

RAIL:SEC:2020

June 17, 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 17<sup>th</sup> June, 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. Audited Financial Results (Standalone & Consolidated) alongwith Auditor's Report for the financial year ended 31<sup>st</sup> March, 2020 (copy enclosed).
2. Declaration pursuant to Regulation 33(3)(d) of the Listing Regulations regarding unmodified opinion of the Statutory Auditors on the Financial Results (Standalone & Consolidated) for the financial year ended 31<sup>st</sup> March, 2020 (copy enclosed).
3. The Board of Directors have also recommended a dividend of Re.0.30 (30%) per Equity Share of Rupee One each, subject to the approval of Shareholders, for the financial year 2019-2020.

The Board Meeting commenced at 4.00 PM and concluded at 6.35 PM.

Thanking you,

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

**Sd/-**

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

## RICO AUTO INDUSTRIES LIMITED

Regd. & Corp. Office : 38 KM Stone, Delhi - Jaipur Highway, Gurugram - 122001 (Haryana) CIN:L34300HR1983PLC023187

### STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2020

Particulars	Quarter ended			Year ended	
	31.03.2020	31.03.2019	31.12.2019	31.03.2020	31.03.2019
	Audited (Refer Note 10)		Unaudited	Audited	Audited
1 Revenue from operations (gross)	<b>281.41</b>	282.75	296.33	<b>1,192.73</b>	1,195.89
2 Other income	<b>10.34</b>	8.18	7.79	<b>33.54</b>	28.61
3 Total revenue (1 + 2)	<b>291.75</b>	290.93	304.12	<b>1,226.27</b>	1,224.50
4 Expenses					
Cost of raw material and components consumed	<b>172.71</b>	201.13	187.43	<b>760.59</b>	806.08
Purchase of traded goods	<b>1.46</b>	1.80	1.50	<b>6.18</b>	7.77
Change in inventories of finished goods and work in progress	<b>1.48</b>	(15.55)	(3.72)	<b>(3.95)</b>	(22.69)
Other manufacturing expenses	<b>38.28</b>	32.06	35.13	<b>143.15</b>	118.14
Employee benefits expense	<b>30.01</b>	27.37	30.61	<b>119.18</b>	105.46
Finance costs	<b>8.18</b>	7.85	6.95	<b>27.18</b>	23.14
Depreciation and amortisation	<b>15.39</b>	11.09	15.68	<b>59.96</b>	43.83
Other expenses	<b>27.61</b>	16.59	24.89	<b>95.12</b>	67.21
Total expenses	<b>295.12</b>	282.34	298.47	<b>1,207.41</b>	1,148.94
5 Profit before exceptional items and tax (3 - 4)	<b>(3.37)</b>	8.59	5.65	<b>18.86</b>	75.56
6 Exceptional items [expense/(income)]	<b>4.25</b>	0.40	0.24	<b>5.21</b>	9.13
7 Profit before tax (5 - 6)	<b>(7.62)</b>	8.19	5.41	<b>13.65</b>	66.43
8 Tax expense:					
a) Current Tax	<b>(0.83)</b>	0.20	0.36	<b>2.23</b>	14.02
b) Deferred Tax	<b>(1.97)</b>	2.28	(2.51)	<b>(5.16)</b>	3.65
9 Profit for the year (7 - 8)	<b>(4.82)</b>	5.71	7.56	<b>16.58</b>	48.76
10 Other Comprehensive Income / (Loss) (Net of taxes)					
a (i) Items that will not be reclassified to profit or loss	<b>(0.36)</b>	0.08	0.42	<b>(1.75)</b>	(0.69)
a (ii) Income tax relating to items that will not be reclassified to profit or loss	<b>0.15</b>	(0.02)	0.48	<b>0.63</b>	0.24
b (i) Effective portion of Gain (Loss ) on designated portion of hedging instruments in a cash flow hedge	<b>(2.61)</b>	-	(2.92)	<b>(6.95)</b>	-
b (ii) Income tax relating to items that will be reclassified to profit or loss	<b>0.91</b>	-	1.04	<b>2.43</b>	-
11 Total Comprehensive Income (9+10)	<b>(6.73)</b>	5.77	6.58	<b>10.94</b>	48.31
12 Paid up equity share capital (Face value of Re.1/- per share)	<b>13.53</b>	13.53	13.53	<b>13.53</b>	13.53
13 Basic and diluted earning per equity share [nominal value of share as on Mach 31, 2020 : Re.1/- (March 31, 2019 : Re.1/-)]	<b>(0.36)*</b>	0.42*	0.56*	<b>1.23</b>	3.60

\* Not annualised

## RICO AUTO INDUSTRIES LIMITED

### CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2020

(Rs. in Crores)

Particulars	Quarter ended			Year ended	
	31.03.2020	31.03.2019	31.12.2019	31.03.2020	31.03.2019
	Audited (Refer Note 10)		Unaudited	Audited	Audited
1 Revenue from operations (gross)	330.71	347.76	342.38	1,401.07	1,392.65
2 Other income	8.55	8.28	5.94	22.71	19.41
3 Total revenue (1 + 2)	339.26	356.04	348.32	1,423.78	1,412.06
4 Expenses					
Cost of raw material and components consumed	172.06	196.82	168.67	741.39	768.97
Change in inventories of finished goods and work in progress	(3.26)	(1.58)	3.77	(0.86)	(24.04)
Other manufacturing expense	64.77	63.80	62.42	256.17	253.33
Employee benefits expense	42.01	39.45	43.92	171.90	152.91
Finance costs	9.11	8.84	7.82	31.20	26.79
Depreciation and amortisation	19.95	14.59	20.73	79.57	57.70
Other expenses	33.06	24.19	30.70	118.72	97.83
Total expenses	337.70	346.11	338.03	1,398.09	1,333.49
5 Share of profit of Joint Venture	-	1.00		-	3.16
6 Profit before extra-ordinary items and tax (3 - 4 + 5)	1.56	10.93	10.29	25.69	81.73
7 Exceptional items	4.38	0.50	0.35	6.79	9.60
8 Profit before tax (6 - 7)	(2.82)	10.43	9.94	18.90	72.13
9 Tax expense:					
a) Current Tax	0.69	0.19	2.27	7.84	16.92
b) Deferred Tax	0.33	3.39	(2.95)	(5.62)	4.18
10 Profit for the year (8 - 9)	(3.84)	6.85	10.62	16.68	51.03
11 Other Comprehensive Income / (Loss) (Net of taxes)					
a (i) Items that will not be reclassified to profit or loss	(0.37)	(0.17)	0.30	(1.57)	0.69
a (ii) Income tax relating to items that will not be reclassified to profit or loss*	0.13	0.06	0.42	0.55	(0.24)
b (i) Items that will be reclassified to profit or loss	-	(1.05)	1.18	1.18	0.45
b (ii) Effective portion of Gain (Loss ) on designated portion of hedging instruments in a cash flow hedge	(2.61)	-	(2.92)	(6.95)	-
b (iii) Income tax relating to items that will be reclassified to profit or loss	0.91	-	1.04	2.43	-
12 Total Comprehensive Income (10+11)	(5.78)	5.69	10.64	12.32	51.93
a. Net profit attributable to :					
(i) Owners of the company	(4.08)	6.56	10.75	16.60	50.52
(ii) Non-controlling interest	0.24	0.29	(0.13)	0.08	0.51
b. Other Comprehensive Income attributable to :					
(i) Owners of the company	(1.94)	(1.16)	0.03	(4.36)	0.90
(ii) Non-controlling interest	(0.00)	0.00	(0.01)	(0.00)	0.00
c. Total Comprehensive Income attributable to :					
(i) Owners of the company	(6.02)	5.40	10.78	12.24	51.42
(ii) Non-controlling interest	0.24	0.29	(0.14)	0.08	0.51
13 Net Profit for the year after non-controlling interest [10 - 12a(ii)]	(4.08)	6.56	10.75	16.60	50.52
14 Paid up equity share capital (Face value of Re.1/- per share)	13.53	13.53	13.53	13.53	13.53
15 Basic and diluted earning per equity share [nominal value of share as on March 31, 2020 : Re.1/- (March 31, 2019 : Re.1/-)]	(0.30)	0.49	0.78	1.23	3.73

\* Not annualised

(Rs. in Crores)

STATEMENT OF ASSETS AND LIABILITIES				
CONSOLIDATED		DESCRIPTION	STANDALONE	
Audited			Audited	
31.03.2020	31.03.2019		31.03.2020	31.03.2019
		<b>I. ASSETS</b>		
		(1) NON-CURRENT ASSETS		
		(a) Property, plant and equipment	559.59	470.26
687.03	603.29	(b) Capital work-in-progress	50.01	70.51
63.35	80.04	(c) Other intangible assets	3.25	-
4.48	2.06	(d) Financial Assets		
-	-	(i) Investment	137.56	136.55
76.50	76.48	(ii) Loans	66.26	87.64
8.27	3.82	(iii) Other financial assets	8.27	-
9.74	9.52	(e) Deferred tax assets (net)		
16.70	18.10	(f) Other non-current assets	15.61	15.51
<b>866.07</b>	<b>793.31</b>		<b>840.55</b>	<b>780.47</b>
		(2) CURRENT ASSETS		
		(a) Inventories	126.80	97.60
185.02	161.15	(b) Financial Assets		
-	-	(i) investment	-	-
266.24	271.84	(ii) Trade receivable	250.69	246.21
11.83	24.89	(iii) Cash and cash equivalent	1.27	0.64
4.75	2.34	(iv) Bank balances other than (iii) above	1.49	1.43
6.40	6.41	(v) Loans	1.02	1.02
29.58	9.35	(vi) Other financial assets	35.21	7.53
56.01	57.58	(c) Other current assets	43.72	48.42
2.39	-	(d) Other tax assets	1.19	-
<b>562.22</b>	<b>533.56</b>		<b>461.39</b>	<b>402.85</b>
<b>1,428.29</b>	<b>1,326.87</b>	<b>TOTAL</b>	<b>1,301.94</b>	<b>1,183.32</b>
		<b>II EQUITY AND LIABILITIES</b>		
		(1) EQUITY		
		( a ) Equity Share Capital	13.53	13.53
13.53	13.53	( b ) Other Equity	571.99	566.76
607.45	602.47	<b>Equity attributable to owners of the Company</b>	<b>585.52</b>	<b>580.29</b>
620.98	616.00	Non-controlling interest	-	-
2.88	3.87	<b>Total Equity</b>	<b>585.52</b>	<b>580.29</b>
623.86	619.87	(2) NON-CURRENT LIABILITIES		
		(a) Financial Liabilities		
		(i) Borrowings	207.37	148.70
194.93	164.81	(b) Provisions	12.88	12.82
23.12	22.51	(c) Deferred tax liabilities (net)	9.98	18.19
8.58	16.96	(d) Other Financial Liabilities	2.61	-
10.27	-	(e) Other non-current liabilities	2.94	3.00
3.40	3.47	<b>Total non-current liabilities</b>	<b>235.78</b>	<b>182.71</b>
<b>240.30</b>	<b>207.75</b>	(3) CURRENT LIABILITIES		
		(a) Financial Liabilities		
		(i) Borrowings	153.81	142.62
163.55	161.52	a) Total outstanding Dues of Micro Enterprises and Small enterprises , and	41.89	32.19
82.04	34.55	b) Total outstanding Dues of Creditors other than micro and Small enterprises.	167.22	121.67
171.34	159.92	(iii) Other financial liabilities	90.22	86.13
112.41	98.14	(b) Other current liabilities	27.50	37.46
32.61	43.59	(c) Provisions	-	-
1.00	0.81	(d) Current tax liabilities (net)	-	0.25
1.18	0.72			
<b>564.13</b>	<b>499.25</b>		<b>480.64</b>	<b>420.32</b>
<b>1,428.29</b>	<b>1,326.87</b>	<b>TOTAL</b>	<b>1,301.94</b>	<b>1,183.32</b>

**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 17th June 2020.
- 2) The Board of Directors have recommended a final dividend of Re.0.30. (.30.0.%) per Equity Share of Rupee One each, subject to the approval of Shareholders.
- 3) As per Indian Accounting Standard (IndAS) 108 "Operating Segment", the Company's business falls within a single business segment viz. "Automotive Components".
- 4) 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").
- 5) Exceptional Items include expenditure incurred pursuant to Voluntary Retirement Scheme of the Company amounting to Rs. 4.25 Crores (Rs.4.38 Crores for the Group) for the quarter ended 31st March, 2020 and Rs.5.21 Crores (Rs. 6.79 Crores for the Group) for the year ended 31st March, 2020.
- 6) 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	
	31.03.2020	31.03.2019	31.12.2019	31.03.2020	31.03.2019
Net loss/(gain) on Foreign Currency transactions and translation on borrowings	1.32	1.30	0.27	1.61	1.30

- 7) The list of entities included in the consolidated financial results for the quarter ended 31st March, 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 Investments Limited - Subsidiary
  - v. Rico Jinfei Wheels Limited - Step-down Subsidiary
  - vi. Rasa Autocom Limited - Step-down Subsidiary
  - vii. Rico Aluminium and Ferrous Auto Components Limited - Step-down Subsidiary
  - viii. Rico Fluidtronics Limited (Formaly know as Magna Rico Powertrain Private Limited)-Subsidiary w.e.f. 29th March 2019, earlier Joint venture

- 8) The financial results for the quarter and year ended 31st March, 2020 are also IndAS compliant. The Management has exercised necessary due diligence to ensure that the financial results give a true and fair view. This has not been subjected to limited review or audit.
- 9) 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.

- 10) The figures of current quarter (i.e. three months ended 31st March 2020) and corresponding previous quarter(i.e. three months ended 31st March 2019) 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 respective financial years also, up to the end of third quarter which have been subject to limited review.

- 11) The Company has adopted Ind AS 116 "Leases" effective 1 April 2019, as notified by the Ministry of Corporate Affairs (MCA) in the Companies (Indian Accounting Standard) Amendment Rules, 2019, using modified retrospective method. The adoption of this standard did not have any material impact on the profit of the current year.

- 12) In view of reduction in Corporate Tax Rate to 22% (effective 25.17% including Surcharge and Education cess) as per Taxation laws (Amendment) Ordinance, 2019 issued on 20th September, 2019, the company has re-assessed Deferred tax liability @25.17% (as against 34.94% earlier). Accordingly reversal of provision for Deferred Tax liability of Rs. 3.19 Cr. has been recorded during the quarter ended 31 December 2019.

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

- 14) 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**  
**Arvind Kapur**  
**Chairman, CEO & Managing Director**  
**DIN : 00096308**

Place : Gurgaon

Date : 17th June, 2020

## CASH FLOW STATEMENT

CONSOLIDATED		DESCRIPTION	STANDALONE	
Audited	Audited		Audited	Audited
31.03.2020	31.03.2019		31.03.2020	31.03.2019
		<b>A. Cash flow from operating activities</b>		
18.90	72.13	<b>Net profit before tax</b>	13.65	66.43
		Adjustments for:		
79.57	57.70	Depreciation and amortisation	59.96	43.83
(0.06)	(0.11)	Unwinding of deferred income	(0.06)	(0.11)
0.31	0.46	Provision for doubtful debts	0.31	0.46
(1.67)	-	Excess provision written back	(1.67)	-
0.22	-	Balances written off	0.22	-
-	(3.16)	Profit from Joint venture	-	-
-	(2.24)	Gain on acquisition of control over joint venture	-	-
-	(0.56)	Mark to market (gain)/loss on derivatives	-	-
-	-	Dividend income from subsidiary companies	(4.50)	(5.03)
(0.10)	(0.60)	Profit on sale of property, plant and equipment	(0.10)	(0.55)
(5.49)	1.61	Unrealised foreign exchange (gain)/loss, net	(5.49)	4.23
31.20	26.79	Finance costs	27.18	23.14
(9.76)	(7.38)	Interest income	(9.76)	(8.62)
<b>113.12</b>	<b>144.64</b>	<b>Operating profit before working capital changes</b>	<b>79.74</b>	<b>123.78</b>
		<b>Movement in working capital</b>		
(23.87)	(28.88)	Decrease/(Increase) in inventories	(29.19)	(44.57)
8.95	(26.78)	Decrease/(Increase) in trade receivables	0.44	(24.22)
(12.43)	(8.70)	Decrease in other financial assets (current and non-current)	(12.99)	(2.35)
6.25	(4.37)	Decrease/(increase) in other assets (current and non-current)	(7.31)	(13.91)
60.57	22.26	Increase/(decrease) in trade payables	56.92	40.08
(1.11)	17.38	Increase/(decrease) in other financial liabilities (current and non-current)	3.18	(1.66)
(22.48)	27.94	Increase/(decrease) in other liabilities and provisions (current and non-current)	(10.32)	28.22
<b>129.00</b>	<b>143.49</b>		<b>80.47</b>	<b>105.37</b>
(9.79)	(15.50)	Direct taxes paid (net of refunds)	(3.69)	(11.66)
<b>119.21</b>	<b>127.99</b>	<b>Net cash generated from operating activities</b>	<b>76.78</b>	<b>93.70</b>
		<b>B. Cash flow from investing activities</b>		
(136.31)	(209.70)	Purchase of property, plant and equipment (including capital advances)	(131.18)	(160.11)
2.03	0.92	Sale of property, plant and equipment	1.59	1.16
-	2.66	(Purchase)/Sale of investments	(1.00)	2.57
-	-	Loan proceeds from subsidiary company	9.50	-
-	14.50	Acquisition of Control over Joint venture	-	-
(2.41)	(0.19)	Movement in bank Deposits	(0.05)	1.35
-	-	Dividend income from subsidiary companies	4.50	5.03
0.81	10.91	Interest received	6.81	2.27
<b>(135.88)</b>	<b>(180.90)</b>	<b>Net cash used in investing activities</b>	<b>(109.83)</b>	<b>(147.72)</b>
		<b>C. Cash flow from financing activities</b>		
86.56	123.65	Proceeds from non-current borrowings	101.56	141.75
(49.33)	(43.25)	Repayment of non-current borrowings	(46.33)	(70.69)
(0.47)	-	Payment of lease liabilities	(0.47)	-
2.03	26.49	Proceeds/(Repayment) from current borrowings (net)	11.27	14.91
(7.32)	(13.02)	Dividend paid (including corporate dividend tax)	(5.73)	(12.34)
(29.04)	(25.20)	Interest paid	(26.62)	(22.68)
<b>2.43</b>	<b>68.67</b>	<b>Net cash generated from financing activities</b>	<b>33.68</b>	<b>50.96</b>
<b>(14.24)</b>	<b>15.76</b>	<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>0.63</b>	<b>(3.06)</b>
1.18	0.45	Effect of foreign currency fluctuation arising out of consolidation	-	-
<b>24.89</b>	<b>8.68</b>	<b>Cash and cash equivalents at the beginning of the period</b>	<b>0.64</b>	<b>3.70</b>
<b>11.83</b>	<b>24.89</b>	<b>Cash and cash equivalents at the close of the period</b>	<b>1.27</b>	<b>0.64</b>

**Walker Chandiook & Co LLP**  
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## **Independent Auditor's Report on Standalone Annual 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**

### **Opinion**

1. We have audited the accompanying standalone annual financial results ('the Statement') of Rico Auto Industries Limited ('the Company') for the year ended 31 March 2020, attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations'), including relevant circulars issued by the SEBI from time to time.
2. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
  - (i) presents financial results in accordance with the requirements of Regulation 33 of the Listing Regulations; and
  - (ii) gives a true and fair view in conformity with the applicable Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 ('the Act'), read with relevant rules issued thereunder, and other accounting principles generally accepted in India, of the standalone net profit after tax and other comprehensive income and other financial information of the Company for the year ended 31 March 2020.

### **Basis for Opinion**

3. We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Statement* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our opinion.



# Walker Chandiook & Co LLP

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

### Responsibilities of Management and Those Charged with Governance for the Statement

4. This Statement has been prepared on the basis of the standalone annual audited financial statements and has been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit/loss and other comprehensive income and other financial information of the Company in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India, and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that gives a true and fair view and is free from material misstatement, whether due to fraud or error.
5. In preparing the Statement, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
6. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Statement

7. Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing, specified under section 143(10) of the Act, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Statement.
8. As part of an audit in accordance with the Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has in place adequate internal financial controls with reference to financial statements and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.





# Walker Chandiook & Co LLP

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

- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
9. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
10. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### Other Matter

11. The Statement includes the financial results for the quarter ended 31 March 2020, being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subject to limited review by us.

### For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

*Arun Tandon*



**Arun Tandon**

Partner

Membership No. 517273

**UDIN No.:** 20517273AAAABR2654

**Place:** New Delhi

**Date:** 17 June 2020

**Walker Chandiook & Co LLP**  
(Formerly Walker, Chandiook & Co)  
L-41 Connaught Circus  
New Delhi 110001  
India

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## **Independent Auditor's Report on Consolidated Annual 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**

### **Opinion**

1. We have audited the accompanying consolidated annual 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'), for the year ended 31 March 2020, attached herewith, 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) ('Listing Regulations'), including relevant circulars issued by the SEBI from time to time.
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors on separate audited financial statements of the subsidiaries, as referred to in paragraph 12 below, the Statement:
  - (i) includes the annual financial results of the entities listed in Annexure 1;
  - (ii) presents financial results in accordance with the requirements of Regulation 33 of the Listing Regulations, and
  - (iii) gives a true and fair view in conformity with the applicable Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 ('the Act'), read with relevant rules issued thereunder, and other accounting principles generally accepted in India, of the consolidated net profit after tax and other comprehensive income and other financial information of the Group for the year ended 31 March 2020.

### **Basis for Opinion**

3. We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those standards are further described in *the Auditor's Responsibilities for the Audit of the Statement* section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and that obtained by the other auditors in terms of their reports referred to in paragraph 12 of the Other Matter section below, is sufficient and appropriate to provide a basis for our opinion.



ccountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandiook & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India

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

### Responsibilities of Management and Those Charged with Governance for the Statement

4. The Statement, which is the responsibility of the Holding Company's management and has been approved by the Holding Company's Board of Directors, has been prepared on the basis of the consolidated annual audited financial statements. The Holding Company's Board of Directors is responsible for the preparation and presentation of the Statement that gives a true and fair view of the consolidated net profit or loss after tax and other comprehensive income, and other financial information of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS prescribed under section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of the Statement. Further, in terms of the provisions of the Act, the respective Board of Directors/management of the companies included in the Group, covered under the Act, are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding of the assets of the Group, and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively, for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial results, that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial results have been used for the purpose of preparation of the Statement by the Directors of the Holding Company, as aforesaid.
5. In preparing the Statement, the respective Board of Directors of the companies included in the Group, are responsible for assessing the ability of the respective companies of the Group, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
6. The respective Board of Directors of the companies included in the Group, are responsible for overseeing the financial reporting process of the companies included in the Group.

### Auditor's Responsibilities for the Audit of the Statement

7. Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing, specified under section 143(10) of the Act, will always detect a material misstatement, when it exists. Misstatements can arise from fraud or error, and are considered material if, individually, or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Statement.
8. As part of an audit in accordance with the Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.



# Walker Chandiook & Co LLP

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group, to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
  - Obtain sufficient appropriate audit evidence regarding the financial results/ financial information/ financial statements of the entities within the Group, to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Statement, of which we are the independent auditors. For the other entities included in the Statement, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
9. We communicate with those charged with governance of the Holding Company and such other entities included in the Statement, of which we are the independent auditors, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
10. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
11. We also performed procedures in accordance with SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019, issued by the SEBI under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

### Other Matters

12. We did not audit the annual financial statements of 4 subsidiaries included in the Statement, whose financial information reflects total assets of ₹ 239.12 crores as at 31 March 2020, total revenues of ₹ 199.41 crores, total net loss after tax of ₹ 7.22 crores, total comprehensive loss of ₹ 6.74 crores, and cash outflows (net) of ₹ 0.61 crores for the year ended 31 March 2020, as considered in the respective audited separate annual financial statements of the entities included in the Group. These annual financial statements have been audited by other auditors whose audit reports have been furnished to us by the management, and our opinion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the audit reports of such other auditors, and the procedures performed by us as stated in paragraph 11 above.

Further, of these subsidiaries, 1 subsidiary company is located outside India, whose annual financial statements have been prepared in accordance with accounting principles generally accepted in that country, and which have been audited by other auditors under generally accepted accounting principles applicable in their country. The Holding Company's management has converted the financial statements of such subsidiary company from accounting principles generally accepted in their respective countries



# Walker Chandiook & Co LLP

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

to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion, in so far as it relates to the balances and affairs of the subsidiary, is based on the audit report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

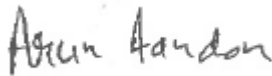
Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and the reports of the other auditors.

13. The Statement includes the consolidated financial results for the quarter ended 31 March 2020, being the balancing figures between the audited consolidated figures in respect of the full financial year and the published unaudited year-to-date consolidated figures up to the third quarter of the current financial year, which were subject to limited review by us.

### For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013



**Arun Tandon**

Partner

Membership No. 517273



**UDIN No.:** 20517273AAAABS5800

**Place:** New Delhi

**Date:** 17 June, 2020

# Walker Chandiook & Co LLP

**Independent Auditor's Report on Audited Consolidated Quarterly Financial Results and Year to Date 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**

<b>S</b>	<b>Name of the Holding Company</b>
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**No.**

RICO Auto Industries Limited

#### **Name of the subsidiaries**

- |   |  |
|---|--|
| 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   |





RAIL:SEC:2020

June 17, 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 : Declaration with respect to unmodified opinion in the Auditor's Report on the Annual Financial Statements/Results (Standalone & Consolidated) for the financial year ended 31<sup>st</sup> March, 2020**

Dear Sir/Madam,

I, Rakesh Kumar Sharma, Chief Financial Officer of the Company, hereby declare that the Auditors have expressed unmodified opinion on the Audited Financial Statements/Results (Standalone & Consolidated) for the financial year ended 31<sup>st</sup> March, 2020.

for **Rico Auto Industries Limited**

RAKESH  
KUMAR  
SHARMA

Digitally signed by RAKESH KUMAR SHARMA  
DN: cn=R, o=Personal, postalCode=110054,  
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cn=RAKESH KUMAR SHARMA  
Date: 2020.06.17 22:51:39 +05'30'

**Rakesh Kumar Sharma**  
**Chief Financial Officer**