reliance Corporate Bond	-	-	1875314.12	262.79
Total		420.19		1,525.17
Aggregate amount of NAV of Quoted Investments				
- In Mutual Funds		420.19		1,525.17

11.1 Refer Note No. 19.1 and 22.2 to financial statements in respect of charges created against borrowings

11.2 Particulars of investments as required under Section 186(4) of the Companies Act, 2013 have been disclosed in Note No. 7 and 11

Notes to Financial Statements for the year ended March 31, 2019 (Contd.)

12. Trade Receivables

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
Secured, considered good		-	-
Unsecured, considered good		4,076.49	3876.65
Receivables having significant increase in Credit Risk		49.52	73.34
		4,126.01	3,949.99
Less: Impairment allowances for doubtful debts	12.2	(49.52)	(73.34)
		4,076.49	3,876.65

12.1 Refer Note No. 22.1 to financial statements in respect of charges created against borrowings

12.2 Movement of Impairment allowances for doubtful debts

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
Balance as at the beginning of the year		73.34	56.68
Recognised during the year		-	16.66
Reversal during the year		(23.82)	-
Balance at the end of the year		49.52	73.34

13. Cash and Cash Equivalents

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
Balances with banks			
In current and cash credit accounts		113.82	123.33
Cash on hand		2.25	2.81
		116.07	126.14

14. Bank Balances Other than Cash and Cash Equivalents

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
Other Balances with banks			
In Margin Money Accounts	14.1	113.24	21.93
In Unpaid Dividend Account		6.52	8.27
		119.76	30.20

14.1 Fixed Deposits with banks in Margin Money Account includes Rs.114.54 lakhs (March 31, 2018: Rs. 124.28 lakhs) including Rs. 1.30 lakhs (March 31, 2018: Rs. 102.35 lakhs) disclosed under other non-current financial assets have been lodged with Banks against guarantee issued by them.

Notes to Financial Statements for the year ended March 31, 2019 (Contd.)

15. Other Financial Assets

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
Export Incentive receivable		31.75	26.02
Others		13.03	15.83
Accrued Interest on Fixed Deposit with Banks (having original maturity of less than 1 year)		7.33	14.22
		52.11	56.07

15.1 Refer Note No. 22.1 to financial statements in respect of charges created against borrowings

16. Other Current Assets

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
Advances for supply of goods		41.16	53.31
Balance with Government authorities		419.69	276.95
Prepaid expenses		32.11	30.85
Loans and advances to employees		10.03	9.35
Others		7.43	12.87
		510.42	383.33

16.1 Refer Note No. 22.1 to financial statements in respect of charges created against borrowings

17. Equity Share Capital

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
Authorised			
50,00,000 (March 31, 2018: 50,00,000) Equity Shares of Rs.10 each		500.00	500.00
		500.00	500.00
Issued, Subscribed and Paid-up			
23,90,276 (March 31, 2018: 23,90,276) Equity Shares of Rs.10 each		239.03	239.03
		239.03	239.03

17.1 The Company has one class of shares referred to as equity shares having a par value of Rs. 10/-. Each holder of equity shares is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

17.2 Reconciliation of the number of equity shares outstanding

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
Number of shares at the beginning		23,90,276	23,90,276
Add: Addition during the year		-	-
Number of shares at the end		23,90,276	23,90,276

Notes to Financial Statements for the year ended March 31, 2019 (Contd.)

17. Equity Share Capital (Contd.)

17.3 Shareholders holding more than 5% equity shares

(₹ in lakhs)

Name of shareholders	% of holding	Note No.	As at March 31, 2019	As at March 31, 2018
Tradelink Securities Limited	14.38		3,43,703	3,43,703
Stephen Court Limited	11.68		2,79,088	2,79,088
Woolworth Merchandise Private limited	7.14		1,70,609	1,70,609

18. Other Equity

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
Capital Reserve	18.2	605.34	605.34
Securities Premium	18.3	890.41	890.41
General Reserve	18.4	7,301.82	7,301.82
Retained Earnings	18.5	824.52	468.35
Other Comprehensive Income			
Re-measurement of Defined benefit plans	18.6	(112.02)	(92.81)
		9,510.07	9,173.11

18.1 Refer Statement of changes in Equity for movement in balances of reserves

18.2 Capital Reserve

Capital Reserve comprises of:

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
(a) Capital Profit on sale of land & building		550.05	550.05
(b) Profit on reissue of forfeited Debentures		0.29	0.29
© Subsidy from State Government against capital investment in new units		55.00	55.00
		605.34	605.34

18.3 Securities Premium

Securities Premium represents the amount received in excess of par value of securities and is available for utilisation as specified under section 52 of Companies Act, 2013.

18.4 General Reserve

The General Reserve is used from time to time by appropriating profits from retained earnings. As the General Reserve is created by a transfer from one component of equity to another and accordingly it is not reclassified to the Statement of Profit and Loss.

18.5 Retained Earnings

Retained earnings generally represents the undistributed profit/ amount of accumulated earnings of the company.

18.6 Other Comprehensive Income

Other Comprehensive Income represents the balance in equity for items to be accounted in Other Comprehensive Income (OCI). The actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions have been recognised in OCI and will not be reclassified to Statement of Profit and Loss.

18.7 The amount that can be distributed by the Company as dividends to its equity shareholders is determined considering the requirements of the Companies Act, 2013 and the dividend distribution policy of the Company. Thus, the amount reported above are not entirely distributable.

Notes to Financial Statements for the year ended March 31, 2019 (Contd.)

19. Borrowings

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2019		As at March 31, 2018	
		Non Current	Current	Non Current	Current
Secured					
Term Loan from Bank	19.1 and 19.2	677.14	640.66	1,316.97	639.68
Vehicle Finance loan from Bank	19.3	30.86	4.50	1.21	3.54
		708.00	645.16	1,318.18	643.22

19.1 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. The Interest rate is Base Rate + 185 basis points which is currently 11.35%. The outstanding as on March 31, 2019 is Rs. 690.96 lakhs (March 31, 2018: Rs. 1,032.91 lakhs)

19.2 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 Nagpur and Aurangabad units on which first charge is held for working capital facilities for Baidyabati, Nagpur and Aurangabad units. The Interest rate is Base Rate + 250 basis points which is currently 12.00%. The outstanding as on March 31, 2019 is Rs.626.84 lakhs (March 31, 2018: Rs. 929.19 lakhs)

19.3 Finance lease obligation is secured against car taken on two finance lease and are repayable in 60 and 36 monthly instalments starting from June,2018 and March,2016 respectively. The Interest rate is 10.1389% and 9.40% respectively. The outstanding as on March 31, 2019 is Rs. 35.36 lakhs (March 31, 2018: Rs. 4.75 lakhs)

19.4 Repayment details of above loans are as follows:

Particulars	Term Loan	Vehicle Finance Loan
2019-20	640.66	4.50
2020-21	649.80	4.97
2021-22	27.34	5.50
2021-22	-	6.08
2022-23	-	14.31

19.5 The outstanding balance disclosed in Note no. 19 are based on the amortised cost in accordance with Ind AS 109 "Financial Instruments".

20. Provisions

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits	39	149.32	128.89
		149.32	128.89

Notes to Financial Statements for the year ended March 31, 2019 (Contd.)

21. Deferred Tax Liabilities

The following is the analysis of deferred tax (assets)/liabilities presented in the Balance Sheet:

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
Deferred tax Assets		-	427.56
Deferred tax Liabilities		-	471.61
Net Deferred Tax (Assets)/Liabilities		-	44.05

Components of Deferred tax (Assets)/ Liabilities as at March 31, 2018 are given below:

Particulars	As at April 1, 2017	Charge/ (Credit) recognised in profit & loss	Charge/(Credit) recognised in other comprehensive income	As at March 31, 2018
Deferred Tax Assets:				
Fair valuation of financial assets and financial liabilities	3.50	-	-	3.50
Leasehold liability	0.88	0.06	-	0.82
MAT Credit Entitlement	77.11	-	-	77.11
Unabsorbed Depreciation loss	156.69	(45.15)	-	201.84
Provision for expected credit losses against financial assets	17.51	(5.18)	-	22.69
Expenses allowable on payment basis	5.61	(74.49)	-	80.10
Remeasurement of defined benefit obligations	35.30	-	(6.20)	41.50
Total Deferred Tax Assets	296.60	(124.76)	(6.20)	427.56
Deferred Tax Liabilities:				
Fair valuation (gain)/ loss on Investments	115.67	(24.16)	-	91.51
Timing difference with respect to Property, Plant & Equipment and Intangible Assets	352.68	25.74	-	378.42
Borrowings designated at Amortised Cost	3.30	(1.62)	-	1.68
Total Deferred Tax Liabilities	471.65	(0.04)	-	471.61
Net Deferred Tax (Assets)/ Liabilities	175.05	(124.80)	(6.20)	44.05

22. Borrowings

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
Secured			
Repayable on demand			
Working capital facilities from banks			
Indian Currency	22.1 and 22.2	970.08	657.60
Buyer's Credit	22.3	-	202.96
		970.08	860.56

22.1 Loans repayable on demand being Working Capital facilities from UCO Bank and Axis Bank (both fund based and non-fund based) are secured by hypothecation of stock of raw materials, work-in-progress, finished goods, stores and spares, trade receivables 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 Nagpur and Aurangabad.

22.2 Loans repayable on demand being Working Capital facilities from Kotak Mahindra Bank is secured by way of lien on investments in units of mutual funds held by the Company.

22.3 Buyer's Credit is secured against hypothecation of the plant and equipment purchased thereagainst

Notes to Financial Statements for the year ended March 31, 2019 (Contd.)

23. Trade Payables

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
Payable for Goods and Services			
Total outstanding dues of micro and small Enterprises	23.1	106.76	61.18
Total outstanding dues of creditors other than micro and small Enterprises		2,461.48	2,169.05
		2,568.24	2,230.23

23.1 Disclosure of Trade payables as required under section 22 of Micro, Small and Medium Enterprises Development (MSMED) Act, 2006, based on the confirmation and information available with the company regarding the status of suppliers.

Particulars	As at March 31, 2019	As at March 31, 2018
a) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year		
Principal	106.76	61.18
Interest	-	-
b) The amount of interest paid by the Company in terms of Section 16 of the "Micro, Small and Medium Enterprise Development Act, 2006" (27 of 2006) along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year:	Nil	Nil
c) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	Nil	Nil
d) The amount of interest accrued and remaining unpaid at the end of each accounting year,	Nil	Nil
e) 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 of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	Nil	Nil

24. Other Financial Liabilities

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
Current maturities of long term debt- Secured	19	640.66	639.68
Current maturities of finance lease obligation- Secured	19	4.50	3.54
Interest accrued but not due on borrowings		8.33	14.11
Unclaimed dividends	24.1	6.52	8.27
Capital vendors		87.30	48.13
		747.31	713.73

24.1 The same is not due for payment to Investor Education and Protection Fund.

Notes to Financial Statements for the year ended March 31, 2019 (Contd.)

25. Other Current Liabilities

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
Advance from customers		486.57	582.38
Statutory dues - PF, ESI, GST, TDS etc.		505.26	370.44
Others		0.04	-
		991.87	952.82

26. Provisions

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits	39	97.16	94.26
		97.16	94.26

27. Current Tax Liabilities (Net)

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
Provision for taxation (net of advance tax)		146.78	48.49
		146.78	48.49

Notes to Financial Statements for the year ended March 31, 2019 (Contd.)

28. Revenue From Operations

(₹ in lakhs)

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
Sale of products	28.1	13,195.43	10,597.26
Sale of Services		74.18	31.89
Other operating revenues			
Scrap Sales		119.74	72.47
Liabilities no longer required written back		16.12	42.18
Incentive on exports		10.24	20.10
		13,415.71	10,763.90

28.1 Includes Excise Duty of Rs.NIL (2017-18- Rs. 103.81 lakhs)

28.2 The Company has adopted Ind AS 115, "Revenue from Contracts with Customers" which is mandatory for reporting from the period beginning on after 1st April, 2018. Adoption of this standard did not have any material impact on the financial results of the Company.

29. Other Income

(₹ in lakhs)

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest Income			
On deposits, overdue debts etc.		10.56	12.44
Net gain/(loss) on redemption of Current investments		11.60	6.84
Net gain/(loss) on fair valuation of investments through Profit and Loss		126.05	173.57
Profit/(loss) on sale of fixed assets (net)		2.91	-
Net gain/(loss) on foreign currency transaction and translation		5.23	12.33
Fair valuation of Surrender Value of Keyman Insurance policy	8.1	65.36	58.64
Miscellaneous income		19.67	29.47
		241.38	293.29

30. Cost of materials consumed

(₹ in lakhs)

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
Raw Material Consumed		6,352.59	4,991.81

31. Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-Progress

(₹ in lakhs)

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
Opening stock			
Finished Goods		1,248.00	1,012.36
Work-in-Progress		521.19	636.18
		1,769.19	1,648.54
Less: Closing Stock			
Finished Goods		1,187.11	1,248.00
Work-in-Progress		629.33	521.19
		1,816.44	1,769.19
		(47.25)	(120.65)

Notes to Financial Statements for the year ended March 31, 2019 (Contd.)

32. Employee Benefits Expense

(₹ in lakhs)

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries and wages		2,645.57	2,514.91
Contribution to provident and other funds		212.72	253.43
Travelling and Conveyance		407.17	379.40
Staff welfare expenses		140.11	131.43
		3,405.57	3,279.17

33. Finance Costs

(₹ in lakhs)

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest expense		187.93	344.98
Other borrowing cost		128.56	51.86
		316.49	396.84

34. Depreciation and Amortisation Expenses

(₹ in lakhs)

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
Depreciation Expenses	5	495.46	509.81
Amortisation Expenses	6	18.31	14.26
		513.77	524.07

35. Other Expenses

(₹ in lakhs)

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
Consumable Stores		368.52	273.23
Packing Materials consumed (net of recoveries)		196.48	144.85
Power and fuel		224.70	184.26
Rent		29.33	25.73
Repairs to buildings		31.66	36.05
Repairs to machinery		10.91	26.98
Repairs to others		69.91	57.14
Insurance		11.16	10.43
Rates and taxes		24.74	23.89
Directors fees and Commission		19.36	6.10
Selling and Distribution Expenses	35.2	637.41	584.22
Auditors' Remuneration	35.1	4.15	4.15
Irrecoverable Debts/Advances written off		63.55	58.01
Royalty		356.61	260.63
Excise duty paid and on stock		-	(8.67)
Communication Expenses		30.34	31.42
Consultancy		60.52	68.99
Freight and Forwarding Charges [Net of realisation of Rs. 26.97 lakhs (March 31, 2018: Rs. 47.15 lakhs)]		209.33	173.05
Loss on sale of fixed assets (net)		-	0.97
Miscellaneous expenses	35.3	355.16	384.23
		2,703.84	2,345.66

Notes to Financial Statements for the year ended March 31, 2019 (Contd.)

35. Other Expenses (Contd.)

35.1 Auditor's Remuneration comprises of:

(₹ in lakhs)

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) Audit Fees		3.25	3.25
(b) Certification and other expenses		0.90	0.90

35.2 Selling and Distribution Expenses comprises of:

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) Travelling Expenses		421.10	466.05
(b) Commission on Sales		80.73	94.36
(c) Other Expenses		135.58	23.81

35.3 During the year, the Company has incurred Rs. 1.10 lakhs (March 31, 2018 Rs. 2.12 lakhs) on account of Corporate Social Responsibility (CSR).

35.4 **Operating Lease disclosures:**

The Company has operating lease arrangements for office accommodations etc. with tenure extending upto 1 or 3 or 5 yrs. Term of certain lease arrangements include escalation clause for rent on expiry of 12 or 24 or 36 months as the case may be from the commencement date of such lease and deposit / refund of security deposit etc. Expenditure incurred on account of rent during the year and recognized in the Profit and Loss account amounts to Rs.29.33 lakhs (March 31, 2018 Rs. 25.73 lakhs).

36. Tax Expenses - Current Tax

(₹ in lakhs)

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
Provision for Current Tax		100.64	-
		100.64	-

36.1 Components of Tax Expense:

(₹ in lakhs)

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
Current Tax			
In respect of the current year		100.64	-
Total Current Tax Expense recognised in the current year		100.64	-
Deferred Tax			
In respect of the current year		(44.73)	(124.80)
Total Deferred Tax Expense recognised in the current year		(44.73)	(124.80)
Total Tax Expense recognised in the current year		55.91	(124.80)

Notes to Financial Statements for the year ended March 31, 2019 (Contd.)

36. Tax Expenses - Current Tax (Contd.)

36.2 Reconciliation of Income tax expense for the year with accounting profit is as follows:

Taxable Income differs from “Profit before tax” as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. Details in this respect are as follows:

(₹ in lakhs)

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit before tax		412.08	(359.71)
Income tax expense calculated at 27.82%*		114.64	(111.15)
Less : Effect of			
Difference in tax rate for Long Term Capital Gain		(15.32)	(18.58)
Effect of other adjustments		(43.41)	4.93
Income tax expense recognised in Profit and Loss		55.91	(124.80)

* The tax rate used for reconciliations above is the corporate tax rate of 27.82% payable by corporate entities in India on taxable profits under the Indian tax laws.

36.3 Income tax recognised in Other Comprehensive Income

(₹ in lakhs)

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
Deferred tax			
Arising on income and expenses recognised in Other Comprehensive Income:			
Tax impact on Remeasurement of defined benefit obligation		7.40	6.20
Total income tax recognised in Other Comprehensive Income		7.40	6.20
Bifurcation of the income tax recognised in Other Comprehensive Income into:-			
Items that will not be reclassified to Profit and Loss		7.40	6.20
Items that may be reclassified to Profit and Loss		-	-

37. Components of Other Comprehensive Income

(₹ in lakhs)

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
Items that will not be reclassified to Statement of Profit and Loss-			
Remeasurement of gains / (losses) on defined benefit plans		(26.61)	(20.08)
		(26.61)	(20.08)

Notes to Financial Statements for the year ended March 31, 2019 (Contd.)

38. Financial Instruments

The accounting classification of each category of financial instrument, their carrying amount and fair value are as follows:-

(₹ in lakhs)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets (Current and Non-Current)				
Financial Assets designated at Amortised Cost				
Trade receivables	4,076.49	4,076.49	3,876.65	3,876.65
Cash and Cash Equivalents	116.07	116.07	126.14	126.14
Bank Balances other than Cash and Cash Equivalents	119.76	119.76	30.20	30.20
Loans and Other financial assets	740.50	740.50	786.14	786.14
Financial Assets designated at Fair Value through Profit and Loss Account				
Investment in Mutual Funds	2,122.72	2,122.72	2,405.45	2,405.45
Financial Liabilities (Current and Non-Current)				
Financial Liabilities designated at Amortised Cost				
Borrowings	2,323.24	2,323.24	2,821.96	2,821.96
Trade Payables	-	-	-	-
Other financial liabilities	102.15	102.15	70.51	70.51

Fair Valuation Techniques

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values:

The fair value of cash and cash equivalents, trade receivables, trade payables, current financial liabilities/financial assets and borrowings approximate their carrying amount largely due to the short-term nature of these instruments. The management considers that the carrying amounts of financial assets and financial liabilities recognised at nominal cost/amortised cost in the financial statements approximate their fair values.

A substantial portion of the company's long-term debt has been contracted at floating rates of interest, which are reset at short intervals. Fair value of variable interest rate borrowings approximates their carrying value subject to adjustments made for transaction cost.

Investments (other than Investments in Joint Venture) i.e. Mutual Funds are determined by reference to the quoted market prices (i.e. NAV) at the reporting date multiplied by the quantity held.

Fair value hierarchy

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as at March 31, 2019:

(₹ in lakhs)

Particulars	As at March 31*	Fair value measurements at reporting date using		
		Level 1	Level 2	Level 3
Financial Assets				
Investment in Mutual Funds (Current and Non-Current) - 2019	2,122.72	2,122.72	-	-
- 2018	(2,405.45)	(2,405.45)	-	-
- 2017	[3011.50]	[3011.50]	-	-

(*) Figures in round brackets () indicate figures as at March 31, 2018 and in brackets [] indicate figures as at April 01, 2017

Notes to Financial Statements for the year ended March 31, 2019 (Contd.)

38. Financial Instruments (Contd.)

During the year ended March 31, 2019 and March 31, 2018, there were no transfers between Level 1, Level 2 and Level 3.

The Inputs used in fair valuation measurement are as follows:

Fair valuation of Financial assets and liabilities not within the operating cycle of the Company is amortised based on the borrowing rate of the Company.

Financial instruments are valued based on quoted price for similar assets and liabilities in active market or similar inputs that are directly or indirectly observable in the market place.

Financial Risk Factors

The Company's activities expose it to a variety of financial risks. The key financial risk includes market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. 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 risks in the various business areas and it 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 players with low cost products which has intensified the competition in the large domestic market consequently shrinking the margins for the Company's products is an area of risk. To mitigate the risk 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, carving out a niche product portfolio and effective marketing framework.

Market Risk

Market risk is the risk or uncertainty arising from possible market price movements resulting in variation in the fair value of future cash flows of a financial instrument. The major components of Market risks are foreign currency risk, interest rate risk and other price risk. Financial instruments affected by market risk includes trade receivables, borrowings, investments and trade and other payables.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's foreign currency denominated transactions.

The Company is having a net foreign exchange outflow and has adopted a comprehensive risk management review system wherein it evaluates exchange rate exposure arising from these transactions and follows established risk management policies.

The carrying amount of various exposure to foreign currency at the end of the reporting period are as follows:

(₹ in lakhs)

Particulars	As at March 31, 2019			
	Trade receivables	Loans and borrowings	Trade payables & Other current Liability	Net Assets/ (liabilities)
USD	0.16	-	-	0.16
EURO	23.18	-	37.84	(14.66)
Total	23.34	-	37.84	(14.50)

Notes to Financial Statements for the year ended March 31, 2019 (Contd.)

38. Financial Instruments (Contd.)

(₹ in lakhs)

Particulars	As at March 31, 2018			
	Trade receivables	Loans and borrowings	Trade payables & Other current Liability	Net Assets/ (liabilities)
USD	24.40	-	-	24.40
EURO	62.73	202.96	5.17	(145.40)
Total	87.13	202.96	5.17	(121.00)

The Company is principally exposed to foreign currency risk against USD & EURO. Sensitivity of profit or loss arises mainly from USD & EURO denominated are as follows:

(₹ in lakhs)

Particulars	Effect on Profit before tax	
	For the year end March 31, 2019	For the year end March 31, 2018
Receivables (Weaking of INR by 5%)		
USD	0.01	1.22
EURO	1.16	3.14
Payables (Weaking of INR by 5%)		
USD	-	-
EURO	(1.89)	(10.41)

A 5% strengthening of INR would have an equal and opposite effect on the Company's financial statements

Interest rate risk

The Company's exposure in market risk related to change in interest rate primarily arises from floating rate borrowing with banks and financial institutions. Borrowings at fixed interest rate exposes the Company to the fair value interest rate risk.

Further, there are deposits with banks which are for short term period are exposed to interest rate risk, falling due for renewal. These deposits are however generally for trade purposes and as such does not cause material implication.

With all other variables held constant, the following table demonstrates the impact of exposure of Company's borrowings to interest rate changes at the end of the reporting period. A hypothetical basis point shift, as detailed below, would result in a corresponding increase or decrease in interest costs for the Company on a yearly basis.

(₹ in lakhs)

Nature of Borrowing	Increase in basis points	For the year ended March 31, 2019	For the year ended March 31, 2018
Foreign Currency Loan	+0.25	-	0.51
Rupee Loan	+0.50	11.44	13.07

A decrease in 0.50 basis point in Rupee Loan and 0.25 basis point in foreign currency loan would have an equal and opposite effect on the Company's financial statements

Other price risk

The Company's exposure in Joint Venture are carried at cost and these are subject to impairment testing as per the policy followed in this respect. Further, the investment in mutual funds which are fair valued through

Notes to Financial Statements for the year ended March 31, 2019 (Contd.)

38. Financial Instruments (Contd.)

profit and loss are material as these are Fixed Maturity Plan(FMP) that are closed ended scheme with a pre-defined maturity which is subject to investment objective and allocation which is basically in debt instruments, Certificate of Deposits and Commercial papers. Accordingly, other price risk of the financial instrument to which the Company is exposed is not expected to be material.

Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables). To manage this, the management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Collection of sale proceeds promptly from the clients on sale of products is also an area where risk is involved. The Company has adopted various recovery measures for improvement in collection and liquidity position which is also monitored by the Executive Management at regular intervals.

The carrying amount of respective financial assets recognised in the financial statements, (net of impairment losses) represents the Company's maximum exposure to credit risk. The concentration of credit risk is limited due to the customer base being large and unrelated. Of the trade receivables balance at the end of the year, there are no single customer accounted for more than 10% of the accounts receivable and 10% of revenue as at March 31, 2019 and March 31, 2018 respectively.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. Receivables from customers are reviewed/evaluated periodically by the management and appropriate provisions are made to the extent recovery thereagainst has been considered to be remote.

Financial assets that are neither past due nor impaired

Cash and Cash Equivalents, investment and deposits with banks are neither past due nor impaired. Cash and Cash Equivalents with banks are held with reputed and credit worthy banking institutions.

Financial assets that are past due but not impaired

Trade Receivables disclosed include amounts that are past due at the end of the reporting period but against which the Company has not recognised an allowance for doubtful receivables because there has not been a significant change in credit quality and the amounts are still considered recoverable.

Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's objective is to maintain optimum level of liquidity to meet its cash and collateral requirements at all times. The Company relies on borrowings and internal accruals to meet its fund requirement. The current committed line of credit are sufficient to meet its short to medium term fund requirement. The Company has laid down procedure for smooth servicing of the Term Loan for Building Material Division through the maturity proceeds of the Investment in FMP.

Liquidity and interest risk tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows as at the Balance Sheet date:

Notes to Financial Statements for the year ended March 31, 2019 (Contd.)

38. Financial Instruments (Contd.)

Interest rate and currency of borrowings

(₹ in lakhs)

Particulars	As at March 31, 2019			
	Total Borrowings	Floating rate Borrowings	Fixed rate Borrowings	Weighted average Interest Rate (%)
INR	2323.24	2287.88	35.36	-
EURO	-	-	-	-
Total	2,323.24	2,287.88	35.36	-

Particulars	As at March 31, 2018			
	Total Borrowings	Floating rate Borrowings	Fixed rate Borrowings	Weighted average Interest Rate (%)
INR	2619.01	2614.25	4.76	-
EURO	202.96	202.96	-	-
Total	2,821.97	2,817.21	4.76	-

Maturity Analysis of Financial Liabilities

(₹ in lakhs)

Particulars	As at March 31, 2019					
	Carrying Amount	On Demand	Less than 6 months	6 to 12 months	> 1 year	Total
Interest bearing borrowings (including current maturities)	2,323.24	970.08	320.54	324.62	708.00	2,323.24
Other Liabilities	102.15	14.85	87.30	-	18.74	120.88
Trade and other payables	-	-	-	-	-	-

Particulars	As at March 31, 2018					
	Carrying Amount	On Demand	Less than 6 months	6 to 12 months	> 1 year	Total
Interest bearing borrowings (including current maturities)	2,821.97	657.60	316.48	326.74	1,521.15	2,821.97
Other Liabilities	70.51	30.65	39.86	-	-	70.51
Trade and other payables	-	-	-	-	-	-

The Company has current financial assets which will be realised in ordinary course of business. The Company ensures that it has sufficient cash on demand to meet expected operational expenses.

The Company has laid down procedure for smooth servicing of the Term Loan for Building Material Division through the maturity proceeds of the Investment in FMP. Further, the Company relies on mix of borrowings and excess operating cash flows to meet its need for funds and ensures that it does not breach any financial covenants stipulated by the lender.

Capital Management

The primary objective of the Company's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholder value. The Company's objective when managing capital is to safeguard their ability to continue as a going concern so that they can continue to provide returns for shareholders and benefits for other stake holders. The Company is focused on keeping strong total equity base to ensure independence, security, as well as a high financial flexibility for potential future borrowings, if required without impacting the risk profile of the Company.

Notes to Financial Statements for the year ended March 31, 2019 (Contd.)

38. Financial Instruments (Contd.)

The gearing ratio are as follows:

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Borrowings	2,323.24	2,821.96
Equity	9,749.10	9,412.14
Gearing Ratio	0.24	0.30

39. Post Retirement Employee Benefits

The disclosures required under Indian Accounting Standard 19 on “Employee Benefits” are given below:

a) Defined Contribution Plans

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

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Employer’s Contribution to Provident Fund	95.81	102.88
Employer’s Contribution to Pension Fund	59.72	59.34
Employer’s Contribution to Superannuation Fund	1.43	11.83
Employers State Insurance Fund	29.97	32.78

b) Defined Benefit Plans

The employee’s gratuity fund scheme managed by Life Insurance Corporation of India is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes 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.

(₹ in lakhs)

Particulars	Gratuity (Funded)	
	2018-19	2017-18
a) Change in the fair value of the defined benefit obligation:		
Liability at the beginning of the year	764.86	728.94
Interest Cost	57.89	53.44
Current Service Cost	51.65	47.08
Actuarial (gain) / loss on obligations	21.45	14.09
Benefits paid	(25.97)	(78.69)
Liability at the end of the year	869.88	764.86
b) Changes in the Fair Value of Plan Asset		
Fair value of Plan Assets at the beginning of the year	698.45	695.68
Expected Return on Plan Assets	53.78	53.91
Contributions by the Company	59.10	33.54
Benefits paid	(25.97)	(78.69)
Actuarial gain / (loss) on Plan Assets	(5.16)	(5.99)
Fair value of Plan Assets at the end of the year	780.20	698.45

Notes to Financial Statements for the year ended March 31, 2019 (Contd.)

39. Post Retirement Employee Benefits (Contd.)

b) Defined Benefit Plans (Contd.)

(₹ in lakhs)

Particulars	Gratuity (Funded)	
	2018-19	2017-18
c) Actual return on Plan Asset		
Expected return on Plan assets	53.78	53.91
Actuarial gain / (loss) on Plan Assets	(5.16)	(5.99)
Actual Return on Plan Assets	48.62	47.92
d) Amount Recognized in Balance Sheet		
Liability at the end of the year	869.88	764.86
Fair value of Plan Assets at the end of the year	780.20	698.45
	89.68	66.41
e) Components of Defined Benefit Cost		
Current Service Cost	51.65	47.08
Interest Cost	57.89	53.44
Expected Return on Plan Assets	(53.78)	(53.91)
Net Actuarial (gain) / loss on remeasurement recognised in OCI	26.61	20.08
Total Defined Benefit Cost recognised in Profit and Loss and OCI	82.37	66.69
f) Balance Sheet Reconciliation		
Opening Net Liability	66.41	33.26
Expenses as above	82.37	66.69
Employers Contribution	(59.10)	(33.54)
Amount Recognized in Balance Sheet	89.68	66.41
g) Principal Actuarial assumptions as at the Balance Sheet date		
Discount Rate	7.70%	7.75%
Salary Escalation - First 5 years	6.00%	6.00%
Salary Escalation - After 5 years	6.00%	6.00%
Rate of Return on Plan Assets	7.70%	7.75%

h) Percentage allocation of plan assets in respect of fund managed by insurer is as follows:

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
G-Sec/ Corporate Securities	-	-
Equity	-	-
Fixed Deposit and other Assets	-	-
Insurance Policies	100.00%	100.00%

Interest Rate Guarantee

The obligation for provident fund trustees set up by the employer for Interest Rate guarantee in respect of shortfall in defined benefit plan and is recognized in the same manner as gratuity. The actuarial valuation of such provident fund liability on account of shortfall of interest as determined by the actuarial is Rs.Nil (March 31, 2018: Rs. Nil) has been recognised in the statement of Profit and Loss.

Notes to Financial Statements for the year ended March 31, 2019 (Contd.)

39. Post Retirement Employee Benefits (Contd.)

Compensated Absences

The obligation for compensated absences is recognized in the same manner as gratuity except remeasurement benefit which is treated as part of OCI. The actuarial liability of Compensated Absences (unfunded) of accumulated privileged and sick leaves of the employees of the Company as at March 31, 2019 is given below:

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Leave Encashment	111.60	113.13

Particulars	Leave Encashment (Non-Funded)	
	2018-19	2017-18
a) Change in the fair value of the defined benefit obligation:		
Liability at the beginning of the year	113.13	108.71
Interest Cost	7.47	6.66
Current Service Cost	37.03	35.39
Benefits paid	(32.12)	(45.67)
Actuarial (gain) / loss on obligations	(13.91)	8.04
Liability at the end of the year	111.60	113.13
b) Amount Recognized in Balance Sheet		
Liability at the end of the year	111.60	113.13
Fair value of Plan Assets at the end of the year	-	-
	111.60	113.13
c) Components of Defined Benefit Cost		
Current Service Cost	37.03	35.39
Interest Cost	7.47	6.66
Expected Return on Plan Assets	-	-
Net Actuarial (gain) / loss on remeasurement recognised in Profit & Loss	(13.91)	8.04
Total Defined Benefit Cost recognised in Profit and Loss and OCI	30.59	50.09
d) Balance Sheet Reconciliation		
Opening Net Liability	113.13	108.71
Expenses as above	30.59	50.09
Benefits paid	(32.12)	(45.67)
Amount Recognized in Balance Sheet	111.60	113.13
e) Principal Actuarial assumptions as at the Balance Sheet date		
Discount Rate	7.70%	7.75%
Salary Escalation - First 5 years	6.00%	6.00%
Salary Escalation - After 5 years	6.00%	6.00%
Rate of Return on Plan Assets	N.A	N.A

Notes:

- Assumptions relating to future salary increases, attrition, interest rate for discount & overall expected rate of return on Assets have been considered based on relevant economic factors such as inflation, market growth & other factors applicable to the period over which the obligation is expected to be settled.

Notes to Financial Statements for the year ended March 31, 2019 (Contd.)

39. Post Retirement Employee Benefits (Contd.)

Recognised in Other Comprehensive Income

Particulars	Gratuity
Remeasurement - Actuarial loss/(gain)	
For the year ended March 31, 2018	20.08
Remeasurement - Actuarial loss/(gain)	
For the year ended March 31, 2019	26.61

Sensitivity analysis:

Particulars	Change in Assumption	Defined Benefit Obligation	
		Gratuity	Leave Encashment
For the year ended March 31, 2018			
Discount Rate	+1%	739.84	106.41
	-1%	831.45	120.69
Salary Growth Rate	+1%	830.63	120.77
	-1%	739.72	106.28
Withdrawal Rate	+1%	787.35	113.93
	-1%	778.55	112.24
For the year ended March 31, 2019			
Discount Rate	+1%	822.47	104.82
	-1%	922.67	119.23
Salary Growth Rate	+1%	921.23	119.40
	-1%	822.54	104.60
Withdrawal Rate	+1%	874.32	112.38
	-1%	865.00	110.73

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (Projected Unit Credit Method) has been applied as when calculating the defined benefit obligation recognised within the Balance Sheet.

History of experience adjustments is as follows:

Particulars	Gratuity	Leave Encashment
For the year ended March 31, 2018		
Plan Liabilities - (loss)/gain	42.42	(14.25)
Plan Assets - (loss)/gain	6.00	-
For the year ended March 31, 2019		
Plan Liabilities - (loss)/gain	15.8	(12.59)
Plan Assets - (loss)/gain	5.16	-

Estimate of expected benefit payments (In absolute terms i.e. undiscounted)

Particulars	Gratuity	Leave Encashment
01 Apr 2019 to 31 Mar 2020	236.42	27.58
01 Apr 2020 to 31 Mar 2021	246.91	2.19
01 Apr 2021 to 31 Mar 2022	59.27	2.54
01 Apr 2022 to 31 Mar 2023	61.8	3.95
01 Apr 2023 to 31 Mar 2024	103.29	9.91
01 Apr 2024 to 31 Mar 2029	444.68	50.58

Notes to Financial Statements for the year ended March 31, 2019 (Contd.)

39. Post Retirement Employee Benefits (Contd.)

Estimate of expected benefit payments (In absolute terms i.e. undiscounted) (Contd.)

Particulars	As at March 31, 2019	As at March 31, 2018
Average no of people employed	474	414

40. Calculation of Earning Per Share is as follows:

(₹ in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) Net profit for Basic and Diluted Earnings Per Share as per Statement of Profit and Loss	356.17	(234.91)
(b) Weighted average number of equity shares for calculation of Basic and Diluted Earnings Per Share (Face value Rs. 10/- per share)		
No of equity shares outstanding as on 31st March	2390276	2390276
Number of equity shares considered in calculating basic and diluted EPS	2390276	2390276
(c) Weighted average number of equity shares outstanding	2390276	2390276
(d) Earnings per share (EPS) of Equity Share of Rs. 10 each:		
a) Basic (Rs.)	14.90	(9.83)
b) Diluted (Rs.)	14.90	(9.83)

41. Contingent Liabilities not provided for in respect of:

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Outstanding Bank Guarantees	65.90	97.94

42. Related party disclosure as identified by the management in accordance with the Indian Accounting Standard (Ind AS) 24 on “Related Party Disclosures” are as follows:

A) Names of related parties and description of relationship

- | | |
|-----------------------------------|--|
| 1) Joint Venture Company | Mozer Process Technology Pvt. Ltd. |
| 2) Key Management Personnel (KMP) | Mr. Indrajit Sen - Managing Director
Mr. Asish Kumar Neogi - Chief Financial Officer
Mr. Suhas Chandra Saha - Company Secretary |
| 2) Non-Executive Directors | Mr. Sanjay Bagaria - Chairman
Mr. Ratan Lal Gaggar - Director
Mr. Ravi Ranjan Prasad - Director
Mrs. (Prof.) Bharati Ray - Director |

Notes to Financial Statements for the year ended March 31, 2019 (Contd.)

42. Related party disclosure as identified by the management in accordance with the Indian Accounting Standard (Ind AS) 24 on “Related Party Disclosures” are as follows: (Contd.)

B) Related Party Transactions for the year ended March 31st, 2019

(₹ in lakhs)

Particulars	Joint Venture Company	KMP	Non-Executive Directors	Total	Outstanding as on March 31, 2019	Outstanding as on March 31, 2018
Remuneration						
Mr. Indrajit Sen	-	193.74	-	193.74	-	5.82
Mr. Asish Kumar Neogi	-	39.54	-	39.54	-	-
Mr. Suhas Chandra Saha	-	41.67	-	41.67	-	-
Total	-	274.95	-	274.95	-	5.82
Previous Year						
Mr. Sanjay Bagaria	-	-	-	-	-	-
Mr. Indrajit Sen	-	178.96	-	178.96	-	-
Mr. Asish Kumar Neogi	-	36.36	-	36.36	-	-
Mr. Suhas Chandra Saha	-	39.15	-	39.15	-	-
Sitting Fees						
Mr. Sanjay Bagaria	-	-	14.46**	14.46	12.36	-
Mr. Ratan Lal Gaggar	-	-	1.60	1.60	-	-
Mr. Ravi Ranjan Prasad	-	-	1.50	1.50	-	-
Mrs. (Prof.) Bharati Ray	-	-	1.80	1.80	-	-
Previous Year						
Mr. Sanjay Bagaria	-	-	1.80	1.80	-	-
Mr. Ratan Lal Gaggar	-	-	1.30	1.30	-	-
Mr. Ravi Ranjan Prasad	-	-	1.30	1.30	-	-
Mrs. (Prof.) Bharati Ray	-	-	1.70	1.70	-	-
Sale of Stock in Trade						
Mozer Process Technology Pvt. Ltd.	157.96	-	-	-	-	-
Total	157.96	-	-	-	-	-
Previous Year						
Mozer Process Technology Pvt. Ltd.	-	-	-	-	-	-
Recovery of Rent						
Mozer Process Technology Pvt. Ltd.	0.36	-	-	-	-	-
Total	0.36	-	-	-	-	-
Previous Year						
Mozer Process Technology Pvt. Ltd.	0.36	-	-	-	-	-
Recovery of Selling and Distribution expenses						
Mozer Process Technology Pvt. Ltd.	-	-	-	-	-	-
Total	-	-	-	-	-	-
Previous Year						
Mozer Process Technology Pvt. Ltd.	-	-	-	-	-	-
Recovery of Misc. expenses						
Mozer Process Technology Pvt. Ltd.	2.29	-	-	-	-	0.20
Total	2.29	-	-	-	-	0.20
Previous Year						
Mozer Process Technology Pvt. Ltd.	2.41	-	-	-	-	-
Advance Received						
Mozer Process Technology Pvt. Ltd.	23.22	-	-	-	-	-
Previous Year						
Mozer Process Technology Pvt. Ltd.	-	-	-	-	-	-
Receivable at year end						
Mozer Process Technology Pvt. Ltd.	-	-	-	-	-	-
Previous Year						
Mozer Process Technology Pvt. Ltd.	-	-	-	-	-	-

Notes to Financial Statements for the year ended March 31, 2019 (Contd.)

42. Related party disclosure as identified by the management in accordance with the Indian Accounting Standard (Ind AS) 24 on “Related Party Disclosures” are as follows: (Contd.)

C) Details of compensation paid to KMP during the year are as follows:

(₹ in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Short-term employee benefits	-	-
Post-employment benefits*	-	20.38
Other long-term benefits*	-	-

* Post-employment benefits and other long-term benefits have been disclosed based on actual payment made on retirement/resignation of services, but does not includes provision made on actuarial basis as the same is available for all the employees together.

** Including commission of Rs. 12.36 lakhs (2017-18 - Rs. Nil) payable to Mr. Sanjay Bagaria, Subject to approval of the shareholders.

42.1 In respect of the above parties ,there is no provision for doubtful debts as on March 31, 2019 and no amount has been written off or written back during the year in respect of debt due from/to them

42.2 The above related party information is as identified by the management and relied upon by the auditor

43. Segment Information

a) Reportable Segments:

The Company’s operating segment are established on the basis of those component of the Company that are evaluated regularly by the Board (“The Chief Operating Decision Maker”) as defined in Ind AS 108 “Operating Segments”. The Company has three principal operating and reporting segments i.e.

- i) Mineral & Material Processing and Handling Equipment
- ii) Gear Box and Geared Motor Drive System
- iii) Building Material Division

Segment revenue and results:

The expenses and income which are not directly attributable to any business segment are shown as unallocable expenditure (net of allocable income).

Segment assets and Liabilities:

Segment assets include all operating assets used by the operating segment and mainly consist of property, plant and equipments, trade receivables, Inventory and other operating assets. Segment liabilities primarily includes trade payable and other liabilities. Common assets and liabilities which can not be allocated to any of the business segment are shown as unallocable assets/liabilities.

Inter Segment Transfer:

Inter Segment revenues are recognised at sales price. The same is based on market price and business risks. Profit or loss on inter segment transfer are eliminated at the group level.

Notes to Financial Statements for the year ended March 31, 2019 (Contd.)

43. Segment Information (Contd.)

(b) Summary of segment information as at and for the year ended March 31, 2019 and March 31, 2018 is as follows:

(₹ in lakhs)

Particulars	Mineral & Material Processing And Handling Equipment		Gear Box and Gearing Motor Drive System		Building Material Division		Unallocated/Corporate		Eliminations		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Segment Revenue												
External Revenue	8,470.82	6,324.77	4,751.63	4,098.05	193.26	341.08	-	-	-	-	13,415.71	10,763.90
Inter-Segment Revenue	18.53	5.15	182.25	161.70	-	-	-	-	(200.78)	(166.85)	-	-
Total Revenue	8,489.35	6,329.92	4,933.88	4,259.75	193.26	341.08	-	-	(200.78)	(166.85)	13,415.71	10,763.90
Segment Result												
Add/(less):												
Interest earned on loans and deposits, income from current and non-current investments, Profit and Loss on sale of investments etc. - net	-	-	-	-	-	-	-	-	-	-	213.57	251.49
Finance costs	-	-	-	-	-	-	-	-	-	-	(316.49)	(396.84)
Provision for Taxes	-	-	-	-	-	-	-	-	-	-	(55.91)	124.80
Profit for the year	-	-	-	-	-	-	-	-	-	-	356.17	(234.91)
Other Information												
Segment Assets	6,024.33	5,266.23	3,455.94	3,313.71	3,041.89	3,305.44	3,597.63	3,917.98	-	-	16,119.79	15,803.36
Segment Liabilities	2,246.54	1,609.22	1,241.18	1,390.26	111.88	196.97	455.93	328.74	-	-	4,055.53	3,525.19
Capital Expenditure												
Segment capital expenditure	96.86	115.83	58.66	28.08	16.29	5.83	69.18	7.41	-	-	240.99	157.15
Depreciation and Amortisation												
Segment depreciation and amortisation	86.81	78.76	161.47	189.38	189.03	185.57	76.46	70.36	-	-	513.77	524.07
Significant Non Cash Expenditure												
Segment significant Non Cash Expenditure	-	-	-	-	-	-	-	-	-	-	-	-

Notes to Financial Statements for the year ended March 31, 2019 (Contd.)

43. Segment Information (Contd.)

c) Geographical Information

(₹ in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from sale of Products by Geographical Market		
Within India	12,770.37	9,641.05
Outside India	425.06	956.21
	13,195.43	10,597.26

44. Previous GAAP figures have been reclassified/regrouped wherever necessary to confirm with financial statements prepared under Ind AS.
45. These financial statements have been approved by the Board of Directors of the Company on 8th May, 2019 for issue to the shareholders for their adoption.

As per our report of even date

For Ray & Ray
Chartered Accountants
(Firm's Registration No. 301072E)

K.K. Ghosh
Partner
(Membership No. 059781)
Place: Kolkata
Date: 8th May, 2019

For and on behalf of the Board of Directors

I. Sen
Managing Director
(DIN No. 00216190)

S.C. Saha
Company Secretary

S. Bagaria
Chairman
(DIN No. 00233455)

A.K. Neogi
Chief Financial Officer

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, 2019
3.	Date on which the Joint Venture Company was acquired	22nd May, 2013
4.	Shares of Joint Venture Company held by the Company on the year end:	
	No.	5,00,000 (Five Lakhs)
	Amount of Investment in the Joint Venture Company	Rs. 50.00 Lakhs
	Extent of Holding (in percentage)	50%
5.	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.
6.	Reason why the associate/joint venture is not consolidated	Not Applicable as the Consolidated Financial Statements have been prepared for the Financial Year ended 31st March, 2019.
7.	Networth attributable to Shareholding as per latest audited Balance Sheet	(Rs. 1.59 Lakhs*)
8.	Profit/(Loss) for the year	
	i. Considered in Consolidation	(Rs. 5.17 Lakhs)*
	ii. Not Considered in Consolidation	–

* 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 Ray & Ray
Chartered Accountants
(Firm's Registration No. 301072E)

K.K. Ghosh
Partner
(Membership No. 059781)
Place: Kolkata
Date: 8th May, 2019

For and on behalf of the Board of Directors

I. Sen
Managing Director
(DIN No. 00216190)

S.C. Saha
Company Secretary

S. Bagaria
Chairman
(DIN No. 00233455)

A.K. Neogi
Chief Financial Officer

Five Years' Financial Statistics (Standalone)

(₹in lakhs)

	2014-15	2015-16	2016-17	2017-18	2018-19
OPERATING RESULTS:					
Sales #	8727	9132	9678	10493	13195
Other Income	349	357	1011	460	462
Total Income	9076	9489	10689	10953	13657
Profit before Interest, Depreciation & Tax (PBIDT)	599	299	1180	561	1242
Interest	86	89	402	397	316
Depreciation	451	388	507	524	514
Profit before Tax/(Loss)	62	(178)	271	(360)	412
Profit after Tax/(Loss)	98	(51)	214	(235)	356
Comprehensive Income (net of tax)	-	-	(17)	(14)	(19)
Dividends	36	-	-	-	-**
Tax on Dividend	7	-	-	-	-**
Retained Profit	55	(51)	197*	(249)*	337*
NET ASSETS EMPLOYED					
Net Fixed Assets	2876	4440	5111	4741	4435
Net Current Assets **	5702	5915	4973	5145	4367
Other Non-current Assets (net)	1930	1970	2144	1487	2300
Net Assets Employed	10508	12325	12228	11373	11102
Financed by					
Shareholders' Fund	9233	9182	9661	9412	9749
Borrowings	1275	3143	2567	1961	1353
Funds Employed	10508	12325	12228	11373	11102
RATIOS					
PBIDT to Sales (%)	6.86	3.27	12.19	5.35	9.41
Debt: Equity	0.14	0.34	0.27	0.21	0.14
Earnings per Share (Basic)	4.09	(2.14)	8.94	(9.83)	14.90
Dividend per Equity Share	1.50	-	-	-	-**
Book value per Share (Rs.)	386.27	384.14	404.18	393.76	407.86

- 1 Since the Company transitioned into Ind AS w.e.f. 1st April, 2016, thr prior years' figures are not comparable
- 2 # Sales represent net of excise duty
- 3 *Includes short term investments
- 4 ** Dividend @10% amounting to Rs. 23.90 Lakhs (2017-18 – Rs. NIL) excluding tax on dividend amounting to Rs. 4.91 Lakhs is payable for 2018-19 subject to the approval of shareholders in the ensuing AGM.

Independent Auditors' Report

To The Members International Combustion (India) Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **International Combustion (India) Limited** (hereinafter referred to as the “Holding Company”) and its joint venture (together referred to as “the Group”), which comprise of the Consolidated Balance Sheet as at March 31st, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statements of Changes in Equity for the year then ended, and a summary of the significant accounting policies and notes to the consolidated financial statements (hereinafter referred to as “the consolidated financial statements”).

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 their consolidated state of affairs of the Company as at March 31, 2019, of consolidated profit/loss, (consolidated changes in equity) and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report*. We are independent of the group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI), and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that in our professional judgment were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters.

Independent Auditors' Report on Consolidated Financial Statements (Contd.)

Key Audit Matters	Auditors' Response
Adoption of Ind AS 115-Revenue from contracts with customers	Principal Audit Procedures
The Company has adopted Ind AS as stated in Note to the standalone financial Statements, which is the new revenue accounting standard. The application and transition to this accounting standard is complex and is in an area of focus in the audit.	Our audit procedures on adoption of Ind AS 115, Revenue from contracts with customers which is the new revenue accounting standard, include:
The revenue standard establishes comprehensive framework for determining whether, how much and when revenue is recognized. This involves certain key judgments relating to identification of distinct performance obligations, determining of transaction price of identified performance obligation, the appropriateness of the basis used to measure revenue recognized over a period. Additionally, the standard mandates robust disclosures in respect of revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.	<ol style="list-style-type: none"> 1. Assessed the design and implementation of the processes and internal controls relating to implementation of the new revenue accounting standard; 2. Evaluated the detailed analysis performed by Management on revenue streams by selecting samples to test the operating effectiveness of the internal control relating to identification of contract with customers, performance obligations and their corresponding determination of transaction price with customers. We have then considered the revenue recognition policy in the current period in respect of these revenue streams. A number of procedures involving enquiry and observation, re- performance and inspection of evidence in respect of operation of these controls were carried out by us. 3. Assessed the IT systems w.r.t. access and controls relating to contracts and related information used in recording and disclosing revenue in accordance with the new revenue accounting standard. 4. Evaluated the cumulative effect adjustments as at 1 April, 2018 for compliance with the new revenue standard. 5. We also performed analytical procedures for reasonableness of revenue disclosed from product and service offerings.
The Company has adopted Ind AS 115 and applied the available exemption provided therein, to not restate the comparative periods.	

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

Independent Auditors' Report on Consolidated Financial Statements (Contd.)

If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors and its joint venture incorporated in India are responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance, and consolidated cash flows of the Group including its joint venture in accordance with the accounting principles generally accepted in India including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its joint venture are 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; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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 have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group and its joint venture are responsible for assessing the ability of the Group and its joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its joint venture are responsible for overseeing the financial reporting process of the Group and of its joint venture entity.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Independent Auditors' Report on Consolidated Financial Statements (Contd.)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its joint venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosures about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefit of such communication.

Other Matters

We did not audit the financial statements of the joint venture whose financial statements reflect total assets of Rs.44.43 Lakhs as at 31st March, 2019, total revenues for the year ended 31st March, 2019 of Rs. 160.47 Lakhs, net loss after tax Rs. 10.34 Lakhs and total comprehensive income (negative) Rs. 10.34 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the

Independent Auditors' Report on Consolidated Financial Statements (Contd.)

amounts and disclosures included in respect of the joint venture, and our report in terms of sub-sections (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 and the financial statements/ financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we, 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 account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports 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 aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act.
 - e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its joint venture Company incorporated in India, none of the directors of the Group companies and its joint venture companies incorporated in India is disqualified as on 31st March, 2019 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 Group and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
 - 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. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its joint venture.
 - ii. The Group and its joint venture did not have any material foreseeable losses on long term contracts including derivative contracts.
 - iii. There were no amounts that are required to be transferred to the Investor Education and Protection Fund by the Holding Company and its joint venture company incorporated in India.

Place: Kolkata
Date: 8th May, 2019

For Ray & Ray
Chartered Accountants
Firm's Registration No. 301072E
K. K. Ghosh
Partner
Membership No. 059781

Independent Auditors' Report on Consolidated Financial Statements (Contd.)

“Annexure” to the Independent Auditor’s Report of Even Date on the Consolidated Financial Statements of International Combustion (India) Limited

Report on the Internal Financial Controls 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 for the year ended 31st March, 2019, we have audited the internal financial controls over financial reporting of INTERNATIONAL COMBUSTION (INDIA) LTD. (“the Holding Company”) and its joint venture incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its joint venture 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 companies’ 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.

Auditors’ 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”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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.

Independent Auditors' Report on Consolidated Financial Statements (Contd.)

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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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, the Holding Company and its joint venture, which are 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 31 March 2019, 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 reports 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 the joint venture company, which is a company incorporated in India, is based on the corresponding reports of the auditors of such company incorporated in India.

Place: Kolkata
Date: 8th May, 2019

For Ray & Ray
Chartered Accountants
Firm's Registration No. 301072E

K. K. Ghosh
Partner
Membership No. 059781

**Consolidated Balance Sheet as at March 31, 2019**

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current Assets			
(a) Property, Plant and Equipment	5	4367.46	4615.87
(b) Capital Work-in-Progress	5&6	-	38.79
(c) Intangible Assets	6	67.85	86.16
(d) Financial Assets			
(i) Investments	7	1702.53	883.86
(ii) Other financial assets	8	688.39	730.07
(e) Deferred Tax Assets (Net)	9	8.08	-
		6834.31	6354.75
Current Assets			
(a) Inventories	10	3948.51	3404.62
(b) Financial Assets			
(i) Investments	11	420.19	1525.17
(ii) Trade Receivables	12	4076.49	3876.65
(iii) Cash and Cash equivalents	13	116.07	126.14
(iv) Bank Balances other than (iii) above	14	119.76	30.20
(v) Other financial assets	15	52.11	56.07
(c) Other Current Assets	16	510.42	383.33
		9243.55	9402.18
Total Assets		16077.86	15756.93
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	17	239.03	239.03
(b) Other Equity	18	9460.07	9126.69
		9699.10	9365.72
Liabilities			
Non-current Liabilities			
(a) Financial Liabilities			
Borrowings	19	708.00	1318.18
(b) Provisions	20	149.32	128.89
(c) Deferred Tax Liabilities (Net)	21	-	44.05
		857.32	1491.12
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	22	970.08	860.56
(ii) Trade Payables	23		
A. Total outstanding dues of micro enterprises and small enterprises		106.76	61.18
B. Total outstanding dues of creditors other than micro enterprises and small enterprises		2461.48	2169.05
(iii) Other financial liabilities	24	747.31	713.73
(b) Other Current Liabilities	25	991.87	952.82
(c) Provisions	26	97.16	94.26
(d) Current Tax Liabilities (Net)	27	146.78	48.49
		5521.44	4900.09
Total Equity and Liabilities		16077.86	15756.93

Significant Accounting Policies and other accompanying Notes (1 to 45) form an integral part of the financial statements.

This is the Balance Sheet as per our report of even date

For and on behalf of the Board of Directors

For Ray & Ray
Chartered Accountants
(Firm's Registration No. 301072E)

I. Sen
Managing Director
(DIN No. 00216190)

S. Bagaria
Chairman
(DIN No. 00233455)

K.K. Ghosh
Partner
(Membership No. 059781)
Place: Kolkata
Date: 8th May, 2019

S.C. Saha
Company Secretary

A.K. Neogi
Chief Financial Officer

Consolidated Statement of Profit and Loss for the year ended March 31, 2019

(₹ in lakhs)

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
INCOME			
Revenue From Operations	28	13415.71	10763.90
Other Income	29	241.38	293.29
Total Income		13657.09	11057.19
EXPENSES			
Cost of materials consumed	30	6352.59	4991.81
Changes in inventories of finished goods, stock-in-trade and work-in-progress	31	(47.25)	(120.65)
Employee benefits expense	32	3405.57	3279.17
Finance costs	33	316.49	396.84
Depreciation and amortisation expense	34	513.77	524.07
Other expenses	35	2703.84	2345.66
Total Expenses		13245.01	11416.90
Share of Profit /(Loss) of Joint Venture		(3.58)	(16.19)
Share of Unrealised Profit of Joint Venture			-
Profit/(Loss) before tax		408.50	(375.90)
Tax expense:	36		
Current tax		100.64	-
Deferred tax/(Reversal)		(44.73)	(124.80)
Total Tax Expenses		55.91	(124.80)
Profit/(Loss) for the year		352.59	(251.10)
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss	37	(26.61)	(20.08)
(ii) Income tax relating to items that will not be reclassified to profit or loss	36.3	7.40	6.20
Other Comprehensive Income for the year (Net of taxes)		(19.21)	(13.88)
Total Comprehensive Income/(Loss) for the year		333.38	(264.98)
Earnings per equity share of par value of Rs. 10 each.	40		
(1) Basic (Rs.)		14.75	(10.51)
(2) Diluted (Rs.)		14.75	(10.51)

Significant Accounting Policies and other accompanying Notes (1 to 45) form an integral part of the financial statements.

This is the Statement of Profit and Loss
as per our report of even date

For and on behalf of the Board of Directors

For Ray & Ray
Chartered Accountants
(Firm's Registration No. 301072E)

I. Sen
Managing Director
(DIN No. 00216190)

S. Bagaria
Chairman
(DIN No. 00233455)

K.K. Ghosh
Partner
(Membership No. 059781)
Place: Kolkata
Date: 8th May, 2019

S.C. Saha
Company Secretary

A.K. Neogi
Chief Financial Officer

Consolidated Statement of changes in Equity for the year ended March 31, 2019

A. Equity Share Capital	Amount (₹ in lakhs)
Balance as at April 1, 2017	239.03
Changes during the year	-
Balance as at March 31, 2018	239.03
Changes during the year	-
Balance as at March 31, 2019	239.03

B. Other Equity

As at March 31, 2019

(₹ in lakhs)

Particulars	Surplus				Items of other comprehensive income	Total
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Re-measurement of defined benefit plans	
Balance as at April 01, 2018	605.34	890.41	7,301.82	421.93	(92.81)	9,126.69
Total Comprehensive Income for the year	-	-	-	352.59	(19.21)	333.38
Balance at March 31, 2019	605.34	890.41	7,301.82	774.52	(112.02)	9,460.07

As at March 31, 2018

Particulars	Surplus				Items of other comprehensive income	Total
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Re-measurement of defined benefit plans	
Balance as at April 1, 2017	605.34	890.41	7,301.82	673.03	(78.93)	9,391.67
Total Comprehensive Income for the year	-	-	-	(251.10)	(13.88)	(264.98)
Balance at March 31, 2018	605.34	890.41	7,301.82	421.93	(92.81)	9,126.69

Refer Note no. 18 for nature and purpose of reserves.

This is the Statement of changes in Equity
as per our report of even date

For and on behalf of the Board of Directors

For Ray & Ray

Chartered Accountants

(Firm's Registration No. 301072E)

K.K. Ghosh

Partner

(Membership No. 059781)

Place: Kolkata

Date: 8th May, 2019

I. Sen

Managing Director

(DIN No. 00216190)

S.C. Saha

Company Secretary

S. Bagaria

Chairman

(DIN No. 00233455)

A.K. Neogi

Chief Financial Officer

Consolidated Cash Flow For The Year Ended March 31, 2019

(₹ in lakhs)

Particulars	Year ended		Year ended	
	March 31 2019	March 31 2019	March 31 2018	March 31 2018
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit before Tax		408.50		(375.90)
Add: Depreciation and amortisation expenses	513.77		524.07	
Irrecoverable Debts/Advances written off	63.55		58.01	
Provision for expected Credit losses	(23.82)		16.66	
Finance Cost	316.49	869.99	396.84	995.58
		1,278.49		619.68
Less: Interest Income	10.56		12.44	
Net gain/(loss) on sale of Current Investments	11.60		6.84	
Net gain/(loss) on fair valuation of investments through Profit and Loss	126.05		173.57	
Provisions/Liabilities no longer required written back	16.12		42.18	
Fair valuation of Surrender Value of Keyman Insurance policy	65.36		58.64	
Profit/(Loss) on sale / discard of Fixed Assets (Net)	2.91	232.60	(0.97)	292.70
Operating Profit before Working Capital changes		1,045.89		326.98
Less: Increase/(Decrease) in Inventories	543.89		366.19	
Increase/(Decrease) in Trade Receivables	239.57		91.57	
Increase/(Decrease) in Loans & advances, other financial and non-financial assets	109.46		(86.60)	
(Increase)/Decrease in Trade Payables, other financial and non-financial liabilities and provisions	(389.90)	503.02	(759.38)	(388.22)
Cash generated from Operations		542.87		715.20
Less: Direct Taxes paid (Net)		2.35		19.44
Net cash flow from Operating activities (A)		540.52		695.76
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Property, Plant and Equipment and movements in Capital work in progress	(166.18)		(415.83)	
(Purchase)/Sale of Investment (net)	423.96		802.65	
Interest received	2.88		12.44	
Investment in fixed deposits (having original maturity of more than 3 months)	11.49	272.15	(0.25)	399.01
Net Cash flow from Investing activities (B)		272.15		399.01
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds/(Repayments) from short term borrowings (net)	109.52		(94.39)	
Proceeds/(Repayments) from long term borrowings (net)	(608.24)		(605.89)	
Interest and other borrowing cost paid	(322.27)		(399.97)	
Dividends	(1.75)	(822.74)	(2.32)	(1,102.57)
Net cash flow from Financing activities (C)		(822.74)		(1,102.57)
Cash and Cash equivalents (A+B+C)		(10.07)		(7.80)
Cash and Cash equivalents as at 1st April		126.14		133.94
Cash and Cash equivalents as at 31st March (Refer note no. 13)		116.07		126.14

Note: The above Statement of Cash Flow has been prepared under the 'Indirect Method' as set out in Ind AS 7- 'Statement of Cash Flows'.

This is the Cash Flow Statement as per our report of even date

For and on behalf of the Board of Directors

For Ray & Ray
Chartered Accountants
(Firm's Registration No. 301072E)

I. Sen
Managing Director
(DIN No. 00216190)

S. Bagaria
Chairman
(DIN No. 00233455)

K.K. Ghosh
Partner
(Membership No. 059781)
Place: Kolkata
Date: 8th May, 2019

S.C. Saha
Company Secretary

A.K. Neogi
Chief Financial Officer

Notes to Consolidated Financial Statements for the year ended March 31, 2019

1 Corporate Information

International Combustion (India) Limited is a public limited company in India, having its registered office in Kolkata, West Bengal located in India engaged in the manufacture and supply of Heavy Engineering Equipment, Geared Motors and Gear Boxes and Dry Mix Morters. The Company's shares are listed and publicly traded on the Bombay Stock Exchange Limited.

The Consolidated Financial Statements relates to International Combustion (India) Limited (hereinafter referred to as 'the Company') and its joint ventures as detailed below:

Investment in Joint Ventures

Name of the Joint Venture	Principal Activity	Country of incorporation	% of holding	
			As at March 31, 2019	As at March 31, 2018
Mozer Process Technology Private Limited	Trading in Mozer Dryers	India	50.00%	50.00%

2 Statement of Compliance

The Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2016 (as amended) read with Section 133 of the Companies Act, 2013 ("the Act") with effect from April 1, 2017 and therefore Ind ASs issued, notified and made effective till the financial statements are authorized have been considered for the purpose of preparation of these financial statements.

3 Significant Accounting Policies

3.1 Basis of Preparation

The Financial Statements have been prepared under the historical cost convention except certain financial instruments which are measured in terms of relevant Ind AS at fair values/ amortized costs at the end of each reporting period.

Historical cost convention is generally based on the fair value of the consideration given in exchange for goods and services.

As the operating cycle cannot be identified in normal course, the same has been assumed to have duration of 12 months. All Assets and Liabilities have been classified as current or non-current as per the operating cycle and other criteria set out in Ind AS 1 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013.

The Financial Statements are presented in Indian Rupees and all values are rounded off to the nearest two decimal lakhs except otherwise stated.

Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

Notes to Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed for such measurement:

- a) **Level 1:** Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- b) **Level 2:** Inputs other than quoted prices included within level 1 that are observable either directly or indirectly for the asset or liability.
- c) **Level 3:** Inputs for the asset or liability which are not based on observable market data.

Consolidation Procedure

The Consolidated Financial Statements have been prepared in accordance with principles laid down in Ind AS 110 on “Consolidated Financial Statements”, Ind AS 28 on “Accounting for Investments in Associates and Joint Ventures” as notified vide Companies (Accounting Standards) Rules, 2015 (as amended).

Investment in Associates and Joint Ventures

Investments in Associates and Joint Ventures are accounted in accordance with Ind AS - 28 on “Accounting for Investments in Associates and Joint Venture”, under “equity method”. Unrealised profit/loss are eliminated other than in respect of transactions pertaining to non depreciable assets.

The difference between the cost of investment in Associates and Joint Ventures and the share of net assets at the time of acquisition of such shares is identified in the consolidated financial statements as Goodwill or Capital reserve as the case may be. Under the equity method, the investments are recognised at cost and thereafter the carrying amount of the investment in associates and joint ventures is increased or decreased to recognise the Group’s share of the profit or loss and other comprehensive income of the associate and joint venture, adjusted where necessary to ensure consistency with the accounting policies of the Group. Unrealised gains and losses on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group’s interest in those entities. Where unrealised losses are eliminated, the underlying asset is also tested for impairment.

The Statement of Profit and Loss reflects the Group’s share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group’s OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the Statement of Changes in Equity.

When the Group’s share of losses in an equity accounted investments equals or exceeds its interest in the entity, the Group does not recognise further losses, unless it has incurred obligations or made payment on behalf of the other entity. The carrying amount of equity accounted investments are tested for impairment in accordance with the policy of the group.

Notes to Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

3.2 Property Plant and Equipment (PPE)

Property, plant and equipment are stated at cost of acquisition or deemed cost on the date of transition or construction and subsequent improvements thereto less accumulated depreciation and impairment losses, if any. Cost of an asset comprises its purchase price or its construction cost including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, inward freight, dismantling costs, installation expenses and adjustment for exchange differences wherever applicable and any cost directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended by the management. For major projects, interest and other costs incurred on / related to direct borrowings to finance projects / fixed assets during construction period and related pre-operative expenses, if appropriate, are capitalized.

Parts of an item of PPE having different useful lives and material value and subsequent expenditure on Property, Plant and Equipment arising on account of capital improvement or other factors are accounted for as separate components.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statement when incurred.

Capital Work-in-progress includes preoperative and development expenses of equipments to be installed, construction and erection materials, advances etc. Such properties are classified to the appropriate categories of PPE when completed and ready for intended use.

Depreciation and Amortization of Expenses:

Depreciation on Property, Plant and Equipment (other than on certain building and vehicles which is amortised over the period of lease) is provided on useful life as specified in Schedule II of the Companies Act, 2013 on the following basis:

- a) Nagpur, Aurangabad and Ajmer Units - on straight line method;
- b) Other Units - on written down value method.
- c) Leasehold Land being perpetuity in nature and having a term upto 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.

Depreciation on Property, Plant and Equipments commences when the assets are ready for their intended use. Based on above, the estimated useful lives of assets for the current period are as follows.

Notes to Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

Category	Useful life (years)
Buildings	
Non-Factory Building (RCC Frame Structure)	60
Factory Building	30
Roads	
Carpeted Roads-RCC	-
Carpeted Roads-other than RCC	-
Non-Carpeted Roads -RCC	10
Non-Carpeted Roads	3
Plant and machinery	
Continuous Process Plant	15
Computer equipment	
Servers and networks	6
Others	3
Furniture and fixtures and Laboratory Equipment's	10
Office equipment	5
Vehicles	
Motor cycles, scooters and other mopeds	-
Others	8

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

3.3 Intangible Assets

Intangible assets are stated at cost comprising of purchase price inclusive of duties and taxes less accumulated amount of amortization and impairment losses. Such assets, are amortised over the useful life using straight line method and assessed for impairment whenever there is an indication of the same.

Accordingly, Technical Knowhow fees, cost of computer software packages (ERP and others) and Patents are amortized over a period of 6 years.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

3.4 Derecognition of Tangible assets

An item of PPE is de-recognised upon disposal or when no future economic benefits are expected to arise from its use or disposal. Gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

3.5 Leases

Leases are classified as finance leases, whenever the terms of the lease transfer substantially all the risks and rewards incidental to the ownership of an asset to the Company. All other leases are classified as operating leases.

Notes to Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

Finance leases are capitalized at the inception of the lease at lower of its fair value and the present value of the minimum lease payments and a liability is recognised for an equivalent amount. Any initial direct costs of the lessee are added to the amount recognised as an asset. Each lease payments are apportioned between finance charge and reduction of the lease liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the outstanding amount of the liabilities

Payments made under operating leases are recognised as expenses on a straight-line basis over the term of the lease unless the lease arrangements are structured to increase in line with expected general inflation or another systematic basis which is more representative of the time pattern of the benefits availed. Contingent rentals, if any, arising under operating leases are recognised as an expense in the period in which they are incurred.

3.6 Impairment of Tangible Assets

Tangible assets are reviewed at each Balance Sheet date for impairment. In case events and circumstances indicate any impairment, recoverable amount of assets is determined. An impairment loss is recognized in the Statement of Profit and Loss, whenever the carrying amount of assets either belonging to Cash Generating Unit (CGU) or otherwise exceeds recoverable amount. The recoverable amount is the higher of assets' fair value less cost to disposal and its value in use. In assessing value in use, the estimated future cash flows from the use of the assets are discounted to their present value at appropriate rate.

Impairment losses recognized earlier may no longer exist or may have come down. Based on such assessment at each reporting period the impairment loss is reversed and recognized in the Statement of Profit and Loss. In such cases the carrying amount of the asset is increased to the lower of its recoverable amount and the carrying amount that have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

3.7 Financial assets and financial liabilities

Financial assets and financial liabilities (financial instruments) are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Profit or Loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through Profit or Loss are recognised immediately in the Statement of Profit and Loss.

The financial assets and financial liabilities are classified as current if they are expected to be realised or settled within operating cycle of the company or otherwise these are classified as non-current.

The classification of financial instruments whether to be measured at amortized cost, at fair value through Profit and Loss (FVTPL) or at fair value through Other Comprehensive Income (FVTOCI) depends on the objective and contractual terms to which they relate. Classification of financial instruments are determined on initial recognition.

Notes to Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)**i) Cash and cash equivalents**

All highly liquid financial instruments, which are readily convertible into determinable amounts of cash and which are subject to an insignificant risk of change in value and are having original maturities of three months or less from the date of purchase, are considered as cash equivalents. Cash and cash equivalents includes balances with banks which are unrestricted for withdrawal and usage.

ii) Financial Assets and Financial Liabilities measured at amortised cost

Financial Assets held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortized cost.

The above Financial Assets and Financial Liabilities subsequent to initial recognition are measured at amortized cost using Effective Interest Rate (EIR) method.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts (including all fees and points paid or received, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability to the gross carrying amount of the financial asset or to the amortised cost of financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

iii) Financial Asset at Fair Value Through Other Comprehensive Income (FVTOCI)

Financial assets are measured at fair value through Other Comprehensive Income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Subsequent to initial recognition, they are measured at fair value and changes therein are recognised directly in Other Comprehensive Income.

iv) For the purpose of para (ii) and (iii) above, principal is the fair value of the financial asset at initial recognition and interest consists of consideration for the time value of money and associated credit risk.

v) Financial Assets or Liabilities at Fair value through Profit or Loss

Financial Instruments which does not meet the criteria of amortised cost or fair value through Other Comprehensive Income are classified as fair value through Profit or loss. These are recognised at fair value and changes therein are recognized in the Statement of Profit and Loss.

vi) Investments in Joint Venture are being carried at cost.

vii) Impairment of financial assets

A financial asset is assessed for impairment at each reporting date. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

The Company measures the loss allowance for a financial asset at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not

Notes to Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

However, for trade receivables or contract assets that result in relation to revenue from contracts with customers, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

viii) Derecognition of financial instruments

The Company derecognizes a financial asset or a group of financial assets when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable are recognized in Statement of Profit and Loss.

On derecognition of assets measured at FVTOCI the cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from Equity to Profit or Loss as a reclassification adjustment.

Financial liabilities are derecognized if the Company's obligations specified in the contract expire or are discharged or cancelled. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in Statement of Profit and Loss.

3.8 Inventories

Inventories are valued at lower of cost or net realisable value. Cost of inventories is ascertained on 'weighted average' basis. Materials and other supplies held for use in the production of inventories are not written down below cost if the related finished products are expected to be sold at or above cost.

Cost in respect of raw materials and stores and spares includes expenses incidental to procurement of the same. 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.

3.9 Asset Held for Sale

Non-current assets or disposal groups comprising of assets and liabilities are classified as 'held for sale' when all of the following criteria's are met: (i) decision has been made to sell. (ii) the assets are available for immediate sale in its present condition. (iii) the assets are being actively marketed and (iv) sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.

Subsequently, such non-current assets and disposal groups classified as held for sale are measured at the lower of its carrying value and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortised.

3.10 Foreign Currency Transactions

Transactions in foreign currencies are translated into the functional currency at the exchange rates prevailing on the date of the transactions. Foreign currency monetary assets and liabilities

Notes to Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

at the year-end are translated at the year-end exchange rates. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate as at the date of transaction. The loss or gain thereon and also on the exchange differences on settlement of the foreign currency transactions during the year are recognized as income or expense in the Profit and Loss Account. Foreign exchange gain/loss to the extent considered as adjustment to interest cost are considered as part of borrowing cost.

3.11 Equity Share Capital

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Par value of the equity shares is recorded as share capital and the amount received in excess of par value is classified as Securities Premium.

Costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

3.12 Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a legal or constructive obligation as a result of past events and it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of obligation. Provisions are not recognised for future operating losses. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Contingent liabilities are not recognized and are disclosed by way of notes to the financial statements when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or when there is a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the same or a reliable estimate of the amount in this respect cannot be made.

Contingent assets are not recognised but disclosed in the Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

3.13 Employee Benefits

Employee benefits are accrued in the year in which services are rendered by the employees. Short term employee benefits are recognized as an expense in the Statement of Profit and Loss for the year in which the related service is rendered.

Contribution to defined contribution plans such as Provident Fund, Superannuation Fund and Pension Fund is being made in accordance with statute and are recognised as and when incurred.

Contribution to defined benefit plans consisting of contribution to gratuity scheme and Interest Rate Guarantee on Provident Fund schemes which are determined at close of the year at present value of the amount payable using actuarial valuation techniques. Actuarial gain and losses arising from experience adjustments and changes in actuarial assumptions are recognized in Other Comprehensive Income.

Other long term employee benefits consisting of leave encashment are determined at close of the year at present value of the amount payable using actuarial valuation techniques. The changes in the amount payable including actuarial gain/loss are recognised in the Statement of profit and loss.

Notes to Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

3.14 Revenue

Sale of goods:

Revenue from contract with customers is recognised when the Company satisfies performance obligations by transferring promised goods and services to the customer. Performance obligations are said to be satisfied at a point of time when the customer obtains controls over the assets.

Revenue is considered at the fair value of consideration received or receivable when the significant risk and rewards of goods and ownership of goods have been transferred and the amount thereof can be measured reliably. This represents the net invoice value of goods supplied after deducting discounts, rebates and taxes collected on behalf of third parties and is inclusive of goods and service tax which the Company pays as principal.

Interest, Dividend and Claims

Dividend income is recognized when the right to receive payment is established. Interest has been accounted using effective interest rate method. Insurance claims/other claims are accounted as and when admitted/settled.

Export Benefits

Export benefits are accounted for as and when the ultimate realisability of such benefits are established.

3.15 Government Grants

Government grants are recognized on systematic basis when there is reasonable certainty of realization of the same. Revenue grants including subsidy/rebates are credited to Statement of Profit and Loss Account under "Other Income" or deducted from the related expenses for the period to which these are related. Grants which are meant for purchase, construction or otherwise acquire non current assets are recognized as Deferred Income and disclosed under Non Current Liabilities and transferred to Statement of Profit and Loss on a systematic basis over the useful life of the respective asset. Grants relating to non-depreciable assets is transferred to Statement of Profit and Loss over the periods that bear the cost of meeting the obligations related to such grants.

3.16 Borrowing Costs

Borrowing cost comprises of interest and other costs incurred in connection with the borrowing of the funds. All borrowing costs are recognized in the Statement of Profit and Loss using the effective interest method except to the extent attributable to qualifying Property Plant Equipment (PPE) which are capitalized to the cost of the related assets. A qualifying PPE is an asset, that necessarily takes a substantial period of time to get ready for its intended use or sale. Borrowing cost also includes exchange differences to the extent considered as an adjustment to the borrowing costs.

3.17 Taxes on Income

Income tax expense representing the sum of current tax expenses and the net charge of the deferred taxes is recognized in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in Equity or Other Comprehensive Income.

Notes to Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

Current income tax is provided on the taxable income and recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability and such benefit can be measured reliably and it is probable that the future economic benefit associated with the same will be realised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized.

3.18 Earnings Per Share

Basic earnings per share are computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares

3.19 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

Segments are organised based on business which have similar economic characteristics as well as exhibit similarities in nature of products and services offered, the nature of production processes, the type and class of customer and distribution methods. Segment revenue arising from third party customers is reported on the same basis as revenue in the financial statements. Inter-segment revenue is reported on the basis of transactions which are primarily market led. Segment results represent profits before finance charges, unallocated corporate expenses and taxes.

“Unallocated Corporate Expenses” include revenue and expenses that relate to initiatives/costs attributable to the enterprise as a whole and are not attributable to segments.

Notes to Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

4. Critical accounting judgments, assumptions and key sources of estimation and uncertainty

The preparation of the financial statements in conformity with the measurement principle of Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Differences between the actual results and estimates are recognized in the year in which the results are known/materialized and, if material, their effects are disclosed in the notes to the financial statements.

Application of accounting policies that require significant areas of estimation, uncertainty and critical judgments and the use of assumptions in the financial statements have been disclosed below. The key assumptions concerning the future and other key sources of estimation uncertainty at the Balance Sheet date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below:

4.1 An arrangement containing leases and classification of leases

The Company enters into service/hiring arrangements for various assets/services. The determination of lease and classification of the service/hiring arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

4.2 Depreciation/amortization and impairment loss on property, plant and equipment

Property, plant and equipment and intangible assets are depreciated/ amortized on straight-line /written down value basis over the estimated useful lives (or lease term if shorter) in accordance with Schedule II of the Companies Act, 2013, taking into account the estimated residual value, wherever applicable.

The Company reviews its carrying value of its Tangible and Intangible Assets whenever there is objective evidence that the assets are impaired. In such situation Assets' recoverable amount is estimated which is higher of asset's or cash generating units (CGU) fair value less cost of disposal and its value in use. In assessing value in use the estimated future cash flows are discounted using pre-tax discount rate which reflect the current assessment of time value of money. In determining fair value less cost of disposal, recent market realisations are considered or otherwise in absence of such transactions appropriate valuations are adopted. The Company reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation/ amortization and amount of impairment expense to be recorded during any reporting period. This reassessment may result in change estimated in future periods.

4.3 Impairment loss on trade receivables

The Company evaluates whether there is any objective evidence that trade receivables are impaired and determines the amount of impairment loss as a result of the inability of the customers to make required payments. The Company bases the estimates on the ageing of the

Notes to Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

trade receivables balance, credit-worthiness of the trade receivables and historical write-off experience. If the financial conditions of the trade receivable were to deteriorate, actual write-offs would be higher than estimated.

4.4 Income taxes

The Company provides for tax considering the applicable tax regulations and based on reasonable estimates. Management periodically evaluates positions taken in the tax returns giving due considerations to tax laws and establishes provisions in the event if required as a result of differing interpretation or due to retrospective amendments, if any.

The recognition of deferred tax assets is based on availability of sufficient taxable profits in the Company against which such assets can be utilized. MAT (Minimum Alternate Tax) is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax and will be able to utilize such credit during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the Statement of Profit and Loss and is included in Deferred Tax Assets. The Company reviews the same at each Balance Sheet date and if required, writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will be able to absorb such credit during the specified period.

4.5 Provisions and Contingencies

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations/ against the Company as it is not possible to predict the outcome of pending matters with accuracy. Based on management best estimates the same does not qualify for recognition in the financial statements.

4.6 Insurance Claim and Liquidated damages

Insurance claims are accounted as and when admitted/settled. Liquidated damages and penalties are accounted for in accordance with the terms of agreement for loss of opportunity/profit of the Company due to delay in completion. Subsequent changes in value if any are provided for.

4.7 Defined benefit obligation (DBO)

Critical estimate of the DBO involves a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate, anticipation of future salary increases etc. as estimated by Independent Actuary appointed for this purpose/ Management. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

4.8 Impairment on Investments in Joint Venture

Investments in Joint Venture are been carried at cost. The Company has tested for impairment at year end based on the Net Asset Value computed with reference to the book value/projected discounted cash flow of such Company in respect of unquoted investments.

Notes to Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

5. Property, Plant and Equipment:

As at March 31, 2019

Particulars	(₹ in lakhs)											
	Freehold land	Leasehold Land	Freehold Buildings	Leasehold Buildings	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipment	Electrical Installation	Total	Capital Work-in-progress	Total Property, Plant and Equipment including Work-in-progress
Gross Block as at April 1, 2018	3.04	549.04	1,193.76	578.35	2,911.90	71.08	12.60	4.09	260.03	5,583.89	38.79	5622.68
Additions	-	-	40.51	13.16	127.08	10.01	52.74	1.07	4.20	248.77	-	248.77
Disposals	-	-	-	0.18	-	-	1.59	-	0.06	1.83	-	1.83
Adjustment	-	-	-	-	-	-	4.87	-	-	4.87	(38.79)	(33.92)
As at March 31, 2019	3.04	549.04	1,234.27	591.33	3,038.98	81.09	68.62	5.16	264.17	5,835.70	-	5835.70
Accumulated Depreciation as at April 1, 2018	-	0.10	126.59	83.33	660.64	34.10	6.42	1.58	55.26	968.02	-	968.02
Charge for the period	-	0.05	67.54	37.30	330.80	11.43	20.27	1.08	26.99	495.46	-	495.46
Disposals	-	-	-	-	-	-	0.10	-	0.01	0.11	-	0.11
Adjustment	-	-	-	-	-	-	4.87	-	-	4.87	-	4.87
As at March 31, 2019	-	0.15	194.13	120.63	991.44	45.53	31.46	2.66	82.24	1,468.24	-	1468.24
Net carrying amount as at March 31, 2019	3.04	548.89	1,040.14	470.70	2,047.54	35.56	37.16	2.50	181.93	4,367.46	-	4367.46

As at March 31, 2018

Particulars	(₹ in lakhs)											
	Freehold land	Leasehold Land	Freehold Buildings	Leasehold Buildings	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipment	Electrical Installation	Total	Capital Work-in-progress	Total Property, Plant and Equipment including Work-in-progress
Gross Block as at April 1, 2017	3.04	549.04	1,166.38	578.35	2,810.96	72.79	18.75	3.27	258.24	5,460.82	50.06	5510.88
Additions	-	-	27.38	-	116.77	1.17	-	1.48	1.79	148.59	13.45	162.04
Disposals	-	-	-	-	15.83	2.88	6.15	0.66	-	25.52	24.72	50.24
As at March 31, 2018	3.04	549.04	1,193.76	578.35	2,911.90	71.08	12.60	4.09	260.03	5,583.89	38.79	5622.68
Accumulated Depreciation as at April 1, 2017	-	0.05	61.50	43.29	320.58	20.60	6.16	0.80	27.88	480.86	-	480.86
Charge for the period	-	0.05	65.09	40.04	355.89	14.29	5.63	1.44	27.38	509.81	-	509.81
Disposals	-	-	-	-	15.83	0.79	5.37	0.66	-	22.65	-	22.65
As at March 31, 2018	-	0.10	126.59	83.33	660.64	34.10	6.42	1.58	55.26	968.02	-	968.02
Net carrying amount as at March 31, 2018	3.04	548.94	1,067.17	495.02	2,251.26	36.98	6.18	2.51	204.77	4,615.87	38.79	4654.66

Notes:

5.1 The Company has elected to continue with the carrying value of its Property, Plant & Equipment (PPE) recognised as of April 1, 2016 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date.

Notes to Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

5. Property, Plant and Equipment (Contd.):

Notes (Contd.):

5.2 The Building Material Division of the Company for the manufacture of dry mix product has been commissioned on March 31, 2016

5.3 Refer Notes 19.2, 19.3 and 22 to financial statements in respect of charges created against borrowings

5.4 Details of assets under lease included above

A. Finance Lease disclosures:

The leasehold lands located at Nagpur, Aurangabad, Ajmer and Kolkata has been classified under finance lease. The lease term ranges from 89 to 99 years.

The net carrying amount of the leasehold land, classified as finance lease, is Rs. 548.90 lakh as at March 31, 2019 (March 31, 2018 : Rs. 548.95 lakh).

Finance Lease Liabilities

Particulars	Minimum Lease Payments		Present Value of Minimum Lease	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Not later than one year	0.38	0.38	0.16	0.18
Later than one year and not later than five years	2.16	2.53	0.67	1.02
Later than five years	189.89	189.89	1.63	1.63

5.5 Capital Work-in-Progress includes Plant and Equipments, construction including material and other costs and other assets amounting to Rs. nIL (March 31, 2018: Rs. 38.79 lakhs).

Notes to Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

6. Intangible Assets:

As at March 31, 2019

(₹ in lakhs)

Particulars	Technical Knowhow fees	ERP Software	Autocad Software	Total	Capital Work-in-progress	Total Other Intangible Assets including Work-in-progress
Gross Block as at April 1, 2018	84.72	23.64	6.76	115.12	-	115.12
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-
As at March 31, 2019	84.72	23.64	6.76	115.12	-	115.12
Accumulated Depreciation as at April 1, 2018	18.12	7.54	3.30	28.96	-	28.96
Charge for the period	12.81	3.94	1.56	18.31	-	18.31
Disposals	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-
As at March 31, 2019	30.93	11.48	4.86	47.27	-	47.27
Net carrying amount as at March 31, 2019	53.79	12.16	1.90	67.85	-	67.85

As at March 31, 2018

Particulars	Technical Knowhow fees	ERP Software	Autocad Software	Total	Capital Work-in-progress	Total Other Intangible Assets including Work-in-progress
Gross Block as at April 1, 2017	44.71	23.64	6.76	75.11	20.17	95.28
Additions	40.01	-	-	40.01	19.84	59.85
Disposals	-	-	-	-	-	-
Other Adjustments	-	-	-	-	40.01	40.01
As at March 31, 2018	84.72	23.64	6.76	115.12	-	115.12
Accumulated Depreciation as at April 1, 2017	9.36	3.60	1.74	14.70	-	14.70
Charge for the period	8.76	3.94	1.56	14.26	-	14.26
Disposals	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-
As at March 31, 2018	18.12	7.54	3.30	28.96	-	28.96
Net carrying amount as at March 31, 2018	66.60	16.10	3.46	86.16	-	86.16

Notes:

6.1 The Company has elected to continue with the carrying value of its Intangible Assets recognised as on April 1, 2016 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date.

Notes to Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

7. Non-Current Investments

(Fully paid up except otherwise stated)

(₹ in lakhs)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Holding	Value	Holding	Value
Investments in Equity Instruments				
Investment measured at Cost				
Unquoted				
Joint Venture				
Mozer Process Technology Private Limited (Face value of Rs.10 each)	500000	3.58	500000	19.77
Share of Profit /(Loss) of Joint Venture		(3.58)		(16.19)
		-		3.58
Investment in Mutual Funds				
Investment measured at fair value through Profit and Loss				
Quoted				
BOI AXA Corporate Credit Spectrum Fund (Face Value of Rs. 10 each)	-	-	837479	111.79
Reliance Corporate Bond	1875314.12	275.74	-	-
L&T FMP Sr.XVII - Plan B(1452D) Growth Plan (Face Value of Rs. 10 each)	5000000	537.25	-	-
DSP BlackRock FMP Series 238 36M Regular Growth (Face Value of Rs. 10 each)	3000000	317.71	-	-
Kotak FMP Series 127 730 Days (Face Value of Rs. 10 each)	-	-	1500000	221.44
HDFC FMP 1213 D Mar 2017(1) Reg Gr (Face Value of Rs. 10 each)	3000000	345.51	3000000	323.73
ICICI Prudential FMP Series 81 -1101 Days-Plan E (Face Value of Rs. 10 each)	2000000	226.32	2000000	211.96
Kotak FMP 183 -Direct Plan Growth (Face Value of Rs. 10 each)	-	-	42000	5.17
Kotak FMP 186 -Direct Plan Growth (Face Value of Rs. 10 each)	-	-	50000	6.19
		1,702.53		880.28
Total -Non -Current Investments		1,702.53		883.86
Aggregate NAV of Quoted Investments				
- Mutual Funds		1,702.53		880.28

7.1 The Company as on the transition date has adopted to measure investment in Joint Venture at Cost

7.2 Particulars of Investments as required under section 186(4) of the Companies Act, 2013 has been disclosed herein above

7.3 Refer Note No. 19.1 and 22.2 to financial statements in respect of charges created against borrowings

7.4 Summarised financial information of Joint Venture:

Notes to Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

7. Non-Current Investments (Contd.)

(Fully paid up except otherwise stated) (Contd.)

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Summarised financial information		
1) Balance Sheet		
(i) Non-current assets		
Intangible Assets	0.01	0.04
(ii) Current Assets.		
(a) Inventories	-	-
(b) Financial Assets		
Trade Receivables	6.30	-
Cash and cash equivalents	6.46	6.78
Bank balances other than (iii) above	-	-
(c) Other current assets	31.66	8.91
(iii) Non-Current Liabilities		
(a) Deferred Tax Liabilities (Net)	-	-
(iv) Current liabilities		
(a) Trade Payables	7.75	7.55
(b) Current Tax Liabilities (Net)	39.87	1.04
2) Statement of Profit and Loss		
Revenue From Operations	157.96	0.90
Other Income	2.50	0.32
Purchase of Stock-in-trade	138.28	-
Employee benefits expense	21.68	23.24
Depreciation and amortisation expense	0.03	0.03
Other expenses	10.81	10.35
Profit before tax	(10.34)	(32.39)
Profit for the year	(10.34)	(32.39)
Total Comprehensive Income for the year	(10.34)	(32.39)

7.5 Reconciliation of the above summarised information to the carrying amount of the interest in Associates and Joint Ventures recognised in the Consolidated Financial Statement

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Closing Net Assets	(3.18)	7.15
Proportion of the Parent's ownership interest in J.V / associates (%)	50.00%	50.00%
Proportion of the Parent's ownership interest in J.V / associates (INR)	(1.59)	3.58
Less: Unrealised Profit on Stock	-	-
Less: Deferred Tax recognition on Unabsorbed business loss	-	-
Net Assets as per Consolidated Financial statement (to the extent of carrying value of investment)	(1.59)	3.58

Notes to Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

8. Other Financial Assets

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
Unsecured, Considered Good			
Security Deposits		65.12	63.48
Fixed Deposit with Banks (having original maturity of more than 1 year)	14.1	1.30	102.35
Accrued Interest on Fixed Deposit with Banks (having original maturity of more than 1 year)		0.35	7.98
Surrender Value of Keyman Insurance Policy	8.1	621.62	556.26
		688.39	730.07

8.1 The Company has recognised the surrender value of Keyman insurance policy considering the expected accrual of proceeds thereof on maturity in favour of the Company.

9. Deferred Tax Assets

The following is the analysis of Deferred Tax Assets/(Liabilities) presented in the Balance Sheet:

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
Deferred tax Assets		406.38	-
Deferred tax Liabilities		398.30	-
Net Deferred Tax Assets/(Liabilities)		8.08	-

Components of Deferred Tax Assets/(Liabilities) as at March 31, 2019 are given below:

Particulars	As at April 1, 2018	Charge/ (Credit) recognised in Profit and Loss	Charge/ (Credit) recognised in other comprehensive income	As at March 31, 2019
Deferred Tax Assets:				
Fair valuation of financial assets and financial liabilities	3.50	0.35		3.15
Leasehold liability	0.82	0.14		0.68
MAT Credit Entitlement	77.11	(100.64)		177.75
Unabsorbed depreciation loss	201.84	104.60		97.24
Provision for expected credit losses against financial assets	22.69	8.91		13.78
Expenses allowable on payment basis	80.10	15.22		64.88
Remeasurement of defined benefit obligations	41.50	-	(7.40)	48.90
Total Deferred Tax Assets	427.56	28.58	(7.40)	406.38
Deferred Tax Liabilities:				
Fair valuation (gain)/ loss on Investments	91.51	(19.77)		71.74
Timing difference with respect to Property, Plant & Equipment and Intangible Assets	378.42	(52.38)		326.04
Borrowings designated at Amortised Cost	1.68	(1.16)		0.52
Total Deferred Tax Liabilities	471.61	(73.31)	-	398.30
Net Deferred Tax Assets/(Liabilities)	(44.05)	(44.73)	(7.40)	8.08

Notes to Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

10. Inventories

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
Raw materials		1,892.60	1,380.10
Work-In-Progress		629.33	521.19
Finished goods		1,187.11	1,248.00
Packing Materials		24.52	222.64
Stores and spares		214.95	32.69
		3,948.51	3,404.62

Note: Refer Note No. 22.1 to financial statements in respect of charges created against borrowings

11. Current Investments

(Fully paid up except otherwise stated)

(₹ in lakhs)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Holding	Value	Holding	Value
Investment measured at fair value through Profit and Loss	(Nos)		(Nos)	
Investment in Mutual Funds				
Mutual Funds (Quoted)				
Kotak FMP Series 127 -730 Days (Face Value of Rs. 10 each)	1500000	240.85	-	-
Kotak FMP 183 -Direct Plan Growth (Face Value of Rs. 10 each)	42000	5.21	-	-
Kotak FMP 186 -Direct Plan Growth (Face Value of Rs. 10 each)	50000	6.74	-	-
UTI-FTIF Series XXII-VI(1098 D) Growth Fund (Face Value of Rs. 10 each)	-	-	3000000	389.82
BOI AXA Corporate Credit Spectrum Fund (Face Value of Rs. 10 each)	837479	110.85	-	-
Kotak FMP Series 194 Direct Plan Growth (Face Value of Rs. 10 each)	30000	3.77	-	-
UTI Credit Risk Fund - Regular Growth Plan (Face Value of Rs. 10 each)	315471.35	52.77	-	-
ICICI Prudential Fixed Maturity Plan-Sr.75-1246 Days-Plan U (Face Value of Rs. 10 each)	-	-	3000000	409.54
Kotak FMP Series 172 - 1126 Days (Face Value of Rs. 10 each)	-	-	1500000	196.93
HDFC FMP 1184D January 2015(I) - Sr.33 (Face Value of Rs. 10 each)	-	-	2000000	266.09
Reliance Corporate Bond	-	-	1875314.12	262.79
Total		420.19		1,525.17
Aggregate amount of NAV of Quoted Investments				
- In Mutual Funds		420.19		1,525.17

11.1 Refer Note No. 19.1 and 22.2 to financial statements in respect of charges created against borrowings

11.2 Particulars of investments as required under Section 186(4) of the Companies Act, 2013 have been disclosed in Note No. 7 and 11

Notes to Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

12. Trade Receivables

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
Secured, considered good		-	-
Unsecured, considered good		4,076.49	3876.65
Receivables having significant increase in Credit Risk		49.52	73.34
		4,126.01	3,949.99
Less: Impairment allowances for doubtful debts	12.2	(49.52)	(73.34)
		4,076.49	3,876.65

12.1 Refer Note No. 22.1 to financial statements in respect of charges created against borrowings

12.2 Movement of Impairment allowances for doubtful debts

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
Balance as at the beginning of the year		73.34	56.68
Recognised during the year		-	16.66
Reversal during the year		(23.82)	-
Balance at the end of the year		49.52	73.34

13. Cash and Cash Equivalents

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
Balances with banks			
In current and cash credit accounts		113.82	123.33
Cash on hand		2.25	2.81
		116.07	126.14

14. Bank Balances Other than Cash and Cash Equivalents

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
Other Balances with banks			
In Margin Money Accounts	14.1	113.24	21.93
In Unpaid Dividend Account		6.52	8.27
		119.76	30.20

14.1 Fixed Deposits with banks in Margin Money Account includes Rs.114.54 lakhs (March 31, 2018: Rs. 124.28 lakhs) including Rs. 1.30 lakhs (March 31, 2018: Rs. 102.35 lakhs) disclosed under other non-current financial assets have been lodged with Banks against guarantee issued by them.

Notes to Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

15. Other Financial Assets

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
Export Incentive receivable		31.75	26.02
Others		13.03	15.83
Accrued Interest on Fixed Deposit with Banks (having original maturity of less than 1 year)		7.33	14.22
		52.11	56.07

15.1 Refer Note No. 22.1 to financial statements in respect of charges created against borrowings

16. Other Current Assets

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
Advances for supply of goods		41.16	53.31
Balance with Government authorities		419.69	276.95
Prepaid expenses		32.11	30.85
Loans and advances to employees		10.03	9.35
Others		7.43	12.87
		510.42	383.33

16.1 Refer Note No. 22.1 to financial statements in respect of charges created against borrowings

17. Equity Share Capital

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
Authorised			
50,00,000 (March 31, 2018: 50,00,000) Equity Shares of Rs.10 each		500.00	500.00
		500.00	500.00
Issued, Subscribed and Paid-up			
23,90,276 (March 31, 2018: 23,90,276) Equity Shares of Rs.10 each		239.03	239.03
		239.03	239.03

17.1 The Company has one class of shares referred to as equity shares having a par value of Rs. 10/-. Each holder of equity shares is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

17.2 Reconciliation of the number of equity shares outstandings

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
Number of shares at the beginning		23,90,276	23,90,276
Add: Addition during the year		-	-
Number of shares at the end		23,90,276	23,90,276

Notes to Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

17. Equity Share Capital (Contd.)

17.3 Shareholders holding more than 5% equity shares

(₹ in lakhs)

Name of shareholders	% of holding	Note No.	As at March 31, 2019	As at March 31, 2018
Tradelink Securities Limited	14.38		3,43,703	3,43,703
Stephen Court Limited	11.68		2,79,088	2,79,088
Woolworth Merchandise Private limited	7.14		1,70,609	1,70,609

18. Other Equity

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
Capital Reserve	18.2	605.34	605.34
Securities Premium	18.3	890.41	890.41
General Reserve	18.4	7,301.82	7,301.82
Retained Earnings	18.5	774.52	421.93
Other Comprehensive Income			
Re-measurement of Defined benefit plans	18.6	(112.02)	(92.81)
		9,460.07	9,126.69

18.1 Refer Statement of changes in Equity for movement in balances of reserves

18.2 Capital Reserve

Capital Reserve comprises of:

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
(a) Capital Profit on sale of land & building		550.05	550.05
(b) Profit on reissue of forfeited Debentures		0.29	0.29
© Subsidy from State Government against capital investment in new units		55.00	55.00
		605.34	605.34

18.3 Securities Premium

Securities Premium represents the amount received in excess of par value of securities and is available for utilisation as specified under section 52 of Companies Act, 2013.

18.4 General Reserve

The General Reserve is used from time to time by appropriating profits from retained earnings. As the General Reserve is created by a transfer from one component of equity to another and accordingly it is not reclassified to the Statement of Profit and Loss.

18.5 Retained Earnings

Retained earnings generally represents the undistributed profit/ amount of accumulated earnings of the company.

18.6 Other Comprehensive Income

Other Comprehensive Income represents the balance in equity for items to be accounted in Other Comprehensive Income (OCI). The actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions have been recognised in OCI and will not be reclassified to Statement of Profit and Loss.

18.7 The amount that can be distributed by the Company as dividends to its equity shareholders is determined considering the requirements of the Companies Act, 2013 and the dividend distribution policy of the Company. Thus, the amount reported above are not entirely distributable.

Notes to Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

19. Borrowings

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2019		As at March 31, 2018	
		Non Current	Current	Non Current	Current
Secured					
Term Loan from Bank	19.1 and 19.2	677.14	640.66	1,316.97	639.68
Vehicle Finance loan from Bank	19.3	30.86	4.50	1.21	3.54
		708.00	645.16	1,318.18	643.22

19.1 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. The Interest rate is Base Rate + 185 basis points which is currently 11.35%. The outstanding as on March 31, 2019 is Rs. 690.96 lakhs (March 31, 2018: Rs. 1,032.91 lakhs)

19.2 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 Nagpur and Aurangabad units on which first charge is held for working capital facilities for Baidyabati, Nagpur and Aurangabad units. The Interest rate is Base Rate + 250 basis points which is currently 12.00%. The outstanding as on March 31, 2019 is Rs.626.84 lakhs (March 31, 2018: Rs. 929.19 lakhs)

19.3 Finance lease obligation is secured against car taken on two finance lease and are repayable in 60 and 36 monthly instalments starting from June, 2018 and March, 2016 respectively. The Interest rate is 10.1389% and 9.40% respectively. The outstanding as on March 31, 2019 is Rs. 35.36 lakhs (March 31, 2018: Rs. 4.75 lakhs)

19.4 Repayment details of above loans are as follows:

Particulars	Term Loan	Vehicle Finance Loan
2019-20	640.66	4.50
2020-21	649.80	4.97
2021-22	27.34	5.50
2021-22	-	6.08
2022-23	-	14.31

19.5 The outstanding balance disclosed in Note no. 19 are based on the amortised cost in accordance with Ind AS 109 "Financial Instruments".

20. Provisions

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits	39	149.32	128.89
		149.32	128.89

Notes to Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

21. Deferred Tax Liabilities

The following is the analysis of deferred tax (assets)/liabilities presented in the Balance Sheet:

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
Deferred tax Assets		-	427.56
Deferred tax Liabilities		-	471.61
Net Deferred Tax (Assets)/Liabilities		-	44.05

Components of Deferred tax (Assets)/ Liabilities as at March 31, 2018 are given below:

Particulars	As at April 1, 2017	Charge/ (Credit) recognised in profit & loss	Charge/(Credit) recognised in other comprehensive income	As at March 31, 2018
Deferred Tax Assets:				
Fair valuation of financial assets and financial liabilities	3.50	-	-	3.50
Leasehold liability	0.88	0.06	-	0.82
MAT Credit Entitlement	77.11	-	-	77.11
Unabsorbed depreciation loss	156.69	(45.15)	-	201.84
Provision for expected credit losses against financial assets	17.51	(5.18)	-	22.69
Expenses allowable on payment basis	5.61	(74.49)	-	80.10
Remeasurement of defined benefit obligations	35.30	-	(6.20)	41.50
Total Deferred Tax Assets	296.60	(124.76)	(6.20)	427.56
Deferred Tax Liabilities:				
Fair valuation (gain)/ loss on Investments	115.67	(24.16)	-	91.51
Timing difference with respect to Property, Plant & Equipment and Intangible Assets	352.68	25.74	-	378.42
Borrowings designated at Amortised Cost	3.30	(1.62)	-	1.68
Total Deferred Tax Liabilities	471.65	(0.04)	-	471.61
Net Deferred Tax (Assets)/ Liabilities	175.05	(124.80)	(6.20)	44.05

22. Borrowings

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
Secured			
Repayable on demand			
Working capital facilities from banks			
Indian Currency	22.1 and 22.2	970.08	657.60
Buyer's Credit	22.3	-	202.96
		970.08	860.56

22.1 Loans repayable on demand being Working Capital facilities from UCO Bank and Axis Bank (both fund based and non-fund based) are secured by hypothecation of stock of raw materials, work-in-progress, finished goods, stores and spares, trade receivables 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 Nagpur and Aurangabad.

22.2 Loans repayable on demand being Working Capital facilities from Kotak Mahindra Bank is secured by way of lien on investments in units of mutual funds held by the Company.

22.3 Buyer's Credit is secured against hypothecation of the plant and equipment purchased thereagainst

Notes to Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

23. Trade Payables

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
Payable for Goods and Services			
Total outstanding dues of micro and small Enterprises	23.1	106.76	61.18
Total outstanding dues of creditors other than micro and small Enterprises		2,461.48	2,169.05
		2,568.24	2,230.23

23.1 Disclosure of Trade payables as required under section 22 of Micro, Small and Medium Enterprises Development (MSMED) Act, 2006, based on the confirmation and information available with the company regarding the status of suppliers.

Particulars	As at March 31, 2019	As at March 31, 2018
a) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year		
Principal amount unpaid	106.76	61.18
Interest due	-	-
b) The amount of interest paid by the Company in terms of Section 16 of the "Micro, Small and Medium Enterprise Development Act, 2006" (27 of 2006) along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year:	Nil	Nil
c) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	Nil	Nil
d) The amount of interest accrued and remaining unpaid at the end of each accounting year	Nil	Nil
e) 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 of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	Nil	Nil

24. Other Financial Liabilities

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
Current maturities of long term debt- Secured	19	640.66	639.68
Current maturities of finance lease obligation- Secured	19	4.50	3.54
Interest accrued but not due on borrowings		8.33	14.11
Unclaimed dividends	24.1	6.52	8.27
Capital vendors		87.30	48.13
		747.31	713.73

24.1 The same is not due for payment to Investor Education and Protection Fund.

Notes to Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

25. Other Current Liabilities

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
Advance from customers		486.57	582.38
Statutory dues - PF, ESI, GST, TDS etc.		505.26	370.44
Others		0.04	-
		991.87	952.82

26. Provisions

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits	39	97.16	94.26
		97.16	94.26

27. Current Tax Liabilities (Net)

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
Provision for taxation (net of advance tax)		146.78	48.49
		146.78	48.49

Notes to Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

28. Revenue From Operations

(₹ in lakhs)

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
Sale of products	28.1	13,195.43	10,597.26
Sale of Services		74.18	31.89
Other operating revenues			
Scrap Sales		119.74	72.47
Liabilities no longer required written back		16.12	42.18
Incentive on exports		10.24	20.10
		13,415.71	10,763.90

28.1 Includes Excise Duty of Rs. NIL (2017-18- Rs. 103.81 lakhs)

28.2 The Company has adopted Ind AS 115, "Revenue from Contracts with Customers" which is mandatory for reporting from the period beginning on after 1st April, 2018. Adoption of this standard did not have any material impact on the financial results of the Company.

29. Other Income

(₹ in lakhs)

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest Income			
On deposits, overdue debts etc.		10.56	12.44
Net gain/(loss) on redemption of current investments		11.60	6.84
Net gain/(loss) on fair valuation of investments through Profit and Loss		126.05	173.57
Profit/(loss) on sale of fixed assets (net)		2.91	-
Net gain/(loss) on foreign currency transaction and translation		5.23	12.33
Fair valuation of Surrender Value of Keyman Insurance policy	8.1	65.36	58.64
Miscellaneous income		19.67	29.47
		241.38	293.29

30. Cost of materials consumed

(₹ in lakhs)

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
Raw Material Consumed		6,352.59	4,991.81

31. Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-Progress

(₹ in lakhs)

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
Opening stock			
Finished Goods		1,248.00	1,012.36
Work-in-Progress		521.19	636.18
		1,769.19	1,648.54
Less: Closing Stock			
Finished Goods		1,187.11	1,248.00
Work-in-Progress		629.33	521.19
		1,816.44	1,769.19
		(47.25)	(120.65)

Notes to Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

32. Employee Benefits Expense

(₹ in lakhs)

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries and wages		2,645.57	2,514.91
Contribution to provident and other funds		212.72	253.43
Travelling and Conveyance		407.17	379.40
Staff welfare expenses		140.11	131.43
		3,405.57	3,279.17

33. Finance Costs

(₹ in lakhs)

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest expense		187.93	344.98
Other borrowing cost		128.56	51.86
		316.49	396.84

34. Depreciation and Amortisation Expenses

(₹ in lakhs)

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
Depreciation Expenses	5	495.46	509.81
Amortisation Expenses	6	18.31	14.26
		513.77	524.07

35. Other Expenses

(₹ in lakhs)

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
Consumable Stores		368.52	273.23
Packing Materials consumed (net of recoveries)		196.48	144.85
Power and fuel		224.70	184.26
Rent		29.33	25.73
Repairs to buildings		31.66	36.05
Repairs to machinery		10.91	26.98
Repairs to others		69.91	57.14
Insurance		11.16	10.43
Rates and taxes		24.74	23.89
Directors fees and Commission		19.36	6.10
Selling and Distribution Expenses	35.2	637.41	584.22
Auditors' Remuneration	35.1	4.15	4.15
Irrecoverable Debts/Advances written off		63.55	58.01
Royalty		356.61	260.63
Excise duty paid and on stock		-	(8.67)
Communication Expenses		30.34	31.42
Consultancy		60.52	68.99
Freight and Forwarding Charges [Net of realisation of Rs. 26.97 lakhs (March 31, 2018: Rs. 47.15 lakhs)]		209.33	173.05
Loss on sale of fixed assets (net)		-	0.97
Miscellaneous expenses	35.3	355.16	384.23
		2,703.84	2,345.66

Notes to Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

35. Other Expenses (Contd.)

35.1 Auditor's Remuneration comprises of:

(₹ in lakhs)

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) Audit Fees		3.25	3.25
(b) Certification and other expenses		0.90	0.90

35.2 Selling and Distribution Expenses comprises of:

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) Travelling Expenses		421.10	466.05
(b) Commission on Sales		80.73	94.36
(c) Other Expenses		135.58	23.81

35.3 During the year, the Company has incurred Rs. 1.10 lakhs (March 31, 2018 Rs. 2.12 lakhs) on account of Corporate Social Responsibility (CSR).

35.4 **Operating Lease disclosures:**

The Company has operating lease arrangements for office accommodations etc. with tenure extending upto 1 or 3 or 5 yrs. Term of certain lease arrangements include escalation clause for rent on expiry of 12 or 24 or 36 months as the case may be from the commencement date of such lease and deposit / refund of security deposit etc. Expenditure incurred on account of rent during the year and recognized in the Profit and Loss account amounts to Rs.29.33 lakhs (March 31, 2018 Rs. 25.73 lakhs).

36. Tax Expenses - Current Tax

(₹ in lakhs)

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
Provision for Current Tax		100.64	-
		100.64	-

36.1 Components of Tax Expense:

(₹ in lakhs)

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
Current Tax			
In respect of the current year		100.64	-
Total Current Tax Expense recognised in the current year		100.64	-
Deferred Tax			
In respect of the current year		(44.73)	(124.80)
Total Deferred Tax Expense recognised in the current year		(44.73)	(124.80)
Total Tax Expense recognised in the current year		55.91	(124.80)

Notes to Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

36. Tax Expenses - Current Tax (Contd.)

36.2 Reconciliation of Income tax expense for the year with accounting profit is as follows:

Taxable Income differs from "Profit Before Tax" as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. Details in this respect are as follows:

(₹ in lakhs)

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit Before Tax		408.50	(375.90)
Income tax expense calculated at 27.82%*		113.65	(116.15)
Less : Effect of			
Difference in tax rate for Long Term Capital Gain		(15.32)	(18.58)
Effect of other adjustments		(42.42)	9.93
Income tax expense recognised in Profit and Loss		55.91	(124.80)

* The tax rate used for reconciliations above is the corporate tax rate of 27.82% payable by corporate entities in India on taxable profits under the Indian tax laws.

36.3 Income tax recognised in Other Comprehensive Income

(₹ in lakhs)

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
Deferred tax			
Arising on income and expenses recognised in Other Comprehensive Income:			
Tax impact on Remeasurement of defined benefit obligation		7.40	6.20
Total income tax recognised in Other Comprehensive Income		7.40	6.20
Bifurcation of the Income Tax recognised in Other Comprehensive Income into:-			
Items that will not be reclassified to Profit and Loss		7.40	6.20
Items that may be reclassified to Profit and Loss		-	-

37. Components of Other Comprehensive Income

(₹ in lakhs)

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
Items that will not be reclassified to Statement of Profit and Loss-			
Remeasurement of gains / (losses) on defined benefit plans		(26.61)	(20.08)
		(26.61)	(20.08)

Notes to Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

38. Financial Instruments

The accounting classification of each category of financial instrument, their carrying amount and fair value are as follows:-

Particulars	As at March 31, 2019		As at March 31, 2018	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets (Current and Non-Current)				
Financial Assets designated at Amortised Cost				
Trade receivables	4,076.49	4,076.49	3,876.65	3,876.65
Cash and Cash Equivalents	116.07	116.07	126.14	126.14
Bank Balances other than Cash and Cash Equivalents	119.76	119.76	30.20	30.20
Loans and Other financial assets	740.50	740.50	786.14	786.14
Financial Assets designated at Fair Value through Profit and Loss Account				
Investment in Mutual Funds	2,122.72	2,122.72	2,405.45	2,405.45
Financial Liabilities (Current and Non-Current)				
Financial Liabilities designated at Amortised Cost				
Borrowings	2,323.24	2,323.24	2,821.96	2,821.96
Trade Payables	-	-	-	-
Other financial liabilities	102.15	102.15	70.51	70.51

Fair Valuation Techniques

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values:

The fair value of cash and cash equivalents, trade receivables, trade payables, current financial liabilities/financial assets and borrowings approximate their carrying amount largely due to the short-term nature of these instruments. The management considers that the carrying amounts of financial assets and financial liabilities recognised at nominal cost/amortised cost in the financial statements approximate their fair values.

A substantial portion of the company's long-term debt has been contracted at floating rates of interest, which are reset at short intervals. Fair value of variable interest rate borrowings approximates their carrying value subject to adjustments made for transaction cost.

Investments (other than Investments in Joint Venture) i.e. Mutual Funds are determined by reference to the quoted market prices (i.e. NAV) at the reporting date multiplied by the quantity held.

Fair value hierarchy

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as at March 31, 2019:

(₹ in lakhs)

Particulars	As at March 31*	Fair value measurements at reporting date using		
		Level 1	Level 2	Level 3
Financial Assets				
Investment in Mutual Funds (Current and Non-Current) - 2019	2,122.72	2,122.72	-	-
- 2018	(2,405.45)	(2,405.45)	-	-
- 2017	[3011.50]	[3011.50]	-	-

(*) Figures in round brackets () indicate figures as at March 31, 2018 and in brackets [] indicate figures as at April 01, 2017

Notes to Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

38. Financial Instruments (Contd.)

During the year ended March 31, 2019 and March 31, 2018, there were no transfers between Level 1, Level 2 and Level 3.

The Inputs used in fair valuation measurement are as follows:

Fair valuation of Financial assets and liabilities not within the operating cycle of the Company is amortised based on the borrowing rate of the Company.

Financial instruments are valued based on quoted price for similar assets and liabilities in active market or similar inputs that are directly or indirectly observable in the market place.

Financial Risk Factors

The Company's activities expose it to a variety of financial risks. The key financial risk includes market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. 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 risks in the various business areas and it 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 players with low cost products which has intensified the competition in the large domestic market consequently shrinking the margins for the Company's products is an area of risk. To mitigate the risk 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, carving out a niche product portfolio and effective marketing framework.

Market Risk

Market risk is the risk or uncertainty arising from possible market price movements resulting in variation in the fair value of future cash flows of a financial instrument. The major components of Market risks are foreign currency risk, interest rate risk and other price risk. Financial instruments affected by market risk includes trade receivables, borrowings, investments and trade and other payables.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's foreign currency denominated transactions.

The Company is having a net foreign exchange outflow and has adopted a comprehensive risk management review system wherein it evaluates exchange rate exposure arising from these transactions and follows established risk management policies.

The carrying amount of various exposure to foreign currency at the end of the reporting period are as follows:

(₹ in lakhs)

Particulars	As at March 31, 2019			
	Trade receivables	Loans and borrowings	Trade payables & Other current Liability	Net Assets/ (liabilities)
USD	0.16	-	-	0.16
EURO	23.18	-	37.84	(14.66)
Total	23.34	-	37.84	(14.50)

Notes to Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

38. Financial Instruments (Contd.)

(₹ in lakhs)

Particulars	As at March 31, 2018			
	Trade receivables	Loans and borrowings	Trade payables & Other current Liability	Net Assets/ (liabilities)
USD	24.40	-	-	24.40
EURO	62.73	202.96	5.17	(145.40)
Total	87.13	202.96	5.17	(121.00)

The Company is principally exposed to foreign currency risk against USD & EURO. Sensitivity of profit or loss arises mainly from USD & EURO denominated are as follows:

(₹ in lakhs)

Particulars	Effect on Profit before tax	
	For the year end March 31, 2019	For the year end March 31, 2018
Receivables (Weaking of INR by 5%)		
USD	0.01	1.22
EURO	1.16	3.14
Payables (Weaking of INR by 5%)		
USD	-	-
EURO	(1.89)	(10.41)

A 5% strengthening of INR would have an equal and opposite effect on the Company's financial statements

Interest rate risk

The Company's exposure in market risk related to change in interest rate primarily arises from floating rate borrowing with banks and financial institutions. Borrowings at fixed interest rate exposes the Company to the fair value interest rate risk.

Further, there are deposits with banks which are for short term period are exposed to interest rate risk, falling due for renewal. These deposits are however generally for trade purposes and as such does not cause material implication.

With all other variables held constant, the following table demonstrates the impact of exposure of Company's borrowings to interest rate changes at the end of the reporting period. A hypothetical basis point shift, as detailed below, would result in a corresponding increase or decrease in interest costs for the Company on a yearly basis.

(₹ in lakhs)

Nature of Borrowing	Increase in basis points	For the year ended March 31, 2019	For the year ended March 31, 2018
Foreign Currency Loan	+0.25	-	0.51
Rupee Loan	+0.50	11.44	13.07

A decrease in 0.50 basis point in Rupee Loan and 0.25 basis point in foreign currency loan would have an equal and opposite effect on the Company's financial statements

Other price risk

The Company's exposure in Joint Venture are carried at cost and these are subject to impairment testing as per the policy followed in this respect. Further, the investment in mutual funds which are fair valued through

Notes to Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

38. Financial Instruments (Contd.)

profit and loss are material as these are Fixed Maturity Plan(FMP) that are closed ended scheme with a pre-defined maturity which is subject to investment objective and allocation which is basically in debt instruments, Certificate of Deposits and Commercial papers. Accordingly, other price risk of the financial instrument to which the Company is exposed is not expected to be material.

Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables). To manage this, the management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Collection of sale proceeds promptly from the clients on sale of products is also an area where risk is involved. The Company has adopted various recovery measures for improvement in collection and liquidity position which is also monitored by the Executive Management at regular intervals.

The carrying amount of respective financial assets recognised in the financial statements, (net of impairment losses) represents the Company's maximum exposure to credit risk. The concentration of credit risk is limited due to the customer base being large and unrelated. Of the trade receivables balance at the end of the year, there are no single customer accounted for more than 10% of the accounts receivable and 10% of revenue as at March 31, 2019 and March 31, 2018 respectively.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. Receivables from customers are reviewed/evaluated periodically by the management and appropriate provisions are made to the extent recovery thereagainst has been considered to be remote.

Financial assets that are neither past due nor impaired

Cash and Cash Equivalents, investment and deposits with banks are neither past due nor impaired. Cash and Cash Equivalents with banks are held with reputed and credit worthy banking institutions.

Financial assets that are past due but not impaired

Trade Receivables disclosed include amounts that are past due at the end of the reporting period but against which the Company has not recognised an allowance for doubtful receivables because there has not been a significant change in credit quality and the amounts are still considered recoverable.

Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's objective is to maintain optimum level of liquidity to meet its cash and collateral requirements at all times. The Company relies on borrowings and internal accruals to meet its fund requirement. The current committed line of credit are sufficient to meet its short to medium term fund requirement. The Company has laid down procedure for smooth servicing of the Term Loan for Building Material Division through the maturity proceeds of the Investment in FMP.

Liquidity and interest risk tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows as at the Balance Sheet date:

Notes to Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

38. Financial Instruments (Contd.)

Interest rate and currency of borrowings

(₹ in lakhs)

Particulars	As at March 31, 2019			
	Total Borrowings	Floating rate Borrowings	Fixed rate Borrowings	Weighted average Interest Rate (%)
INR	2323.24	2287.88	35.36	-
EURO	-	-	-	-
Total	2,323.24	2,287.88	35.36	-

Particulars	As at March 31, 2018			
	Total Borrowings	Floating rate Borrowings	Fixed rate Borrowings	Weighted average Interest Rate (%)
INR	2619.01	2614.25	4.76	-
EURO	202.96	202.96	-	-
Total	2,821.97	2,817.21	4.76	-

Maturity Analysis of Financial Liabilities

(₹ in lakhs)

Particulars	As at March 31, 2019					
	Carrying Amount	On Demand	Less than 6 months	6 to 12 months	> 1 year	Total
Interest bearing borrowings (including current maturities)	2,323.24	970.08	320.54	324.62	708.00	2,323.24
Other Liabilities	102.15	14.85	87.30	-	18.74	120.88
Trade and other payables	-	-	-	-	-	-

Particulars	As at March 31, 2018					
	Carrying Amount	On Demand	Less than 6 months	6 to 12 months	> 1 year	Total
Interest bearing borrowings (including current maturities)	2,821.97	657.60	316.48	326.74	1,521.15	2,821.97
Other Liabilities	70.51	30.65	39.86	-	-	70.51
Trade and other payables	-	-	-	-	-	-

The Company has current financial assets which will be realised in ordinary course of business. The Company ensures that it has sufficient cash on demand to meet expected operational expenses.

The Company has laid down procedure for smooth servicing of the Term Loan for Building Material Division through the maturity proceeds of the Investment in FMP. Further, the Company relies on mix of borrowings and excess operating cash flows to meet its need for funds and ensures that it does not breach any financial covenants stipulated by the lender.

Capital Management

The primary objective of the Company's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholder value. The Company's objective when managing capital is to safeguard their ability to continue as a going concern so that they can continue to provide returns for shareholders and benefits for other stake holders. The Company is focused on keeping strong total equity base to ensure independence, security, as well as a high financial flexibility for potential future borrowings, if required without impacting the risk profile of the Company.

Notes to Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

38. Financial Instruments (Contd.)

The gearing ratio are as follows:

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Borrowings	2,323.24	2,821.96
Equity	9,699.10	9,365.72
Gearing Ratio	0.24	0.30

39. Post Retirement Employee Benefits

The disclosures required under Indian Accounting Standard 19 on "Employee Benefits" are given below:

a) Defined Contribution Plans

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

(₹ in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Employer's Contribution to Provident Fund	95.81	102.88
Employer's Contribution to Pension Fund	59.72	59.34
Employer's Contribution to Superannuation Fund	1.43	11.83
Employers State Insurance Fund	29.97	32.78

b) Defined Benefit Plans

The employee's gratuity fund scheme managed by Life Insurance Corporation of India is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes 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.

(₹ in lakhs)

Particulars	Gratuity (Funded)	
	2018-19	2017-18
a) Change in the fair value of the defined benefit obligation:		
Liability at the beginning of the year	764.86	728.94
Interest Cost	57.89	53.44
Current Service Cost	51.65	47.08
Actuarial (gain) / loss on obligations	21.45	14.09
Benefits paid	(25.97)	(78.69)
Liability at the end of the year	869.88	764.86
b) Changes in the Fair Value of Plan Asset		
Fair value of Plan Assets at the beginning of the year	698.45	695.68
Expected Return on Plan Assets	53.78	53.91
Contributions by the Company	59.10	33.54
Benefits paid	(25.97)	(78.69)
Actuarial gain / (loss) on Plan Assets	(5.16)	(5.99)
Fair value of Plan Assets at the end of the year	780.20	698.45

Notes to Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

39. Post Retirement Employee Benefits (Contd.)

b) Defined Benefit Plans (Contd.)

(₹ in lakhs)

Particulars	Gratuity (Funded)	
	2018-19	2017-18
c) Actual return on Plan Asset		
Expected return on Plan assets	53.78	53.91
Actuarial gain / (loss) on Plan Assets	(5.16)	(5.99)
Actual Return on Plan Assets	48.62	47.92
d) Amount Recognized in Balance Sheet		
Liability at the end of the year	869.88	764.86
Fair value of Plan Assets at the end of the year	780.20	698.45
	89.68	66.41
e) Components of Defined Benefit Cost		
Current Service Cost	51.65	47.08
Interest Cost	57.89	53.44
Expected Return on Plan Assets	(53.78)	(53.91)
Net Actuarial (gain) / loss on remeasurement recognised in OCI	26.61	20.08
Total Defined Benefit Cost recognised in Profit and Loss and OCI	82.37	66.69
f) Balance Sheet Reconciliation		
Opening Net Liability	66.41	33.26
Expenses as above	82.37	66.69
Employers Contribution	(59.10)	(33.54)
Amount Recognized in Balance Sheet	89.68	66.41
g) Principal Actuarial assumptions as at the Balance Sheet date		
Discount Rate	7.70%	7.75%
Salary Escalation - First 5 years	6.00%	6.00%
Salary Escalation - After 5 years	6.00%	6.00%
Rate of Return on Plan Assets	7.70%	7.75%

h) Percentage allocation of plan assets in respect of fund managed by insurer is as follows:

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
G-Sec/ Corporate Securities	-	-
Equity	-	-
Fixed Deposit and other Assets	-	-
Insurance Policies	100.00%	100.00%

Interest Rate Guarantee

The obligation for provident fund trustees set up by the employer for Interest Rate guarantee in respect of shortfall in defined benefit plan and is recognized in the same manner as gratuity. The actuarial valuation of such provident fund liability on account of shortfall of interest as determined by the actuarial is Rs.Nil (March 31, 2018: Rs. Nil) has been recognised in the statement of Profit and Loss.

Notes to Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

39. Post Retirement Employee Benefits (Contd.)

Compensated Absences

The obligation for compensated absences is recognized in the same manner as gratuity except remeasurement benefit which is treated as part of OCI. The actuarial liability of Compensated Absences (unfunded) of accumulated privileged and sick leaves of the employees of the Company as at March 31, 2019 is given below:

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Leave Encashment	111.60	113.13

Particulars	Leave Encashment (Non-Funded)	
	2018-19	2017-18
a) Change in the fair value of the defined benefit obligation:		
Liability at the beginning of the year	113.13	108.71
Interest Cost	7.47	6.66
Current Service Cost	37.03	35.39
Benefits paid	(32.12)	(45.67)
Actuarial (gain) / loss on obligations	(13.91)	8.04
Liability at the end of the year	111.60	113.13
b) Amount Recognized in Balance Sheet		
Liability at the end of the year	111.60	113.13
Fair value of Plan Assets at the end of the year	-	-
	111.60	113.13
c) Components of Defined Benefit Cost		
Current Service Cost	37.03	35.39
Interest Cost	7.47	6.66
Expected Return on Plan Assets	-	-
Net Actuarial (gain) / loss on remeasurement recognised in Profit & Loss	(13.91)	8.04
Total Defined Benefit Cost recognised in Profit and Loss and OCI	30.59	50.09
d) Balance Sheet Reconciliation		
Opening Net Liability	113.13	108.71
Expenses as above	30.59	50.09
Benefits paid	(32.12)	(45.67)
Amount Recognized in Balance Sheet	111.60	113.13
e) Principal Actuarial assumptions as at the Balance Sheet date		
Discount Rate	7.70%	7.75%
Salary Escalation - First 5 years	6.00%	6.00%
Salary Escalation - After 5 years	6.00%	6.00%
Rate of Return on Plan Assets	N.A	N.A

Notes:

- i) Assumptions relating to future salary increases, attrition, interest rate for discount & overall expected rate of return on Assets have been considered based on relevant economic factors such as inflation, market growth & other factors applicable to the period over which the obligation is expected to be settled.

Notes to Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

39. Post Retirement Employee Benefits (Contd.)

Recognised in Other Comprehensive Income

Particulars	Gratuity
Remeasurement - Actuarial loss/(gain)	
For the year ended March 31, 2018	20.08
Remeasurement - Actuarial loss/(gain)	
For the year ended March 31, 2019	26.61

Sensitivity analysis:

Particulars	Change in Assumption	Defined Benefit Obligation	
		Gratuity	Leave Encashment
For the year ended March 31, 2018			
Discount Rate	+1%	739.84	106.41
	-1%	831.45	120.69
Salary Growth Rate	+1%	830.63	120.77
	-1%	739.72	106.28
Withdrawal Rate	+1%	787.35	113.93
	-1%	778.55	112.24
For the year ended March 31, 2019			
Discount Rate	+1%	822.47	104.82
	-1%	922.67	119.23
Salary Growth Rate	+1%	921.23	119.40
	-1%	822.54	104.60
Withdrawal Rate	+1%	874.32	112.38
	-1%	865.00	110.73

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (Projected Unit Credit Method) has been applied as when calculating the defined benefit obligation recognised within the Balance Sheet.

History of experience adjustments is as follows:

Particulars	Gratuity	Leave Encashment
For the year ended March 31, 2018		
Plan Liabilities - (loss)/gain	42.42	(14.25)
Plan Assets - (loss)/gain	6.00	-
For the year ended March 31, 2019		
Plan Liabilities - (loss)/gain	15.8	(12.59)
Plan Assets - (loss)/gain	5.16	-

Estimate of expected benefit payments (In absolute terms i.e. undiscounted)

Particulars	Gratuity	Leave Encashment
01 Apr 2019 to 31 Mar 2020	236.42	27.58
01 Apr 2020 to 31 Mar 2021	246.91	2.19
01 Apr 2021 to 31 Mar 2022	59.27	2.54
01 Apr 2022 to 31 Mar 2023	61.8	3.95
01 Apr 2023 to 31 Mar 2024	103.29	9.91
01 Apr 2024 to 31 Mar 2029	444.68	50.58

Notes to Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

39. Post Retirement Employee Benefits (Contd.)

Estimate of expected benefit payments (In absolute terms i.e. undiscounted) (Contd.)

Particulars	As at March 31, 2019	As at March 31, 2018
Average no of people employed	474	414

40. Calculation of Earning Per Share is as follows:

(₹ in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) Net profit for Basic and Diluted Earnings Per Share as per Statement of Profit and Loss	352.59	(251.10)
(b) Weighted average number of equity shares for calculation of Basic and Diluted Earnings Per Share (Face value Rs. 10 per share)		
No of equity shares outstanding as on 31st March	2390276	2390276
Number of equity shares considered in calculating basic and diluted EPS	2390276	2390276
(c) Weighted average number of equity shares outstanding	2390276	2390276
(d) Earnings per share (EPS) of Equity Share of Rs. 10 each:		
a) Basic (Rs.)	14.75	(10.51)
b) Diluted (Rs.)	14.75	(10.51)

41. Contingent Liabilities not provided for in respect of:

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Outstanding Bank Guarantees	65.90	97.94

42. Related party disclosure as identified by the management in accordance with the Indian Accounting Standard (Ind AS) 24 on "Related Party Disclosures" are as follows:

A) Names of related parties and description of relationship

- | | |
|-----------------------------------|--|
| 1) Joint Venture Company | Mozer Process Technology Pvt. Ltd. |
| 2) Key Management Personnel (KMP) | Mr. Indrajit Sen - Managing Director
Mr. Asish Kumar Neogi - Chief Financial Officer
Mr. Suhas Chandra Saha - Company Secretary |
| 2) Non-Executive Directors | Mr. Sanjay Bagaria - Chairman
Mr. Ratan Lal Gaggar - Director
Mr. Ravi Ranjan Prasad - Director
Mrs. (Prof.) Bharati Ray - Director |

Notes to Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

42. Related party disclosure as identified by the management in accordance with the Indian Accounting Standard (Ind AS) 24 on “Related Party Disclosures” are as follows: (Contd.)

B) Related Party Transactions

(₹ in lakhs)

Particulars	Joint Venture Company	KMP	Non-Executive Directors	Total	Outstanding as on March 31, 2019	Outstanding as on March 31, 2018
Remuneration						
Mr. Indrajit Sen	-	193.74	-	193.74	-	5.82
Mr. Asish Kumar Neogi	-	39.54	-	39.54	-	-
Mr. Suhas Chandra Saha	-	41.67	-	41.67	-	-
Total	-	274.95	-	274.95	-	5.82
Previous Year						
Mr. Sanjay Bagaria	-	-	-	-	-	-
Mr. Indrajit Sen	-	178.96	-	178.96	-	-
Mr. Asish Kumar Neogi	-	36.36	-	36.36	-	-
Mr. Suhas Chandra Saha	-	39.15	-	39.15	-	-
Sitting Fees						
Mr. Sanjay Bagaria	-	-	14.46**	14.46	12.36	-
Mr. Ratan Lal Gaggar	-	-	1.60	1.60	-	-
Mr. Ravi Ranjan Prasad	-	-	1.50	1.50	-	-
Mrs. (Prof.) Bharati Ray	-	-	1.80	1.80	-	-
Previous Year						
Mr. Sanjay Bagaria	-	-	1.80	1.80	-	-
Mr. Ratan Lal Gaggar	-	-	1.30	1.30	-	-
Mr. Ravi Ranjan Prasad	-	-	1.30	1.30	-	-
Mrs. (Prof.) Bharati Ray	-	-	1.70	1.70	-	-
Sale of Stock in Trade						
Mozer Process Technology Pvt. Ltd.	157.96	-	-	-	-	-
Total	157.96	-	-	-	-	-
Previous Year						
Mozer Process Technology Pvt. Ltd.	-	-	-	-	-	-
Recovery of Rent						
Mozer Process Technology Pvt. Ltd.	0.36	-	-	-	-	-
Total	0.36	-	-	-	-	-
Previous Year						
Mozer Process Technology Pvt. Ltd.	0.36	-	-	-	-	-
Recovery of Selling and Distribution expenses						
Mozer Process Technology Pvt. Ltd.	-	-	-	-	-	-
Total	-	-	-	-	-	-
Previous Year						
Mozer Process Technology Pvt. Ltd.	-	-	-	-	-	-
Recovery of Misc. expenses						
Mozer Process Technology Pvt. Ltd.	2.29	-	-	-	-	0.20
Total	2.29	-	-	-	-	0.20
Previous Year						
Mozer Process Technology Pvt. Ltd.	2.41	-	-	-	-	-
Advance Received						
Mozer Process Technology Pvt. Ltd.	23.22	-	-	-	-	-
Previous Year						
Mozer Process Technology Pvt. Ltd.	-	-	-	-	-	-
Receivable at year end						
Mozer Process Technology Pvt. Ltd.	-	-	-	-	-	-
Previous Year						
Mozer Process Technology Pvt. Ltd.	-	-	-	-	-	-

Notes to Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

42. Related party disclosure as identified by the management in accordance with the Indian Accounting Standard (Ind AS) 24 on “Related Party Disclosures” are as follows: (Contd.)

C) Details of compensation paid to KMP during the year are as follows:

(₹ in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Short-term employee benefits	-	-
Post-employment benefits*	-	20.38
Other long-term benefits*	-	-

* Post-employment benefits and other long-term benefits have been disclosed based on actual payment made on retirement/resignation of services, but does not includes provision made on actuarial basis as the same is available for all the employees together.

** including commission of Rs. 12.36 lakhs (2017-18 - Rs. Nil) payable to Mr. Sanjay Bagaria, subject to approval of the shareholders.

42.1 In respect of the above parties, there is no provision for doubtful debts as on March 31, 2019 and no amount has been written off or written back during the year in respect of debt due from/to them

42.2 The above related party information is as identified by the management and relied upon by the auditor

43. Segment Information

a) Reportable Segments:

The Company’s operating segment are established on the basis of those component of the Company that are evaluated regularly by the Board (“The Chief Operating Decision Maker”) as defined in Ind AS 108 “Operating Segments”. The Company has three principal operating and reporting segments i.e.

- i) Mineral & Material Processing and Handling Equipment
- ii) Gear Box and Geared Motor Drive System
- iii) Building Material Division

Segment revenue and results:

The expenses and income which are not directly attributable to any business segment are shown as unallocable expenditure (net of allocable income).

Segment assets and Liabilities:

Segment assets include all operating assets used by the operating segment and mainly consist of property, plant and equipments, trade receivables, Inventory and other operating assets. Segment liabilities primarily includes trade payable and other liabilities. Common assets and liabilities which can not be allocated to any of the business segment are shown as unallocable assets / liabilities.

Inter Segment Transfer:

Inter Segment revenues are recognised at sales price. The same is based on market price and business risks. Profit or loss on inter segment transfer are eliminated at the group level.

Notes to Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

43. Segment Information (Contd.)

(b) Summary of segment information as at and for the year ended March 31, 2019 and March 31, 2018 is as follows:

(₹ in lakhs)

Particulars	Mineral & Material Processing And Handling Equipment		Gear Box and Geared Motor Drive System		Building Material Division		Unallocated/Corporate		Eliminations		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Segment Revenue												
External Revenue	8,470.82	6,324.77	4,751.63	4,098.05	193.26	341.08	-	-	-	-	13,415.71	10,763.90
Inter-Segment Revenue	18.53	5.15	182.25	161.70	-	-	-	-	(200.78)	(166.85)	-	-
Total Revenue	8,489.35	6,329.92	4,933.88	4,259.75	193.26	341.08	-	-	(200.78)	(166.85)	13,415.71	10,763.90
Segment Result	2,733.49	1,945.80	117.86	146.13	(417.23)	(539.93)	(1,922.70)	(1,766.36)			511.42	(214.36)
Add/(less):												
Interest earned on loans and deposits, income from current and non-current investments, Profit and Loss on sale of investments etc. - net	-	-	-	-	-	-	-	-	-	-	213.57	251.49
Finance costs	-	-	-	-	-	-	-	-	-	-	(316.49)	(396.84)
Provision for Taxes	-	-	-	-	-	-	-	-	-	-	(55.91)	124.80
Profit for the year	-	-	-	-	-	-	-	-	-	-	352.59	(234.91)
Other Information												
Segment Assets	6,024.33	5,266.23	3,455.94	3,313.71	3,041.89	3,305.44	3,547.62	3,917.98	-	-	16,069.78	15,803.36
Segment Liabilities	2,246.54	1,609.22	1,241.18	1,390.26	111.88	196.97	455.93	328.74	-	-	4,055.53	3,525.19
Capital Expenditure												
Segment capital expenditure	96.86	115.83	58.66	28.08	16.29	5.83	69.18	7.41	-	-	240.99	157.15
Depreciation and Amortisation												
Segment depreciation and amortisation	86.81	78.76	161.47	189.38	189.03	185.57	76.46	70.36	-	-	513.77	524.07
Significant Non Cash Expenditure												
Segment significant Non Cash Expenditure	-	-	-	-	-	-	-	-	-	-	-	-

Notes to Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

43. Segment Information (Contd.)

c) Geographical Information

(₹ in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from sale of Products by Geographical Market		
Within India	12,770.37	9,641.05
Outside India	425.06	956.21
	13,195.43	10,597.26

44. Previous GAAP figures have been reclassified/regrouped wherever necessary to confirm with financial statements prepared under Ind AS.
45. These financial statements have been approved by the Board of Directors of the Company on 8th May, 2019 for issue to the shareholders for their adoption.

As per our report of even date

For Ray & Ray
Chartered Accountants
(Firm's Registration No. 301072E)

K.K. Ghosh
Partner
(Membership No. 059781)
Place: Kolkata
Date: 8th May, 2019

For and on behalf of the Board of Directors

I. Sen
Managing Director
(DIN No. 00216190)

S.C. Saha
Company Secretary

S. Bagaria
Chairman
(DIN No. 00233455)

A.K. Neogi
Chief Financial Officer



International Combustion (India) Limited

CIN : L36912WB1936PLC008588

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

Phone: +91(033) 4080 3000; Fax: +91(033) 2357 6653

e-mail : info@internationalcombustion.in, Website : www.internationalcombustion.in

ATTENDANCE SLIP

Eighty Third Annual General Meeting

Date	Venue	Time
4th September, 2019	Kala Kunj 48 Shakespeare Sarani, Kolkata 700017	2.00 P.M.

Name & Address of Member

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

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

Please ✓ in the box

Member Proxy

.....
Member's Signature

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

.....
Proxy's Signature

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



International Combustion (India) Limited

CIN : L36912WB1936PLC008588

Registered Office: Infinity Benchmark, 11th Floor, Plot No. G-1, Block EP & GP

Sector V, Salt Lake Electronics Complex, Kolkata – 700 091

Phone: +91(033) 4080 3000; Fax: +91(033) 2357 6653

e-mail : info@internationalcombustion.in, Website : www.internationalcombustion.in

PROXY FORM

Name of the member(s):

Registered Address:

E-mail Id:

Folio No./ Client ID DP ID

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

1. Name:

Address

E-mail Id: Signature: or failing him

2. Name:

Address

E-mail Id: Signature: or failing him

3. Name:

Address

E-mail Id: Signature: or failing him

as my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Eighty Third Annual General Meeting (AGM) of the Company to be held on Wednesday, 4th September, 2019 at 2.00 P.M at Kala Kunj, 48, Shekespear Sarani, Kolkata 700017 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions
1.	Adoption of the Audited Financial Statements (both Standalone and Consolidated) of the Company for the year ended 31st March, 2019 together with the Reports of the Board of Directors (including its annexures and attachments) and Auditors thereon
2.	Declaration of Dividend
3.	Reappointment of Mr. Sanjay Bagaria (DIN 00233455) a Director who retires by rotation As Special Business-Special Resolution
4.	Approval pursuant to Regulation 17(1A) of SEBI (LODR) Regulation, 2015 for continuance in office of Mrs. (Prof.) Bharati Ray (DIN06965340) as an Independent Director from 1st April, 2019 to 6th April, 2020.
5.	Reappointment of Mrs. (Prof.) Bharati Ray (DIN06965340) as an Independent Director for a period of five years w.e.f. 7th April, 2020, pursuant to Section 149 & 152 of the Companies Act, 2013 and also Regulation 17(1A) of the SEBI (LODR) Regulations, 2015
6.	Approval pursuant to Regulation 17(1A) of SEBI (LODR) Regulation, 2015 for continuance in office of Mr. Ratan Lal Gaggar (DIN 00066068) an independent Director w.e.f. 1st April, 2019 till the completion of term of five years viz. till 31/03/2024.
7.	Approval for the payment of an aggregate Managerial Remuneration of Mr. Indrajit Sen –Managing Director and Mr. Sanjay Bagaria-Non Executive Director exceeding the limit of 11% of net profit of the Company calculated under Section 198 of the Companies Act, 2013
8.	Approval for payment of Commission to Mr. Sanjay Bagaria Non Executive Chairman exceeding the limits laid down pursuant to Regulation 17(6)(ca) of the SEBI (LODR) Regulations, 2015
9.	Approval for payment of Audit Fees payable to M/s. S. Dutta & Co. for audit of the Cost accounting records for all its products for the year 2019-20 (as Ordinary Resolution)

Signed this day of 2019

Signature of Shareholder(s)

Signature of Proxyholders

Affix Re.1
Revenue
Stamp

- Note:** i) The Proxy must be deposited at the Registered Office of the Company at Infinity Benchmark, 11th Floor, Plot No. G-1, Block EP & GP, Sector V, Salt Lake Electronics Complex, Kolkata 700091 not less than 48 hours before the commencement of the AGM i.e. by 2.00 P.M.on 2nd September, 2019.
- ii) Please mark the envelope 'ICIL-Proxy'.