



ANNUAL REPORT 2006 - 2007



IC International Combustion (India) Limited



International Combustion (India) Limited

Registered Office : 107/1, Park Street, Kolkata 700 016

Notice of Annual General Meeting

Notice is hereby given that the SEVENTY-FIRST ANNUAL GENERAL MEETING of **International Combustion (India) Limited** will be held at Kala Kunj, 48, Shakespeare Sarani Kolkata - 700 017 on Friday, the 24th August, 2007 at 3:30 p.m. to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Profit and Loss Account for the year ended 31st March, 2007, 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. Sukhendu Ray, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. P.K. Mallik who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditors of the Company and to fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to the provisions of Section 198, 309 and other applicable provisions of the Companies Act, 1956, (the Act), the Company hereby accords its approval to the payment of a commission to Mr. I. Sen, Managing Director @ 1% of the net profits of the Company, to be calculated in the manner set out in Sections 349 and 350 of the Act subject to a ceiling of the annual salary payable to Mr. Sen during the financial year or part thereof as may be applicable – with effect from 1st May, 2007 till the expiry of his term on 30th April, 2009 provided that the remuneration to which Mr. Sen is presently entitled in terms of Section II of Part II of Schedule XIII of the Act together with the commission as aforesaid, should not exceed the limits laid down under Section 309 of the Act".

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

"RESOLVED THAT pursuant to the provisions of Section 198, 309 and other applicable provisions of the Companies Act, 1956, (the Act), the Company hereby accords its approval to the payment



SEVENTY-FIRST ANNUAL GENERAL MEETING

of a commission to Mr. S. Saha, Executive Director (Wholetime Director) @ ¼% of the net profits of the Company, to be calculated in the manner set out in Sections 349 and 350 of the Act subject to a ceiling of the annual salary payable to Mr. Saha during the financial year or part thereof as may be applicable – with effect from 1st May, 2007 till the expiry of his term on 30th April, 2009 provided that the remuneration to which Mr. Saha is presently entitled in terms of Section II of Part II of Schedule XIII of the Act together with the commission as aforesaid, should not exceed the limits laid down under Section 309 of the Act”.

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

“RESOLVED THAT pursuant to Article 90 of the Articles of Association of the Company and the provisions of Sections 198 and 309 (4) and other applicable provisions, if any, of the Companies Act, 1956 (the Act) 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 and 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 and 350 of the Act - for a period of 5 years commencing from the current financial year ending on 31st March, 2008”.

The Register of Members and the Share Transfer Books of the Company will remain closed from 17th August, 2007 to 24th August, 2007 (both days inclusive).

By Order of the Board

Kolkata
The 30th May, 2007

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. A proxy need not be a member of the Company. Proxies in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the meeting.**
2. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in relation to the Special Business of the Meeting is annexed hereto and forms a part of this Notice.
3. The dividend, if declared at the Meeting, will be payable to those members/ beneficial owners whose names appear on the Company's Register of Members on 24th August, 2007 or to their mandatees and the dividend warrants will be posted to them **on and from 10th September, 2007.**

International Combustion (India) Limited

4. (a) In order to provide protection against fraudulent encashment of the dividend warrants, shareholders holding shares in physical form are requested to intimate the Company under the signature of the sole/first joint holder, the following information for incorporation on the dividend warrants :
 - (i) Name of the Sole/First joint holder and the Folio No.
 - (ii) Particulars of Bank Account viz. :
 - (a) Name of the Bank & Branch
 - (b) Complete address of the Bank with Pin Code Number
 - (c) Account type, whether Savings(SB) or Current Account
 - (d) Bank Account Number allotted by the Bank.
 - (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.
5. 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.
6. In terms of the provisions of Section 109A of the Companies Act, (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 to their respective depository participants for making nominations.
7. Pursuant to the provisions of Section 205A read together with Section 205C of the Act, dividends, interest, etc. which become due during the financial year ended 31st March, 2000 and thereafter and remain due and unclaimed for a period of 7 years will be transferred to Investors' Education and Protection Fund constituted by the Central Government (IEPF).

Shareholders, who have so far not encashed the dividend warrants for the year 2004-05, 2005-06, are requested to claim the dividend in writing to the Company's Registrar & Share Transfer Agents. 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.
8. Members, who have multiple accounts in identical names or joint names in same order are requested to intimate the Registrar and Share Transfer Agents – M/s. C.B. Management Services (P) Ltd., the Ledger Folios of such accounts to enable the Company to consolidate all such shareholdings into one account.
9. 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.
10. As a measure of economy, additional copies of Annual Report will not be available at the Annual General Meeting. Members are, therefore, requested to bring their copies of Annual Report to the meeting.



Annexure to the Notice

Brief profile of Directors seeking reappointment at the forthcoming Annual General Meeting pursuant to Clause 49 of the Listing Agreement.

MR. SUKHENDU RAY

Age : 84 years
Date of Appointment : 29th August, 2003
Qualification : B.Sc.

Other Professional Membership :

Fellow of the Institute of Chartered Accountants of England & Wales

Expertise in specific functional area :

- 37 years experience in Corporate Management. Retired as Managing Director & CEO of Guest Keen Williams Ltd.

List of public companies in which outside Directorship held :

- Asiatic Oxygen Ltd.
- Henkel India Ltd.
- Nagarjuna Agrichem Ltd.
- Henkel Marketing India Ltd.
- Unimers India Ltd.
- Stone India Ltd.

Member of the Committees of the Board of the other Companies on which he is a Director as on 31st March, 2007 :

Audit Committee

- Stone India Ltd. (Chairman)
- Nagarjuna Agrichem Ltd.
- Asiatic Oxygen Ltd. (Chairman)
- Unimers India Ltd.
- Henkel India Ltd.

Shareholders'/Investors' Grievance Committee

- Stone India Ltd. (Chairman)

MR. P. K. MALLIK

Age : 76 years
Date of Appointment : 29th November, 2004
Qualification : B. Com, F.C.A., C.A. (Scotland)

Other Professional Membership :

Expertise in specific functional area :

- Over three decades' experience in Corporate Finance, Management, Accounts and Audit, Retired as a Sr. Partner of Price Waterhouse.

List of public companies in which outside Directorship held :

- Gujarat Carbon & Industries Ltd.
- Kesoram Industries Ltd.
- Peerless Financial Services Ltd.
- Nagarjuna Agrichem Ltd.

Member of the Committees of the Board of the other Companies on which he is a Director as on 31st March, 2007 :

Audit Committee

- Nagarjuna Agrichem Ltd.
- Gujarat Carbon & Industries Ltd.
- Kesoram Industries Ltd. (Chairman)

Shareholders'/Investors' Grievance Committee

- Kesoram Industries Ltd.

Share Transfer & Finance Committee

- Kesoram Industries Ltd.

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Explanatory Statement in respect of Special Business set out in the Notice convening the Annual General Meeting of the Company to be held on 24th August, 2007

Item No.6

The existing remuneration payable to Mr. I. Sen, Managing Director was approved by the shareholders at the Annual General Meeting held on 1st September, 2006 when Mr. Sen was reappointed as Managing Director for a period of 3 years with effect from 1st May, 2006. Such remuneration was broadly in the form of salary and perquisites – without any provision for payment of commission and was within the limit laid down in Sections 309 and 310 of the Companies Act, 1956 (the Act) and also within the ceiling of minimum remuneration laid down in category 1(B) of Section II of Part II of Schedule XIII of the Act.

Keeping in view the performance of the Company for the preceding two years which have registered a healthy growth in turnover as well as profitability, the Remuneration Committee has, in addition to existing salary and perquisites as approved by the shareholders in their meeting held on 1st September, 2006, recommended the payment of commission to Mr. I. Sen, Managing Director based on the net profit of the Company in a financial year, at a meeting held on 30th April, 2007.

On the basis of the recommendation of the Remuneration Committee, the Board of Directors of the Company at their meeting held on 16th May, 2007 approved the payment of a commission to Mr. I. Sen with effect from 1st May, 2007 till the expiry of his term on 30th April, 2009 @ 1% of the net profits of the Company for the financial year computed in the manner laid down in Section 349 and 350 of the Act subject to a ceiling of the annual salary payable to Mr. Sen during a financial year. The commission proposed to be paid as aforesaid together with the remuneration presently being paid to Mr. Sen in the form of salary and perquisites in terms of Part II Schedule XIII of the Act would be subject to the limits laid down under Section 309 of the Act. However, if due to inadequacy of profit in any financial year the total remuneration payable to Mr. Sen in the form of salary and perquisites, which has also been approved by the members at the last Annual General Meeting as minimum remuneration in terms of category 1(B) of Section II of Part II of Schedule XIII of the Act, falls short of 5% of the net profits of the Company, no commission shall be payable to Mr. Sen for that financial year.

The proposed increase in the remuneration in the form of payment of commission will not require the approval of the Central Government in terms of Section 310 of the Act as the proposed commission would be within the limits laid down in Section I of Part II of Schedule XIII of the Act. However, the proposed increase in the remuneration payable to Mr. I. Sen, Managing Director requires the approval of the shareholders at the General Meeting under Section 309 of and Schedule XIII to the Act.

The Ordinary Resolution set out in the item no.6 of the convening Notice is intended for the purpose.

The Directors are of the opinion that the proposed revision is commensurate with the increasing involvement of Mr. I. Sen in the Company's business and recommends the Resolution for the approval of the members.

No Director other than Mr. Sen is concerned or interested in the Resolution.

Copies of the existing Agreement and a draft of the supplementary Agreement proposed to be entered into between the Company and Mr. Sen for increase in the remuneration as aforesaid, are open for inspection at the registered office of the Company during business hours on any working day.



The above matter also be regarded as an abstract of the terms of enhanced remuneration in the form of commission payable to Managing Director contained in the draft supplementary Agreement and Memorandum of Interest under Section 302 of the Act.

Item No.7

The existing remuneration payable to Mr. S. Saha, Executive Director (Wholetime Director) was approved by the shareholders at the Annual General Meeting held on 1st September, 2006 when Mr. Saha was reappointed as Executive Director for a period of 3 years with effect from 1st May, 2006. Such remuneration was broadly in the form of salary and perquisites – without any provision for payment of commission and was within the limit laid down in Sections 309 and 310 of the Companies Act, 1956 (the Act) and also within the ceiling of minimum remuneration laid down in category 1(B) of Section II of Part II of Schedule XIII of the Act.

Keeping in view the performance of the Company for the preceding two years which have registered a healthy growth in turnover as well as profitability of the Company, the Remuneration Committee has, in addition to existing salary and perquisites as approved by the shareholders in their meeting held on 1st September, 2006, recommended the payment of commission to Mr. S. Saha, Executive Director (Wholetime Director) based on the net profit of the Company in a financial year, at a meeting held on 30th April, 2007.

On the basis of the recommendation of the Remuneration Committee, the Board of Directors of the Company at their meeting held on 16th May, 2007 approved the payment of a commission to Mr. S. Saha with effect from 1st May, 2007 till the expiry of his term on 30th April, 2009 @ ¼% of the net profits of the Company for the financial year computed in the manner laid down in Section 349 and 350 of the Act subject to a ceiling of the annual salary payable to Mr. Saha during a financial year. The commission proposed to be paid as aforesaid together with the remuneration presently being paid to Mr. Saha in the form of salary and perquisites in terms of Part II of Schedule XIII of the Act would be subject to the limits laid down under Section 309 of the Act. However, if due to inadequacy of profit in any financial year the total remuneration payable to Mr. Saha in the form of salary and perquisites, which has also been approved by the members at the last Annual General Meeting as minimum remuneration in terms of category 1(B) of Section II of Part II of Schedule XIII of the Act, falls short of 5% of the net profit of the Company, no commission shall be payable to Mr. Saha for that financial year.

The proposed increase in the remuneration in the form of payment of commission will not require the approval of the Central Government in terms of Section 310 of the Act as the proposed commission would be within the limits laid down in Section I of Part II of Schedule XIII of the Act. However, the proposed increase in the remuneration payable to Mr. S. Saha, Executive Director (Wholetime Director) requires the approval of the shareholders at the General Meeting under Section 309 of and Schedule XIII to the Act.

The Ordinary Resolution set out in the item no.7 of the convening Notice is intended for the purpose.

The Directors are of the opinion that the proposed revision is commensurate with the increasing involvement of Mr. S. Saha in the Company's business and recommends the Resolution for the approval of the members.

No Director other than Mr. Saha is concerned or interested in the Resolution.

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Copies of the existing Agreement and a draft of the supplementary Agreement proposed to be entered into between the Company and Mr. Saha for increase in the remuneration as aforesaid, are open for inspection at the registered office of the Company during business hours on any working day.

The above matter also be regarded as an abstract of the terms of enhanced remuneration in the form of commission payable to Executive Director contained in the draft supplementary Agreement and Memorandum of Interest under Section 302 of the Act.

Item No.8

Mr. Sanjay Bagaria is a Non Executive Director on the Board of the Company for more than 15 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 the recent past in consultation with Mr. I. Sen, Managing Director and Mr. S. Saha, Executive Director (Wholetime Director) and his guidance has contributed immensely to the growth of the Company, consequent to which there has been a remarkable improvement in the profits 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 of Directors of the Company at its meeting held on 16th May, 2007 subject to your approval at the ensuing Annual General Meeting and also subject to the approval of the Central Government, approved the payment of a commission to Mr. Sanjay Bagaria, Chairman and Non Executive Director of the Company @ 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, 2008. In accordance of provisions of Section 309(4), 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 commends 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.

This may also be treated as an abstract of the draft Agreement to be entered into between the Company and Mr. Sanjay Bagaria pursuant to Section 302 of the Companies Act, 1956.

By Order of the Board

Kolkata
The 30th May, 2007

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



SEVENTY-FIRST ANNUAL GENERAL MEETING
International Combustion (India) Limited

Registered Office : 107/1, Park Street, Kolkata 700 016

ADMISSION SLIP

Date

24th August, 2007

Venue

Kala Kunj,
48 Shakespeare Sarani, Kolkata 700017

Time

3.30 P.M.

Name & Address of Member

I certify that I am a Member/Proxy for the Member holding shares.

Please ✓ in the box

☐ Member

☐ Proxy

.....
Member's Signature

.....
Name of the Proxy in Block Letter

.....
Proxy's Signature

- Note : i) Members/Proxyholders who wish to attend the Annual General Meeting (AGM) must bring their Admission Slips to the AGM and hand over the same duly signed at the entrance.
 ii) Duplicate Admission Slips will not be issued at the venue



International Combustion (India) Limited

Registered Office : 107/1, Park Street, Kolkata 700 016

PROXY FORM

I/We
 of being a Member/Members of International Combustion (India) Limited,
 hereby appoint of
 or failing him of
 or failing him of

as my/our Proxy to attend and vote for me/us and on my/our behalf at the Seventy-First Annual General Meeting (AGM) of the Company to be held on the 24th day of August, 2007 and at any adjournment thereof.

As witness my/our hand(s) this day of 2007.

Signed by the said

Affix Re.1
Revenue
Stamp

A/C No. /DPID & CLIENT ID No.

- Note : i) The Proxy must be deposited at the Registered Office of the Company at 107/1, Park Street, Kolkata 700 016 not less than 48 hours before the commencement of the AGM i.e. by 3.30 P.M. on 22nd August, 2007.
 ii) Please mark the envelope 'ICIL-Proxy',

International Combustion (India) Limited

CORPORATE INFORMATION

Board of Directors

S. Bagaria *Chairman*
I. Sen *Managing Director*
S. Saha *Executive Director*
(Wholetime Director)

R. L. Gaggar
S. Ray
P. K. Mallik

Board Committees

Audit Committee

S. Roy *Chairman*
R. L. Gaggar
P. K. Mallik

Share Transfer/Shareholders' Grievance Committee

S. Bagaria *Chairman*
I. Sen
S. Ray

Remuneration Committee

R. L. Gaggar *Chairman*
S. Ray
P. K. Mallik

Vice President (Finance) & Secretary

S. C. Saha

Auditors

Lodha & Co.
Chartered Accountants

Compliance Officer

S. C. Saha

Bankers

UCO Bank
UTI Bank

Registered Office

107/1 Park Street,
Kolkata 700 016
Telephone : 2226-6508/1732/1734
Fax : (033) 2249-3713
Email : info@internationalcombustion.in

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