

**INTERNATIONAL COMBUSTION (INDIA) LIMITED**

**CODE OF CONDUCT**

**(Pursuant to Clause 49 of the Listing Agreement with Stock Exchanges and Section 149 of the Companies Act, 2013 read with Schedule IV to the said Act)**

**A. INTRODUCTORY PROVISIONS**

**Preamble**

International Combustion (India) Limited, hereinafter called "ICIL", is a professionally managed Company incorporated in the year 1936. Over the years ICIL with its Directors, Senior Management Personnel and other employees of the Company have been strictly adhering to certain Code of Conduct which is in alignment with the Company's vision and values. This Code of Conduct is now reframed for better understanding and in compliance with the provisions of Clause 49 of the Listing Agreement with Stock Exchanges and Section 149 of the Companies Act, 2013 read with Schedule IV to the said Act.

**Applicability**

This Code of Conduct excepting Part C shall be applicable to all Board members and Senior Management Personnel of the Company i.e. all the personnel of the company who are of the level of Assistant General Manager/ Dy. General Manager and its equivalent or above. Part C shall be applicable only to the Independent Directors of the Company.

**B. CODE FOR ALL BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL OF THE COMPANY**

**Philosophy**

ICIL and its team of professionals firmly believe that the core value of the corporate philosophy is trustee-ship of the Organisation handed to them by the stakeholders in "trust" As the "Trustee", they appreciate that it is their responsibility to ensure that the Organisation is managed in a manner that not only protects the stakeholders' interest but simultaneously enhances the value of the Company.

**Purpose**

The Company conducts its business with the responsibility, integrity, fairness and transparency. And the purpose of this Code of Conduct is to structure a broad policy to be adopted by the Senior Management Personnel of the company in

course of discharging their duties and responsibilities so as to promote healthy business practice in a professional and ethical manner.

### **Corporate Governance Policy**

A Corporate Governance Policy is an instrument guiding conduct of the affairs of the Company and at the same time delineates the roles, responsibilities and authorities of the key personnel in the governance structure of the Company. The Code forms an integral part of the Corporate Governance Policy.

### **Corporate Citizenship**

In the Conduct of the Company's business, the practice of good Corporate Citizenship is a pre-requisite. In dealing with each other, Directors and Senior Management Personnel of the Company shall up-hold the values – trust team work objectivity, mutual cooperation, self-respect and human dignity.

### **Health, Safety and Environment**

ICIL attaches great importance to a healthy working environment. The Company is committed to provide good physical working condition with high standard of hygiene and housekeeping. While conducting the business affairs, the Company shall comply with all regulations regarding the preservation of the environment and committed to prevent the wasteful use of the natural resources and minimize any hazardous impact of the manufacture, use of and disposal of any of its products and services.

### **Quality of Products and Services**

ICIL is committed to manufacture and supply the best quality of product and also to provide the services of high quality standard to ensure total customers satisfaction. By importing and developing up-dated technology for the products manufactured by the Company and also upgrading the infrastructure, the Company is striving to achieve international quality standard in respect of its product and services.

### **Ethical Conduct**

Every Senior Management Personnel , while working on behalf of the Company, shall deal with professionalism , honesty and integrity as well as maintain high moral and ethical standard.

## **Regulatory Compliance**

Every Senior Management Personnel shall, in his or her business conduct, comply with all applicable laws and regulations, both in letter and in spirit in all the areas where he or she operates. ICIL is committed to provide timely, accurate and complete information, as necessary to all concerned, including its stakeholders. Directors, Senior Managerial Personnel and all other employees of the Company. In their conduct of business, ICIL shall honour all lawful commitments of the Company.

## **Equal Opportunity at Work Place**

ICIL provides equal opportunity to all its employees and all qualified applicants to employment without referring to their race, caste, religion, marital status, sex, age, nationality and disability. Employees of ICIL shall be treated with dignity and shall be provided with a work environment, free of sexual harassment, whether physical, verbal or psychological.

The Policies and Practices of the Company while dealing with the employees shall be administered in a manner which ensures that in all matters, equal opportunity is provided to those eligible and the decisions are based on merit.

The Company considers employees at all levels as a contributory organ for the benefit of the Company and shall ensure that no employee even at the junior level is dealt with in a disgraceful manner.

## **Gifts and Donations**

All Senior Management Personnel and all other employees of the Company shall ensure that in their dealings with the suppliers and customers, the Company's interests are never compromised. Accepting gifts and products of more than a nominal value, payments out of gratuity or otherwise to their suppliers or customers will be viewed as serious breach of discipline as this could lead to compromising the Company's interest. However, the employees may accept and offer nominal gifts which are customarily given and are of a commemorative nature for special events.

For Government Agencies, ICIL and its employees shall not offer any gift or Company's funds in some form or the other as donation to any Government Agencies or their representatives directly or through its intermediaries in order to obtain any favour from the Government Agencies.

## **Protection of Confidential Information**

No Senior Management Personnel of the Company shall disclose or use any confidential information gained in course of employment / association with the Company for personal gain or for the advantage of any other person. The use of Company's information for personal gain is strictly prohibited. No information either formerly or in formerly, shall be provided to the Press or other Publicity Media or any other external agencies unless it is within the approved policy of the Company.

## **Protecting Company's Assets**

All the assets of the Company including tangible assets such as equipment and machineries, systems, facilities, materials and resources as well as intangible assets such as propriety information and intellectual rights, relationship with the customers and suppliers etc. shall not be mis-used by the Senior Management Personnel of the Company and shall be employed only for the purpose of conducting the business for which they are duly authorized.

## **Concurrent Employment**

No Senior Management Personnel of ICIL shall , without the prior approval of of the Managing Director of the Company, concurrent employment or a position of responsibility (such as a consultant or a director) with any other Company.

## **Conflict of Interest**

All Senior Management personnel of the Company avoid situation in which they have personal interest which would conflict with the interest of the Company. A conflict of interest, actual or potential may arise where directly or indirectly an employee of the Company engages in a business relationship or activity with anyone who is a party to a transaction with his or her Company.

Any Senior Management personnel , who is aware of such a conflict or is aware that the conflict might develop, is required to disclose the matter promptly to the Board of Directors in case of the Director and to the Managing Director in case of an Executive.

## **Public Representation of the Company**

ICIL shall honour the information requirements of the public and its stakeholders. While disclosing business information of the Company in any public appearance and /or to the media, the financial communities, employees and the stakeholders,

the Company shall be represented only by the Chairman, the Managing Director and other authorised Directors, Company Secretary and specifically authorised employees of the Company. Disclosing any information about the Company will be the sole responsibility of these authorised representatives.

### **Prevention of Insider Trading**

The Senior Management Personnel and other employees of ICIL and their family should not derive any benefit or assist others to derive any benefit from access to and possession of information about the Company which constitutes insider information. No employee of ICIL shall use information which is not available to the investing public and which constitute to be insider information for making or giving advice on investment decision on the securities of the Company.

### **Transparency and Auditability**

All Senior Management Personnel and other employees shall ensure that their actions in the conduct of business are totally transparent except where the needs of business security dictate otherwise. Such transparency shall be brought about through appropriate policies, systems and processes, including segregation of duties and maintaining supporting records which shall be necessary to voluntarily ensure that areas of operation are open to audit .

### **Company Facilities**

No. Senior Management Personnel shall mis-use Company facilities. Every employee must exercise care to ensure that costs are reasonable and there is no wastage.

### **Financial & Operational Integrity**

The Company is committed to disclosing correctly and properly in its financial statement, all information required to be disclosed under relevant accounting standard or under laws or regulations.

No record or documentation maintained by the Company shall be false or misleading.

### **Related Party Disclosure**

The Senior Management Personnel shall make disclosure of related party transaction to the Chairman and the Managing Director in the form provided

under Accounting Standard – 18 ( AS-18) issued by the Institute of Chartered Accountants of India ( ICAI) and/or any recodification thereof.

## **C. CODE FOR INDEPENDENT DIRECTORS ONLY**

### **Philosophy**

The Code is a guide to professional conduct for independent directors. Adherence to these standards by independent directors and fulfilment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of independent directors.

### **Guidelines of professional conduct**

An independent director shall:

- (1) uphold ethical standards of integrity and probity;
- (2) act objectively and constructively while exercising his duties;
- (3) exercise his responsibilities in a *bona fide* manner in the interest of the company;
- (4) devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- (5) not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- (6) not abuse his position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- (7) refrain from any action that would lead to loss of his independence;
- (8) where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
- (9) assist the company in implementing the best corporate governance practices.

### **Role and functions:**

The independent directors shall:

- (1) help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- (2) bring an objective view in the evaluation of the performance of board and management;
- (3) scrutinise the performance of management in meeting agreed goals and objectives

- and monitor the reporting of performance;
- (4) satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
  - (5) safeguard the interests of all stakeholders, particularly the minority shareholders;
  - (6) balance the conflicting interest of the stakeholders;
  - (7) determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management;
  - (8) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

**Duties :**

The independent directors shall—

- (1) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- (2) seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the company;
- (3) strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- (4) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- (5) strive to attend the general meetings of the company;
- (6) where they have concerns about the running of the company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
- (7) keep themselves well informed about the company and the external environment in which it operates;
- (8) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- (9) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company;
- (10) ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- (11) report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- (12) acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;

- (13) not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

#### **D. GENERAL PROVISIONS**

##### **Amendment to the Code**

The provision of this Code can be amended /modified by the Board of Directors of the Company from time to time and all such amendments /modifications shall take effect from the date stated therein.

##### **Implementation**

All Directors and Senior Management Personnel are accountable for full compliance with this Code excepting Part C. Only Independent Directors are accountable for compliance with Part C of this Code. Penalty for breach of Code shall be determined by the Board of Directors in case of the Directors and the Managing Director in case of Senior Management Personnel.

Any instance of non-adherence to the Code of Conduct and / or any other observed unethical behaviour on part of those covered under this code should be brought to the attention to the Board of Directors in case of Directors and / or the Managing Director in case of Senior Management Personnel.