

INTERNATIONAL COMBUSTION (INDIA) LIMITED
POLICY ON DETERMINATION OF MATERIALITY OF EVENTS AND
INFORMATION FOR DISCLOSURE TO STOCK EXCHANGES
[Pursuant to Regulation 30 of the Securities & Exchange Board of India (Listing
Obligations and Disclosure Requirements) Regulations, 2015 and adopted by the
Board of Directors of the Company at its meeting held on 1st February, 2016]

This Policy for determination of materiality of events & information for disclosure to Stock Exchanges (hereinafter referred to as 'the Disclosure Policy' or 'this/ the Policy') has been framed in terms of Regulation 30 of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (hereinafter referred to as 'the SEBI Regulations, 2015'). This Policy applies in respect of disclosure of material events occurring within the Company or any subsidiaries that it may have in future.

1. AUTHORISED PERSONS

The Company Secretary, and in the event of his/ her absence on account of vacancy, leave or temporary inaccessibility due to any reason or for any other reason, the Chief Financial Officer, and in the event of absence of both on account of vacancy, leave or temporary inaccessibility due to any reason or for any other reason, the Managing Director shall be the authorized person for the purpose of determining materiality of an event or information and for the purpose of making disclosure to the Stock Exchanges in terms of the said Regulations.

2. MATERIALITY ASSESSMENT

Any information or event would be regarded as material by the authorized person(s) if-

- a) the non-disclosure of the event or information is likely to result in discontinuity or alteration of event/ information already available publicly, or
- b) it is expected that if the event or information comes to light at a later date, it is likely to result in significant market reaction, or
- c) if there is a substantial likelihood that a reasonable investor would consider it important in making a decision to buy, sell or hold the security or where the information or event, whether positive or negative, is likely to have a significant effect on the market price of the security.

Materiality must be determined on a case to case basis depending on specific facts and circumstances relating to the information or event. The primary approach for determining materiality will be qualitative. The following is an illustrative list of the qualitative criteria, by no means exhaustive or decisive :-

- a) Whether the event / transaction is in the ordinary course of business or not
- b) Whether a related party is involved in the transaction

- c) Whether the event/ transaction represents a significant shift in the Company's strategy
- d) Whether the event/ transaction is an exit from or an entry into a significant line of business.

The following information, though by no means exhaustive, shall be considered material :-

- a) Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation/ merger/ demerger/restructuring), or sale or disposal of any unit(s), division(s) or subsidiary of the Company or any other restructuring ;
- b) Issuance or forfeiture of securities, split or consolidation of shares, buyback of securities, any restriction on transferability of securities or alteration in terms or structure of existing securities including forfeiture, reissue of forfeited securities, alteration of calls, redemption of securities etc. ;
- c) Revision in Credit Rating(s) ;
- d) Dividends and/or cash bonuses recommended or declared or the decision to pass any dividend and the date on which dividend shall be paid/dispatched ;
- e) Any cancellation of dividend with reasons thereof ;
- f) The decision on buyback of securities ;
- g) The decision with respect to fund raising proposed to be undertaken ;
- h) Increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares would be credited/dispatched ;
- i) Reissue of forfeited shares or securities, or the issue of shares or securities held in reserve for future issue or the creation in any form or manner of new shares or securities or any other rights, privileges or benefits to subscribe to ;
- j) short particulars of any other alterations of capital, including calls ;
- k) financial results ;
- l) decision on voluntary delisting by the Company from stock exchange(s) ;
- m) Agreements (viz. shareholder agreement(s), joint venture agreement(s), family settlement agreement(s) (to the extent that it impacts management and control of the Company), agreement(s)/treaty(ies)/contract(s) with media companies) which are binding and not in normal course of business, revision(s) or amendment(s) and termination(s) thereof ;
- n) Fraud/ Defaults by promoter or key managerial personnel or by the Company or arrest of key managerial personnel or promoter ;
- o) Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Auditor and Compliance Officer ;
- p) Appointment or discontinuation of share transfer agent ;
- q) Corporate debt restructuring ("CDR") ;
- r) One time settlement (OTS) with a Bank ;
- s) Reference to BIFR and winding-up petition filed by any party / creditors ;

- t) Issuance of notices, call letters, resolutions and circulars sent to shareholders, debenture holders or creditors or any class of them or advertised in the media by the Company ;
- u) Proceedings of annual and extraordinary general meetings of the Company ;
- v) Amendments to memorandum and articles of association of the Company ;
- w) Schedule of analyst or institutional investor meet and presentations on financial results made by the Company to analysts or institutional investors ;
- x) Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division ;
- y) Change in the general character or nature of business brought about by arrangements for strategic, technical, manufacturing, or marketing tie-up, adoption of new line(s) of business or closure of operations of any unit/division - (entirety or piecemeal) ;
- z) Capacity addition or product launch ;
- aa) Awarding, bagging/ receiving, amendment or termination of awarded/bagged major orders/contracts, not in the normal course of business ;
- bb) Agreements (viz. loan agreement(s) (as a borrower) or any other agreement(s) which are binding and not in normal course of business, revision(s) or amendment(s) and termination(s) thereof ;
- cc) Disruption of operations of any one or more units or division of the listed entity due to natural calamity (earthquake, flood, fire etc.), force majeure or events such as strikes, lockouts etc. ;
- dd) Effect(s) arising out of major change in the regulatory framework applicable to the Company ;
- ee) Litigation(s) / dispute(s) / regulatory action(s) with major impact ;
- ff) Major frauds/ defaults by directors (other than key managerial personnel) or employees of the Company ;
- gg) Options to purchase securities (including any Share Based Employee Benefit Scheme ;
- hh) Giving of major guarantees or indemnity or becoming a surety for any third party which is major in nature ;
- ii) Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals ;
- jj) Any other significant development/ event / information that is likely to materially impact the Company's business ;
- kk) Any other material event / information which is exclusively known to the Company and requires disclosure in order to enable the shareholders to appraise the Company's position ;

In the event of any confusion regarding whether an event/ information is material and warrants disclosure or not, the Key Managerial Person(s) referred to above shall refer the matter to the Board of Directors on an urgent basis, if required through circulation, and the Board shall decide on the matter on the basis of the interpretation of the SEBI

Regulations, this Policy and other relevant factors, as considered necessary, which decision shall prevail.

For the purpose of assessing whether a particular event/ information is material or not, the Key Managerial Person(s) referred to above / Board of Directors may also consider/ be guided by the following quantitative criteria, although the primary approach for determining materiality shall be qualitative as mentioned above and quantitative criteria shall only be the secondary approach :-

- a) The consideration involved in the event/ transaction as a percentage of the Company's annual revenue,
- b) The consideration involved in the event/ transaction as a percentage of the Company's fixed assets or as a percentage of the Company's total assets.

For the removal of doubts, it is hereby declared that all matters/ events/ information specified in Para A of Part A of Schedule III of the aforementioned SEBI Regulations, 2015 shall be compulsorily disclosed in all circumstances whatsoever without applying the criteria mentioned above as mandated under the aforementioned Regulations and more specifically, the criteria mentioned in this Policy shall apply to matters/ events/ information specified in Para B of Part A of Schedule III of the aforementioned SEBI Regulations, 2015 and other matters/ events/ information.

The material events / information as determined above for disclosure to Stock Exchanges, shall be disclosed within the time period mentioned in the Regulations for such event/ information. Wherever the Company makes disclosures under Regulation 30, it shall make disclosures updating material developments on the matter on a regular basis, till such time the event is resolved/closed, with relevant explanations.

For the purpose of determining materiality of an event/ information, the Company firmly believes that the SEBI Circular No. CIR/CFD/CMD/4/2015 dated 9th September, 2015, providing guidance on Regulation 30 as well as the discussion paper on review of the erstwhile Clause 36 and related Clauses of the erstwhile Equity Listing Agreement published by SEBI as also the Guidance Note dated 30th September, 2014 on the Clause 36 of the erstwhile Equity Listing Agreement issued by Bombay Stock Exchange Limited are very useful and represents the best interests of the shareholders.

This Policy shall be posted and shall remain posted on the Company's official website <http://www.internationalcombustion.in>. Events and information disclosed to the Stock Exchanges in terms of this Policy shall also be posted on the Company's website. All information posted on the Company's website, including information posted in terms of this Policy and in terms of Regulation 30 of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, shall remain posted on the website for a minimum period of five years from the date the said information is posted in accordance with the archival policy of the Company.

This Policy shall be reviewed by the Board of Directors as and when deemed necessary.