

INTERNATIONAL COMBUSTION (INDIA) LIMITED

Related Party Transactions Policy

(Pursuant to Clause 49 of the Listing Agreement with Stock Exchanges and adopted by the Board of Directors of the Company at its meeting held on 5th November, 2014)

All related party transactions of the Company, if any, shall be carried out only in accordance with the provisions stated below :-

1. The term “related party” shall include the parties mentioned in Section 2(76) of the Companies Act, 2013 and also in the Accounting Standard 18 on Related Party Transactions issued by the Institute of Chartered Accountants of India and duly notified by the Ministry of Corporate Affairs, Government of India.
2. All related party transactions of the Company, if any, shall be carried out only in full and strict compliance with Section 188 of the Companies Act, 2013, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, Accounting Standard 18 on Related Party Transactions issued by the Institute of Chartered Accountants of India and duly notified by the Ministry of Corporate Affairs, Government of India, and Clause 49 of the Listing Agreement with Stock Exchanges.
3. All related party transactions of the Company shall ordinarily be entered into only on an arm’s length basis in the ordinary course of the business of the Company at prevailing market prices and further in compliance with the aforementioned provisions. If in the Company’s interest, any related party transaction is to be carried out other than on an arm’s length basis or other than in the ordinary course of the business of the Company or other than at the prevailing market prices, it shall take place only with the approval of the Audit Committee & the Board of Directors and also with the approval of the shareholders, if so required under Section 188 of the Companies Act, 2013 read with the rules made thereunder.
4. All Related Party Transactions shall require prior approval of the Audit Committee. However, the Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company subject to the following conditions :-
 - a. The Audit Committee may grant the omnibus approval for those Related Party Transactions of the Company which are repetitive in nature provided that the Audit Committee is satisfied about the need for such omnibus approval and further satisfied that such approval is in the interests of the Company ;

- b. Such transaction is in accordance with the criteria for grant of omnibus approval laid down by the Audit Committee in line with this policy ;
- c. Such omnibus approval shall specify (i) the name(s) of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into, (ii) the indicative base price / current contracted price and the formula for variation in the price, if any, and (iii) such other conditions as the Audit Committee may deem fit.

Provided that where the need for Related Party Transaction cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs.1 crore per transaction ;

- d. the Audit Committee shall review, on a quarterly basis, the details of Related Party Transactions entered into by the Company pursuant to each of the omnibus approval given ;
 - e. Such omnibus approvals shall be valid for a period of one year and shall require fresh approvals after the expiry of one year.
5. A transaction with a related party (except a wholly owned subsidiary of the Company whose accounts are consolidated with the accounts of the Company and reported to shareholders) shall be considered material if the sum total of all the transactions entered/ to be entered into with the said related party during a particular financial year exceed ten percent of the annual consolidated turnover of the Company as per the audited financial statements of the Company pertaining to the immediately preceding financial year.
 6. All material Related Party Transactions shall require approval of the shareholders through special resolution and the related parties, meaning not just the related parties to the transaction but all parties falling within the definition of “related party” shall abstain from voting on such resolutions.
 7. The Company shall report to its Audit Committee and the Audit Committee shall review all the related party transactions of the Company on a quarterly basis.
 8. All related party transactions of the Company required to be reported to the shareholders in the Board’s Report pursuant to Section 188 of the Companies Act, 2013, shall be duly so reported.
 9. All material related party transactions of the Company shall be disclosed on a quarterly basis along with the Compliance Report on Corporate Governance.
 10. This policy shall be posted on the website of the Company.