

RICO RICO AUTO INDUSTRIES LIMITED

REGD. & CORP. OFFICE : 38 KM 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:2022

September 30, 2022

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 39th Annual General Meeting – 30th September, 2022

Dear Sir/Madam,

We wish to inform you that the 39th Annual General Meeting (AGM) of the Company was held on Friday, the 30th September, 2022 at 12.00 Noon through Video conferencing (VC)/Other Audio Visual Means (OAVM) and the business items (Item No.1 to 10) mentioned in the notice of the AGM were transacted at the said meeting.

The voting results of the 39th Annual General Meeting of the Company alongwith the Scrutinizer's Report will be submitted within the stipulated time.

In this regard we are pleased to enclose herewith a summary of proceedings alongwith Chairman's Speech as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The 39th Annual General Meeting of the Company was concluded at 12.50 PM.

Kindly take the same on record.

Thanking you,

Yours faithfully,
for Rico Auto Industries Limited

B.M. Jhamb
Company Secretary
FCS : 2446

Encl : As above

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Summary of Proceedings of the 39th Annual General Meeting of Rico Auto Industries Limited held on 30th September, 2022

The 39th Annual General Meeting (AGM) of the Members of the Company was held on Friday, the 30th day of September, 2022 at 12.00 Noon through Video Conferencing (VC)/Other Audio-Visual Means (OAVM). The meeting was called, convened, held and conducted in compliance with Circulars issued by Ministry of Corporate Affairs and SEBI and other applicable provisions of the Companies Act, 2013 read with rules made thereunder. The brief proceedings are as under:

Shri Arvind Kapur, Chairman, CEO & Managing Director and Member of the Audit and Nomination & Remuneration Committee Chaired the Meeting. He welcomed the Members, Directors, Auditors and Scrutinizer who joined at the AGM through virtual mode. Ninety five (95) Members attended the AGM through VC/OVAM. The requisite quorum being present, the Chairman called the meeting to order and commenced the proceedings.

The following Directors were present in the Meeting:

1.	Shri Kanwal Monga	Independent Director & Chairman of Nomination and Remuneration Committee
2.	Dr. Amarjit Chopra	Independent Director & Chairman of Audit Committee and Stakeholders Relationship Committee
3.	Shri Satish Sekhri	Independent Director
4.	Shri Rajeev Kapoor	Independent Director & Chairman of CSR Committee and Risk Management Committee
5.	Ms. Sarita Kapur	Independent Director
6.	Smt. Upasna Kapur	Non-Executive Director
7.	Shri Hemal Bharat Khandwala	Independent Director
8.	Shri Kaushalendra Verma	Executive Director
9.	Shri Rajiv Kumar Miglani	Executive Director
10.	Shri Samarth Kapur	Executive Director

Dr. Ashok Seth and Shri Vinod Kumar Nagar, 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.

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With the consent of all Members present, the Notice of 39th AGM and Reports of Directors' and Auditors on the Financial Statements of the Company for the financial year 2021-22 were taken as read.

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 Tuesday, 27th September, 2022 (9.00 a.m. IST) to Thursday, 29th September, 2022 (5.00 p.m. IST). In addition, facility for e-voting was also provided during the AGM to Members who participated in the AGM and had not cast their votes electronically through remote e-voting.

It was further informed the members that the Board of Directors has appointed Shri Vimal Chadha, of M/s. Vimal Chadha & Associates, Company Secretaries, as Scrutinizer to scrutinize the remote e-voting process as well as e-voting at the AGM in a fair and transparent manner. The following business items as set out in the Notice of AGM, were proposed for approval of the Members:

S.No.	Resolutions	Type of Resolutions
Ordinary Business		
1.	Adoption of the Audited Standalone and Consolidated Financial Statements of the Company for the year ended 31 st March, 2022 including the Reports of Directors' and Auditors' thereon.	Ordinary Resolution
2.	Declaration of dividend on Equity Shares for the financial year ended 31 st March, 2022. The Board has recommended 40 per cent Dividend i.e. Re.0.40 (Forty paise) per Equity Share of Re.1/- each.	Ordinary Resolution
3.	Mrs. Upasna Kapur, a Director liable to retire by rotation, who does not seek re-election, be not re-appointed as a Director of the Company and the vacancy so created not be filled.	Ordinary Resolution
4.	Appointment of M/s. B S R & Co. LLP, Chartered Accountants as Statutory Auditors for first term of five years and fixing their remuneration.	Ordinary Resolution
Special Business		
5.	Ratification of Remuneration of the Cost Auditors M/s. MM & Associates, Cost Accountants for the Financial Year 2022-23.	Ordinary Resolution
6.	Appointment of Shri Hemal Bharat Khandwala as an Independent Director of the Company for a term of five years.	Special Resolution

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7.	Appointment of Shri Kaushalendra Verma as director liable to retire by rotation and Whole-time Director designated as " Executive Director " and payment of remuneration for three years.	Special Resolution
8.	Appointment of Shri Rajiv Kumar Miglani as director liable to retire by rotation and Whole-time Director designated as " Executive Director " and payment of remuneration for three years.	Special Resolution
9.	Appointment of Shri Samarth Kapur as director liable to retire by rotation and Whole-time Director designated as " Executive Director " and payment of remuneration for three years.	Special Resolution
10.	Approval of payment of Remuneration to Shri Arvind Kapur, Chairman, CEO & Managing Director of the Company from 17/12/2022 to 16/12/2024.	Special Resolution

The Company Secretary invited to those members who had registered themselves as speakers, to raise their queries, express views and share their suggestions on operations of the Company or any other matter placed at the AGM. The pre-registered Members spoke at the meeting and raised wide range of queries on the financial and operations of the Company. The Chairman responded all the queries raised by the members to their satisfaction and welcomed the suggestions offered by the Members.

The Company Secretary announced that the combined results of the e-voting will be announced within two working days 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 BSE and NSE, where the equity shares of the company are listed.

The Chairman then thanked the Directors, Auditors and Members present and declared the meeting as closed. The meeting concluded with a vote of thanks to the Chair.

The facility for e-voting remained open for 15 minutes after conclusion of the meeting to enable the members to cast their vote.

The aforesaid proceedings do not purport to the minutes of the proceedings at the said Annual General Meeting.

Thanking you,

Yours faithfully,
for Rico Auto Industries Limited

B.M Jhamb
Company Secretary
FCS: 2446

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CHAIRMAN'S SPEECH

“Rico's Core Strategy is Focus on Electrification”

And

Rico continues to be a preferred supplier to OEMs across globe for Electric Vehicles, Electrified Vehicles and ICE Engines

(Statement of the Chairman at the **39th Annual General Meeting** of the Company held on Friday, the 30th day of September, 2022)

Dear Shareholders,

Good afternoon. On behalf of the entire Rico Family, it gives me great pleasure to welcome you all to the 39th Annual General Meeting of your Company.

Economy

India is emerging as the fastest growing economy; this is despite some particularly turbulent years that have plagued the world economy, marked by the pandemic as well as an unprecedented geo-political crisis.

Over the last few months several proactive measures have been announced by the Government to ensure the growth momentum of the economy. It is against this backdrop that the Indian Economy is expected to grow in excess of seven per cent this year.

In fact, India is now the fifth largest economy in the world surpassing the UK, up from the 11th position held in 2014 and is expected to be the third largest economy in the world by the end of the decade.

India is further projected to become a 5 Trillion US Dollar economy by FY 2027.

Operations (FY 2021-22)

Your Company recorded a consolidated revenue of Rs.1878 crores with a notable growth of 26% and has earned profit after tax of Rs.24 crores despite the disruption caused by the second and third wave of Covid. Among other things, during the pandemic, in order to meet our commitment to our customers, we have had to ship consignments by air. More than half of the cost of premium air freight has been recovered from our customers and balance is in process of recovery.

In addition, I am happy to announce that our Chennai facility has started supply of high technology components to Toyota for their **Electrified Vehicles** and has so far recorded a billing of Rs.25 crores.

In the light of the overall Company performance, the Board of Directors, have recommended a Dividend @40 per cent i.e. Re.0.40 per Equity Share of Re.1/- each for the financial year 2021-22 amounting to Rs.5.42 crores on the equity share capital of Rs.13.53 crores. This is as against a dividend of 20 per cent i.e. Re.0.20 per Equity Share of Re.1/- each aggregating to Rs.2.71 crores in the previous year on the same Equity Share Capital.

Exports

The export turnover of your Company during the year under review was Rs.455 crores as against Rs.359 crores in the previous year, recording a growth of 27 per cent.

Your Company has been one of the pioneers in exporting critical components based on the established quality systems and delivery experience of over 25 years. We have established a network of warehousing and local business representatives to support and manage our overseas customers. Since 2018 we have also been focusing on the emerging **Electric Vehicles and Hybrid Vehicle Components** and have been awarded multiple businesses by BMW, TOYOTA, STELLANTIS (PSA) and RENAULT.

At present our export share is 28 per cent in standalone sales. We are aiming that our export sales should achieve a share of more than 35-40 per cent in the coming years not only from existing components but also from high technology components for **Electric Vehicles and Electrified Vehicles**. Overall, we are aggressively focused on to meet the **EV** Components requirements of our customers.

Outlook for Current Year (FY 2022-23)

The first quarter ended 30th June, 2022, recorded a consolidated revenue of Rs.568 crores as against revenue of Rs.401 crores in the corresponding quarter of the previous year. Consequently, profit for the first quarter was recorded at Rs.8 crores; this is as against loss of Rs.1 crore in the corresponding quarter of the previous year.

In my speech last year, I spoke about “Mission2K20”, that of achieving a turnover of Rs.2000 crores by the year 2021. While we could not achieve this because of Covid-19 pandemic, however, we are in line to achieve our targeted turnover in the year 2022-23. In fact, the Company is confident to improve the turnover and margin during the remaining part of the year.

I am also happy to announce that in order to further strengthen our operations, efficiencies and to achieve the maximum growth in top line and bottom line, your Company has inducted a new team of three Executive Directors at the helm of affairs of the Company. Increased focus is also being laid on greater financial discipline and control measures to lower operational costs and to improve the profit margin.

Way Forward and Opportunities

Despite the ongoing geopolitical tension which has adversely affected the supply chain issues and inflationary pressures, the Indian automotive industry has displayed a lot of resilience and has undergone sizeable transformation led by trends such as the growth of **Electric Vehicles**, leasing, autonomous, shared ownership as well as connected automobiles. Widespread digitization and latest technology adoption coupled with immense support from the government - be it in form of product-linked incentives (PLI) or scrappage policy and the **Electric Vehicles** policies - has given the industry the much needed impetus. According to IBEF report, the Indian auto industry is expected to record strong growth in 2022-23, post recovering from effects of COVID-19 pandemic. **Electric Vehicles**, especially two-wheelers, are likely to witness positive sales in 2022-23. In fact, encouragingly, the **Electric Vehicle (EV)** market is estimated to reach Rs.50,000 crore (US\$ 7.09 billion) in India by 2025 led by the two wheeler & three wheeler segment.

As per data from SIAM in August, 2022 Auto sales across all segments rose by 18 per cent to 1877072 units in comparison to 1594573 units in August, 2021 on account of improved supplies of Semiconductors as well as on back of good monsoon and festive season demand.

Keeping up with the accelerated phase of the industry, your Company has devised a robust growth charter to help us meet our future goals. Our primary focus area remains digitization as well as offering our valued customers, innovative, technologically advanced and best-in-class products, especially in the domain of **EV & Electrified Vehicles**.

We are optimistic of the future prospects and remain confident of improved performance going forward due to resilient demand environment in our sector.

Amalgamation

I express my heartfelt thanks to you for the approval granted for the amalgamation of Wholly Owned Subsidiary Companies namely RASA Autocom Limited, Rico Aluminium and Ferrous Auto Components Limited and Rico Investments Limited with your Company. The final petition is pending before the Hon'ble NCLT for their approval, which we expect to receive during the current financial year by November, 2022.

Corporate Governance

Your Company aims at generating long term value for all its Stakeholders by ensuring disclosure and transparency in all aspects of the Company affairs. Your Company, accordingly, is committed to comply with all the directives and guidelines of the Government and Statutory Authorities relating to Corporate Governance to ensure transparency, disclosure and reporting that conforms to the all applicable laws, rules, regulations and guidelines.

Corporate Social Responsibility

During the financial year 2021-22, your Company has spent Rs.0.72 crore towards the CSR Activities in line with its CSR Policy.

Your Company stands committed to help the society, especially the community that inhabits sites close to our plants, by way of providing facilities for education, health care and other activities.

Additionally, at Rico, we are committed to ensure the safety and well being of our colleagues and employees. I am happy to share that through our initiatives we have been able to achieve the target of 100 per cent vaccination of both the doses for our colleagues and employees at all levels.

Acknowledgements

I would like to take this opportunity to thank all our stakeholders and our customers for their continued trust in us.

Our employees are our biggest resource and our endeavor is to improve their competencies at all levels. 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 Central Governments, the concerned bodies and Banks for their support. Last but not the least, I thank you, our shareholders for your continued support and faith in us.

My best wishes to you and your families.

Thank you once again.

CHAIRMAN

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