

RAIL:SEC:2019

February 12, 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 - 400051 Scrip Code – RICO AUTO
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Sub : **Intimation under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Dear Sir/Madam,

We wish to inform that the Company has agreed to execute a Share Purchase Agreement (SPA), for purchase of 2,11,20,000 equity shares of Rs. 10/- each of its Joint Venture Company namely Magna Rico Powertrain Private Limited (JV Co.) from the other Joint Venture Partner namely Magna Powertrain GMBH (Magna).


To effectively undertake the aforementioned transaction the Company has approved sale of 1,00,000 equity shares of JV Co. to its step-down subsidiary, Rasa Autocom Limited. Thereafter, post completion of the acquisition of shares from Magna, JV Co. will become a subsidiary of the Company and the Company, alongwith its step down subsidiary, Rasa Autocom Limited will be holding entire share capital of the JV Co.

Pursuant to Regulation 30 of SEBI (LODR) Regulations, 2015 read with SEBI Circular CIR/CFD/CMD/4/2015 dated September 09, 2015, please find enclosed Annexure-1 & Annexure-2 regarding the requisite details pertaining to aforesaid transactions.

This is for your information and record.

Thanking you,

Yours faithfully,
for Rico Auto Industries Limited


BM Jhamb
Company Secretary
FCS No. 2446

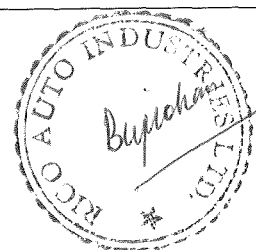
Encl : As above

Annexure-1

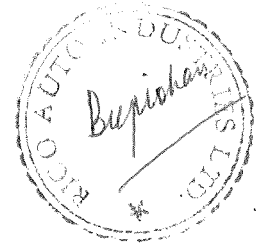
Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

(Purchase of shares from M/s. Magna Powertrain GMBH, JV Partner)

Sl. No.	Particulars	Details
1.	Name of the target entity, details in brief such as size, turnover etc.;	Magna Rico Powertrain Private Limited ("JV Co.") Paid up Share Capital : Rs.42.24 crores Turnover : Rs.92.44 crores (as at March 31, 2018)
2.	Whether the acquisition would fall within related party transaction(s) and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at "arms length";	M/s Magna Powertrain GMBH ("Magna"), JV Partner is not related party. Therefore the acquisition of shares of the JV Co. from Magna is not a related party transaction. Shri Arvind Kapur, Promoter of the Company is a Director in the JV Co. In order to undertake the transaction efficiently, prior to the above mentioned acquisition, the Company has approved sale of 1,00,000 equity shares of JV Co. to its step-down subsidiary, Rasa Autocom Limited. Details with respect to this have been provided in Annexure 2 of this disclosure.
3.	Industry to which the entity being acquired belongs;	Auto Components and Assemblies for Four Wheelers
4.	Objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity);	Acquisition of equity shares is part of on going group consolidation exercise. At present, the Company is holding 50% equity shares capital in Magna Rico Powertrain Private Limited. After the acquisition of shares, the Company and its step-down subsidiary, Rasa Autocom Limited will hold the entire equity share capital of the JV Co.
5.	Brief details of any governmental or regulatory approvals required for the acquisition;	Not Applicable
6.	Indicative time period for completion of the acquisition;	By 20 th July, 2019



7.	Nature of consideration - whether cash consideration or share swap and details of the same;	In Cash												
8.	Cost of acquisition or the price at which the shares are acquired;	<p>Acquisition of 2,11,20,000 Equity Shares of face value Rs.10.00 each at a price of USD 0.0568 per share, (i.e. Rs 4.09 per share, assuming 1 USD= Rs. 72.00).</p> <p>This acquisition will be undertaken by the Company along with its step-down subsidiary Rasa Autocom Limited</p>												
9.	Percentage of shareholding / control acquired and / or number of shares acquired;	Post the said acquisition, the JV Co. will become a subsidiary of the Company and the Company alongwith its step down subsidiary will be holding entire share capital of the JV Co.												
10.	Brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief);	<p>Magna Rico Powertrain Private Limited is a Company incorporated on 14.03.2008 under the Companies Act, 1956. It is engaged in manufacturing of automotive parts.</p> <p>The turnover of the Magna Rico Powertrain Private Limited, based on its audited financial for last three year is as follows:</p> <p style="text-align: right;">(Rs. in Crore)</p> <table border="1"> <thead> <tr> <th>Particular</th> <th>F.Y 2015-16</th> <th>F.Y 2016-17</th> <th>F.Y 2017-18</th> </tr> </thead> <tbody> <tr> <td>Revenue from Operations</td> <td>70.59</td> <td>90.10</td> <td>92.44</td> </tr> <tr> <td>PAT</td> <td>(1.52)</td> <td>6.07</td> <td>5.88</td> </tr> </tbody> </table>	Particular	F.Y 2015-16	F.Y 2016-17	F.Y 2017-18	Revenue from Operations	70.59	90.10	92.44	PAT	(1.52)	6.07	5.88
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Revenue from Operations	70.59	90.10	92.44											
PAT	(1.52)	6.07	5.88											



Annexure-2

Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

(Sale of shares to Rasa Autocom Limited, a Step down Subsidiary)

Sl. No.	Particulars	Details
1.	The amount and percentage of the turnover or revenue or income and net worth contributed by such unit or division of the listed entity during the last financial year;	Magna Rico Powertrain Private Limited (JV Co.) Net worth Contribution as on 31 st March, 2018 was Rs.23.25 Crores
2.	Date on which the agreement for sale has been entered into;	11 th February, 2019
3.	The expected date of completion of sale/disposal;	28 th February, 2019
4.	Consideration received from such sale/disposal;	The Company sold 100,000 equity shares of the JV Co. to its step down subsidiary, Rasa Autocom Limited at the price of Rs 0.11 crore i.e. 1,00,000 equity shares of face value of Rs.10/- each at Rs.11.10 each.
5.	Brief details of buyers and whether any of the buyers belong to the promoter/ promoter group/group Companies. If yes. details thereof;	Yes, Rasa Autocom Limited is a step down subsidiary of the Company. Post the sale of shares contemplated herein, the Company will hold 49.76 % of the equity shares capital in the JV Co. and the step down Subsidiary will hold 0.24% of the equity shares capital of the JV Co.
6.	Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arms length";	Yes, the sale of equity shares is made to step down subsidiary Company, on arms length basis.
7.	Additionally, in case of a slump sale, indicative disclosures provided for amalgamation/merger, shall be disclosed by the listed entity with respect to such slump sale.	Not Applicable

