



## **INTERNATIONAL COMBUSTION (INDIA) LIMITED**

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

### **Notice of Annual General Meeting**

Notice is hereby given that the SEVENTY-SIXTH ANNUAL GENERAL MEETING of the shareholders of International Combustion (India) Limited will be held at Kala Kunj, 48, Shakespeare Sarani, Kolkata - 700017 on Friday, the 7th September, 2012 at 3.30 P.M. to transact the following business :-

#### **AS ORDINARY BUSINESS**

1. To receive, consider and adopt the Profit & Loss Account for the year ended 31st March, 2012, the Balance Sheet as at that date together with the Reports of the Board of Directors and Auditors thereon.
2. To declare a Dividend.
3. To appoint a Director in place of Mr. Sanjay Bagaria who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. Ratan Lal Gaggar who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditors and to fix their remuneration.

#### **AS SPECIAL BUSINESS**

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

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311 and all other applicable provisions of the Companies Act, 1956 (hereinafter referred to as “the Act”) read with Schedule XIII of the Act and subject to such consents, permissions and approvals as may be required, the Company hereby accords its approval to the re-appointment of Mr. Indrajit Sen as the Managing Director of the Company for a further period of three years with effect from 1st May, 2012 on such terms and conditions including remuneration by way of salary and perquisites during the aforesaid period, as set out in the Explanatory Statement annexed to the Notice, provided that in the event of loss or inadequacy of profit in any financial year the aforesaid remuneration shall be considered as a minimum remuneration payable to Mr. Indrajit Sen during the currency of his tenure as aforesaid, and that an Agreement, a draft of which is placed before the Meeting, approved and initialed by the Chairman for the purpose of identification, be entered into with Mr. Indrajit Sen as Managing Director, with a liberty to alter, vary and modify the terms and conditions of the said appointment and / or remuneration and / or terms of the Agreement referred to above in such manner as may be agreed between the Board of Directors and Mr. Indrajit Sen, and as laid down under the Act or any amendment / statutory modifications thereto.”

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

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311 and all other applicable provisions of the Companies Act, 1956 (hereinafter referred to as “the Act”) read with Schedule XIII of the Act and subject to such consents, permissions and approvals as may be required, the Company hereby accords its approval to the re-appointment of Mr. Sanjoy Saha as the Executive Director (Whole-time Director) of the Company for a further period of three years with effect from 1st May, 2012 on such terms and conditions including remuneration by way of salary and perquisites during the aforesaid period, as set out in the Explanatory Statement annexed to the Notice, provided that in the event of loss or inadequacy of profit in any financial year the aforesaid remuneration shall be considered as a minimum remuneration payable to Mr. Sanjoy Saha during the currency of his tenure as aforesaid, and that an Agreement, a draft of which is placed before the Meeting, approved and initialed by the Chairman for the purpose of identification, be entered into with Mr. Sanjoy Saha as Executive Director (Whole-time Director), with a liberty to alter, vary and modify the terms and conditions of the said appointment and / or remuneration and / or terms of the Agreement referred to above in such manner as may be agreed between the Board of Directors and Mr. Sanjoy Saha, and as laid down under the Act or any amendment / statutory modifications thereto.”

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

“RESOLVED THAT pursuant to the provisions of Section 198, 309(4) and other applicable provisions, if any, of the Companies Act, 1956, (the Act), and also pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges at Kolkata & Mumbai and pursuant to Article 90 of the Articles of Association of the Company and also subject to the approval of the Central Government, the Company hereby accords its approval 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 Sections 349 & 350 of the Act – for a period of 5 years commencing from the current financial year ending on 31st March, 2013.”

The Register of Members and the Share Transfer Books of the Company will remain closed from 31st August, 2012 to 7th September, 2012 (both days inclusive).

By Order of the Board

Kolkata  
6th July, 2012

**S. C. Saha**  
*Vice President (Finance) & Secretary*

**NOTES :**

1. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a Member of the Company. Proxies in order to be effective must be received by the Company not less than 48 hours before the meeting.**
2. Corporate members are requested to send/bring a duly certified copy of Board/Governing body Resolution under Section 187 of the Companies Act, 1956, authorising their representative to attend and vote on their behalf.
3. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Special Businesses is annexed hereto.
4. Members are requested to bring their attendance slips alongwith copy of the Annual Report to the Annual General Meeting.
5. The dividend, if declared at the Meeting, will be paid to those members/beneficial owners whose names appear on the Company's Register of Members as at the close of business on 30th August, 2012 or to their mandatees. The payments will be made to them **on and from 18th September, 2012.**

6. In order to provide better services to the shareholders, the Company has already introduced National Electronic Clearing Services (NECS) mode for payment of dividend directly to the credit of the members' Bank Accounts. Shareholders who are not availing the NECS facility, may provide the required information to the Company's Registrar & Share Transfer Agents – M/s. C. B. Management Services (P) Ltd., P-22, Bondel Road, Kolkata 700019.
- 7.a) In order to provide protection against fraudulent encashment of the dividend warrants, shareholders holding shares in physical form, are requested to intimate their Bank particulars, giving the name of the Bank and the Branch with address, the type of Account with Bank Account No. to the Company's Registrar & Share Transfer Agents at their address given under Item no. 6 above.
- b) Shareholders holding shares in electronic form, may kindly note that their Bank Account details as furnished by their Depositories to the Company, will be printed on their Dividend Warrants. Any change in Bank particulars and/or change of address may please be furnished immediately to their respective Depository participants.
- c) Shareholders are hereby intimated that under instructions from SEBI furnishing of Bank particulars by the shareholders has become mandatory.
8. In accordance with the provisions of Section 205A read with 205C of The Companies Act, 1956 (the Act), the unpaid/unclaimed dividend for the year ended 31st March, 2005 will be transferred to Investors' Education and Protection Fund (IEPF) of the Central Government after 3rd October, 2012. Shareholders who have not so far encashed their dividend warrants, are requested to claim the dividend in writing to the Company's Registrar & Share Transfer Agents on or before 3rd September, 2012. It may please be noted that once the unclaimed dividend is transferred to IEPF, no claim shall be made either to the Company or to the Fund.

The Shareholders who have not encashed their dividend warrants for the years 2005-06 to 2010-11, are requested to claim immediately the dividend in writing to the Company's Registrar & Share Transfer Agents at the address given under Item No. 6 above. It may please be noted that once the unclaimed dividend is transferred to IEPF, on expiry of 7 years from the date they first became due for payment, no claim shall lie against the Company or IEPF in respect of such unclaimed dividends.

9. Shareholders holding shares in physical form are requested to notify immediately to the Registrar & Share Transfer Agents any change of address and/or "Pin Code" in case the mailing address mentioned on this Annual Report is without Pin Code/incorrect Pin Code.
10. In terms of the provisions of Section 109A of the Act, individual shareholders holding shares in physical form, may make nomination in Form 2B which can be obtained from the Registrar & Share Transfer Agents of the Company. However, in case of demat holdings, the shareholders should approach their respective depository participants for making nominations.
11. Members, who have multiple accounts in identical names or joint names in same order are requested to intimate the Registrar & Share Transfer Agents – M/s. C.B. Management Services (P) Ltd., at their address given under item no. 6 above, the Ledger Folios of such accounts to enable the Company to consolidate all such shareholdings into one account.
12. Members are requested to fill in the Attendance Slips in all respects including Folio No. or DP ID, Client ID as the case may be and sign the same before presenting to registration desk at the venue of AGM.
13. Keeping in view the Circular issued by Ministry of Corporate Affairs (MCA) in April 2011, the Annual Report for the year 2011-12 in electronic form shall be sent by e-mail to those shareholders who have intimated/ registered their e-mail addresses for the purpose. In addition, the Annual Report for the year 2011-12 in physical form shall be sent to those shareholders who have not intimated/ registered their e-mail addresses for the purpose of receiving the same in electronic form. It may please be noted that the full text of the Annual Report will also be available in an easily navigable format on the website [www.internationalcombustion.in](http://www.internationalcombustion.in) for download by the shareholders.

**BRIEF PROFILE OF DIRECTORS SEEKING REAPPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT**

<b>Name</b>	<b>SANJAY BAGARIA</b>	<b>RATAN LAL GAGGAR</b>	<b>INDRAJIT SEN</b>	<b>SANJOY SAHA</b>
<b>Age</b>	50 years	79 years	72 years	67 years
<b>Qualifications</b>	B.Com	B.A. (Hons.), LLB	B.E. (Mech.)	B.E. (Met.)
<b>Expertise in specific functional area</b>	24 years' experience in Corporate Management	Solicitor & Advocate	50 years experience in Engineering Industry and Corporate Management	45 years experience in Engineering Industry and Corporate Management
<b>List of other Companies in which Directorship held</b>	<ul style="list-style-type: none"> <li>• Mahadeo Jute &amp; Industries Ltd.</li> <li>• Jagatdal Jute &amp; Industries Ltd.</li> <li>• Odyssey Travels Ltd.</li> <li>• Bagaria More Co. Ltd.</li> <li>• Bee Emm Trade Holdings Pvt. Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>• Somani Ceramics Ltd. (Formerly SPL Ltd.)</li> <li>• Sarda Plywood Industries Ltd.</li> <li>• TIL Ltd.</li> <li>• Peria Karmalal Tea &amp; Produce Co. Ltd.</li> <li>• Paharpur Cooling Towers Ltd.</li> <li>• SPML Infra Ltd. (Formerly Subhas Projects &amp; Marketing Ltd.)</li> <li>• Machino Plastics Ltd.</li> <li>• Sumedha Fiscal Services Limited</li> <li>• Shree Cement Limited</li> <li>• Machino Polymer Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>• Stone India Limited</li> </ul>	None
<b>Member of the Committees of the Board of other Companies on which he is a Director as on 31st March, 2012</b>	Nil	<b>Audit Committee -</b> <ul style="list-style-type: none"> <li>• TIL Ltd.</li> <li>• Somani Ceramics Ltd. (Formerly SPL Ltd.)</li> <li>• Shree Cement Ltd.</li> <li>• Paharpur Cooling Towers Ltd.</li> <li>• Sarda Plywood Industries Ltd.</li> </ul> <b>Shareholders'/ Investors' Grievance Committee -</b> <ul style="list-style-type: none"> <li>• Somani Ceramics Ltd.</li> <li>• Shree Cement Ltd.</li> <li>• Sarda Plywood Industries Ltd.</li> </ul>	<b>Audit Committee -</b> <ul style="list-style-type: none"> <li>• Stone India Ltd.</li> </ul> <b>Shareholders'/ Investors' Grievance Committee -</b> <ul style="list-style-type: none"> <li>• Stone India Ltd.</li> </ul>	None
<b>Shareholding in the Company of the Non-Executive Directors</b>	43,900	Nil	Not Applicable	Not Applicable
<b>Inter-se Relationship between Directors inter-se</b>	Nil	Nil	Nil	Nil

By Order of the Board

Kolkata  
6th July, 2012

**S. C. Saha**  
*Vice President (Finance) & Secretary*

## EXPLANATORY STATEMENT IN RESPECT OF SPECIAL BUSINESS SET OUT IN THE NOTICE CONVENING THE 76TH ANNUAL GENERAL MEETING OF THE COMPANY TO BE HELD ON SEPTEMBER 7, 2012

### Item No. 6

Mr. Indrajit Sen had been re-appointed as Managing Director of the Company for a period of three years w.e.f. 1st May, 2009 with the approval of the members of the Company obtained at the Annual General Meeting held on 14th August, 2009. In terms of the said appointment, the tenure of office of Mr. Indrajit Sen having expired on 30th April, 2012, the Board of Directors of the Company at their meeting held on 29th March, 2012, re-appointed Mr. Sen as Managing Director for a further term of three years on and from 1st May, 2012.

The remuneration payable to Mr. Sen during his tenure as the Managing Director of the Company with effect from 1st May, 2012 was recommended by the Remuneration Committee of the Board at its meeting held on 6th July, 2012 and subsequently approved by the Board at its meeting held on 6th July, 2012.

Accordingly, a separate Agreement is to be entered into between the Company and Mr. Indrajit Sen specifying the remuneration effective 1st May, 2012, and also the terms and conditions of his reappointment as Managing Director, a draft of which will be available for inspection by the members at the Registered Office of the Company on any working day during usual business hours and shall also be available at the meeting.

An extract of the remuneration effective from 1st May, 2012 as well as the terms and conditions of the re-appointment of Mr. Sen contained in the aforesaid agreement is set out below for consideration of members:

"Subject to the provisions of the Companies Act, 1956, ("the Act"), Mr. I. Sen during the currency of his tenure as Managing Director for a period of three years from 1st May, 2012 shall be entitled to the following remuneration:

Notwithstanding anything stated elsewhere, Mr. Sen during the currency of his tenure as Managing Director, shall be entitled to the following remuneration by way of salary and perquisites, irrespective of the condition that the said remuneration shall exceed the ceiling on remuneration under Section 198 and 309 of the Act and also of the condition where the Company has no profits or its profits are inadequate.

#### PART 'A'

Sl. No.	Particulars of Remuneration	1st May, 2012 to 30th April, 2013 [Rs.]	1st May, 2013 to 30th April, 2014 [Rs.]	1st May, 2014 to 30th April, 2015 [Rs.]
1.	Salary	54,00,000	59,40,000	65,34,000
2.	Perquisites (HRA/ Furnishing/ Gas & Electricity/ LTA/ Medical / Club Fees, etc.)	54,00,000	59,40,000	65,34,000
3.	Retirement Benefits (PF & SAF)	13,50,000	14,85,000	16,33,500
	<b>TOTAL</b>	<b>1,21,50,000</b>	<b>1,33,65,000</b>	<b>1,47,01,500</b>

Besides, Mr. Sen shall also be entitled to the following :-

- a) Gratuity payable at a rate not exceeding half month's salary for each completed year of service.
- b) Encashment of leave at the end of the tenure.

#### PART 'B'

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

Termination – Either party hereto may terminate this Agreement by giving to the other party not less than six

months' notice in writing provided that either party may in the alternative terminate this agreement by paying to the other six months' salary in lieu of such notice."

The proposed remuneration of Mr. Indrajit Sen, Managing Director, does not require the approval of the Central Government, notwithstanding the fact that the same may exceed the limits laid down in Sections 269, 198 & 309 read with Schedule XIII of the Companies Act, 1956, by virtue of Notification No. G. S. R. 534(E) dated 14th July, 2011 read with General Circular No. 46/2011 dated 14th July, 2011 issued by the Ministry of Corporate Affairs, Government of India as Mr. Sen is a professional managerial person 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 of his profession.

However, the re-appointment of Mr. Sen as Managing Director and the remuneration payable to him require the approval of the shareholders of the Company at the ensuing Annual General Meeting by a Special Resolution in terms of the provisions of Schedule XIII of the Act. The resolution set out in Item No. 6 is intended for this purpose.

Mr. Sen may be deemed to be interested in the said resolution. No other Director is interested in this Resolution. The Board recommends that the resolution set out in Item No. 6 of the accompanying Notice convening the meeting be approved by the members.

The above may please be considered as an abstract of the terms of the Draft Agreement and Memorandum of Interest under Section 302 of the Companies Act, 1956.

#### **Item No. 7**

Mr. Sanjoy Saha had been re-appointed as Executive Director (Whole-time Director) of the Company for a period of three years w.e.f. 1st May, 2009 with the approval of the members of the Company obtained at the Annual General Meeting held on 14th August, 2009. In terms of the said appointment, the tenure of office of Mr. Sanjoy Saha having expired on 30th April, 2012, the Board of Directors of the Company at their meeting held on 29th March, 2012, re-appointed Mr. Saha as Executive Director (Whole-time Director) for a further term of three years on and from 1st May, 2012.

The remuneration payable to Mr. Saha during his tenure as the Executive Director (Whole-time Director) of the Company with effect from 1st May, 2012 was recommended by the Remuneration Committee of the Board at its meeting held on 6th July, 2012 and subsequently approved by the Board at its meeting held on 6th July, 2012.

Accordingly, a separate agreement is to be entered into between the Company and Mr. Sanjoy Saha specifying the remuneration effective 1st May, 2012, and also the terms and conditions of his re-appointment as Executive Director (Whole-time Director), a draft of which will be available for inspection by the members at the Registered Office of the Company on any working day during usual business hours and shall also be available at the meeting.

An extract of the remuneration effective from 1st May, 2012 as well as the terms and conditions of the re-appointment of Mr. Saha contained in the aforesaid agreement is set out below for consideration of members:

"Subject to the provisions of the Companies Act, 1956, ("the Act"), Mr. S. Saha during the currency of his tenure as Executive Director (Whole-time Director) for a period of three years from 1st May, 2012 shall be entitled to the following remuneration:

Notwithstanding anything stated elsewhere, Mr. Saha during the currency of his tenure as Executive Director (Whole-time Director), shall be entitled to the following remuneration by way of salary and perquisites, irrespective of the condition that the said remuneration shall exceed the ceiling on remuneration under Section 198 and 309 of the Act and also of the condition where the Company has no profits or its profits are inadequate.

#### **PART 'A'**

<b>Sl. No.</b>	<b>Particulars of Remuneration</b>	<b>1st May, 2012 to 30th April, 2013 [Rs.]</b>	<b>1st May, 2013 to 30th April, 2014 [Rs.]</b>	<b>1st May, 2014 to 30th April, 2015 [Rs.]</b>
1.	Salary	27,00,000	29,70,000	32,67,000
2.	Perquisites (HRA/ Furnishing/ Gas & Electricity/ LTA/ Medical / Club Fees, etc.)	27,00,000	29,70,000	32,67,000
3.	Retirement Benefits (PF & SAF)	6,75,000	7,42,500	8,16,750
	<b>TOTAL</b>	<b>60,75,000</b>	<b>66,82,500</b>	<b>73,50,750</b>

Besides, Mr. Saha shall also be entitled to the following :-

- a) Gratuity payable at a rate not exceeding half month's salary for each completed year of service.
- b) Encashment of leave at the end of the tenure.

## **PART 'B'**

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

Termination – Either party hereto may terminate this Agreement by giving to the other party not less than six months' notice in writing provided that either party may in the alternative terminate this agreement by paying to the other six months' salary in lieu of such notice."

The proposed remuneration of Mr. Sanjoy Saha, Executive Director (Whole-time Director), does not require the approval of the Central Government, notwithstanding the fact that the same may exceed the limits laid down in Sections 269, 198 & 309 read with Schedule XIII of the Companies Act, 1956, by virtue of Notification No. G.S.R. 534(E) dated 14th July, 2011 read with General Circular No. 46/2011 dated 14th July, 2011 issued by the Ministry of Corporate Affairs, Government of India as Mr. Saha is a professional managerial person 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 of his profession.

However, the re-appointment of Mr. Saha as Executive Director (Whole-time Director) and the remuneration payable to him require the approval of the shareholders of the Company at the ensuing Annual General Meeting by a Special Resolution in terms of the provisions of Schedule XIII of the Act. The resolution set out in Item No. 6 is intended for this purpose.

Mr. Saha may be deemed to be interested in the said resolution. No other Director is interested in this Resolution. The Board recommends that the resolution set out in Item No. 7 of the accompanying Notice convening the meeting be approved by the members.

The above may please be considered as an abstract of the terms of the Draft Agreement and Memorandum of Interest under Section 302 of the Companies Act, 1956.

### **Item No. 8**

Mr. Sanjay Bagaria is a Non-Executive Director on the Board of the Company for more than 23 years. Even though Mr. Bagaria has been a Non-Executive Director of the Company, nevertheless from time to time he was involved in major decisions taken by the Company in consultation with Mr. Indrajit Sen, Managing Director and Mr. Sanjoy Saha, Executive Director (Whole-time Director) and his guidance has contributed immensely to the growth of the Company, consequent to which there has been a remarkable improvement in the performance of the Company. It is desirable that Mr. Bagaria continues to guide the Company particularly in view of the increased activities and fresh challenges.

Keeping the above in view, the Board, with the consent of the shareholders and approval of the Central Government, had approved the payment of Commission @ 2% of the net profits of the Company for a period of 5 years ended with the Financial Year ended 31st March, 2012. On expiry of the aforesaid period, the Board at its meeting held on 6th July, 2012, has approved, subject to your approval at the ensuing AGM and also subject to the approval of the Central Government, the payment of Commission @ 2% of the net profits of the Company to be calculated in the manner laid down in Sections 349 and 350 of the Act for a period of next 5 years commencing from the current financial year ending on 31st March, 2013 in line with the similar approval given earlier by the shareholders and the Central Government. In accordance with the provisions of Section 309(4) & Clause 49 of the Listing Agreement, the proposed payment of commission to Mr. Sanjay Bagaria, Chairman and Non-Executive Director, needs your approval by way of a Special Resolution. Since the commission proposed to be paid to Mr. Bagaria is in excess of 1% of the net profits of the Company, Central Government approval is required pursuant to Section 309(4) of the Act.

The Board recommends the resolution set out in Item No. 8 of the convening notice for your approval by way of a Special Resolution.

None of the Directors other than Mr. Sanjay Bagaria is concerned or interested in this Resolution.

By Order of the Board

Kolkata  
6th July, 2012

**S. C. Saha**  
*Vice President (Finance) & Secretary*