

**RICO AUTO INDUSTRIES LIMITED**

REGD. & CORP. OFFICE : 38 K.M. STONE, DELHI-JAIPUR HIGHWAY, GURUGRAM -122001, HARYANA (INDIA)
EMAIL : rico@ricoauto.in WEBSITE : www.ricoauto.in TEL.: +91 124 2824000 FAX : +91 124 2824200
CIN : L34300HR1983PLC023187

RAIL:SEC:2019

September 30, 2019

BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai - 400001 Scrip Code - 520008	National Stock Exchange of India Limited Exchange Plaza, 5 th Floor, Plot No.C/1, G Block Bandra-Kurla Complex Bandra (E), Mumbai - 400 051 Scrip Code - RICOAUTO
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Sub : Proceedings of 36th Annual General Meeting – 30th September, 2019

Dear Sir/Madam,


We wish to inform you that pursuant to Regulation 30 of SEBI (LODR) Regulations, 2015, the 36th Annual General Meeting (AGM) of the Company was held today i.e. on 30th September, 2019 at 12.00 Noon at the Registered Office of the Company at 38 KM Stone, Delhi-Jaipur Highway, Gurugram - 122001 (Haryana).

We are enclosing herewith the copies of Proceedings and Chairman's Speech.

We request you to kindly take the same on records.

Thanking you,

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


B.M. Jhamb
Company Secretary
FCS : 2446

Encl : As above

**SUMMARY OF PROCEEDING OF THE 36TH ANNUAL GENERAL MEETING
OF RICO AUTO INDUSTRIES LIMITED**

The 36th Annual General Meeting (AGM) of the members of the Company was held on Monday, 30th day of September, 2019 at 12.00 Noon at the Registered Office of the Company at 38 K.M Stone, Delhi-Jaipur Highway, Gurugram - 122001, Haryana.

Shri Arvind Kapur, Chairman, CEO & Managing Director chaired the Meeting. He welcomed the members. The requisite quorum being present, the Chairman called the meeting to order and commenced the proceedings.

Shri Amarjit Chopra, Chairman of the Audit Committee and Stakeholder's Relationship Committee and Member of Nomination and Remuneration Committee, was present at the meeting. The other Directors present were Shri Arun Kapur, Shri Rakesh Kapur and Smt. Upasna Kapur. The remaining Directors, due to their pre-occupation, could not attend the meeting. The representative of Statutory Auditors and Secretarial Auditors were also present at the meeting.

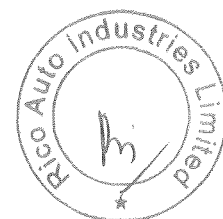
With the consent of all members present, the Notice of AGM and Directors' Report were taken as read. Shri B.M. Jhamb, Company Secretary read the Auditor's Report.

The copies of the Chairman's speech were circulated amongst the members present at the meeting. The members were briefed about the financial performance, overall business review and future outlook of the Company. Thereafter, the members were invited to ask questions and seek clarifications. The Chairman responded to the questions raised.

The members were informed that pursuant to Section 108 of the Companies Act, 2013, read with Rules made thereunder and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company had provided remote e-voting facility to all its members to exercise their right to vote by electronic means from Friday, 27th September, 2019 (9.00 a.m. IST) and ends on Sunday, 29th September, 2019 (5.00 p.m. IST). Those members who had not exercised their votes through remote e-voting process, the facility to vote through Ballot Paper was made available to the members present at AGM venue. The following items were transacted at the meeting through poll by Ballot Paper:

ORDINARY BUSINESS

1. Adoption of Audited Standalone and Consolidated Financial Statements for the year ended 31st March, 2019 including the Reports of Directors' and Auditors' thereon.

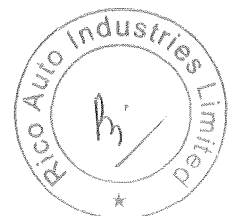


2. Confirmation of payment of 40% Interim Dividend i.e. ₹0.40 (Forty paise) per Equity Share of ₹1/- each already paid and declaration of 40% Final Dividend i.e. ₹0.40 (Forty paise) per Equity Share of ₹1/- each on Equity Shares for the financial year ended 31st March, 2019.
3. Appointment of a Director in place of Shri Arun Kapur (DIN: 00100270), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

4. Re-appointment of Shri Kanwal Monga (DIN: 00153473) as an Independent Director.
5. Re-appointment of Shri Amarjit Chopra (DIN: 00043355) as an Independent Director.
6. Re-appointment of Dr. Ashok Seth (DIN: 00050540) as an Independent Director.
7. Re-appointment of Shri Satish Sekhri (DIN: 00211478) as an Independent Director.
8. Re-appointment of Shri Rajeev Kapoor (DIN: 02051466) as an Independent Director.
9. Re-appointment of Shri Vinod Kumar Nagar (DIN: 02487061) as an Independent Director.
10. Ratification of Remuneration of Cost Auditors, M/s. J.K. Kabra & Co., Cost Accountants (Firm Registration No. 000009) for the financial year 2019-20.
11. Approval of Related Party Transactions for the financial year 2019-20.
12. Approval for continuation of payment of remuneration to Executive Directors as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Chairman further informed the members that the Board of Directors has appointed Shri K.K Sachdeva, of M/s. K.K Sachdeva & Associates, Company Secretaries as Scrutinizer to scrutinize the remote e-voting process and voting at the AGM in a fair and transparent manner.



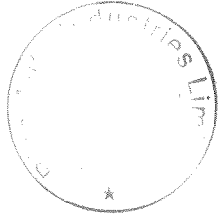
The Chairman announced that the combined results of the e-voting and poll will be announced within 48 hours from the conclusion of Meeting and the same shall be posted on the website of the Company, intimated to National Securities Depository Limited (NSDL) and notified to Stock Exchanges, where the equity shares of the company are listed. Further, a copy of the results shall also be placed on the Notice Board at the Registered Office of the Company.

The Chairman then thanked the members present and declared the meeting as closed. The meeting concluded at 1.20 p.m. with a vote of thanks to the Chair.

Thanking you,

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

B.M Jhamb
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Company Secretary
FCS: 2446



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CHAIRMAN'S SPEECH

Rico continues to be a preferred supplier to OEMs

(Statement of the Chairman at the 36th Annual General Meeting of the Company held on Monday, the 30th day of September, 2019)

Dear Shareholders,

Good afternoon. It gives me great pleasure to welcome you all to the 36th Annual General Meeting of your Company. Thank you not just for your presence but also for your continued support and goodwill that is imperative for the success of your Company.

The Annual Report for the financial year 2018-19 including the Audited Statements of Accounts, which outlines initiatives taken by your Company as well as financial performance during the year, has been shared with you and with your permission, I take them as read.

Sector & Industry Update

The year gone by has been marked by subdued consumer sentiments and a consequent slowdown in demand as far as the automobile sector is concerned. The performance of the sector is primarily an indicator of both low purchasing power as well as a slowdown in the investment cycle.

The positive news however is that the government has announced a slew of measures to revive economic growth and markets. The lowering of corporate tax rate which is amongst the lowest in South East Asia may particularly attract many overseas companies to set up manufacturing plants in India which would also cover Electric Vehicles and consequently India could become a hub of global manufacturing among the Emerging Markets and Developing Economies. The new corporate tax rate regime is also aimed at pivoting the economy to an investment led growth from a consumption driven one.

Because of the competitive rates of the taxes, this move will help to further increase the share of the Auto Industry in the country's GDP growth. Besides some of the other announcements made as a part of the stimulus package the government's focus on industrial infrastructure will give the much needed boost to the economy and the Auto Sector.

Overall the measures undertaken are laying the foundation for taking the economy to an 8 per cent plus growth rate trajectory, after recording a six-year low of 5 per cent growth in the first quarter of financial year 2019. With the government's investment orientation, we could well be on our way to transform India's economy to reach USD 5 trillion by 2025.

Operations

For the financial year 2018-19, the consolidated net income stood at Rs.1412 crores while your Company recorded a PAT of Rs.51 crores. The Net Worth increased to Rs.616 crores in the financial year 2018-19 up from Rs.563 crores in the previous year.

For the financial year 2018-19, the Board of Directors of your Company have recommended a Final Dividend of 40 per cent i.e. Re.0.40 per Equity Share of Re.1/- each in addition to an Interim Dividend of 40 per cent i.e. Re.0.40 per Equity Share of Re.1/- each declared in the month of February, 2019 aggregating to a total dividend of 80 per cent, against the same amount of dividend paid in the previous year on the same Equity Share Capital.

The Unaudited Financial Results for the first quarter ended 30th June, 2019, already announced, show a gross turnover of Rs.312.11 crores for the first quarter of the current year as against a turnover of Rs.311.89 crores in the corresponding quarter of the previous year.

The Profit after Tax stood at Rs.6.27 crores for the first quarter ended 30th June, 2019 as against Rs.13.57 crores in the corresponding quarter of the previous year. The Earning per Share (EPS) is Re.0.46 for the quarter ended 30th June, 2019 as against Re.1.00 in the corresponding quarter of the previous year. The Company is confident to improve the turnover and margin during the remaining part of the year.

We would like to thank our prestigious customers Hero, BMW, Maruti, Renault, Cummins, Toyota and several others who have helped in the growth of the Company. Your Company also added more customers like PSA, Punch Powertrain, KIA and Daimler. The year will further witness a steadfast focus on improvement in productivity along with an increase of client base, efficient utilization of assets, as well as compliance with lean manufacturing practices along with a de-risked business model.

The ability to retain old customers as well as add new ones, has led to a healthy order book for the Company. We also remain focused on our automation drive as well as on LEAN transition. The aftermarket business remains one of our focus areas.

As the economy strengthens itself and gets back on its growth trajectory, I strongly believe in your Company's ability to keep learning and innovating as it takes strides towards "Mission 2K20" that of achieving a turnover of Rs.2000 crores in the year 2020.

Exports

Exports are a core focus area for your Company. Your Company is focusing on building infrastructure and capacity to further improve its segment competitiveness. We also have a strong focus on continuous investment in R & D to ensure long-term sustainable growth in the business.

The customers like KIA, Punch Powertrain, PSA and Daimler added last year have contributed in the sales. Your Company recorded Export figures of Rs.298 crores as against Rs.269 crores in the previous year.

Expansions

Continuous efforts are on by your Company towards expansion of its domestic and overseas customer base by optimizing utilization of existing available capacities, expansion of existing facilities and setting up new facilities, wherever required. The Company is using its geographical spread to strategically locate its operations for de-risking.

To further expand capacities, new plants have been planned at Pathredi, Rajasthan and Halol, Gujarat. The Halol Plant went into production in the first quarter of this year while Pathredi Plant will commence production in the 3rd quarter of this year.

Your Company has also been focusing on tapping the opportunities in the emerging Electric Vehicles (EV) market. The Company has been nominated by Global Customers for critical Electric Motors and Transmission Components for their New Electric Vehicle programs and supplies have commenced.

We are also focusing on products such as Structural parts, as also Continuously Variable Transmission (CVT) for two-wheelers.

Subsidiary Companies and Joint Venture (JV)

Your Company has three Wholly Owned Subsidiaries (including two overseas subsidiaries), two Subsidiary Companies and three Step-down Subsidiary Companies. There was no material change in the nature of the business of any Subsidiary Company in the fiscal. The Company's Subsidiaries and JV are showing a steady growth and are expected to contribute to your Company's profits in a significant manner.

During the year under review, Your Company along with its step down Subsidiary namely Rasa Autocom Limited, acquired entire shareholding in M/s. Rico Fluidtronics Limited (Formerly Magna Rico Powertrain Private Limited, a Joint Venture Company) from its JV Partner M/s. Magna Powertrain GmbH, consequently it has become a subsidiary of your Company.

Corporate Social Responsibility

Your Company is committed towards contributing to developing the Social Infrastructure around the Company's plants. To this end your Company is promoting education, hygiene, sanitation and supporting rural development, providing preventive health care as well as enhancing environmental sustainability.

During the period under review, your Company has spent Rs.1.04 crores towards the CSR activities.

Opportunities

India is projected to become the fourth largest player by 2020 in the Automobile Industry trailing China, US and Japan. Even though there have been some headwinds plaguing the industry lately, yet the growing middle class, improving rural economy and urbanization continue to push the demand. Also India is preferred for sourcing by global OEMs for its design and manufacturing capabilities at competitive prices.

As a world class engineering company, we are strongly entrenched as a credible supplier to automotive OEMs. Our strong R&D Centre ensures that we provide state-of-the-art solutions and remain committed to developing new products. New expansions and facilities have come up in Bawal, Chennai, Halol & Pathredi that will further help us to consolidate our position. Overall the Company's continuous zeal to strengthen its own internal capabilities and offer sustainable development go a long way in overcoming any short-term environmental challenges & converting them into strengths.

Acknowledgements

With these words, I would like to take this opportunity to express our gratitude to all our stakeholders and to our customers for their continued trust in us.

Our employees are our biggest resource and our endeavor is to improve their competencies at all level.

I would also like to acknowledge the commitment and efforts of the entire Rico Team in adding value at each level of the value chain.

I would also like to thank all local, State and National Governments, the concerned bodies, Banks and Financial Institutions in all countries in which we operate, for their strong support. Last but definitely not the least, thank you, our shareholders, for your unwavering belief in us.

CHAIRMAN

(This does not purport to be a record of the proceedings of the Annual General Meeting)