

Report on Corporate Governance

INTRODUCTION

The Company's Report on Corporate Governance for the Financial Year ended 31st March, 2018 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 2018, comprised of 5 (five) members with one Executive Director – the Managing Director - and four Non-Executive Directors, three of whom were Independent Directors. The Chairman of the Board is a Non-Executive Director. The Non-Executive Directors with specialization in their respective fields are bringing in a wide range of skills and experience.

(ii) Attendance of the Directors at the Board Meetings of the Company held during the year ended 31st March 2018 and at the last Annual General Meeting (AGM) along with no. of other Directorship(s), other Committee Membership(s) and the Directors' shareholding as on 31st March, 2018 are given below:-

Sl. No	Name of Director	Nature of Category	No. of Board Meetings attended	Attendance at last AGM held on 20.09.2017	No. of Other Directorships*	Other Membership of Committees*		Shares held (Nos.)
						Chairman	Member	
1.	Mr. Sanjay Bagaria	Chairman & Non-Executive Director (Promoter)	6	Yes	4	-	-	43,900
2.	Mr. Indrajit Sen	Managing Director (Non-Promoter)	6	Yes	-	-	-	-
3.	Mr. Ratan Lal Gagar	Non-Executive Independent Director	6	Yes	9	1	6	-
4.	Mr. Ravi Ranjan Prasad	Non-Executive Independent Director	6	Yes	-	-	-	-
5.	Mrs. (Prof.) Bharati Ray	Non-Executive Independent Director	6	Yes	1	-	-	-

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

- 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.

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(iii) Meetings of the Board of Directors

The meetings of the Board are usually held at the Registered Office of the Company at Infinity Benchmark, 11th Floor, Plot No. G-1, Block EP & GP, Sector – V, Salt Lake Electronics Complex, Kolkata – 700 091. During the year under review, 6 (six) Board Meetings were held on 12.05.2017, 04.07.2017, 01.09.2017, 20.09.2017, 28.11.2017 & 06.02.2018. 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 82nd 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 2018, 5 (five) Meetings of the Audit Committee were held - on 12.05.2017, 04.07.2017, 01.09.2017, 28.11.2017 & 06.02.2018. The composition of the Audit Committee along with the attendance of each member are given below :-

Name of Director	Designation	Profession	Committee Meetings	
			Held	Attended
Mr. Ravi Ranjan Prasad	Chairman	Chartered Accountant	5	5
Mr. Ratan Lal Gaggar	Member	Solicitor & Advocate	5	5
Mr. Indrajit Sen	Member	Engineer	5	5

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

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- 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, 2018, the Committee comprised of three Directors viz. Mr. Sanjay Bagaria, Non-Executive Director as Chairman of the Committee, Mr. Indrajit Sen, Managing Director and Mrs. (Prof.) Bharati Ray, Non-Executive Independent Director. During the year under review, this Committee met ten times – 03.05.2017, 09.06.2017, 12.07.2017, 11.08.2017, 13.09.2017, 07.11.2017, 17.11.2017, 22.12.2017, 09.03.2018 & 28.03.2018, which were attended to by all the members.

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(c) Investors' Complaints

Mr. Suhas Chandra Saha, Company Secretary, is the Compliance Officer of the Company for, inter-alia, ensuring compliance with the requirements under the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 & Companies Act, 2013 and also for attending to the investor-related issues and grievances.

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

Name, designation & address of Compliance Officer :

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

The number of shareholders' complaints received during the Financial Year 2017-18 was 1 (One) which was duly redressed. No shareholder's complaint was pending unresolved as at the end of the Financial Year 2017-18.

(iii) Nomination & Remuneration Committee

As on 31st March, 2018, the Nomination & Remuneration Committee comprised of three Directors, viz. Mr. Ratan Lal Gaggar, Independent Director & Chairman of the Committee, Mr. Ravi Ranjan Prasad, Independent Director and Mr. Sanjay Bagaria, Non-Executive Director. The Committee has power to regulate its meetings and proceedings. In accordance with the requirement of Section 178 of the Companies Act, 2013, & Regulation 19 of the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Part D of Schedule II to the said Regulations, its terms of reference have also been expanded. Presently, the Committee is responsible, inter-alia, for:-

- Recommending to the Board the appointments/ re-appointments of Directors and of other Key Managerial Personnel,
- Formulation of criteria for determining qualifications, positive attributes and independence of a Director,
- Recommending to the Board of Directors, the remuneration payable to the Managing Director, other Key Managerial Personnel and the Senior Management Personnel of the Company,
- Recommending to the Board, the Remuneration Policy of the Company,
- Devising a Policy on Board Diversity,
- Formulation of criteria for performance evaluation of all Directors and the Board as a whole.

During the Financial Year 2017-18, the Committee met once – on 4th July, 2017 - which was attended to by all the members.

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

D. Details of Directors' Remuneration for the year ended 31st March, 2018

Name	Salary	Perqui- sites & Allow- ances	Retire- ment Benefits	Com- mi- ssion	Sitting Fees	Total
	₹	₹		₹	₹	₹
a) Executive Directors:						
Mr. Indrajit Sen, Managing Director	79,51,000	81,23,974	18,21,250	-	-	1,78,96,224
b) Non-Executive Directors:						
Mr. Sanjay Bagaria	-	-	-	-	1,80,000	1,80,000
Mr. Ratan Lal Gagar	-	-	-	-	1,30,000	1,30,000
Mr. Ravi Ranjan Prasad	-	-	-	-	1,30,000	1,30,000
Mrs. (Prof.) Bharati Ray	-	-	-	-	1,70,000	1,70,000
					6,10,000	1,85,06,224

- The tenure of office of the Managing Director was for a period of three years with effect from 1st May 2015, which expired on 30th April, 2018. Considering the recommendations of the Nomination and Remuneration Committee of the Board, the Board of Directors of the Company, at its meeting held on 26th April, 2018, re-appointed Mr. Indrajit Sen as the Managing Director of the Company for a further period of three years with effect from 1st May, 2018, subject to the approval of the shareholders of the Company by means of a Special Resolution to be passed at their forthcoming 82nd Annual General Meeting. The MD's tenure of office can however be terminated by either party by giving six months' notice in writing or salary in lieu thereof. There is no separate provision for payment of severance fees to the MD.
- Pursuant to the Companies Act, 2013, now, all the Directors except the Independent Directors retire by rotation.
- There are no stock options available/ issued to any Director of the Company.
- The Chairman was being paid a commission @ 1% of the net profits of the Company till the Financial Year 2016-17. However, it has now been proposed to pay him 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 but subject to the approval of the Central Government, which is pending.
- Each Non-Executive Director is paid a fee of Rs. 10,000/- for attending each meeting of the Board or Committee thereof.
- The Non-Executive Directors do not have any other pecuniary relationship or transactions vis-à-vis the Company.

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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
2016-17	20.09.2017	2.00 P.M.	Kala Kunj, 48, Shakespeare Sarani, Kolkata 700017	1 (One)#
2015-16	02.09.2016	2.00 P.M.	Kala Kunj, 48, Shakespeare Sarani, Kolkata 700017	-
2014-15	18.09.2015	2.00 P.M.	Kala Kunj, 48, Shakespeare Sarani, Kolkata 700017	2 (Two)*

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

A Special Resolution for approving payment of Commission to Non-Executive Chairman @ 2% of the net profits of the Company for a period of five years beginning with the Financial Year 2017-18 subject to the approval of the Central Government was passed through Remote Electronic-Voting at the 81st Annual General Meeting held on 20th September, 2017 with 52.87% participation and 99.97% of the votes polled in favour of the resolution. Mr. Arup Kumar Roy, Company Secretary in Practice, was the Scrutinizer for the said Remote E-Voting & Poll. National Securities Depository Limited was appointed as the Remote E-Voting Agency for the same.

• Special Resolutions for approving re-appointment of Mr. Indrajit Sen as Managing Director and Mr. Ratan Lal Gaggar & Mr. Ravi Ranjan Prasad as Independent Directors are proposed to be passed at the forthcoming 82nd Annual General Meeting scheduled to be held on 3rd September, 2018.

F. Disclosures

(a) Related party transactions

All related party transactions have been entered into in the ordinary course of business on an arm's length basis and are placed periodically before the Audit Committee in summary form. There are no significant related party transactions, which have conflict with the interests of the Company at large. The related party transactions have been disclosed in Note No. 45 of the Notes to the Financial Statements for the year ended 31st March, 2018 and also as an Annexure to the Board's Report for the said year.

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

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(b) Disclosure of accounting treatment

During the Financial Year 2017-18, the Company has migrated to the Indian Accounting Standards (IND AS) and its Financial Statements for the said Financial Year ended 31st March, 2018 have been prepared in accordance with the Indian Accounting Standards (IND AS) as required under 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 2018, these procedures for risk assessment and minimization have been updated. These have been disclosed in the Management Discussion and Analysis Report forming a part of the Directors' Report. The Board has constituted a Risk Management Committee comprising of Mr. Sanjay Bagaria, Chairman of the Committee, Mr. Indrajit Sen, Managing Director & Mr. S. C. Saha, Company Secretary, which is responsible for implementing the Risk Management Plan framed by the Board.

(d) Matters related to capital market

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

(e) Management Discussion & Analysis Report

The Management Discussion & Analysis Report, as required under Regulation 34 of the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Schedule V to the said Regulations, is attached to and forms a part of the Directors' Report.

(f) Code of Conduct

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

(g) Vigil Mechanism (Whistle Blower Policy)

As required under the Companies Act, 2013 & Regulation 22 of the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, a Vigil Mechanism (Whistle Blower Policy) of the Company was adopted by the Board on 2nd May, 2014 and placed on the Company's website for the purpose of enabling the Directors and Employees to report unethical behaviour, actual or suspected fraud and violation of the Company's Code of Conduct or ethics policy. The Audit Committee of the Board has been made responsible

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for overseeing/ monitoring the functioning and implementation of the said Vigil Mechanism. It is hereby affirmed that no personnel of the Company has been denied access to the Audit Committee or its Chairperson.

(h) Compliance Certificate by CEO & CFO

The Managing Director (CEO) and the 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, 2018, which is annexed at the end of this Report.

(i) Means of Communication

Quarterly/half yearly unaudited and annual audited financial results of the Company are sent to the Stock Exchanges immediately after they are reviewed by the Audit Committee and approved by the Board. An extract of the Quarterly (Standalone) and Annual (Standalone & Consolidated) Financial Results are normally published in leading English Daily newspaper (Business Standard/ Business Line/ Financial Express - all editions) and a Bengali Daily (Aaj Kal). The same is also posted on the website of the Company, www.internationalcombustion.in.

(j) Independent Directors

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

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

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

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

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

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(k) Quarterly Compliance Report on Corporate Governance

As required under Regulation 27 of the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, a Quarterly and Half-Yearly/ Yearly Compliance Report(s) on Corporate Governance in the prescribed format signed by the Compliance Officer is submitted to the Stock Exchanges within fifteen days of the end of the quarter.

(l) 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, 2018 and the same is annexed to the Directors' Report & being sent to the shareholders and Stock Exchanges as part of the Annual Report.

(m) Compliance with Mandatory/ Non-Mandatory requirements of Corporate Governance

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

- The Company is maintaining an office for the Non-Executive Chairman at the Registered Office of the Company and the Non-Executive Chairman is also allowed reimbursement of expenses incurred by him in performance of his duties.
- Separate persons have been appointed to the posts of Chairman and Managing Director.
- There is no qualification/ reservation/ adverse remark in the Auditors' Reports to the shareholders of the Company on the Financial Statements (either Standalone or Consolidated) for the Financial Year ended 31st March, 2018.

G. General Shareholders' Information

(a) Annual General Meeting :

The 82nd Annual General Meeting of the shareholders of the Company has been convened on Monday, the 3rd September, 2018 at Kala Kunj, 48, Shakespeare Sarani, Kolkata – 700 017 at 2.00 P.M.

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

(c) Financial Calendar:

Sl.No.	Events	Tentative Dates
1	Audited Annual Results for 2017-18	May 23, 2018
2	Mailing of Annual Reports 2017-18	By 3rd August, 2018
3	First Quarter Results (30th June, 2018)	By 14th August, 2018
4	Annual General Meeting	September 3, 2018
5	Second Quarter Results (30th Sept., 2018)	By 14th November, 2018
6	Third Quarter Results (31st Dec., 2018)	By 14th February, 2019
7	Audited Annual Results for 2018-19	By 30th May, 2019

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(d) Book Closure:

The Share Transfer Books and Register of Members of the Company will remain closed from Tuesday, 28th August, 2018 to Monday, 3rd September, 2018 (both days inclusive) for the purpose of AGM.

(e) Listing of Equity Shares on Stock Exchange:

The Equity Shares of the Company are listed on the Bombay Stock Exchange Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 and on the Calcutta Stock Exchange Limited, Kolkata (CSE), 7, Lyons Range, Kolkata – 700 001. The Board of Directors of the Company have already resolved to voluntarily delist the equity shares of the Company from the CSE in compliance with the Securities & Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. However, the equity shares of the Company shall continue to be listed on the BSE. Although the Company has complied with all the procedural requirements for effecting the said voluntary delisting in accordance with the aforementioned SEBI Regulations, the final approval of the CSE confirming the delisting is still awaited.

(f) Listing Fees

The Company has paid the listing fees for the Financial Year 2018-19 to BSE.

(g) Custodial Fees to Depository

The Company has paid the custodial fees upto the Financial Year 2018-19 to the Central Depository Services (India) Limited [CDSL]. The Company has paid the custodial fees upto the Financial Year 2017-18 to the National Securities Depository Limited [NSDL] and the custodial fees for the Financial Year 2018-19 shall be paid to NSDL on receipt of the invoice from them.

(h) Stock Codes : BSE : 505737

CSE : 019233

(i) Demat ISIN Number : INE403C01014.

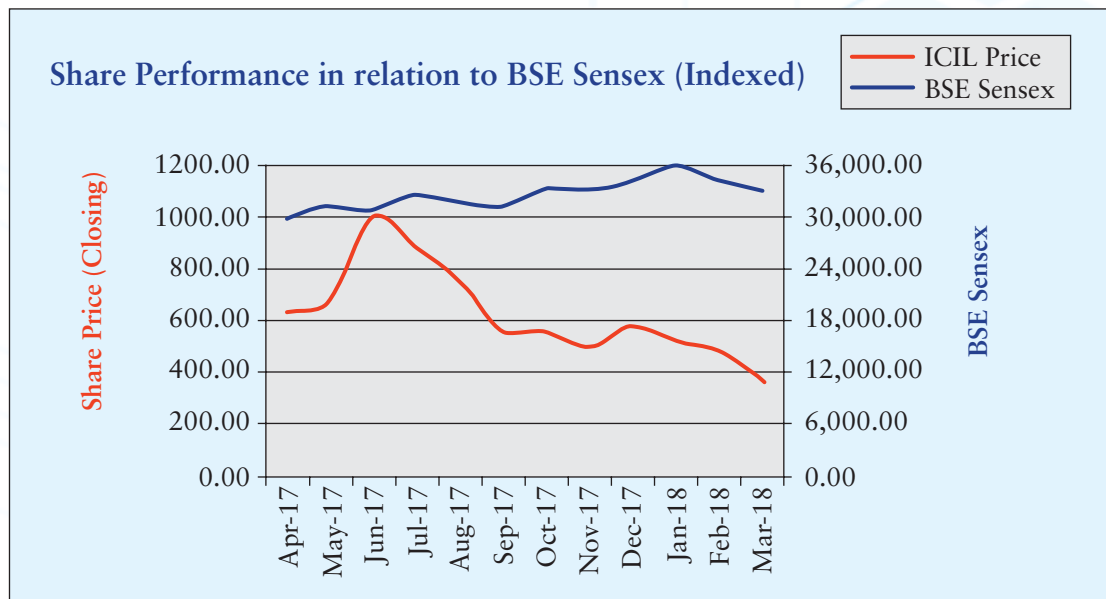
(j) (i) Stock Market price data : (1st April, 2017 to 31st March 2018)

Month/Year	Bombay Stock Exchange Ltd. (BSE)	
	High (Rs.)	Low (Rs.)
April 2017	686.95	587.00
May 2017	736.00	591.25
June 2017	1139.80	682.00
July 2017	1016.00	851.15
August 2017	885.00	660.00
September 2017	778.50	554.00
October 2017	651.00	495.00
November 2017	590.00	455.05
December 2017	610.00	431.20
January 2018	654.00	518.00
February 2018	554.00	452.00
March 2018	490.00	370.00

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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 2017-18 is graphically represented in the chart below:



k) Registrar and Share Transfer Agents :

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

(l) Share Transfer System

Transfers/ transmissions of shares in scrip/ physical form are processed and share certificates duly endorsed & delivered within a period of fifteen days from the date of receipt thereof, subject to the documents relating to the transfers being valid and complete in all respects. To improve and speed up the investor servicing, the Board has delegated the authority for approving transfers, transmissions, etc. to the Share Transfer & Stakeholders' Relationship Committee which approves the same within a fortnight of the lodgement thereof. The endorsements on the share certificates of the transfers are duly authenticated by the Company Secretary. The Company obtains a half-yearly certificate from a 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 Exchanges.

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(m) Distribution of Shareholding as on 31st March, 2018:

No. of Shares	Shareholders		Shareholding	
	Number	%	No. of Shares held	%
1-500	6512	94.44	4,89,927	20.50
501-1000	226	3.28	1,70,182	7.12
1001-2000	81	1.17	1,14,587	4.79
2001-3000	31	0.45	77,154	3.23
3001-4000	8	0.12	28,225	1.18
4001-5000	6	0.09	27,216	1.14
5001-10000	11	0.16	80,613	3.37
10001 and above	20	0.29	14,02,372	58.67
Total	6895	100.00	23,90,276	100.00

(n) Pattern of Shareholding as on 31st March, 2018:

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)	86	40,095	1.68
4.	Bodies Corporate	118	80,247	3.36
5.	Resident Individuals	6660	9,81,034	41.05
6.	Clearing Members	12	5,591	0.23
7.	Investor Education and Protection Fund Authority	1	21,127	0.88
	Total	6895	23,90,276	100.00

(o) Dematerialisation of Shares :

As on 31st March, 2018, 96.74% of the Company's total paid up capital representing 23,12,359 shares were held in dematerialized form and the balance 3.26% representing 77,917 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	921	13.36	77,917	3.26
Dematerialised Form with NSDL	3440	49.89	19,22,238	80.42
Dematerialised Form with CDSL	2534	36.75	3,90,121	16.32
Total	6895	100.00	23,90,276	100.00

Report on Corporate Governance (Contd.)

(p) Liquidity

The average daily number of equity shares of the Company's scrip traded on the Bombay Stock Exchange Limited (BSE) during the Financial Year 2017-18 was 4,253 and the average daily turnover for the scrip on BSE during the Financial Year 2017-18 was Rs. 29.90 lac.

(q) Outstanding Convertible Instruments

No securities/ instruments/ warrants convertible into equity shares of the Company are outstanding as on 31st March, 2018.

(r) Share Capital Reconciliation Audit Report

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

(s) Foreign Exchange Exposure

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

(t) 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) As required under Section 124(6) of the Companies Act, 2013, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules 2016, 21,127 equity shares of the Company, representing 0.88% of the paid-up equity share capital of the Company and belonging to shareholders who had not encashed their dividend warrants for seven consecutive Financial Years, were transferred in favour of the Investor Education and Protection Fund Authority in dematerialized form in November, 2017.
- iii) Further, the Company shall be giving three months' notice to those shareholders whose shares are due to be transferred in favour of the IEPF Authority during the Financial Year 2018-19 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.

(u) 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.

Report on Corporate Governance (Contd.)

(v) **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.

(w) **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.

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

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

Indore : 308, B-Block, 3rd Flr., Prakrati Corporate (Nr. Malwameel Square),
Y.N.Road, Indore-452002, Madhya Pradesh.

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.

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

Mumbai : 407, Acme Plaza, 4th Floor, B-Wing, 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

Vadodara : 307, 3rd Floor, 'Opal Square Building', R.C. Dutta Road, Alkapuri,
Vadodara – 390007

Report on Corporate Governance (Contd.)

(x) Total number of Employees as on 31.03.2018 : 477.

(y) Address for Shareholders' Correspondence :

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

C. B. Management Services (P) Limited

Unit : International Combustion (India) Limited

P-22, Bondel Road, Kolkata – 700019

Telephone : (033) 40116700/6715/6717/6724/6742

Fax : (033) 4011-6739

E-mail : rta@cbmsl.com

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

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

For & on behalf of the Board

Kolkata
23rd May, 2018

Sanjay Bagaria
Chairman