

## CORPORATE GOVERNANCE:

### 1. Company's Philosophy on Code of Corporate Governance

At Intercontinental, we are committed to practicing good Corporate Governance norms. Intercontinental firmly believes in adhering to Corporate Governance code to ensure protection of its investor's interest as well as healthy growth of the Company. The Company has been complying with Corporate Governance norms right from its inception. We endeavour to enhance the long term stake holding value of our investors. The Company complies with the Corporate Governance Code as enshrined in Clause 49 of the Listing Agreement.

### 2. Board of Directors:

#### A. Composition, Category of Directors and their other directorship as on March 31, 2015.

Name of the director	Category of directorship	No. of directorship in other public companies and Pvt Companies	No. of other company /Committees where he is a chairman 'C'/member 'M'
Ravi Kharwad	Executive (Chairman & Director)	1	C(3) & M(2)
Bhupendra Thakur	Executive Director	4	M(1)
Satish Rajbhar	Non-executive (Independent Director)	6	M(5)
Rajni Shah	Non-executive (Independent Director)	4	C(2) & M(3)

#### B. Number of Board Meetings

During the year ended March 31, 2015, eighteen Board Meetings were held on 12/05/2014, 15/05/2014, 20/05/2014, 26/05/2014, 27/05/2014, 25/07/2014, 10/08/2014, 29/08/2014, 02/09/2014, 05/09/2014, 11/09/2014, 30/09/2015, 01/11/2014, 07/11/2014, 13/11/2014, 20/01/2015, 21/02/2015 and 02/03/2015.

#### C. Directors' attendance record:

Name of the director	Board meetings attended during the year	Whether attended last AGM
Ravi Manohar Kharwad	18	Yes
Bhupendra Thakur	5	No
Satish Rajbhar	17	Yes
Rajni Shah	4	No

### 3. Committees of the Board

#### A. Audit Committee

##### i) Terms of Reference:

The Audit Committee was constituted in terms of section 177 of the Companies Act 2013 and as per the provision clause 49 of Listing Agreement with the Delhi Stock Exchange and The Calcutta Stock Exchange, as amended time to time beside other matter as may referred by board of directors. These

inter alias, include the review of the company's financial reporting process and disclosure of financial information to ensure that the financial statement is correct, review of the quarterly and annual financial statement before submission to the Board for approval.

**ii) Composition:**

The Audit committee consists of three directors, Shri. Ravi Kharwad, Shri. Satish Rajbhar, and Anjali Kharwad. Shri Ravi Kharwad has been designated as chairman of the committee. The committee met 3 times on and before 7<sup>th</sup> November, 2014. The attendance record of the members at the meeting were as follows

Name of the member	Designation	No. of meeting attended
Ravi Kharwad	Chairman	3
Anjali Kharwad	Member	3
Satish Rajbhar	Member	3

The Audit committee reconstituted as per Companies Act, 2013 on 7<sup>th</sup> November, 2014, consists of three directors, Shri. Ravi Kharwad, Shri. Satish Rajbhar, and Shri. Rajni Shah. Shri Rajni Shah has been designated as chairman of the committee. The committee met 2 times after 7<sup>th</sup> November, 2014 and in total committee met 5 times during the financial year ended March 31, 2015. The attendance record of the members at the meeting were as follows

Name of the member	Designation	No. of meeting attended
Rajni Shah	Chairman	2
Ravi Kharwad	Member	2
Satish Rajbhar	Member	2

**B. Nomination & Remuneration Committee and policy:**

The nomination & remuneration committee for appointment & remuneration of executive directors was constituted **with effect from November 7, 2014** with Mr. Rajni Shah as chairman. The committee comprises of three Directors.

Name of the member	Designation
Ravi Kharwad	Chairman, Executive Director
Rajni Shah	Member, Non-executive Independent Director
Satish Rajbhar	Member, Non-executive Independent Director

The committee have met one time on 02/03/2015 during the financial year ended March 31, 2015. The attendance record of the members at the meeting were as follows

Name of the member	Designation	No. Of meeting attended
Ravi Kharwad	Chairman	1
Rajni Shah	Member	1
Satish Rajbhar	Member	1

The details of remuneration for the year ended March 31, 2015 to the Executive Directors are as follows

Name	Designation	Remuneration
Ravi Kharwad	Chairman & Director	NIL
Bhupendra Thakur	Director	NIL

**The Company has paid sitting fees of Rs NIL per meeting to Non-Executive Directors during the financial year 2014-15**

The terms of reference of the Nomination and Remuneration Committee inter alia, include the following:

- Succession planning of the Board of Directors and Senior Management Employees;
- Identifying and selection of candidates for appointment as Directors / Independent Directors based on certain laid down criteria;
- Identifying potential individuals for appointment as Key Managerial Personnel and to other Senior Management positions;
- Formulate and review from time to time the policy for selection and appointment of Directors, Key Managerial Personnel and senior management employees and their remuneration;
- Review the performance of the Board of Directors and Senior Management Employees based on certain criteria as approved by the Board.

**c) Shareholders/ Investors' Grievance Committee:**

The composition of committee is given below

Name	Category
Ravi Kharwad	Chairman & Director
Anjali Kharwad	Member
Satish Rajbhar	Member

In compliance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Agreement, the Board has renamed the existing "Shareholders'/Investors' Grievance Committee" as the "Stakeholders' Relationship Committee on **07/11/2014**" and the committee is reconstituted on 7<sup>th</sup> November, 2014 and the composition of committee is given below:

Name	Category
Rajni Shah	Chairman
Satish Rajbhar	Member
Bhupendra Thakur	Member

During the year 2014-15 the Shareholders/Investors Grievance committee has met one time on 02/03/2015. Further the committees has not received any compliant during the year under review.

The terms of reference of the Committee are:

- Transfer/transmission of shares/debentures and such other securities as may be issued by the Company from time to time;
- issue of duplicate share certificates for shares/debentures and other securities reported lost, defaced or destroyed, as per the laid down procedure;
- issue new certificates against subdivision of shares, renewal, split or consolidation of share certificates / certificates relating to other securities;

- issue and allot right shares / bonus shares pursuant to a Rights Issue / Bonus Issue made by the Company, subject to such approvals as may be required;
- to grant Employee Stock Options pursuant to approved Employees' Stock Option Scheme(s), if any, and to allot shares pursuant to options exercised;
- to issue and allot debentures, bonds and other securities, subject to such approvals as may be required;
- to approve and monitor dematerialization of shares / debentures / other securities and all matters incidental or related thereto;
- to authorize the Company Secretary and Head Compliance / other Officers of the Share Department to attend to matters relating to non-receipt of annual reports, notices, non-receipt of declared dividend / interest, change of address for correspondence etc. and to monitor action taken;
- monitoring expeditious redressal of investors / stakeholders grievances;
- all other matters incidental or related to shares, debenture

**d) PERFORMANCE EVALUATION COMMITTEE**

The company has formed a performance evaluation committee consisting of the following members from November 7, 2014.

Name of The Member	Designation
Ravi Kharwad	Chairman
Satish Rajbhar	Member
Rajni Shah	Member

The committee met 1 times during the financial year ended March 31, 2015. The attendance record of the members at the meeting were as follows

Name of The Member	Designation	No of Meetings of Attended
Ravi Kharwad	Chairman	1 on 2 <sup>nd</sup> March, 2015
Satish Rajbhar	Member	1 on 2 <sup>nd</sup> March, 2015
Rajni Shah	Member	1 on 2 <sup>nd</sup> March, 2015

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Appointment and Remuneration Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board' functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried

out by the Independent Directors who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

e) **The company has formed a business risk evaluation/ management committee consisting of the following members.**

Name of The Member	Designation	No. of Meetings of Attended
Ravi Kharwad	Chairman	1 on 2 <sup>nd</sup> March, 2015
Satish Rajbhar	Member	1 on 2 <sup>nd</sup> March, 2015
Rajni Shah	Member	1 on 2 <sup>nd</sup> March, 2015

Business Risk Evaluation and Management is an ongoing process within the Organization. The Company has a robust risk management framework to identify, monitor and minimize risks as also identify business opportunities.

The objectives and scope of the Risk Management Committee broadly comprise of

1. Oversight of risk management performed by the executive management;
2. Reviewing the BRM policy and framework in line with local legal requirements and SEBI guidelines;
3. Reviewing risks and evaluate treatment including initiating mitigation actions and ownership as per a pre-defined cycle;
4. Defining framework for identification, assessment, monitoring, and mitigation and reporting of risks.
5. Within its overall scope as aforesaid, the Committee shall review risks trends, exposure, potential impact analysis and mitigation plan.

#### **INDEPENDENT DIRECTORS MEETING:**

During the year under review, the Independent Directors met on March 02, 2015, inter alia, to discuss:

1. Evaluation of the performance of Non Independent Directors and the Board of Directors as a Whole;
2. Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors.
3. Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the independent Directors were present at the meeting.

#### **Management discussion and analysis report forms part of this Annual Report**

#### **4. Disclosures:**

(a) Materially Significant related party transactions

There was no transaction of material nature with any of the related party, which is in conflict with the interest of the company.

(b) Details of noncompliance by the company, penalties, strictures imposed on the company by the Stock Exchange or SEBI or any authority on any matter related to capital markets during last 3 years.

There was no instance of levy of any penalties during the last three years.

## **5. Compliance with Accounting Standards**

In the preparation of the financial statements, the Company has followed the Accounting Standards notified pursuant to Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provision of the Companies Act, 2013. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

## **6. Internal Controls**

The Company has a formal system of internal control testing which examines both the design effectiveness and operational effectiveness to ensure reliability of financial and operational information and all statutory / regulatory compliances.

## **7. CEO & MD / CFO Certification**

The CEO & MD and the CFO have issued certificate pursuant to the provisions of Clause 49 of the Listing Agreement certifying that the financial statements do not contain any untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of the Annual Report.

## **8. Code of Conduct**

The Board of Directors has approved a Code of Business Conduct which is applicable to the Members of the Board and all employees. The Company believes in "Zero Tolerance" to bribery and corruption in any form and the Board has laid down the "Anti-Bribery & Corruption Directive" which forms an Appendix to the Code. The Code has been posted on the Company's website [www.iclf.com](http://www.iclf.com).

## **9. Vigil Mechanism / Whistle Blower Policy**

In staying true to our values of Strength, Performance and Passion and in line with our vision of being one of the most respected companies in India, the Company is committed to the high standards of Corporate Governance and stakeholder responsibility. The Company has a Fraud Risk Management Policy (FRM) to deal with instances of fraud and mismanagement, if any. The FRM Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern.

## **10. Prevention of Insider Trading**

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Company Secretary & Head Compliance is responsible for implementation of the Code.

**All Board Directors and the designated employees have confirmed compliance with the Code.**

## 11. SHAREHOLDERS:

### a. Means of Communication:

The Quarterly Un-Audited (Provisional) Results and the Annual Audited Financial results of the company are sent to the stock exchanges immediately after they are approved by the Board and are also published in one vernacular news paper viz. " Hari Bhoomi" and one English news paper viz. "Financial express". Also they are uploaded on the company's website [www.iclf.com](http://www.iclf.com). The results are published in accordance with the guidelines of the Stock Exchanges.

### b. Share Transfers Agents:

Purva Shareregistry India (India) Pvt. Ltd., Unit No. 9, Shiv Shakti Ind. Estate, J R Boricha Marg, Opp. Kastuba Hospital, Lower Parel, Mumbai- 400 013.

### c. Share Transfer System:

Share Transfer request are registered within an average period of 10 to 15 days from the date of receipt

### d. General Body Meetings:

Details of last three Annual General Meetings are as under.

Financial Year	Date	Time	Venue
2013-14	30/09/2014	3.00 p.m.	14 L S C Madangir, New Delhi – 110 062
2012-13	30/09/2013	3.00 p.m.	14 L S C Madangir, New Delhi – 110 062
2011-12	29/09/2012	12.30 p.m.	14 L S C Madangir, New Delhi – 110 062

### e. Postal Ballot:

For the year ended March 31, 2015 there have been no ordinary or special resolutions passed by the Company's Shareholders through postal ballot.

## 12. Additional shareholders information:

### a) Annual General Meeting

**Date:** 30th September, 2015

**Venue:** Shop No 232, 2nd Floor, Vardhman Fortune Mall C Centre GTK IND Area, Landmark Near Hans plaza, New Delhi – 110033

**Time:** 01.30 p.m

### b) Financial Calendar

Financial Year: April 01 to March 31 for the financial year 2015-16.

The tentative dates for declaration of Quarterly unaudited results are

Result for quarter ending 30.06.2014	: 2nd Week of August 14
Result for the Half year ending 30.09.2014	: 2nd Week of November 14
Result for the quarter ending 31.12.2014	: 3rd Week of Jan 15
Result for the year ending 31.03.2015	: Last Week of May 15

**c) Book Closure:**

The register of members and share transfer books of the company shall remain **closed from 24<sup>th</sup> September, 2015 to 30<sup>th</sup> September, 2015** (Both days inclusive) for Annual General Meeting.

**d) Divident Payment Date**

Not Declared.

**e) Listing in stock exchanges and stock codes**

The names of stock exchanges at which the equity shares are listed and respective stock codes are as under:

Name of the stock Exchanges	Stock Code No.
The Calcutta Stock Exchange	
Delhi Stock Exchange	4736

The ISN number allotted to the company for demat of shares are as under.

NSDL: INE858Q01019

CDSL: INE858Q01019

**f) Stock data:**

No trade – during the year.

**h) Distribution of shareholding as on March 31, 2015.**

Size of Holdings	No. of shareholders	Percentage	No. of shares	Percentage
Upto-5,000	589	94.39%	5,62,220	1.73%
5,001 - 10,000	2	0.32%	20,000	0.06%
10,001 - 20,000	2	0.32%	31,500	0.10%
20,001 - 30,000	1	0.16%	20,110	0.06%
30,001 - 40,000	0	0.00%	0	0.00%
40,001 - 50,000	6	0.96%	2,58,000	0.79%
50,001 - 1,00,000	1	0.16%	59,000	0.19%
1,00,001 and above	23	3.69%	3,15,39,170	97.07%
<b>TOTAL</b>	<b>624</b>	<b>100.00%</b>	<b>3,24,90,000</b>	<b>100.00%</b>

**Share Holding Pattern:**

Serial No.	Category	No. of shares	% of shareholding
1	Promoters	155928	4.80
2	Bank /Financial Institutions	NIL	NIL
3	Others	3093072	95.20
<b>Total</b>		<b>3249000</b>	<b>100</b>

**i) Shares held in physical and dematerialized form:**

As on **March 31, 2015**, **92.34 %** of shares were held in **dematerialized form** and the rest in physical form.



**j) Outstanding GDR's/ADR's/Warrant's/Convertible instruments and their impact on equity.**

NIL.

**k) Plant Location**

Not applicable.

**l) Address for correspondence**

Shop No 232, 2nd Floor, Vardhman Fortune Mall, C Centre GTK IND Area, Landmark Near Hans plaza, Delhi- 110033

E-Mail: [ROC.ICLF@GMAIL.COM](mailto:ROC.ICLF@GMAIL.COM)

Website: [www.iclf.com](http://www.iclf.com)

## **CERTIFICATION BY CEO/CFO UNDER CLAUSE 49 V OF THE LISTING AGREEMENT**

**The Board of Directors,  
Intercontinental Leasing and Finance Company Ltd.**

**We have reviewed the financial statements and the cash flow statement of Intercontinental Leasing and Finance Company Ltd. for the financial year 2014-15 and certify that:**

- a) These statements to the best of our knowledge and belief:
  - I. Do not contain any materially untrue statements or omit any material facts or contain statements that might be misleading;
  - II. Present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
  
- b) To the best of our knowledge and belief, there are no transactions entered into by the Directors and Senior Management Personnel 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 have evaluated the effectiveness of the internal control systems of the Company for such reporting. We have disclosed to the Auditors and the Audit Committee, deficiencies, if any, in the design or operation of such internal controls, of which we are aware of and the steps taken and/or proposed to be taken to rectify these deficiencies.
  
- d) We have also indicated to the Auditors and the Audit Committee.
  - (i) Significant changes in Internal Controls with respect to financial reporting during the year.
  - (ii) Significant changes in accounting policies during the Year and these have been disclosed in the notes to the financial statements.
  
- e) To the best of our knowledge and belief, there are no instances of significant fraud involving either the management or employees having a significant role in the Company's internal control systems with respect to financial reporting.

**Chief Financial Officer**

**Chairman & Managing Director**

**Date: 29/05/2015**

**Place: Delhi**

## **DECLARATION REGARDING AFFIRMATION OF CODE OF CONDUCT**

In terms of the requirements of Clause 49 of the Listing Agreement, this is to confirm that all the members of the Board and the Senior Management personnel have affirmed Compliance with the Code of Conduct for the year ended March 31, 2015.

**Place: Delhi**  
**Date: 29/05/2015**

**For Intercontinental Leasing and Finance Company Ltd.**  
**Ravi Kharwad**  
**Chairman & Managing Director**  
**DIN: 02079606**

## **AUDITORS' COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE**

The Members of Intercontinental Leasing and Finance Company Ltd

We have examined the compliance of conditions of Corporate Governance by Intercontinental Leasing and Finance Company Ltd for the year ended March 31, 2015 stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The Compliance of condition of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company to ensure Compliance with the condition of Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has fully complied with all the mandatory conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement.

**For TDK & Co.**  
**Chartered Accountants**  
**Firm Registration No.**

**Neelanj Shah**  
**Partner**  
**Membership No: 121057**  
**Delhi**  
**29<sup>th</sup> May 2015**