

RAIL:SEC:2020

August 28, 2020

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 : Outcome of Board Meeting held on 28<sup>th</sup> August, 2020**

Dear Sir/Madam,

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that the Board of Directors have approved the following in the aforesaid meeting:

1. Unaudited Financial Results (Standalone & Consolidated) for the first quarter ended 30<sup>th</sup> June, 2020 (copy enclosed).
2. Limited Review Report (Standalone & Consolidated) for the aforesaid quarter duly signed by the Auditors of the Company (copy enclosed).
3. Ms. Sarita Kapur has been appointed as an Additional Director (Non-Executive Independent) with effect from 28<sup>th</sup> August, 2020, on the Board of the Company in compliance with the SEBI (LODR) Regulations, 2015, subject to the approval of the Shareholders and that she shall not be liable to retire by rotation. Profile is enclosed herewith as Annexure-I.
4. Approved the proposal to apply to the Registrar of Companies in terms of the provisions of Section 96(1) of the Companies Act, 2013 for granting extension of 3 months' time i.e., till 30<sup>th</sup> December, 2020 for holding the 37<sup>th</sup> Annual General Meeting of the Company for the financial year ended 31<sup>st</sup> March, 2020.
5. Appointed Shri K.K. Sachdeva as Secretarial Auditor for the financial year 2020-2021.
6. Approved investment upto Rs.5.00 Crores by way of Equity/Loan in M/s. Metalart Friction Private Limited.
7. Approved the acquisition of Assets of M/s. Rasa Autocom Limited, a Step-down Subsidiary Company.

The Board Meeting commenced at 12.00 Noon and concluded at 2.25 PM.

Thanking you,

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

*B.M. Jhamb*  
**B.M. Jhamb**  
Company Secretary  
FCS : 2446

Encl : As above



## RICO AUTO INDUSTRIES LIMITED

Regd. & Corp. Office : 38 KM Stone, Delhi - Jaipur Highway, Gurugram - 122001 (Haryana)

CIN:L34300HR1983PLC023187

### STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2020

(Rs. in Crores)

Particulars	Quarter ended			Year ended
	30.06.2020	30.06.2019	31.03.2020	31.03.2020
	Unaudited	Unaudited	Audited (Refer Note 8)	Audited
1 Revenue from operations	127.69	304.71	281.41	1,192.73
2 Other income	3.43	7.40	10.34	33.54
3 Total revenue (1 + 2)	131.12	312.11	291.75	1,226.27
4 Expenses				
Cost of raw material and components consumed	70.90	201.39	172.71	760.59
Purchase of traded goods	0.53	1.53	1.46	6.18
Change in inventories of finished goods and work in progress	5.35	1.44	1.48	(3.95)
Other manufacturing expenses	11.03	22.84	23.84	93.69
Employee benefits expense	28.70	39.31	44.45	168.64
Finance costs	8.59	6.20	8.18	27.18
Depreciation and amortisation	10.90	13.99	15.39	59.96
Other expenses	16.55	17.71	27.61	95.12
Total expenses	152.55	304.41	295.12	1,207.41
5 Profit/(Loss) before exceptional items and tax (3 - 4)	(21.43)	7.70	(3.37)	18.86
6 Exceptional items [expense/(income)]	0.16	0.14	4.25	5.21
7 Profit/(Loss) before tax (5 - 6)	(21.59)	7.56	(7.62)	13.65
8 Tax expense:				
a) Current Tax	-	-	(0.83)	2.23
b) Deferred Tax	(6.89)	1.29	(1.97)	(5.16)
9 Profit/(Loss) for the year (7 - 8)	(14.70)	6.27	(4.82)	16.58
10 Other Comprehensive Income / (Loss) (Net of taxes)				
a (i) Items that will not be reclassified to profit or loss	0.09	0.06	(0.36)	(1.75)
a (ii) Income tax relating to items that will not be reclassified to profit or loss	(0.03)	(0.02)	0.15	0.63
b (i) Effective portion of Gain/(Loss) on designated portion of hedging instruments in a cash flow hedge	1.68	(0.68)	(2.61)	(6.95)
b (ii) Income tax relating to items that will be reclassified to profit or loss	(0.54)	0.23	0.91	2.43
11 Total Comprehensive Income (9+10)	(13.50)	5.86	(6.73)	10.94
12 Paid up equity share capital (Face value of Re.1/- per share)	13.53	13.53	13.53	13.53
13 Basic and diluted earning per equity share [nominal value of share as on June 30, 2020:Re.1/- (March 31, 2020 : Re.1/-)]	(1.09)*	0.46*	(0.36)*	1.23

\* Not annualised

# RICO AUTO INDUSTRIES LIMITED



## CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2020

(Rs. in Crores)

Particulars	Quarter ended			ended
	30.06.2020	30.06.2019	31.03.2020	31.03.2020
	Unaudited	Unaudited	Audited (Refer Note 8)	Audited
1 Revenue from operations	143.39	365.32	330.71	1,401.07
2 Other income	2.80	8.41	8.55	22.71
3 Total revenue (1 + 2)	1,146.19	358.73	339.26	1,423.78
4 Expenses				
Cost of raw material and components consumed	66.30	304.62	172.06	741.39
Purchase of traded goods	0.73			
Change in inventories of finished goods and work in progress	7.08	1.47	(3.26)	(0.86)
Other manufacturing expense	39.49	46.22	44.35	161.70
Employee benefits expense	41.39	59.82	62.43	246.37
Finance costs	9.24	7.30	9.14	61.20
Depreciation and amortisation	14.38	19.04	19.95	70.57
Other expenses	20.11	24.52	23.88	119.72
Total expenses	179.62	362.99	337.70	1,398.09
5 Profit/(Loss) before extra-ordinary items and tax (3- 4 + 5)	73.40	5.74	1.56	25.69
6 Exceptional items	0.16	0.25	4.39	6.79
7 Profit/(Loss) before tax (6 - 7)	(33.59)	5.49	(2.82)	18.90
8 Tax expense:				
a) Current Tax	0.26	0.98	0.69	7.64
b) Deferred Tax	(9.20)	0.55	0.33	(5.62)
9 Profit/(Loss) for the year (8 - 9)	(24.67)	6.96	(3.84)	16.66
10 Other Comprehensive Income /(Loss) (Net of taxes)				
a (i) Items that will not be reclassified to profit or loss	0.13	(0.51)	(0.37)	(1.57)
a (ii) Income tax relating to items that will not be reclassified to profit or loss*	(0.03)	0.18	0.13	0.55
b (i) Items that will be reclassified to profit or loss	1.70	(0.00)		1.16
b (ii) Effective portion of Gain/(Loss ) on designated portion of hedging instruments in a cash flow hedge	(1.60)	(0.68)	(2.61)	(6.99)
b (iii) Income tax relating to items that will be reclassified to profit or loss	(0.54)	0.23	0.91	2.43
11 Total Comprehensive Income (10+11)	(21.78)	3.18	(5.78)	12.52
a. Net profit attributable to:				
(i) Owners of the company	(14.35)	4.00	(4.69)	16.60
(ii) Non-controlling interest	(0.32)	(0.84)	0.24	0.09
b. Other Comprehensive Income attributable to:				
(i) Owners of the company	2.05	(0.78)	(1.94)	(4.36)
(ii) Non-controlling interest	(0.01)		(0.00)	(0.00)
c. Total Comprehensive Income attributable to				
(i) Owners of the company	(21.40)	3.22	(6.02)	12.24
(ii) Non-controlling interest	(0.38)	(0.04)	0.24	0.08
12 Net Profit for the year after non-controlling interest [9- 11a(ii)]	(24.35)	4.00	(4.08)	16.60
13 Paid up equity share capital (Face value of Re. 1/- per share)	13.53	13.53	13.53	13.53
14 Basic and diluted earning per equity share	(1.80)	0.30	(0.30)	1.23

\* Not annualised

[nominal value of share as on June 30, 2020: Re.1/- (March 31, 2020: Re.1/-)]

**NOTES**

1) The above Financial Results were reviewed by the Audit Committee and thereafter were approved and taken on record by the Board of Directors in their meeting held on 28th August 2020. Further, the limited review of standalone and consolidated results have been completed by the statutory auditors of the Company.

2) As per Indian Accounting Standard (IndAS) 108 "Operating Segment", the Company's business falls within a single business segment viz. "Automotive Components".

3) The Consolidated Financial Results of the Company have been prepared in accordance with the Indian Accounting Standards (IndAS) 110 "Consolidated Financial Statements", Indian Accounting Standard (IndAS) 112 "Disclosure of Interest in Other Entities" and Indian Accounting Standard (IndAS) 28 "Financial Reporting of Investment in Associates and Joint Ventures (as applicable) notified under the Companies Act, 2013 ("the Act").

4) Exceptional Items include expenditure incurred pursuant to Voluntary Retirement Scheme of the Company amounting to Rs.0.16 Crores (Rs. 0.16 Crores for the Group) for the quarter ended 30th June, 2020.

5) Finance Cost of standalone results includes exchange difference arising from foreign currency short term borrowings regarded as an adjustment to interest cost as under:

Particulars	Quarter Ended		Year Ended	
	30.06.2020	31.03.2020	30.06.2019	31.03.2020
Net loss/(gain) on Foreign Currency transactions and translation on borrowings	0.29	1.32	0.27	1.61

6) The list of entities included in the consolidated financial results for the quarter ended 30th June, 2020 are as follows:

- i. Rico Auto Industries Inc. USA - Wholly Owned Subsidiary
- ii. Rico Auto Industries (UK) Limited - Wholly Owned Subsidiary
- iii. AAN Engineering Industries Limited - Wholly Owned Subsidiary
- iv. Rico Fluidtronics Limited - Subsidiary
- v. Rico Investments Limited - Subsidiary
- vi. Rico Jinfei Wheels Limited - Step-down Subsidiary
- vii. Rasa Autocom Limited - Step-down Subsidiary
- viii. Rico Aluminium and Ferrous Auto Components Limited - Step-down Subsidiary

7) The spread of Covid 19 has affected the business operations post the national lock down. The Company has taken various measures in consonance with Central and State Government advisories to contain the pandemic, which included closing of manufacturing facilities.

Post lifting of the lock down, the Company has carried out a comprehensive assessment of possible impact on its business operations, financial assets, contractual obligations and its overall liquidity position, based on the internal and external sources of information and application of reasonable estimates. The Company has also performed sensitivity analysis on the assumptions used and does not foresee any significant incremental risk to the recoverability of its assets. In pursuant to the relaxed guidelines, the Company has now resumed its operations at all its plants. Since the situation is continuously evolving, the impact assessed in future may be different from the estimates made as at the date of approval of these financial results. Management will continue to monitor any material changes arising due to the impact of this pandemic on financial and operational performance of the Company and take necessary measures to address the situation.

8) The figures of previous quarter (i.e. three months ended 31st March 2020) are the balancing figures between audited figures in respect of the full financial year and the published unaudited year to date figures upto the third quarter of the financial year, which were subjected to limited review.

9) Contractual manpower cost in quarters ended 30 June 2020, 30 June 2019, 31 March 2020 and year ended 31 March 2020 amounting to ₹ 7.64 crore, ₹ 11.22 crore, ₹ 14.44 crore and ₹ 49.46 crore respectively in standalone accounts have been regrouped from other manufacturing expenses to employee benefits expense to provide more relevant information. corresponding impact in consolidated financial statements was also made

10) Previous quarter's amounts have been re-grouped/re-classified, wherever considered necessary to make them comparable with those of the current quarter.

11) Results are available at Company's website [www.ricoauto.in](http://www.ricoauto.in) and at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com).

for RICO AUTO INDUSTRIES LIMITED

Arvind Kapur  
Chairman, CEO & Managing Director  
DIN : 00096308

Place : Gurugram

Date : 28th August, 2020

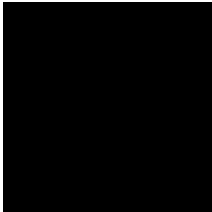


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**Independent Auditor's Review Report on Standalone Unaudited Quarterly Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)**

**To the Board of Directors of Rico Auto Industries Limited**

1. We have reviewed the accompanying statement of standalone unaudited financial results ('the Statement') of Rico Auto Industries Limited ('the Company') for the quarter ended 30 June 2020, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time.
  2. The Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the accounting principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
  3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
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# Walker Chandniok & Co LLP

## Independent Auditor's Review Report on Standalone Unaudited Quarterly Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (Cont'd)

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the accounting principles laid down in Ind AS 34, prescribed under Section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.

### For Walker Chandniok & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500013

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**Arun Tandon**

Partner

Membership No. 517273

**UDIN No.:** 20517273AAAAEC5225

**Place:** New Delhi

**Date:** 28 August 2020

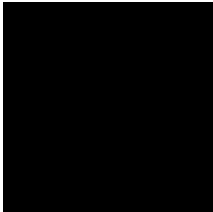
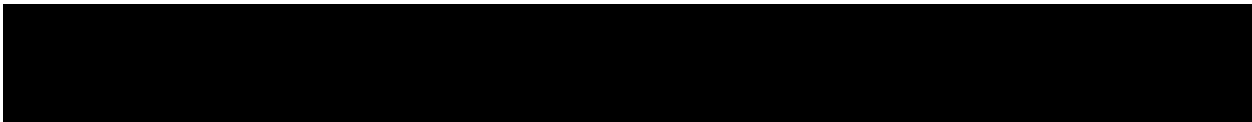


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**Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)**

**To the Board of Directors of Rico Auto Industries Limited**

1. We have reviewed the accompanying statement of unaudited consolidated financial results ('the Statement') of Rico Auto Industries Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), (refer Annexure 1 for the list of subsidiaries, included in the Statement) for the quarter ended 30 June 2020, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time.
  2. This Statement, which is the responsibility of the Holding Company's management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the accounting principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
  3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
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# Walker Chandiook & Co LLP

## Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (Cont'd)

We also performed procedures in accordance with the SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019 issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), to the extent applicable.

4. Based on our review conducted and procedures performed as stated in paragraph 3 above and upon consideration of the review reports of the other auditors referred to in paragraph 5 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the accounting principles laid down in Ind AS 34, prescribed under Section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We did not review the interim financial results of 3 subsidiaries included in the Statement, whose financial information reflects total revenues of ₹ 14.05 crores, total net loss after tax of ₹ 5.94 crores and total comprehensive loss of ₹ 5.91 crores for the quarter ended 30 June 2020, as considered in the financial results of the entities included in the group. These interim financial results have been reviewed by other auditors whose review report have been furnished to us by the management, and our conclusion in so far as it related to the amounts and disclosures included in respect of these subsidiaries is solely based on the review report of such other auditors and the procedure performed by us as stated in paragraph 3 above.

Our conclusion is not modified in respect of this matter with respect to our reliance on the work done by and the reports of other auditors.

### For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500013

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**Arun Tandon**

Partner

Membership No. 517273

**UDIN No.:** 20517273AAAAED2338

**Place:** New Delhi

**Date:** 28 August 2020



# Walker Chandiook & Co LLP

Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (Cont'd)

## Annexure 1

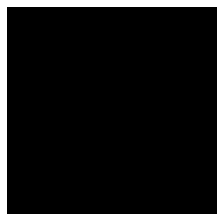
### List of entities included in the Statement

S. No.	Name of the Holding Company
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1	RICO Auto Industries Limited
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Name of the subsidiaries	
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1	RICO Auto Industries Inc. (USA)
2	RICO Fluidtronics Limited (formerly "Magna Rico Powertrain Private Limited")
3	RICO Auto Industries (UK) Limited
4	AAN Engineering Industries Limited
5	RICO Investments Limited
6	RICO Aluminium and Ferrous Auto Components Limited
7	Rasa Autocom Limited
8	RICO Jinfei Wheels Limited



Annexure-I

Details required under Regulation 30 of the SEBI (Listing Obligations and  
~~Disclosure Requirements) Regulations, 2015~~

Particulars	Ms. Sarita Kapur
Reason for change viz. appointment, resignation, removal, death or otherwise	Appointment in the category of Independent Woman Director.
Date of appointment & term of appointment	28/08/2020  Appointment with effect from 28/08/2020 as an Additional Director (Non-Executive Independent) of the Company, subject to the Shareholder approval at ensuing Annual General Meeting of the Company.
Brief Profile	Annexure-A
Disclosure of relationships between Directors.	Ms. Sarita Kapur is not related to any Director of the Company.



## Annexure-A

Ms. Sarita Kapur has around 28 years' Professional experience as a practicing lawyer at:

1. Khaitan & Co., New Delhi (1988 to 1990)
2. O. P. Khaitan & Co., New Delhi (1990 to 1994)
3. Chambers of R.K.P. Shankardass, Senior Advocate (since 1996)

Ms. Sarita Kapur has pursued graduation in law from Faculty of Law, Delhi University in 1985-1988 and also Bachelor of Science from Miranda House, Delhi University in 1982-1985. Her practice is primarily focused on contractual and commercial matters; issues of public and private international laws; employment laws; personal laws; succession and trusts.

In the formative years (1988 to 1994) she was engaged as part of legal teams handling commercial and contractual disputes before courts as domestic and international arbitrations, including award enforcement proceedings before courts. She handled diverse disputes primarily in the Delhi High Court, relating to commercial and contractual matters, company law matters, arbitrations and a few matrimonial disputes. She was involved in handling an arbitration before the GAFTA (Grain and Feed Trade Association), London.

Since 1996, apart from the usual advice to various clients, she has been associated with several international and domestic disputes and arbitrations over the last several years, as part of the legal team representing clients in commercial disputes (public and private international law arbitration and ADR proceedings).

She also advises various High Commissions and Consulates on the position of Indian law in relation to Private International Law on issues relating to various aspects of diplomatic immunity, immigration, personal laws (matrimony, succession, adoption, property, et.al.) and employment laws. She was empaneled by the British High Commission for giving legal advice and assistance on Indian Laws to British nationals in India.

### **Mediation:**

She is a Certified Mediator and empanelled as a Mediator with:

- (i) the Mediation and Conciliation Panel, of the Regional Director, Northern Region, MCA, New Delhi, under the Companies (Mediation and Conciliation) Rules, 2016;
- (ii) The Federation of Integrated Conflict Management, New Delhi.
- (iii) accredited Mediator with the Chartered Institute of Arbitrators, UK.

### **Law Publications:**

- She has assisted Mr. R.K.P. Shankardass, Senior Advocate in writing the India Chapter in the 2<sup>nd</sup> Edition of the Book "Dispute Resolution in India" by Michael Pryles, published by Kluwer Law International (2002).
- She has served on the Editorial Board of the "Indian Advocate", the journal of the Bar Association of India as editorial assistant/joint editor for over 15 years.

