

RAIL:SEC:2019

August 09, 2019

BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai - 400001 Scrip Code - 520008	National Stock Exchange of India Limited Exchange Plaza, 5th Floor, Plot No.C/1, G Block Bandra-Kurla Complex, Bandra (E) Mumbai - 400 051 Scrip Code - RICOAUTO
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Subject: Postal Ballot Notice - Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir/Madam,

In continuation to our earlier letter dated 2nd August, 2019, please find attached a copy of the Postal Ballot Notice alongwith Explanatory Statement and Postal Ballot Form, seeking approval of the Shareholders of the Company by way of Postal Ballot including e-voting by passing the Special Resolution for re-appointment of Shri Arvind Kapur (DIN:00096308), Chairman, CEO & Managing Director and payment of Remuneration.

Notice of the Postal Ballot alongwith Explanatory Statement and Postal Ballot Form is also available on the website of the Company at <http://www.ricoauto.in/investor-relation.html>. and National Securities Depository Limited (NSDL) at <https://www.evoting.nsdl.com>. The Company has engaged the services of NSDL for providing e-voting facility to its members. The calendar of events for the Postal Ballot is as under:

Particulars	Date of Completion of the Event
Cut-off date for voting through Ballot Paper/ E-voting	26 th July, 2019
Date of completion of dispatch of the Postal Ballot Notice along with Postal Ballot Form.	10 th August, 2019
Date of Publication of Notice in the newspaper	11 th August, 2019
Date of commencement of E-voting	11 th August, 2019 (9.00 A.M)
Last date for receiving Postal Ballot papers by the Scrutinizer	9 th September, 2019 (5.00 P.M)
Date of end of E-voting	9 th September, 2019 (5.00 P.M)

The result for the voting through Ballot/e-voting will be announced on or before 11th September, 2019 at the Registered Office of the Company. The said result will also be displayed at the Registered Office of the Company, intimated to the Stock Exchanges where the Company's shares are listed, the Depository and would be published in the newspapers and would also be displayed along with the Scrutinizer's Report on the Company's website at <http://www.ricoauto.in/investor-relation.html> and on NSDL's website at www.evoting.nsdl.com.

You are requested to kindly take the above information on your records.

Thanking you,

Yours faithfully,
for **Rico Auto Industries Limited**


B.M. Jhamb
Company Secretary

Encl. As above

RICO AUTO INDUSTRIES LIMITED

CIN : L34300HR1983PLC023187

Regd. & Corp. Office: 38 KM Stone, Delhi-Jaipur Highway, Gurugram - 122001, Haryana
Tel: +91 124 2824000, Fax: +91 124 2824200, E-mail: cs@ricoauto.in, Website: www.ricoauto.in

NOTICE OF POSTAL BALLOT AND E-VOTING

[Pursuant to Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014]

VOTING STARTS ON : 11-08-2019

VOTING ENDS ON : 09-09-2019

To the Member(s) of Rico Auto Industries Limited,

Notice is hereby given pursuant to Section 110 and other applicable provisions of the Companies Act, 2013 (the "Act"), if any, read with the Companies (Management and Administration) Rules, 2014, amended to date, including any statutory modification or re-enactment thereof for the time being in force and applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, that the Company is seeking consent of its Members for the resolution appended below through Postal Ballot which includes voting by electronic means. The Explanatory Statement setting out all material facts and reasons thereto pertaining to the resolution mentioned in this notice is annexed to this Postal Ballot Notice along with Postal Ballot Form (the "Form") for your consideration.

The Board of Directors (the "Board") in their meeting held on Friday, 2nd August, 2019, have appointed Shri K.K. Sachdeva of M/s. K.K. Sachdeva & Associates, Company Secretaries (CP No.4721, FCS No.7153), as Scrutinizer to conduct the Postal Ballot and e-voting process in a fair and transparent manner.

Members desiring to exercise their vote by Postal Ballot are requested to carefully read the instructions printed in the Form and return the same duly completed in the enclosed self-addressed Business Reply Envelope. Postage will be borne and paid by the Company. Form(s), if sent by courier or by registered post/speed post at the expense of the Member(s) will also be accepted. The Form(s) may also be deposited personally at the address given on the self-addressed Business Reply Envelope. The duly completed Form(s) should reach the Scrutinizer not later than 5.00 P.M. on Monday, 9th September, 2019 to be eligible for being considered, failing which, it will be strictly considered that no reply has been received from the Member.

Members desiring to opt for e-voting as per the facilities arranged by the Company are requested to read the instructions in the Notes under the section 'the process and manner for remote e-voting'.

The Scrutinizer will submit his report to the Chairman of the Company or any other duly authorised person of the Company after completion of the scrutiny of the votes cast through Postal Ballot and e-voting. The result of the Postal Ballot (including e-voting) would be declared by the Chairman or any other official authorized by the Chairman on or before Wednesday, 11th September, 2019 at the Registered Office of the Company and be intimated to the Stock Exchanges, where the Company's shares are listed, the Depository and the Registrar and Share Transfer Agent and shall also be displayed at the Registered Office of the Company, and would be published in the newspapers and would also be displayed along with the Scrutinizer's Report on the Company's website: <http://www.ricoauto.in/investor-relation.html> and on NSDL's website at www.evoting.nsdl.com.

The members are requested to consider the following resolution:

SPECIAL BUSINESS:

ITEM NO. 1

Re-appointment of Shri Arvind Kapur (DIN:00096308), Chairman, CEO & Managing Director and payment of Remuneration

To consider and if thought fit, to give assent or dissent to the following resolution as a **Special Resolution**:

"Resolved that pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder and applicable

provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, amended to date, [including any statutory modification(s) or re-enactment thereof for the time being in force] and subject to the other statutory approvals, if any, approval of the Members of the Company be and is hereby accorded to the re-appointment of Shri Arvind Kapur (DIN:00096308) as Chairman, CEO & Managing Director of the Company, not liable to retire by rotation, for a further period of five years from 17th December, 2019 to 16th December, 2024, as well as to continue to hold such position upon attaining age of 70 (Seventy) years during his tenure of appointment."

"Resolved further that Shri Arvind Kapur, Chairman, CEO & Managing Director of the Company be paid following remuneration effective from 17th December, 2019 for a period of three years (i.e. 17th December, 2019 to 16th December, 2022):

- Salary, Allowances & Perquisites not to exceed as under:

From 17/12/2019 to 16/12/2020	₹6.00 crores per annum
From 17/12/2020 to 16/12/2021	₹7.00 crores per annum
From 17/12/2021 to 16/12/2022	₹8.00 crores per annum

The allowances and perquisites payable shall include accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance together with reimbursement of expenses and/or allowance for utilisation of gas, electricity, water, furnishing and repairs; medical reimbursement and leave travel concession for self and family including dependents, club fees, medical insurance and personal accident insurance; and such other perquisites and/or allowances as may be determined from time to time up to the amounts specified above.

The said allowances and perquisites shall be evaluated, wherever applicable, as per the Income Tax Act, 1961 or any rules thereunder [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force]. However, the Company's Contribution to Provident Fund and Superannuation Fund or Annuity Fund to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961, Gratuity, if payable, under the Company's rules shall not exceed half a month's salary for each completed year of service, Earned Leave and its Encashment on full pay and allowances as per the rules of the Company. Provision of car with driver for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company.

- Commission: Payment of commission based on net profits of the Company in a particular year not exceeding ₹4.00 Crores (Rupees Four crores only), as may be determined by the Nomination and Remuneration Committee and Board of Directors of the Company, in compliance with the applicable provisions of the Companies Act, 2013.
- Ceiling on Remuneration: The overall remuneration payable shall not exceed 10 (Ten) percent of the Net Profits of the Company to all Executive Directors. Wherein, in any financial year during the tenure of his service, the Company has no profits or its profits are inadequate, Shri Arvind Kapur shall be entitled to receive remuneration by way of salary, allowances and perquisites as mentioned above as minimum remuneration except commission.

“Resolved further that pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V thereto, and rules made thereunder [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and in pursuance of the Special Resolution passed by the Members at the 34th Annual General Meeting (AGM) of the Company held on 22nd September 2017, consent of the Members of the Company be and is hereby accorded to confirm and ratify the remuneration paid to Shri Arvind Kapur, Chairman, CEO & Managing Director of the Company during the period from 17/12/2017 to 16/12/2019, as per the terms of his appointment and remuneration approved by the Members by means of Special Resolution at the 34th AGM, which is within the overall limits approved by them.”

“Resolved further that pursuant to the provisions of Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, amended to date, [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], approval of the Members be and is hereby accorded for payment of remuneration to Shri Arvind Kapur, Chairman, CEO & Managing Director, notwithstanding that the remuneration payable to him in any financial year exceeds the aggregate annual remuneration of all the Executive Directors, who are promoters, as per the limits stipulated under the said regulations, during the tenure of his appointment.”

“Resolved further that the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, expedient or desirable including seeking approval of the other authorities as may be applicable and to settle any question that may arise in relation thereto, in order to give effect to this resolution.”

By Order of the Board
for **Rico Auto Industries Limited**

B.M. Jhamb
Company Secretary
FCS No.2446

Place : Gurugram
Date : August 02, 2019

NOTES:

1. The Explanatory Statement and reasons for the aforesaid Resolution setting out all material facts are appended to the Postal Ballot Notice.
2. The Postal Ballot Notice is being sent to the Members whose names appear on the Register of Members/List of Beneficial Owners as received from the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on the close of business hours on Friday, 26th July, 2019. Accordingly, the Members whose names appear on the Register of Members/ List of Beneficial Owners as received from NSDL and CDSL as on Friday, 26th July, 2019 will be considered for the purpose of voting.
3. In accordance with the provisions of Section 101 and other applicable provisions of the Companies Act, 2013, read with Rule 18, 20 and 22 of the Companies (Management and Administration) Rules, 2014, the Postal Ballot Notice is being sent to Members in electronic form to the e-mail addresses registered with their Depository Participants (in case of electronic shareholding)/the Company's Registrar and Share Transfer Agent (in case of physical shareholding). For Members who have not registered their e-mail addresses will receive Postal Ballot Notice along with Form and self-addressed Business Reply Envelope through permitted mode. Members who have received Postal Ballot Notice by e-mail and who wish to vote through physical Form may download the Form from the link www.evoting.nsdl.com (NSDL Link) or from the Company's website: <http://www.ricoauto.in/investor-relation.html>.
4. In compliance with Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Sections 108, 110 and other applicable provisions of the Companies Act, 2013, read with rules made thereunder, the Company is pleased to provide e-voting facility to all its Members, to enable them to cast their votes

electronically instead of dispatching the physical Form by post. The Company has engaged the services of National Securities Depository Limited (NSDL) for the purpose of providing e-voting facility to all its Members. Please note that e-voting is an alternate mode to cast votes and is optional.

5. The e-voting period commences on Sunday, 11th August, 2019 (9.00 A.M.) and ends on Monday, 9th September, 2019 (5.00 P.M.). During this period, Members of the Company may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast, Member shall not be allowed to change it subsequently.
6. The voting rights of Members shall be in proportion to their shares of the paid-up equity share capital of the Company as on cut-off date i.e. Friday, 26th July, 2019.
7. Kindly note that the Members can opt only one mode of voting, i.e., either by Physical Ballot or e-voting. If you are opting for e-voting, then please do not vote by Physical Ballot and vice versa. However, in case Members cast their vote by Physical Ballot and e-voting, then voting done through e-voting shall prevail and voting done by Postal Ballot will be treated as cancelled.
8. The Scrutinizer shall, within a period not exceeding 48 (Forty Eight) hours from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
9. The Scrutinizer's decision on the validity of the Postal Ballot shall be final.
10. The Scrutinizer will submit his report to the Chairman after completion of the scrutiny of the votes cast through Postal Ballot and e-voting. The result of the Postal Ballot would be announced by the Chairman or any other official authorized by the Chairman on or before Wednesday, 11th September, 2019 at the Registered Office of the Company. The said result would be displayed at the Registered Office of the Company, intimated to the Stock Exchanges where the Company's shares are listed, the Depository, and the Registrar and Share Transfer Agent and would be published in the newspapers and would also be displayed along with the Scrutinizer's report on the Company's website: <http://www.ricoauto.in/investor-relation.html> and on NSDL's website at www.evoting.nsdl.com.
11. The date specified for receipt of duly completed Postal Ballot or e-voting shall be the date on which the resolution would be deemed to have been passed, if approved by the requisite majority.
12. All relevant documents referred in the Explanatory Statement will be available for inspection at the Registered Office of the Company during office hours i.e 10.00 AM to 5.00 PM on all working days (except Sundays and Public holidays) upto the date of announcement of result of Postal Ballot.
13. Electronic copy of the Notice is being sent to all Members holding shares (i) in demat mode whose e-mail IDs are available with the Depository Participants; and (ii) in physical mode whose e-mail IDs are registered with the Company/RTA for communication purposes unless any Member has requested for a hard copy of the same. For Members who have not registered their e-mail IDs, physical copies of the Postal Ballot Notice are being sent through the permitted mode.
14. The process and manner for remote e-voting are as under:
 - i) The Member(s) whose e-mail ID is not registered with the Company/RTA/Depository Participants, and they are not having their user ID and password, may obtain a login ID and password for casting his/her vote by remote e-voting by sending a request at evoting@nsdl.co.in or by contacting NSDL at the toll free no. **1800-222-990** mentioning their Demat Account No./Folio No. If Members have their user ID and password they can use the same for voting.

- ii) The Member(s) who receives an e-mail from NSDL (for Members whose e-mail addresses are registered with the Company/RTA/ Depository Participants) is advised to take the following steps for casting his/her vote by remote e-voting:

How to cast vote electronically using NSDL e-voting system?

The way to vote electronically on NSDL e-voting system consists of “Two Steps” which are mentioned below:

Step 1: Log-in to NSDL e-voting system at:

<https://www.evoting.nsdl.com>

Step 2: Cast your vote electronically on NSDL e-voting system.

Details on Step 1 are mentioned below:

- I. Visit the e-voting website of NSDL. Open web browser by typing the URL:<https://www.evoting.nsdl.com> either on a personal computer or on a mobile.
- II. Once the home page of e-voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
- III. A new screen will open. You have to enter your User ID, Password and a Verification Code as shown on the screen.
Alternatively, if you are registered for NSDL e-services i.e. **IDEAS**, you can log-in at <https://e-services.nsdl.com> with your existing **IDEAS** login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e. cast your vote electronically.
- IV. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 111241 then user ID is 111241001***

- V. Your password details are given below:
 - a) If you are already registered for e-voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
 - c) How to retrieve your ‘initial password’?
 - i) If your e-mail ID is registered in your demat account or with the Company, your ‘initial password’ is communicated to you on your e-mail ID. Trace the e-mail sent to you from NSDL from your mailbox. Open the e-mail and open the attachment i.e. a pdf file. Open the pdf file. The password to open the pdf file is your 8 digit client ID for NSDL account, last 8 digits of client

ID for CDSL account or folio number for shares held in physical form. The pdf file contains your ‘User ID’ and your ‘Initial Password’.

- ii) The Member(s) whose e-mail ID is not registered with the Company/RTA/Depository Participants, and they are not having their user ID and password, may obtain a login ID and password for casting his/her vote by remote e-voting by sending a request at evoting@nsdl.co.in or by contacting NSDL at the toll free no. **1800-222-990** mentioning their Demat Account No./Folio No.

- VI. If you are unable to retrieve or have not received the “Initial Password” or have forgotten your password:
 - a) Click on “**Forgot User Details/Password?**” (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your Demat Account No./Folio No, your PAN, your name and your registered address.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.
- VII. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
- VIII. Now, you have to click on “Login” button.
- IX. After you click on the “Login” button, Home page of e-voting will open.

Details on Step 2 are given below:

How to cast your vote electronically on NSDL e-voting system?

- I. After successful login at Step 1, you will be able to see the Home page of e-voting. Click on e-voting. Then, click on Active Voting Cycles.
- II. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
- III. Select “EVEN” of Rico Auto Industries Limited which is 111241.
- IV. Now you are ready for e-voting as the voting page opens.
- V. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
- VI. Upon confirmation, the message “Vote cast successfully” will be displayed.
- VII. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- VIII. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for Shareholders:

- I. Institutional Shareholders (i.e. other than Individuals, HUF, NRI etc.) are requested to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail at kks445@gmail.com with a copy marked to evoting@nsdl.co.in.
- II. It is strongly recommended not to share your password with any other person and take utmost care to keep your password

confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.

- III. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: **1800-222-990** or send a request at evoting@nsdl.co.in.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 TO THE NOTICE OF POSTAL BALLOT AND E-VOTING UNDER THE COMPANIES ACT, 2013

ITEM NO. 1

Shri Arvind Kapur (DIN: 00096308) is the Managing Director of the Company since December, 1984. Present terms of appointment of Shri Arvind Kapur, Chairman, CEO & Managing Director were approved by the Shareholders by passing a special resolution through Postal Ballot on 14th March, 2015 for five years w.e.f. 17th December, 2014. The terms of his remuneration were also approved by the Shareholders for a period of three years effective from 17th December 2014 upto 16th December, 2017 and subsequently by the Central Government vide its letter dated 30th May, 2015. The terms of remuneration of Shri Arvind Kapur from 17th December, 2017 to 16th December, 2019 were further approved by the Shareholders at 34th Annual General Meeting held on 22nd September, 2017 subject to the approval of Central Government. The Company made an application for approval to the Ministry of Corporate Affairs (MCA). However, due to amendment in the provisions of Section 197 and Schedule V of the Companies Act, 2013, with effect from 12th September, 2018, the application made by the Company to MCA stood abated and as mandated under the aforesaid amended provisions, the Company is now taking the approval of Shareholders within the time prescribed thereunder. The present terms of appointment and remuneration payable to Shri Arvind Kapur, Chairman, CEO & Managing Director are expiring on 16th December 2019. Shri Arvind Kapur will attain the age of 70 (Seventy) years on 5th July, 2020.

In view of above, the terms of appointment and remuneration payable to Shri Arvind Kapur, Chairman, CEO & Managing Director needs to be approved w.e.f. 17th December 2019. In terms of the provisions of sections 196, 197, 198, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, re-appointment of the Managing Director and payment of remuneration to him requires approval of the Shareholders.

Considering the increase in responsibilities being shouldered by Shri Arvind Kapur in the context of increased volume of business of the Company and to continue to avail his services for carrying out the business operations of the Company, your Board of Directors felt it appropriate, subject to your approval, to re-appoint Shri Arvind Kapur as Chairman, CEO & Managing Director and pay remuneration as detailed in the resolution, which is commensurate with the responsibilities being undertaken by him. The Nomination and Remuneration Committee and the Board of Directors in their respective meetings held on 2nd August, 2019 have considered, approved and recommended the re-appointment of Shri Arvind Kapur for a further period of five years effective from 17th December, 2019 upto 16th December, 2024 and terms of remuneration for further period of three years effective from 17th December, 2019 upto 16th December, 2022, which is subject to your approval. Shri Arvind Kapur is not debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI, Ministry of Corporate Affairs or any other Statutory Authority.

In terms of Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, amended to date, the remuneration to Executive Directors who are Promoters and members of the Promoter Group, shall be subject to the approval of the Shareholders by way of

special resolution in general meeting, if it exceeds the threshold limits stipulated under the said regulations.

Accordingly, approval of the Shareholders is also being sought for paying remuneration to Shri Arvind Kapur, in the event it exceeds such prescribed threshold limits during the term of his appointment.

The Board recommends the Special Resolution as set out in this Notice for your approval.

The Explanatory Statement together with the accompanying Notice should be treated as an abstract of the terms and memorandum of interest of the Directors under section 190 of the Companies Act, 2013.

Except Shri Arvind Kapur, Shri Arun Kapur and Shri Rakesh Kapur being relative, none of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the aforesaid resolution.

The particulars required to be disclosed in the Explanatory Statement in accordance with the provisions of Section II of Part II of Schedule V of the Companies Act, 2013 and information/details as required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 on General Meetings are given below:

I. GENERAL INFORMATION

1. Nature of Industry

The Company is a part of Indian Auto Components Manufacturing Industry and is engaged in the business of manufacturing high precision fully machined aluminium and ferrous components and assemblies for Original Equipment Manufacturers (OEMs) across the globe.

2. Date of Commercial Production

Commercial production has already commenced.

3. Financial Performance

The financial performance of the Company (Audited) during the last five years is as under:

(₹ in Crores)

Financial Parameters	Year ended 31/03/2015	Year ended 31/03/2016	Year ended 31/03/2017	Year ended 31/03/2018	Year ended 31/03/2019
Gross Revenue	943.90	990.05	1036.05	1118.25	1224.50
Net Profit/(Loss) (As computed under Sec.198)	(58.65)	38.02	58.40	68.58	71.98
Net Profit as per Profit & Loss Account	171.87	27.07	47.71	49.64	48.76
Amount of dividend paid including tax	48.70	9.78	12.22	13.02	6.51 (Interim Dividend paid)
Rate of dividend declared	300% (₹3/- per share) (Interim 100% and Final 200%)	60% (₹0.60 per share) (Interim 50% and Final 10%)	75% Final Dividend (₹0.75 per share)	80% (₹0.80 per share) (Interim 40% and Final 40%)	40% Final Dividend Proposed (Interim 40% paid)

4. Financial Performance based on given indicators

The Company's sales are impacted corresponding to growth of Indian Auto Component Industry.

5. Foreign Investments or Collaborations, if any

Holding of FIIs/NRIs/OCBs/Foreign Companies in the Company as on 30th June, 2019 is 2.51%. The Company has no foreign collaboration as on date. The Company has two Foreign Wholly Owned Subsidiaries namely:

- Rico Auto Industries Inc., USA
- Rico Auto Industries (UK) Limited, U.K.

II. INFORMATION ABOUT THE APPOINTEE

1. Background Details

Shri Arvind Kapur born on 5th July, 1950 is a Science Graduate from St. Stephen's College, University of Delhi and has done President Management Program from Harvard Business School, USA. He is the co-promoter of the Company and is presently the Chairman, CEO & Managing Director of the Company.

Shri Arvind Kapur has an enriched and vast experience of more than four decades in the industry to his credit and has been instrumental in the growth of your Company. Under his leadership, your Company's turnover has been increased to ₹1,224.50 crores from ₹0.87 crore since 1986.

2. Past Remuneration

The remuneration drawn by Shri Arvind Kapur during the past five years is as under:

Financial Year Ended	Amount (₹ in Crores)
31 st March, 2015	1.35
31 st March, 2016	2.06
31 st March, 2017	2.92
31 st March, 2018	3.33
31 st March, 2019	3.73

3. Recognition and Awards

He is also Director of the following Companies:

- Subros Limited
(CIN: L74899DL1985PLC020134)
- Sandhar Technologies Limited
(CIN: L74999DL1987PLC029553)
- Rico Jinfei Wheels Limited
(CIN: U34200HR2007PLC037021)
- Rico Investments Limited
(CIN: U65923HR2015PLC054211)
- Rico Auto Industries Inc. USA
- Rico Auto Industries (U.K.) Limited
- Rico Fluidronics Limited (Formerly Magna Rico Powertrain Private Limited)
(CIN: U29110HR2008PLC037708)
- Kapsons Manufacturing and Services Private Limited
(CIN: U29100PB1983PTC005332)
- ASN Properties Private Limited
(CIN: U70200DL2011PTC220727)
- Haridwar Estates Private Limited
(CIN: U45400HR2007PTC037085)
- KDB Investments Private Limited
(CIN: U67120DL2001PTC110707)
- AAK Manufacturing and Consultancy Private Limited
(CIN: U28113HR2017PTC068073)
- Kapros Engineering Industries Limited
(CIN: U35990HR2009PLC039865)

He is member of the following Organisations/Concerns:

- Automotive Components Manufacturers Association of India (ACMA) – Member
- CII – Northern Regional Council – Member
- Haryana State Pollution Control Board – Member

He is member of the Committees of following Companies:

- Rico Auto Industries Limited
 - Share Transfer Committee – Chairman
 - Finance Committee – Chairman
 - Budget & Investment Committee – Member
 - Nomination & Remuneration Committee – Member
- Sandhar Technologies Limited
 - Audit Committee – Member
 - Stakeholder Relationship Committee – Member
 - Corporate Social Responsibility Committee – Member

4. Job Profile & Suitability

Shri Arvind Kapur, Chairman, CEO & Managing Director is vested with substantial powers of the Company under the superintendence, control and directions of the Board of Directors. He has been associated with the Company since 1983 and has vast experience of more than four decades in the field of business strategy and development, planning, marketing and distribution, finance, production technology etc. Your Company has plants at Dharuhera, Gurugram, Haridwar, Bawal, Chennai and Sanand for Aluminium High Pressure Die Casting (HPDC) and the Ferrous Foundry at Gurugram, IMT Manesar and Pathredi. The other projects are also in pipe line. Considering the performance of existing projects and expansion plans, the Company is expected to register a growth in the years to come. He is devoting his full time in managing the business of the Company. He is, therefore, best suitable for the job.

5. Remuneration Proposed (17/12/2019 to 16/12/2022)

Salary, Allowances & Perquisites not to exceed as under:

From 17/12/2019 to 16/12/2020	₹6.00 crores per annum
From 17/12/2020 to 16/12/2021	₹7.00 crores per annum
From 17/12/2021 to 16/12/2022	₹8.00 crores per annum

6. Comparative Remuneration Profile with respect to industry, size of the Company, profile of the position and person

The remuneration proposed to be paid to Shri Arvind Kapur is in line with the remuneration paid to the managerial personnel in other Companies engaged in the similar Industry. At present, he is looking after Company's plants at Dharuhera, Gurugram, IMT Manesar, Haridwar, Bawal, Halol, Chennai, Pathredi and Sanand and Five Subsidiary Companies and three step-down Subsidiary Companies.

All these plants and offices are under his supervision. Keeping in view his job profile, position and responsibilities remuneration being given or proposed is not even close to or higher than that prevailing in the market. The Nomination and Remuneration Committee while recommending the proposed resolution has taken into account all these factors.

7. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any

Besides the remuneration proposed herein, Shri Arvind Kapur has no other pecuniary relationship with the Company. He is related to Shri Arun Kapur, Joint Managing Director and Shri Rakesh Kapur, Director of the Company.

8. Board Meeting Attended and Shareholding

He regularly attends the Board and Committee Meetings. During the year 2018-19 he attended Four Board Meetings and is holding 12674960 (9.37%) equity shares of ₹1/- each.

III. OTHER INFORMATION**1. Reasons of Loss or Inadequate Profits**

The financial performance of the Company was impacted due to the slowdown in the Industry. Despite that, the Company has a consistent profit and dividend track record. The Company has earned a net profit of ₹48.76 crores for the F.Y. 31st March, 2019. Currently, the Company is into growth phase and investing on additional capacity and technical knowledge build up.

2. Steps taken or proposed to be taken for improvement

The Company is taking series of strategic and operational measures to tackle the adverse market scenario and to improve the profitability. Steps are being taken to reduce cost of inputs and increase the productivity and profits.

3. Expected increase in Productivity and Profits in Measurable Terms

The aforesaid steps being taken by the Company would increase the productivity and profits of the Company. The Company would continue its endeavour to increase the revenues to improve the profitability in the coming years.

IV. DISCLOSURES

The requisite disclosures of remuneration package etc. have been mentioned in the Special Resolution appended in this Notice. At present, there is no stock option scheme available in the Company. The Disclosures are regularly provided in the Annual Report.

By Order of the Board
for **Rico Auto Industries Limited**

B.M. Jhamb
Company Secretary
FCS No.2446

Place : Gurugram
Date : August 02, 2019

RICO AUTO INDUSTRIES LIMITED

CIN : L34300HR1983PLC023187

Regd. & Corp. Office: 38 KM Stone, Delhi-Jaipur Highway, Gurugram - 122001, Haryana
Tel: +91 124 2824000, Fax: +91 124 2824200, E-mail: cs@ricoauto.in, Website: www.ricoauto.in

POSTAL BALLOT FORM

1. Name(s) of Member(s)
(including Joint holders,
if any, in BLOCK LETTERS)
2. Registered Address of the
Sole/First named Member
3. Registered Folio No.
4. DP ID No./Client ID No.
5. Number of Equity Shares held
6. I/We hereby exercise my/our vote in respect of the Resolution to be passed through Postal Ballot for the business stated in the Notice of the Company dated 2nd August, 2019 by conveying my/our assent or dissent to the said Resolution by placing the tick (✓) mark in the appropriate box below:

Item No.	Description	No. of Equity Shares	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
1.	Re-appointment of Shri Arvind Kapur (DIN:00096308), Chairman, CEO & Managing Director and payment of Remuneration			

Place :
Date :

SIGNATURE OF THE MEMBER

Notes:

1. Please read carefully the instructions printed overleaf before exercising the vote.
2. The last date for the receipt of Postal Ballot Forms by the Scrutinizer is Monday, 9th September, 2019 upto 5.00 P.M.

INSTRUCTIONS:

1. A Member desiring to exercise vote by postal ballot may complete this Postal Ballot Form and send it to the Scrutinizer in the attached self addressed, Business Reply Envelope (postage will be borne and paid by the Company). However, envelopes containing postal ballots, if deposited in person or sent by courier at the expense of the Member will also be accepted.
2. Alternatively, a Member may vote through electronic mode as per the instructions for voting through electronic means provided in the Postal Ballot Notice sent herewith. e-voting is optional.
3. This form should be completed and signed by the Members. In the case of joint holding, this form should be completed and signed (as per the specimen signature registered with the Company/RTA/Depository Participant) by the first named Member and in his/her absence, by the next named Member(s).
4. Postal Ballot Forms which are incomplete or unsigned or defective in any manner are liable to be rejected. The Scrutinizer's decision in this regard shall be final and binding.
5. In respect of shares held by corporate and institutional shareholders (companies, trusts, societies etc.), the completed Postal Ballot Form should be accompanied by a certified copy of the relevant board resolution/appropriate authorization, with the specimen signature(s) of the authorised signatory(ies) duly attested.
6. Duly completed Postal Ballot Forms should reach the Scrutinizer not later than the close of working hours i.e. 5.00 P.M. on Monday, 9th September, 2019. Any Postal Ballot Form received after this date will be treated as if the reply from the Member has not been received.
7. A Member may request for a duplicate Postal Ballot Form, if so required. However, the duly filled in duplicate Postal Ballot Form should reach the Scrutinizer not later than the date specified.
8. Members are requested not to send any other paper along with the Postal Ballot Form in the enclosed self-addressed, Business Reply Envelope. All such envelopes will be sent to the Scrutinizer and any extraneous paper found in such envelopes would be destroyed by the Scrutinizer.
9. Only a Member entitled to vote is entitled to fill in the Postal Ballot Form and send it to the Scrutinizer, and any recipient of the Notice who has no voting right should treat the Notice as an intimation only.
10. Members must quote their Folio No./DP ID/Client ID No. and contact details such as e-mail ID, telephone number etc. in correspondence with the Company or its Registrar & Share Transfer Agent namely MCS Share Transfer Agent Limited, F-65, Okhla Industrial Area, Phase – I, New Delhi – 110020.