



## 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

29<sup>th</sup> August, 2022

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 2021-22

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 2021-22 along with the Notice convening the 86<sup>th</sup> Annual General Meeting of the shareholders of the Company scheduled to be held on Wednesday, 21<sup>st</sup> September, 2022 at 2 P.M. IST through Video-Conferencing ("VC") / Other Audio-Visual Means ("OAVM").

Thanking You,

Yours faithfully,  
For International Combustion (India) Limited

P. R. Sivasankar  
Company Secretary

Encl. : As above



## International Combustion (India) Limited

CIN: L36912WB1936PLC008588

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

Phone : +91(33) 4080 3000

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

### Notice of 86<sup>th</sup> Annual General Meeting

Notice is hereby given that the EIGHTY-SIXTH ANNUAL GENERAL MEETING of the shareholders of International Combustion (India) Limited shall be held on Wednesday, the 21st September, 2022 at 2.00 P.M. IST through Video-Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”), to transact the following businesses :-

#### As Ordinary Businesses & As Ordinary Resolutions

1. To receive, consider and adopt the Annual Audited Financial Statements of the Company for the Financial Year ended 31st March, 2022, together with the Reports of the Board of Directors and Auditors thereon, and, in this regard, to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT the Annual Audited Financial Statements (Standalone) of the Company for the Financial Year ended 31st March, 2022, drawn up in accordance with the Indian Accounting Standards (IND AS) as prescribed under 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, 2022, 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, as placed before the meeting, be and are hereby considered, approved and adopted.”

2. To declare a Dividend on the equity shares of the Company for the Financial Year ended 31st March, 2022, and, in this regard, to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the recommendations of the Board of Directors of the Company, a Dividend of Rs. 2.00 (Rupees Two Only) per equity share of the face / nominal value of Rs. 10/- each, on the Equity Share Capital of the Company in respect of the Financial Year ended 31st March, 2022, be and is hereby declared for payment from out of the profits of the Company for the Financial Year ended 31st March, 2022 and that such dividend be paid on & from 29th September, 2022 to those shareholders whose names appear on the Register of Members at the close of business on 14th September, 2022.”



3. To appoint the Statutory Auditors of the Company for a period of five years in terms of the Companies Act, 2013, as the term of office of the incumbent Statutory Auditors, M/s. Ray & Ray, expires at the conclusion of this Annual General Meeting and to fix their remuneration and, in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to Section 139 of the Companies Act, 2013 read with the other relevant provisions of the said Act and the Companies (Audit & Auditors) Rules, 2014, as well as Regulation 36(5) and any other applicable provisions of the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, the term of office of the incumbent Statutory Auditors of the Company, M/s. Ray & Ray, expiring at the conclusion of this Meeting and the said firm being eligible for a second and final consecutive term of five years under the Act, 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, whose name has been duly recommended by the Audit Committee and the Board of Directors of the Company and from whom the requisite certificate confirming their consent, eligibility and qualification for the said office has been duly obtained, be and are hereby re-appointed as the Statutory Auditors of the Company for a further period of five years, to hold office from the conclusion of this Meeting till the conclusion of the 91st Annual General Meeting (AGM) of the shareholders of the Company, being its second and final consecutive term under the Act, at a remuneration of Rs. 4,25,000/- (Rupees Four Lakh And Twenty-Five Thousand Only) for the first two years of the said appointment and a remuneration of Rs. 4,50,000/- (Rupees Four Lakh And Fifty Thousand Only) for the final three years of the said appointment, plus Goods & Services Tax (GST) as may be applicable and reimbursement of such out-of-pocket expenses, as may be actually incurred.”

4. To appoint a Director in place of Mr. Sanjoy Saha (DIN 00226685), who retires by rotation and being eligible, offers himself for re-appointment, and, in this regard, to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** in accordance with Section 152 of the Companies Act, 2013, Mr. Sanjoy Saha (DIN 00226685), a Director of the Company, who retires by rotation at this meeting and being eligible, has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, whose period of office shall be liable to be determined by retirement of Directors by rotation.”

### As Special Businesses

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 and any other applicable provisions of the said Act as well as Regulations 17(1C), 25(2A) and any other applicable provisions of the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, the consent and approval of the shareholders of the Company be and is hereby accorded to the appointment of Ms. Nayantara Palchoudhuri (DIN 00581440), who has duly filed with the Company the requisite declaration as per

Section 149(7) of the said Act and who was appointed as an Additional Director of the Company by the Board of Directors at its meeting held on 26th July, 2022 under the powers conferred by Section 161 of the said Act read with Article 86 of the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a shareholder proposing her candidature for the office of Director pursuant to Section 160 of the said Act, as an Independent Woman Director of the Company, whose period of office shall not be liable to be determined by retirement of Directors by rotation, for a period of five years with effect from 26th July, 2022.”

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 Regulations 17(1A), 25(2A) and any other applicable provisions 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. Sandipan Chakravorty (DIN 00053550), an Independent Director of the Company, till the completion of his first term of five years under the Companies Act, 2013, i.e. till the close of business on 6th February, 2025.”

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

“**RESOLVED THAT**, in partial supersession of the Special Resolution passed at the Eighty-First Annual General Meeting (AGM) of the shareholders of the Company held on 20th September, 2017 (to the extent that the said resolution passed on 20th September, 2017 applied to the Financial Year ended 31st March, 2022), and pursuant to Section 197 of the Companies Act, 2013, read with Schedule V to the said Act and other relevant/ applicable provisions of the said Act and the rules made thereunder as well as Regulations 17(6)(a), 17(6)(ca) & any other applicable provisions of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Article 81 of the Articles of Association of the Company and as recommended by the Nomination & Remuneration Committee and approved by the Board of Directors of the Company in accordance with the Remuneration Policy of the Company, the consent and approval of the shareholders of the Company be and is hereby accorded to the payment of a commission to Mr. Sanjay Bagaria, Chairman & Non-Executive Director of the Company, @ 2% of the net profits of the Company to be calculated in the manner set out in Section 198 of the said Act, for a further period of three years commencing from the Financial Year ended on 31st March, 2022 and ending with the Financial Year ending on 31st March, 2024, notwithstanding that the said Commission, either by itself or alongwith the remuneration (excluding sitting fees) that may be paid/ payable to other Director(s) of the Company during any particular financial year, may exceed the limits laid down under Section 197 of the Companies Act, 2013, read with Schedule V to the said Act and notwithstanding that the said Commission alongwith the sitting fees that may be paid to Mr. Bagaria for attending the Board & Committee meetings during any particular financial year may exceed 50% of the aggregate sum total of the remuneration (including sitting fees) paid/payable to all the Non-Executive Directors of the Company (including Mr. Bagaria) put together during that financial year, as provided in Regulation 17(6)(ca) of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.”



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 the applicable provisions of Chapter XIII and all other applicable provisions of the Companies Act, 2013 (hereinafter referred to as “the Act”) read with Schedule V to the said Act, and in accordance with the ratifications made by the Nomination and Remuneration Committee of the Board of Directors and of the Board of Directors of the Company at their respective meetings held on 27th May, 2022, the consent, approval and ratification of the shareholders of the Company be and is hereby accorded to the decision of Mr. Indrajit Sen, Managing Director of the Company, to voluntarily forego / waive off the portion of the increase in his remuneration as Managing Director of the Company, to which he was entitled with effect from 1st May, 2021 till 30th June, 2021, as per his contract with the Company and to instead draw the same scale of remuneration during the period from 1st May, 2021 till 30th June, 2021, which he was drawing earlier, in view of the COVID-19 pandemic and its economic and financial impact on the Company, the aggregate monetary value of the said decision to forego a portion of his remuneration being Rs. 2,50,000 (Rupees Two Lac And Fifty Thousand Only) lesser than the remuneration for Mr. Sen, which was approved by the shareholders vide their Special Resolution passed at their Eighty-Fifth Annual General Meeting held on 29th September, 2021 and documented in the agreement of the same date by the Company with Mr. Sen.”

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. DD & Associates of Nutanpally, Sonarpur, Kolkata – 700 150, 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, 2022, 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.”

By Order of the Board

**P. R. Sivasankar**

Company Secretary

(Membership No. ACS-17812)

Place: Kolkata

Date : 26th July, 2022

## NOTES:

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and accordingly, the Ministry of Corporate Affairs, Government of India, vide its General Circular No. 20/2020 dated 5th May, 2020, read together with its General Circular No. 14/2020 dated 8th April, 2020, General Circular No. 17/2020 dated 13th April, 2020 and General Circular No. 02/2022 dated 5th May, 2022, and all other relevant circulars issued by it from time to time, (collectively referred to as the “MCA Circulars”), has permitted the convening of the Annual General Meeting (AGM) of Companies through Video Conferencing (“VC”) or Other Audio Visual Means (OAVM), without requiring the physical presence of the members at a common venue. In accordance and in compliance with the MCA Circulars and the provisions of the Companies Act, 2013 (“the Act”), the AGM of the shareholders of the Company has been convened to be held on Wednesday, 21st September, 2022 at 2.00 P.M. IST through VC/OAVM. Hence, Members can attend and participate at the ensuing AGM through VC/OAVM. Since the AGM shall be held through VC/OAVM, the route map of the venue of the Meeting is not annexed hereto.
2. The Register of Members and the Share Transfer Books of the Company shall remain closed from Thursday, 15th September, 2022 to Wednesday, 21st September, 2022 (both days inclusive) for the purpose of convening the said 86th AGM and also for the purpose of payment of dividend, proposed to be declared thereat.
3. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, and also pursuant to Regulation 36(5) of the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 in respect of the Special Businesses/Ordinary Business at Item No. 3 is annexed hereto.

As per the provisions of the General Circular No. 20/2020 dated 5th May, 2020 issued by the Ministry of Corporate Affairs, Government of India, the matters of Special Businesses, as appearing in the accompanying Notice, are considered to be ‘unavoidable’ by the Board of Directors of the Company and hence form part of this Notice.

4. Generally, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. Since this AGM is being held through VC/OAVM pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facilities for appointment of proxies by the members shall not be required/available for this AGM and hence the Proxy Form and Attendance Slip are not annexed hereto.
5. Corporate members are required to send 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, to either the e-mail id of the Company Secretary at *pr.sivasankar@internationalcombustion.in* or to the Scrutinizer of the E-Voting process at *arupkroy@rediffmail.com* with a copy marked to *evoting@nsdl.co.in*.
6. The Members can join the AGM in the VC / OAVM mode 15 minutes before the scheduled commencement time of the Meeting at 2.00 PM on 21st September, 2022, by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM shall be made



available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, Scrutinizer, etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

7. The attendance of the members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
8. Pursuant to the provisions of the Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations 2015, and the MCA Circulars, the Company is providing the facilities of remote e-voting and the e-voting system during the meeting (Insta Poll) to its members in respect of the businesses to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL), as the authorized agency, for facilitating voting through electronic means. The facilities of remote e-voting by the members using an electronic voting system as well as venue voting (Insta Poll) on the date of AGM will both be provided by the NSDL.

The Remote e-voting period commences on Sunday, 18th September, 2022 (9:00 A.M.){IST} and ends on Tuesday, 20th September, 2022 (5:00 P.M.){IST}. During this period, the members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Wednesday, 14th September, 2022, may cast their votes on the remote e-voting platform and if not so cast, at the e-voting system during the meeting (Insta Poll). A person who is not a member on the cut-off date should treat this notice for information purpose only. Once the voting on the resolution(s) is cast by the members, the members shall not be allowed to change it subsequently.

9. In terms of the MCA Circulars and Securities and Exchange Board of India (SEBI) Circulars SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 & SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13th May, 2022, the Company is sending this AGM Notice alongwith the Annual Report for the Financial Year 2021-22 in electronic form only to those members whose e-mail addresses are registered with the Company/Depositories. The Notice convening the AGM and Annual Report for the Financial Year 2021-22 have been uploaded on the web site of the Company at [www.internationalcombustion.in](http://www.internationalcombustion.in) and may also be accessed from the website of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also available on the website of NSDL, the agency for conducting E-Voting and AGM through VC/OAVM, at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
10. For receiving all communications (including Notice / Annual Report) from the Company electronically:
  - (a) Members holding shares in physical form and who have not yet registered / updated their e-mail addresses with the Company are requested to register and update the same by contacting M/s. C. B. Management Services (Pvt.) Ltd., the Registrar and Share Transfer Agents of the Company, at their registered address at P-22, Bondel Road, Kolkata 700 019 or through e-mail at [rta@cbmsl.com](mailto:rta@cbmsl.com) or by contacting the Company Secretary at the Registered Office address of the Company or through e-mail at [pr.sivasankar@internationalcombustion.in](mailto:pr.sivasankar@internationalcombustion.in) with details of Folio Number.
  - (b) Members holding shares in dematerialized form are requested to register/update their e-mail addresses with their respective Depository Participants.

11. The amendments carried out 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. Further, SEBI, vide its Circular dated 7th September, 2020, had fixed 31st March, 2021, as the cut-off date for re-lodgment of transfer requests and had stipulated that such transferred shares shall be issued only in dematerialized mode. Also, SEBI, vide its Circular dated 2nd December, 2020, had issued detailed operational guidelines for crediting the transferred shares directly into the demat account of the transferee. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialised form.

Further, SEBI, vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022, has mandated that equity shares shall be issued in dematerialized form only by companies while processing the following investor service requests:-

- a) Issue of duplicate share certificates;
  - b) Renewal / Exchange of share certificates;
  - c) Endorsement;
  - d) Sub-division / Splitting of share certificates;
  - e) Consolidation of share certificates/folios;
  - f) Transmission; and
  - g) Transposition.
12. 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.
13. Members, holding shares in physical form, who have multiple ledger folios in identical names singly or in joint names in the 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. 10(a) above, the Ledger Folios of such accounts to enable the Company to consolidate all such shareholdings into one account.
14. Members, holding shares in physical form, 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 (s) 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.

Further, SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated November 03, 2021 & Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/687 dated December 14, 2021, has issued common and simplified norms for processing of investor service



requests and norms for furnishing/ updation of PAN, KYC details, Bank Account details, Contact details, Specimen Signature and Nomination, which were duly notified to all shareholders by posting letters, alongwith requisite blank forms ISR-1, ISR-2, ISR-3, SH-13 & SH-14, at their registered addresses and hosting the details of the said circulars alongwith the procedure for furnishing / updation of PAN, KYC details, Bank Account details, Contact details, Specimen Signature and Nomination and the requisite blank forms on the Company website at the web-link: <https://www.internationalcombustion.in/reports/SEBI%20CIRCULAR%20ON%20PHYSICAL%20SHAREHOLDERS.pdf>. Shareholders are again being requested to comply with the same.

15. The Register of Directors, Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which the Directors are interested maintained under Section 189 of the said Act, the appointment letter issued to Ms. Nayantara Palchoudhuri, Independent Director, the notice in writing from a shareholder proposing the candidature of Ms. Nayantara Palchoudhuri for the office of Director pursuant to Section 160 of the Companies Act, 2013 and certificates dated 27th May, 2022 and 26th July, 2022, as required under Schedule V to the SEBI (LODR) Regulations, 2015, obtained 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, shall be available electronically for inspection by the members during the General Meeting. All the documents referred to above shall also be available for electronic inspection, including on the Company website, by the members from the date of circulation of this Notice up to the date of General Meeting, i.e. September 21, 2022. Members seeking to inspect such documents can also send an email to the Company Secretary at [pr.sivasankar@internationalcombustion.in](mailto:pr.sivasankar@internationalcombustion.in).
16. 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.
17. 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, 2014 (FY 2013-14), 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](http://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,
  - g) Cancelled Cheque leaf of the shareholder, and other documents as specified.
18. 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, 2015 (Financial Year 2014-15) shall be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government after 19th October, 2022. Shareholders who have not so far encashed their dividend warrants for the said Financial Year 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 their address given under Item No. 10(a) above, on or before 26th September, 2022.
19. The Shareholders who have not encashed their dividend warrants for the Financial Year 2018-19 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 their address given under Item No. 10(a) above.
20. The Dividend proposed in respect of the Financial Year 2021-22, if declared at this 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, 14th September, 2022. The said Dividend, if declared, shall be paid / dispatched on or after Thursday, 29th September, 2022, and within the time-limit specified in the Companies Act, 2013.

In accordance with the provisions of the Income Tax Act, 1961, as amended by and read with the provisions of the Finance Act, 2020, with effect from 1<sup>st</sup> April 2020, dividend declared and paid by the Company is taxable in the hands of its members and the Company is required to deduct Tax at Source (TDS) from dividend paid to the members at the applicable rates.

An important communication to the shareholders is appended at the end of this Notice summarizing the applicable TDS provisions in accordance with the provisions of the Income Tax Act, 1961, for various categories, including Resident and Non-Resident members, which would be applicable to the aforementioned Dividend proposed to be declared by the Company at this 86th AGM.

21. 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, 21,127 equity shares in November, 2017, 1,803 equity shares in October, 2018, 2,367 equity shares in November, 2019, 3,105 equity shares in November, 2020 and 4,567 equity shares in November, 2021, altogether aggregating to 32,969 equity shares of the Company in total, representing 1.38 % 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. Out of the above, as on 31st March, 2022, 1,080 equity shares, representing 0.05 % of the paid-up equity share capital of the Company, has been credited by IEPF Authority to the demat account of the bona fide claimant after submission of necessary documents and completion of required formalities as to establishment of the title to the shares, resulting in a balance of 31,889 equity shares, representing 1.33 % of the paid-up equity share capital of the Company, lying to the credit of the IEPF Authority in dematerialized form, the voting rights on which shares shall remain frozen until the rightful owner claims the said shares in accordance with the said Rules. 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.

22. Further, the Company has given three months' notice to those shareholders whose shares are due to be transferred in favour of the IEPF Authority during the Financial Year 2022-23 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 specified 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.

23. **The Instructions for Members for Remote E-Voting, insta Poll and Joining Annual General Meeting are as under:-**

The remote e-voting period begins on Sunday, 18th September, 2022 at 9:00 A.M. and ends on Tuesday, 20th September, 2022 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Wednesday, 14th September, 2022, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Wednesday, 14th September, 2022.

**How do I vote electronically using NSDL e-Voting system?**





*The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:*

**Step 1: Access to NSDL e-Voting system**

**A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
<p>Individual Shareholders holding securities in demat mode with NSDL.</p>	<p>1. Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “<b>Login</b>” which is available under ‘<b>IDeAS</b>’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “<b>Access to e-Voting</b>” under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider</b> i.e. NSDL and you will be re-directed to <b>e-Voting website of NSDL</b> for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>
	<p>2. If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “<b>Register Online for IDeAS Portal</b>” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p>
	<p>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “<b>Login</b>” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider</b> i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>
	<p>4. Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</p> <p style="text-align: center;"><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: center; gap: 20px;"> <div style="text-align: center;">  <b>App Store</b> </div> <div style="text-align: center;">  <b>Google Play</b> </div> </div> <div style="display: flex; justify-content: center; gap: 40px; margin-top: 10px;">   </div>

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.
	2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b> . Click on <b>NSDL</b> to cast your vote.
	3. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a>
	4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: *https://www.evoting.nsdl.com/* either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below:

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
  - c) How to retrieve your ‘initial password’?
    - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from

NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.

- (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:
    - a) Click on “**Forgot User Details/Password?**”(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
    - b) **Physical User Reset Password?**” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
    - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
    - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
  7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
  8. Now, you will have to click on “Login” button.
  9. After you click on the “Login” button, Home page of e-Voting will open.

**Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

**How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### General Guidelines for shareholders

1. 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. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [arupkroy@rediffmail.com](mailto:arupkroy@rediffmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on “Upload Board Resolution / Authority Letter” displayed under “e-Voting” tab in their login.
2. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is sent through e-mail and holding shares as of the cut-off date i.e. Wednesday, 14th September, 2022, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or to the Issuer/RTA. 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” or “Physical User Reset Password” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no. 1800 1020 990 and 1800 22 44 30. In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. Wednesday, 14th September, 2022, may follow steps mentioned in the Notice of the AGM under Step 1 :“Access to NSDL e-Voting system”(Above).
3. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
4. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Pallavi Mhatre, Senior Manager at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

### Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [pr.sivasankar@internationalcombustion.in](mailto:pr.sivasankar@internationalcombustion.in).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [pr.sivasankar@internationalcombustion.in](mailto:pr.sivasankar@internationalcombustion.in). If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**





3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of “VC/OAVM link” placed under “**Join Meeting**” menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request mentioning their name, demat account number/folio number, email id, mobile number at [pr.sivasankar@internationalcombustion.in](mailto:pr.sivasankar@internationalcombustion.in) latest by 5.00 p.m. (IST) on Friday, 16th day of September, 2022.
6. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name, demat account number/folio number, email id, mobile number at

*pr.sivasankar@internationalcombustion.in* latest by 5.00 p.m. (IST) on Friday, 16th day of September, 2022. The same will be replied by the Company suitably.

7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
8. When a pre-registered speaker is invited to speak at the meeting but he / she does not respond, the next speaker will be invited to speak. Accordingly, all speakers are requested to get connected to a device with a video/ camera along with good internet speed.
9. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate, for smooth conduct of the AGM.
10. Members who need assistance before or during the AGM, can contact Ms. Pallavi Mhatre, Senior Manager, NSDL at *evoting@nsdl.co.in* or call 1800 1020 990 / 1800 22 44 30.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013, IN RESPECT OF THE SPECIAL BUSINESSES SET OUT IN ITEM NOS. 5 TO 9 AND PURSUANT TO REGULATION 36(5) OF THE SECURITIES & EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, IN RESPECT OF THE ORDINARY BUSINESS SET OUT IN ITEM NO. 3 OF THE NOTICE CONVENING THE 86TH ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF THE COMPANY SCHEDULED TO BE HELD ON WEDNESDAY, SEPTEMBER 21, 2022**

**Item No. 3**

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. As their term is coming to an end with the conclusion of the ensuing 86th AGM, the Audit Committee and the Board of Directors have duly recommended to the shareholders, the re-appointment of M/s. Ray & Ray as the Statutory Auditors of the Company for a second and final consecutive term of five years with effect from the conclusion of the said 86th AGM till the conclusion of the 91st AGM. M/s. Ray & Ray have expressed their willingness to continue to act as the Statutory Auditors of the Company, if re-appointed, and have further confirmed that their re-appointment, if made, shall be within the limits specified in Section 141(3)(g) of the Companies Act, 2013.

The scope of the said proposed audit by the Statutory Auditors shall be in accordance with the mandatory requirements specified in the relevant statutory provisions, namely the Companies Act, 2013, and the rules, notifications, circulars and orders made thereunder as well as the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Further, the Audit Committee and the Board have recommended an audit fee of Rs. 4,25,000/- (Rupees Four Lakh And Twenty-Five Thousand Only) for the first two years of the said proposed appointment and an audit fee of Rs. 4,50,000/- (Rupees Four Lakh And Fifty Thousand Only) for the final three years of the proposed appointment for the approval of the shareholders.

M/s. Ray & Ray, Chartered Accountants, is one of the leading CA firms in India with its head office at



Kolkata. The firm has a pan India presence through its branch offices in major metropolitan cities and offers audit, tax and advisory services in India and abroad.

M/s. Ray & Ray, over the last hundred years, since its inception in 1922, has grown into an institution that embodies the highest standards of professional integrity, expertise and values.

The aim of M/s. Ray & Ray, as stated by it, is to continue the legacy of highest professional standards through the process of assurance embodied in personalized services to their clients helping them to function seamlessly to reach their true potential.

The branch offices of M/s. Ray & Ray are located in all major metro cities of India, including New Delhi, Mumbai, Bengaluru and Chennai and has a dedicated team of professionals capable of offering services across a range of disciplines at any location within India or abroad.

In view of the above factors, the Board is of the opinion that it would be in the interest of the Company to re-appoint M/s. Ray & Ray as the Statutory Auditors of the Company. 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 that the resolution set out in Item No. 3 of the Notice be approved by the members by means of an Ordinary Resolution.

Approval of the members is therefore being sought by means of an Ordinary Resolution for the re-appointment of M/s. Ray & Ray as the Statutory Auditors of the Company for a second and final consecutive term of five years with effect from the conclusion of the said 86th AGM till the conclusion of the 91st AGM at the remuneration provided hereinabove.

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

## **Item No. 5**

Based on the recommendations and nomination made by the Nomination & Remuneration Committee of the Board of Directors of the Company, Ms. Nayantara Palchoudhuri was appointed as an Additional Director on the Board by the Board of Directors of the Company at its meeting held on 26th July, 2022, under the powers conferred by Section 161 of the Companies Act, 2013, read with Article 86 of the Articles of Association of the Company and she holds office upto the date of the forthcoming 86th Annual General Meeting of the shareholders of the Company. Ms. Palchoudhuri 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.

Ms. Palchoudhuri, who holds a B.A. (Hons.) in Political Science from Jadavpur University, an M.A. in Development Studies from University of London and an M.Phil. from London School of Economics & Political Science, is a fourth generation tea planter with more than thirty years of experience in the operations and management of renowned tea estates in North Bengal. Ms. Palchoudhuri also has wide experience in serving and heading leading industry associations and in serving as an Independent Director in several renowned listed companies. A brief resume / profile of Ms. Palchoudhuri has been provided elsewhere in this Notice as required under Regulation 36(3) 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 26th July, 2022, formed an opinion that Ms. Palchoudhuri is a person of integrity and possesses relevant expertise and experience for being appointed as an Independent Director of the Company. In the opinion of the Board, Ms. Palchoudhuri

fulfills the conditions specified in the Act and the rules made thereunder and that she is independent of the management of the Company. Ms. Palchoudhuri 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 meets 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, Ms. Palchoudhuri has provided requisite declarations and documents on record to the effect that she fulfills all the criteria for being appointed as an Independent Director of the Company, including the issue of necessary certificates by the Indian Institute of Corporate Affairs, Manesar, in connection with her registration and inclusion of her name for lifetime in the data bank of Independent Directors as well as the fact of her exemption from the requirement of passing the online proficiency self-assessment test in view of the necessary experience and expertise already possessed by her, as provided in the relevant provisions of the Companies (Appointment & Qualification of Directors) Rules, 2014, read with the Companies (Creation and Maintenance of Databank of Independent Directors) Rules, 2019.

Further, Ms. Palchoudhuri has submitted requisite declarations to the effect that she does not suffer from any disqualification which would debar her from being appointed as a Director of the Company, as provided in the relevant provisions of the Companies Act, 2013, read with the rules made thereunder.

Accordingly, the Board appointed Ms. Palchoudhuri as an Independent Director and issued her formal letter of appointment pursuant to Section 149 read with Schedule IV to the said Act, subject to confirmation by the shareholders of the Company. Approval of the members is therefore being sought for the said appointment of Ms. Palchoudhuri with effect from 26th July, 2022, for a period of five years therefrom in terms of Section 149 read with Section 152 of the said Act.

The said formal letter of appointment issued to Ms. Palchoudhuri setting out the terms and conditions of her appointment shall be open for inspection at the Registered Office of the Company by any member of the Company during normal business hours and the same has also been posted on the website of the Company.

The Company and Ms. Palchoudhuri, Independent Director, shall abide by the provisions specified in Schedule IV to the said Act 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.

A Notice under Section 160 of the Companies Act, 2013, has been received from a member of the Company proposing the name of Ms. Palchoudhuri for her appointment as a Director of the Company at the ensuing Annual General Meeting.

Regulation 25(2A) of the SEBI (LODR) Regulations, which came into force with effect from 1st January, 2022, mandates that the appointment or re-appointment of an Independent Director shall be subject to the approval of the shareholders by means of a Special Resolution.

Further, Regulation 17(1C) of the SEBI (LODR) Regulations, which came into force with effect from 1st January, 2022, mandates that the Company shall ensure that approval of shareholders for appointment of a person on the Board of Directors is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier.

Approval of the members is therefore being sought by means of a Special Resolution for the appointment

of Ms. Palchoudhuri as an Independent Director of the Company for a period of five years with effect from 26th July, 2022, in terms of Section 149 of the Companies Act, 2013, read with Section 152 of the said Act.

The Board is of the opinion that it would be in the interest of the Company to appoint Ms. Palchoudhuri as an Independent Director. 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 that the resolution set out in Item No. 5 of the Notice be approved by the members by means of a Special Resolution.

In accordance with Section 149(13) of the said Act, Ms. Palchoudhuri, Independent Director, shall not be liable to retire by rotation during her term of five years. Ms. Palchoudhuri shall also be eligible for a second and final consecutive term of five years after the completion of this term subject to approval by the members by means of a Special Resolution.

Ms. Palchoudhuri 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**

Based on the recommendations and nomination made by the Nomination & Remuneration Committee of the Board of Directors of the Company, Mr. Sandipan Chakravorty was appointed as an Independent Director on the Board by the Board of Directors of the Company at its meeting held on 7th February, 2020. Subsequently, the said appointment was duly approved by the shareholders of the Company vide an Ordinary Resolution passed at their 84th Annual General Meeting held on 29th September, 2020.

Mr. Chakravorty 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.

Regulation 17(1A) of the SEBI (LODR) Regulations mandates that 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. Mr. Chakravorty was appointed by the shareholders of the Company as an Independent Director at their 84th AGM held on 29th September, 2020, for a period of five years with effect from 7th February, 2020, by means of an Ordinary Resolution and during the course of his current term in office, Mr. Chakravorty shall attain the age of 75 years.

Further, Regulation 25(2A) of the SEBI (LODR) Regulations, which came into force with effect from 1st January, 2022, mandates that the appointment or re-appointment of an Independent Director shall be subject to the approval of the shareholders by means of a Special Resolution and although it does not specifically apply to past appointments, the Company, by way of abundant precaution, has decided to seek the shareholders' approval for the same by means of a Special Resolution.

Mr. Chakravorty, an M.Tech. in Industrial Engineering and Operations Research from IIT, Kharagpur, had served as Managing Director of Tata Steel Distribution and Processing Ltd., one of the largest steel processors and distributors in Asia and possesses wide and varied industry experience at different senior positions in eminent business groups. A brief resume / profile of Mr. Chakravorty has been provided elsewhere in this Notice as required under Regulation 36(3) 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 27th May, 2022, formed an opinion that

Mr. Chakravortty 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. Chakravortty continues to fulfill the conditions specified in the Act and the rules made thereunder and that he is independent of the management of the Company. Mr. Chakravortty 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 he 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 he is not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact his ability to discharge his duties with an objective independent judgment and without any external influence.

Further, Mr. Chakravortty had provided requisite declarations and documents on record to the effect that he fulfills all the criteria for being appointed and for continuing to act as an Independent Director of the Company, including the issue of necessary certificates by the Indian Institute of Corporate Affairs, Manesar, in connection with his registration and inclusion of his name for lifetime in the data bank of Independent Directors as well as the fact of his exemption from the requirement of passing the online proficiency self-assessment test in view of the necessary experience and expertise already possessed by him, as provided in the relevant provisions of the Companies (Appointment & Qualification of Directors) Rules, 2014, read with the Companies (Creation and Maintenance of Databank of Independent Directors) Rules, 2019.

Further, Mr. Chakravortty has submitted requisite declarations to the effect that he does not suffer from any disqualification which would debar him from being appointed as a Director of the Company, as provided in the relevant provisions of the Companies Act, 2013, read with rules made thereunder.

In view of both the aforementioned provisions of Regulations 17(1A) & 25(2A) of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of the members is being sought by means of a Special Resolution for the continuance in office of Mr. Chakravortty as an Independent Director for the remainder of his current tenure of appointment, which ends at the close of business on 6th February, 2025.

The Company and Mr. Chakravortty, Independent Director, shall abide by the provisions specified in Schedule IV to the said Act 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.

The Board is of the opinion that it would be in the interest of the Company if Mr. Chakravortty continues in office as an Independent Director of the Company. 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 that the resolution set out in Item No. 6 of the Notice be approved by the members by means of a Special Resolution. In view of the relevant experience and expertise possessed by Mr. Chakravortty, the Board is of the opinion that the continuance in office of Mr. Chakravortty as an Independent Director on the Board of the Company is justified despite the fact that Mr. Chakravortty would attain the age of seventy-five years during the course of his current tenure in office.

In accordance with Section 149(13) of the said Act, Mr. Chakravortty, Independent Director, shall not be liable to retire by rotation during his term of five years. Mr. Chakravortty shall also be eligible for a second and final consecutive term of five years after the completion of this term subject to approval by the members by means of a Special Resolution.

Mr. Chakravortty 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 and further amendments made to Schedule V to the Companies Act, 2013, vide Notification No. 4822(E) dated 12th September, 2018 and vide Notification No. 1256(E) dated 18th March, 2021, is that, the remuneration, exclusive only of sitting fees, paid by the Company to all its Directors, including non-executive Directors, shall be governed by the provisions of Section 197 and other applicable provisions of the Companies Act, 2013, read with Schedule V to the said Act, and if the total remuneration paid to all the Directors of the Company put together, excluding sitting fees for attending meetings of the Board & its Committees, exceeds 11% of the net profits of the Company in any financial year to be calculated in the manner set out in Section 198 of the Companies Act, 2013, the same shall be required to be approved by the shareholders of the Company by means of a Special Resolution and should also comply with all the conditions specified in Schedule V to the said Act.

The said Special Resolution passed by the shareholders of the Company at their 81st Annual General Meeting (AGM) held on 20th September, 2017, shall be partially superseded herewith with the passing of this resolution, to the extent of the said Special Resolution passed on 20th September, 2017, applies to the Financial Year 2021-22 i.e. the Financial Year ended 31st March, 2022.

Regulation 17(6)(a) of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, requires that the shareholders' approval shall be obtained for payments of all remuneration, except sitting fees, made to Non-Executive Directors.

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 (including sitting fees) to all the Non-Executive Directors of the Company put together. The commission proposed to be paid to Mr. Bagaria alongwith the sitting fees that may be drawn by him for attending Board/ Committee meetings, may, in any particular financial year, exceed 50% of the aggregate sum total of the remuneration (including sitting fees) payable to all the Non-Executive Directors of the Company (including Mr. Bagaria) put together.

Mr. Sanjay Bagaria has been serving as a Non-Executive Director on the Board of Directors of the Company for more than 33 years. Even though Mr. Bagaria has been a Non-Executive Director of the Company, nevertheless from time to time he, in his capacity as Chairman of the Company, has been involved in major decisions taken by the Company in consultation with Mr. Indrajit Sen, Managing Director, and his guidance has contributed immensely to the growth of the Company. It is desirable that Mr. Bagaria continues to guide the Company particularly in view of its increased activities and fresh challenges.

In view of the aforementioned various statutory provisions, the approval of the shareholders of the Company by means of a Special Resolution would be required for payment of the aforementioned remuneration to the Non-Executive Chairman and hence your approval is being sought for the same.

The aforementioned payment of Commission to the Non-Executive Chairman has been duly approved by the Nomination & Remuneration Committee and by the Board of Directors of the Company at their respective meetings held on 27th May, 2022 and the same is in accordance with the Remuneration Policy of the Company.

The Board is of the opinion that it would be in the interest of the Company to make payment of the aforementioned remuneration to the Non-Executive Chairman. 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.

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 the aforementioned remuneration to the Non-Executive Chairman.

Mr. Bagaria 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**

Considering the recommendations of the Nomination and Remuneration Committee of the Board, the Board of Directors of the Company, at its meeting held on 19th April, 2021, had re-appointed Mr. Indrajit Sen (DIN 00216190) as the Managing Director of the Company for a further period of three years with effect from 1st May, 2021, at an enhanced remuneration, on the expiry of his previous term on 30th April, 2021, and the said re-appointment and remuneration was duly approved by the shareholders of the Company at their 85th Annual General Meeting (AGM) held on 29th September, 2021, by means of a Special Resolution.

The Company had on 29th September, 2021, also entered into an agreement with Mr. Sen in connection with his re-appointment and the remuneration payable to him for the said re-appointment.

However, in view of the lockdowns induced by the COVID-19 pandemic during the months of May and June, 2021 and its resultant economic and financial impact on the Company, Mr. Sen, subsequently, had taken a decision to forego / waive off the increase in his remuneration for the months of May and June, 2021, as had been approved earlier by the Board & shareholders, and had instead drawn the same scale of remuneration for the said months of May and June, 2021, as had been prevailing earlier. The Nomination & Remuneration Committee and the Board, at their respective meetings held on 27th May, 2022 ratified this decision of Mr. Sen and as the same requires approval of the shareholders under the provisions of Chapter XIII of the Companies Act, 2013, the same tantamounting to a modification of the terms and conditions of Mr. Sen's re-appointment for the period of three years with effect from 1st May, 2021, the shareholders are requested to accord their approval to the same at their forthcoming 86th Annual General Meeting.

The monetary impact of the aforementioned decision of Mr. Sen is Rs. 2,50,000/- (Rupees Two Lakh And Fifty Thousand Only), i.e. Mr. Sen has drawn an amount of remuneration, which is lesser by Rs. 2,50,000/- than the remuneration approved for him by the shareholders at their aforementioned 85th AGM held on 29th September, 2021.

The agreement entered into with Mr. Sen on 29th September, 2021, would stand modified to the aforementioned extent.





Approval of the members is now therefore being sought by means of a Special Resolution for the aforementioned effective modification of the terms and conditions of Mr. Sen's re-appointment for the said period of three years with effect from 1st May, 2021, which was approved by the shareholders at their 85th AGM held on 29th September, 2021.

The Board is of the opinion that the above would be in the interest of the Company. 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 that the Resolution set out in Item No. 8 of the Notice be approved by the members.

No Director/ Key Managerial Personnel of the Company or their relatives are concerned or interested in the said Resolution set out in Item No. 8 of the Notice.

### Item No. 9

As the sales turnover of the Company was in excess of Rs. 100 crores for the Financial Year ended 31st March, 2021, 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 ended 31st March, 2022, 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 its meeting held on 9th August, 2021, taking into consideration the recommendations of the Audit Committee on the matter, re-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, 2022, 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.

However, M/s. S. Datta & Co., vide its letter dated 2nd May, 2022, had tendered its resignation from its office in view of the ill-health of its proprietor, Mr. Satyabrata Datta. Accordingly, the Board of Directors of the Company, at its meeting held on 27th May, 2022, taking into consideration the recommendations of the Audit Committee on the matter, appointed M/s. DD & Associates, Cost Accountants in Practice, 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 2021-22 in order to fill in the casual vacancy caused by the resignation of M/s. S. Datta & Co. at the same 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.

No remuneration for the Financial Year 2021-22 had been paid to M/s. S. Datta & Co. before the resignation of the proprietorship firm.

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 M/s. DD & Associates, 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

**P. R. Sivasankar**

Company Secretary

(Membership No. ACS-17812)

Place : Kolkata

Date : 26th July, 2022

**STATEMENT FORMING PART OF THE EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION II OF PART II OF SCHEDULE V TO THE COMPANIES ACT, 2013, IN RESPECT OF ITEM NO. 7 OF THE NOTICE, RELATING TO PAYMENT OF COMMISSION TO MR. SANJAY BAGARIA, NON-EXECUTIVE CHAIRMAN OF THE COMPANY**

**I. GENERAL INFORMATION**

**(1) Nature of Industry**

The Company operates in Engineering Sector and caters to the need of Core Sector Industries like Steel, Cement, Fertilizer, Chemical, Mining, Infrastructure, etc. It manufactures Heavy Duty Grinding Mills, Screening & Feeding Equipment, Conveyors, Bulk Material Handling Equipment, Omni-Screens, Sizers, Screen Decks, Crushers, Dryers, Flip Flow Screens and Industrial Gear Boxes and Geared Motors. Recently, a new Division, namely the Building Material Division, has been set up at Ajmer, Rajasthan, for manufacture of high quality Building Material Products, catering to the construction industry.

**(2) Date or Expected Date of Commencement of Commercial Production**

The Company was incorporated on 22nd April, 1936. Commercial Production of the Heavy Engineering and Geared Motors/ Gear Boxes Divisions had commenced long back. The Commercial Production of the Building Material Division commenced on 31st March, 2016.

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

Not Applicable.

**(4) Financial Performance based on given Indicators :**

*[Rs. in lakh except (d)]*

Financial Parameters	Financial Year				
	2021-22	2020-21	2019-20	2018-19	2017-18
(a) Revenue from Operations	16889.46	10955.24	12395.03	13415.71	10763.90
(b) Net Profit / (Loss) after Tax	415.23	(516.61)	(187.09)	356.17	(234.91)
(c) Amount of Dividend Paid	47.81	-	-	23.90	-
(d) Rate of Dividend (Rs. per share)	2.00	-	-	1.00	-

(5) Foreign Investments or Collaborations, if any

There has been no Foreign Direct Investment in the Company. However, the Company has entered into a number of foreign technical collaborations with the leading companies of the world for different products, which are summarized below :-

Name of the Foreign Technical Collaborator	Products
1. Schenck, Germany	Screens, Feeders, Conveyors and other bulk material handling equipment
2. ABB Raymond, U.S.A.	Grinding mills, pulverizers, air separators and flash drying systems
3. Mogensen GmbH, Germany	Sizers
4. Kuper GmbH & Co. KG, Germany	Screen Decks including “Modular Snap-on” Type of Rubber & Polyurethane and Rubber & Rubber-Ceramic Liners of module & other design
5. Bauer Geared Motor GmbH, Germany	Geared Motors & Gear Boxes
6. IMS Engineering, South Africa	Omni Screens & Feeders
7. Allgaier Process Technology GmbH, Germany	Dryers
8. FLEXIMAT Ges.m.b.H., Austria	Flip Flow Screens
9. ADEN Advanced Engineering Ltda, Brazil	Crushers
10. Cementos Capa, SL, Spain	Various Building Material products including Tile Adhesives of various types, Waterproofing Compounds, Applicattech Waterproofing, Tile Grouts and Epoxy Grouts

## II. INFORMATION ABOUT THE NON-EXECUTIVE DIRECTOR BEING REMUNERATED

(1) Background Details

Mr. Sanjay Bagaria, aged 60 years, a Bachelor of Commerce from the University of Calcutta, joined the Board of Directors of the Company as a Non-Whole Time Director in April, 1989. Thereafter, in May, 1992, Mr. Bagaria became the Vice-Chairman (Non-Whole Time) of the Company. The Board subsequently appointed him as the Chairman (Non-Whole Time) of the Board of Directors in November, 1994, which position he has been holding since.

Mr. Bagaria has more than 35 years of experience in Corporate Management.

Mr. Bagaria also serves as a Director in companies such as Mahadeo Jute & Industries Ltd., Jagatdal Jute & Industries Ltd., Bagaria More Co. Ltd. & Bee Emm Trade Holdings Pvt. Ltd.

(2) Past Remuneration

Financial Year	Commission (Rs.)	Sitting Fees (Rs.)	Total (Rs.)
2021-22	15,28,038	2,20,000	17,48,038*
2020-21	-	2,20,000	2,20,000
2019-20	-	1,60,000	1,60,000
2018-19	12,36,377	2,10,000	14,46,377
2017-18	-	1,80,000	1,80,000

\* Subject to shareholders approval at their ensuing 86th AGM.

**(3) Recognition or Awards/ Achievements**

Mr. Bagaria was one of the chief architects in the expansion of the product base of the Company through numerous technical collaborations with leading global manufacturers and technology leaders including Schenck, Germany (Product : Screens, Feeders, Conveyors and other bulk material handling equipment) ; ABB Raymond, USA (Product : Grinding mills, pulverizers, air separators and flash drying systems); Mogensen, Germany (Product : Sizers) ; Kuper GmbH & Co. KG, Germany (Product : Screen Decks including “Modular Snap-on” Type of Rubber & Polyurethane and Rubber & Rubber-Ceramic Liners of module & other design) ; Bauer Geared Motor GmbH, Germany (Product : Geared Motors & Gear Boxes) ; IMS Engineering, South Africa (Product : Omni Screens & Feeders) ; Allgaier Process Technology GmbH, Germany (Product : Dryers) ; FLEXIMAT Ges.m.b.H., Austria (Product : Flip Flow Screens), ADEN Advanced Engineering Ltda., Brazil (Product : Crushers) and Cementos Capa, SL, Spain (Product : Various Building Material products including Tile Adhesives of various types, Waterproofing Compounds, Applicotech Waterproofing, Tile Grouts and Epoxy Grouts).

During Mr. Bagaria’s tenure, the Company has grown in size by over 30 times.

During Mr. Bagaria’s tenure, the Company has set up new plants at Aurangabad (Geared Motors & Gear Boxes) and Ajmer (Building Material Division), with state-of-the-art facility for manufacture of various products of advanced technology and as per the exacting standards required by the market.

The Company has consistently been paying dividends to shareholders since the Financial Year 2003-04 except for a period of five years in the recent past, which was mainly due to the pressures of setting-up of the new Building Material Division of the Company and the effect of the COVID-19 pandemic. The Company has thus been consistently increasing the wealth and value for all its stakeholders during Mr. Bagaria’s tenure.

**(4) Job profile and his suitability**

Even though Mr. Bagaria is a Non-Whole Time Director of the Company, he has always been involved in all major decisions taken by the Company in various areas of operations of the Company together with Mr. Indrajit Sen, Managing Director.

Mr. Sanjay Bagaria, as the Chairman of the Board, together with Mr. Indrajit Sen, Managing Director, have actively participated in the discussions with the overseas collaborators to settle the terms of collaboration before the same are placed at the Board Meeting for approval. Mr. Bagaria travelled overseas with Mr. Sen to identify products/ technology for the expansion programme and also to meet the foreign collaborators in this regard.

Mr. Bagaria has also participated, together with the Managing Director, in taking decisions on capital expenditure requirements, expansion of the manufacturing infrastructure and human resource development programmes.

Mr. Bagaria, though a Non-Whole Time Director, regularly visits and spends time at the Corporate Office of the Company as and when required and actively involves himself in the Company’s affairs, wherever required.

In the area of fund management, Mr. Bagaria, in consultation with the Chief Financial Officer, makes the important decisions concerning the means of financing of the capital expenditure and investment of surplus funds of the Company from time to time in high yielding bonds/ securities/ Fixed Maturity Plans/ Debt-Oriented Mutual Funds and/ or in Term Deposits with the Company’s bankers before the same are placed before the Board/ Board Committees for their approval.

The above efforts of Mr. Bagaria have significantly contributed to the manifold increase in turnover and profits of the Company.

Mr. Bagaria, with his rich experience, is ideally suited to guide the Company in the future also, particularly in view of the increased activities and fresh challenges confronting the Company.

**(5) Remuneration Proposed**

It is proposed to make a payment of a commission to Mr. Sanjay Bagaria, Chairman & Non-Executive Director of the Company, @ 2% of the net profits of the Company to be calculated in the manner set out in Section 198 of the said Act, for a further period of three years commencing from the Financial Year ended on 31st March, 2022 and ending with the Financial Year ending on 31st March, 2024, notwithstanding that the said Commission, either by itself or alongwith the remuneration (excluding sitting fees) that may be paid/ payable to other Director(s) during any particular financial year, may exceed the limits laid down under Section 197 of the Companies Act, 2013, read with Schedule V to the said Act and notwithstanding that the said Commission alongwith the sitting fees that may be paid to Mr. Bagaria for attending the Board & Committee meetings during any particular financial year may exceed 50% of the aggregate sum total of the remuneration (including sitting fess) paid/ payable to all the Non-Executive Directors of the Company (including Mr. Bagaria) put together during that financial year, as provided in Regulation 17(6)(ca) of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**(6) Comparative Remuneration profile with respect to industry, size of the Company, profile of the position and person**

Considering the nature of the industry, the size of the Company, the position of Chairman, the profile of Mr. Sanjay Bagaria, responsibility shouldered by him and the industry benchmark, the commission proposed to be continued to be paid to him is commensurate with the remuneration packages paid to similar senior level positions in other Companies.

**(7) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any**

Mr. Bagaria does not have any other pecuniary relationship with the Company other than as specified above and other than the sitting fees drawn by him for attending Board and Committee meetings, which is well within the limits provided under the Companies Act, 2013, read with rules made thereunder and is authorized by the Articles of Association of the Company and resolution passed by its Board of Directors. The Company does not have any other managerial personnel other than Mr. Indrajit Sen, Managing Director. Mr. Bagaria is not related to Mr. Sen or to any other Director or Key Managerial Personnel of the Company.

### **III. OTHER INFORMATION**

**(1) Reasons of loss or inadequate profits**

During the last few years, the profits of the Company have mainly been impacted due to three factors:

- a) overall slowdown in the capital goods market,
- b) severe negative impact on the economy due to the COVID-19 Pandemic, and
- c) time taken by the new Building Material Division to reach a break-even level.

However, in FY 2021-22, as a result of high order inflow due to pent-up demand during the aftermath of the COVID-19 pandemic, the Company achieved record turnover and sizeable profits.

**(2) Steps taken or proposed to be taken for improvement**

The Company has taken / is in the process of taking the following steps for securing a further improvement in the profitability position of the Company:

- a) Within the heavy engineering segment, the Company has diversified the product base with minimal fresh investment and whereby the new products can be manufactured with largely the existing resources. This would help the Company to achieve greater capacity utilization and further increase the sales of the division, thereby positively impacting the profitability of the Company,
- b) Through minimal investment, technological upgradation and adding some balancing equipment, the manufacturing capacity of the Geared Motors/ Gear Box Division has been gradually increased,
- c) The Company is in the process of implementing several cost-cutting measures, the effects of which are partially visible in the Financial Statements of the last couple of years,
- d) The Company is taking special efforts in marketing for all its products, and
- e) The Company has signed Foreign Technical Collaboration & Trademark License Agreements with Cementos Capa, SL, Spain, for manufacturing with their technology, various Building Material products at the Company's Building Material Division plant at Ajmer and for marketing the same with their trademark CAPA in India and neighbouring countries in South and South-east Asia. This has already started bearing fruit with the turnover of the division increasing gradually.

**(3) Expected increase in productivity and profits**

As the economy is gradually recovering post the COVID-19 pandemic and with it, the capital goods industry is already showing enough signs of recovery and once the operations of the new Building Material Division of the Company reaches a certain break-even level and as the other steps taken by the Company start to bear fruit, the Company hopes to take its profit to a much higher level.

The Company expects that the aforementioned steps taken by it would boost its profitability in the near to medium-term.

**IV. DISCLOSURES**

The following disclosures have been made in the Corporate Governance Report attached to the Annual Report of the Company for the Financial Year 2021-22:

- i) All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc. of all the Directors;
- ii) Details of fixed component and performance linked incentives along with the performance criteria, if any;
- iii) Service Contracts, notice period, severance fees; and
- iv) Stock Option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.

By Order of the Board

**P. R. Sivasankar**

Company Secretary

(Membership No. ACS-17812)

Place : Kolkata

Date : 26th July, 2022

**BRIEF PROFILE/ RESUME OF THE DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT/ CONTINUANCE IN OFFICE AT THE FORTHCOMING 86TH ANNUAL GENERAL MEETING PURSUANT TO REGULATION 36(3) OF THE SECURITIES & EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

**1. MS. NAYANTARA PALCHOUDHURI**

- a) **Age:** 60 years
- b) **Educational Qualifications:**
- i) B.A. (Hons.) in Political Science from Jadavpur University
  - ii) M.A. in Development Studies from University of London
  - iii) M.Phil. from London School of Economics & Political Science
- c) **Other Professional Membership:**
- i) Chairperson of Indian Tea Association
  - ii) Vice-Chairperson & Council Member of Tea Research Association
  - iii) Member of the National Tea Committee
- d) **Nature of expertise in specific functional areas:** Ms. Palchoudhuri is a fourth generation tea planter with more than thirty years of experience in the operations and management of renowned tea estates in North Bengal.

Ms. Palchoudhuri has wide experience in serving and heading industry associations such as Bengal National Chamber of Commerce & Industry (BNCCI), Bengal Chamber of Commerce & Industry (BCCI), Indian Chamber of Commerce (ICC), Federation of Indian Chambers of Commerce & Industry (FICCI) and Entrepreneurship Development Institute (EDI).

Ms. Palchoudhuri has a wide and rich experience of serving as an Independent Director in renowned listed Companies.

Ms. Palchoudhuri has a wide experience in the realm of Corporate Social Responsibility (CSR) activities and in serving and leading social associations such as Rotary International, Indian Council for Cultural Relations, Indo British Scholars Association, Indian National Trust for Art and Cultural Heritage and the Agri Horticultural Society of India.

Ms. Palchoudhuri serves as the Honorary Consul for Norway in the Eastern Region looking after trade development and consular matters.

Ms. Palchoudhuri is the recipient of several distinguished awards and has been part of many leading international business delegations.

- e) **Names of other Listed Companies in which Directorship held:**
- i) Rossell India Limited
  - ii) Vesuvius India Limited
  - iii) Titagarh Wagons Limited
  - iv) Ludlow Jute & Specialities Limited
  - v) Nicco Parks & Resorts Limited

- f) **Membership of the Committees of the Board of other Listed Companies:**
- i) **Rossell India Limited -**
- Nomination & Remuneration Committee (Chairperson)
  - Audit Committee (Member)
  - Corporate Social Responsibility Committee (Chairperson)
  - Stakeholders' Relationship Committee (Member)
- ii) **Vesuvius India Limited –**
- Nomination & Remuneration Committee (Member)
  - Audit Committee (Member)
  - Risk Management Committee (Member)
  - Corporate Social Responsibility Committee (Member)
  - Share Transfer and Stakeholders' Grievance & Relationship Committee (Member)
- iii) **Titagarh Wagons Limited –**
- Corporate Social Responsibility Committee (Member)
  - Stakeholders' Relationship Committee (Member)
- iv) **Ludlow Jute & Specialities Limited –**
- Corporate Social Responsibility Committee (Member)
  - Stakeholders' Relationship Committee (Member)
  - Audit Committee (Member)
- v) **Nicco Parks & Resorts Limited –**
- Corporate Social Responsibility Committee (Member)
- g) **Listed entities in which ceased to be Director in the last three years –** Ms. Palchoudhuri ceased to be an Independent Director of Tide Water Oil (India) Limited with effect from the close of business on 6th April, 2021 on the completion of two consecutive terms.
- h) **Shareholding in the Company, including as a beneficial owner –** NIL.
- i) **Disclosure of relationships between directors inter-se –** NIL.
- j) **Skills and capabilities required for the role of Independent Director and the manner in which the proposed person meets such requirements –** Apart from the usual duties and responsibilities required and expected of an Independent Director, the usual skills and capabilities that an Independent Director is expected to possess and the Committee responsibilities that an Independent Director is expected to serve, the Company has specifically earmarked the knowledge areas of environmental management, sustainable development and Corporate Social Responsibility (CSR) as the areas in which the Company expects Ms. Palchoudhuri to contribute and play a greater role.

By virtue of Ms. Palchoudhuri's educational qualifications, professional memberships, expertise in specific functional areas, her past varied and rich experience, her experience in serving as an Independent Director in several renowned listed companies and her experience in CSR activities and serving & heading leading social associations as mentioned hereinabove, Ms. Palchoudhuri is well-equipped to and more than capable of handling her role as an Independent Director in the Company.



## 2. MR. SANDIPAN CHAKRAVORTTY

- a) Age : 72 years
- b) **Educational Qualifications:**
- i) B.Tech. (Hons.) in Mechanical Engineering from IIT, Kharagpur
  - ii) M.Tech. in Industrial Engineering and Operations Research from IIT, Kharagpur
  - iii) Post Graduate Certificate (MIS) from Case Western Reserve University, U.S.A.
  - iv) Six Module Senior Management Course in CEDEP (Insead) from Fontainebleau, France
- c) **Other Professional Membership:**
- i) General Council Member of Globsyn Business School
  - ii) Member, CII National Council
  - iii) Chairman, National Committee on Logistics, CII
- d) **Nature of expertise in specific functional areas :** Mr. Chakravortty possesses 47 years of wide and varied industry experience at different senior positions in eminent business groups.
- Mr. Chakravortty had served in the position of Managing Director of Tata Steel Distribution and Processing Ltd. for a long period with eminence, helping it to grow to one of the largest steel processors and distributors in Asia.
- Mr. Chakravortty has also served in the position of Director – Sales of Tata Steel, during which time record profits were achieved by the Company.
- Mr. Chakravortty has also served in the position of Chairman, Mjunction Services Ltd., a leading B2B Company of the country and the Chairman of Jamshedpur Utilities & Services Co. Ltd. (JUSCO), a leading TATA enterprise engaged in town management, power distribution, water management, construction, etc.
- Mr. Chakravortty has wide experience in serving and heading industry associations such as the Bengal Chamber of Commerce & Industry (BCCI) and the Confederation of Indian Industry (CII).
- Mr. Chakravortty has also held several prestigious positions in the past such as Member of the Board of Governors, IIT, Kharagpur, Member of the Board of Trustees, Kolkata Port Trust, President of International Chromium Association (Paris) and President, Coal Consumers' Association of India.
- Mr. Chakravortty has a wide and rich experience of serving as an Independent Director in renowned listed Companies.
- e) **Names of other Listed Companies in which Directorship held –**
- i) Ramkrishna Forgings Limited
  - ii) Asian Hotels (East) Limited
- f) **Membership of the Committees of the Board of other Listed Companies –**
- i) **Ramkrishna Forgings Limited -**
    - Nomination & Remuneration Committee (Member)
    - Audit Committee (Member)
    - Risk Management Committee (Chairman)

- g) Listed entities in which ceased to be Director in last three years – NIL.
- h) Shareholding in the Company, including as a beneficial owner – NIL.
- i) Disclosure of relationships between Directors inter-se – NIL.
- j) Skills and capabilities required for the role of Independent Director and the manner in which the proposed person meets such requirements – Apart from the usual duties and responsibilities required and expected of an Independent Director, the usual skills and capabilities that an Independent Director is expected to possess and the Committee responsibilities that an Independent Director is expected to serve, the Company has specifically earmarked the knowledge areas of the manufacturing businesses of the Company and its technical aspects, the overall management and corporate governance areas and the accounting, financial management, audit and risk management areas as the areas in which the Company expects Mr. Chakravorty to contribute and play a greater role.

By virtue of Mr. Chakravorty's engineering background, rich experience in serving in the top management of reputed business groups, expertise in specific functional areas, financial literacy and sophistication and his experience in serving as an Independent Director in several renowned listed companies as mentioned hereinabove, Mr. Chakravorty is well-equipped to and more than capable of handling his role as an Independent Director in the Company.

### 3. MR. SANJOY SAHA

- a) Age: 77 years
- b) Educational Qualifications: B. E. (Metallurgical)
- c) Other Professional Membership: NIL.
- d) Nature of expertise in specific functional areas: Mr. Saha holds a Bachelor of Engineering (Metallurgical) degree and has over 50 years of experience in the heavy engineering industry.

He joined International Combustion (India) Limited in 1967. Since then, he has held various positions including the position of General Manager (Technical). He was elevated to the position of Vice President in the year 1989 with overall responsibility of the marketing and technical functions of the Company, before he was appointed as an Executive Director (Whole-time Director) in November 1998, which position he held till May, 2015.

Mr. Sanjoy Saha, during his long tenure in the heavy engineering industry, had acquired various skills and experience in the field of engineering and marketing of conventional as well as new products. Mr. Saha had also been successful in developing a team of highly skilled engineers who were responsible for bringing awareness in the Indian Industry about the application of the present generation technology in various fields of operation. Mr. Saha, with his expertise, had helped various industries to substitute their expensive sophisticated machinery which had hitherto been imported with those manufactured in India. Mr. Saha had also been successful in developing an export market for engineering products and machinery in Asia, Middle-East, Europe & Africa and a number of clients in those countries had on different occasions utilized his experience and knowledge to solve many of their complex application requirements.

Mr. Saha was the driving force behind International Combustion (India) Limited developing an export market for its products and also for introduction of new range of products and upgrading the technology of its existing products by successful absorption of foreign technology.



- e) Names of other Listed Companies in which Directorship held – NIL.
- f) Membership of the Committees of the Board of other Listed Companies – NIL.
- g) Listed entities in which ceased to be Director in last three years – NIL.
- h) Shareholding in the Company, including as a beneficial owner – NIL.
- i) Disclosure of relationships between Directors inter-se – NIL.
- j) Skills and capabilities required for the role of Independent Director and the manner in which the proposed person meets such requirements – Not Applicable.

Place: Kolkata  
Date: 26th July, 2022

By Order of the Board  
**P. R. Sivasankar**  
Company Secretary  
(Membership No. ACS-17812)

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### **IMPORTANT COMMUNICATION TO SHAREHOLDERS REGARDING WITHHOLDING TAX / TAX DEDUCTION AT SOURCE (TDS) APPLICABLE ON DIVIDEND PROPOSED TO BE DECLARED BY THE COMPANY AT ITS 86TH AGM**

In accordance with the provisions of the Income Tax Act, 1961, as amended by and read with the provisions of the Finance Act, 2020, with effect from 1<sup>st</sup> April 2020, dividend declared and paid by the Company is taxable in the hands of its members and the Company is required to deduct Tax at Source (TDS) from dividend paid to the members at the applicable rates.

This is an important communication to the shareholders summarizing the applicable TDS provisions in accordance with the provisions of the Income Tax Act, 1961, for various categories, including Resident and Non-Resident members.

Members are requested to make any communication with regard to the matters stated in this communication, including submission of all necessary documents/certificates, as stated below, only to our Registrar and Share Transfer Agent (RTA), at their following contact details:-

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](mailto:rta@cbmsl.com); [biswajitr@cbmsl.com](mailto:biswajitr@cbmsl.com); [ranjanm@cbmsl.co](mailto:ranjanm@cbmsl.co)

The applicable TDS provisions are summarized here in below for various categories, including Resident and Non-Resident members.

## 1) For Resident Members:

Sl. No.	Particulars	Applicable Rate of TDS	Documents required, if any
(a)	No TDS shall be deducted in the case of resident individual members, if the amount of such dividend in aggregate paid or likely to be paid during the financial year does not exceed Rs. 5,000/-.	NIL	
(b)	With PAN (exceeding Rs. 5000/-)	10%	Update/Verify the PAN, and the residential status as per Income Tax Act, 1961, if not already done, with the depositories (in case of shares held in demat mode) and with the Company's Registrar and Transfer Agent (in case of shares held in physical mode)
(c)	Without PAN/ Invalid PAN	20%	
(d)	Submitting Form 15G/ Form 15H	NIL	Declaration in Form No. 15G (applicable to any person other than a company or a firm) / Form 15H (applicable to an Individual who is 60 years and older), fulfilling certain conditions, to be submitted to RTA
(e)	Submitting Order under Section 197 of the Income Tax Act, 1961	Rate provided in the Order	Lower/NIL withholding tax certificate obtained from tax authority to be submitted to RTA
(f)	Mutual Fund specified under clause (23D) of Section 10 of the Income Tax Act, 1961	NIL	Self-declaration that they are specified in Section 10 (23D) of the Income Tax Act, 1961 along with self- attested copy of PAN card and registration certificate to be submitted to RTA
(g)	An Insurance Company exempted under Sec. 194 of the Income Tax Act, 1961	NIL	Self-declaration that it has full beneficial interest with respect to the shares owned by it and documentary evidence that the provisions of section 194 of the Act are not applicable to them along with Self-attested PAN to be submitted to RTA
(h)	Alternative Investment Fund (AIF) established in India	NIL	Documentary evidence to prove that Investment Fund is a fund as defined in clause (a) of the Explanation 1 of section 115UB of the Income Tax Act and Declaration that its Dividend Income is exempt under Section 10 (23FBA) of the Act and that they are established as Category I or Category II AIF under the Securities and Exchange Board of India (Alternative Investment Fund) Regulations. to be submitted to RTA

Sl. No.	Particulars	Applicable Rate of TDS	Documents required, if any
(i)	New Pension System Trust:	NIL	Self-declaration that it qualifies as NPS trust and income is eligible for exemption under section 10(44) of the Income Tax Act and being regulated by the provisions of the Indian Trusts Act, 1882 along with self-attested copy of the PAN card. to be submitted to RTA
(j)	Other Resident Individual / Non- Individual member who is exempted from TDS provisions through any circular/notification issued by any statutory authority	NIL	Self-attested copy of documentary evidence supporting the exemption along with self-attested copy of PAN card to be submitted to RTA.

Recording of the valid Permanent Account Number (PAN) for the registered Folio/DP ID-Client ID is mandatory. If the PAN is not as per the database of the Income-Tax Portal, it would be considered as invalid PAN and in absence of valid PAN, tax will be deducted at a higher rate of 20% as per Section 206AA of the Income Tax Act, 1961.

Shareholders are requested to ensure Aadhaar number is linked with PAN, as per the timelines prescribed. In case of failure of linking Aadhaar with PAN within the prescribed timelines, PAN shall be considered inoperative and, in such scenario, tax shall be deducted at higher rate of 20%.

**2) For Non-Resident Members:**

Sr. No.	Particulars	Applicable Rate of TDS	Documents required, if any
(a)	TDS shall be Deducted/Withheld	20% (plus applicable surcharge and cess)	
(b)	Foreign Institutional Investors (FIIs)/ Foreign Portfolio Investors (FPIs)	20% (plus applicable surcharge and cess)	Self-Attested Copy of SEBI Registration Certificate to be submitted to RTA
(c)	Other Non-resident Shareholders	20% (plus applicable surcharge and cess) OR Tax Treaty Rate (whichever is less). Non-resident shareholders have the option to be governed by the provisions of the Double Tax Avoidance Agreement (“DTAA”) between India and the country of tax residence of the	Update/Verify the PAN and the residential status as per Income Tax Act, 1961, if not already done, with the depositories (in case of shares held in demat mode) and with the Company’s RTA (in case of shares held in physical mode). In order to apply the Tax Treaty rate, all the following documents would be required: 1) Copy of Indian Tax Identification number (PAN). 2) Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the shareholder is a resident certifying status during Financial Year 2022-23.

Sr. No.	Particulars	Applicable Rate of TDS	Documents required, if any
		shareholder, if the DTAA provisions are more beneficial.	3) Form 10F duly filled and signed. 4) Self-declaration from Non-resident, primarily covering the following: <ol style="list-style-type: none"> <li>i. Shareholder is and will continue to remain a tax resident of the country of its residence during the Financial Year 2022-23;</li> <li>ii. Shareholder is eligible to claim the beneficial DTAA rate for the purposes of tax withholding on dividend declared by the Company;</li> <li>iii. Shareholder has no reason to believe that its claim for the benefits of the DTAA is impaired in any manner;</li> <li>iv. Shareholder is the ultimate beneficial owner of its shareholding in the Company and dividend receivable from the Company; and</li> <li>v. Shareholder does not have a taxable presence or a permanent establishment in India during the Financial Year 2022-23.</li> </ol>
(d)	Submitting Order under Section 197 of the Income Tax Act, 1961	Rate provided in the Order	Lower/NIL withholding tax certificate obtained from tax authority to be submitted to RTA

The Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction/withholding on dividend amounts. Application of beneficial DTAA Rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by Non-Resident member.

Tax shall be deducted at source at the rate of 20% (plus applicable surcharge, and health and education cess) on dividend payable to Foreign Institutional Investors (FII) and Foreign Portfolio Investors (FPI). Such TDS rate shall not be reduced on account of the application of the beneficial DTAA Rate or lower tax deduction order, if any.

### SECTION 206AB OF THE ACT

Rate of TDS @10% u/s 194 of the Act is subject to provisions of Section 206AB of the Act (effective from 1st July, 2021) which introduces special provisions for TDS in respect of taxpayers who have not filed their income-tax return (referred to as specified persons). U/s 206AB of the Act, tax is to be deducted at higher of the following rates in case of payments to the specified persons:

- at twice the rate specified in the relevant provision of the Act; or
- at twice the rate or rates in force; or
- at the rate of 5%.

In cases where Sections 206AA and 206AB are applicable i.e. the shareholder has not submitted the PAN as well as not filed the return, tax will be deducted at higher of the two rates prescribed in these sections.



“Specified person” as defined u/s 206AB(3) is someone who satisfies the following conditions:

1. If a shareholder has not furnished the return of income for the assessment year relevant to the previous year immediately preceding the financial year in which tax is required to be deducted, for which the time limit for furnishing the return of income under sub-section (1) of section 139 has expired for which the time limit of filing original return of income has lapsed.  
and
2. TDS deducted in his case in the aforesaid previous year exceeded Rs. 50,000.

Non-resident shareholders who do not have permanent establishment in India are excluded from the scope of a “specified person”.

Please note that the information regarding whether a shareholder is a specified person or not will be determined using the specified functionality of the Income Tax Department. Accordingly, it is advised that non-residents who have not filed their income tax returns in the past years, provide a declaration stating that they do not have a permanent establishment in India

#### **For all Members:**

Members holding shares under multiple accounts under different status / category and single PAN, may note that, higher of the tax as applicable to the status in which shares held under a PAN will be considered on their entire holding in different accounts.

In view of the prevailing COVID 19 situation and shortage of time, it is preferable that only scanned copies of the aforementioned tax relief documents such as PAN, Forms 15G/15H/10F/Self-declaration/documentary evidence etc. be submitted to any one of the e-mail addresses of the RTA specified above. However, the shareholder is required to additionally self-attest the document stating “certified true copy of the original”. If the original Form 15G/15H is required in future, the Company would call for the same from the shareholders.

In case of joint shareholders, the shareholder named first in the Register of Members is required to furnish the requisite documents for claiming any applicable beneficial tax rate.

Members may note, the documents requested are required to be submitted once in a financial year (April 2022-March 2023), unless there is any change in the status having an impact on TDS rate. Hence, shareholders are requested to submit the forms and documents i.e. PAN/15G/15H/10F/Self Declaration Form and other annexures and relevant prescribed documents, whether ancillary thereto or otherwise, for the financial year 2022-23 after this communication is made, failing which no TDS exemption or lower rate deduction will be available. Shareholders are requested to submit these documents afresh even if similar document has been submitted earlier, failing which no TDS exemption or lower rate deduction will be available.

Members may note that in case the tax on said dividend is deducted at a higher rate in absence of receipt, or insufficiency of the aforementioned details/documents from you, an option is available to you to file the return of income as per Income Tax Act, 1961 and claim an appropriate refund, if eligible. No claim shall lie against the Company for such taxes deducted.

In terms of Rule 37BA of the Income Tax Rules 1962, if dividend income on which tax has been deducted at source is assessable in the hands of a person other than the deductee, then such deductee should file declaration with the Company in the manner prescribed in the Rules.

Shareholders holding shares in dematerialised mode, are requested to update their records such as tax

residential status, permanent account number (PAN), registered email address, mobile number and other details with their relevant depositories through their depository participants. Shareholders holding shares in physical mode are requested to furnish details to the Company's Registrar and Transfer Agent.

The Company is obligated to deduct tax at source based on the records made available by National Securities Depository Limited or Central Depository Services (India) Limited ("the Depositories") in case of shares held in electronic mode and from the RTA in case of shares held in physical mode and no request shall be entertained for revision of TDS return.

Above Communication on TDS sets out the Provisions of Law in a summarised manner only and does not purport to be a complete analysis or listing of all potential Tax consequences. Shareholder should consult with their own Tax Advisors for the Tax Provisions applicable to their particular circumstances.







**International Combustion  
(India) Limited**

Annual Report  
**2021-22**

**Acknowledged Leadership in Technology**

## Corporate Information

### Board of Directors

Mr. Sanjay Bagaria *Chairman*  
Mr. Indrajit Sen *Managing Director*  
Mr. Ratan Lal Gaggar  
Mr. Sandipan Chakravortty  
Ms. Nayantara Palchoudhuri  
Mr. Sanjoy Saha

### Board Committees

#### Audit Committee

Mr. Ratan Lal Gaggar *Chairman*  
Mr. Sandipan Chakravortty  
Mr. Indrajit Sen

#### Share Transfer & Stakeholders' Relationship Committee

Mr. Sanjay Bagaria *Chairman*  
Mr. Indrajit Sen  
Ms. Nayantara Palchoudhuri

#### Nomination & Remuneration Committee

Mr. Ratan Lal Gaggar *Chairman*  
Ms. Nayantara Palchoudhuri  
Mr. Sanjay Bagaria

#### Corporate Social Responsibility (CSR) Committee

Mr. Sanjay Bagaria *Chairman*  
Ms. Nayantara Palchoudhuri  
Mr. Ratan Lal Gaggar

#### Company Secretary

Mr. P. R. Sivasankar

#### 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

### Nodal Officer for IEPF Matters

Mr. P. R. Sivasankar

### Deputy Nodal Officer for IEPF Matters

Mr. Asoke Kamal Manna

### Statutory Auditors

M/s. Ray & Ray, Chartered Accountants

### Bankers

UCO Bank  
Axis Bank  
HDFC Bank  
Kotak Mahindra Bank

### Registrars & Share Transfer Agents

M/s. 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

### Internal Auditors

M/s. Swapan De & Associates  
Chartered Accountants

### Secretarial Auditors

Mr. Arup Kumar Roy  
Company Secretary in Practice

### Cost Auditors

M/s. DD & Associates, Cost Accountants

### Registered Office

Infinity Benchmark, 11th Floor, Plot No. G-1  
Block EP & GP, Sector – V  
Salt Lake Electronics Complex, Kolkata – 700091  
Telephone : (033) 4080-3000  
Email: info@internationalcombustion.in  
Website: www.internationalcombustion.in

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## Directors' Report

To the Members,

Your Directors take pleasure in presenting the Eighty-Sixth Annual Report, including the Audited Annual Financial Statements of the Company for the Financial Year ended 31st March, 2022.

### Financial Results

(₹ in lakh)

	2021-22		2020-21	
Revenue from Operations		16889		10955
Profit before depreciation, interest & tax		1165		6
Less: Interest	169		232	
Depreciation	469	638	435	667
Profit/(Loss) before Tax		527		(661)
Less: Provision for Income Tax -				
Current Tax	110		-	
Deferred Tax (reversal)/charge	2	112	(145)	(145)
Profit/(Loss) after Tax		415		(516)
Other Comprehensive Income/(Loss) for the year (net of tax)		47		36
Total Comprehensive Income/(Loss)		462		(480)

### Dividend

Your Directors are pleased to recommend a dividend of 20% (i.e. Rs. 2/- 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, 2022. The dividend, if approved at the forthcoming Annual General Meeting, will absorb Rs. 47.81 lakh.

### Operations and State of The Company's Affairs

You are aware that the effect of the COVID-19 pandemic continued till the end of the second quarter of the financial year under review, thereby affecting the operations and thereafter, the situation improved progressively. As a result of this pandemic and various other causes, there has been a severe disruption in supply chain on a global scale and this has affected your Company as well.

There are a few difficulties faced by the industry and your Company as under:

- There was a sharp rise in the cost of input material
- Extremely long lead time
- Uncertain supplies from most of the vendors including reputed international players.

This situation is unprecedented and has affected the industry in general and especially the engineering industry in India and all the countries abroad.

Your Directors are however pleased to state that despite such unfavourable situation, the management team of your Company has made special efforts and the revenue from operations for the year under review has increased to Rs. 16889 lakh as against Rs. 10955 lakh for the previous year and which resulted in a profit before tax of Rs. 527 lakh for the year under review as against a loss before tax of Rs. 661 lakh for the previous year.

## Directors' Report (Contd.)

### Future Outlook

In view of the pandemic, most capital expenditures were under suspension across the industry and from the third quarter of the Financial Year 2021-22, the capital investments resumed and the Company has been receiving large volumes of orders for all Divisions. This trend is expected to continue throughout the current financial year but for obvious reasons, it would stabilize at a particular plateau over a period of time.

Your Company therefore finds that for the current financial year as well as the year thereafter, there would be sufficient orders to continue the growth which the Company has seen in the Financial Year 2021-22. However, we would also like you to recognise that your Company is in the business of supplying capital machinery to various industries and equipment for various projects and occasionally, the time gap between receipt of the order and completion of the contract is long. The unstable and rising input costs therefore remains a great concern and though the top line is likely to increase substantially, the profitability may be affected because of this. The Company, however, is making necessary efforts to circumvent this situation and expects for a substantially better profitability in the current and next financial years.

The Company would also like to mention that there has been substantial improvement in the performance of the Building Material Division and though the Division still suffers some losses but the pattern of the growth that we are seeing, the Division is expected to make profit in a short period of time. To strengthen this Division, the Company would also be launching various water proofing products as well as extending the portfolio and is under discussion with technology partner CAPA, Spain in this connection.

### Dissolution of Joint Venture Company

Pursuant to the application made on 30th December, 2020, under Section 248 of the Companies Act, 2013, for striking off and dissolution of M/s. Mozer Process Technology Pvt. Ltd., a Joint Venture Company of the Company, a Notice of Striking Off and Dissolution in Form No. STK-7 was issued by the Registrar of Companies, West Bengal, intimating the due striking off and dissolution of the said M/s. Mozer Process Technology Pvt. Ltd. with effect from 27th January, 2022.

### Consolidated Financial Statements

Pursuant to the termination of the Joint Venture (JV) Agreement, the Company had with Allgaier Werke GmbH, Germany, in connection with its JV Company, Mozer Process Technology Private Limited (MPTPL), the write off, in the books of the Company, of the entire investment in the said JV Company and the striking off and dissolution of the said JV Company effected by the Registrar of Companies, West Bengal, MPTPL has ceased to be a JV Company of the Company with effect from 30th December, 2020 and therefore, the necessity of preparing Consolidated Financial Statements of the Company has ceased as the Company, at present, does not have any subsidiary, associate or JV Company.

### Capital Expenditure

The total capital expenditure incurred by the Company during the Financial Year under review was Rs. 205.12 lakh.



## Directors' Report (Contd.)

### Extract of Annual Return

An extract of the Annual Return as on the Financial Year ended on 31st March, 2022 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, is set out in **Annexure-I**, forming part of this Report.

### Energy Conservation, Technology Absorption and Foreign Exchange Earnings & Outgo

All feasible energy conservation methods are being pursued by the Company and implemented in phases. As required under Section 134(3)(m) of the Companies Act, 2013, read with the Rule 8(3) of Companies (Accounts) Rules, 2014, particulars regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo are set out in **Annexure-II**, forming part of this Report.

### 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.

The only reportable related party transactions of the Company during the Financial Year ended 31st March, 2022 are the remuneration / sitting fees drawn by its Key Managerial Personnel / other Non-Executive Directors, which are duly covered under the Remuneration Policy of the Company and well within the limits prescribed by law and / or already duly approved by the Audit Committee/ Nomination & Remuneration Committee / Board of Directors / Shareholders, as the case may be, as required under law. Further the Company did not have any subsidiary, associate or JV during the whole of FY 2021-22 and no other 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 a conflict with the interests of the Company at large. The related party transactions have been disclosed in Note No. 43 of the Notes to the Financial Statements for the Financial Year ended 31st March, 2022.

There are no material related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel, which may have a potential conflict with the interest of the Company at large.

Accordingly, the disclosure of related party transactions, as required under 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 in Form AOC-2 is not applicable to the Company.

### 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, 2022, is set out in **Annexure-III**, forming part of this Report.

## Directors' Report (Contd.)

### Number of Board Meetings

5 (Five) Board meetings of the Company were held during the Financial Year ended 31st March, 2022. For further details, please refer to the Report on Corporate Governance forming part of this Annual Report.

### Directors' Responsibility Statement

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

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed by the Company, along with proper explanation relating to material departures, if any;
- b) appropriate accounting policies have been selected and applied consistently and such judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2022 and of the profit / (loss) of the Company for the year ended on that date;
- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Annual Accounts have been prepared on a going concern basis;
- e) the Board had laid down internal financial controls to be followed by the Company and that such internal financial controls were adequate and were operating effectively; and
- f) proper systems to ensure compliance with the provisions of all applicable laws have been devised and such systems were adequate and operating effectively.

### Directors

Mr. Ratan Lal Gagar (DIN 00066068) & Mr. Sandipan Chakravorty (DIN 00053550), Independent Directors on the Board, are not liable to retire by rotation in terms of the provisions of Section 149(13) of the Companies Act, 2013.

Mr. Sanjay Bagaria (DIN 00233455), Non-Executive Chairman, retired by rotation at the 85th Annual General Meeting of the shareholders of the Company held on 29th September, 2021 and being eligible, had offered himself for re-appointment and was duly re-appointed as a Director of the Company, whose period of office shall be liable to be determined by retirement of Directors by rotation.

Considering the recommendations of the Nomination and Remuneration Committee of the Board, the Board of Directors of the Company, at its meeting held on 19th April, 2021, had re-appointed Mr. Indrajit Sen (DIN 00216190) as the Managing Director of the Company for a further period of three years with effect from 1st May, 2021, on the expiry of his previous term on 30th April, 2021, and the said re-appointment was duly approved by the shareholders of the Company at their 85th Annual General Meeting held on 29th September, 2021, by means of a Special Resolution.

Mr. Sanjoy Saha (DIN 00226685), Non-Executive Director, retires by rotation at the ensuing 86th Annual General Meeting (AGM) and being eligible, offers himself for re-appointment.



## Directors' Report (Contd.)

On 5th July, 2022, the Company received a notice of resignation from the Board of Directors of the Company from Mrs. (Prof.) Bharati Ray (DIN 06965340), Independent Woman Director, due to her advanced age and health-related issues. The Board acknowledges and places on record the invaluable contributions rendered by Mrs. Ray during her tenure as a Director of the Company. The Board at its meeting held on 26th July, 2022, appointed Ms. Nayantara Palchoudhuri (DIN 00581440) as an Independent Woman Director on the Board in place of Mrs. (Prof.) Ray, subject to shareholders' approval at their ensuing 86th AGM by means of a Special Resolution.

Further, Mr. Sandipan Chakravorty (DIN 00053550), Independent Director, is seeking continuance in office by means of a Special Resolution proposed to be passed by the shareholders at their ensuing 86th Annual General Meeting, in view of the provisions contained in Regulations 17(1A) & 25(2A) of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Regulation 17(1A) of the SEBI (LODR) Regulations mandates that 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. Mr. Chakravorty was appointed by the shareholders as an Independent Director in September, 2020, for a period of five years with effect from 7th February, 2020, by means of an Ordinary Resolution and during the course of his current term in office, Mr. Chakravorty shall attain the age of 75 years. Regulation 25(2A) of the SEBI (LODR) Regulations, which came into force with effect from 1st January, 2022, mandates that the appointment or re-appointment of an Independent Director shall be subject to the approval of the shareholders by means of a Special Resolution and although it does not specifically apply to past appointments, the Company, by way of abundant precaution, has decided to seek the shareholders' approval for the same by means of a Special Resolution.

The Company has received, at the first meeting of the Board of Directors held during the Financial Year 2022-23, the declarations pursuant to Section 149(7) of the Companies Act, 2013 from Mr. Ratan Lal Gaggar, Mr. Sandipan Chakravorty & 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. Further, the Company had obtained from Ms. Nayantara Palchoudhuri, the said declaration pursuant to Section 149(7) of the Companies Act, 2013, prior to her appointment on 26th July, 2022.

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.



## Directors' Report (Contd.)

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 is 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.

### Remuneration of Managing Director

In an unprecedented and magnanimous gesture, Mr. Indrajit Sen, Managing Director of the Company, in view of the COVID-19 pandemic and its economic and financial impact on the Company, intimated to the Nomination & Remuneration Committee and to the Board his decision to forego / waive off the annual increase in his remuneration to which he was entitled as Managing Director of the Company, with effect from 1st May, 2020 till the remainder of his previous tenure, i.e. upto 30th April, 2021, as per his contract with the Company and to instead draw the same scale of remuneration during the period from 1st May, 2020 till 30th April, 2021, which he was drawing during the period from 1st May, 2019 till 30th April, 2020, and further to completely forego his entire remuneration for the month of April, 2020.

The Nomination & Remuneration Committee and the Board, appreciating and lauding the selfless, magnanimous and praiseworthy gesture of Mr. Sen in keeping the interests of the Company paramount, ratified the said voluntary decision of Mr. Sen to forego part of his remuneration and as the same required the approval of the shareholders under the provisions of Chapter XIII of the Companies Act, 2013, the shareholders of the Company, at their 85th Annual General Meeting held on 29th September, 2021, had duly accorded their approval to the same.

Further, in view of the lockdowns induced by the COVID-19 pandemic during the months of May and June, 2021 and its resultant economic and financial impact on the Company, Mr. Sen had taken a decision to forego / waive off the increase in his remuneration for the months of May and June, 2021, as had been approved earlier by the Board, and had instead drawn the same scale of remuneration for the said months of May and June, 2021, as had been prevailing earlier. The Nomination & Remuneration Committee and the Board, ratified this decision of Mr. Sen and as the same requires approval of the shareholders under the provisions of Chapter XIII of the Companies Act, 2013, the shareholders are requested to accord their approval for the same at the forthcoming 86th Annual General Meeting.

### 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



## Directors' Report (Contd.)

entire Board sans the Independent Director being evaluated. The various Committees of the Board are evaluated by the Board.

### Other Key Managerial Personnel

Mr. Asish Kumar Neogi is the Chief Financial Officer of the Company.

Mr. P. R. Sivasankar is the Company Secretary of the Company.

### Auditors' Report

The Auditors' Report on the Annual Financial Statements for the Financial Year ended 31st March, 2022, is with Unmodified Opinion, i.e. there are no reservations, qualifications or adverse remarks in the same.

### 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. As their term is coming to an end with the conclusion of the ensuing 86th AGM, the Audit Committee and the Board of Directors have duly recommended to the shareholders, the re-appointment of M/s. Ray & Ray as the Statutory Auditors of the Company for a second and final consecutive term of five years with effect from the conclusion of the said 86th AGM till the conclusion of the 91st AGM. M/s. Ray & Ray have expressed their willingness to continue to act as the Statutory Auditors of the Company, if re-appointed, and have further confirmed that their re-appointment, if made, shall be within the limits specified in Section 141(3)(g) of the Companies Act, 2013.

### 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, 2020, audit of such cost accounting records relating to all the products manufactured by the Company was applicable for the Financial Year 2020-21.

Accordingly, M/s. S. Datta & Co., Cost Accountants in Practice, who 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 2020-21, duly issued their Report, which was filed by the Company with the Ministry of Corporate Affairs, Government of India, on 24th December, 2021. The due date for filing the said report was 30th December, 2021. The remuneration paid to the Cost Auditors for the Financial Year 2020-21 was duly approved by the shareholders at their 85th Annual General Meeting held on 29th September, 2021.

## Directors' Report (Contd.)

As the sales turnover of the Company during the Financial Year ended 31st March, 2021 was also in excess of the specified limit of Rs. 100 crores, audit of such cost accounting records relating to all the products manufactured by the Company was applicable for the Financial Year 2021-22 and accordingly, M/s. S. Datta & Co., Cost Accountants in Practice, were re-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 2021-22.

However, M/s. S. Datta & Co., vide its letter dated 2nd May, 2022, had tendered its resignation from its office in view of the ill-health of its proprietor, Mr. Satyabrata Datta. Accordingly, M/s. DD & Associates, 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 2021-22 in order to fill in the casual vacancy caused by the resignation of M/s. S. Datta & Co. The remuneration proposed to be paid to the Cost Auditors for the Financial Year 2021-22 shall be placed before the shareholders for their approval at their ensuing 86th Annual General Meeting.

### Audit Committee

The Audit Committee of the Board, as on date, consists of Mr. Ratan Lal Gaggar, Chairman of the Committee & Independent Director, Mr. Sandipan Chakravorty, 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, 2022 issued by Mr. Arup Kumar Roy, Company Secretary in Practice, Secretarial Auditor of the Company, is annexed to this Report and marked as Annexure IV 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/ debt-oriented mutual funds with Mutual Fund Houses, which are fixed income bearing debt funds.

The Company had invested Rs. 50 lakh in the equity shares of its Joint Venture Company, Mozer Process Technology Pvt. Limited (MPTPL). However, pursuant to the termination of the Joint Venture (JV) Agreement, the Company had with Allgaier Werke GmbH, Germany, the Company had, during the Financial Year 2020-21, written down/off in its books, the entire investment of Rs. 50 lakh made by it in the said JV Company and adjusted the same with the free reserves of the Company. Consequently, MPTPL has ceased to be a JV Company of the Company with effect from 30th December, 2020. Subsequently, pursuant to the application made on 30th December, 2020, under Section 248 of the Companies Act, 2013, for striking off and dissolution of MPTPL, a Notice of Striking Off and Dissolution in Form No. STK-7 was issued by the Registrar of Companies, West Bengal, intimating the due striking off and dissolution of the said MPTPL with effect from 27th January, 2022.



## Directors' Report (Contd.)

### Risk Management

The Company has a Risk Management Plan in place approved by the Board of Directors.

### 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 the provisions of Section 135 of the Companies Act, 2013, which came into force with effect from 1st April, 2014, a Corporate Social Responsibility (CSR) Committee of the Board of Directors of the Company had been constituted on 2nd May, 2014. The provisions relating to CSR was mandatorily applicable to the Company for the Financial Years 2014-15 and 2015-16 in accordance with the criteria specified in Section 135(1) of the Companies Act, 2013 read with Rules 1 & 2 of the Companies (Corporate Social Responsibility Policy) Rules, 2014. However, the mandatory provisions of the CSR ceased to be applicable to the Company with effect from the Financial Year 2016-17 as the Company did not any longer fulfill any of the three criteria for determining applicability of the said provisions. The said mandatory provisions relating to CSR may once again become applicable to the Company in future if and when the Company fulfills any of the three criteria as specified in the Act read with the Rules. However, the said mandatory provisions relating to CSR were not applicable to the Company for the Financial Year 2021-22.

The CSR Committee currently implements CSR activities and programs which are in the nature of non-mandatory or non-compulsory CSR. The CSR Committee, as on date, comprises of Mr. Sanjay Bagaria, Chairman of the Committee, Ms. Nayantara Palchoudhuri, Independent Director & Mr. Ratan Lal Gagar, Independent Director, as its members. The CSR Committee had developed a CSR Policy which had 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.

## Directors' Report (Contd.)

A brief outline of the Company's CSR policy has been presented below.

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 website and the web-link for the same is: [https://www.internationalcombustion.in/pdf/CSR\\_Policy.pdf](https://www.internationalcombustion.in/pdf/CSR_Policy.pdf).

### 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 2022 or as on 31st March, 2021. The Company did not accept any fixed deposits during the year.

### Credit Ratings

In January, 2022, credit rating agency ICRA Limited had re-affirmed the long-term rating of [ICRA]BB+ (pronounced as ICRA double B plus) [signifying a moderate risk of default regarding timely servicing of financial obligations] on the fund-based and non-fund based working capital credit facilities enjoyed by the Company from its bankers on consortium basis. The outlook on the long term rating had been revised from Negative to Stable. ICRA had also re-affirmed the short-term rating of [ICRA]A4+ (pronounced as ICRA A four plus) [signifying a minimal degree of safety regarding timely servicing of financial obligations and carrying very high credit risk and susceptibility to default] on the aforementioned facilities.

In July, 2022, Care Ratings Limited (CARE), newly appointed credit rating agency of the Company, had assigned the long-term rating of CARE BBB- (pronounced as CARE triple B minus) [signifying a moderate degree of safety regarding timely servicing of financial obligations] on the fund-based and non-fund based working capital credit facilities enjoyed by the Company from its bankers on consortium basis. The outlook on the long term rating had been stated as Stable. CARE had also assigned the short-term rating of CARE A3 (pronounced as CARE A three) [signifying a moderate degree of safety regarding timely servicing of financial obligations and carrying higher credit risk as compared to instruments rated in the two higher categories] on the aforementioned facilities. This rating assignment by CARE is to be considered as a ratings upgrade vis-a-vis the last ratings assigned by the erstwhile ratings agency of the Company, viz. ICRA Ltd., in January, 2022.

### 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.

### Registration Under MSMED Act

Your Company is now registered as a medium enterprise under the Micro, Small & Medium Enterprises Development Act, 2006.

### 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.

## Directors' Report (Contd.)

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 also place on record their appreciation for the dedication and commitment of the employees at all levels in achieving and sustaining excellence in all areas of operations of the Company.

Kolkata  
26th July, 2022

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 31.03.2022 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 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	59.04 %
2	Manufacture of Geared Motors & Gear Boxes	271	31.81 %
3	Manufacture of Dry Mix Products	239	9.15 %

#### 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
NIL					

**Note:** Mozer Process Technology Private Limited (MPTPL) ceased to be a Joint Venture / Associate of the Company with effect from 30th December, 2020 upon the termination of the Joint Venture (JV) Agreement with Allgaier Werke GmbH, Germany. Further, pursuant to the application made under Section 248 of the Companies Act, 2013, a Notice of Striking Off and Dissolution in Form No. STK-7 was duly issued by the Registrar of Companies, West Bengal, intimating the striking off and dissolution of the said MPTPL with effect from 27th January, 2022.



## 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	
<b>A.</b>	<b>Promoters</b>									
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	–	–	–	–	–	–	–	–	–
	<b>Sub-total (A) (1)</b>	<b>1261931</b>	<b>–</b>	<b>1261931</b>	<b>52.79</b>	<b>1261931</b>	<b>–</b>	<b>1261931</b>	<b>52.79</b>	<b>NIL</b>
2	Foreign									
	a) NRIs - Individuals	–	–	–	–	–	–	–	–	–
	b) Other – Individuals	–	–	–	–	–	–	–	–	–
	c) Bodies Corp.	–	–	–	–	–	–	–	–	–
	d) Banks / FI	–	–	–	–	–	–	–	–	–
	e) Any Other....	–	–	–	–	–	–	–	–	–
	<b>Sub-total (A) (2)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
	<b>Total shareholding of Promoter (A)=(A)(1)+ (A)(2)</b>	<b>1261931</b>	<b>–</b>	<b>1261931</b>	<b>52.79</b>	<b>1261931</b>	<b>–</b>	<b>1261931</b>	<b>52.79</b>	<b>NIL</b>
<b>B.</b>	<b>Public Shareholding</b>									
1.	Institutions									
	a) Mutual Funds	–	–	–	–	–	–	–	–	–
	b) Banks / FI	1	250	251	0.01	1	250	251	0.01	NIL
	c) Central Govt	–	–	–	–	–	–	–	–	–
	d) State Govt(s)	–	–	–	–	–	–	–	–	–
	e) Venture Cap. Funds	–	–	–	–	–	–	–	–	–
	f) Ins. Cos.	–	–	–	–	–	–	–	–	–
	g) FIIs	–	–	–	–	–	–	–	–	–
	h) Foreign Ven. Capital Funds	–	–	–	–	–	–	–	–	–
	i) Others	–	–	–	–	–	–	–	–	–
	<b>Sub-total (B)(1)</b>	<b>1</b>	<b>250</b>	<b>251</b>	<b>0.01</b>	<b>1</b>	<b>250</b>	<b>251</b>	<b>0.01</b>	<b>NIL</b>
2.	Non-Institutions									
	a) Bodies Corporate									
	i) Indian	15512	250	15762	0.66	19517	249	19766	0.83	+0.17
	ii) Overseas	–	–	–	–	–	–	–	–	–
	b) Individuals									
	i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	789465	53792	843257	35.28	766695	48166	814861	34.09	-1.19
	ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	143776	–	143776	6.02	192354	–	192354	8.05	+2.03

## 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	19820	-	19820	0.83	24065	-	24065	1.01	+0.18
HUF	72100	-	72100	3.02	41412	-	41412	1.73	-1.29
LLP	4486	-	4486	0.19	3036	-	3036	0.13	-0.06
Clearing Members	1471	-	1471	0.06	711	-	711	0.03	-0.03
IEPF Authority	27422	-	27422	1.15	31889	-	31889	1.33	+0.18
<b>Sub-total (B)(2)</b>	<b>1074052</b>	<b>54042</b>	<b>1128094</b>	<b>47.20</b>	<b>1079679</b>	<b>48415</b>	<b>1128094</b>	<b>47.20</b>	<b>NIL</b>
<b>Total Public Shareholding (B)=(B)(1) +(B)(2)</b>	<b>1074053</b>	<b>54292</b>	<b>1128345</b>	<b>47.21</b>	<b>1079680</b>	<b>48665</b>	<b>1128345</b>	<b>47.21</b>	<b>NIL</b>
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>2335984</b>	<b>54292</b>	<b>2390276</b>	<b>100.00</b>	<b>2341611</b>	<b>48665</b>	<b>2390276</b>	<b>100.00</b>	<b>NIL</b>

#### ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ Encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ Encumbered to total shares	
1	Tradelink Securities Limited	343703	14.38	NIL	343703	14.38	NIL	NIL
2	Stephen Court Limited	279088	11.68	NIL	279088	11.68	NIL	NIL
3	Wool Worth Merchandise 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
	<b>Total</b>	<b>1261931</b>	<b>52.79</b>	<b>NIL</b>	<b>1261931</b>	<b>52.79</b>	<b>NIL</b>	<b>NIL</b>

## 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 (01/04/2021 to 31/03/2022)	
		No. of shares at the beginning (01/04/2021)/ end (31/03/2022) of the year	% of total shares of the Company				No. of shares	% of total shares of the Company
1.	Neelam Bansal	15186	0.64	1/4/21	No movement during the year		15186	0.64
		15186	0.64	31/3/22				
2.	Koushik Sekhar	26471	1.11	1/4/21				
				26/11/21	-407	Transfer	26064	1.09
				4/2/22	-26064	Transfer	0	0.00
		0	0.00	31/3/22			0	0.00
3.	Sanjeev Kumar Gupta	13171	0.55	1/4/21				
				30/4/21	-1	Transfer	13170	0.55
				7/5/21	-299	Transfer	12871	0.54
				14/5/21	657	Transfer	13528	0.57
				21/5/21	-85	Transfer	13443	0.56
				28/5/21	-1357	Transfer	12086	0.51
				3/9/21	-200	Transfer	11886	0.50
				8/10/21	-300	Transfer	11586	0.48
				15/10/21	7	Transfer	11593	0.49
				22/10/21	-551	Transfer	11042	0.46
				29/10/21	120	Transfer	11162	0.47
				12/11/21	-1652	Transfer	9510	0.40
				19/11/21	200	Transfer	9710	0.41
				26/11/21	-200	Transfer	9510	0.40
				3/12/21	800	Transfer	10310	0.43
				10/12/21	700	Transfer	11010	0.46
				24/12/21	25	Transfer	11035	0.46
				31/12/21	75	Transfer	11110	0.46
				7/1/22	300	Transfer	11410	0.48
				14/1/22	100	Transfer	11510	0.48
		28/1/22	100	Transfer	11610	0.49		
		4/2/22	96	Transfer	11706	0.49		
		11/2/22	100	Transfer	11806	0.49		
		18/2/22	-230	Transfer	11576	0.48		
		25/2/22	500	Transfer	12076	0.51		
		4/3/22	300	Transfer	12376	0.52		
		25/3/22	100	Transfer	12476	0.52		
		31/3/22	416	Transfer	12892	0.54		
		12892	0.54	31/3/22			12892	0.54

## 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 (01/04/2021 to 31/03/2022)	
		No. of shares at the beginning (01/04/2021)/ end (31/03/2022) of the year	% of total shares of the Company				No. of shares	% of total shares of the Company
4.	Jitendra Lalbhai Shah	16000	0.67	1/4/21	No movement during the year		16000	0.67
		16000	0.67	31/3/22				
5.	Prabha Mohta	12538	0.52	1/4/21	No movement during the year		12538	0.52
		12538	0.52	31/3/22				
6.	Nila Anilkumar Desai	11000	0.46	1/4/21	No movement during the year		11000	0.46
		11000	0.46	31/3/22				
7.	Dr. Ramesh Chimanlal Shah	10200	0.43	1/4/21				
				4/6/21	1000	Transfer	11200	0.47
				30/7/21	1200	Transfer	12400	0.52
				15/10/21	787	Transfer	13187	0.55
				4/2/22	5000	Transfer	18187	0.76
		18187	0.76	31/3/22			18187	0.76
8.	Niranjana Jitendra Shah	12150	0.51	1/4/21	No movement during the year		12150	0.51
		12150	0.51	31/3/22				
9.	Bipikaben B. Patel	11514	0.48	1/4/21				
				9/4/21	296	Transfer	11810	0.49
				23/4/21	453	Transfer	12263	0.51
		12263	0.51	31/3/22			12263	0.51
10.	Abhay Chandak HUF	22054	0.92	1/4/21				
				26/11/21	-13682	Transfer	8372	0.35
				3/12/21	-1060	Transfer	7312	0.31
				31/12/21	-3000	Transfer	4312	0.18
				7/1/22	-4312	Transfer	0	0.00
		0	0.00	31/3/22			0	0.00
11.	Hrishikesh Shantaram Sanap	15546	0.65	1/4/21				
				16/4/21	-200	Transfer	15346	0.64
				13/8/21	405	Transfer	15751	0.66
				20/8/21	421	Transfer	16172	0.68
				19/11/21	-172	Transfer	16000	0.67
				21/1/22	-110	Transfer	15890	0.66
				18/2/22	-200	Transfer	15690	0.66
				4/3/22	-90	Transfer	15600	0.65
				11/3/22	-200	Transfer	15400	0.64
				18/3/22	-300	Transfer	15100	0.63
		15100	0.63	31/3/22			15100	0.63

## 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 (01/04/2021 to 31/03/2022)	
		No. of shares at the beginning (01/04/2021)/ end (31/03/2022) of the year	% of total shares of the Company				No. of shares	% of total shares of the Company
12.	V Naga Raja Naidu	0	0.00	1/4/21				
				3/12/21	15000	Transfer	15000	0.63
				10/12/21	2633	Transfer	17633	0.74
				17/12/21	135	Transfer	17768	0.74
				24/12/21	1514	Transfer	19282	0.81
				31/12/21	750	Transfer	20032	0.84
				7/1/22	6857	Transfer	26889	1.12
				14/1/22	5177	Transfer	32066	1.34
				21/1/22	856	Transfer	32922	1.38
				28/1/22	1156	Transfer	34078	1.43
				4/2/22	5888	Transfer	39966	1.67
				11/2/22	4982	Transfer	44948	1.88
				18/2/22	3477	Transfer	48425	2.03
				25/2/22	652	Transfer	49077	2.05
		4/3/22	1991	Transfer	51068	2.14		
		11/3/22	2270	Transfer	53338	2.23		
		53338	2.23	31/3/22			53338	2.23
13.	Rajiv Garg	0	0.00	1/4/21				
				12/11/21	1789	Transfer	1789	0.07
				19/11/21	6	Transfer	1795	0.08
				10/12/21	150	Transfer	1945	0.08
				31/12/21	100	Transfer	2045	0.09
				7/1/22	5983	Transfer	8028	0.34
				14/1/22	2700	Transfer	10728	0.45
				28/1/22	432	Transfer	11160	0.47
				4/2/22	2521	Transfer	13681	0.57
				18/3/22	19	Transfer	13700	0.57
		13700	0.57	31/3/22			13700	0.57

**Note:** For the purposes of the above, the Investor Education & Protection Fund Authority (IEPF Authority), by whom an aggregate of 31,889 equity shares representing 1.33% of the paid-up equity share capital of the Company are held in dematerialized form 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.

## Annexure to Directors' Report – I (Contd.)

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

#### 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 (01/04/2021 to 31/03/2022)	
		No. of shares at the beginning (01/04/2021)/ end (31/03/2022) 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	1/4/21	No movement during the year			
		43900	1.84	31/3/22			43900	1.84
2.	Mr. P. R. Sivasankar, Company Secretary (Key Managerial Personnel)	1	0.00	1/4/21	No movement during the year			
		1	0.00	31/3/22			1	0.00

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

### V. Indebtedness

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

(₹ in lakh)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	1408.28	–	–	1408.28
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	–	–
<b>Total (i+ii+iii)</b>	<b>1408.28</b>	<b>–</b>	<b>–</b>	<b>1408.28</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	101.06	–	–	101.06
• Reduction	(621.88)	–	–	(621.88)
<b>Net Change</b>	<b>(520.82)</b>	<b>–</b>	<b>–</b>	<b>(520.82)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	887.46	–	–	887.46
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	–	–
<b>Total (i+ii+iii)</b>	<b>887.46</b>	<b>–</b>	<b>–</b>	<b>887.46</b>

## Annexure to Directors' Report – I (Contd.)

### VI. Remuneration of Directors and Key Managerial Personnel

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

(₹in lakh)

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	221.25	221.25
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	–	–
	(c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	–	–
2.	Stock Option	–	–
3.	Sweat Equity	–	–
4.	Commission		
	- as % of profit	–	–
	- others, specify...	–	–
5.	Others	–	–
	<b>Total (A)</b>	<b>221.25</b>	<b>221.25</b>

**Ceiling as per the Act:** Mr. 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. However, in view of the COVID-19 pandemic and its resultant economic and financial impact on the Company, Mr. Sen decided to voluntarily forego a part of his remuneration during the period from April 2020 to April 2021.

Mr. Sen was again re-appointed as the Managing Director of the Company for a further period of three years with effect from 1st May, 2021, at a total gross remuneration of upto Rs. 2,25,00,000/- for the period from 1st May, 2021 to 30th April, 2022, Rs. 2,40,00,000/- for the period from 1st May, 2022 to 30th April, 2023 and Rs. 2,56,00,000/- for the period from 1st May, 2023 to 30th April, 2024. However, in view of the COVID-19 pandemic and its resultant economic and financial impact on the Company, Mr. Sen decided to voluntarily forego a part of his remuneration during the period from May 2021 to June 2021.

The aforementioned remuneration paid/ 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.

## Annexure to Directors' Report – I (Contd.)

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

#### B. Remuneration to other directors

(₹in lakh)

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Mrs. (Prof.) Bharati Ray	Mr. Ratan Lal Gaggar	Mr. Sandipan Chakravorty	Mr. Sanjay Bagaria	Mr. Sanjoy Saha	
1.	<b>Independent Directors</b>						
	• Fees for attending Board/ Committee meetings	2.40	2.80	2.20	–	–	7.40
	• Commission	–	–	–	–	–	–
	• Others, please specify	–	–	–	–	–	–
	<b>Total (1)</b>	<b>2.40</b>	<b>2.80</b>	<b>2.20</b>	<b>–</b>	<b>–</b>	<b>7.40</b>
2.	<b>Other Non-Executive Directors</b>						
	• Fees for attending Board/ Committee meetings	–	–	–	2.20	1.00	3.20
	• Commission	–	–	–	15.28	–	15.28
	• Others, please specify	–	–	–	–	–	–
	<b>Total (2)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>17.48</b>	<b>1.00</b>	<b>18.48</b>
	<b>Total (B)=(1+2)</b>	<b>2.40</b>	<b>2.80</b>	<b>2.20</b>	<b>17.48</b>	<b>1.00</b>	<b>25.88</b>
	<b>Total Managerial Remuneration [Total(A) + Total(B)]</b>						<b>247.13</b>

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

(₹in lakh)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. P. R. Sivasankar, 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	21.63	48.56	70.19
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	–	–	–
	(c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	–	–	–
2.	Stock Option	–	–	–
3.	Sweat Equity	–	–	–
4.	Commission			
	- as % of profit	–	–	–
	- others, specify...	–	–	–
5.	Others	–	–	–
	<b>Total</b>	<b>21.63</b>	<b>48.56</b>	<b>70.19</b>



## Annexure to Directors' Report – I (Contd.)

### VII. Penalties / Punishment/ Compounding of Offences

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding Fees Imposed	Authority (RD/ NCLT/ Court)	Appeal made, if any (give details)
<b>A. Company</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>B. Directors</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>C. Other Officers in Default</b>					
Penalty			NIL		
Punishment					
Compounding					

Kolkata  
27th May, 2022

For & on behalf of the Board

**Sanjay Bagaria**  
Chairman

## Annexure to Directors' Report – II

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

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

#### (A) Conservation of energy

- I. (a) **The steps taken for conservation of energy:**
  1. Energy consumption at each plant and office has been analyzed to understand the potentiality of energy savings,
  2. Proper job planning and scheduling of machine operations in plants have fetched reasonably good results in energy savings, and
  3. Conventional high power consuming machines are gradually being replaced with modern high-tech machines with low power consumption.
- (b) **Impact of the steps taken on conservation of energy:**
  1. Cost of energy shall be saved to a great extent in future years, and
  2. Power factor shall be improved.
- II. The steps taken by the Company for utilising alternate sources of energy – The same is being considered actively.
- III. The capital investment on energy conservation equipments – A sum of Rs. 10 lakh is being provided for such purpose during the Financial Year ending 31st March, 2023.

#### (B) Technology absorption

- I. **Research & Development (R & D)**
  - i) **Specific Areas:**  
Efforts are being made to upgrade all products of the Company with the help of the respective collaborators.
  - ii) **Benefits derived:**  
Satisfaction of end users and better price negotiation.
  - iii) **Future plan of action:**  
Company will continue such efforts in order to enhance its business.
- II. **Technology Absorption, Adaptation and Innovation**
  - i) **Efforts made:**  
Company is in continuous touch with its collaborators for any upgradation/ innovation.
  - ii) **Benefits derived:**  
Receiving latest developments in technology and manufacturing process from the collaborators.
  - 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	2019-20	No	Technology transfer is under process

#### (C) Foreign exchange Earnings and Outgo

During the year, foreign exchange earnings was Rs. 658.68 lakh (Previous Year – Rs. 573.53 lakh) against outgo of Rs. 1322.53 lakh (Previous Year – Rs. 930.01 lakh).

Kolkata  
27th May, 2022

For & on behalf of the Board  
**Sanjay Bagaria**  
Chairman

## Annexure to Directors' Report – III

### 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 (FY) 2021-22 as compared to the previous FY 2020-21, and the ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the FY 2021-22 are as under:-

Sl. No.	Name of the Director/ KMP and Designation	% increase (decrease) in remuneration in the Financial Year 2021-22 over Financial Year 2020-21	Ratio of Remuneration of each Director to median remuneration of employees for FY 2021-22
1	Mr. Sanjay Bagaria (Non-Executive Chairman)	694.56*	4.15
2	Mr. Ratan Lal Gaggar (Independent Director)	7.69	0.66
3	Mrs. (Prof.) Bharati Ray (Independent Director)	0.00	0.57
4	Mr. Sandipan Chakravorty (Independent Director)	0.00	0.52
5	Mr. Sanjoy Saha (Non-Executive Director)	(16.67)	0.24
6	Mr. Indrajit Sen (Managing Director)	14.09	52.50
7	Mr. Asish Kumar Neogi (Chief Financial Officer)	24.93	N.A.
8	Mr. P. R. Sivasankar (Company Secretary) – from 01.02.2021	602.27#	N.A.

\* Not comparable as entitled to Commission on profits in FY 2021-22 due to profit in the year whereas not entitled to Commission on profits in FY 2020-21 due to loss in the year.

# Not comparable as appointed with effect from 1st February, 2021, i.e. was employed as Company Secretary for only a part of the FY 2020-21.

- (ii) The median remuneration of the employees of the Company for the FY ended 31st March, 2022 was Rs. 4,21,428.
- (iii) During the FY ended 31st March, 2022, the median remuneration of employees increased by 39.87%.
- (iv) The number of permanent employees on the rolls of the Company as on 31st March, 2022 was 512.
- (v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2021-22 was 19.43% whereas increase in the Managerial Remuneration for the same financial year was 14.09%.
- (vi) It is hereby affirmed that the remuneration paid during the Financial Year ended 31st March, 2022 is in accordance with the Remuneration Policy of the Company.

## Annexure to Directors' Report – III (Contd.)

### 2. PARTICULARS OF EMPLOYEES DRAWING REMUNERATION ABOVE THE PRESCRIBED LIMIT AND TOP TEN EMPLOYEES IN TERMS OF REMUNERATION DRAWN DURING THE FY 2021-22

Name	Age (Years)	No. of Shares held	Designation & Nature of Duties	Remuneration (₹)	Qualification	Experience (Years)	Date of Commencement of Employment	Last Employment
Mr. Indrajit Sen	82	NIL	Managing Director	2,21,25,000	B.E.(Mech)	60	14.12.1971	Hooghly Docking & Engg. Co. Ltd.
Mr. Rana Pratap Singh	55	NIL	Senior Vice-President & Chief Operating Officer-Heavy Engg. Divn.	77,46,200	B.E., PGDM	33	01.08.2018	FL Smidth Pvt. Ltd., Chennai
Mr. Manish Bakshi	43	NIL	Head of All India & Export Marketing-BMD	49,05,478	B.Com., MBA (Mktg.)	22	15.05.2019	Kerakoll India
Mr. Asish Kumar Neogi	66	NIL	Chief Financial Officer	48,56,254	B.Com., ACMA	42	01.08.1997	Anglo India Jute Co Ltd
Mr. Debasish Dutta	56	NIL	Asstt. Vice-President (Marketing) - HED	44,89,294	B.E. (Mech)	32	01.02.1991	Lloyd Insulation (I) Pvt Ltd
Mr. Swapan Kumar Goswami	71	20	Vice-President (Crushers & Dryers)	42,11,883	B.E. (Mech)	49	14.06.1983	The Gramophone Co. of India Ltd
Mr. Ranjan Sen	60	NIL	Asstt. Vice-President (Marketing) – Bauer Divn.	38,78,314	B.E. (Mech.), PGDBM (Mktg. & Finance)	40	01.09.2006	MAN Turbo India Pvt. Ltd. (Sulzer India Ltd.)
Mr. Asish Bharadwaj	64	NIL	Asstt. Vice-President (IT)	38,32,454	B.Sc.	42	27.06.1984	BES Consultancy Services (India) Pvt. Ltd.
Mr. Uttam Kumar Pal	68	100	Asstt. Vice-President (Design)	36,37,804	B. Tech., PGDBM	46	17.04.1986	Lagan Jute Machinery Co. Ltd.
Mr. Niraj Vijay Deshpande	53	NIL	General Manager (Operations) – Bauer Divn.	35,44,819	Diploma in Mechanical Engineering	31	30.09.2008	Bajaj Auto 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.
- 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

Kolkata  
27th May, 2022

**Sanjay Bagaria**  
Chairman

## Annexure to Directors' Report – IV

Form No. MR-3

### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2022

*[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, 2022 [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, 2022 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, 2018 (**Not applicable to the Company during the Audit Period**);

## Annexure to Directors' Report – IV (Contd.)

- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 / Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (**Not applicable to the Company during the Audit Period**);
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**Not applicable to the Company during the Audit Period**);
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (**Not applicable to the Company during the Audit Period**);
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (**Not applicable to the Company during the Audit Period**);
- (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, 2018; and
- (k) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013 / Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (**Not applicable to the Company during the Audit Period**).

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 Agreement entered into by the Company with The Bombay Stock Exchange Limited (BSE).

During the period under review, the Company has complied with the applicable 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, 2022, 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. The changes, if any, in the composition of the Board of Directors of the Company that took place during the period under review were carried out in compliance with the provisions of the Act.

## Annexure to Directors' Report – IV (Contd.)

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

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

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

I further report that during the Audit Period, –

- i) The shareholders of the Company, vide a Special Resolution passed at their 85th Annual General Meeting held on 29th September, 2021, accorded their approval to the re-appointment of Mr. Indrajit Sen as the Managing Director of the Company for a further period of three years with effect from 1st May, 2021.

Place: Kolkata  
Date: 27th May, 2022

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

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



**‘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.

Place: Kolkata  
Date: 27th May, 2022

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



# Management Discussion and Analysis Report

The Management Discussion & Analysis Report for the Financial Year ended 31st March, 2022 as required under Regulation 34 of the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, read with Schedule V to the said Regulations, is presented below:

## 1. Industry Structure & Developments

The COVID-19 global pandemic continued till the end of the second quarter of the Financial Year 2021-22, which adversely affected the operations in the early part of the Financial Year, but though the situation improved progressively thereafter, a more serious problem of severe disruption and near collapse in supply chain came up globally. This affected most manufacturing companies world-wide and was also a major challenge for our Company.

The other serious challenge faced by the manufacturing industry in India and even globally was the sharp and abnormal increase of cost of all input materials which went up between 40% to over 200%.

Despite such unfavourable situation, the revenue from operations for the year under review has increased to Rs. 16889 lakh as against Rs.10955 lakh for the previous year and which resulted in a profit before tax of Rs. 527 lakh for the year under review as against a loss before tax of Rs. 661 lakh for the previous year.

The improved performance of the Company for the year under review, in the backdrop of these two major unprecedented challenges of near collapse of supply chain and uncontrolled increase of input costs, has been possible only because of the extra-ordinary efforts by the management and strong commitments of all employees.

## 2. Strength & Opportunities

For the products manufactured by Heavy Engineering Division & Gear Box and Geared Motor Division, your Company is recognised as a technology leader. The Company, however, is consistently upgrading its technology for the products of these divisions.

The manufacture of various building material products such as Dry Mortars with advanced technology under licence agreement from CAPA, Spain, have received excellent market response and acceptance, which has resulted in the increase in turnover of the Building Material Division during the year under review, though the Division is yet to break-even. The requirement of such high end products are expected to grow further in the coming years.

## 3. Threats

The severe disruption in the supply chain due to the COVID-19 pandemic, though less pronounced now, continues to be a challenge even now for the industry and the Company.

One has also to recognise that a big part of the operations of the Company is supply of capital machinery to various projects in the core sector industries such as steel plants, mining industry etc. Unfortunately, the time between finalisation of order, supply of the machinery and commissioning of the same can take a few years and the unstable and rising input costs therefore continues to be a matter of great concern. The Company is making all necessary efforts to circumvent this risk.

## 4. Risks & Concerns

The Risk Management Plan adopted by the Board specifies periodic identification of risks likely to affect the business adversely, rating the risks, their importance, risk identification procedures and implementation of risk mitigation plans. The executive management is continuously monitoring the identification of the risks in various business areas & is also developing various mitigation strategies & plans in these areas to reduce or eliminate the likelihood of such risks.

## Management Discussion and Analysis Report (Contd.)

The presence in India of players with low cost products has intensified the competition in the large domestic market consequently shrinking the margin for the Company's products. Managing the Company's funds and liquidity, particularly during this period of the COVID-19 pandemic and its aftermath, is considered as the key factor. Therefore, collection of sale proceeds promptly from the customers is also considered as an area where risk is involved. Paucity of funds of our customers in various sectors particularly in the steel industry is a cause for concern.

### 5. Outlook

In view of the pandemic, most capital expenditures were under suspension across the industry for nearly two years and from the third quarter of the Financial Year 2021-22, the capital investments resumed and the Company has been receiving large number of orders for all Divisions. This trend is expected to continue in the current and next financial year. This high growth in demand, however, cannot continue indefinitely and will surely plateau over a period of time.

Your Company expects growth and the good performance to continue in the current and next financial year and to sustain the growth on long-term, the Company will have to expand the operation in other areas.

The Company would also like to mention that though there has been substantial improvement in the performance of the Building Material Division, the Division continues to suffer some loss. This division is expected to turn profitable shortly, based on the demand pattern seen recently and the potential of the division. For strengthening the product portfolio of the division, the Company shall launch shortly various advanced water proofing products and solutions in collaboration with Cementos CAPA, Spain.

### 6. Internal Control Systems and their Adequacy

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

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

The Internal Control Systems are routinely tested by the Management, the Statutory Auditors and the Internal Auditors, who submit their Reports on half-yearly basis to the Management and the Audit Committee. The Audit Committee reviews the reports of the Internal Auditors and addresses significant issues raised by both the Internal Auditors and the Statutory Auditors.

The Committee also follows up the implementation of the corrective actions suggested by the Auditors in order to ensure the adequacy of the Internal Control Systems.

### 7. Financial /Operational Performance

(₹ in lakh)

Particulars	2021-2022	2020-2021
Revenue from Operations	16889	10955
Profit/(Loss) Before Tax	527	(661)
Exceptional Items	-	-
Profit/(Loss) after Tax	415	(517)
Net Cash Flow from Operations	839	1125
Profit/ (Loss) Before Tax to Sale (%)	3.12	(6.03)
Basic E.P.S. (Rs.)	17.37	(21.61)

## Management Discussion and Analysis Report (Contd.)

### 8. Segment-wise Performance

(₹ in lakh)

Particulars	2021-2022	2020-2021
<b>Segment revenue (Sales &amp; Other Operating Income)</b>		
a) Mineral & Material processing & Handling Equipment	10021	6351
b) Geared Motor and Gear Box	5399	3787
c) Building Material	1553	822
<b>Net Sales/Income &amp; Inter-Divisional Transfer</b>	<b>16973</b>	<b>10960</b>
Less: Inter-Segment Transfer	84	5
<b>Net Sales/Income from Operations</b>	<b>16889</b>	<b>10955</b>
<b>Segment Result (Profit before Tax &amp; Interest)</b>		
a) Mineral & Material processing & Handling Equipment	2653	1802
b) Geared Motor and Gear Box	295	(313)
c) Building Material	(300)	(346)
<b>Total</b>	<b>2648</b>	<b>1143</b>
Less: Finance Cost	169	231
Other Unallocable Expenditure, net of unallocable Income	1952	1573
<b>Total Profit/(Loss) before Tax</b>	<b>527</b>	<b>(661)</b>

### 9. Details of Key Financial Ratios & Return on the Net Worth

Details of Key Financial Ratios, alongwith detailed explanations for significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) and Return on Net Worth, alongwith detailed explanations for any changes in the same as compared to the immediately previous financial year are given below:-

Sl. No.	Particulars	Current FY ended March 31, 2022	Previous FY ended March 31, 2021	% Change between Current FY & Previous FY
1	Debtors' Turnover Ratio	5.07	3.12	62.50%
2	Inventory Turnover Ratio	3.75	2.42	54.96%
3	Interest Coverage Ratio	4.12	(1.86)	321.51 %
4	Current Ratio	1.91	1.75	9.14 %
5	Debt Equity Ratio	0.09	0.16	(43.75)%
6	Operating Profit Margin (%)	3.54 %	(5.21)%	167.95 %
7	Net Profit Margin (%)	2.44 %	(4.66)%	152.36 %
8	Return on Net Worth (%)	4.53 %	(5.61)%	180.75 %

#### Notes:

- The above ratios are based on the financial statements of the Company.
- Previous year's figures have been rearranged wherever necessary.
- Debtors' Turnover Ratio and Inventory Turnover Ratio have improved considerably during the Financial Year 2021-22 due to the higher sales turnover during the said year.

## Management Discussion and Analysis Report (Contd.)

4. Interest Coverage Ratio improved substantially during the Financial Year 2021-22 due to higher Earnings before Interest & Taxes as well as lower interest cost during the said year.
5. Debt-Equity Ratio has significantly improved during the Financial Year 2021-22 due to repayment of both long-term & short-term debt during the said year as well as higher profits during the said year leading to higher shareholders' funds as at the end of the year.
6. Due to the much higher sales turnover during the year under review, the operating loss during the previous year changed to operating profit during the year under review, resulting in a significant improvement in operating profit margin.
7. Due to the much higher sales turnover during the year under review, the net loss during the previous year changed to net profit during the year under review, resulting in a significant improvement in the net profit margin.
8. Due to the much higher sales turnover during the year under review resulting in the net loss during the previous year being changed to net profit during the year under review, the return on net worth during the Financial Year 2021-22 improved considerably.
9. Thus, all the ratios have seen significant improvement during the year due to much better financial performance of the Company.

### 10. Human Resources/Industrial Relations

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 at all units of the Company remained cordial.

The number of personnel employed by the Company across all its units and offices was 512 as on 31st March, 2022.

### 11. Cautionary Statement

Certain statements in this reports 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 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: 27th May, 2022

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, 2022 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 2022, comprised of 6 (six) members with one Executive Director – the Managing Director - and five Non-Executive Directors, three of whom are 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. On 5th July, 2022, the Company received a notice of resignation from the Board of Directors of the Company from Mrs. (Prof.) Bharati Ray, Independent Woman Director, due to her advanced age and health-related issues. The Board, at its meeting held on 26th July, 2022, appointed Ms. Nayantara Palchoudhuri as an Independent Woman Director in place of Mrs. (Prof.) Ray, subject to shareholders' approval at their ensuing 86th AGM.

(ii) Attendance of the Directors at the Board Meetings of the Company held during the year ended 31st March, 2022 and at the last Annual General Meeting (AGM) along with number of other Directorship(s), other Committee Membership(s)/ Chairmanship(s) and the Directors' shareholding as on date, are given below:-

Sl. No.	Name of Director	Nature of Category	No. of Board Meetings attended	Attendance at last AGM held on 29.09.2021	No. of Other Directorships*	Other Membership of Committees*		Shares held (Nos.)
						Chairman	Member	
1.	Mr. Sanjay Bagaria	Chairman & Non-Executive Director (Promoter)	5	Yes	3	-	-	43,900
2.	Mr. Indrajit Sen	Managing Director (Non-Promoter)	5	Yes	-	-	-	-

## Report on Corporate Governance (Contd.)

Sl. No.	Name of Director	Nature of Category	No. of Board Meetings attended	Attendance at last AGM held on 29.09.2021	No. of Other Directorships*	Other Membership of Committees*		Shares held (Nos.)
						Chairman	Member	
3.	Mr. Ratan Lal Gaggar	Non-Executive Independent Director	5	Yes	6	1	5	-
4.	Mrs. (Prof.) Bharati Ray@	Non-Executive Independent Woman Director	5	Yes	-	-	-	-
5.	Mr. Sandipan Chakravortty	Non-Executive Independent Director	5	Yes	3	-	1	-
6.	Mr. Sanjoy Saha	Non-Executive Director	5	Yes	-	-	-	-
7.	Ms. Nayantara Palchoudhuri#	Non-Executive Independent Woman Director	N.A.#	N.A.#	7	-	9	-

@Ceased to a Director with effect from 5th July, 2022 due to her resignation from the Board.

#Appointed by the Board as an Additional Independent Woman Director on 26th July, 2022, subject to shareholders' approval by means of a Special Resolution proposed at their forthcoming 86th AGM.

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

- None of the Directors on the Board is a member of more than 10 Committees or Chairman of more than 5 Committees [as specified in Regulation 26 of the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015] across all the Companies in which he/she is a Director.
- There is no relationship among the Directors inter-se.

(iii) The names of the other listed entities, where each Director of the Company is a Director and the category of Directorship therein are as follows:-

Sl. 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 Gaggar	● Duroply Industries Ltd.	Independent Director
		● Sumedha Fiscal Services Limited	Independent Director
		● Shree Cement Limited	Independent Director
4.	Mrs. (Prof.) Bharati Ray	-	-
5.	Mr. Sandipan Chakravortty	Ramkrishna Forgings Limited	Independent Director
		Asian Hotels (East) Limited	Independent Director

## Report on Corporate Governance (Contd.)

Sl. No.	Name of the Director	Other Listed Entities where he/she is a Director	Category of Directorship therein
6.	Mr. Sanjoy Saha	-	-
7.	Ms. Nayantara Palchoudhuri	Rossell India Limited	Independent Woman Director
		Vesuvius India Limited	Independent Woman Director
		Titagarh Wagons Limited	Independent Woman Director
		Ludlow Jute & Specialities Ltd.	Independent Woman Director
		Nicco Parks & Resorts Limited	Independent Woman Director

- (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.

Sl. No.	Core skill/expertise/competency required by Board as identified by it	Whether available with the Board and the names of the Directors who possess the same
1.	In-depth technical and business knowledge of the Heavy Engineering Industry	Yes (Mr. Sanjay Bagaria, Mr. Indrajit Sen, Mr. Sandipan Chakravorty & Mr. Sanjoy Saha)
2.	In-depth technical and business knowledge of the Geared Motors/ Gear Boxes Industry	Yes (Mr. Sanjay Bagaria, Mr. Indrajit Sen & Mr. Sandipan Chakravorty)
3.	In-depth technical and business knowledge of the Building Materials/ Construction / Real Estate / Infrastructure Industry	Yes (Mr. Sanjay Bagaria, Mr. Indrajit Sen & Mr. Sandipan Chakravorty)
4.	Knowledge of accounting, financial management and audit areas	Yes (Mr. Indrajit Sen, Mr. Ratan Lal Gaggar & Mr. Sandipan Chakravorty)
5.	Knowledge of legal/ regulatory/ secretarial / compliance and corporate governance areas	Yes (Mr. Sanjay Bagaria, Mr. Indrajit Sen, Mr. Ratan Lal Gaggar & Mr. Sandipan Chakravorty)
6.	Knowledge of other functional business areas like purchases & procurement, sales & marketing and human resources management & general administration	Yes (Mr. Sanjay Bagaria, Mr. Indrajit Sen, Mr. Sandipan Chakravorty & Mr. Sanjoy Saha)
7.	Knowledge of risk management areas	Yes (Mr. Sanjay Bagaria, Mr. Indrajit Sen & Mr. Sandipan Chakravorty)
8.	Knowledge of environmental management, sustainable development and Corporate Social Responsibility (CSR) areas	Yes (Mr. Sanjay Bagaria, Mr. Indrajit Sen, Mr. Ratan Lal Gaggar, Mr. Sandipan Chakravorty & Ms. Nayantara Palchoudhuri)

- 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 2021-22, had resigned before the expiry of his/ her tenure. However, on 5th July, 2022, the Company received a notice of resignation from the Board of Directors of the Company from Mrs. (Prof.) Bharati Ray, due to her advanced age and health-related issues. Mrs. (Prof.) Bharati Ray had resigned before the expiry of her tenure but had confirmed that there were no other material reasons for her resignation except her advanced age and health-related issues.

## Report on Corporate Governance (Contd.)

### (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, 5 (five) Board Meetings were held - on 19.04.2021, 28.06.2021, 09.08.2021, 02.11.2021 & 31.01.2022. 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 86th 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 2022, 5 (five) Meetings of the Audit Committee were held - on 14.05.2021, 28.06.2021, 09.08.2021, 02.11.2021 & 31.01.2022. The composition of the Audit Committee along with the attendance of each member during the year are given below:-

Name of Director	Designation	Profession	Committee Meetings	
			Held	Attended
Mr. Ratan Lal Gagar	Chairman	Solicitor & Advocate	5	5
Mr. Indrajit Sen	Member	Engineer	5	5
Mr. Sandipan Chakravorty	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:

- 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;



## Report on Corporate Governance (Contd.)

- 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, 2022, 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 three times – 01.09.2021, 25.10.2021 & 24.11.2021, which were attended to by all the then members.

## Report on Corporate Governance (Contd.)

However, on 26th July, 2022, Ms. Nayantara Palchoudhuri was inducted as a member of the said Committee in place of Mrs. (Prof.) Bharati Ray, who had resigned from the Board with effect from 5th July, 2022.

### (c) Investors' Complaints

Mr. P. R. Sivasankar, 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.

The status of investors' complaints, including its final resolution and disposal, are also monitored periodically by the Share Transfer & Stakeholders' Relationship Committee of the Board of Directors of the Company. 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. P. R. Sivasankar  
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 : pr.sivasankar@internationalcombustion.in  
(for Investors' complaint).

The number of shareholders' complaints received during the Financial Year 2021-22 was NIL. There were no shareholders' complaints pending or lying unresolved as at the end of the Financial Year 2021-22.

### (d) IEPF Matters

The Board of Directors of the Company have nominated Mr. P. R. Sivasankar, Company Secretary, as the Nodal Officer of the Company for the purposes of verification of claims relating to the equity shares/ dividend transferred or that may be transferred to the Investor Education and Protection Fund (IEPF) / IEPF Authority and for coordination with the IEPF Authority, as required under the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

Further, the Board of Directors have nominated Mr. Asoke Kamal Manna, Manager (Finance), as the Deputy Nodal Officer of the Company to assist the Nodal Officer for the purposes of verification of claims relating to the shares/ dividend transferred or that may be transferred to the IEPF/ IEPF Authority and for coordination with the IEPF Authority.

### (iii) Nomination & Remuneration Committee

As on 31st March, 2022, the Nomination & Remuneration Committee comprised of three Directors, viz. Mr. Ratan Lal Gaggar, Independent Director & Chairman of the Committee, Mrs. (Prof.) Bharati Ray, 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

## Report on Corporate Governance (Contd.)

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

During the Financial Year 2021-22, the Committee met twice – on 19th April, 2021 and 9th August, 2021 - which was attended to by all the then members of the Committee.

However, on 26th July, 2022, Ms. Nayantara Palchoudhuri was inducted as a member of the said Committee in place of Mrs. (Prof.) Bharati Ray, who had resigned from the Board with effect from 5th July, 2022.

The Board had 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.

The criteria of making payments to non-executive directors has been disseminated on the Company's website (weblink: <https://www.internationalcombustion.in/pdf/other/NED.pdf>).

### D. Details of Directors' Remuneration for the year ended 31st March, 2022

Name	Salary Rs.	Perquisites & Allowances Rs.	Retirement Benefits	Commission Rs.	Sitting Fees Rs.	Total Rs.
a) Executive Directors :						
Mr. Indrajit Sen, Managing Director	1,10,62,500	1,10,62,500	-	-	-	2,21,25,000
b) Non-Executive Directors :						
Mr. Sanjay Bagaria	-	-	-	15,28,038	2,20,000	17,48,038
Mr. Ratan Lal Gaggar	-	-	-	-	2,80,000	2,80,000
Mrs. (Prof.) Bharati Ray	-	-	-	-	2,40,000	2,40,000
Mr. Sandipan Chakravortty	-	-	-	-	2,20,000	2,20,000
Mr. Sanjoy Saha	-	-	-	-	1,00,000	1,00,000
	-	-	-	-	10,60,000	2,47,13,038

- The tenure of the Managing Director expired at the close of business hours on 30th April, 2021. Considering the recommendations of the Nomination and Remuneration Committee of the Board, the Board of Directors of the Company, at its meeting held on 19th April, 2021, re-appointed Mr. Indrajit Sen as the Managing Director (MD) of the Company for a further period of three years with

## Report on Corporate Governance (Contd.)

effect from 1st May, 2021 and the same was duly approved by the shareholders of the Company by means of a Special Resolution passed at their 85th Annual General Meeting held on 29th September, 2021. 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 Non-Executive 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 and the same is proposed to be renewed for a further period of two years with effect from the Financial Year 2022-23, subject to approval of the shareholders at their ensuing 86th AGM.
- Each Non-Executive Director is, with effect from 1st January, 2020, paid a sitting fee of Rs. 20,000/- 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.
- There are no other performance-linked incentives enjoyed by any other Director of the Company.

### E. General Body Meetings:

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

Financial Year	Date	Time	Location	No. of Special Resolutions Passed
2020-21	29.09.2021	2.00 P.M.	Through Video-Conferencing (VC) / Other Audio-Visual Means (OAVM)	2 (Two)*
2019-20	29.09.2020	2.00 P.M.	Through Video-Conferencing (VC) / Other Audio-Visual Means (OAVM)	1 (One)#
2018-19	04.09.2019	2.00 P.M.	Kala Kunj, 48, Shakespeare Sarani, Kolkata 700017	5 (Five)\$

\* Special Resolutions for re-appointment of Mr. Indrajit Sen as the Managing Director of the Company and for ratification of a part of the remuneration foregone by him during his previous tenure were passed through Remote Electronic-Voting & Insta Poll at the 85th Annual General Meeting held on 29th September, 2021 with 53.69% participation. 99.99% 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 & Insta Poll. National Securities Depository Limited was appointed as the Remote E-Voting & Insta Poll Agency for the same.

# A Special Resolution for appointment of Mr. Sanjoy Saha as a Non-Executive Director of the Company was passed through Remote Electronic-Voting & Insta Poll at the 84th Annual General Meeting held on 29th September, 2020 with 53.68% participation. 99.99% 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 & Insta Poll. National Securities Depository Limited was appointed as the Remote E-Voting & Insta Poll Agency for the same.

## Report on Corporate Governance (Contd.)

- § Special Resolutions for approving continuance in office & 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 managerial remuneration in excess of 11% of the net profits of the Company and payment of remuneration to Non-Executive Chairman of an amount in excess of 50% of the aggregate sum total of the remuneration payable to all Non-Executive Directors of the Company put together, were passed through Remote Electronic-Voting & Poll at the 83rd Annual General Meeting held on 4th September, 2019 with 52.82% 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.
- No Special Resolution was passed through Postal Ballot during the Financial Year 2021-22.
  - Special Resolutions for appointment of Ms. Nayantara Palchoudhuri as an Independent Director, for approving continuance in office of Mr. Sandipan Chakravortty as an Independent Director, for payment of commission to Non-Executive Chairman @ 2% of the net profits of the Company for a further period of three years with effect from FY 2021-22 and for ratification of a portion of the remuneration foregone by the Managing Director during FY 2021-22, are all proposed to be considered through Remote Electronic-Voting & Insta Poll at the forthcoming 86th Annual General Meeting scheduled to be held on 21st September, 2022.

### F. Disclosures

#### (a) Related party transactions

The Company did not have any reportable related party transactions during the Financial Year ended 31st March, 2022 in the real sense of the term and the only transactions of the Company which may remotely be considered as reportable related party transactions, owing to the fact that they may be considered to be technically falling within the meaning of the term under the applicable accounting standards, are the remuneration / sitting fees drawn by its Key Managerial Personnel / other Non-Executive Directors, which are duly covered under the Remuneration Policy of the Company and well within the limits prescribed by law and / or already duly approved by the Audit Committee/ Nomination & Remuneration Committee / Board of Directors / Shareholders, as the case may be, as required under law. Further the Company did not have any subsidiary, associate or JV during the whole of FY 2021-22 and no other 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. 43 of the Notes to the Financial Statements for the year ended 31st March, 2022.

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

#### (b) Disclosure of accounting treatment

During the Financial Year 2017-18, the Company had adopted and migrated to the Indian Accounting

## Report on Corporate Governance (Contd.)

Standards (IND AS), the transition date being 1st April, 2016 and its Financial Statements for the Financial Year ended 31st March, 2022 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 2022, these procedures for risk assessment and minimization have been updated wherever considered necessary. These have been disclosed in the Management Discussion and Analysis Report forming a part of the Directors' Report. The statutory requirement of formation of the Risk Management Committee is not applicable to the Company at present.

### (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 for the Financial Year ended 31st March, 2022, 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](http://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 had been adopted by the Board 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 during the Financial Year 2021-22 or earlier.

## 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, 2022, 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 / Half-Yearly and Annual Financial Results are normally published in leading English Daily newspaper (Business Standard - 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](http://www.internationalcombustion.in). No official press releases/ news releases or presentations to institutional investors/ analysts on the financial results are made by the Company at present.

### (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 consecutive term of five years with the consent of the shareholders vide a Special Resolution. Independent Directors are now not liable to retire by rotation in terms of the Act. 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. Further, as per Regulation 25(2A) of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, brought into force with effect from 1st January, 2022, the appointment or re-appointment of every independent director shall be subject to the approval of shareholders by way 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 and approved by 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.

## Report on Corporate Governance (Contd.)

The details of familiarization programmes for Independent Directors has been posted on the website of the Company (weblink: [https://www.internationalcombustion.in/pdf/other/FAM\\_PROG\\_ID.pdf](https://www.internationalcombustion.in/pdf/other/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(s) is submitted to the Stock Exchange within twenty-one days of the end of the quarter.

### **(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, 2022 and the same is annexed to the Directors' Report & being sent to the shareholders and Stock Exchange 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, including all the mandatory and applicable requirements as specified in Regulations 17 to 27 of the said Regulations as well as the requirement as to maintenance of a functional official website of the Company and including all the specified information therein as required under Regulation 46 of the said Regulations. The Company has also 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,
- The Auditors' Report to the shareholders of the Company on the Financial Statements of the Company for the Financial Year ended 31st March, 2022 is with unmodified audit opinion, and
- As the Internal Auditors of the Company are appointed by the Board of Directors on the recommendations of the Audit Committee and as the Internal Audit Reports are placed before the Audit Committee, which is empowered to take such action on the basis of the Report as it may deem necessary, the Internal Auditors are effectively reporting directly to the Audit Committee.

(n) As at the close of the Financial Year 2021-22, the Company has no subsidiary, associate or joint venture.

## **G. General Shareholders' Information:**

### **(a) Annual General Meeting:**

The 86th Annual General Meeting of the shareholders of the Company has been convened on Wednesday, the 21st September, 2022 at 2.00 P.M. IST through Video-Conferencing ("VC") / Other



## Report on Corporate Governance (Contd.)

Audio-Visual Means (“OAVM”) in compliance with the applicable provisions of the Companies Act, 2013, and the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, read with the Ministry of Corporate Affairs, Government of India, General Circulars No. 20/2020 dated 5th May, 2020 & No. 02/2022 dated 5th May, 2022 and Securities & Exchange Board of India Circulars SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 & SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13th May, 2022.

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

(c) **Financial Calendar:**

Sl. No.	Events	Dates
1	Audited Annual Results for FY 2021-22	May 27, 2022
2	E-Mailing of Annual Reports FY 2021-22	By 30th August, 2022
3	First Quarter Results (30th June, 2022)	26th July, 2022
4	86th Annual General Meeting	September 21, 2022
5	Second Quarter Results (30th Sept., 2022)	By 11th November, 2022
6	Third Quarter Results (31st Dec., 2022)	By 10th February, 2023
7	Audited Annual Results for FY 2022-23	By 30th May, 2023

(d) **Book Closure:**

The Share Transfer Books and Register of Members of the Company shall remain closed from Thursday, 15th September, 2022 to Wednesday, 21st September, 2022 (both days inclusive) for the purpose of AGM & for payment of Dividend.

(e) **Dividend Payment:**

Dividend, if declared at the Annual General Meeting, will be paid on and from Thursday, 29th September, 2022, to those members/beneficial owners whose names appear on the Register of Members as at the close of business on Wednesday, 14th September 2022.

(f) **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.

(g) **Listing Fees**

The Company has paid the listing fees upto the Financial Year 2022-23 to the BSE.

(h) **Custodial Fees to Depository**

The Company has paid the custodial fees upto the Financial Year 2022-23 to the Central Depository Services (India) Limited [CDSL] and the National Securities Depository Limited [NSDL].

(i) **Stock Codes:** BSE: 505737

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

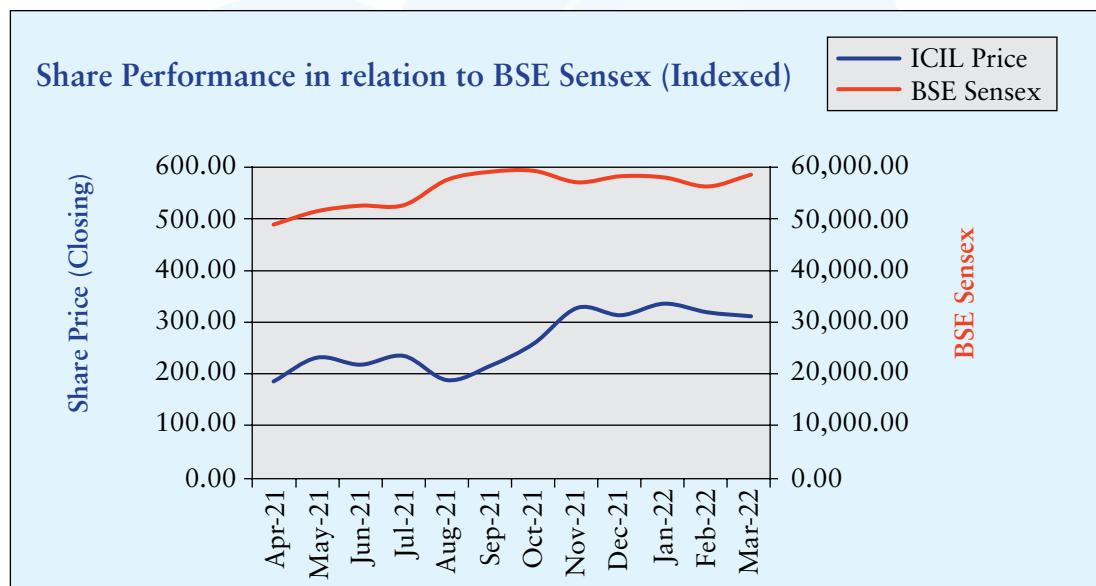
## Report on Corporate Governance (Contd.)

(k) (i) **Stock Market price data: (1st April, 2021 to 31st March 2022)**

Month/Year	Bombay Stock Exchange Ltd. (BSE)	
	High (Rs.)	Low (Rs.)
April 2021	189.80	151.30
May 2021	265.00	172.10
June 2021	233.70	206.50
July 2021	249.00	205.05
August 2021	238.80	166.25
September 2021	212.90	177.40
October 2021	279.75	202.55
November 2021	349.50	253.05
December 2021	338.00	302.70
January 2022	336.50	306.00
February 2022	366.00	295.00
March 2022	339.00	290.00

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

The performance of the Company's equity share scrip on the Bombay Stock Exchange Limited (BSE) in comparison to the BSE Sensex during the Financial Year 2021-22 is graphically represented in the chart below:



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

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

## Report on Corporate Governance (Contd.)

### (m) Share Transfer System

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

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.

Further, SEBI, vide its Circular dated 7th September, 2020, had fixed 31st March, 2021, as the cut-off date for re-lodgment of transfer requests and had stipulated that such transferred shares shall be issued only in dematerialized mode. Also, SEBI, vide its Circular dated 2nd December, 2020, had issued detailed operational guidelines for crediting the transferred shares directly into the demat account of the transferee.

### (n) Distribution of Shareholding as on 31st March, 2022:

No. of Shares	Shareholders		Shareholding	
	Number	%	No. of Shares held	%
1-500	4938	93.06	379856	15.89
501-1000	189	3.56	140487	5.88
1001-2000	89	1.68	125629	5.26
2001-3000	29	0.55	72801	3.05
3001-4000	12	0.23	40654	1.70
4001-5000	10	0.19	47119	1.97
5001-10000	16	0.30	112456	4.70
10001-50000	15	0.28	302305	12.65
50001-100000	5	0.09	375569	15.71
100001 & above	3	0.06	793400	33.19
<b>Total</b>	<b>5306</b>	<b>100.00</b>	<b>23,90,276</b>	<b>100.00</b>

## Report on Corporate Governance (Contd.)

### (o) Pattern of Shareholding as on 31st March, 2022:

Sl. No.	Category	No. of Share-holders	No. of Shares	Percent-age 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)	66	24,065	1.01
4.	Bodies Corporate	41	19,766	0.83
5.	Resident Individuals	5075	10,07,215	42.14
6.	Clearing Members	6	711	0.03
7.	HUF	97	41,412	1.73
8.	LLP	2	3,036	0.13
9.	Investor Education and Protection Fund Authority	1	31,889	1.33
	<b>Total</b>	<b>5306</b>	<b>23,90,276</b>	<b>100.00</b>

### (p) Dematerialisation of Shares:

As on 31st March, 2022, 97.96% of the Company's total paid-up equity capital representing 23,41,611 equity shares were held in dematerialized form and the balance 2.04% representing 48,665 equity 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	568	10.70	48,665	2.04
Dematerialised Form with NSDL	2731	51.47	18,89,916	79.07
Dematerialised Form with CDSL	2007	37.83	4,51,695	18.90
<b>Total</b>	<b>5306</b>	<b>100.00</b>	<b>23,90,276</b>	<b>100.00</b>

### (q) Liquidity

The average daily number of equity shares of the Company's scrip traded on the Bombay Stock Exchange Limited (BSE) during the Financial Year 2021-22 was 2,455 and the average daily turnover for the scrip on BSE during the Financial Year 2021-22 was Rs. 6.75 lakh.

### (r) Outstanding Convertible Instruments:

No securities/ instruments/GDRs/ ADRs/ warrants convertible into equity shares of the Company are outstanding as on 31st March, 2022.

### (s) Share Capital Reconciliation Audit Report

As stipulated by the Securities and Exchange Board of India, a qualified Practising Company Secretary has been appointed to carry out the Share Capital Reconciliation Audit at quarterly intervals to reconcile the total admitted Capital held in dematerialised form in National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and in physical form with the total issued and listed Capital. The Audit is carried out every quarter and the Report thereon is submitted to the Stock Exchange 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.

## Report on Corporate Governance (Contd.)

- (t) **Foreign Exchange / Commodity Price Risk Exposure:** The Company has limited exposure to foreign exchange rate fluctuations due to its low level of import and export activities, absence of external commercial borrowings and very limited foreign currency capex buyers' credit from bank. 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.
- (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, 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, 21,127 equity shares in November, 2017, 1,803 equity shares in October, 2018, 2,367 equity shares in November, 2019, 3,105 equity shares in November, 2020 and 4,567 equity shares in November, 2021, altogether aggregating to 32,969 equity shares of the Company in total, representing 1.38 % 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. Out of the above, as on 31st March, 2022, 1,080 equity shares, representing 0.05 % of the paid-up equity share capital of the Company, has been credited by IEPF Authority to the demat account of the bona fide claimant after submission of necessary documents and completion of required formalities as to establishment of the title to the shares, resulting in a balance of 31,889 equity shares, representing 1.33 % of the paid-up equity share capital of the Company, lying to the credit of the IEPF Authority in dematerialized form, the voting rights on which shares shall remain frozen until the rightful owner claims the said shares in accordance with the said Rules. 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 has given three months' notice to those shareholders whose shares are due to be transferred in favour of the IEPF Authority during the Financial Year 2022-23 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.

## Report on Corporate Governance (Contd.)

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

(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.

Bengaluru : No. 548/51, 2nd Floor, Andal Temple Street,  
(Behind R. V. Teacher's College) R.V. Road, Basavanagudi  
Bengaluru – 560 004, Karnataka.

Chennai : The Polygon, 2nd Floor, Door No. 56/142,  
Anna Salai, Saidapet, Chennai – 600015, Tamil Nadu.

Hyderabad : Flat No. 303, Bhanu Enclave, 7-1-638 to 643,  
Sundar Nagar, Hyderabad – 500038, Telengana.

Kolkata : Infinity Benchmark, 11th Floor, Plot No. G-1,  
Block EP&GP, Sector – V, Salt Lake Electronics Complex,  
Kolkata – 700091.

Mumbai : 603-604, Acme Plaza, 6th Floor, A-Wing, J. B. Nagar,  
Andheri Kurla Road, Opp. Sangam Theatre, Andheri (East),  
Mumbai – 400059, Maharashtra.

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

New Delhi : 2E/28, Jhandewalan Extn.  
New Delhi – 110055.

Pune : D 407 Business Court, Mukund Nagar,  
Pune – 411 037, Maharashtra.

## Report on Corporate Governance (Contd.)

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, Rajasthan.
Raipur	: Room No. 408, 4th Floor, Magneto, The Mall (Offizo), Village - Labhandi, N.H. - 06, G.E. Road, Raipur – 492 001, Chhattisgarh.

(y) Total number of Employees as on 31.03.2022 : 512.

(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. P. R. Sivasankar, 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. : 033-4080 3000/ 3040 / 3035 ; or sent by email at *pr.sivasankar@internationalcombustion.in* / *ak.manna@internationalcombustion.in*)

(zi) CREDIT RATINGS

In April, 2021, credit rating agency ICRA Limited had re-affirmed the long-term rating of [ICRA] BB+ (pronounced as ICRA double B plus) [signifying a moderate risk of default regarding timely servicing of financial obligations] on the fund-based and non-fund based working capital credit facilities enjoyed by the Company from its bankers on consortium basis. The outlook on the long term rating has been maintained at Negative. ICRA had also re-affirmed the short-term rating of [ICRA]A4+ (pronounced as ICRA A four plus) [signifying a minimal degree of safety regarding timely servicing of financial obligations and carrying very high credit risk and susceptibility to default] on the aforementioned facilities.

## Report on Corporate Governance (Contd.)

Thereafter, in January, 2022, credit rating agency ICRA Limited had re-affirmed the long-term rating of [ICRA]BB+ (pronounced as ICRA double B plus) [signifying a moderate risk of default regarding timely servicing of financial obligations] on the fund-based and non-fund based working capital credit facilities enjoyed by the Company from its bankers on consortium basis. The outlook on the long term rating had been revised from Negative to Stable. ICRA had also re-affirmed the short-term rating of [ICRA]A4+ (pronounced as ICRA A four plus) [signifying a minimal degree of safety regarding timely servicing of financial obligations and carrying very high credit risk and susceptibility to default] on the aforementioned facilities.

Further, in July, 2022, Care Ratings Limited (CARE), newly appointed credit rating agency of the Company, had assigned the long-term rating of CARE BBB- (pronounced as CARE triple B minus) [signifying a moderate degree of safety regarding timely servicing of financial obligations] on the fund-based and non-fund based working capital credit facilities enjoyed by the Company from its bankers on consortium basis. The outlook on the long term rating had been stated as Stable. CARE had also assigned the short-term rating of CARE A3 (pronounced as CARE A three) [signifying a moderate degree of safety regarding timely servicing of financial obligations and carrying higher credit risk as compared to instruments rated in the two higher categories] on the aforementioned facilities. This rating assignment by CARE is to be considered as a ratings upgrade vis-a-vis the last ratings assigned by the erstwhile ratings agency of the Company, viz. ICRA Ltd. in January, 2022.

- (zii) The Company, during the Financial Year 2021-22 or during any of the previous five financial years, 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.
- (ziii) 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.
- (ziv) There was no such instance during the Financial Year 2021-22, where the Board of Directors of the Company had not accepted any recommendation of any Committee of the Board, which is mandatorily required.
- (zv) The total fees for all services paid by the Company, on a consolidated basis during the Financial Year 2021-22, 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. 5,78,200/- [inclusive of Goods and Services Tax (GST)].
- (zvi) 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 Financial Year 2021-22 or pending as at the close of the said Financial Year.
- (zvii) There are no loans or advances in the nature of loans to firms/companies in which directors are interested, which have been advanced by the Company.

Place: Kolkata  
Date: 26th July, 2022

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 (Standalone) of the Company for the Financial Year ended 31st March, 2022, 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, 2022, 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

Place: Kolkata  
Date : 27th May, 2022

**Indrajit Sen**  
Managing Director  
(CEO)

**Asish Kumar Neogi**  
Chief Financial Officer  
(CFO)

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### 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 2021-22.

Place: Kolkata  
Date: 27th May, 2022

**Indrajit Sen**  
Managing Director



## Corporate Governance Compliance Certificate

CIN of the Company: L36912WB1936PLC008588

Nominal Capital: ₹ 5,00,00,000/-

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, 2022. 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) The Auditors' Report to the shareholders of the Company on the Financial Statements (Standalone) of the Company for the Financial Year ended 31st March, 2022 is with unmodified audit opinion, and
  - iii) As the Internal Auditors of the Company are appointed by the Board of Directors on the recommendations of the Audit Committee and as the Internal Audit Reports are placed before the Audit Committee, which is empowered to take such action on the basis of the Report as it may deem necessary, the Internal Auditors are effectively reporting directly to the Audit Committee.

Place: Kolkata

Date: 27th May, 2022

**Arup Kumar Roy**

Practicing Company Secretary

Membership No. : ACS-6784

Certificate of Practice No. : 9597

# Independent Auditors' Report

To the Members of International Combustion (India) Limited

## Report on the Audit of Financial Statements

### Opinion

We have audited the accompanying Financial Statements of **International Combustion (India) Limited** (“the Company”), which comprise the Balance Sheet as at 31st March, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the Ind AS financial statements”).

In our opinion and to the best of our information and according to explanations given to us, the aforesaid Ind AS 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, 2022, 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 Ind AS financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Ind AS 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 independence requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and the Rules made thereunder 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 on the Ind AS financial statements.

### Key Audit Matters

Key Audit Matters are those matters that in our professional judgment were of most significance in our audit of the Ind AS financial statements for the year ended March 31, 2022. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters. We have determined the matter described below to be the Key Audit Matter to be communicated in our report. A description of how our audit addressed the matter is provided in this context.

## Independent Auditors' Report (Contd.)

Sr. No.	Key Audit Matters	How the matter was addressed in our audit
1	<p>Revenue recognition related to multiple element arrangements (as described in notes 3.14 of the Ind AS financial statements).</p> <p>The contracts with customers include multiple elements including sale of products and ancillary services like supervision of installation, commissioning, etc. The identification of performance obligations under the contracts with customers, allocation of consideration to the performance obligations identified and determination of the timing of revenue recognition in accordance with Ind AS 115 requires exercise of judgement by the Company's management.</p> <p>We considered this to be a Key Audit Matter in view of the customer contracts being complex and non-standard.</p>	<p><b>Our audit procedures included the following:</b></p> <ul style="list-style-type: none"> <li>● We obtained an understanding and evaluated the design and tested the operating effectiveness of key controls over revenue recognition;</li> <li>● We assessed the appropriateness of the accounting policies applied by the Company in line with the applicable accounting standards.</li> <li>● We tested contracts with customers on a sample basis to assess the contractual terms which impacted identification and timing of performance obligations, allocation of consideration to these performance obligations based on determination of selling prices and determination of timing of recognition for each of these revenue components;</li> <li>● We performed tests related to non-standard manual journal entries related to revenue.</li> </ul> <p><b>Audit Conclusion:</b> Our procedures did not identify any material exceptions.</p>

### Information Other than the Ind AS Financial Statements and Auditor's Report thereon

The Company's management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Company's annual report, but does not include the Ind AS financial statements and our auditor's report thereon.

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

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.

### Management's Responsibility for the Financial statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of the Ind AS 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 thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the

## Independent Auditors' Report (Contd.)

provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management and Board of Directors are 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 also 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 Ind AS 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Ind AS 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 Ind AS 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 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 Ind AS 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.

## Independent Auditors' Report (Contd.)

- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Ind AS financial statements that, individually or in aggregate, make it probable those economic decisions of a reasonably knowledgeable user of the Ind AS financial statements may be influenced. We consider quantitative materiality and qualitative factors in planning the scope of our audit work and in evaluating the results of our work; and to evaluate the effect of any identified misstatements in the Ind AS 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 Ind AS Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure 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 benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("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, to the extent applicable.
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;
  - 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 books.
  - 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 Ind AS 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 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".
  - g) According to the information and explanations given to us, managerial remuneration has been paid by the Company to its directors during the year in accordance with the requirements of section 197(16) of the Act, as amended, and the rules framed thereunder.

## Independent Auditors' Report (Contd.)

- h) 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 does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. The Company is not required to transfer any amount to the Investor Education and Protection Fund.
  - iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
(b) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the Ind AS financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and  
(c) Based on such audit procedures we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material mis-statement;
  - v. The Board of Directors of the Company have proposed a dividend of rupees two per equity share for the financial year 2021-2022.

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

**K. K. Ghosh**  
Partner  
Membership No. 059781  
UDIN: 22059781AMYBHZ8213

Place: Kolkata  
Date: 27th May, 2022

## 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)
    - (A) The Company has generally maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment (PPE).
    - (B) The Company has generally maintained proper records showing full particulars of intangible assets.
  - b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the PPE of the Company have been physically verified by management during the year which in our opinion reasonable having regard to the size of the Company and nature of the assets. As per the information given to us by the management no material discrepancies as compared to book records was noticed in respect of the PPE physically verified during the year.
  - c) According to the information, representation and explanations given to us and on the basis of our examination of the title deeds of all the immovable properties disclosed in the Ind AS financial statements and as provided to us, the same appeared to be held in the name of the Company.
  - d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment and Intangible Assets during the year.
  - e) According to the information, representation and explanations given to us and on the basis of our examination of the records of the Company as provided to us, there are no proceedings initiated during the year or pending against the Company as on March 31, 2022 for holding any benami property under the Benami Transaction (Prohibition) Act, 1988 as amended and rules made thereunder.
- ii)
  - a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Inventories have been physically verified during the year and certified by the management at the year end. In our opinion, the frequency of verification is reasonable and no discrepancies of 10% or more in the aggregate of any/ each class of inventory was noticed.
  - b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not obtained any working capital limits in excess of five crores rupees from banks or financial institution during the year on the basis of the security of current assets.
- iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments in or provided any guarantees or securities or granted loans and advances in the nature of loans, secured or unsecured during the year to companies, firms or limited liability partnerships and other parties.
  - a) Based on the audit procedures carried out by us and as per the information and explanations given to us, the Company has not provided any loans or advances in the nature of loans, or has not provided any guarantee or security to any other entities.



## Independent Auditors' Report (Contd.)

- b) According to the information and explanations given to us and based on the audit procedures conducted by us, the Company has not made any Investments, or provided any guarantee or security or provided any loan or advance in the nature of loans and hence reporting under paragraph 3(iii)(b) of the Order regarding investment made, guarantee provided, security given and the terms and conditions of the grant of loan and advances being prejudicial to the interest of the Company, is not applicable to the Company.
- c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any loans or advances in the nature of loans and hence reporting under paragraph 3(iii)(c) of the Order regarding regularity of the schedule of repayment of principal and payment of interest, is not applicable to the Company.
- d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any loans or advances in the nature of loans or advance in the nature of loans and hence reporting under paragraph 3(iii)(d) of the Order regarding overdue amount for more than ninety days and reasonable steps for recovery of the principal and interest, is not applicable to the Company.
- e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not renewed or extended any loan or advance in the nature of loan or granted fresh loans to settle the overdues of existing loans given to the same parties during the year and hence reporting under paragraph 3(iii)(e) of the Order is not applicable to the Company.
- f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment and hence reporting under paragraph 3(iii)(e) of the Order is not applicable to the Company.
- iv) According to the information and explanations given to us, there are no loans, investment, guarantee and security as per the provisions of Sections 185 and 186 of the Companies Act, 2013. Hence, this clause is not applicable to the Company.
- v) According to the information and explanations given to us, the Company has not accepted any deposit, in terms of the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.
- vi) The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Companies Act, 2013. We have been given to understand that cost records have been maintained by the Company.
- vii) a) According to the information and explanations given to us and on the basis of our examination of books of accounts, the Company has generally been regular in depositing the undisputed statutory dues including Goods and Services Tax, income tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Goods and Services Tax, income tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues were in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

## Independent Auditors' Report (Contd.)

- b) According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax / Value Added Tax, Service Tax, Custom Duty, Excise Duty, Goods and Service Tax which have not been deposited as at 31st March, 2022 on account of any dispute.
- viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961, as income during the year.
- ix) a) According to the records of the Company examined by us and as per the information and explanation given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or other lender.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, a term loan of Rs. 95.50 lakh was availed of by the Company from Axis bank under the "Emergency credit line Guarantee scheme" which, as explained, was applied for the purpose for which the loan was obtained.
- d) According to the information, representation and explanations given to us and on the basis of our examination of the records of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- e) The Company has no subsidiaries, associates and joint ventures and hence reporting under paragraph 3(ix)(e) of the Order is not applicable to the Company.
- f) The Company has no subsidiaries, associates and joint ventures and hence reporting under paragraph 3(ix)(f) of the Order is not applicable to the Company.
- x) a) According to the information, representation and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and hence reporting under paragraph 3(x)(a) of the Order is not applicable to the Company.
- b) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under paragraph 3(x)(b) of the Order is not applicable to the Company.
- xi) a) To the best of our knowledge and according to the information, representation and explanations given to us, no fraud by the Company or no material fraud on the Company has been noticed or reported during the year.
- b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by us in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c) According to the information and explanations given to us no complaints against whistle blower policy has been received by the Company during the year and hence reporting under paragraph 3(xi)(c) of the order is not applicable to the Company.
- xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- xiii) On the basis of our examination of the books of account of the Company and according to the information and explanations given to us, the transactions entered into with the related parties are in compliance with section 177 and 188 of the Act and the same has been disclosed in the Notes to the Ind AS financial statements as required by the applicable Accounting Standards (Ind AS).

## Independent Auditors' Report (Contd.)

- xiv) a) Based on information and explanations provided to us and based on our audit procedures, it appears that the Company has an internal audit system commensurate with the size and nature of its business.
- b) We have been provided and have considered the internal audit reports of the Company for the year 2021-22.
- xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions during the year with its Directors or persons connected to its Directors and hence the provisions of Section 192 of the Companies Act, 2013 is not applicable to the Company.
- xvi) a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Therefore, clause (xvi) (a) of paragraph 3 of the Order is not applicable to the Company.
- b) The Company has not conducted any Non Banking Financial or Housing Finance activities. Therefore, clause (xvi) (b) of paragraph 3 of the Order is not applicable to the Company.
- c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Therefore, clause (xvi) (c) and (d) of paragraph 3 of the Order is not applicable to the Company.
- xvii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not incurred cash losses in the financial year but in the immediately preceding financial year the Company has incurred cash loss of Rs.11.14 Lakh.
- xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- xix) According to the information, representation and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the Ind AS financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the relevant evidence, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx) a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, Section 135 of the Companies Act, 2013 is not applicable to the Company for the financial year and hence reporting under paragraph 3(xx)(a) of the Order regarding the unspent amounts towards Corporate Social Responsibility (CSR), on other than ongoing projects is not applicable to this Company.
- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, Section 135 of the Companies Act, 2013 is not applicable to the Company for the financial year and hence reporting under paragraph 3(xx)(b) of the Order regarding ongoing projects under CSR is not applicable to the Company.

Place: Kolkata  
Date: 27th May, 2022

For Ray & Ray  
Chartered Accountants Firm's  
Registration No. 301072E  
**K. K. Ghosh**  
Partner  
Membership No. 059781  
UDIN: 22059781AMYBHZ8213

## 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, 2022 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 Act.

#### 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 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.

#### 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

## Independent Auditors' Report (Contd.)

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, 2022, 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  
UDIN: 22059781AMYBHZ8213

Place: Kolkata  
Date: 27th May, 2022

## Balance Sheet As at March 31, 2022

(₹ in lakh)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>Non-current Assets</b>			
(a) Property, Plant and Equipment	5	3879.23	4121.93
(b) Capital Work-in-Progress	5	-	3.81
(c) Intangible Assets	6	15.69	32.53
(d) Financial Assets			
(i) Investments	7	463.77	639.00
(ii) Other financial assets	8	161.90	157.09
(e) Deferred Tax Assets	9	265.22	291.21
		<b>4785.81</b>	<b>5245.57</b>
<b>Current Assets</b>			
(a) Inventories	10	4545.01	4313.89
(b) Financial Assets			
(i) Investments	11	664.51	819.36
(ii) Trade Receivables	12	3553.78	2917.76
(iii) Cash and Cash equivalents	13	490.67	211.77
(iv) Bank Balances other than (iii) above	14	138.85	84.89
(v) Other financial assets	15	9.74	6.52
(c) Other Current Assets	16	663.27	628.53
		<b>10065.83</b>	<b>8982.72</b>
<b>Total Assets</b>		<b>14851.64</b>	<b>14228.29</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	17	239.03	239.03
(b) Other Equity	18	9157.47	8695.60
		<b>9396.50</b>	<b>8934.63</b>
<b>Liabilities</b>			
<b>Non-current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	19	87.54	-
(ia) Lease Liabilities	20	14.29	20.38
(b) Provisions	21	85.17	135.37
		<b>187.00</b>	<b>155.75</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	22	779.54	1382.40
(ia) Lease Liabilities	23	6.09	5.50
(ii) Trade Payables	24		
A. Total outstanding dues of micro enterprises and small enterprises		816.73	849.71
B. Total outstanding dues of creditors other than micro enterprises and small enterprises		1942.58	1659.47
(iii) Other financial liabilities	25	3.30	4.19
(b) Other Current Liabilities	26	1598.58	1114.02
(c) Provisions	27	98.78	92.00
(d) Current Tax Liabilities (Net)	28	22.54	30.62
		<b>5268.14</b>	<b>5137.91</b>
<b>Total Equity and Liabilities</b>		<b>14851.64</b>	<b>14228.29</b>

Significant Accounting Policies and other accompanying Notes (1 to 47) 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 &amp; Ray

Chartered Accountants

(Firm's Registration No 301072E)

K.K. Ghosh

Partner

(Membership No. 059781)

Place: Kolkata

Date: 27th May, 2022

I. Sen

Managing Director

(DIN No 00216190)

P.R. Sivasankar

Company Secretary

S. Bagaria

Chairman

(DIN No 00233455)

A.K. Neogi

Chief Financial Officer

## Statement of Profit &amp; Loss for the year ended March 31, 2022

(₹ in lakh)

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>INCOME</b>			
Revenue From Operations	29	16889.46	10955.24
Other Income	30	98.13	140.99
<b>Total Income</b>		<b>16987.59</b>	<b>11096.23</b>
<b>EXPENSES</b>			
Cost of materials consumed	31	8703.58	5237.49
Changes in inventories of finished goods, stock-in-trade and work-in-progress	32	57.27	249.41
Employee benefits expense	33	4153.70	3486.62
Finance costs	34	169.30	231.45
Depreciation and amortisation expense	35	468.45	435.13
Other expenses	36	2907.80	2117.31
<b>Total Expenses</b>		<b>16460.10</b>	<b>11757.41</b>
<b>Profit / (Loss) before tax</b>		<b>527.49</b>	<b>(661.18)</b>
<b>Tax expense:</b>	37		
Current tax		109.77	-
Deferred tax/(Reversal)		2.49	(144.57)
<b>Total Tax Expenses</b>		<b>112.26</b>	<b>(144.57)</b>
<b>Profit/(Loss) for the year</b>		<b>415.23</b>	<b>(516.61)</b>
<b>Other Comprehensive Income</b>			
(i) Items that will not be reclassified to profit or loss	38	64.62	48.88
(ii) Income tax relating to items that will not be reclassified to profit or loss	37.3	(17.98)	(12.71)
<b>Other Comprehensive Income for the year (Net of taxes)</b>		<b>46.64</b>	<b>36.17</b>
<b>Total Comprehensive Income /(Loss) for the year</b>		<b>461.87</b>	<b>(480.44)</b>
<b>Earnings per equity share of par value of Rs. 10 each.</b>	41		
(1) Basic (Rs.)		17.37	(21.61)
(2) Diluted (Rs.)		17.37	(21.61)

Significant Accounting Policies and other accompanying Notes (1 to 47) form an integral part of the financial statements

This is the Statement of Profit and Loss  
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: 27th May, 2022

For and on behalf of the Board of Directors

I. Sen  
Managing Director  
(DIN No 00216190)

P.R. Sivasankar  
Company Secretary

S. Bagaria  
Chairman  
(DIN No 00233455)

A.K. Neogi  
Chief Financial Officer

## Statement of changes in Equity for the year ended March 31, 2022

A. Equity Share Capital	Amount (₹ in lakh)
Balance as at April 1, 2020	239.03
Changes during the year	-
Balance as at March 31, 2021	239.03
Changes during the year	-
Balance as at March 31, 2022	239.03

### B. Other Equity

As at March 31, 2022

(₹ in lakh)

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, 2021	605.34	890.41	7301.82	34.80	(136.77)	8695.60
Total Comprehensive Income for the year	-	-	-	415.23	46.64	461.87
Dividends including dividend distribution tax	-	-	-	-	-	-
Balance as at March 31, 2022	605.34	890.41	7301.82	450.03	(90.13)	9157.47

As at March 31, 2021

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, 2020	605.34	890.41	7301.82	609.24	(172.94)	9233.87
Total Comprehensive Income for the year	-	-	-	(516.61)	36.17	(480.44)
Investment in Mozer Technology Private Limited written off	-	-	-	(50.00)	-	(50.00)
Share of Loss in Mozer Technology Private Limited written off	-	-	-	(7.83)	-	(7.83)
Balance as at March 31, 2021	605.34	890.41	7301.82	34.80	(136.77)	8695.60

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

K.K. Ghosh  
Partner  
(Membership No. 059781)

Place: Kolkata  
Date: 27th May, 2022

For and on behalf of the Board of Directors

I. Sen  
Managing Director  
(DIN No 00216190)

P.R. Sivasankar  
Company Secretary

S. Bagaria  
Chairman  
(DIN No 00233455)

A.K. Neogi  
Chief Financial Officer



## Cash Flow for the Year Ended March 31, 2022

(₹ in lakh)

Particulars	Year ended		Year ended	
	March 31 2022	March 31 2022	March 31 2021	March 31 2021
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit before Tax		527.49		(661.18)
Add: Depreciation and amortisation expenses	468.45		435.13	
Irrecoverable Debts/Advances written off	90.70		79.90	
Provision for expected Credit losses	(8.68)		(30.08)	
Finance Cost	169.30	719.77	231.45	716.40
		1247.26		55.22
Less: Interest Income	12.27		13.12	
Net gain/(loss) on sale of Current Investments	1.00		2.05	
Net gain/(loss) on fair valuation of investments through Profit and Loss	49.06		111.10	
Provisions / Liabilities no longer required written back	71.95		96.13	
Profit/(Loss) on sale / discard of Fixed Assets (Net)	1.02	135.30	0.36	222.76
<b>Operating Profit before Working Capital changes</b>		<b>1111.96</b>		<b>(167.54)</b>
Less: Increase/(Decrease) in Inventories	231.12		(231.63)	
Increase/(Decrease) in Trade Receivables	718.04		(880.05)	
Increase/(Decrease) in Loans & advances, other financial and non-financial assets	39.32		22.20	
(Increase)/Decrease in Trade Payables, other financial and non-financial liabilities and provisions	(827.84)	160.64	(205.81)	(1295.29)
<b>Cash generated from Operations</b>		<b>951.32</b>		<b>1127.75</b>
Less: Direct Taxes paid (Net)		112.33		3.15
<b>Net cash flow from Operating activities (A)</b>		<b>838.99</b>		<b>1124.60</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Property, Plant and Equipment and movements in Capital work in progress	(203.22)		(103.49)	
(Purchase)/Sale of Investment (net)	380.14		409.90	
Interest received	17.01		9.92	
Investment in fixed deposits (having original maturity of more than 3 months)	(63.15)	130.78	(3.45)	312.88
<b>Net Cash flow from Investing activities (B)</b>		<b>130.78</b>		<b>312.88</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds/(Repayments) from short term borrowings (net)	(506.64)		(981.83)	
Proceeds/(Repayments) from long term borrowings (net)	(14.18)		(229.32)	
Interest and other borrowing cost paid	(169.30)		(234.80)	
Dividends	(0.75)	(690.87)	(2.67)	(1448.62)
<b>Net cash flow from Financing activities (C)</b>		<b>(690.87)</b>		<b>(1448.62)</b>
<b>Cash and Cash equivalents (A+B+C)</b>		<b>278.90</b>		<b>(11.14)</b>
Cash and Cash equivalents as at 1st April		211.77		222.91
<b>Cash and Cash equivalents as at 31st March (Refer note no. 13)</b>		<b>490.67</b>		<b>211.77</b>

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

K.K. Ghosh  
Partner  
(Membership No. 059781)

Place: Kolkata  
Date: 27th May, 2022

For and on behalf of the Board of Directors

I. Sen  
Managing Director  
(DIN No 00216190)

P.R. Sivasankar  
Company Secretary

S. Bagaria  
Chairman  
(DIN No 00233455)

A.K. Neogi  
Chief Financial Officer

## Notes to Financial Statements for the year ended March 31, 2022

### 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 Mortars. The Company's shares are listed and publicly traded on the Bombay Stock Exchange Limited.

### 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 lakh 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.

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.

## Notes to Financial Statements for the year ended March 31, 2022 (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 Financial Statements for the year ended March 31, 2022 (Contd.)

Category	Useful life (years)
<b>Buildings</b>	
Non-Factory Building (RCC Frame Structure)	60
Factory Building	30
<b>Roads</b>	
Carpeted Roads-RCC	-
Carpeted Roads-other than RCC	-
Non-Carpeted Roads	3
<b>Plant and machinery</b>	
Plant	15
<b>Computer equipment</b>	
Servers and networks	6
Others	3
Furniture and fixtures and Laboratory Equipment	10
Office equipment	5
<b>Vehicles</b>	
Cars	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. 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.

Finance leases are capitalized at the inception of the lease at lower of its fair value and the

## Notes to Financial Statements for the year ended March 31, 2022 (Contd.)

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 of any events and circumstances which 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 the 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 Financial Statements for the year ended March 31, 2022 (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 that 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 (FVTPL)**

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) 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.

## Notes to Financial Statements for the year ended March 31, 2022 (Contd.)

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 from in relation to revenue from contracts with customers, the Company measures the loss allowance at an amount equal to the lifetime expected credit losses.

### (vii) 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.

Items of inventory excluding patterns, dies, fixtures and insurance spares, as decided by the management, which has not moved in last three financial years are treated as non-moving inventory.

Items of inventory whose average annual consumption in last three years is less than 10% of the year end stock of such items which includes raw materials, finished components and finished goods are treated as slow-moving inventory.

### 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 are met: (i) decision has been made to sell (ii) the

## Notes to Financial Statements for the year ended March 31, 2022 (Contd.)

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 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 Statement of Profit and Loss. 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 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



## Notes to Financial Statements for the year ended March 31, 2022 (Contd.)

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 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 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 for 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 the Statement of Profit and Loss 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, acquired 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, 2022 (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.

## Notes to Financial Statements for the year ended March 31, 2022 (Contd.)

### 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”

## 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.

## Notes to Financial Statements for the year ended March 31, 2022 (Contd.)

### 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 the amount recoverable is estimated which is higher of asset's or cash generating unit's (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.

## Notes to Financial Statements for the year ended March 31, 2022 (Contd.)

### 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 by the Management. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

## Notes to Financial Statements for the year ended March 31, 2022 (Contd.)

### 5. Property, Plant and Equipment:

As at March 31, 2022

Particulars	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, 2021	3.04	549.04	1263.64	600.53	3610.06	85.38	68.62	5.89	267.44	6453.64	3.81	6457.45
Additions	-	-	78.18	-	116.62	4.05	9.51	0.30	0.27	208.93	-	208.93
Disposals	-	-	-	-	11.72	0.15	-	-	-	11.87	-	11.87
Adjustment	-	-	9.20	(9.20)	-	-	-	-	-	-	(3.81)	(3.81)
<b>As at March 31, 2022</b>	<b>3.04</b>	<b>549.04</b>	<b>1351.02</b>	<b>591.33</b>	<b>3714.96</b>	<b>89.28</b>	<b>78.13</b>	<b>6.19</b>	<b>267.71</b>	<b>6650.70</b>	<b>-</b>	<b>6650.70</b>
Accumulated Depreciation as at April 1, 2021	-	0.24	275.84	189.15	1613.21	61.78	53.53	4.40	133.56	2331.71	-	2331.71
Charge for the period	-	0.05	60.97	37.91	312.91	5.43	5.59	0.74	28.01	451.61	-	451.61
Disposals	-	-	-	-	11.70	0.15	-	-	-	11.85	-	11.85
Adjustment	-	-	0.79	(0.79)	-	-	-	-	-	-	-	-
<b>As at March 31, 2022</b>	<b>-</b>	<b>0.29</b>	<b>337.60</b>	<b>226.27</b>	<b>1914.42</b>	<b>67.06</b>	<b>59.12</b>	<b>5.14</b>	<b>161.57</b>	<b>2771.47</b>	<b>-</b>	<b>2771.47</b>
Net carrying amount as at March 31, 2022	3.04	548.75	1013.42	365.06	1800.54	22.22	19.01	1.05	106.14	3879.23	-	3879.23

(₹ in lakh)

As at March 31, 2021

Particulars	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, 2020	3.04	549.04	1261.28	591.33	3575.69	83.05	68.62	5.84	265.24	6403.13	-	6403.13
Additions	-	-	2.36	9.20	38.60	2.33	-	0.05	2.20	54.74	3.81	58.55
Disposals	-	-	-	-	4.23	-	-	-	-	4.23	-	4.23
Adjustment	-	-	-	-	-	-	-	-	-	-	-	-
<b>As at March 31, 2021</b>	<b>3.04</b>	<b>549.04</b>	<b>1263.64</b>	<b>600.53</b>	<b>3610.06</b>	<b>85.38</b>	<b>68.62</b>	<b>5.89</b>	<b>267.44</b>	<b>6453.64</b>	<b>3.81</b>	<b>6457.45</b>
Accumulated Depreciation as at April 1, 2020	-	0.19	235.81	155.81	1315.29	54.13	45.30	3.62	108.26	1918.41	-	1918.41
Charge for the period	-	0.05	40.03	33.34	302.15	7.65	8.23	0.78	2.530	417.53	-	417.53
Disposals	-	-	-	-	4.23	-	-	-	-	4.23	-	4.23
Adjustment	-	-	-	-	-	-	-	-	-	-	-	-
<b>As at March 31, 2021</b>	<b>-</b>	<b>0.24</b>	<b>275.84</b>	<b>189.15</b>	<b>1613.21</b>	<b>61.78</b>	<b>53.53</b>	<b>4.40</b>	<b>133.56</b>	<b>2331.71</b>	<b>-</b>	<b>2331.71</b>
Net carrying amount as at March 31, 2021	3.04	548.80	987.80	411.38	1996.85	23.60	15.09	1.49	133.88	4121.93	3.81	4125.74

Notes:

5.1 The Company has decided 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, 2022 (Contd.)

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

Notes: (Contd.)

- 5.2 Refer Notes 19.1, 20.1, 22 and 23 to financial statements in respect of charges created against borrowings  
5.3 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. 548.75 lakh as at March 31, 2022 (March 31, 2021 : Rs. 548.80 lakh).

#### Finance Lease Liabilities

(₹ in lakh)

Particulars	Minimum Lease Payments		Present Value of Minimum Lease	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Not later than one year	0.45	0.41	0.15	0.15
Later than one year and not later than five years	1.85	1.82	0.74	0.74
Later than five years	188.98	189.47	1.43	1.43

## 86 Notes to Financial Statements for the year ended March 31, 2022 (Contd.)

### 6. Intangible Assets:

As at March 31, 2022

(₹ in lakh)

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, 2021	84.72	23.64	6.76	115.12	-	115.12
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-
As at March 31, 2022	84.72	23.64	6.76	115.12	-	115.12
Accumulated Depreciation as at April 1, 2021	56.55	19.36	6.68	82.59	-	82.59
Charge for the period	12.82	3.94	0.08	16.84	-	16.84
Disposals	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-
As at March 31, 2022	69.37	23.30	6.76	99.43	-	99.43
Net carrying amount as at March 31, 2022	15.35	0.34	-	15.69	-	15.69

As at March 31, 2021

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, 2020	84.72	23.64	6.76	115.12	-	115.12
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-
As at March 31, 2021	84.72	23.64	6.76	115.12	-	115.12
Accumulated Depreciation as at April 1, 2020	43.74	15.42	5.83	64.99	-	64.99
Charge for the period	12.81	3.94	0.85	17.60	-	17.60
Disposals	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-
As at March 31, 2021	56.55	19.36	6.68	82.59	-	82.59
Net carrying amount as at March 31, 2021	28.17	4.28	0.08	32.53	-	32.53

Notes:

6.1 The Company has decided 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, 2022 (Contd.)

## 7. Non-Current Investments

(Fully paid up except otherwise stated)

(₹ in lakh)

Particulars of Investment	As at March 31, 2022		As at March 31, 2021	
	Holding	Value	Holding	Value
	(Nos.)		(Nos.)	
<b>Investment in Mutual Funds</b>				
Investment measured at fair value through Profit and Loss				
Quoted				
L&T FMP Sr.XVII - Plan B(1452D) Growth Plan (Face Value of Rs. 10 each)	-	-	5000000	639.00
ICICI Prudential Banking & PSU Debt Fund Growth (Face Value of Rs. 23.8316 each)	923144.06	241.26	-	-
ICICI Prudential Short Term Fund Growth (Face Value of Rs. 38.6586 each)	465615.58	222.51	-	-
<b>Total</b>		<b>463.77</b>		<b>639.00</b>
<b>Aggregate NAV of Quoted Investments -</b>				
Mutual Funds		463.77		639.00

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

7.2 Refer Note No. 22.2 to financial statements in respect of charges created against borrowings

## 8. Other Financial Assets

(₹ in lakh)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
<b>Unsecured, Considered Good</b>			
Security Deposits		74.47	73.29
Fixed Deposit with Banks (having original maturity of more than 1 year)	14.1	86.70	77.51
Accrued Interest on Fixed Deposit with Banks (having original maturity of more than 1 year)		0.73	5.29
Capital Advance		-	1.00
		<b>161.90</b>	<b>157.09</b>

## 9. Deferred Tax Assets

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

(₹ in lakh)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
Deferred tax Assets		640.59	675.08
Deferred tax Liabilities		375.37	383.87
<b>Net Deferred Tax Assets/(Liabilities)</b>		<b>265.22</b>	<b>291.21</b>

## Notes to Financial Statements for the year ended March 31, 2022 (Contd.)

### 9. Deferred Tax Assets (Contd.)

Components of Deferred Tax Assets/( Liabilities) as at March 31, 2022 are given below:

(₹ in lakh)

Particulars	As at April 1, 2021	Charge/ (Credit) recognised in Profit and Loss	Charge/ (Credit) recognised in other comprehensive income	Adjusted against Provision for Taxation	As at March 31, 2022
<b>Deferred Tax Assets:</b>					
Fair valuation of financial assets and financial liabilities	2.94	(0.21)	-	-	3.15
Leasehold liability	0.56	-	-	-	0.56
MAT Credit Entitlement	177.75	(88.06)	-	5.52	260.29
Unabsorbed depreciation loss	432.29	104.66	-	-	327.63
Provision for expected credit losses against financial assets	11.10	1.64	-	-	9.46
Expenses allowable on payment basis	(7.15)	(7.04)	-	-	(0.11)
Remeasurement of defined benefit obligations	57.59	-	17.98	-	39.61
<b>Total Deferred Tax Assets</b>	<b>675.08</b>	<b>10.99</b>	<b>17.98</b>	<b>5.52</b>	<b>640.59</b>
<b>Deferred Tax Liabilities:</b>					
Fair valuation (gain)/ loss on Investments	67.17	(3.66)	-	-	63.51
Timing difference with respect to Property, Plant & Equipment and Intangible Assets	316.70	(4.84)	-	-	311.86
<b>Total Deferred Tax Liabilities</b>	<b>383.87</b>	<b>(8.50)</b>	<b>-</b>	<b>-</b>	<b>375.37</b>
<b>Net Deferred Tax Assets/ (Liabilities)</b>	<b>291.21</b>	<b>2.49</b>	<b>17.98</b>	<b>5.52</b>	<b>265.22</b>

Components of Deferred Tax Assets/( Liabilities) as at March 31, 2021 are given below:

Particulars	As at April 1, 2020	Charge/ (Credit) recognised in Profit and Loss	Charge/ (Credit) recognised in other comprehensive income	As at March 31, 2021
<b>Deferred Tax Assets:</b>				
Fair valuation of financial assets and financial liabilities	2.94	-	-	2.94
Leasehold liability	0.60	0.04	-	0.56
MAT Credit Entitlement	177.75	-	-	177.75
Unabsorbed depreciation loss	227.02	(205.27)	-	432.29
Provision for expected credit losses against financial assets	18.92	7.82	-	11.10
Expenses allowable on payment basis	48.13	55.28	-	-7.15
Remeasurement of defined benefit obligations	70.30	-	12.71	57.59
<b>Total Deferred Tax Assets</b>	<b>545.66</b>	<b>(142.13)</b>	<b>12.71</b>	<b>675.08</b>
<b>Deferred Tax Liabilities:</b>				
Fair valuation (gain)/ loss on Investments	71.53	(4.36)	-	67.17
Timing difference with respect to Property, Plant & Equipment and Intangible Assets	314.61	2.09	-	316.70
Borrowings designated at Amortised Cost	0.17	(0.17)	-	-
<b>Total Deferred Tax Liabilities</b>	<b>386.31</b>	<b>(2.44)</b>	<b>-</b>	<b>383.87</b>
<b>Net Deferred Tax Assets/ (Liabilities)</b>	<b>159.35</b>	<b>(144.57)</b>	<b>12.71</b>	<b>291.21</b>

## Notes to Financial Statements for the year ended March 31, 2022 (Contd.)

## 10. Inventories

(₹ in lakh)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
Raw materials		2208.03	1935.93
Work-in-Progress		663.79	872.95
Finished goods		1370.77	1218.88
Packing Materials		28.19	24.76
Stores and spares		274.23	261.37
		<b>4545.01</b>	<b>4313.89</b>

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 lakh)

Particulars of Investment	As at March 31, 2022		As at March 31, 2021	
	Holding	Value	Holding	Value
	(Nos.)		(Nos.)	
<b>Investment measured at fair value through Profit and Loss</b>				
<b>Investment in Mutual Funds</b>				
<b>Mutual Funds (Quoted)</b>				
L&T FMP Sr.XVII - Plan B (1452D) Growth Plan (Face Value of Rs. 10 each)	5000000	664.51	-	-
DSP BlackRock FMP Series 238 36M Regular Growth Plan (Face Value of Rs. 10 each)	-	-	3000000.00	375.20
ICICI Prudential Banking & PSU Debt Fund Growth (Face Value of Rs. 23.8316 each)	-	-	923144.06	230.61
ICICI Prudential Short Term Fund Growth (Face Value of Rs. 38.6586 each)	-	-	465615.58	213.55
<b>Total</b>		<b>664.51</b>		<b>819.36</b>
<b>Aggregate amount of NAV of Quoted Investments</b>				
- In Mutual Funds		<b>664.51</b>		<b>819.36</b>

11.1 Refer Note No. 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

## 12. Trade Receivables

(₹ in lakh)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
Secured, considered good		-	-
Unsecured, considered good		3553.78	2917.76
Receivables having significant increase in Credit Risk		34.01	42.69
		<b>3587.79</b>	<b>2960.45</b>
Less: Impairment allowances for doubtful debts	12.2	(34.01)	(42.69)
		<b>3553.78</b>	<b>2917.76</b>

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

## Notes to Financial Statements for the year ended March 31, 2022 (Contd.)

### 12. Trade Receivables (Contd.)

#### 12.2 Movement of Impairment allowances for doubtful debts

(₹ in lakh)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
Balance as at the beginning of the year		42.69	72.77
Recognised during the year		-	-
Reversal during the year		(8.68)	(30.08)
<b>Balance at the end of the year</b>		<b>34.01</b>	<b>42.69</b>

#### 12.3 Receivables Ageing Schedule as at 31st March, 2022

Particulars	Outstanding for following periods from the due date of payment					Total
	Less than 6 months	6 months to 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade Receivables - considered good	3115.55	208.17	48.25	19.04	72.29	3463.30
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	34.01	34.01
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	2.26	4.27	83.95	90.48
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>3115.55</b>	<b>208.17</b>	<b>50.51</b>	<b>23.31</b>	<b>190.25</b>	<b>3587.79</b>
Less: Impairment allowances for doubtful debts						(34.01)
						<b>3553.78</b>

#### Receivables Ageing Schedule as at 31st March, 2021

Particulars	Outstanding for following periods from the due date of payment					Total
	Less than 6 months	6 months to 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade Receivables - considered good	2332.19	78.26	61.92	71.10	282.76	2826.23
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	42.69	42.69
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	1.82	0.64	4.88	12.67	71.52	91.53
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>2334.01</b>	<b>78.90</b>	<b>66.81</b>	<b>83.77</b>	<b>396.98</b>	<b>2960.45</b>
Less: Impairment allowances for doubtful debts						(42.69)
						<b>2917.76</b>

## Notes to Financial Statements for the year ended March 31, 2022 (Contd.)

## 13. Cash and Cash Equivalents

(₹ in lakh)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
Balances with banks			
In current and cash credit accounts		486.18	206.89
Cash on hand		4.49	4.88
		490.67	211.77

## 14. Bank Balances Other than Cash and Cash Equivalents

(₹ in lakh)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
Other Balance with banks			
In Margin Money Accounts	14.1	137.57	82.86
In Unpaid Dividend Account		1.28	2.03
		138.85	84.89

14.1 Fixed Deposit with banks in Margin Money Account amounting Rs. 224.27 lakh (March 31, 2021: Rs. 160.36 lakh) includes Rs. 86.70 lakh (March 31, 2021: Rs. 77.51 lakh) disclosed under non-current "Other financial assets" in Note 8 have been lodged with Banks as margin money against guarantee issued by them.

## 15. Other Financial Assets

(₹ in lakh)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
Export Incentive receivable		7.10	3.70
Accrued Interest on Fixed Deposit with Banks (having original maturity of less than 1 year)		2.64	2.82
		9.74	6.52

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

## 16. Other Current Assets

(₹ in lakh)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
Advances for supply of goods		145.54	75.33
Balance with Government authorities		401.40	432.38
Prepaid expenses		53.09	42.38
Loans and advances to employees		8.08	26.73
Others		55.16	51.71
		663.27	628.53

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

## Notes to Financial Statements for the year ended March 31, 2022 (Contd.)

### 17. Equity Share Capital

(₹ in lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Authorised</b>		
5,000,000 (March 31, 2021: 5,000,000) Equity Shares of Rs.10 each	500.00	500.00
	500.00	500.00
<b>Issued, Subscribed and Paid-up</b>		
2,390,276 (March 31, 2021: 2,390,276) 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 to their shareholding.

#### 17.2 Reconciliation of the number of equity shares outstandings

Particulars	As at March 31, 2022	As at March 31, 2021
Number of shares at the beginning	2390276	2390276
Add: Addition during the year	-	-
Number of shares at the end	2390276	2390276

#### 17.3 Shareholders holding more than 5% equity shares

Name of shareholders	% of holding	As at March 31, 2022	As at March 31, 2021
Tradelink Securities Limited	14.38	343703	343703
Stephen Court Limited	11.68	279088	279088
Woolworth Merchandise Private Limited	7.14	170609	170609

#### 17.4 Shareholding of promoter

Shares held by promoter Name of Promoter	As at March 31,2022		As at March 31,2021		% of change during the year
	No of shares held	% of total shares	No of shares held	% of total shares	
Tradelink Securities Limited	343703	14.38	343703	14.38	-
Stephen Court Limited	279088	11.68	279088	11.68	-
Woolworth Merchandise Private Limited	170609	7.14	170609	7.14	-
Primestar Exim Private Limited	92100	3.85	92100	3.85	-
Mahadeo Jute & Industries Limited	85696	3.58	85696	3.58	-
Amulyanidhi India Limited	82099	3.43	82099	3.43	-
Amravati Eximp Limited	62336	2.61	62336	2.61	-
Mr. Sanjay Bagaria	43900	1.84	43900	1.84	-
Mrs Purnima Bagaria	39600	1.66	39600	1.66	-
Mr. Shiva Prasad Bagaria	27300	1.14	27300	1.14	-
Sanjay Bagaria (HUF)	20600	0.86	20600	0.86	-
Shiva Prasad Bagaria (HUF)	8200	0.34	8200	0.34	-
Lakshmi Farms Private Limited	4900	0.20	4900	0.20	-
Mr. Satyam Bagaria	1800	0.08	1800	0.08	-
	1261931	52.79	1261931	52.79	-

## Notes to Financial Statements for the year ended March 31, 2022 (Contd.)

## 18. Other Equity

(₹ in lakh)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
Capital Reserve	18.2	605.34	605.34
Securities Premium	18.3	890.41	890.41
General Reserve	18.4	7301.82	7301.82
Retained Earnings	18.5	450.03	34.80
Other Comprehensive Income			
Re-measurement of Defined benefit plans	18.6	(90.13)	(136.77)
		9157.47	8695.60

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

## 18.2 Capital Reserve

Capital Reserve comprises of:

(₹ in lakh)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
(a) Capital Profit on sale of land & building		550.05	550.05
(b) Profit on reissue of forfeited Debentures		0.29	0.29
(c) 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, 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.

## 19. Borrowings

(₹ in lakh)

Particulars	Note No.	As at March 31, 2022		As at March 31, 2021	
		Non Current	Current	Non Current	Current
<b>Secured</b>					
Term Loan from Bank	19.1	87.54	7.96	-	104.18
		87.54	7.96	-	104.18

19.1 Term Loan from Axis Bank is secured by way of exclusive hypothecation charge over entire fixed assets at Ajmer unit, equitable mortgage over Company's leasehold land and building thereon situated at Ajmer and charge as collateral securities on which first charge is held for working capital facilities for Nagpur and Aurangabad units. The Interest rate is 10.05% and 9.25% respectively. The outstanding as on March 31, 2022 is Rs. 95.50 lakh (March 31, 2021: Rs. 104.18 lakh).

## Notes to Financial Statements for the year ended March 31, 2022 (Contd.)

### 19. Borrowings (Contd.)

#### 19.2 Terms of Repayment:

(₹ in lakh)

Particulars	Term Loan
2022-23	7.96
2023-24	31.83
2024-25	31.83
2025-26	23.88

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

### 20. Lease Liabilities

(₹ in lakh)

Particulars	Note No.	As at March 31, 2022		As at March 31, 2021	
		Non Current	Current	Non Current	Current
Secured					
Vehicle Finance loan from Bank	20.1	14.29	6.09	20.38	5.50
		14.29	6.09	20.38	5.50

20.1 Finance lease obligation is secured against car taken on finance lease and are repayable in 60 monthly instalments starting from June,2018. The Interest rate is 10.1389%. The outstanding as on March 31, 2022 is Rs. 20.38 lakh (March 31, 2021: Rs. 25.88 lakh)

#### 20.2 Terms of Repayment:

(₹ in lakh)

Particulars	Vehicle Finance loan
2022-23	6.09
2023-24	14.29

### 21. Provisions

(₹ in lakh)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits	40	85.17	135.37
		85.17	135.37



## Notes to Financial Statements for the year ended March 31, 2022 (Contd.)

## 22. Borrowings

(₹ in lakh)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
<b>Secured</b>			
Repayable on demand			
Working capital facilities from banks			
Indian Currency	22.1 and 22.2	599.33	977.96
Buyer's Credit	22.3	172.19	166.63
UCO COVID 19-TL	22.4	0.06	133.63
Current maturities of long term debt- Secured	19	7.96	104.18
		<b>779.54</b>	<b>1382.40</b>

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 there against.

22.4 Covid Loan from UCO Bank.

## 23. Lease Liabilities

(₹ in lakh)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
<b>Secured</b>			
Current maturities of Vehicle Finance loan from Bank	20	6.09	5.50
		<b>6.09</b>	<b>5.50</b>

## 24. Trade Payables

(₹ in lakh)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
<b>Payable for Goods and Services</b>			
Total outstanding dues of micro and small Enterprises	24.1 & 24.2	816.73	849.71
Total outstanding dues of creditors other than micro and small Enterprises		1942.58	1659.47
		<b>2759.31</b>	<b>2509.18</b>

## Notes to Financial Statements for the year ended March 31, 2022 (Contd.)

### 24. Trade Payables (Contd.)

24.1 The ageing schedule for Trade Payables as at 31st March 2022 are given below:-

(₹ in lakh)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	816.73	-	-	-	816.73
(ii) Others	1927.17	11.59	0.91	2.91	1942.58
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

The ageing schedule for Trade Payables as at 31st March 2021 are given below:-

(₹ in lakh)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	849.30	0.41	-	-	849.71
(ii) Others	1606.49	25.33	23.31	4.34	1659.47
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

24.2 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, 2022	As at March 31, 2021
a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year		
Principal	816.73	849.71
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:		
Principal amount unpaid	Nil	Nil
Interest due	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

## Notes to Financial Statements for the year ended March 31, 2022 (Contd.)

## 25. Other Financial Liabilities

(₹ in lakh)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
Unclaimed dividends		1.28	2.03
Capital vendors		2.02	2.16
		3.30	4.19

## 26. Other Current Liabilities

(₹ in lakh)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
Advance from customers		1144.04	672.22
Statutory dues - PF, ESI, Goods and Service Tax, TDS etc.		454.54	441.80
		1598.58	1114.02

## 27. Provisions

(₹ in lakh)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits	40	98.78	92.00
		98.78	92.00

## 28. Current Tax Liabilities (Net)

(₹ in lakh)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
Provision for taxation (net of advance tax)		22.54	30.62
		22.54	30.62

## Notes to Financial Statements for the year ended March 31, 2022 (Contd.)

### 29. Revenue From Operations

(₹ in lakh)

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of products		16610.64	10733.33
Sale of Services		31.82	47.32
Other operating revenues			
Scrap Sales		164.58	69.90
Liabilities no longer required written back		71.95	96.13
Incentive on exports		10.47	8.56
		<b>16889.46</b>	<b>10955.24</b>

29.1 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.

### 30. Other Income

(₹ in lakh)

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest Income			
On deposits, overdue debts etc.		12.27	13.12
Net gain/(loss) on redemption of Current investments		1.00	2.05
Net gain/(loss) on fair valuation of investments through Profit and Loss		49.06	111.10
Profit/(loss) on sale of fixed assets (net)		1.02	0.36
Net gain/(loss) on foreign currency transaction and translation		17.60	10.22
Miscellaneous income		17.18	4.14
		<b>98.13</b>	<b>140.99</b>

### 31. Cost of materials consumed

(₹ in lakh)

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
Raw Material Consumed		8703.58	5237.49

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

(₹ in lakh)

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening stock			
Finished Goods		1218.88	1242.04
Work-in-Progress		872.95	1,099.20
		<b>2091.83</b>	<b>2341.24</b>
Less: Closing Stock			
Finished Goods		1370.77	1218.88
Work-in-Progress		663.79	872.95
		<b>2034.56</b>	<b>2091.83</b>
		<b>57.27</b>	<b>249.41</b>

## Notes to Financial Statements for the year ended March 31, 2022 (Contd.)

## 33. Employee Benefits Expense

(₹ in lakh)

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries and wages		3289.17	2731.94
Contribution to provident and other funds		240.04	226.92
Travelling and Conveyance		514.85	442.85
Staff welfare expenses		109.64	84.91
		4153.70	3486.62

## 34. Finance Costs

(₹ in lakh)

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest expense		10.43	38.43
Other borrowing cost		158.87	193.02
		169.30	231.45

## 35. Depreciation and Amortisation Expenses

(₹ in lakh)

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation Expenses	5	451.61	417.53
Amortisation Expenses	6	16.84	17.60
		468.45	435.13

## 36. Other Expenses

(₹ in lakh)

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
Consumable Stores		408.57	271.68
Packing Materials consumed (net of recoveries)		220.01	164.63
Power and fuel		226.43	208.05
Rent		50.25	45.92
Repairs to buildings		21.61	20.18
Repairs to machinery		18.41	17.99
Repairs to others		72.05	58.86
Insurance		23.93	18.51
Rates and taxes		47.54	27.70
Directors fees and Commission		25.88	10.60
Selling and Distribution Expenses	36.2	482.29	329.44
Auditors' Remuneration	36.1	4.90	4.90
Irrecoverable Debts/Advances written off		90.70	79.90
Royalty		442.82	257.61
Communication Expenses		30.44	29.89
Provision for expected Credit losses		(8.68)	(30.08)
Consultancy		27.06	13.37
Freight and Forwarding Charges (Net of realisation of Rs. 26.68 lakh (March 31, 2021: Rs. 34.85 lakh))		364.52	248.25
Miscellaneous expenses		359.06	339.91
		2907.80	2117.31

## Notes to Financial Statements for the year ended March 31, 2022 (Contd.)

### 36. Other Expenses (Contd.)

#### 36.1 Auditor's Remuneration comprises of:

(₹ in lakh)

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Audit Fees		4.00	4.00
(b) Certification and other expenses		0.90	0.90

#### 36.2 Selling and Distribution Expenses comprises of:

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Travelling Expenses		207.35	120.01
(b) Commission on Sales		92.89	99.79
(c) Other Expenses		182.05	109.64

#### 36.3 During the year, the Company has incurred Rs. 1.30 lakh (March 31, 2021 Rs. Nil) on account of Corporate Social Responsibility (CSR) expenses. The details are given below:

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Amount required to be spent by the Company during the year		-	-
(b) Amount of expenditure incurred		1.3	-
(c) Shortfall at the end of the year		-	-
(d) Total of previous year's shortfall- (4.58 lakh - 1.30 lakh)		3.28	4.58
(e) Reason for shortfall		paucity of fund	
(f) Nature of CSR activities-			
(i) Rs. 0.30 lakh paid for providing community services amongst the needy and down-trodden in society			
(ii) Rs. 1 lakh paid for training and development of women from the weaker sections of society in various skills and make them self supporting and independent			
(g) Details of related party transactions		N.A	N.A

#### 36.4 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.50.25 lakh (March 31, 2021- Rs. 45.92 lakh).

### 37. Tax Expenses - Current Tax

(₹ in lakh)

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
Provision for Current Tax		109.77	-
		109.77	-

## Notes to Financial Statements for the year ended March 31, 2022 (Contd.)

## 37. Tax Expenses - Current Tax (Contd.)

## 37.1 Components of Tax Expense:

(₹ in lakh)

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Current Tax</b>			
In respect of the current year		112.44	-
In respect of prior years		(2.67)	-
<b>Total Current Tax Expense recognised in the current year</b>		<b>109.77</b>	<b>-</b>
<b>Deferred Tax</b>			
In respect of the current year		2.49	(144.57)
<b>Total Deferred Tax Expense recognised in the current year</b>		<b>2.49</b>	<b>(144.57)</b>
<b>Total Tax Expense recognised in the current year</b>		<b>112.26</b>	<b>(144.57)</b>

## 37.2 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:

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit before tax		527.49	(661.18)
Income tax expense calculated at 27.82% *		146.75	(171.91)
Less: Effect of			
Difference in tax rate for Long Term Capital Gain		(5.46)	(11.55)
Effect of other adjustments		(29.03)	38.89
<b>Income tax expense recognised in Profit and Loss</b>		<b>112.26</b>	<b>(144.57)</b>

\* 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.

## 37.3 Income tax recognised in Other Comprehensive Income

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Deferred tax</b>			
Arising on income and expenses recognised in Other Comprehensive Income:			
Tax impact on Remeasurement of defined benefit obligation		(17.98)	(12.71)
<b>Total income tax recognised in Other Comprehensive Income</b>		<b>(17.98)</b>	<b>(12.71)</b>
Bifurcation of the income tax recognised in Other Comprehensive Income into:			
Items that will not be reclassified to Profit and Loss		(17.98)	(12.71)
Items that may be reclassified to Profit and Loss		-	-

## Notes to Financial Statements for the year ended March 31, 2022 (Contd.)

### 38. Components of Other Comprehensive Income

(₹ in lakh)

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
Items that will not be reclassified to Statement of Profit and Loss-			
Remeasurement of gains / (losses) on defined benefit plans		64.62	48.88
		64.62	48.88

### 39. Financial Instruments

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

(₹ in lakh)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial Assets (Current and Non-Current)</b>				
<b>Financial Assets designated at Amortised Cost</b>				
Trade receivables	3553.78	3553.78	2917.76	2917.76
Cash and Cash Equivalents	490.67	490.67	211.77	211.77
Bank Balances other than Cash and Cash Equivalents	138.85	138.85	84.89	84.89
Loans and Other financial assets	171.64	171.64	163.61	163.61
<b>Financial Assets designated at Fair Value through Profit and Loss Account</b>				
Investment in Mutual Funds	1128.28	1128.28	1458.36	1458.36
<b>Financial Liabilities (Current and Non-Current)</b>				
<b>Financial Liabilities designated at Amortised Cost</b>				
Borrowings	887.46	887.46	1408.28	1408.28
Trade Payables	2759.31	2759.31	2509.18	2509.18
Other financial liabilities	3.30	3.30	4.19	4.19

#### 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.



## Notes to Financial Statements for the year ended March 31, 2022 (Contd.)

### 39. Financial Instruments (Contd.)

#### 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, 2022:

(₹ in lakh)

Particulars	As at March 31*	Fair value measurements at reporting date using		
		Level 1	Level 2	Level 3
<b>Financial Assets</b>				
Investment in Mutual Funds (Current and Non-Current) - 2022	1128.28	1128.28	-	-
- 2021	(1458.36)	(1458.36)	-	-
- 2020	[1755.11]	[1755.11]	-	-

(\*) Figures in round brackets ( ) indicate figures as at March 31, 2021 and in brackets [ ] indicate figures as at April 01, 2020

During the year ended March 31, 2022 and March 31, 2021, 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.

## Notes to Financial Statements for the year ended March 31, 2022 (Contd.)

### 39. Financial Instruments (Contd.)

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 lakh)

Particulars	As at March 31, 2022			
	Trade receivables	Loans and borrowings	Trade payables & Other current Liability	Net Assets/ (liabilities)
USD	-	172.19	-	(172.19)
EURO	61.71	-	67.84	(6.13)
<b>Total</b>	<b>61.71</b>	<b>172.19</b>	<b>67.84</b>	<b>(178.32)</b>

Particulars	As at March 31, 2021			
	Trade receivables	Loans and borrowings	Trade payables & Other current Liability	Net Assets/ (liabilities)
USD	35.11	166.63	-	(131.52)
EURO	29.09	-	88.45	(59.36)
<b>Total</b>	<b>64.20</b>	<b>166.63</b>	<b>88.45</b>	<b>(190.88)</b>

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 lakh)

Particulars	Effect on Profit before tax	
	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Receivables (Weaking of INR by 5%)</b>		
USD	-	1.76
EURO	3.09	1.45
<b>Payables (Weaking of INR by 5%)</b>		
USD	(8.61)	(8.33)
EURO	(3.39)	(4.42)

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.

## Notes to Financial Statements for the year ended March 31, 2022 (Contd.)

## 39. Financial Instruments (Contd.)

(₹ in lakh)

Nature of Borrowing	Increase in basis points	For the year ended March 31, 2022	For the year ended March 31, 2021
Foreign Currency Loan	+0.25	0.43	0.42
Rupee Loan	+0.50	3.47	6.08

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 investment in mutual funds which are fair valued through 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, 2022 and March 31, 2021 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.

## Notes to Financial Statements for the year ended March 31, 2022 (Contd.)

### 39. Financial Instruments (Contd.)

#### 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:

#### Interest rate and currency of borrowings

(₹ in lakh)

Particulars	As at March 31, 2022			
	Total Borrowings	Floating rate Borrowings	Fixed rate Borrowings	Weighted average Interest Rate (%)
INR	715.27	599.33	115.94	-
DOLLAR	172.19	172.19	-	-
<b>Total</b>	<b>887.46</b>	<b>771.52</b>	<b>115.94</b>	<b>-</b>

Particulars	As at March 31, 2021			
	Total Borrowings	Floating rate Borrowings	Fixed rate Borrowings	Weighted average Interest Rate (%)
INR	1241.65	977.96	263.69	-
DOLLAR	166.63	166.63	-	-
<b>Total</b>	<b>1408.28</b>	<b>1144.59</b>	<b>263.69</b>	<b>-</b>

#### Maturity Analysis of Financial Liabilities

(₹ in lakh)

Particulars	As at March 31, 2022					
	Carrying Amount	On Demand	Less than 6 months	6 to 12 months	> 1 year	Total
Interest bearing borrowings (including current maturities)	887.46	599.33	175.21	11.09	101.83	887.46
Other Liabilities	3.30	1.28	2.02	-	-	3.30
Trade and other payables	-	-	-	-	-	-

Particulars	As at March 31, 2021					
	Carrying Amount	On Demand	Less than 6 months	6 to 12 months	> 1 year	Total
Interest bearing borrowings (including current maturities)	1408.28	977.96	169.87	73.44	187.01	1408.28
Other Liabilities	4.19	2.03	2.16	-	-	4.19
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.

## Notes to Financial Statements for the year ended March 31, 2022 (Contd.)

### 39. Financial Instruments (Contd.)

#### 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.

The gearing ratio are as follows:

(₹ in lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Borrowings	887.46	1408.28
Equity	9396.50	8934.63
Gearing Ratio	0.09	0.16

### 40. 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 lakh)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Employer's Contribution to Provident Fund	116.46	100.32
Employer's Contribution to Pension Fund	59.98	55.73
Employers State Insurance Fund	7.00	5.30

#### 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 lakh)

Particulars	Gratuity (Funded)	
	2021-22	2020-21
<b>a) Change in the fair value of the defined benefit obligation:</b>		
Liability at the beginning of the year	1026.12	991.24
Interest Cost	70.80	69.38
Current Service Cost	59.76	62.42
Actuarial (gain) / loss on obligations	(69.77)	(42.93)
Benefits paid	(65.61)	(53.99)
Liability at the end of the year	1021.30	1026.12

## Notes to Financial Statements for the year ended March 31, 2022 (Contd.)

### 40. Post Retirement Employee Benefits (Contd.)

#### b) Defined Benefit Plans (Contd.)

(₹ in lakh)

Particulars	Gratuity (Funded)	
	2021-22	2020-21
<b>b) Changes in the Fair Value of Plan Asset</b>		
Fair value of Plan Assets at the beginning of the year	967.30	840.83
Expected Return on Plan Assets	66.96	60.95
Contributions by the Company	71.85	113.56
Benefits paid	(65.61)	(53.99)
Actuarial gain / (loss) on Plan Assets	(5.15)	5.95
Fair value of Plan Assets at the end of the year	1035.35	967.30
<b>c) Actual return on Plan Asset</b>		
Expected return on Plan assets	66.96	60.95
Actuarial gain / (loss) on Plan Assets	(5.15)	5.95
Actual Return on Plan Assets	61.81	66.90
<b>d) Amount Recognized in Balance Sheet</b>		
Liability at the end of the year	1021.30	1026.12
Fair value of Plan Assets at the end of the year	1035.35	967.30
	(14.05)	58.82
<b>e) Components of Defined Benefit Cost</b>		
Current Service Cost	59.76	62.42
Interest Cost	70.80	69.38
Expected Return on Plan Assets	(66.96)	(60.95)
Net Actuarial (gain) / loss on remeasurement recognised in OCI	(64.62)	(48.88)
Total Defined Benefit Cost recognised in Profit and Loss and OCI	(1.02)	21.97
<b>f) Balance Sheet Reconciliation</b>		
Opening Net Liability	58.82	150.41
Expenses as above	(1.02)	21.97
Employers Contribution	(71.85)	(113.56)
Amount Recognized in Balance Sheet	(14.05)	58.82
<b>g) Principal Actuarial assumptions as at the Balance Sheet date</b>		
Discount Rate	7.10%	6.90%
Salary Escalation - First 5 years	5.00%	6.00%
Salary Escalation - After 5 years	5.00%	6.00%
Rate of Return on Plan Assets	7.10%	6.90%

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

(₹ in lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
G-Sec/ Corporate Securities	-	-
Equity	-	-
Fixed Deposit and other Assets	-	-
Insurance Policies	100.00%	100.00%

## Notes to Financial Statements for the year ended March 31, 2022 (Contd.)

## 40. 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, 2022 is given below:

(₹ in lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Leave Encashment	158.72	136.68

Particulars	Leave Encashment (Non-Funded)	
	2021-22	2020-21
<b>a) Change in the fair value of the defined benefit obligation:</b>		
Liability at the beginning of the year	136.68	145.29
Interest Cost	9.43	10.17
Current Service Cost	55.79	33.92
Benefits paid	(40.23)	(27.22)
Actuarial (gain) / loss on obligations	(2.95)	(25.48)
Liability at the end of the year	158.72	136.68
<b>b) Amount Recognized in Balance Sheet</b>		
Liability at the end of the year	158.72	136.68
Fair value of Plan Assets at the end of the year	-	-
	158.72	136.68
<b>c) Components of Defined Benefit Cost</b>		
Current Service Cost	55.79	33.92
Interest Cost	9.43	10.17
Expected Return on Plan Assets	-	-
Net Actuarial (gain) / loss on remeasurement recognised in Profit & Loss	(2.95)	(25.48)
Total Defined Benefit Cost recognised in Profit and Loss and OCI	62.27	18.61
<b>d) Balance Sheet Reconciliation</b>		
Opening Net Liability	136.68	145.29
Expenses as above	62.27	18.61
Benefits paid	(40.23)	(27.22)
Amount Recognized in Balance Sheet	158.72	136.68
<b>e) Principal Actuarial assumptions as at the Balance Sheet date</b>		
Discount Rate	7.10%	6.90%
Salary Escalation - First 5 years	5.00%	6.00%
Salary Escalation - After 5 years	5.00%	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 Financial Statements for the year ended March 31, 2022 (Contd.)

### 40. Post Retirement Employee Benefits (Contd.)

#### Recognised in Other Comprehensive Income

Particulars	Gratuity
Remeasurement - Actuarial loss/(gain)	
For the year ended March 31, 2022	(64.62)
Remeasurement - Actuarial loss/(gain)	
For the year ended March 31, 2021	(48.88)

#### Sensitivity analysis:

Particulars	Change in Assumption	Defined Benefit Obligation	
		Gratuity	Leave Encashment
<b>For the year ended March 31, 2022</b>			
Discount Rate	+1%	969.72	151.09
	-1%	1078.51	167.25
Salary Growth Rate	+1%	1077.23	167.06
	-1%	969.33	151.21
Withdrawal Rate	+1%	1027.02	159.74
	-1%	1014.98	157.59
<b>For the year ended March 31, 2021</b>			
Discount Rate	+1%	970.03	129.56
	-1%	1088.66	144.66
Salary Growth Rate	+1%	1087.49	144.52
	-1%	969.52	129.64
Withdrawal Rate	+1%	1028.47	137.08
	-1%	1023.50	136.24

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
<b>For the year ended March 31, 2022</b>		
Plan Liabilities - (loss)/gain	(4.00)	7.05
Plan Assets - (loss)/gain	5.15	-
<b>For the year ended March 31, 2021</b>		
Plan Liabilities - (loss)/gain	(48.77)	(26.17)
Plan Assets - (loss)/gain	(5.95)	-

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

Particulars	Gratuity	Leave Encashment
01 Apr 2022 to 31 Mar 2023	244.91	59.50
01 Apr 2023 to 31 Mar 2024	68.23	61.34
01 Apr 2024 to 31 Mar 2025	106.42	14.47
01 Apr 2025 to 31 Mar 2026	107.42	12.65
01 Apr 2026 to 31 Mar 2027	128.72	11.81
01 Apr 2027 to 31 Mar 2032	458.94	52.33



## Notes to Financial Statements for the year ended March 31, 2022 (Contd.)

## 40. Post Retirement Employee Benefits (Contd.)

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

Particulars	As at March 31, 2022	As at March 31, 2021
Average no of people employed	512	479

## 41. Calculation of Earning Per Share is as follows:

(₹ in lakh)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Net profit for Basic and Diluted Earnings Per Share as per Statement of Profit and Loss	415.23	(516.61)
(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.)	17.37	(21.61)
b) Diluted (Rs.)	17.37	(21.61)

## 42. Contingent Liabilities not provided for in respect of:

(₹ in lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Outstanding Bank Guarantees	84.22	65.53

## 43. 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) Key Management Personnel (KMP)
  - Mr. Indrajit Sen - Managing Director
  - Mr. Asish Kumar Neogi - Chief Financial Officer
  - Mr. P. R Sivasankar - Company Secretary
  
- 2) Non-Executive Directors
  - Mr. Sanjay Bagaria - Chairman
  - Mr. Ratan Lal Gaggar - Director
  - Mrs. (Prof.) Bharati Ray - Director
  - Mr. Sandipan Chakravorty - Director
  - Mr. Sanjoy Saha - Director

## Notes to Financial Statements for the year ended March 31, 2022 (Contd.)

### 43. 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, 2022

(₹ in lakh)

Particulars	Joint Venture Company	KMP	Non-Executive Directors	Total	Outstanding as on March 31, 2022	Outstanding as on March 31, 2021
<b>Remuneration</b>						
Mr. Indrajit Sen	-	221.25	-	221.25	-	-
Mr. Asish Kumar Neogi	-	48.56	-	48.56	-	-
Mr.P.R Sivasankar	-	21.63	-	21.63	-	-
<b>Total</b>	-	<b>291.44</b>	-	<b>291.44</b>	-	-
<b>Previous Year</b>						
Mr. Indrajit Sen	-	193.93	-	193.93	-	-
Mr. Asish Kumar Neogi	-	38.87	-	38.87	-	-
Mr.Suhas Chandra Saha	-	37.48 *	-	37.48	-	-
Mr. P. R Sivasankar	-	3.08 *	-	3.08	-	-
<b>Sitting Fees including commission</b>						
Mr. Sanjay Bagaria (including commission)	-	-	17.48	17.48	-	-
Mr. Ratan Lal Gaggar	-	-	2.80	2.80	-	-
Mrs. (Prof.) Bharati Ray	-	-	2.40	2.40	-	-
Mr. Sandipan Chakravortty	-	-	2.20	2.20	-	-
Mr. Sanjoy Saha	-	-	1.00	1.00	-	-
<b>Previous Year</b>						
Mr. Sanjay Bagaria	-	-	2.20	2.20	-	-
Mr. Ratan Lal Gaggar	-	-	2.60	2.60	-	-
Mrs. (Prof.) Bharati Ray	-	-	2.40	2.40	-	-
Mr. Sandipan Chakravortty	-	-	2.20	2.20	-	-
Mr. Sanjoy Saha	-	-	1.20	1.20	-	-
<b>Sale of Stock in Trade</b>						
Mozer Process Technology Pvt. Ltd.	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-
<b>Previous Year</b>						
Mozer Process Technology Pvt. Ltd.	-	-	-	-	-	-
<b>Recovery of Rent</b>						
Mozer Process Technology Pvt. Ltd.	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-
<b>Previous Year</b>						
Mozer Process Technology Pvt. Ltd.	0.25	-	-	-	-	-
<b>Recovery of Selling and Distribution expenses</b>						
Mozer Process Technology Pvt. Ltd.	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-
<b>Previous Year</b>						
Mozer Process Technology Pvt. Ltd.	-	-	-	-	-	-
<b>Recovery of Misc. expenses</b>						
Mozer Process Technology Pvt. Ltd.	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-
<b>Previous Year</b>						
Mozer Process Technology Pvt. Ltd.	1.02	-	-	-	-	-
<b>Advance Received</b>						
Mozer Process Technology Pvt. Ltd.	-	-	-	-	-	-
<b>Previous Year</b>						
Mozer Process Technology Pvt. Ltd.	-	-	-	-	-	-
<b>Receivable at year end</b>						
Mozer Process Technology Pvt. Ltd.	-	-	-	-	-	-
<b>Previous Year</b>						
Mozer Process Technology Pvt. Ltd.	-	-	-	-	-	-

## Notes to Financial Statements for the year ended March 31, 2022 (Contd.)

### 43. 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 lakh)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Short-term employee benefits	-	-
Post-employment benefits**	-	-
Other long-term benefits**	-	-

\* relates to remuneration for the part of the year.

\*\* 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.

43.1 in respect of the above parties ,there is no provision for doubtful debts as on March 31, 2022 and no amount has been written off or written back during the year in respect of debt due from/to them.

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

### 44. 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, 2022 (Contd.)

### 44. Segment Information (Contd.)

(b) Summary of segment information as at and for the year ended March 31, 2022 and March 31, 2021 is as follows:

(₹ in lakh)

Particulars	Mineral & Material Processing And Handling Equipment		Gear Box and Geared Motor Drive System		Building Material Division		Unallocated/Corporate		Eliminations		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
<b>Segment Revenue</b>												
External Revenue	9987.78	6350.99	5348.28	3782.04	1553.40	822.21	-	-	-	-	16889.46	10955.24
Inter-Segment Revenue	33.41	0.04	50.43	5.13	-	-	-	-	(83.84)	(5.17)	-	-
<b>Total Revenue</b>	<b>10021.19</b>	<b>6351.03</b>	<b>5398.71</b>	<b>3787.17</b>	<b>1553.40</b>	<b>822.21</b>	<b>-</b>	<b>-</b>	<b>(83.84)</b>	<b>(5.17)</b>	<b>16889.46</b>	<b>10955.24</b>
<b>Segment Result</b>	<b>2652.86</b>	<b>1801.57</b>	<b>295.25</b>	<b>(312.80)</b>	<b>(299.72)</b>	<b>(345.82)</b>	<b>(2013.93)</b>	<b>(1698.95)</b>	<b>-</b>	<b>-</b>	<b>634.46</b>	<b>(556.00)</b>
Add/(less):												
Interest earned on loans and deposits, income from current and non-current investments, Profit and Loss on sale of investments etc. - net	-	-	-	-	-	-	-	-	-	-	62.33	126.27
Finance costs/ (Reversal)	-	-	-	-	-	-	-	-	-	-	(169.30)	(231.45)
Provision for Taxes	-	-	-	-	-	-	-	-	-	-	112.26	(144.57)
Profit for the year	-	-	-	-	-	-	-	-	-	-	415.23	(516.61)
<b>Other Information</b>												
Segment Assets	5603.17	5229.53	3684.08	3380.89	3006.32	3022.40	2292.87	2304.26	-	-	14586.44	13937.08
Segment Liabilities	2933.86	2198.31	1258.45	1273.84	109.80	99.36	265.58	313.86	-	-	4567.69	3885.37
<b>Capital Expenditure</b>												
Segment capital expenditure	80.23	32.76	24.45	20.62	83.50	0.45	16.94	4.72	-	-	205.12	58.55
<b>Depreciation and Amortisation</b>												
Segment depreciation and amortisation	163.00	124.22	71.15	88.52	175.19	158.88	59.11	63.53	-	-	468.45	435.15
<b>Significant Non Cash Expenditure</b>												
Segment significant Non Cash Expenditure	-	-	-	-	-	-	-	-	-	-	-	-

## Notes to Financial Statements for the year ended March 31, 2022 (Contd.)

## 44. Segment Information (Contd.)

## c) Geographical Information

(₹ in lakh)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from sale of Products by Geographical Market		
Within India	15951.96	10159.80
Outside India	658.68	573.53
	<b>16610.64</b>	<b>10733.33</b>

## 45. Ratios

Particulars	2021-22	2020-21	% of change	Reasons of variation
Current Ratio	1.91	1.75	9.29	-
Debt-Equity Ratio	0.09	0.16	(40.08)	Ratio has improved since a major part of the term loan has been repaid
Debt Service coverage Ratio	1.33	0.095	1297.43	The amount of interest has been reduced upon repayment of major part of term loan
Return on Equity Ratio	0.05	(0.06)	180.71	Ratio has improved due to the profit earned during the current year as against the loss of the previous year
Inventory Turnover Ratio	3.76	2.43	54.38	Although average stock remains the same, the sales has increased by 54% during the current year due to the higher production
Trade Receivables turnover ratio	5.08	3.13	62.21	The ratio has increased during the current year as the average debtors has increased
Trade Payables Turnover Ratio	4.06	2.57	57.70	The ratio has increased during the current year as the average creditors has been reduced considerably
Net Capital Turnover Ratio	3.85	2.78	38.63	The ratio has increased during the current year due to the significant increase in sales
Net Profit Ratio	0.13	(0.15)	184.46	The Company has made profit during the current year as against the loss in the previous year and also the total sales has increased during the current year
Return on Capital Employed	6.78	(4.15)	263.08	Both the capital employed and EBIT has improved significantly during the current year

## Notes to Financial Statements for the year ended March 31, 2022 (Contd.)

46. Due to the effect of the COVID - 19 pandemic, there has been substantial disruption on the operations of the Company which has severely impacted the supply chain, consumer demand for the Company's products, availability of manpower due to restrictions on movement and travel and access to offices. The situation is still evolving and the management is continuously assessing and evaluating the situation with respect to the challenges faced.
47. These financial statements have been approved by the Board of Directors of the Company on 27th May, 2022 for issue to the shareholders for their adoption. Previous year's figures have been regrouped/rearranged wherever necessary.

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: 27th May, 2022

For and on behalf of the Board of Directors

**I. Sen**  
Managing Director  
(DIN No 00216190)

**P.R. Sivasankar**  
Company Secretary

**S. Bagaria**  
Chairman  
(DIN No 00233455)

**A.K. Neogi**  
Chief Financial Officer

## Five Years' Financial Statistics

(₹ in lakh)

	2017-18	2018-19	2019-20	2020-21	2021-22
<b>OPERATING RESULTS:</b>					
Revenue from Operations	10764	13416	12395	10955	16889
Other Income	293	241	194	141	98
<b>Total Income</b>	<b>11057</b>	<b>13657</b>	<b>12589</b>	<b>11096</b>	<b>16987</b>
<b>Profit before Interest, Depreciation &amp; Tax (PBIDT)</b>	<b>561</b>	<b>1242</b>	<b>452</b>	<b>5</b>	<b>1164</b>
Interest	397	316	281	231	169
Depreciation	524	514	488	435	468
Profit before Tax / (Loss)	(360)	412	(317)	(661)	527
<b>Profit after Tax / (Loss)</b>	<b>(235)</b>	<b>356</b>	<b>(187)</b>	<b>(516)</b>	<b>415</b>
Comprehensive Income ( net of tax)	(14)	(19)	(61)	36	47
Dividends	-	-	-	-	-
Tax on Dividend	-	-	-	-	-
<b>Retained Profit</b>	<b>(249)</b>	<b>337</b>	<b>(248)</b>	<b>(480)</b>	<b>462</b>
<b>NET ASSETS EMPLOYED</b>					
Non-current Assets	6401	6884	5830	5246	4786
Current Assets	9402	9244	10133	8983	10066
<b>Assets Employed</b>	<b>15803</b>	<b>16128</b>	<b>15963</b>	<b>14229</b>	<b>14852</b>
Financed by					
Shareholders' Fund	9412	9749	9473	8935	9397
Borrowings @	2823	2323	2619	1408	888
Other liabilities and provisions	3568	4056	3871	3886	4567
<b>Funds Employed</b>	<b>15803</b>	<b>16128</b>	<b>15963</b>	<b>14229</b>	<b>14852</b>
<b>RATIOS</b>					
PBIDT to Revenue from Operations (%)	5.21	9.26	3.65	0.05	6.89
Debt : Equity	0.30	0.24	0.28	0.16	0.09
Earnings per Share (Basic)	(9.83)	14.90	(7.83)	(21.61)	17.37
Dividend per Equity Share	-	-	-*	-	-
Book value per Share (Rs)	393.76	407.86	396.31	373.81	393.13

1. @ Borrowings include borrowings under non-current liabilities and current liabilities.
2. \* Dividend @ 10% amounting to Rs. 23.90 lakh (2017-18 - Rs Nil) excluding tax on dividend amounting to Rs. 4.92 lakh has been paid for 2018-19 appropriating balance in Retained Earnings Account.



## Note

A series of horizontal dotted lines for writing, with a large, faint, light blue watermark graphic in the center. The watermark is a stylized, abstract shape composed of several overlapping leaf-like or petal-like elements, resembling a flower or a flame.



