VIGIL

MECHANISM/

WHISTLE

BLOWER POLICY

OF

RICO AUTO INDUSTRIES LIMITED

1. Preface/Background

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 even the 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 whistle blowing.

2. Scope & Purpose

Section 177 of the Companies Act of 2013 (the "Act") establishes a vigil mechanism for directors and employees to report legitimate concerns and grievances in the appropriate way. According to the Companies "Meeting of Board and its Powers" Rules 2014, among other things, the vigil mechanism shall offer sufficient protection against the victimisation of directors and employees and also offer direct access to the Chairperson of the Audit Committee, in appropriate or exceptional cases.

Regulation 22 read with Regulation 4(2)(d)(iv) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations") requires the Company to set up a vigil mechanism for directors and employees to report concerns about unethical behaviour, actual or suspected fraud, or violation of the Company's code, provide adequate safeguards against their victimisation, and provide adequate safeguards against their victimisation**.**

Section 177(9) of Companies Act, 2013 and Rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014 describes about establishment of Vigil Mechanism for every Listed Company and Companies provides that the following Companies shall establish a vigil mechanism for directors and employees to report genuine concerns:

i) Every listed Company;
ii) Companies which accept deposits from the public; and
iii) Companies which have borrowed money from banks and public financial institutions in excess of Rs.50 Crores (Rupees Fifty Crores).

3. Definitions

3.1. **"Code"** means Rico's Code of Conduct as displayed on www.ricoauto.com.

3.2. **"Company"**/ **"Rico"** means Rico Auto Industries Ltd.

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

3.4. **"Policy"** means the Whistle Blower/ Vigil Mechanism Policy.

3.5. **"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.

3.6. **"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.

3.7. **"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.

4. Guidelines

4.1. 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 a 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.

4.2. 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 orremedial action that may be warranted.

4.3. 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.

4.4. Whistle Blowers must put their names to allegations as follow-up questions because investigation becomes merely impossible unless the source of theinformation is identified. Disclosures expressed anonymously will ordinarily NOT be investigated.

4.5. 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.

4.6. To ensure that this Policy is adhered to, and to assure that the concern will be acted upon seriously, the Company will:

4.6.1. Ensure that the Whistle Blower and/or the person making the Protected Disclosure is not victimized for doing so;
4.6.2. Treat victimization as a serious matter including initiating disciplinaryaction on such person/(s);
4.6.3. Ensure complete confidentiality;
4.6.4. Not attempt to conceal evidence of the Protected Disclosure;
4.6.5. Take disciplinary action, if any one destroys or conceals evidence of the Protected Disclosure made/to be made;
4.6.6. Provide an opportunity of being heard to the persons involved especially to the Subject.

4.7. The Policy covers malpractices and events which have taken place/suspected to take place involving:

- Abuse of authority;

- Negligence causing substantial and specific danger to public health and safety;
- Manipulation of company data/records;
- Financial irregularities, including fraud, or suspected fraud;
- Sexual Harassment;
- Criminal offence;
- Pilferation of confidential/propriety information;
- Deliberate violation of law/regulation;
- Wastage/misappropriation of company funds/assets;
- Breach of employee Code of Conduct or Rules;
- Leak of Unpublished Price Sensitive Information and
- Any other unethical, biased, imprudent event which affects conducting of business affairs of the Company in a fair and transparent manner.

5. Procedure

5.1 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.

The contact details of the Chairman of the Audit Committee are as under:
Shri Yogesh Kapur
D-1063, New Friends Colony
Delhi - 110025

Mobile: 9810080792, E-mail: yogkap@gmail.com

5.2 If a Protected Disclosure is received by any executive of the Company otherthan 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.

5.3 Whistle Blower must provide the background, history and reason for the concern, together with names, dates, places and as much information possible.

5.4 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 orwritten 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”.

5.5 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.

6. Investigation

6.1 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.

6.2 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.

6.3 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.

6.4 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.

6.5 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 takereasonable and necessary measures to prevent any further violations which mayhave 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.

6.6 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.

7. Protection to Whistle Blower

7.1. 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.

7.2. 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.

7.3. 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.

7.4. 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 mustimmediately report those facts to his/her manager or point of contact, or the Chairman of Audit Committee.

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

8. Confidentiality

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

8.1.1. maintain complete confidentiality/ secrecy of the matter.
8.1.2. not discuss the matter in any informal/social gatherings/meetings.
8.1.3. discuss only to the extent or with the persons required for the purpose of completing the process and investigations.

8.1.4. not keep the papers unattended anywhere at any time.
8.1.5. keep the electronic mails/files under password.

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

9. 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.

10. 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.

11. Non-Compliance

Non-compliance of the relevant provisions of the Act, read together with the Regulations will attract the penal provisions as per the laws.

12. General

a) Review

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 amendmentor modification will be binding on the Employees unless the same is notified to the Employees in writing.

b) Disclosure

The details of establishment of Vigil Mechanism/ Whistle Blower Policy shall be disclosed by the Company in its Website and in the Board's Report/Annual Report as required by the Law.