

# 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:2023

September 29, 2023

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 : **Chairman Speech**

Dear Sir/Madam,

Please find attached herewith the Chairman Speech of the 40<sup>th</sup> Annual General Meeting (AGM) of the Company held on Friday, the 29<sup>th</sup> day of September, 2023 at 12.00 Noon at the Registered Office of the Company at 38 KM Stone, Delhi-Jaipur Highway, Gurugram - 122001, Haryana.

Thanking you,

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

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

Encl : As above

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## **CHAIRMAN'S SPEECH**

### **“Rico’s Core Strategy is Focus on Electrification”**

#### **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 **40<sup>th</sup> Annual General Meeting** of the Company held on Friday, the 29<sup>th</sup> day of September, 2023)

**Dear Shareholders,**

Good afternoon. On behalf of the entire Rico Family, it gives me great pleasure to welcome you to the 40<sup>th</sup> Annual General Meeting of your Company. A warm welcome to members who are present physically as well as those attending by way of video conferencing, as we conduct this year’s meeting in Hybrid Mode!

The Directors’ Report and the Audited Accounts of your Company for the financial year ended 31<sup>st</sup> March, 2023 have already been mailed to the members of the Company. With your permission, I take them as read.

As proud Indians, at the outset, we need to recognize the strides India is making on the world stage.

Congratulations to our Scientists, especially for the women who led from the front for the successful Chandrayan-3 Mission to become the fourth country in the world to successfully land a spacecraft on the moon and the first to do so in the lunar south pole.

Congratulations also for the successful organization of the G20 Summit which is truly a crowning moment for India. Not only did India manage to bring about a consensus among the G20 countries, it also offered an opportunity to the global community to witness Bharat's remarkable progress evidenced by its Digitalization, Infrastructure and Technological advancements along with its abundant skilled work force.

These factors along with steps towards ease of doing business will certainly attract overseas investments.

## **Economy**

The Indian economy continued to show sustained growth despite continuing global uncertainties. The economic momentum that was witnessed in FY23 with GDP growth of 7.2% continued in April-June quarter of 2024, with India's GDP growth accelerating to a four-quarter high of 7.8%.

The medium to long-term outlook for the Indian economy is supported by a number of key growth drivers. An important positive factor for India is its large and fast-growing middle class, which is driving consumer spending. The rapidly growing Indian domestic consumer market has made India a significant investment destination for multinationals in manufacturing, infrastructure, services etc.

Overall, India is poised for robust growth, and is slated to be one of the world's fastest growing economies over the next decade.

### **Operations (FY23)**

Moving on to your Company's performance in FY23, Your Company recorded a consolidated revenue of Rs.2,322 Cr with a strong growth of 23% and earned profit after tax of Rs.51 Cr.

Considering the overall Company performance, the Board has recommended Dividend at 75% i.e., Re.0.75 per Equity Share of Re.1/- each for the financial year 2022-23, amounting to Rs.10.15 Cr on the equity share capital of Rs.13.53 Cr. This is against the dividend of 40% i.e., Re.0.40 per Equity Share of Re.1/- each aggregating to Rs.5.41 Cr in the previous year on the same Equity Share Capital.

### **Exports**

The Export turnover of your Company during the year under review was Rs.504 Cr against Rs.455 Cr in the previous year. 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 to US, Europe, Japan Brazil, Turkey and Southeast Asia. Since 2018, your Company has been focusing on the emerging Electric Vehicles and Hybrid Vehicle Components, and has been supplying to BMW, STELLANTIS for Exports to Germany and France and TOYOTA, RENAULT, AISIN and MUSASHI for their Global and Domestic requirements.

We have established warehousing facilities and local business representatives to support our overseas customers. At present 22% of the total consolidated turnover of your Company is contributed through direct export.

## **Outlook & Way Forward**

Over the next few years, we anticipate amplified growth, driven by the increase in demand of components for EVs as well as for ICE Engines, both for Domestic and Exports. We are confident that our commitment to superior quality and operational excellence will lead to our vision of becoming the preferred supplier Globally for Electric Vehicles, Electrified Vehicles, and other advanced technologies like Hydrogen Fuel cells and also for ICE Engines.

## **Amalgamation**

Your Company has implemented the Scheme of Merger of its three Subsidiary Companies namely Rasa Autocom Limited, Rico Aluminium and Ferrous Auto Components Limited and Rico Investments Limited with itself from the appointed date 1<sup>st</sup> April' 21 after obtaining all statutory and regulatory approval.

## **Environmental, Social and Governance (ESG)**

At RICO, we are strongly driven to create sustained outcomes that drive value and fuel growth, whilst strengthening our environment and societies. To this end, we are committed to getting our Environment, Social and Governance Proposition, right.

RICO is committed to reduce its carbon footprints and aims to achieve carbon neutrality by 2050. Further, we are also committed to implement and continually improve ISO 14001 Environment Management Systems and ensure widely known ESG metrics namely the 5Ps of Peace, Partnership, Planet, People and Prosperity in all our business processes, including our supply chain.

## **Environmental:**

The Company's focus is on reducing its greenhouse gas emissions, improving energy efficiency, preparing climate change strategy, achieving waste management, including waste reduction, reducing biodiversity loss, reducing water consumption, complying with the corporate climate policies, reducing pollution and natural resource conservation and more.

## **Social:**

In terms of social initiatives, the Company's priority is on enhancing the skills and capabilities of its employees through regular training programs, fair pay and living wages, equal employment opportunities, work place health & safety, community engagement, striking a balance between Diversity & Inclusion and responsible supply chain management.

## **Governance:**

Corporate Governance has always been a strong focus area at RICO. Your Company is committed to ethical business practices, avoiding conflicts of interest, being accountable for integrity and transparency, board diversity, executive compensation and compliance with corporate policies and more.

Our ESG initiatives will not only help us in improving our operational efficiency but will also provide improved opportunity for our Overseas and Domestic Customers in doing sustainable business with us while positioning the Company for long-term success.

## **Acknowledgements**

I would like to take this opportunity to thank all our Stakeholders and our Customers for their unwavering faith in us.

I would also like to acknowledge the commitment and efforts of my colleagues on the Board and the entire Rico Team in adding value at each level of the value chain. Let me also thank all Local, State and Central Governments, Banks & Financial Institutions for their continued support.

My best wishes & Seasons Greetings 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)