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**POLICY
ON
VIGIL MECHANISM
OF
RICO AUTO INDUSTRIES LIMITED**

1. Preface

Rico believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. Any actual or potential violation of the Code, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. In line with the commitment to conduct business of the Company in a fair and transparent manner and commitment to open communication, Rico has formulated a Policy which provides a formal mechanism for all employees of the Company to approach the Chairman of the Audit Committee of the Company and make Protected Disclosures about the unethical behaviour, actual or suspected fraud or violation of the Code. The Policy requires every Employee to promptly report to the management any actual or possible violation of the Code or an event he becomes aware of that could have a detriment affect on the business or reputation of the Company and provides reassurance that they will be protected from reprisals or victimization for whistleblowing.

2. Definitions

2.1. “**Code**” means Rico’s Code of Conduct as displayed on www.ricoauto.com.

2.2. “**Company**”/ “**Rico**” means Rico Auto Industries Ltd.

2.3. “**Employee**” means every employee of the Company (whether in India or abroad) and includes Independent Directors.

2.4. “**Policy**” means the Whistle Blower/ Vigil Mechanism Policy.

2.5. “**Protected Disclosure**” means any communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity and violation of the Code.

2.6. “**Subject**” means a person against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation.

2.7. “**Whistle Blower**” means a person making a Protected Disclosure under this Policy. Whistle Blower includes Employees, clients, vendors, suppliers, contractors, auditors, regulatory agencies and other third party intermediaries engaged to conduct business on behalf of the Company, such as agents and consultants.

3. Guidelines

- 3.1. The Whistle Blower's Protected Disclosure must be supported by all factual evidences, to the extent available, to substantiate the allegations against the Subject and facilitate carrying out of investigation. Such Protected Disclosure along with the evidences shall be made, preferably, within 30 days from the date of breach of the Code or other irregularity in conducting business affairs of the Company. The Protected Disclosure should not be based on the hearsay evidence or other form of informal communication.
- 3.2. The Whistle Blower's role is that of a reporting party. Neither can they act as investigators or finders of facts nor determine the appropriate corrective or remedial action that may be warranted.
- 3.3. While this Policy is intended to protect genuine Whistle Blowers from any unfair treatment as a result of their disclosures, misuse of this protection by making frivolous and bogus complaints with mala fide intentions is strictly prohibited. A Whistle Blower, who makes complaints with mala fide intentions and which are subsequently found to be false will warrant strict disciplinary action.
- 3.4. Whistle Blowers must put their names to allegations as follow-up questions because investigation becomes merely impossible unless the source of the information is identified. Disclosures expressed anonymously will ordinarily NOT be investigated.
- 3.5. This Policy is not, however, intended to question financial or business decisions taken by the Company nor should it be used as a means to reconsider any matters which have already been addressed pursuant to disciplinary or other internal procedures of the Company. Further, this Policy is not intended to cover career related or other personal grievances.
- 3.6. To ensure that this Policy is adhered to, and to assure that the concern will be acted upon seriously, the Company will:
 - 3.6.1. Ensure that the Whistle Blower and/or the person making the Protected Disclosure is not victimized for doing so;
 - 3.6.2. Treat victimization as a serious matter including initiating disciplinary action on such person/(s);
 - 3.6.3. Ensure complete confidentiality;
 - 3.6.4. Not attempt to conceal evidence of the Protected Disclosure;

- 3.6.5. Take disciplinary action, if any one destroys or conceals evidence of the Protected Disclosure made/to be made;
- 3.6.6. Provide an opportunity of being heard to the persons involved especially to the Subject;
- 3.7. The Policy covers malpractices and events which have taken place/ suspected to take place involving:
 - 3.7.1 Abuse of authority;
 - 3.7.2 Negligence causing substantial and specific danger to public health and safety;
 - 3.7.3 Manipulation of company data/records;
 - 3.7.4 Financial irregularities, including fraud, or suspected fraud;
 - 3.7.5 Sexual Harassment;
 - 3.7.6 Criminal offence;
 - 3.7.7 Pilferation of confidential/propriety information;
 - 3.7.8 Deliberate violation of law/regulation;
 - 3.7.9 Wastage/misappropriation of company funds/assets;
 - 3.7.10 Breach of employee Code of Conduct or Rules;
 - 3.7.11 Leak of Unpublished Price Sensitive Information and
 - 3.7.12 Any other unethical, biased, imprudent event which affects conducting of business affairs of the Company in a fair and transparent manner.

4. Procedure

- 4.1 All Protected Disclosures should be addressed to the Chairman of the Audit Committee of the Company for investigation. Such Protected Disclosures along with the evidences shall be made, preferably, within 30 days from the date of breach of the Code or other irregularity in conducting business affairs of the Company.
- 4.2 The contact details of the Chairman of the Audit Committee are as under:

Shri Amarjit Chopra
11, Empire Estate, MG Road
New Delhi – 110030
Mobile: 9810100299, E-mail: amarjit Chopra@vsnl.net

- 4.3 If a Protected Disclosure is received by any executive of the Company other than the Chairman of Audit Committee, the same should be forwarded to the Chairman of the Audit Committee for further appropriate action. Appropriate care must be taken to keep the identity of the Whistle Blower confidential.
- 4.4 Whistle Blower must provide the background, history and reason for the concern, together with names, dates, places and as much information possible.
- 4.5 Protected Disclosures should preferably be reported in writing so as to ensure a clear understanding of the issues raised and should either be typed out or written in a legible handwriting in English, Hindi, regional language of the Whistle Blower's place of employment. Protected Disclosures should be addressed to the Chairman of the Audit Committee in a sealed envelope marked as "Whistle Blower - Private & Confidential".
- 4.6 For the purpose of providing protection to the Whistle Blower, the Whistle Blower should disclose his/her identity only in the covering letter accompanying the Protected Disclosure.

5. Investigation

- 5.1 The investigating authority shall acknowledge receipt of the Disclosure as soon as practical (preferably within 07 days of receipt of a Protected Disclosure), where the Whistle Blower has provided his/her contact details.
- 5.2 All Protected Disclosures reported under this Policy will be thoroughly investigated by the Chairman of the Audit Committee of the Company who will investigate / oversee the investigations under the authorization of the Audit Committee.
- 5.3 The investigation is to be treated as a neutral fact-finding process. The outcome of the investigation may not support the conclusion of the Whistle Blower that an improper or unethical act was committed.
- 5.4 Subjects will normally be informed of the allegations at the commencement of a formal investigation and have opportunities for providing their inputs during the investigation. Subjects will be given the opportunity to respond to material findings contained in an investigation report. No allegation of wrong doing against a Subject shall be considered as maintainable unless there is good evidence in support of the allegation. However, Subjects shall not intervene during the course of investigation and shall fully cooperate with the investigating officer to enable the investigator to examine all possible aspects of the reported matter.

5.5 If, at the conclusion of its investigation, the Company determines that a violation has occurred or the allegations are substantiated, the Company will take effective remedial action commensurate with the severity of the offence. This may include disciplinary action against the Subject. The Company may also take reasonable and necessary measures to prevent any further violations which may have resulted in a complaint being made. The Company reserves the right to refer any concerns or complaints regarding reported matter to appropriate external regulatory authorities.

5.6 The investigation shall be completed normally within 60 days of the receipt of the Protected Disclosure and any delay beyond 60 days will be justified in the investigation report.

6. Protection to Whistle Blower

6.1. No personnel who, in good faith, makes a disclosure or lodges a complaint in accordance with this Policy shall suffer unfair treatment such as retaliation, threat, discrimination or adverse employment consequences. Accordingly, the Company strictly prohibits discrimination, retaliation or harassment of any kind against a Whistle Blower and therefore the Company shall ensure that the full protection is granted to the Whistle Blower against such unfair treatment.

6.2. No employee or external agency shall exercise direct or indirect abuse of its authority to obstruct the Whistle Blower's right to perform his/her duties/functions during routine daily operations.

6.3. Any personnel who retaliates against a Whistle Blower who has raised a concern in good faith, will be subject to strict disciplinary action up to and including immediate termination of employment or termination of his/her relationship with the Company and other actions as the Company may deem fit.

6.4. If any Whistle Blower who makes a disclosure or complaint in good faith, believes that he/she is being subjected to discrimination, retaliation or harassment for having made a report under this Policy, he/she must immediately report those facts to his/her manager or point of contact, or the Chairman of Audit Committee.

6.5. Any other employee/business associate assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

7. Confidentiality

7.1. The Whistle Blower, the Subject, the Chairman of the Audit Committee and everyone involved in the process of investigation shall:

7.1.1. maintain complete confidentiality/ secrecy of the matter.

7.1.2. not discuss the matter in any informal/social gatherings/ meetings.

7.1.3. discuss only to the extent or with the persons required for the purpose of completing the process and investigations.

7.1.4. not keep the papers unattended anywhere at any time.

7.1.5. keep the electronic mails/files under password.

7.2. If anyone is found not complying with the above, he/ she shall be held liable for such disciplinary action as is considered fit.

8. Retention of Documents

All Protected Disclosures in writing or documented along with the results of investigation relating thereto shall be retained by the Company for a minimum period of 5 years.

9. Reporting

A quarterly report with number of complaints received under the Policy and their outcome shall be placed before the Audit Committee and the Board.

10. Amendment

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification will be binding on the Employees unless the same is notified to the Employees in writing.

**POLICY
FOR
DETERMINING 'MATERIAL' SUBSIDIARIES
OF
RICO AUTO INDUSTRIES LIMITED**

Policy for Determining Material Subsidiary

1. Purpose

Determination of Material Listed or Non-Listed Indian or Foreign Subsidiaries of the Rico Auto Industries Limited (hereinafter referred to as the “**Company**”), where applicable, and complying with disclosures/other requirements regarding such Subsidiaries and disinvestment of their shares held by the Company, and, selling/ disposing/ leasing of assets of such Subsidiaries by them.

In term of Regulation 16(1)(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“The Listing Regulations”) the Company is required to formulate a policy for determination of “Material Subsidiaries. Accordingly, the Board of the Directors of the Company had initially approved and adopted the “Policy for Determining Material Subsidiary” (“Policy”) of the Company.

Pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, this Policy is being revised to ensure conformity with the above amendments. Accordingly, the Board of Directors has approved and adopted this revised policy.

2. Definitions

2.1 “Audit Committee” means the committee constituted by the Board of Directors of the Company, from time to time, in accordance with section 177 of the Companies Act 2013 and Regulation 18 of the Listing Regulations.

2.2 Subsidiary

“Subsidiary Company” or “Subsidiary”, in relation to any other Company (that is to say the Holding Company), means a Company in which the Holding Company—

- (i) controls¹ the composition of the Board of Directors; or
- (ii) exercises or controls more than one-half of the total voting power either at its own or together with one or more of its Subsidiary Companies.

However, some clarification is relevant here:

- A Company shall be deemed to be a Subsidiary Company of the Holding Company even if the control (as stated above) is of another Subsidiary Company of the Holding Company.

¹ The term "control" shall include the right to appoint majority of the Directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner {The Companies (Specifications of Definitions Details) Rules 2104}

- The composition of a Company's Board of Directors shall be deemed to be controlled by another Company if that other Company can appoint or remove all or a majority of the Directors.
- For the purpose of this definition, "Company" includes any body Corporate.

2.3 Material Subsidiary

A Material Subsidiary means a Subsidiary, whose income or net worth exceeds 10% (ten percent) of the consolidated income or net worth respectively, of the Company and its Subsidiaries in the immediately preceding accounting year.

2.4 Material Unlisted Subsidiary

The term shall mean an Unlisted Subsidiary, incorporated in India or Overseas, whose income or net worth (i.e. paid up capital and free reserves) exceeds 10% (Ten Percent) of the consolidated income or net worth respectively, of the Listed Holding Company and its Subsidiaries in the immediately preceding accounting year.

2.5 Independent Director means a Director of the Company, not being a Whole Time Director and who is neither a Promoter nor belongs to the Promoter Group of the Company and who satisfies other criteria for independence under the Companies Act, 2013 and the Listing Regulations.

2.6 Policy means this Policy for determining 'Material' Subsidiaries.

Any words and not defined in this policy shall have the same meanings as defined in the Companies Act, 2013, rules framed thereunder and the Listing Regulations.

3. Guiding Principles

3.1 Material Subsidiary of the Company would be identified, which would include the following, if any:

- Material Listed Indian & Foreign Subsidiaries
- Material Unlisted Listed Indian & Foreign Subsidiaries

as one time exercise and such exercise shall be done during each financial year and the conclusion shall be placed before the Audit Committee and the Board of Directors of the Company.

3.2 Material Unlisted or Listed Indian Subsidiary of the Company would be identified, if any, as one time exercise and such exercise shall be done during each financial year and the conclusion shall be placed before the Audit Committee and the Board of the Company.

4. Restriction on disposal of its assets by Material Subsidiary

Selling, disposing and leasing of assets amounting to more than 20% (Twenty percent) of the assets of the Material Subsidiary shall require prior approval of shareholders by way of special resolution, unless the sale/disposal/lease is made under a scheme of arrangement duly approved by a Court / Tribunal or under a resolution plan duly approved under section 31 of the Insolvency Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

5. Restriction on disposal of shares of Material Subsidiary by the Company

No Company shall dispose of shares in its Material Subsidiary which would reduce its shareholding (either on its own or together with other Subsidiaries) to less than 50% (Fifty Percent) or cease the exercise of control over the Subsidiary without passing a special resolution in its General Meeting except in cases where such divestment is made under a scheme of arrangement duly approved by a Court/Tribunal or under a resolution plan duly approved under section 31 of the Insolvency Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

6. Disclosures/Other Requirements

6.1 The policy shall be disclosed on the Company's website and a web link thereto shall be provided in the Annual Report.

6.2 At least one Independent Director on the Board of Directors of the Holding Company shall be a Director on the Board of Directors of an Unlisted Material Subsidiary Company, whether incorporated in India or Overseas.

For the purposes of this provision, the term "Material Subsidiary" shall mean a Subsidiary, whose income or net worth exceeds 20% (Twenty percent) of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

6.3 The Audit Committee of the Listed Holding Company shall also review the financial statements, in particular, the investments made by the Unlisted Subsidiary Company on an annual basis.

6.4 The minutes of the Board meetings of the Unlisted Subsidiary Company shall be placed at the Board meeting of the Listed Holding Company. The management of Unlisted Subsidiary Company should bring to the attention of the Board of Directors of the Listed Holding Company, a statement of all significant transactions

and arrangements² entered into by the Unlisted Subsidiary Company on quarterly basis.

6.5 The Company and its Material Unlisted Subsidiaries incorporated in India shall undertake secretarial audit and shall annex with its annual report, a secretarial audit report, given by a Company Secretary in practice.

7. Compliance by Step down Subsidiaries

Where the Company has a Listed Subsidiary which is itself a Holding Company, this policy shall apply to the Listed Subsidiary insofar as its subsidiaries are concerned.

8. Review and Amendment

The Managing Director of the Company may review or amend this policy on behalf of the Board of Directors, in whole or in part, from time to time as per the requirement of the Act or any other statute, which will be placed before the Board of Directors for their noting.

Where the terms of this Policy differ from any existing or newly enacted law, rule, regulation or standard governing the Company, the law, rule, regulation or standard will take precedence over this Policy and procedures until such time this Policy is amended to conform to the applicable law, rule, regulation or standard.

² The term shall mean any individual transaction or arrangement that exceeds or is likely to exceed 10% of the total revenues or total expenses or total assets or total liabilities, as the case may be, of the Unlisted Subsidiary for the immediately preceding accounting year.

POLICY
ON
RELATED PARTY TRANSACTIONS
OF
RICO AUTO INDUSTRIES LIMITED

(In compliance with the Regulation 23(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and provisions of the Companies Act, 2013)

1. Preamble

This Related Party Policy (“Policy”) is prepared and adopted to build a framework for the Related Party Transactions of Rico Auto Industries Limited (“Company”), in accordance with the requirement of Regulation 23(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”) read with the provisions of the Companies Act, 2013 and relevant rules made thereunder as amended from time to time. This Policy shall regulate the transactions between the Company and its Related Parties as per the requirements and disclosures under the applicable laws and regulations.

2. Purpose

The Regulation 23(1) of the Listing Regulations, mandates that all listed companies shall formulate their Related Party Transaction Policy, to ensure the proper approval and reporting of transactions between the Company and its Related Parties. The Company is required to make various disclosures of its related party transactions before the Board/Shareholders as the case may be and also disclosure with respect to the same are required to be made in the Directors’ Report, Financial Statements and other specified documents on specified tenures. This Policy is also prepared for the identification and regulation of the Related Party Transactions keeping in view the provisions of the Companies Act, 2013 and the Rules made thereunder and the Listing Regulations.

3. Definitions

3.1 “**Act**” means the Companies Act, 2013.

3.2 “**Arm’s length transaction**” means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest

3.3 “**Audit Committee or Committee**” means Committee of Board of Directors of the Company constituted under provisions of the Listing Regulations and the Companies Act, 2013.

3.4 “**Board**” means Board of Directors of the Company.

3.5 “**Company**” means Rico Auto Industries Limited.

3.7 “**Key Managerial Personnel**” means key managerial personnel as defined under the Act and includes

- (i) Managing Director, or Chief Executive Officer or manager and in their absence, a whole-time director;
- (ii) Chief Financial Officer; and

(iii) Company Secretary

- 3.8 “Material Related Party Transaction”** means a transaction with a related party if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds 10 (ten) percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

Provided a transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed two percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the Company.

- 3.9 “Policy”** means Related Party Transaction Policy.

- 3.10 “Related Party”** means related party as defined in Regulation 2(1)(zb) of the Listing Regulations which is as follows:

An entity shall be considered as related to the Company if:

- (i) such entity is a related party under Section 2(76) of the Act; or
- (ii) such entity is a related party under the applicable accounting standards.

It also includes any person or entity belonging to the promoter or promoter group of the listed entity and holding 20% or more of shareholding in the listed entity.

- 3.11 “Related Party Transaction”** means a transfer of resources, services or obligations between a Company and a Related Party, regardless of whether a price is charged and such other transactions as mentioned in Section 188 of the Act and rules made thereunder (including any amendment thereto).

Explanation: A “transaction” with a related party shall be construed to include single transaction or a group of transactions in a contract.

- 3.12 “Relative”** means relative as defined under the Act and includes any one who is related to another, if –

- (i) They are members of a Hindu undivided family
- (ii) They are husband and wife
- (iii) Father (including step-father)
- (iv) Mother (including step-mother)
- (v) Son (including step-son)
- (vi) Son’s wife
- (vii) Daughter
- (viii) Daughter’s husband
- (ix) Brother (including step-brother)

(x) Sister (including step-sister)

Any words and not defined in this policy shall have the same meanings as defined in the Companies Act, 2013, rules framed thereunder and the Listing Regulations.

4. Policy

The following is the structure of dealing with transactions between Related Parties and with the Company:

- (i) Identification of potential Related Party Transactions;
- (ii) Approval of Related Party Transactions; and
- (iii) Disclosure of Related Party Transactions.

4.1 Identification of potential Related Party Transactions

The potential Related Party Transactions shall include the following:

4.1.1 As per the Act, the transactions which shall be considered as Related Party Transactions, if entered into between the Company and its Related Party are any contracts or arrangements that the Company enters into with a Related Party with respect to:

- (i) Sale, Purchase or Supply of any goods or materials;
- (ii) Selling or otherwise disposing of, or buying property of any kind;
- (iii) Leasing of property of any kind;
- (iv) Availing or rendering of any services;
- (v) Appointment of any agent for purchase or sale of goods, materials, services or property;
- (vi) Such related party's appointment to any office or place of profit in the Company, its subsidiary Company or associate Company; and
- (vii) Underwriting the subscription of any securities or derivatives thereof, of the Company.

4.1.2 Any other transactions with Related Parties as per the Listing Regulations.

The Audit Committee shall determine whether or not such transaction constitutes a Related Party Transaction, requiring the compliance with this Policy. The Audit Committee shall review information about the proposed transaction, and refer it to the Board of Directors for its approval.

Every Director and Key Managerial Personnel is responsible for providing notice to the Board or Audit Committee of any potential Related Party Transaction involving him/her or his/her relative, including any additional information about the transaction that the Board/Audit Committee may reasonably request. The Board/Audit Committee will determine whether the transaction constitutes a Related Party Transaction requiring compliance with this policy.

The Company prefers to receive such notice of any potential Related Party Transaction well in advance so that the Audit Committee/Board has adequate time to obtain and review information about the proposed transaction.

4.2 Approval of Related Party Transactions

4.2.1 Each potential Related Party Transaction shall be reviewed by the Audit Committee, including the terms of the transaction, the business purpose of the transaction, the benefits to the Company and to the Related Party, and any other relevant matters.

4.2.2 All Related Party Transactions shall require the prior approval of 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:

- (i) The Audit Committee shall lay down the criteria (refer para no. 4.4.1) for granting the omnibus approval in line with the Policy of the Company and such approval shall be applicable in respect of transactions which are repetitive in nature.
- (ii) The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the company;
- (iii) 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 (Rupees One Crore) per transaction or any amount enhanced by the Act or Listing Regulations from time to time.

- (iv) Audit Committee shall review, atleast on a quarterly basis, the details of RPTs entered into by the company pursuant to each of the omnibus approval given.
- (v) Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.

4.2.3 Further approval of shareholders by way of ordinary or special resolution as the case may be along with Board & Audit committee shall be required if such transaction exceeds such limits as mentioned under the Act and rules thereto

and the Listing Regulations including any amendment thereto from time to time. No Related Parties shall vote to approve on such resolutions.

4.3 Non-Participation of Interested Directors

Where any director(s) is interested in any contract or arrangement with a Related Party, he/she will not participate in the discussions on the subject matter of the resolution relating to such contract or arrangement.

4.4 Transactions in ordinary course of the business

The approval of the Audit Committee, Board and shareholders will be required even if the transaction is in ordinary course of business and at Arm's length if such transaction(s) qualifies to the concept of materiality.

All the potential Related Party Transactions shall be reviewed in detail by the Audit Committee. Audit Committee shall determine whether the said transaction is fair and is being carried out on an Arm's length basis to the Company. It shall also consider whether the Audit Committee was informed of the proposed transaction well in advance, and whether all the relevant information was disclosed or not, including no suppression of facts. The Committee shall take note whether the Related Party Transaction would lead to an improper conflict of interest for any director or Key Managerial Personnel of the Company or any Related Party.

4.4.1 The Audit Committee will be provided with all relevant material information of the transaction, including the terms of the transaction, the business purpose of the transaction, the benefits to the Company and to the Related Party, and any other relevant matters. The Committee shall consider the following criteria before approving a Related Party Transaction:

- (i) Whether the terms of the Related Party Transaction are fair and on Arm's length basis to the Company and would apply on the same basis if the transaction did not involve a Related Party;
- (ii) Whether there are any compelling business reasons for the Company to enter into the Related Party Transaction and the nature of alternative transactions, if any;
- (iii) Whether the Related Party Transaction would affect the independence of an independent director;
- (iv) Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the proposed transaction;
- (v) Whether the Company was notified about the Related Party Transaction before its commencement and if not, why pre-approval was not sought; and

- (vi) Whether the Related Party Transaction would present an improper conflict of interest for any director or Key Managerial Personnel of the Company, taking into account the size of the transaction, the overall financial position of the director, executive officer or other Related Party, the direct or indirect nature of the director's, Key Managerial Personnel's or other Related Party's interest in the transaction.

However, the following Related Party Transactions shall not require approval of the Audit Committee or Shareholders of the Company:

- (i) Any transaction that involves the providing of compensation to a Director or Key Managerial Personnel in connection with his duties to the Company or any of its subsidiaries or associates, including the reimbursement of reasonable business and travel expenses incurred in the ordinary course of business.
- (ii) Any transaction in which the Related Party's interest arises solely from ownership of securities issued by the Company and all holders of such securities receive the same benefits pro rata as the Related Party.
- (iii) Any transaction entered into between the Company and its wholly owned subsidiary whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.

If the Audit Committee determines that a Related Party Transaction should be brought before the Board, or if the Board in any case elects to review any such matter or it is mandatory under any law for Board to approve the Related Party Transaction, then the considerations set forth above shall apply to the Board's review and approval of the matter, with such modification as may be necessary or appropriate under the circumstances.

4.5 Disclosure of Related Party Transactions

4.5.1 Every Related Party Transaction entered into shall be disclosed in the Board's report to the shareholders along with the justification for entering into such Related Party Transactions.

4.5.2 The agenda of the Board meeting at which the resolution related to Related Party Transaction is proposed to be moved shall disclose:

- (i) name of the Related Party and nature of relationship;
- (ii) nature, duration and particulars of the contract or arrangement;
- (iii) material terms of the contract or arrangement including the value, if any;
- (iv) any advance paid or received for the contract or arrangement, if any;
- (v) the manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract;

- (vi) whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors; and
- (vii) any other information relevant or important for the Board to take a decision on the proposed transaction.

4.5.3 All material related party transactions shall require approval of the shareholders through resolution.

4.5.4 The following related party transactions which fall under the provisions of the Act and the rules made thereunder require approval of the shareholders through ordinary resolution, except when such transactions are in ordinary course and at arm's length:

S.No	Type of Transactions	Threshold limit
1.	Sale, purchase or supply of any goods or material, directly or through appointment of agent	Amounting to 10% or more of the turnover of the Company.
2.	Selling or otherwise disposing of, or buying property of any kind directly or through appointment of agent	Amounting to 10% or more of net worth of the Company.
3.	Leasing of property of the Company of any kind, whether moveable or immovable	Amounting to 10% or more of turnover of the company.
4.	Availing or rendering of any services, directly or through appointment of agent	Amounting to 10% or more of the turnover of the company.
	Note: Limits specified in above transactions shall apply for transaction or transactions to be entered into either individually or taken together with the previous transactions during a financial year.	
5.	Related party's appointment to any office or place of profit in the Company, its Subsidiary Company or associate Company	At a monthly remuneration exceeding Rs.2.5 lakhs.
6.	Remuneration for underwriting the subscription of any securities or derivatives thereof, of the company	Exceeding 1% of the net worth of the Company.

- 4.5.5** The explanatory statement to be annexed to the notice of a general meeting convened pursuant to section 101 of the Act shall contain the following particulars:
- (i) Name of the Related Party;
 - (ii) Name of the directors of Key Managerial Personnel who is related, if any;
 - (iii) Nature of relationship;
 - (iv) Nature, material terms, monetary value and particulars of the contract or arrangement;
 - (v) Any other information relevant or important for the members to take a decision on the proposed resolution.
- 4.5.6** Adequate disclosure of all material transactions with Related Parties shall be disclosed quarterly along with the compliance report on corporate governance.
- 4.5.7** The Company shall also submit within 30 days from the date of publication of its standalone and consolidated financial results for the half year, disclosures of related party transactions on a consolidated basis, in the format specified in the relevant accounting standards for annual results to the stock exchanges and publish the same on its website.
- 4.5.8** The Company shall disclose the policy on dealing with Related Party Transactions on its website and a web link thereto shall be provided in the Annual Report. A register of Related Party Transactions shall be maintained and placed before the Board for its approval.

5. Related Party Transactions not approved under this Policy

In the event the Company comes to know of a Transaction with a Related Party which has not been approved under this Policy, the matter shall be reviewed by the Audit Committee. The Audit Committee shall consider all the relevant facts and circumstances regarding the said transaction and shall evaluate all options available with the Company including revision, ratification or termination of the Related Party Transaction. The Audit Committee shall also examine the reasons for not reporting the Related Party Transaction to the Audit Committee and shall take any reasonable action in this regard as it deems appropriate.

In case the Committee decides not to ratify a Related Party Transaction that has been commenced without approval, the Audit Committee, may direct additional actions including, but not limited to, immediate discontinuation or rescission of the transaction. In connection with the review of the Related Party Transaction, the Audit Committee has authority to modify/waive any procedural requirements of this Policy.

6. Review and Amendment

The Committee and Board of Directors shall, at least once in each three years, review and assess the adequacy of this Policy and make any necessary or desirable amendments to ensure that it remains consistent with the Board's objectives, applicable laws and the best practices.

The Managing Director of the Company may also review or amend this policy, in whole or in part, from time to time as per the requirement of the Act or any other statute, which will be placed before the Board of Directors for their noting.

Where the terms of this Policy differ from any existing or newly enacted law, rule, regulation or standard governing the Company, the law, rule, regulation or standard will take precedence over this Policy and procedures until such time this Policy is amended to conform to the applicable law, rule, regulation or standard.

7. Consequences of non-compliance of such policy for any Related party transaction

Non-compliance of this Policy may lead to the prescribed penal consequences under the Companies Act and the Listing Regulations.

POLICY
ON
CORPORATE SOCIAL RESPONSIBILITY
OF
RICO AUTO INDUSTRIES LIMITED

1. Introduction

The Board of Directors (the “Board”) of Rico Auto Industries Limited (hereinafter referred to as “Rico” or “Company”) has adopted the following policy and procedures with regard to Corporate Social Responsibility. The Board may review and amend this policy from time to time subject to the recommendations of Corporate Social Responsibility Committee.

2. Policy Objective & Philosophy

It is pertinent that business enterprises are economic organs of society and draw on societal resources, we at the Company believe that a Company's performance must be measured by its Triple Bottom Line contribution to building economic, social and environmental capital towards enhancing societal sustainability. Rico believes that in the strategic context of business, enterprises possess, beyond mere financial resources, the transformational capacity to create game-changing development models by unleashing their power of entrepreneurial vitality, innovation and creativity. In line with this belief, the Company will continue crafting unique models to generate livelihoods and create a better society. Such Corporate Social Responsibility (“CSR”) projects are far more replicable, scalable and sustainable, with a significant multiplier impact on sustainable livelihood creation and working for a cause of humanity.

3. Definitions

3.1. “Board of Directors” or “Board” means the Board of Directors of the Company, as constituted from time to time.

3.2. “Company” means a company incorporated under the Companies Act, 2013 or under any previous company law.

3.3. “CSR Programmes” means Programmes, projects and activities carried out in this regard are the subject matter of this Policy.

3.4. “Corporate Social Responsibility Committee or Committee” means CSR Committee constituted by the Board of Directors of the Company, from time to time.

3.5. “Independent Director” means a Director of the Company, not being a whole time director and who is neither a promoter nor belongs to the promoter group of the Company and who satisfies other criteria for independence under the Companies Act, 2013 and the Listing Agreement entered with the Stock Exchanges.

3.6. “Policy” means Corporate Social Responsibility.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013 or any other applicable regulation.

4. Policy

- 4.1.** To direct Rico's CSR Programmes, inter alia, towards achieving one or more of the following - enhancing environmental and natural capital; supporting rural development; promoting education including skill development; providing preventive healthcare, providing sanitation and drinking water; creating livelihoods for people, especially those from disadvantaged sections of society, in rural and urban India and preserving and promoting sports; slum area development;
- 4.2.** To develop the required capability and self-reliance of beneficiaries at the grass roots, in the belief that these are prerequisites for social and economic development;
- 4.3.** To engage in affirmative action/interventions such as skill building and vocational training, to enhance employability and generate livelihoods for persons including from disadvantaged sections of society;
- 4.4.** To pursue CSR Programmes primarily in areas that falls within the economic vicinity of the Company's operations to enable close supervision and ensure maximum development impact;
- 4.5.** To carry out CSR Programmes in relevant local areas to fulfil commitments arising from requests by government/regulatory authorities and to earmark amounts of monies and to spend such monies through such administrative bodies of the government and/or directly by way of developmental works in the local areas around which the Company operates;
- 4.6.** To carry out activities at the time of natural calamity or engage in Disaster Management system;
- 4.7.** To contribute to the Prime Minister' National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Caste, the Scheduled Tribes, other backward classes, minorities and women;
- 4.8.** To contribute or provide funds to technology incubators located within academic institutions which are approved by the Central Government;
- 4.9.** To contribute to any fund setup by the Central Government or State Government(s) including Chief Minister's Relief Fund, which may be recognized as CSR activity;
- 4.10.** To promote sustainability in partnership with industry associations, like the Confederation of Indian Industry (CII), PHD, FICCI, etc. in order to have a multiplier impact.

5. Implementation

To implement the Company's CSR Programmes through Company personnel or through external implementing agencies (and other Registered Trusts / Society or a Section 8 company that are established or that may be established by the Company or its holding/subsidiary/associate Company from time to time). In such cases, the Company will specify the CSR Programmes which may be undertaken by those Trusts/Societies or Section 8 companies in accordance with their objects and administrative and accounting processes laid down in the respective Trust Deeds/Memorandum and Articles of Association.

A Company may also collaborate with other companies for undertaking projects or programs or CSR activities in such a manner that the CSR Committees of respective companies are in a position to report separately on such projects or programs in accordance with applicable provisions of the Companies Act, 2013 read with rules made thereunder.

6. Governance

Every year, the CSR Committee will place for the Board's approval, a CSR Plan delineating the CSR Programmes to be carried out during the financial year and the specified budgets thereof. The Board will consider and approve the CSR Plan with any modification that may be deemed necessary.

The CSR Committee will assign the task of implementation of the CSR Plan within specified budgets and timeframes to such persons or bodies as it may deem fit.

The persons/bodies to which the implementation is assigned will carry out such CSR Programmes as determined by the CSR Committee within the specified budgets and timeframes and report back to the CSR Committee on the progress thereon at such frequency as the CSR Committee may direct.

The CSR Committee shall review the implementation of the CSR Programmes periodically and issue necessary directions from time to time to ensure orderly and efficient execution of the CSR Programmes in accordance with this Policy.

The CSR Committee will review periodically and keep the Board apprised of the status of the progress of implementation of the approved CSR Programmes.

Finally at the end of every financial year, the CSR Committee will submit its report to the Board.

7. CSR Expenditure

CSR expenditure will include all expenditure as may be permitted under the applicable laws, including contribution to corpus for CSR Programmes approved by the Board on the recommendation of its CSR Committee, but does not include any expenditure on an item not in conformity or not in line with activities which fall within the purview of Schedule VII of the Act.

8. Reporting

The Board's Report of the Company to include an annual report on CSR containing particulars specified in the annexure to the Companies (Corporate Social Responsibility Policy) Rules, 2014 pertaining to a financial year commencing from April 1, 2014.

9. Disclosures

The contents of the approved CSR Policy shall be disclosed in the Board's Report and displayed on the Company's website.

**REMUNERATION
POLICY
OF
RICO AUTO INDUSTRIES LIMITED**

1. Preamble

This policy shall be called “Policy on Remuneration” (hereinafter referred to as “**Remuneration Policy**”).

The Remuneration Policy of the Company is designed to keep pace with the business environment and market linked positioning and to attract, motivate, improve productivity and retain manpower, by creating a congenial work environment, encouraging initiatives, personal growth and team work, and inculcating a sense of belonging and involvement, besides offering appropriate remuneration packages.

The Company has constituted a Nomination and Remuneration Committee (“**Committee**”), which determines and recommends to the Board the remuneration payable to Directors, Key Managerial Personnel (KMP), Senior Management and other Employees. The existing remuneration structure of the Company consists of a fixed component and a variable component linked to the long term vision, medium term goals and annual business plans. The Nomination and Remuneration Committee of the Company also reviews and recommends the quantum and payment of annual salary and commission and other employment conditions of the Directors, Key Managerial Personnel (KMP), Senior Management and other Employees. The Committee takes into consideration the best remuneration practices being followed in the industry while fixing appropriate remuneration packages.

2. Definitions

- 2.1 “**Act**” means the Companies Act, 2013 and rules made thereunder.
- 2.2 “**Board of Directors**” or the “**Board**” shall mean the Board of Directors of the Company, as constituted from time to time.
- 2.3 “**Company**” means Rico Auto Industries Limited.
- 2.4 “**Key Managerial Personnel**”, shall have the meaning as defined under the Act and includes:
- i) Managing Director or Chief Executive Officer or Manager and in their absence, a Whole-Time Director;
 - ii) Company Secretary; and
 - iii) Chief Financial Officer
- 2.5 “**Other Employees**” means, all the employees other than the Directors, KMPs and the Senior Management Personnel.

- 2.6 “**Senior Management**” means personnel of the Company who are members of its core management team other than the Board of Directors. It comprises of all members of the management who are one level below the Executive Directors and include the functional heads.

All the words and expressions used in this Policy, unless defined hereinafter, shall have meaning respectively assigned to them under the listing agreement and in the absence of its definition or explanation therein, as per the Act and the rules, notifications and circulars made/issued thereunder, as amended, from time to time.

3. Key Principles of the Policy

While designing compensation for Directors, Key Managerial Personnel and Senior Management, the following set of principles act as guiding factors:

- a) Aligning key executive and board remuneration with the longer term interests of the Company and its shareholders;
- b) Minimize complexity and ensure transparency;
- c) Link to long term strategy as well as annual business performance of the Company;
- d) Promotes a culture of meritocracy and is linked to key performance and business drivers; and
- e) Reflective of line expertise, market competitiveness so as to attract the best talent.

4. Remuneration to Executive Directors

- 4.1 The remuneration to Executive Directors is recommended by the Nomination and Remuneration Committee and approved by the Board, subject to the subsequent approval by the shareholders at the general meeting and such other authorities, as the case may be.
- 4.2 At the Board Meeting, only the Non-Executive and Independent Directors participate in approving the remuneration of the Executive Directors. The remuneration is arrived by considering various factors such as qualification, experience, expertise, prevailing remuneration in the industry and the financial position of the Company. The elements of the remuneration and limits are pursuant to the Section 197 and Schedule V of the Act and also Clause 49 of the Listing Agreement entered into with the stock exchange(s) where the equity shares of the Company are listed.

5. Remuneration Structure for Executive Directors

5.1 The remuneration structure for the Executive Directors would include the following components:

5.1.1 Basic Salary

- a) Provides for a fixed, per month, base level remuneration to reflect the scale and dynamics of business to be competitive in the external market.
- b) Will be subject to an annual increase as per recommendations of the Nomination and Remuneration Committee and approval of the Board of Directors.

5.1.2 Commission

- a) Executive Directors will be allowed remuneration, by way of commission which is in addition to the basic salary, perquisites and any other allowances, benefits and amenities;
- b) Subject to the condition that the amount of commission shall not exceed the overall limits of 5% of net profit of the Company in a particular financial year in the manner referred in Section 197 & 198 of the Act; and
- c) The amount of commission shall be paid subject to recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors.

5.1.3 Perquisites and Allowances

Perquisites and Allowances would also form a part of the remuneration structure.

5.1.4 Contribution to Provident and Other funds:

In addition to the above, the remuneration would also include:

- a) Contribution to Provident and Superannuation Funds; and
- b) Gratuity.

5.1.5 Minimum Remuneration

If in any financial year during the tenure of the Executive Directors, the Company has no profits or its profits are inadequate, they shall be entitled to, by way of basic salary, perquisites, allowances, not exceeding the ceiling limit specified under Schedule V of the Act or such other limits as prescribed by the Government from time to time as minimum remuneration, subject to necessary approval, if any.

5.1.6 Remuneration to Non-Executive and Independent Directors

The Non-Executive and Independent Directors would be paid remuneration by way of sitting fees for attending meetings of Board or Committee thereof and profit related commission as approved by the Board and Shareholders. The amount of such sitting fees and commission shall be subject to ceiling/limits as provided under the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.

6. Remuneration for Key Managerial Personnel, Senior Management and Other Employees

(i) Key Managerial Personnel (KMP) and Senior Management

The Remuneration shall be paid to Senior Management Personnel and KMPs shall be based on the remuneration policy of the Company and the experience, qualification and expertise of the related personnel and shall be decided by the Chairman, CEO & Managing Director (for KMPs other than those who are at the WTD/Board level) of the Company as per the internal process in consonance with the limits, if any, prescribed under the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.

The compensation for the Key Managerial Personnel and the Senior Management at the Company would be guided by the external competitiveness and internal parity through annual benchmarking surveys.

(ii) Other Employees

The power to decide structure of remuneration for other employees has been designed in the Remuneration policy and implementation of the same is to be ensured by Chairman, CEO & Managing Director of the

Company or any other personnel that the Chairman, CEO & Managing Director may deem fit to delegate.

7. Grade Structure

Employees are assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the Company. Individual remuneration is determined within the appropriate grade and is based on following:

- An individual's experience, skill, competencies and knowledge relevant to the job; and
- An individual's performance and potential contribution to the Company.

8. Disclosure

The Policy shall be disclosed as required under the Companies Act, 2013 and in the Listing Agreement.

9. Amendments to the Policy and Policy Review

- 9.1 This Policy is framed pursuant to the provisions of the Act. In case of any subsequent changes in the provisions of the Act and rules thereunder or any other regulations which makes any of the provisions in the Policy inconsistent with the Act or regulations, then the provisions of the Act or regulations would prevail over this Policy and the provisions in this Policy would be modified in due course to make it consistent with applicable provisions of the law.
- 9.2 Any changes or modification on the Policy as recommended by the Nomination and Remuneration Committee would be placed before the Board of Directors of the Company for their approval.
- 9.3 The Board of Directors of the Company may, subject to the applicable law, is entitled to amend, modify, suspend or rescind this Policy, at any time.
- 9.4 Any ambiguities, interpretative issues, difficulties will be resolved by the Board of Directors of the Company in line with the broad intent of this Policy read with the applicable provisions of the Act, rules and regulations made thereunder and the listing agreement.

**POLICY ON
DETERMINATION OF MATERIALITY
OF
INFORMATION/ EVENTS
OF
RICO AUTO INDUSTRIES LIMITED**

I: PURPOSE & OBJECTIVES OF THIS POLICY

In an endeavour to promote transparent and effective communication with the shareholders, the Listing Regulations (*defined hereinafter*) requires that every Listed Company shall make disclosure of any Events or Information which, in the opinion of Board of the Listed Company, is Material.

This Policy is framed in accordance with the requirements of Regulation 30 of Listing Regulations and shall be called as “Policy on determination of materiality of events” (*hereinafter referred to as “Policy”*).

The objectives of this Policy are as follows:

- a) To ensure compliance with the disclosure requirements as provided under the Listing Regulations;
- b) To ensure timely, transparent and continuous disclosure of material events or information in line with the provisions of Regulation 30 of the Listing Regulations;
- c) To continuously update the disclosures made by the Company pursuant to this Policy in case of any material development in relation thereto along with relevant explanations;
- d) To decide upon the instance when the material events have occurred and the time frame within which the information is to be disclosed; and
- e) To provide a framework that supports and fosters confidence in the quality and integrity of information released by the Company.

II: DEFINITIONS

“**Act**” means the Companies Act, 2013 and includes any re-enactment and statutory modification thereof for the time being in force;

“**Board of Directors**” or “**Board**” means the Board of Directors of the Company, as constituted/ re-constituted from time to time;

“**Company**” means Rico Auto Industries Limited;

“**Listing Regulations**” means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

“**Policy**” means this Policy on Determination of Materiality of Events or Information;

“**Subsidiary**” means as defined under section 2 (87) of the Act.

All capitalised words and expressions used in this Policy, unless defined hereinafter, shall have meaning respectively assigned to them under the Listing Regulations and in the absence of its definition or explanation therein, as per the Act.

III: DISCLOSURES OF MATERIAL EVENT OR INFORMATION

1. The Company shall make disclosures of any Events or Information which are material in nature to the Stock Exchange(s).
2. All Events specified in Para A of Part A of Schedule III of the Listing Regulations and more specifically enlisted in **Annexure I** to this Policy shall mandatorily be considered as Material and the Company shall make all requisite disclosures in relation thereto as per the provisions of this Policy and Listing Regulations.
3. All Events specified in Para B of Part A of Schedule III of the Listing Regulations and more specifically enlisted in **Annexure II** to this Policy, if conforms to the Materiality criteria as specified in Paragraph IV of this Policy, shall also be treated as Material for the purposes of this Policy, and the Company shall make all requisite disclosures in relation thereto as per the provisions of this Policy and Listing Regulations.
4. In case where an Event occurs or an Information is available with the Company, which has not been indicated in **Annexure I and Annexure II**, but which may have material effect on it, the Company (including the ones specified in Para C of Part A of Schedule III of the Listing Regulations), subject to the decision of its authorized official, is required to make adequate disclosures in regard thereof.

IV: CRITERIA FOR DETERMINING MATERIALITY OF EVENT OR INFORMATION

Any Event or Information shall, for the purpose of disclosure in terms of this Policy and the Listing Regulations, be considered as Material if:

1. the omission of an Event or Information, which is likely to result in discontinuity or alteration of Event or Information which is already available publicly;
2. the omission of an Event or Information is likely to result in significant market reaction if the said omission came to light at a later date;
3. in case, where the criteria specified in point 1 and 2 above are not applicable, an Event or Information may still be treated as material for the purposes hereof, if the Board of Directors, in their opinion, consider that particular Event/ Information to be material;
4. the Materiality of an Event or Information can only be said to have occurred upon receipt of approval of Board of Directors. Any kind of general discussions/ negotiations *simplicitor* on any aspect (which may or may not materialise at a later stage) in the ordinary course of Business of the Company may not be considered as Material for the purposes of this Policy, unless the Board of Directors decides otherwise;

V: IDENTIFICATION OF MATERIAL EVENT OR INFORMATION BY THE AUTHORISED PERSON

1. Unless otherwise resolved by the Board, for the purposes of Regulation 30(5) of the Listing Regulations, the Managing Director of the Company shall be authorized to determine the Materiality of an Event or Information and making disclosures to the stock exchange(s) in relation thereto.
2. The Managing Director may also be guided by previous guidance/ instructions of Securities and Exchange Board of India and/or authorities and/or any other comparable international regulator while determining the Materiality of an Event/ Information.
3. The Managing Director shall take into consideration all relevant factors surrounding the particular Event/ Information to make a considered view regarding its Materiality or otherwise for the purposes of this Policy.
4. The Managing Director may seek advice of an Expert and/or any agency, if need be, to determine the materiality of any event/ information or may even take suggestions/ advice from the members of the Board.

VI: POLICY REVIEW

In case of any subsequent changes in the provisions of the Act and/or Listing Regulations which makes any of the provisions in the Policy inconsistent with the Act and/or Listing Regulations, the provisions of the Act and/or Listing Regulations, as the case may be, shall prevail over the Policy and the provisions in this Policy will be modified in due course to make it consistent with provisions of applicable law (s).

This Policy shall be reviewed by the Board as and when any changes are to be incorporated in this Policy, due to change in Listing Regulations or the Act.

Any change(s) or modification(s) in this Policy shall be presented for approval of the Board of Directors.

The Board of Directors of the Company may, subject to the applicable law, is entitled to amend, modify, suspend or rescind this Policy, at any time.

Any ambiguities, interpretative issues, difficulties will be resolved by the Board of Directors of the Company in line with the broad intent of this Policy read with the applicable provisions of the Act, rules and regulations made thereunder, and the Listing Regulations.

VII: TIMELINES FOR DISCLOSURE OF MATERIAL EVENT/INFORMATION

The Managing Director, Chief Financial Officer and Company Secretary shall adhere to the following timelines for proper and timely disclosure of any material event or information as may be determined in terms of Paragraph III (2) and III (3) of this Policy:

1. Disclosure of the events enumerated in point number 4 of Annexure I shall be made within 30 (thirty) minutes of the conclusion of the board meeting at which such events were discussed.

2. All events, other than events specified in point number 4 of Annexure I, mentioned in Annexure I and II, shall be disclosed by the Company as soon as reasonably possible but not later than 24 (twenty four) hours from the occurrence of a particular event.
3. The details with regard to any fraud/ default by Directors, Promoter or Key Managerial Personnel or employee or by the Company shall be disclosed after the investigation in relation to the matter is concluded and the fraud/ default is established/ proven.
4. The Company shall make disclosures of any material development on a regular basis of any event, till the time the event is resolved/closed, with relevant explanations.
5. The disclosure shall be made with respect to the Company, its Key Managerial Personnel, or Promoters, at the time of becoming party to any litigation assessment, adjudication, arbitration or dispute in conciliation proceedings or upon institution of any litigation, assessment, adjudication, arbitration or dispute including any ad-interim or interim orders passed against or in favour of the Company, the outcome of which can reasonably be expected to have an impact. The stock exchange(s) shall be regularly intimated about the details of any change in the status and/ or any development thereon till the litigation or dispute is concluded and/ or is resolved.
6. All the disclosures made to the stock exchange under this Policy shall also be disclosed on the website of the Company and the same shall be hosted for a minimum period of 5 (five) years and thereafter as per the archival policy of the Company.
7. The Company shall also disclose all the events or information with respect to its subsidiaries which are material for the Company.

ANNEXURE I

(Pursuant to Regulation 30 of the Listing Regulations)

(In terms of Paragraph III (2) of this Policy)

The Company shall be under an obligation to make the following event based disclosures without applying the criteria for determining materiality as provided in Paragraph IV of this Policy:

1. 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.
2. 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.
3. Revision in rating(s) obtained by the Company in relation to any of its Securities or otherwise.
4. Outcome of meetings of the Board of Directors: The Company shall intimate to the stock exchange(s) about the following:
 - a) 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.
 - b) Any cancellation of Dividend with reasons thereof.
 - c) The decision on buyback of Securities.
 - d) The decision with respect to fund raising proposed to be undertaken shall inter alia includes issue of equity shares, preference shares and debentures.
 - e) Increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares would be credited/dispatched.
 - f) 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.
 - g) Short particulars of any other alterations of capital, including calls.
 - h) Financial results.
 - i) Decision on voluntary delisting by the Company from stock exchange(s).

The intimation of outcome of meeting of the Board of Directors shall also contain the time of commencement and conclusion of the meeting.

5. 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.
6. Fraud/ defaults by Promoter or Key Managerial Personnel or by the Company or arrest of Key Managerial Personnel or Promoter.
7. Change in Directors, Key Managerial Personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Auditor and Compliance Officer.
8. Appointment or discontinuation of share transfer agent.
9. Corporate Debt Restructuring, any one time settlement with a bank, any reference to BIFR and winding-up petition filed by any party / creditors on the Company.
10. 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.
11. Proceedings of Annual and Extraordinary General Meetings of the Company.
12. Amendments to Memorandum and Articles of Association of Company.
13. Schedule of analyst or institutional investor meet and presentations on financial results made by the Company to analysts or institutional investors.

ANNEXURE II
(Pursuant to Regulation 30)
(In terms of Paragraph III (3) of this Policy)

The Company shall make disclosure of events mentioned below after determining its materiality based on the criteria prescribed in Paragraph IV of this Policy.

1. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division of the Company;
2. 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 of the Company either in its entirety or in part;
3. Diversification of the business of the Company which *inter alia* include any enhancement of existing manufacturing/ production capacity either by way of production line improvements/ technological improvements or otherwise or any addition to the product portfolio of the Company;
4. Procuring any contract/ orders etc. including any amendment, revocation or termination of such contracts or orders, which are not in the normal course of business;
5. Entering into any 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;
6. Disruption of operations of any one or more units or division of the Company due to natural calamity (earthquake, flood, fire etc.), force majeure or events such as strikes, lockouts etc;
7. Any material effect on the Company and its operations on account of change in the regulatory framework applicable to the Company;
8. Litigation(s) / dispute(s) / regulatory action(s) along with its impact on the Company;
9. Subject to the provisions of this Policy , details of frauds/ defaults by Directors (other than Key Managerial Personnel) or employees of the Company;
10. Options to purchase securities (including any share based employee benefit scheme);
11. Issuance of guarantees or indemnity or acting a surety for any third party;
12. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.

POLICY

FOR

PRESERVATION OF DOCUMENTS

OF

RICO AUTO INDUSTRIES LIMITED

I. PURPOSE & OBJECTIVE OF THIS POLICY

Pursuant to the provisions of Regulation 9 of the Listing Regulations, (*defined hereinafter*) every Listed Company is required to have a Policy for Preservation of Documents/Records (*defined hereinafter*), for a certain prescribed time period.

Accordingly, the Board of Directors (*defined hereinafter*) of the Company have framed a policy called "Policy on Preservation of Documents" (*hereinafter referred to as the "Policy"*).

The objectives of this Policy are as follows:

- a) To set out the standards for managing, storing, and preservation of Documents/Records of the Company to ensure effective corporate governance of the Company, by classifying the Documents in two categories:
 - the Documents which are of permanent nature and which shall be maintained and preserved permanently by the Company; and
 - the Documents to be maintained and preserved for a specified time period, but not less than period of 8 (eight) years after completion of the relevant transaction(s).
- b) To ensure effective information management system and swift retrieval of Documents/Records at all times; and
- c) For systematic disposal of Company's Documents that have outlived their administrative usefulness.

This Policy regulates to the preservation of Documents maintained/to be maintained by the Company both in physical form or in any Electronic Form (*defined hereinafter*).

The Preservation of Documents in the Company should be in a manner, so as to ensure that there will be no tampering, alteration, destruction or anything which endangers the content, authenticity, utility or accessibility of any of the Documents/Records.

II. DEFINITIONS

- i. "**Act**" means the Companies Act, 2013 and includes any re-enactment and statutory modification thereof for the time being in force.
- ii. "**Board of Directors**" or "**Board**" means the board of directors of the Company as constituted/re-constituted from time to time by the Company.
- iii. "**Company**" means Rico Auto Industries Limited.
- iv. "**Document(s)**" includes all Records, papers, registers, records, files, books, summons, notices, order, declaration, forms, whether issued, required to be maintained in pursuance of this Act or under any other law for the time being in force or otherwise, maintained on paper or in any Electronic Form.

- v. **“Electronic Form”** means any contemporaneous electronic device such as computer, laptop, note book, compact discs, tapes, space on electronic cloud, or any other form of storage and retrieval device, considered feasible, whether the same is in possession of the Company or otherwise the Company has control over access to it;
- vi. **“Electronic Document/Record”** means data, record or data generated, image or sound stored, received or sent in an electronic form or micro film or computer generated micro fiche;
- vii. **“Listing Regulations”** means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- viii. **“Records”** in relation to this Policy includes accounting records, books or papers and books and papers as defined under sub-section 12 of section 2 of the Act, books of accounts as defined under sub-section 13 of section 2 of the Act, includes any statutory and other records of material significance.

All capitalised words and expressions used in this Policy, unless defined hereinafter, shall have meaning respectively assigned to them under the Listing Regulations and in the absence of its definition or explanation therein, as per the Act.

III. AUTHORITY AND RESPONSIBILITY

The Company Secretary along with respective head of departments of the Company shall be responsible for the preservation of Documents in accordance with the applicable legal rules and regulations concerning the department along with the provisions of the Act and Listing Regulations.

In case of preservation of:

- a) Physical original Documents, the Company Secretary of the Company shall be responsible; and
- b) Electronic Documents, the respective Head of Department along with IT Head of the Company shall be responsible.

The Board shall ensure proper implementation of this Policy in accordance with the Act as well as applicable Listing Regulations.

IV. CLASSIFICATION OF DOCUMENTS

For the purpose of achieving the objectives of this Policy, the preservation of the Documents/Records has been classified in to two categories, as furnished below:-

- a) Documents whose preservation shall be permanent in nature, as specified in **Annexure A** to this Policy; and

- b) Documents with preservation period of not less than 8 (eight) years after completion of the relevant transactions, as specified in **Annexure B** to this Policy.

Further, while prescribing different time framework for preservation of Documents, the following aspects have been taken into account:

- a) Compliance with statutory and regulatory requirements;
- b) Compliance of the requirements of any statutory, judicial or quasi-judicial officials to have access to Documents; and
- c) Compliance of the requirements of internal and external auditors to have access to Documents.

The Documents not specified under this Policy shall be maintained by the Company for the time period as specified for their preservation under any statute or regulation by which they are governed.

V. ELECTRONIC DOCUMENTS/ RECORDS

The respective Head of Department (in consultation with IT head of the Company and the Company Secretary), from time to time shall establish standards operating procedures/guidelines for safekeeping of the Documents in Electronic Form which shall *inter alia* include guidelines for scanning of Documents with proper resolution, handling electronic files, backups, archiving Documents and checking the reliability of the system pertaining to his own department.

Electronic Documents may be kept under the supervision and control of the respective Head of Department of the Company

VI. ORIGINAL/PHYSICAL DOCUMENTS

The original/physical Documents prepared under the Act, Listing Regulations, and/or any other applicable law for the time being in force, including rules, regulations, circulars, notifications etc. issued thereunder, shall be kept in the custody of Company Secretary of the Company.

If proper and sufficient reason is given, the original Documents shall be handed over to any other person, duly authorized for this purpose, only after proper entry has been made in the register maintained for that purpose.

All the respective of head of departments shall maintain photocopies of all those documents which pertain to their specific department, before handing over the same to the Company Secretary for the purposes of this policy. If in case, depending upon the legal requirements or otherwise, any original Document(s) is not handed over to the Company Secretary and is retained by the concerned Head of Department, the said fact shall be recorded in the register maintained for the purposes of this Policy, and accordingly the concerned Head of Department shall be responsible for preservation of such Documents.

VII. LOCATION OF DOCUMENTS

All Documents which are required under the applicable provisions of the Act and/ or any other statute, to be kept only at the registered office of the Company, such Documents shall be located only registered office of the Company and any movement of such Documents shall be in accordance with the provisions of the Act.

The Documents for which no statutory mandate has been provided under the Act or under any statute, as to where such Documents are to be maintained and kept, shall be maintained at the corporate office of the Company or at any other place as may be approved by the management of the Company from time to time.

VIII. EASY ACCESS AND AUTHENTICITY OF DOCUMENTS/RECORDS

The preservation of the Documents of the Company is vital in order to ensure present and future access to the Documents.

Since the Documents are maintained at different levels and departments in the Company, therefore, the head of each department shall be authorized to ensure the preservation and easy access to the Documents maintained in their department.

IX. DOCUMENT RETENTION SCHEDULE

The Documents referred in **Annexure A** of this Policy shall be maintained permanently and the Documents/Records which are required to be preserved permanently on the website of the Company shall be preserved in line with the Website Content Archival Policy of the Company.

The Documents referred in **Annexure B** shall be preserved for at least 8 (eight) years and thereafter, may be disposed of in the manner prescribe under the applicable provisions of the Act and Listing Regulations.

The Company shall maintain a separate register called as 'Register of Preservation of Documents' for keeping complete records of Documents which are preserved which shall contain the following particulars:

- a) Item number;
- b) Brief particulars of the Documents preserved;
- c) Date of creation of the Document;
- d) Whether preserved permanently or not;
- e) Name of the person depositing the Document;
- f) Signature of the person depositing the Document;
- g) Name of the person receiving the Document;
- h) Signature of the person receiving the Document; and
- i) Remarks;

Similarly, the Company should also maintain a register called as "Register of Disposal of Documents" for keeping complete records of Documents which are disposed/ weeded out in terms of this Policy and shall contain the following particulars:

- a) Item number;
- b) Brief particulars of the Documents disposed of;
- c) Date of removal;
- d) Mode of destruction;
- e) Name of the person disposing off the Document;
- f) Signature of the person disposing off the Document; and
- g) Remarks

The Register of Preservation of Documents and the Register of Disposal of Documents shall be maintained permanently by the Company under the supervision and control of Company Secretary of the Company with the assistance of the concerned head of department either in physical or Electronic Form.

The Board shall determine the criteria for maintaining the secrecy of the Company's Documents and ensure timely compliance with the applicable laws.

X. DOCUMENT APPRAISAL

The Company shall at regular intervals carry out the appraisal of the Documents preserved as per this Policy.

The purpose of the appraisal process is to ensure that the Documents are examined at the appropriate time to determine their long term preservation at the Company's premises.

The appraisal of the Documents/Records shall be undertaken only after the approval of the Board/ Managing Director of the Company.

XI. REVIEW OF THIS POLICY

In case of any subsequent changes in the provisions of the Act and/or Listing Regulations which makes any of the provisions in the Policy inconsistent with the Act and/or Listing Regulations, the provisions of the Act and/or Listing Regulations, as the case may be, shall prevail over the Policy and the provisions in this Policy will be modified in due course to make it consistent with provisions of applicable law (s). This Policy shall be reviewed by the Board as and when any changes are to be incorporated in this Policy, due to change in Listing Regulations or the Act.

The Board of Directors of the Company may, subject to the applicable law, is entitled to amend, modify, suspend or rescind this Policy, at any time.

Any ambiguities, interpretative issues, difficulties will be resolved by the Board of Directors of the Company in line with the broad intent of this Policy read with the applicable provisions of the Act, rules and regulations made thereunder, and the Listing Regulations.

ANNEXURE – A
Documents/Records to be preserved permanently

Item No.	Documents/Records
1.	Certificate of incorporation of the Company;
2.	Certificate for commencement of business of the Company;
3.	Memorandum and Articles of Association of the Company;
4.	Agreements made/entered by the Company with stock exchanges, depositories, registrar and transfer agents etc.
5.	Minute Books of General Meetings, Board and Committee Meetings as per Act
6.	Register and Index of Members, debenture-holders, creditors or any other security holders etc.
7.	Register of Contracts as per the Act
8.	Register of Charges as per the Act
9.	Register of Investments as per the Act
10.	Records relating to court cases / CBI cases / Police cases/ Civil suits/ Labour court cases/ Arbitration cases.
11.	Compliance reports received from any statutory authority
12.	Title deeds/lease deeds of owned or leased premises/land and building, etc. and related documents
13.	All license, consents and statutory approvals issued to the Company for its business operations
14.	Policies of the Company framed under the Act and various regulations
15.	Register of Preservation of Documents
16.	Register of Disposal of Documents
17.	Register of Power of Attorneys, if any
18.	Certificates / orders obtained from various statutory authorities
19.	Any other Documents as may be required to be maintained/preserved in terms of any applicable law(s), from time to time.

ANNEXURE – B

Documents/Records to be preserved for a minimum period of 8 (eight) years

S. No.	Documents
1.	Instrument creating charge or modification (from the date of satisfaction of charge) as per Act
2.	Register of Inter Corporate Loans and Investments as per the Act
3.	Annual Returns as per the Act
4.	Register of Deposits as per the Act
5.	Register of Allotment (from the date of each allotment) as per the Act
6.	Annual financial statements including: - Annual accounts -Directors report -Auditors report
7.	Vouchers / Voucher register and books of accounts as defined under sub-section 13 of section 2 of the Act
8.	Income Tax Returns filed under Income Tax Act, 1961
9.	All notices in form MBP – 1 received from Directors and KMPs along with any amendment thereto
10.	Return of declaration in respect of beneficial interest in any share as per the Act
11.	Copy of newspaper advertisement or publications
12.	All agreement entered into by the Company from the date of its termination
13.	All show cause notice or any other notice received from any statutory, government departments, Judicial or Quasi-judicial authority etc.
14.	Office copies of Notices, scrutinizer's report and related papers (as long as they remain current or for 8 financial years), whichever is later (Secretarial Standard-2)
15.	Any other Document/Record as may be required to maintained/preserved in terms of any applicable law(s), from time to time.
16.	Copy of the forms and returns filed/to be filed with any statutory authority

**WEBSITE CONTENT
ARCHIVAL POLICY
OF
RICO AUTO INDUSTRIES LIMITED**

I. PURPOSE & OBJECTIVE OF THIS POLICY

In an endeavor to promote transparent and effective communication with both the shareholders and stakeholders, the Listing Regulations (*defined hereinafter*) requires that every Listed Company shall make disclosure of all such Events or Information on its Website which has been disclosed to the Stock Exchange(s) and such disclosures shall also be hosted on the Website of the Listed entity for a minimum period of five years and thereafter, archived as per the Archival Policy of the Listed entity, as disclosed on its Website.

Accordingly, the Company (*defined hereinafter*) has framed this “Website Content Archival Policy” (hereinafter referred to as the “**Policy**”).

The main objectives of this Policy are:

- a) Identification of information, documents, events, etc. which are required to be disclosed on the Website of the Company;
- b) To prescribe the policy for archival of disclosures of various events/information made by the Company to the stock exchanges(s) under the Listing Regulations and hosted on the Website of the Company, and which are eventually archived and transferred to the Archives Folder of the Website of the Company after the prescribed period of 5 (Five) years from the date of disclosure of the respective event/information; and
- c) Certain documents like policies, codes of conduct and other documents which are required to be continuously displayed on the Website in accordance with the applicable provisions of the Act and the Listing Regulations, shall not be archived.

II. DEFINITIONS

- (i) “**Act**” means the Companies Act, 2013 and includes any re-enactment and statutory modification thereof for the time being in force.
- (ii) “**Archives Folder**” is referred to a repository/section where the archived records of the Company are kept for future reference which will include details of historic material events and information.
- (iii) “**Company**” means Rico Auto Industries Limited.
- (iv) “**Board of Directors**” or “**Board**” means the board of directors of the Company, as constituted/re-constituted from time to time.
- (v) “**Listing Regulations**” means the Securities and Exchange Board of India, (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vi) “**Website**” means website of the Company i.e. www.ricoauto.com.

All capitalised words and expressions used in this Policy, unless defined hereinafter, shall have meaning respectively assigned to them under the Listing Regulations and in the absence of its definition or explanation therein, as per the Act.

III. POLICY

The Company regularly sends various information, financial statements, notices and other disclosures, as required under Listing Regulations to the stock exchanges where securities of the Company are listed.

Regulation 46 read with Regulation 62 of the Listing Regulations requires the Company to maintain a functional website containing basic information about the Company and other prescribed details.

Regulation 30(8) of the Listing Regulations requires the Company to disclose on its Website all such events or information which has been disclosed to stock exchange(s) under this Listing Regulation, and such disclosures shall be hosted on the Website of the Company for a minimum period of five years and thereafter records of such events/information is to be maintained as per the archival policy of the Company.

Accordingly, the Company shall after making disclosures to the stock exchange(s) of the events/information in accordance with the applicable provisions of the Act and the Listing Regulations shall also host such information on its Website.

The information so uploaded on the Website, shall be retained for a period of 5 (Five years).

The aforesaid period of 5 (five) years shall be reckoned from the date of such events or information being placed on the Website of the Company for the first time.

The events/information so disclosed and uploaded on the Website shall, in terms of Regulation 30 (8) of the Listing Regulations, be archived after the expiry of 5 (Five) years from the date of such posting and shall be moved and placed under the 'Archives Folder' for any future reference.

The documents/disclosures/information shall be kept under in the Archives Folder till such time as may be required by Act/ Listing Regulations and/or provisions of any other applicable law.

The Company, in accordance with the provisions of Regulation 46(3)(b) of the Listing Regulations, shall ensure to update any change in the content of the Website within 2 (two) working days of such change.

The Head of IT Department of the Company, who is managing the Website, shall be responsible for updating the Website and the Archives Folder on the Website from time to time, by placing the records/documents/information therein.

The Head of IT Department shall also submit a statement as to the records moved in the Archives Folder of the Website, on half yearly basis to the Company Secretary of the Company for placing the same before the Board.

IV. REVIEW

In case of any subsequent changes in the provisions of the Act and/or Listing Regulations which makes any of the provisions in the Policy inconsistent with the Act and/or Listing Regulations, the provisions of the Act and/or Listing Regulations, as the case may be, shall prevail over the Policy and the provisions in this Policy will be modified in due course to make it consistent with provisions of applicable law (s). This Policy shall be reviewed by the Board as and when any changes are to be incorporated in this Policy, due to change in Listing Regulations or the Act.

The Board of Directors of the Company may, subject to the applicable law, is entitled to amend, modify, suspend or rescind this Policy, at any time.

Any ambiguities, interpretative issues, difficulties will be resolved by the Board of Directors of the Company in line with the broad intent of this Policy read with the applicable provisions of the Act, rules and regulations made thereunder, and the Listing Regulations

RISK MANAGEMENT POLICY

OF

RICO AUTO INDUSTRIES LIMITED

Rico Auto Industries Limited

Legal Framework

The provisions of Section 134(3)(n) of the Companies Act, 2013 necessitate that the Board's Report should contain a statement indicating development and implementation of a risk management policy for the Company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the Company. Further, the provisions of Section 177(4)(vii) of the Companies Act, 2013 require that every Audit Committee shall act in accordance with the terms of reference specified in writing by the Board which shall *inter alia* include evaluation of risk management systems. Regulation 17(9)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") also stipulates that the Board shall be responsible for framing, implementing and monitoring of Risk Management Plan and lay down the Risk Management and Minimization Procedures.

The Securities Exchange Board of India vide its Notification dated 5th May 2021 has amended Regulation 21 of the Listing Regulations in order to make it mandatory for the top thousand (1000) listed companies based on their market capitalization calculated as on the 31st day of March of every year to have a Risk Management Committee.

Rico Auto Industries Limited ("the Company") is among these 1,000 companies as of 31st March 2021. Accordingly, the Board of Directors of the Company has approved the constitution of a Risk Management Committee effective from 31st May 2021 as per the requirement mentioned hereinabove. As per the roles and duties defined under the Listing Regulations, the Risk Management Committee of the Company has to formulate and recommend a Risk Management Policy for the Board's approval.

In line with the above requirements, the Board of Directors has framed and adopted the following "Risk Management Policy" in the Board Meeting held on 13th August, 2021.

Definitions

- i. **"Act"** means the Companies Act, 2013 and includes any re-enactment and statutory modification thereof, for the time being in force.
- ii. **"Board of Directors"** or **"Board"** means the Board of Directors for the time being of the Company.
- iii. **"Company"** means Rico Auto Industries Limited.
- iv. **"Chief Risk Officer"** means a company's executive responsible for identifying, analyzing, and mitigating internal and external risks associated with the Company.

- v. **“Listing Regulations”** means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.
- vi. **“Policy”** means the “Risk Management Policy”.
- vii. **“SEBI”** means The Securities and Exchange Board of India.

All capitalised words and expressions used in this Policy, unless defined hereinafter, shall have meaning respectively assigned to them under the Listing Regulations and in the absence of its definition or explanation therein, as per the Act.

Purpose and Scope of Policy

Risk is an inherent aspect of the dynamic business environment. To build and/or keep their competitive advantage in the market, progressive organizations need to take new initiatives, which often come along with certain risks. Additionally, the increasingly dynamic external environment presents risks to the existing business.

To navigate through the likely business risks, the Company has formulated a risk management process. The main objective of this Policy is to ensure sustainable business growth with stability and to promote a pro-active approach in anticipating, reporting, evaluating and resolving risks associated with the Company’s business. In order to achieve the key objective, this Policy establishes a structured and disciplined approach to Risk Management to guide decisions on risk related issues.

The primary objectives of this Risk Management Policy are:

- To ensure that all the current and future material risk exposures of the Company are identified, assessed, quantified, appropriately mitigated, minimized and managed i.e., to ensure adequate systems in place for risk management.
- To ensure that the decision-making of the Company is premised on a structured process informed by a risk and value evaluation by the Risk Management Committee in consultation with the functional heads of departments.
- To establish a framework for the company’s risk management process, ensuring its implementation and to monitor and assure continuous growth of the Company and to sustain market leadership in the industry, domestically and internationally.
- To enable compliance with appropriate regulations, wherever applicable, through the adoption of best practices.
- To assure business growth with financial stability.

Risk Factors/Key Areas

The Risk Management Policy aims to cover, amongst others, the following Key Areas / Risks Factors:

Technology Risks: The Company is committed to embracing new technologies to deliver superior products and solutions to its customers and stakeholders. Adoption of new technology to avoid being left behind in the era of evolving technologies is the primary risk that requires close monitoring. IT and digitalization are the key enablers for delivering end-to-end mobility solutions. However, even these are prone to risks associated with disaster preparedness, data security, information privacy, legal compliance, etc. The technology risks should be mitigated by continuous R&D initiatives of the Company, keeping abreast with the global changes, adopting new & latest IT and data related technologies and promoting entrepreneurial skills of the personnel and developing either in-house solutions or procuring them. It is also necessary to create interest and awareness among employees for benefits and responsibilities for adoption of the above technologies.

Financial Risks: The financial risks relate to adequate liquidity for routine operations and availability of funds for greenfield and brownfield expansions, impact of currency fluctuations, change in credit ratings, etc. It also includes the risks associated with the investments of the Company. The financial performance of its subsidiaries, associates and any other affiliates that may adversely affect the Company's results should be closely monitored. The investments of the Company should be made on the basis of financial modelling and the currency fluctuations be examined regularly. The usage of funds should be well planned, both on a short term & long-term basis.

Economic Environment Risks: The ever-changing economic policies, in the relevant markets may impact the strategies and performance of the Company. The mismatch in demand and supply and competitive products may influence the market share of the Company. The Company needs to keep a close watch on the upcoming new policies and changes in the existing policies and adapt itself to the effected norms in a timely manner. The Company believes in fair competition and tries to maintain a balance in demand and supply of its products. The Company's business also depends on exports. Both Indian Government Policies and Overseas market policies and changes need to be critically reviewed on a regular basis.

The frequent changes in emission norms require the Company to be prepared and update its products and the production with the applicable standards. Further, the Company needs to constantly monitor and comply with the changes in the emission norms and environmental regulations.

Operational and Market Risks: Manufacturing defects, labour unrest, injuries, accidents, suspended operations of a plant may impact the operations of the Company. There may be a demand risk and a supply chain disruption risk due to unusual *force majeure* events like adverse climate change and Covid-19.

Raw material prices, commodity price fluctuation and crude prices are also key business and operational risks. The Company has an exposure of commodity price risk and foreign exchange risk. The Company uses various instruments as approved under the central bank regulations to hedge these exposures.

Multiple options are available to mitigate these risks. Selection of a suitable risk mitigation and management strategy will depend on factors like nature and extent of the risk, factors that may influence the risk, cost-benefit analysis of options. The Company works on an ongoing basis on cost reduction, weight reduction and process improvement exercises. The Company also considers localization of imports/ global sourcing to ensure lowest cost option in sourcing of parts/raw material.

Regulatory Risks: Non-compliance of the applicable laws may result in liabilities and impact the reputation of the Company. The Company needs to have proper systems in place to monitor significant changes in applicable laws and to ensure that all applicable laws are complied with by the Company.

Human Resource Risks: The Company is sensitive towards the requirements of its employees. The Company should take initiatives to ensure there is a robust plan for succession and retention of key people. Talent in key areas and new businesses should be made available through both external partners and internal employee referral schemes. The Company should ensure that its people are regularly trained and instructed to be able to contribute to the growth of the organization.

To ensure that the above risks are mitigated, the Company will strive to:

- involve all functions in the overall risk identification and mitigation exercise.
- Have an objective framework to categorize risks and define the level at which it should be addressed.
- Link the risk management process to the strategic planning and internal audit process.
- Promote a culture of calculated risk-taking to identify new initiatives coupled with thoughtful risk mitigation approach.
- Formalize a transparent risk information and escalation system across the organization with structured templates.
- Take advice of market experts on the subject for the benefit of the Company.
- Increase the quality and speed of communication amongst the Company's key risk managers, the management, and the Board to ensure a proper oversight of strategic risk management processes timely decision-making.

Disclosure

Adequate disclosures pertaining to the risks (including commodity risks) being faced by the Company, may be made as per the materiality criteria defined in the 'Policy for determination of materiality for disclosure of events or information' of the Company.

Responsibility for Risk Management

Every staff member of the Company is responsible for the effective management of risk including the identification of potential risks. The Chief Risk Officer along with the Plant Heads and the Risk Management Committee are responsible for the development and regular monitoring and updating of the Company's risk profile with risk mitigation plans and the implementation of risk reduction strategies. Risk management processes should be integrated with other planning processes and management activities.

Compliance and Control

The Chief Risk Officer and all Plant Heads are also responsible for informing the Risk Management Committee and the Board of Directors about any developments that alter the risk profile and requires mitigation. The Chief Risk Officer and the Plant Heads, under the guidance of the Risk management Committee, Chairman and the Board of Directors, also have the responsibility to monitor effective and timely action to implement management's processes/decisions, identifying, assessing and monitoring risks associated with the Company's business operations. They are also responsible for the implementation and maintenance of policies and control procedures to give adequate protection against key risks. In doing so, the Risk Management Committee and Plant Heads will consider and assess the appropriateness and effectiveness of management information and other systems of internal control, encompassing review of any external agency in this regard and action taken, or proposed, based on those reports.

The onus for identification of risk and for putting in place risk management measures would be shared by The Chief Risk Officer and the respective Plant Heads. The Chief Risk Officer and the Plant Heads shall report to the Risk Management Committee. The responsibility for compliance with the risk policy shall lie with the Risk Management Committee, Functional Chief Risk Officer and all the staff.

Review and Modification of the Policy

The Chief Financial Officer or Chief Operating Officer of the Company in consultation with Risk Management Committee shall be authorised to review and amend the Policy, to give effect to any changes/amendments notified by any regulator under the applicable law from time to time. Such amended Policy shall be periodically placed before the Board for noting and necessary ratification.

RICO AUTO INDUSTRIES LIMITED

BOARD DIVERSITY POLICY

Rico Auto Industries Limited

Board Diversity Policy

1. Introduction

Pursuant to Regulation 19(4) read with Part D of the Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“SEBI Listing Regulations”), the Nomination and Remuneration Committee of the Board of Directors of a listed entity is required to devise a policy on Diversity of the Board of Directors (“the Board”) to ensure diversity in the Board with a robust set of Executive and Non-Executive Directors, including credible Independent Directors from diverse backgrounds.

In compliance with the SEBI Listing Regulations, the Board of Rico Auto Industries Limited (“the Company”), has adopted a Policy on Board Diversity, formulated and recommended by the Nomination and Remuneration Committee.

2. Purpose

This Policy sets out a framework for appointment of persons who are not only well qualified but bring diversity to the Board of Directors of the Company.

3. Definitions

For the purpose of this Board Diversity Policy the following terms shall have the meanings assigned to them hereunder:

“Board of Directors” or **“Board”** means the Board of Directors of Rico Auto Industries Limited, as constituted/re-constituted from time to time.

“Company” means Rico Auto Industries Limited

“Nomination and Remuneration Committee” or **“Committee”** means the Committee of the Board constituted/re-constituted under the provisions of Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 178 of the Companies Act, 2013 as in force from time to time.

“Policy” or **“this Policy”** means Board Diversity Policy.

Words and expressions used and not defined in this Board Diversity Policy shall have the meaning ascribed to them in the SEBI Listing Regulations, as amended, or the Companies Act, 2013 and rules and regulations made thereunder.

4. Policy

1. The Company believes that a Board with diversity will contribute to the achievement of the Company's objectives including:
 - Drive business results and strategic growth
 - Ensure sustainable development and corporate governance
 - Enhance quality and responsible decision-making capability
 - Enhance the reputation of the Company
 - Secure a wider range of perspectives and expertise to enrich decision-making of the Board.

The Company recognizes the benefits of having a Board of Directors that possesses a balance of skills, experience, expertise and diversity of perspectives appropriate to the requirements of the business of the Company and that of the sector.

2. The Board of Directors shall have the optimum combination of Directors from different areas/fields like Finance, Management, Accountancy, Legal and Regulatory matters, Technical or such other fields as may be considered relevant by the Nomination and Remuneration Committee for achieving a diverse Board. The fields mentioned above are merely indicative and the Committee may at any time add new professional backgrounds, skills and experiences that may help the Company's strategic needs.
3. The composition of the Board shall be in accordance with requirements of the Articles of Association of the Company, the Companies Act, 2013, the SEBI Listing Regulations and the statutory, regulatory and contractual obligations of the Company. The Board shall have at least one each of the following:
 - a. An expert in the field of accounting or related financial management; and
 - b. An Independent Woman Director.
4. To ensure a robust and balanced composition of executive, non-executive and independent directors on the Board, the Company shall consider candidates from a wide variety of backgrounds without discrimination based on gender, religion, caste, region, ethnicity or sexual orientation.

5. The Nomination and Remuneration Committee shall periodically review the structure, size and composition of the Board and any future appointment of new Directors of the Company to ensure that it has a balanced composition of skills, experience and expertise appropriate to the requirements of the business of the Company, in line with the principles enunciated above.

5. Review and Monitoring

The Nomination and Remuneration Committee shall review and monitor the implementation of this Policy to ensure its effectiveness and make recommendations on any required changes to Board for consideration and approval.

6. Disclosure

The Company shall disclose this Policy on its website i.e., **<https://www.ricoauto.in/investor-relation.html>**. The necessary disclosure, if any, about the policy will also be made as per the requirements of SEBI (LODR) Regulations, 2015 and other applicable laws.

DIVIDEND DISTRIBUTION POLICY

OF

RICO AUTO INDUSTRIES LIMITED

Rico Auto Industries Limited

Background

The Securities Exchange Board of India (“SEBI”) vide its Notification dated 5th May, 2021 has amended Regulation 43A the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Listing Regulations”) in order to make it mandatory to have a Dividend Distribution Policy in place by the top thousand (1000) listed companies based on their market capitalization calculated as on the 31st day of March of every year.

Rico Auto Industries Limited (“the Company”) is among these 1,000 companies as of 31st March, 2021, therefore, the Board of Directors of the Company has adopted this Dividend Distribution Policy of the Company as per the requirement, abovementioned.

Definitions

- i. **“Act”** means the Companies Act, 2013 and includes any re-enactment and statutory modification thereof for the time being in force.
- ii. **“Board of Directors”** or **“Board”** means the Board of Directors for the time being of the Company.
- iii. **“Company”** means Rico Auto Industries Limited.
- iv. **“Listing Regulations”** means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- v. **“Policy”** means Dividend Distribution Policy of Company.
- vi. **“SEBI”** means The Securities and Exchange Board of India.

All capitalised words and expressions used in this Policy, unless defined hereinafter, shall have meaning respectively assigned to them under the Listing Regulations and in the absence of its definition or explanation therein, as per the Act.

Purpose and Scope of Policy

Considering the provisions of the Regulation 43A of the Listing Regulations, the Board recognizes the need to lay down a broad framework for considering decisions by the Board of the Company, with regard to distribution of dividend to its shareholders and/ or retaining or plough back of its profits. The Policy also sets out the circumstances and different factors for consideration by the Board at the time of taking such decisions of distribution or retention of profits, in the interest of providing transparency to the shareholders. This Policy, further, set forth the objectives, guiding principles and process by which the Board will evaluate, declare and pay dividends.

The Policy is not an alternative to the decision of the Board for recommending dividend, which is made every year after taking into consideration all the relevant circumstances enumerated hereunder or other factors as may be decided as relevant by the Board.

The Policy reflects the intent of the Company to reward its shareholders by sharing a portion of its profits after retaining sufficient funds for growth of the Company. The Company shall pursue this Policy, to pay, subject to the circumstances and factors enlisted hereon, progressive dividend, which shall be consistent with the performance of the Company over the years.

The objective of the Policy is to define the various factors affecting the dividend decision, i.e.:

- Defining internal and external factors impacting the dividend decision;
- Financial parameters affecting dividend decision;
- Circumstances leading to declaration or non-declaration of dividend;
- Defining dividend distribution payment form and method.

The Policy shall not apply to:

- Determination and declaring dividend on preference shares, if any, as the same will be as per the terms of issue approved by the shareholders;
- Distribution i.e. by issue of fully or partly paid bonus shares or other securities, subject to applicable law;
- Distribution of cash as an alternative to payment of dividend by way of buyback of equity shares.

Frequency of Dividend

The Dividend shall be payable in the manner as provided in the Act read with the applicable provisions of the Listing Regulations.

The Board may declare one or more Interim Dividends during the year. Additionally, The Board may recommend Final Dividend for the approval of the shareholders at the Annual General Meeting. The date of the Board meeting in which the Dividend proposal to be considered, will be intimated to the stock exchanges, as required by SEBI Regulations.

The Board may in its absolute discretion decide to recommend / declare any dividend for any financial year in case of loss during any financial year, subject to the compliance of the provisions of the Act read with the applicable provisions of the Listing Regulations.

Considerations relevant for decision of Dividend Pay-Out

The Board shall consider the following, while taking decisions of a dividend payout during a particular year:

I. Internal Factors to be considered (if and when applicable)

Earnings' stability: The financial performance of the Company has an important bearing on the dividend policy. A stability of earnings builds confidence in the company and inclines the Company to formulate a more consistent dividend policy than in circumstances or years of an uneven flow of income

Dividend Sustainability: The Board and the Company while deciding on the declaration of Dividend must take cognizance of the factors like futuristic approach of the Company to attract/raising of capital on favorable terms, augmenting shareholders' return on capital, furthering confidence of various stakeholders in the Company. The Board shall also take into consideration and carefully evaluate the risks that may threaten the Company's ability to maintain the present level of Dividends.

Liquidity position: Availability of cash and sound financial position is also an important factor in dividend decisions. As dividend means huge cash outflow, the greater the funds and the liquidity of the firm, the better is its ability to pay dividend.

Future Funding Requirements: The Company believes in retaining a part of its profits for investing into business expansion and strengthening the Company's financial position in the future. A part of income is /may be reserved for investing in capital expenditure, research and development, expanding into new geographical markets or for increased requirements of working capital.

Fluctuations in Business Cycle: Business cycles exercise influence upon dividend Policy. Dividend policy is adjusted according to the business oscillations. In peak seasons of performance (operationally and financially), management creates reserves for contingencies and pays out higher dividends. Adequate reserves help the Company through tough times / lean season / aggressive competitions and expansion phases, guiding the Company's decision accordingly.

Regularity and stability in Dividend Payment: The Company believes that dividend payout practice should be stable and consistent over long periods of time, thus creating predictability and visibility of cash flows for the shareholders. In past several years, the Company has been consistently paying high dividend to its shareholders and shall endeavor to follow the same pattern, unless any exceptional circumstances occur.

Contractual Obligations / Debt Repayments, if any: The Company shall take into consideration any contractual obligations / debt principal or interest payments, if and when they occur before distributing dividend to its shareholders.

II. External Factors to be considered

Legal Requirements: The Policy has been formed in keeping with the current framework / provisions of The Companies Act 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. While taking the dividend decision, any amendments in the same shall be taken into account as and when they occur, with respect to payment and distribution of dividend.

Government Policies: The earning capacity of an enterprise is hugely impacted by the changes in monetary, fiscal, industrial, labour, and other government policies. The dividend policy has to be modified or formulated accordingly, if such events occur.

Taxation Policy: Various taxes, including Dividend Distribution Tax, tax on dividend income or any other policy or amendments in prevailing rates and conditions can lead to reduction in the earnings of the companies or may affect its investors and accordingly shall be taken into account while taking the dividend decision.

In addition to the aforesaid, the Board may also take into consideration any other factor/ aspect while deciding on Dividends, as they may deem fit in the best interest of the Company and its stakeholders.

III. Financial Parameters to be considered

The Company has been amongst the most consistent in rewarding its shareholders with optimum dividend payout over the last several years. The Company in all its future dividend decisions shall consider the below mentioned financial parameters:

- Net Income attributable to Shareholders
- Earnings growth
- Liquidity Ratios
- Financial Leverage Ratios
- Free Cash flows
- Redeemable investments
- Free Reserves
- Cash Flow projections
- Investment plans

Manner of utilisation of retained earnings

The Board may retain its earnings in order to make better use of the available funds and increase the value of the shareholders in the long run. The decision of utilization of the retained earnings of the Company shall be based on the following factors:

- Market expansion plan;
- Product expansion plan;
- Increase in production capacity;
- Modernization plan;
- Diversification of business;
- Long term strategic plans;
- Replacement of capital assets;
- Where the cost of debt is expensive;
- Other such criteria as the Board may deem fit.

Parameters with regard to various classes of shares

The paid-up capital of the Company consists of only equity shares of nominal value of Re.1/- each and does not have different classes of shares. However, if different class of shares be issued subsequently, the same shall meet the parameters based on the respective rights attached to each class of shares as per their terms of issue.

Intimation & Disclosures

The Company shall be required to make the below requisite disclosures in accordance with the applicable requirements under the Act as well as Listing Regulations:

- The Company shall give notice of Record Date in advance of at least 7 (seven) working days (excluding the date of Intimation and the Record Date) to stock exchange(s) specifying the purpose of the Record Date.
- The Company shall recommend or declare all dividend and/or cash bonuses at least 5 (five) working days (excluding the date of Intimation and the Record Date) before the Record Date fixed for the purpose.
- The Company shall give prior Intimation about the Meeting of the Board of Directors in which Declaration/Recommendation of Dividend is to be considered at least 2 (two) working days in advance, excluding the date of intimation and date of the meeting.
- The Company shall disclose to the Stock Exchange(s), within 30 (thirty) minutes of the closure of the Meeting, held to consider the 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.
- The Company shall be required to declare and disclose Dividend on per share basis only.

Unclaimed/Unpaid Dividend

The Company shall transfer the unclaimed/unpaid Dividend amount in accordance with the provisions of the Act, Listing Regulations and any other applicable laws including any amendments thereof.

Disclosures

The Dividend Distribution Policy shall be disclosed on the website of the Company.

Review and Modification of the Policy

In case of any subsequent changes in the provisions of the Act and/or Listing Regulations, which makes any of the provisions in the Policy inconsistent with the Act and/or Listing Regulations, the provisions of the Act and/or Listing Regulations, as the case may be, shall prevail over the Policy and the provisions in this Policy will be modified in due course to make it consistent with provisions of applicable law (s).

The Managing Director of the Company shall be authorised to review and amend the Policy, to give effect to any changes/ amendments notified by any regulator under the applicable law from time to time. Such amended Policy shall be periodically placed before the Board for noting and necessary ratification.

Disclaimer

The Policy does not constitute a commitment regarding future dividends of the Company but represent a general guidance regarding payment of dividend. This policy does not purport to or solicit investments in the Company's securities.

The Policy does not in any way restrict right of the Board to use its discretion in the recommendation of the dividend to be distributed considering various factors mentioned in the policy. Further, subject to the provisions of applicable laws, the Board reserve the right to depart from the policy as and when circumstances so warrant.
