

**RICO AUTO INDUSTRIES LIMITED**

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CIN : L34300HR1983PLC023187

RAIL:SEC:2019

March 30, 2019

BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai - 400001  Scrip Code - <b>520008</b>	National Stock Exchange of India Limited Exchange Plaza, 5 <sup>th</sup> Floor, Plot No.C/1, G Block Bandra-Kurla Complex, Bandra (E) Mumbai - 400 051  Scrip Code - <b>RICOAUTO</b>
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Sub : **Intimation of amendment in Codes of Fair Disclosure and Conduct under Regulations 8 (2) of SEBI (Prohibition of Insider Trading) Regulations, 2015**


Dear Sir,

Pursuant to SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, which would come into force on 1<sup>st</sup> April, 2019, the Code of Practices and Procedure for Fair Disclosure of Unpublished Price Sensitive Information (UPS) has been amended by the Board of Directors of the Company through a resolution passed by circulation on 30<sup>th</sup> March, 2019.

You are kindly requested to take the above on record.

Thanking you,

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

  
**B.M. Jhamb**  
Company Secretary  
FCS No. 2446

Encl : As above

## CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION OF RICO AUTO INDUSTRIES LIMITED

[Pursuant to Regulations 8(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015]

### Preamble

The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended (“**PIT Regulations**”) mandates every listed company to formulate a framework and policy for fair disclosure of events and occurrences that could impact price discovery in the market for its securities. In this regard, the Board of **Rico Auto Industries Limited** (“**Company**”) has formulated this Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (“**the Code**”)

### I. Objective

The Code intends to formulate a framework and policy for fair disclosure of events and occurrences that could impact price discovery in the market for the Company’s securities and to maintain the uniformity, transparency and fairness in dealings with all stakeholders and ensure adherence to applicable laws and regulations.

### II. Scope

The Company endeavors to preserve the confidentiality of un-published price sensitive information and to prevent misuse of such information. The Company is committed to transparency and fairness in dealing with all stakeholders and in ensuring adherence to all laws and regulations.

### III. Applicability

This Code shall be applicable with effect from 1<sup>st</sup> April, 2019.

### IV. Definitions

Un-published Price Sensitive Information (“**UPS**”) means any information, relating to Company’s securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following:

- (i) Financial Results;
- (ii) Dividends;
- (iii) Change in capital structure;
- (iv) Mergers, De-mergers, Acquisitions, Disposals and Expansion of business and such other transactions;
- (v) Changes in key managerial personnel;

- (vi) Material events in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
- (vii) Any other matter as may be prescribed under the Listing Regulations and/or Corporate Law to be price sensitive, from time to time.

## **V. Principles of Fair Disclosure**

The Company shall adhere to the following principles to ensure timely and fair disclosure of Unpublished Price Sensitive Information (UPSI):

- (i) Prompt public disclosure of UPSI that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.
- (ii) Uniform and universal dissemination of UPSI to avoid selective disclosure.
- (iii) Designation of a senior officer as a chief investor relations officer to deal with dissemination of information and disclosure of UPSI.
- (iv) Prompt dissemination of UPSI that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
- (v) Appropriate and fair response to queries on news reports and requests for verification of market rumors by regulatory authorities.
- (vi) Ensuring that information shared with analysts and research personnel is not UPSI.
- (vii) Developing best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the official website to ensure official confirmation and documentation of disclosures made.
- (viii) Handling of all UPSI on a need-to-know basis.

## **VI. Chief Investor Relations Officer (“CIO”)**

- (i) The Chief Financial Officer or Company Secretary or any other officer duly authorized by the Board of the Company, shall act as the Chief Investor Relations Officer (CIO), who would be responsible for satisfactory discharge of the duties and responsibilities laid down under this Code.

The CIO shall disseminate / disclose the information to the stock exchanges where the Securities of the Company are listed.

- (ii) All UPSI is to be handled on “need to know basis”, i.e., UPSI should be disclosed only to those within the Company who need the information to discharge their duty and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of the information. All the non-public information directly received by any employee should immediately be reported to the Compliance Officer.

## **VII. Powers & Duties of Chief Investor Relations Officer (CIO)**

- (i) Other than information which is price sensitive in accordance with the Companies Act 2013, the SEBI (Prohibition of Insider Trading) Regulations, 2015 or any other applicable law for the time being in force, the CIO in consultation with the Managing Director shall decide whether an information is price sensitive or not.
- (ii) The CIO shall also promptly disseminate the UPSI that gets disclosed selectively, inadvertently or otherwise to make such information generally available by informing to the stock exchanges where the Securities of the Company are listed.
- (iii) All information disclosure/dissemination may normally be approved in advance by the Managing Director.

## **VIII. Prompt disclosure of unpublished price sensitive information**

- (i) The Company will ensure that any event which has a bearing on the share price of the Company shall be disseminated promptly upon the conclusion of the event, by communicating the same to the stock exchanges in accordance with the PIT regulations and other applicable regulations.
- (ii) To ensure that the information is disseminated in a uniform manner, the Company will transmit the information to all the stock exchanges where the securities of the Company are listed, at the same time and shall also publish the same on the website of the Company viz. [www.ricoauto.in](http://www.ricoauto.in)

## **IX. Disclosure with reference to Analysts/ Media**

All UPSI shall be first communicated to the stock exchanges before the same is shared with Analyst and Research personnel.

## **X. Responding to Market Rumors**

The CIO of the Company shall give an appropriate and fair response to queries on news reports and requests for verification of market rumors by regulatory authorities. They shall also be responsible for deciding whether a public announcement is necessary for verifying or denying rumors and making disclosures.

## **XI. Sharing of UPSI for legitimate purpose**

The UPSI shall be shared by any person(s) authorized by the Board or CIO of the Company in this behalf, only in furtherance of legitimate purpose(s) which shall include the following;

- (i) Sharing of UPSI in the ordinary course of business by any Insider, Designated Person, or by any Authorized person with existing or proposed partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants.
- (ii) Sharing of UPSI where such communication is in furtherance of performance of duty(ies);
- (iii) Sharing of UPSI for discharge of legal obligation(s).

- (iv) Sharing of UPSI for any other genuine or reasonable purpose as may be determined by the CIO of the Company.
- (v) Sharing of UPSI for any other purpose as may be prescribed under the Securities Regulations or Company Law or any other law for the time being in force, in this behalf, as may be amended from time to time.

Provided that such sharing should not be carried out to evade or circumvent the prohibitions of PIT Regulations.

However, other provisions / restrictions as prescribed under the PIT Regulations or any other law for the time being in force in this behalf, as may be amended from time to time, shall be observed.

**XII. Issue of Notice to the recipient of UPSI**

Any person in receipt of UPSI pursuant to a “legitimate purpose” shall be considered an “insider” for purposes of this Code and due notice shall be given to such persons as set out in this code;

- (i) To make aware such person that the information shared is or would be UPSI.
- (ii) To make aware to such person the duties and responsibilities attached to the receipt of such UPSI and the liability attached to misuse or unwarranted.
- (iii) To instruct such person to maintain confidentiality of such UPSI in compliance with these regulations and to provide a requisite confirmation.

**XIII. Digital Database of recipient of UPSI**

The CIO shall be responsible to maintain a structured digital database of such persons or entities as the case may be with whom information is shared under this regulation, which shall contain the following information;

- (i) Name of such recipient of UPSI;
- (ii) Name of the Organization or entity to whom the recipient represent
- (iii) Postal Address and E-mail ID of such recipient
- (iv) Permanent Account Number (PAN) or any other identifier authorized by law, if PAN is not available.

The CIO shall also be responsible to ensure that such databases shall be maintained with adequate internal controls and checks such as time stamping and audit trials to ensure non-tampering of such database.

**XIV. Amendment**

The Board of the Company, in sync with applicable laws, rules & regulations, may amend / substitute any provision(s) with a new provision(s) or replace this entire Code with a new Code.

In any circumstance where the terms of the Code differ from any law, rule, regulation etc. for the time being in force, the law, rule, regulation etc. shall take precedence over the Code. The Code and any subsequent amendment(s) thereto, shall be promptly intimated to the Stock Exchanges.

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