

RAIL:SEC:2025

August 22, 2025

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 : **Submission of Annual Report 2024-25 along with the Notice of 42nd Annual General Meeting under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Dear Sir/Madam,

Please find attached herewith the Annual Report for the financial year 2024-25 along with the Notice of 42nd Annual General Meeting as required under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This is for your information and records.

Thanking you,

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

Ruchika Gupta
Company Secretary
FCS : 6456

Encl : As above

42nd ANNUAL REPORT 2024-25

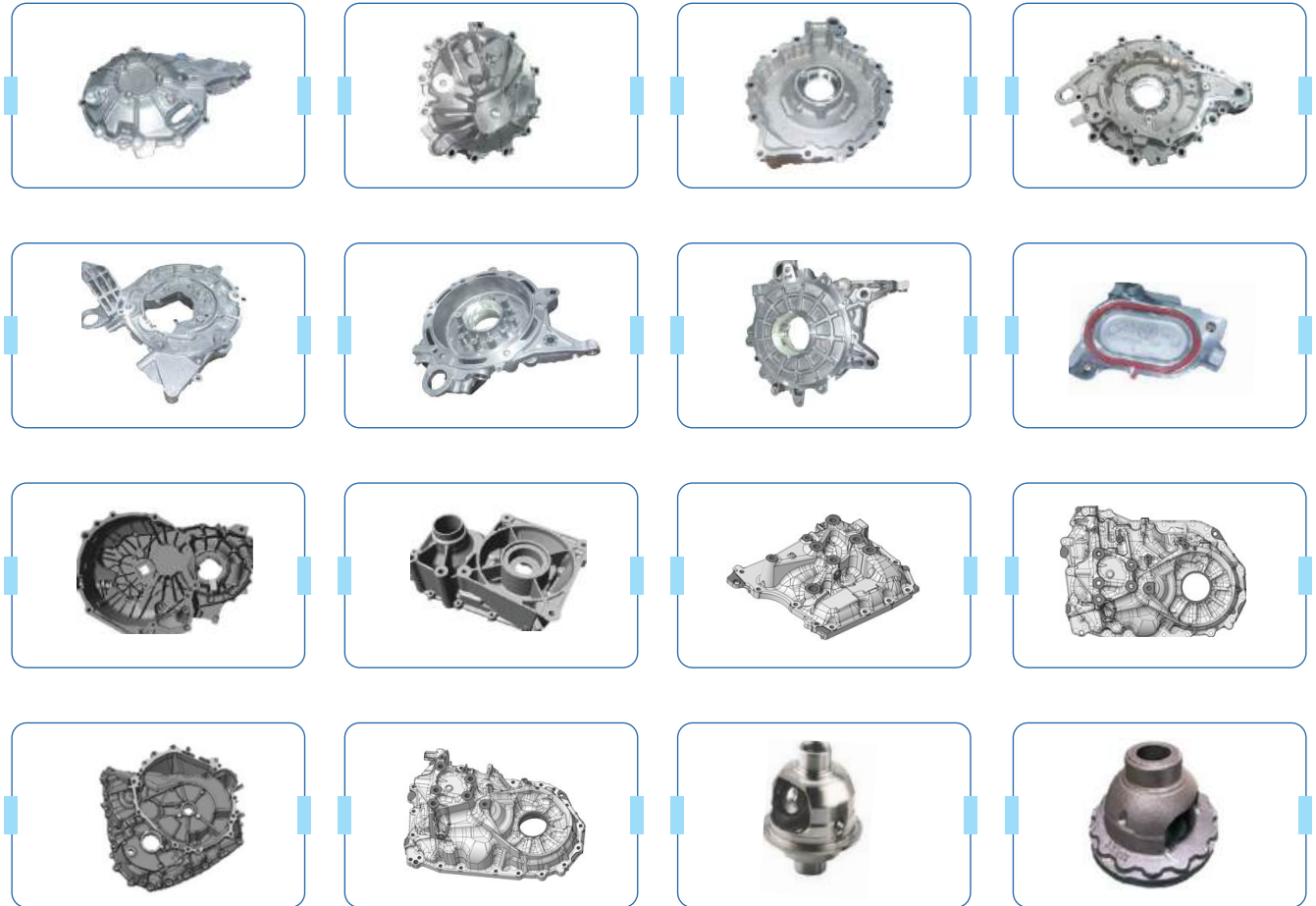
RICO

FOCUS ON ELECTRIFICATION



RICO - Made in India with Pride

Hybrid / Electric Vehicle Components



Customers



ICE Vehicle Components





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About Us

RICO is a trusted global partner delivering innovative and sustainable Engineering and Manufacturing solutions to create value for the stakeholders

We have earned the reputation of being a reliable source for the most complex components and assemblies.

Our product portfolio supports a diverse range of powertrain technologies, including Hybrid Vehicles, Electric Vehicles (EVs), and Internal Combustion Engines (ICEs), positioning us well for the evolving automotive landscape.

We are expanding our business by strengthening capabilities in system-level products, braking systems, and structural components.

We enjoy long-standing relationships. Some of the most prestigious names in the National and International Automotive Industry.

We are in expansion mode towards new product portfolios, markets and horizons. We aim to grow the business through our strategy and vision.

While pursuing growth, we have remained deeply committed to our environmental responsibility, taking bold steps to reduce our carbon footprint through a range of initiatives aligned with global emission standards.

We are committed to uplifting communities through meaningful initiatives such as RICO Rural Medi-Care clinics, educational support for the economically disadvantaged and more. Through these programmes, we aim to give back to society and create a lasting impact.

Incorporated in
1983

16
Manufacturing Plants

Global Supplier
of Automotive Components

Over 6,000
Employees

Presence in
4 Continents

Strong
In-house R&D Capabilities

Our Vision

*Trusted Engineering and Manufacturing Solutions
Partner Creating Value for the Stakeholders*

Our Mission



A DAPT

*to industry trends with
agility*

C OLLABORATE

as One Team, One Vision

T RANSFORM

*culture, empower people &
drive future*

Our Strategies

World Class Quality

ISO TS 16949, ISO 14001, OHSAS
18001, ISO 27001: 2013

Preferred Supplier

Customer Focussed Enterprise
Efficient Account, Program &
Launch Management
and Focus on Electrification

Globalization

Global Teams, Global
Presence & Scale

Integrated Service Concept to Delivery

Design, Development & Engineering
Services, R&D, Testing & Validation,
Special Purpose Machines with CNC
Controls, Tooling & Prototyping, Casting
(Aluminium & Ferrous), Machines &
Assembly, Packaging & Logistics

People

Focus on personal responsibility
and training, implementation of
multidimensional changes, HR
automation and digitalization, ESG and
compliance automation, and rewarding
employees' efforts

Stakeholder Value

Focus on return on Capital Employed and
Consistent Dividend Distribution



RICO Core Value

**EX**

Excellence

The power of being the best

**C**

Commitment

The power of responsibility, accountability and ownership

**I**

Integrity

The power of honesty and transparency

**T**

Teamwork

The power of working together

**E**

Entrepreneurship

The power of pursuing new challenges with speed, flexibility and ownership

Financial Highlights

Standalone

(₹ in Crores)

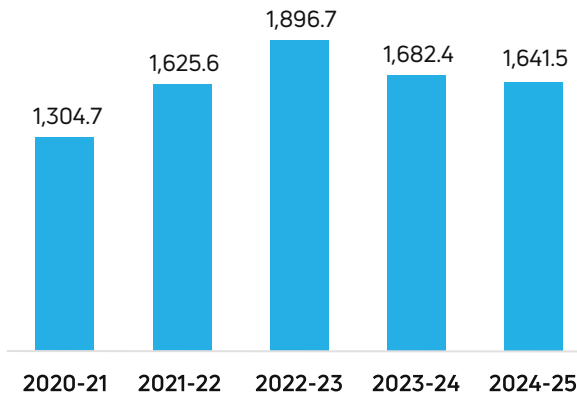
Particulars	2024-25	2023-24	2022-23	2021-22 ^	2020-21
Total Revenue	1,641.5	1,682.4	1,896.7	1,625.6	1,304.7
PBIDT	164.9	192.4	201.0	153.1	93.3
Depreciation	88.9	103.9	96.5	81.0	63.0
PBIT	76.0	88.5	104.5	72.1	30.4
Interest	40.4	45.5	43.4	36.4	35.0
PBT	35.6	43.0	61.1	35.7	(8.8)
Income Tax	-	7.1	10.2	5.2	(0.3)
Deferred Tax	12.5	4.7	7.6	5.3	(2.8)
PAT	22.9	30.9	42.2	19.1	(5.8)
Dividend (Including Tax)	8.1	10.1	5.4	2.7	4.1
Gross Fixed Assets (Incl. CWIP)	1,616.2	1,488.8	1,323.4	1,143.3	886.1
Net Fixed Assets (Incl. CWIP)	1,052.3	1,003.1	936.7	833.1	665.5
Net Current Assets*	168.9	179.8	241.2	169.8	238.8
Equity Share Capital	13.5	13.5	13.5	13.5	13.5
Reserves & Surplus	654.4	643.7	620.3	581.7	564.9
Deferred Tax Liabilities	43.5	25.3	10.2	1.7	8.8
Total Loan Funds	563.5	561.4	615.7	534.2	501.0
Key Ratios (%)					
Operating Margin (PBIDT/Net Revenue)	10.0	11.4	10.6	9.4	7.2
ROCE (PBIT/Avg. Capital Employed)	6.2	7.2	8.8	6.4	2.9
RONW (PAT/Avg. Net Worth)	3.4	4.8	6.9	3.2	(1.0)
Per Share Data (₹)					
EPS	1.7	2.3	3.1	1.4	(0.4)
Cash EPS	8.3	10.0	10.2	7.4	4.2
Book Value	49.4	48.6	46.8	44.0	42.7
Dividend (%)	50.0	60.0	75.0	40.0	20.0
Net worth	667.9	657.2	633.8	595.3	578.4

* Excluding short term borrowing and current maturities of long term bank borrowing.

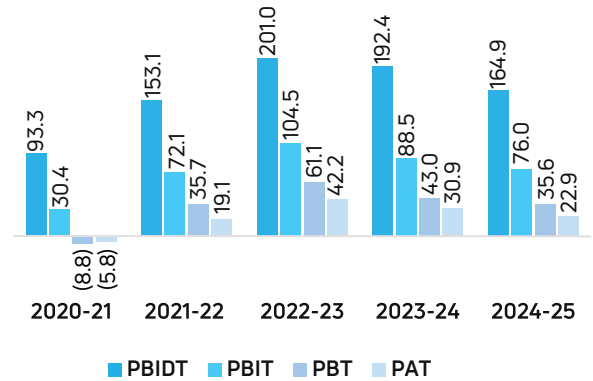
^ Figures are reinstated after merger of Subsidiary Companies Rasa Autocom Limited, Rico Aluminium and Ferrous Auto Components Limited and Rico Investments Limited.

Standalone

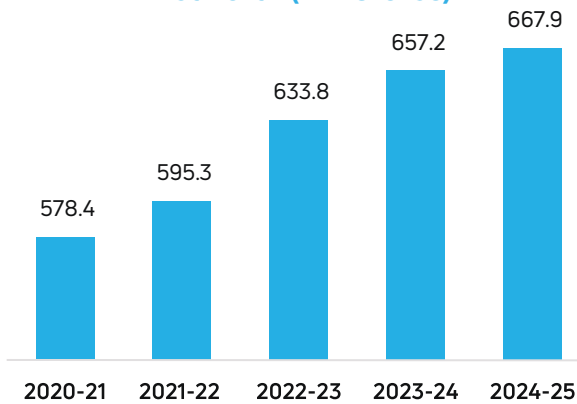
Revenue (₹ in Crores)



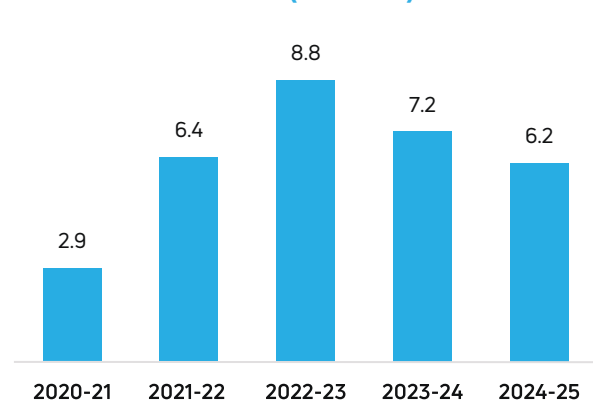
Profitability (₹ in Crores)



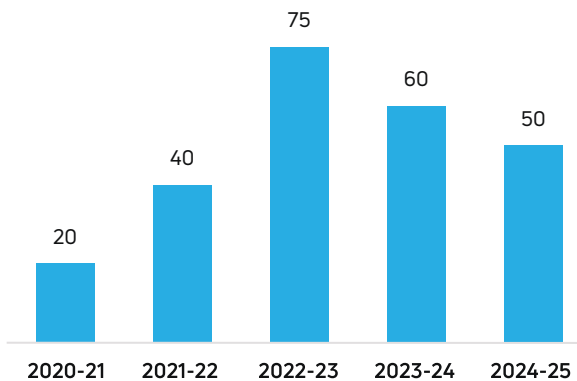
Networth (₹ in Crores)



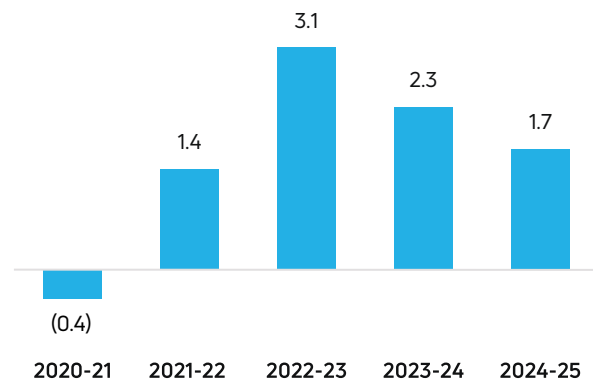
ROCE (Percent)



Dividend (Percent)



EPS (₹)



Financial Highlights

Consolidated Group

(₹ in Crores)

Particulars	2024-25	2023-24	2022-23	2021-22 ^	2020-21
Total Revenue	2,225.2	2,174.5	2,321.5	1,881.3	1,488.4
Rico Auto Industries Limited	1,641.5	1,682.4	1,896.7	1,625.6	1,304.7
Rico Auto Industries Inc. USA	122.4	155.3	238.2	168.9	133.6
Rico Auto Industries (UK) Limited UK	-	0.0	0.4	5.2	5.9
Rico Fluidtronics Limited	259.0	223.7	138.3	68.0	53.9
Rico Jinfei Wheels Limited #	388.0	312.6	302.8	232.9	149.7
Rasa Autocom Limited @	-	-	-	-	55.3
Rico Aluminium and Ferrous Auto Components Limited @	-	-	-	-	171.6
Rico Investments Limited @	-	-	-	-	4.7
AAN Engineering Industries Limited	9.5	16.3	15.7	11.6	9.1
Rico Friction Technologies Limited \$	6.9	4.2	4.0	3.0	1.3
Less : Inter Company Sales	(202.1)	(220.1)	(274.6)	(234.0)	(401.3)
Rico Group Consolidated	2,225.2	2,174.5	2,321.5	1,881.3	1,488.4
PBIDT	200.1	234.1	240.6	177.2	107.1
PBIT	98.6	115.6	128.8	85.9	27.1
PBT	42.6	57.4	73.6	36.0	(15.9)
PAT	21.4	38.9	51.0	23.7	(14.1)
Gross Fixed Assets (Incl. CWIP)	1,869.4	1,717.2	1,552.2	1,355.1	1,070.7
Net Fixed Assets (Incl. CWIP)	1,219.1	1,158.4	1,084.6	978.6	782.0
Net Current Assets*	240.1	249.6	297.0	202.3	287.9
Equity Share Capital	13.5	13.5	13.5	13.5	13.5
Reserves & Surplus	716.4	706.5	675.7	628.3	592.3
Deferred Tax (Assets)/ Liabilities	35.1	15.5	7.4	(3.0)	(3.5)
Total Loan Funds	697.3	688.5	754.3	613.2	541.6
Key Ratios (%)					
Operating Margin (PBIDT/Net Revenue)	9.0	10.9	10.4	9.4	7.2
ROCE (PBIT/Avg. Capital Employed)	7.0	8.1	9.5	6.8	2.5
RONW (PAT/Avg. Net Worth)	3.0	5.5	7.7	3.7	(2.3)
Per Share Data (₹)					
EPS	1.6	2.9	3.8	1.8	(1.1)
Cash EPS	9.1	11.6	12.0	8.5	4.9
Net worth	729.9	720.0	689.3	641.8	605.8

* Excluding short term borrowings and current maturities of long term bank borrowings.

Rico Auto Industries Limited along with subsidiary holds 91.74%.

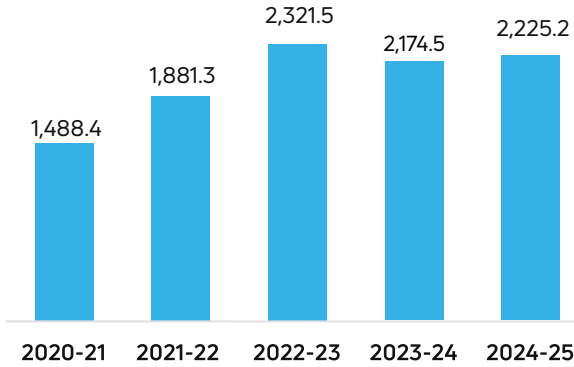
\$ 70% subsidiary w.e.f. 30th December, 2020.

@ Rasa Autocom Limited, Rico Aluminium and Ferrous Auto Components Limited and Rico Investments Limited have been merged with Rico Auto Industries Limited w.e.f. 01st April, 2021 i.e. Appointed Date.

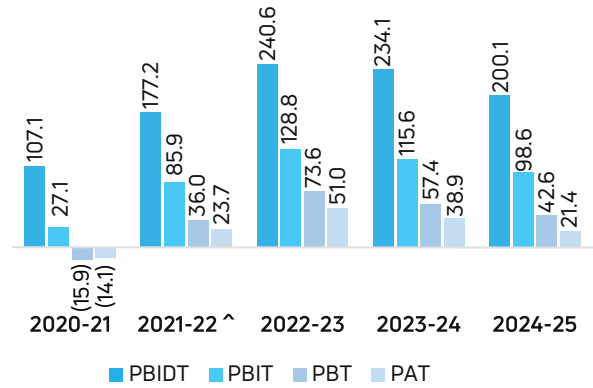
^ Figures are reinstated after merger of Subsidiary Companies Rasa Autocom Limited, Rico Aluminium and Ferrous Auto Components Limited and Rico Investments Limited.

Consolidated Group

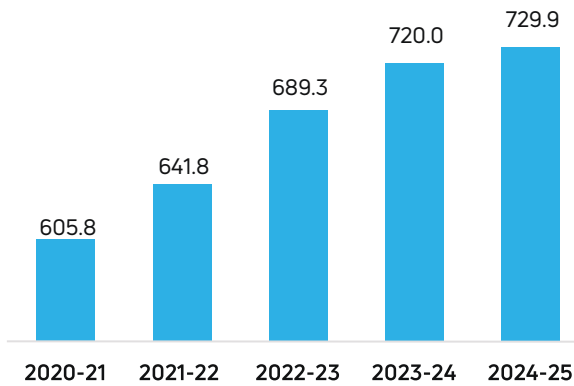
Revenue (₹ in Crores)



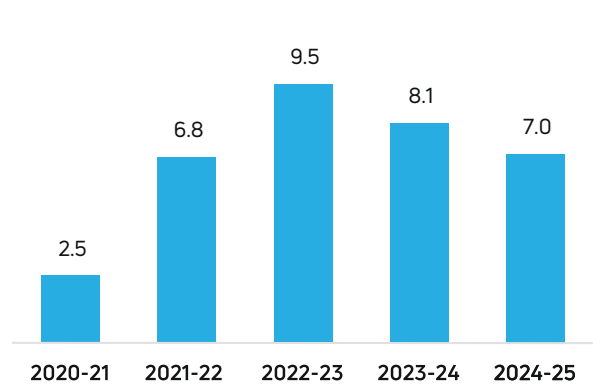
Profitability (₹ in Crores)



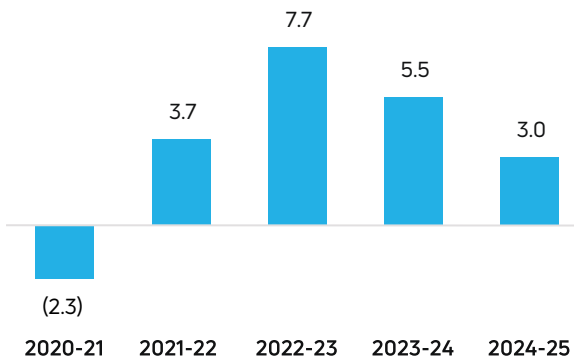
Networth (₹ in Crores)



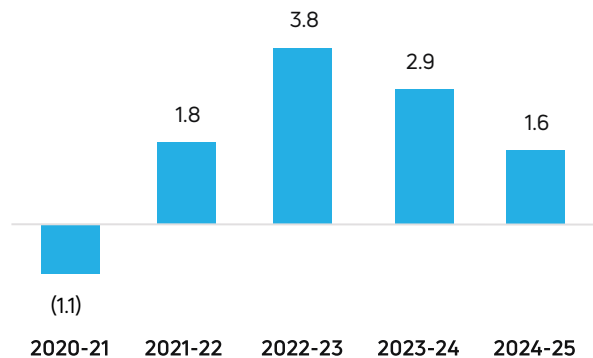
ROCE (Percent)



RONW (Percent)



EPS (₹)



Key Milestones

2014- 2025

1. Started Construction of upcoming plant in Hosur
2. Added new Business for Hybrid, ICE & EV Parts from Toyota , AISIN , Maruti etc.
3. Implementation of S/4 HANA
4. Created a new Non-Auto business vertical to focus on – Railways, Manufacturing of CNC Machines
5. Acquired 70% stake in Rico Friction Technologies for development and manufacturing of Friction Materials
6. Initiated After Market Business
7. Acquired 50% stake from Magna in Magna Rico 50-50 JV - Now, Rico Fluidtronics Limited
8. Added new Manufacturing Plants: Bawal, Pathredi, Chennai and Halol-Gujarat

2004- 2013

1. R&D Center Started
2. JV with MAGNA Powertrain - Oil Pumps, Water Pumps
3. JV with Jinfei China - Aluminium Alloy Wheels
4. Added new Manufacturing Plants: Bhiwadi, Sanand, Haridwar & Manesar
5. New Customers – BMW, Toyota, NISSAN, JATCO, Musashi, TATA, Perkins, Magna, Renault, GKN, VW, Kohler, Avtec

1994- 2003

1. JV (50:50) FCC RICO – Clutches
2. Exports: New Customers – GM, Eaton, Cummins, FORD, Land Rover, Honda, Jaguar, Caterpillar, Honeywell, Detroit Diesel, Volvo
3. Expansion - Aluminium Die Casting & Machining – Gurugram
4. Full Service Engineering Design Development Capability

1985- 1993

1. Commercial Production -1986
2. Aluminium Die Casting & Machining (Dharuhera) Focus - Hero Honda & Maruti Suzuki
3. Technical Collaboration - Clutches with FCC Japan
4. Exports to MEC Japan
5. New Plant - Ferrous Casting & Machining (Gurugram) Focus - Maruti

Manufacturing Locations



27 Acres

Gurugram

Corporate, R&D, Aluminium & Ferrous Casting & Machining, CNC Machine building, Die making & Robotisation



5 Acres

Dharuhera

Aluminium Casting & Machining



15 Acres

Bawal

Aluminium Casting & Machining, EV Components



5 Acres

RJWL Manesar

Aluminium Wheels Casting & Machining



12 Acres

Pathredi

Machining



2 Acres

RFL Manesar

Oil & Water Pumps



12 Acres

Sanand & Halol

Aluminium HPDC, Machining, EV Components



2 Acres

Haridwar

Aluminium Casting & Machining



12 Acres

Chennai

Aluminium Casting & Machining



12 Acres

Hosur

Upcoming Manufacturing Plant

From the Chairman's Desk



Dear Shareholders,

The year 2024-25 witnessed a lot of uncertainty in the global landscape that was strained with continuing geopolitical conflicts. The beginning of the year saw anticipated policy rate cuts by major economies, aimed at easing out the aggressive rate hikes implemented over the past couple of years to combat inflation. However, the escalating threat of a global trade war dampened consumer sentiment.

Despite ongoing global business volatility, the Indian economy remained resilient. This was mirrored in the automotive industry, which continued to hold its ground amid macroeconomic headwinds. While the pace varied across segments, the Two-Wheelers segment dominated the Indian market in terms of volume, driven by a growing middle class and a sizable percentage of young population in the country. Additionally, increased interest from companies in tapping the rural markets further enhanced the sector's growth.

While the Company's performance in the year under consideration was affected by macroeconomic headwinds and geopolitical uncertainties, we were successfully able to expand our presence in the Hybrid Vehicles segment as well as strengthen our business relationships with key OEMs to grow the existing business. Overall, even though global exports were impacted, our sales grew marginally by 2.3%. The company recorded total revenue of ₹2,225 crores during the financial year, marginally up from ₹2,174 crores in the previous year. The Profit After Tax stood at ₹21.4 crores, as against ₹38.9 crores in the previous year while the EBITDA margin was down to 9.0%, from 10.9% in the previous financial year.

Your Company anticipates good growth over the next few years driven by an increase in demand of components for Hybrid, Electric and ICE vehicles for Domestic and Export market. We have new additional confirmed orders of ₹720 crores peak sales per annum from Maruti, TATA, Toyota, Musashi, Knorr Bremse, AISIN, GKN etc. over and above current production. Currently these programs are under development and will go into SOP starting current financial year and will touch their peak volumes by 2027. Expansion is in place, and we continue to bid for more business.

The readiness of new upcoming Facility at SIPCOT Industrial Park, Shoolagiri, Hosur, Tamil Nadu is in progress and expected to start its commercial production during Q4 of the current financial year. This will cater to the upcoming requirements of Toyota, AISIN and other OEMs in southern region primarily for Hybrids and EVs.

In the coming years, the Indian market is projected to gain momentum, driven by an economically stable middle class, a vibrant young working population empowered by a strong public digital backbone and growth-oriented policies. The automotive sector, in particular, is poised for growth fuelled by the industry's swift transition to electric mobility, digital innovation, and sustainability. In fact, India is on track to become a large EV market by 2030 led by Two Wheelers.

It is a matter of great pride for us at RICO, that we are well poised to be a driving force in shaping the next phase of the industry's evolution, just as we remain steadfast in our commitment towards the Viksit Bharat mission.

New Avenues for Value Creation

Over the past two decades, the Company has built a strong reputation as a reliable exporter of critical components, underpinned by robust quality systems. To effectively support and manage its international customers, the Company has established a comprehensive network of warehousing facilities in Europe (Germany, France) and USA (Detroit, North Carolina) and business representatives across key global markets.

We continue to maintain an unwavering focus on organizational excellence, HR automation, digital transformation, ESG integration, and compliance automation. A cornerstone of our strategy has been the deployment of IoT solutions across operations. Notably, the team has successfully implemented various automation projects to enhance the reliability and efficiency of our production lines. We have also undergone continuous process improvements using AI that have enhanced manufacturing excellence. As part of our transformation journey, we have successfully migrated from SAP ECC to S/4 HANA, adopting next-generation technologies and industry best practices to drive greater efficiency and agility.

Our ESG journey has also gathered pace, reinforcing our commitment to responsible and sustainable progress. We've taken decisive steps to reduce our carbon footprint by optimizing energy consumption, increasing the use of renewables, integrating recycled materials into manufacturing, and aligning our practices with global emissions standards.

We firmly believe that a resilient business is built on the foundation of a thriving community. Our investment in people therefore continues to grow, with a strong focus on improving workplace safety, upskilling our workforce, and promoting diversity and inclusion.

Overall, we remain steadfast in our commitment to agility and adaptability- turning uncertainty into opportunity.

I would like to take this opportunity to extend my heartfelt thanks to our partners and stakeholders for their continued trust and support. I'd also like to recognize the unwavering resilience and ingenuity of our teams - this journey would not have been possible without them.

With your continued support, I'm confident we will rise to every challenge and advance our transformation journey together.

Warm regards,
Arvind Kapur
Chairman, CEO & MD

Our People

Our Greatest Asset

RICO believes at its core that Human Resources are its invaluable asset. We are committed to continuously enhance learning and development opportunities to support our employees growth plans and career aspirations.

Rico is fostering the culture of diversity, equity and inclusion where everyone feels empowered and everyone's work is valued. We continue to focus on enhancing employees experience from onboarding to benefits and wellness programmes. Our focus is to build expertise and talent pool to drive our business forward and be future-ready organisation.

CSR Initiatives



RICO is committed to society at large. We firmly believe that it is essential to operate in ways that lead to the inclusive growth of society and the environment. Our objective is to enhance the quality of life of the local community by focusing on key areas such as education, hygiene and sanitation, preventive healthcare, and support for the economically weaker sections of society.

Our engaged workforce has actively and voluntarily participated in various community-driven initiatives, including tree plantation drives, preventive healthcare campaigns, and road safety awareness programs. Their dedication reflects our collective commitment to social responsibility and environmental sustainability.

RICO supports the education of the economically weaker section at schools and skill development institutes. To actively promote rural and national sports, we had sponsored a wrestling competition in Rewari to support local talent and preserve traditional sporting culture.

RICO launched a Go Green campaign promoting the use of jute bags to reduce plastic waste and encourage sustainable alternatives.

RICO Medi Care Centre has a daily OPD facility where all patients get consultations, medicines and lab test for free.

As part of its Green Initiatives, tree plantation done on World Environment Day across all its facilities and additional forest saplings planted at various locations in India.

Under the RICO Rural Medi-Care Clinic initiative in Pathredi, Rajasthan, led by the RICO Care Foundation, free outpatient services are provided daily by qualified MBBS doctors and trained medical staff. In addition, the Foundation has organized 25 doorstep medical camps across 8 villages, benefiting over 2,400 patients.



Awards & Recognitions



Environmental, Social and Governance (ESG)

“ Key ESG priorities have been identified under the three core pillars: Environmental, Social and Governance. RICO is actively advancing its sustainability goals through strategic efforts focused on energy efficiency through increased use of renewables, equipment modernization to reduce carbon emissions, recycling waste water, gender diversity and process digitisation. ”

Aligned with its long-term vision, RICO has achieved the following:



Reduction in Greenhouse Gas Emissions

Improvement in use of Renewable Energy

Better Waste Management and minimization of waste generation at the source

Workforce readiness through sustained learning

Automation and Digitalization of processes

Inclusive and Equitable employment to drive sustainable, people-focused growth

Stronger Risk Management, Ethical Integrity, and Proactive Conflict of Interest Management

RICO ESG commitment drives long-term value creation and business sustainability through responsible management and strategic growth. By prioritizing the environment, social impact, and strong governance, the Company fosters trust, resilience, and inclusive progress for all stakeholders.

Environment, Health and Safety



Environment, Health and Safety (EHS) is the set that studies and implements the practical aspects of maintaining the Environment, Employees' Health and Safety at the workplace.

The Company is committed to upholding the highest standards and continuous improvement in the Environment, Occupational Health and Safety, with all applicable laws and customer requirements. We are committed to fostering a safe and secure working environment for our employees. The Company has implemented robust safety

systems, emphasizing on safe culture and continuously updating safety standards to meet and succeed in evolving regulatory requirements.

RICO focuses on behaviour-based Safety and inculcates a safe working culture in all its plants.

Employees' wellness is on our priority list. Medical checkup camps are organised for employees every year. Health talks are arranged to increase awareness amongst people about good health, nutrition and exercise. We also encourage employees to engage in various sports activities like cricket, badminton, pickle ball and table tennis as we have a well-equipped sports complex in our corporate campus.

We provide regular safety training to our employees to enhance various aspects of the Environment, occupational health, and safety. We encourage employees to report near misses, unsafe conditions/acts and to take proactive, preventive actions for the same. This strategy helps us to improve EHS performance indicators and reduction in Severity Rate. We are committed to continual improvement in the ISO 14001 and ISO 45001 Systems. We verify adherence to the EHS system through internal and external audits.

Team & Corporate Information

Board of Directors

Arvind Kapur	Chairman, CEO & MD
Sarita Kapur	Independent Director
Hemal Bharat Khandwala	Independent Director
Yogesh Kapur	Independent Director
Prabhakar Kadapa (w.e.f. 30-09-2024)	Independent Director
Kanav Monga (w.e.f. 03-10-2024)	Independent Director
Shikha Kapur	Non-Executive Director
Rajiv Kumar Miglani	Executive Director
Kaushalendra Verma	Executive Director
Samarth Kapur	Executive Director

Bankers / Lenders

Axis Bank Limited
Axis Finance Limited
Bajaj Finance Limited
HDFC Bank Limited
ICICI Bank Limited
IndusInd Bank Limited
Karnataka Bank Limited
Kotak Mahindra Bank Limited
Shinhan Bank
State Bank of India
Yes Bank Limited

Rico Executive Committee (REC)

Rajiv Kumar Miglani	Sachinder Kaul
Kaushalendra Verma	Shalinder Rathi
Samarth Kapur	Subodh Mall
Rakesh Kumar Sharma	B K Jain
Abhishek Kulshrestha	Sanjay Bhat

Auditors

B S R & Co. LLP
Chartered Accountants
Gurugram, India

Advisor

O P Aggarwal

Internal Auditors

Grant Thornton Bharat LLP
Gurugram, India

Chief Financial Officer

Rakesh Kumar Sharma

Registered & Corporate Office

38 KM Stone, Delhi-Jaipur Highway,
Gurugram - 122001, Haryana, India
CIN : L34300HR1983PLC023187
website: www.ricoauto.in

Company Secretary

B M Jhamb (Up to 30-09-2024)
FCS No. 2446
Ruchika Gupta (w.e.f. 01-10-2024)
FCS No. 6456

Registrar & Transfer Agent

MCS Share Transfer Agent Limited
179-180, 3rd Floor, DSIDC Shed Okhla Industrial
Area, Phase I, New Delhi - 110020, India

RICO AUTO INDUSTRIES LIMITED

CIN: L34300HR1983PLC023187

Regd. & Corp. Office: 38 KM Stone, Delhi-Jaipur Highway, Gurugram - 122001, Haryana
Tel: +91 124 2824000, Fax: +91 124 2824200, E-mail: cs@ricoauto.in, Website: www.ricoauto.in

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 42nd ANNUAL GENERAL MEETING (AGM) of the Members of RICO AUTO INDUSTRIES LIMITED will be held on Tuesday, the 16th day of September, 2025 at 12.00 Noon at the Registered Office of the Company at 38 KM Stone, Delhi-Jaipur Highway, Gurugram - 122001 (Haryana) along with the facility to attend the AGM through Video Conferencing ('VC')/Other Audio-Visual Means ('OAVM') to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt:
 - a) the Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2025 together with the reports of Directors' and Auditors' thereon; and
 - b) the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2025 together with the Reports of Auditors' thereon.
2. To declare a dividend @ 50 per cent i.e. ₹0.50 (Fifty paise) per Equity Share of ₹1/- each for the financial year ended 31st March, 2025.
3. To appoint a Director in place of Shri Rajiv Kumar Miglani (DIN:06873155), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

4. **Ratification of Remuneration payable to Cost Auditors**
To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:
"Resolved that pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], the total remuneration of ₹2.00 lakhs (Rupees Two lakhs only) plus applicable taxes and out of pocket expenses, if any, payable to M/s. MM & Associates, Cost Accountants (Firm Registration No. 000454), appointed by the Board of Directors of the Company, to conduct the audit of the cost accounting records of the Company for the financial year 2025-26 be and is hereby ratified and approved."
"Resolved further that the Board of Directors or the Company Secretary of the Company be and are hereby authorized to do all such acts, deeds, matters, things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."
5. **Appointment of M/s. PG & Associates, Practicing Company Secretaries, as Secretarial Auditors of the Company for a term of five (5) consecutive years**
To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:
"Resolved that pursuant to the provisions of Section 204, and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 as amended, Regulation 24A and other applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any statutory

amendment(s), modification(s), variation(s) or re-enactment(s) thereof for the time being in force] and based on the recommendation of the Audit Committee and approval of the Board of Directors of the Company, consent of the Members be and is hereby accorded to appoint M/s. PG & Associates, Practicing Company Secretaries as Secretarial Auditors of the Company for a term of five (5) consecutive years commencing from 1st April, 2025 till 31st March, 2030 at such remuneration as may be determined by the Board of Directors of the Company in consultation with the Secretarial Auditors."

"Resolved further that the Board of Directors of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this Resolution."

By Order of the Board
for **Rico Auto Industries Limited**

Ruchika Gupta

Company Secretary
FCS No. 6456

Place : Gurugram

Date : August 12, 2025

NOTES:

1. **A MEMBER IS ENTITLED TO APPOINT A PROXY/PROXIES TO ATTEND AND VOTE (ON A POLL ONLY) INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT TO BE A MEMBER OF THE COMPANY.**
A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy, provided that the person does not act as proxy for any other shareholder. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate certified copy of the Board Resolution to the Company. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 (forty-eight) hours before the commencement of the meeting. A proxy form for the AGM is enclosed.
2. In accordance with the provisions of the Companies Act, 2013 ("Act") read with the Rules made thereunder, General Circulars No. 20/2020 dt. 5th May, 2020 read with subsequent circulars from time to time and General Circulars 09/2024 dated 19th September, 2024, issued by the Ministry of Corporate Affairs ('MCA'), Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated 3rd October, 2024, read with other circulars issued from time to time by Securities and Exchange Board of India ('SEBI') (hereinafter collectively referred to as "Circulars"), and with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), Companies are permitted to hold Annual General Meeting through Video Conferencing (VC) or Other Audio Visual Means (OAVM)

upto 30th September 2025. Accordingly, the 42nd AGM is being held through Video Conferencing ('VC')/Other Audio-Visual Means ('OAVM')

3. Representatives of the Corporate Members may be appointed for the purpose of voting through remote e-voting, for participation in the 42nd AGM through physically or VC/OAVM Facility and e-voting during the AGM. Corporate Members intending to attend the AGM are required to send a duly certified copy of the Board Resolution authorizing their representative(s) to attend and vote at this AGM by e-mail at csmilanmalik@gmail.com or cs@ricoauto.in.
4. Attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013 along with the Members physically present at the AGM Venue.
5. The Explanatory Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013 and SEBI Listing Regulations, concerning the Special Business in the Notice is annexed and forms part of this Notice.
6. The Members can also join the AGM in the VC/OAVM mode 30 minutes before the scheduled time of commencement of the AGM by following the procedure mentioned elsewhere in the Notice.
7. The Register of Members and the Share Transfer Books of the Company will remain closed from 10th September, 2025 to 16th September, 2025 (both days inclusive).
8. Dividend as recommended by the Board of Directors for the financial year ended 31st March, 2025, when declared at the AGM, will be paid:
 - a) to those Members whose names appear in the Register of Members of the Company on 9th September, 2025; and
 - b) in respect of shares held in electronic form, to those Beneficial Owners whose names appear in the statements of beneficial ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), at the end of business hours on 9th September, 2025.

The dividend will be paid, subject to deduction of tax at source, within 30 days from the date of declaration.

9. Pursuant to the Income Tax Act, 1961 read with the Finance Act, 2020, dividend income will be taxable in the hands of shareholders w.e.f. 1st April, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. The shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company/Registrar and Transfer Agent (in case of shares held in physical mode) and Depositories (in case of shares held in demat mode).

Resident individual shareholders who are not liable to pay income tax can submit a yearly declaration in Form No.15G/15H along with a self-attested copy of their Permanent Account Number (PAN) card, to avail the benefit of non-deduction of tax at source by sending to the Company at cs@ricoauto.in by 9th September, 2025 up to 5.00 P.M. (IST). Shareholders are requested to note that in case their PAN is not registered or having invalid PAN, the tax will be deducted at a higher rate of 20 per cent. Further, no TDS is required to be deducted, if aggregate dividend distributed or likely to be distributed during

the financial year to resident individual shareholder does not exceed ₹10,000/- (Rupees Ten thousand only).

Non-resident shareholders [including Foreign Institutional Investors (FIIs)/Foreign Portfolio Investors (FPIs)] can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits. The aforesaid declarations and documents are required to be sent to the Company at cs@ricoauto.in by 9th September, 2025 upto 5.00 P.M. (IST). Further, TDS will be deducted at the rate prescribed in the lower tax withholding certificate issued under Section 197 of the Income Tax Act, 1961, if such valid certificate is provided.

For details, members may refer to "Communication on TDS on Dividend Distribution" appended to this Notice of 42nd AGM.

10. The SEBI vide its circular dated 20th April, 2018 has mandated all Companies to credit the dividends electronically to the Member's Bank Account. Members holding shares in physical form, who have not yet forwarded their bank details are requested to furnish a copy of original cancelled cheque leaf/ attested bank passbook showing name of the account holder and other details viz. Account No., IFS Code and MICR Code to the Company/Registrar & Share Transfer Agent (RTA) of the Company. Members holding shares in dematerialized mode are requested to intimate all changes with respect to their bank particulars & bank mandates, nomination details and address to their Depository Participant(s) (DP).

11. a) Pursuant to the provisions of Sections 124 and 125 of the Companies Act, 2013 (the Act), the amount of dividend which remains unpaid/unclaimed for a period of 7 years is required to be transferred to the "Investor Education and Protection Fund" (IEPF). As such, Member(s) who have not yet encashed their dividend are requested in their own interest to write to the Company for claiming outstanding dividend declared by the Company from the financial year 2017-18 or any subsequent financial years. It may be noted that once the unclaimed dividend is transferred, on the expiry of seven years, to the IEPF, as stated herein, no claim shall lie against the Company in respect thereof.

The amount of unpaid or unclaimed dividend of the financial year ended 31st March, 2017 and interim dividend of the financial year 2017-18, have already been transferred to the IEPF.

- b) Pursuant to Rule 5(8) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, your Company has uploaded the details of amount of Dividend lying unclaimed/unencashed as on 31st March, 2024, on the website of MCA as well as on its own website: <https://www.ricoauto.in/investor-relation.html>.
- c) Attention is drawn to the provisions of Section 124(6) of the Companies Act, 2013, read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 which require a Company to transfer all shares in respect of which dividends has not been paid or claimed for 7 (seven) consecutive years or more to the Demat Account of IEPF Authority.

Accordingly, the Company during the financial year 2024-25 had transferred 1807 shares pertaining to the financial year 2016-17 to the IEPF Authority within the stipulated time period.

The Company has uploaded details of shares transferred to IEPF Authority on the website of the IEPF Authority viz. www.iepf.gov.in and on the website of the Company at <https://www.ricoauto.in/investor-relation.html>. Members may note that shares as well as unclaimed dividends transferred to IEPF Authority can be claimed back by following the required procedure given on the website of the IEPF Authority <http://www.iepf.gov.in/IEPF/refund.html>.

Further, all the Members who have not claimed/ encashed their dividends in the last seven consecutive years from 2018 are requested to claim the same. The concerned Members are requested to verify the details of their unclaimed amounts, if any, from the website of the Company and IEPF and write to the Company or the Company's Registrar before the same becoming due for transfer to the IEPF Authority. Please note that no claim shall lie against the Company in respect of the shares so transferred to IEPF Authority.

12. Members must quote their Folio No./DPID/Client Id No. and contact details such as e-mail Id, Mobile No./Phone No. etc. in all correspondence with the Company/RTA. Members are also requested to notify change in their contact details, if any.
13. Mandatory update of PAN, KYC and Nomination details and linking of PAN and Aadhaar by holders of shares in physical form: SEBI, vide its circular dated November 03, 2021 (subsequently amended by circulars dated December 14, 2021, March 16, 2023 and November 17, 2023) mandated that the security holders (holding securities in physical form), whose folio(s) do not have PAN or Choice of Nomination or Contact Details or Mobile Number or Bank Account Details or Specimen Signature updated, shall be eligible for any payment including dividend, interest or redemption in respect of such folios, only through electronic mode with effect from April 01, 2024 upon completion/submission of the requisite documents/details in entirety. Copies of relevant forms are available on the website of the Company at www.ricoauto.com/files/Form%20ISR-1-2-3-and-SH-13-14.pdf or of the Company's RTA at www.mcsregistrars.com.

In case of any query/assistance, Members are requested to contact the Company's RTA, M/s. MCS Share Transfer Agent Limited, 179-180, DSIDC Shed, 3rd Floor, Okhla Industrial Area, Phase-1, New Delhi - 110020. (Phone No. 011-41406149-52; Email: helpdeskdelhi@mcsregistrars.com).
14. Members who have still not registered/updated their email IDs, are requested to do so at the earliest, in the following manner:
 - a) Members holding shares in physical mode are requested to register/update their email IDs by submitting duly filled and signed Form ISR-1 with the Company or Company's RTA.
 - b) Members holding shares in dematerialised mode are requested to register/update their e-mail address with the Depository through their Depository Participant(s).
15. Dematerialisation of physical shares: SEBI, vide its circular dated January 25, 2022 had clarified that listed companies, with immediate effect, shall issue the securities in dematerialized form only while processing investor service request pertaining to issuance of duplicate share certificate, exchange of securities, endorsement, subdivision/consolidation of share certificates etc. In view of this as also to eliminate all risk associated with physical shares and for ease of portfolio management, Members holding shares in physical form are

requested to consider converting their holding to dematerialized form. Members can contact the Company or Registrar & Share Transfer Agent, M/s. MCS Share Transfer Agent Limited for assistance in this regard. Members holding shares in physical form are requested to notify immediately any change in their address/mandate/bank details to the Company or to the office of the Registrar & Share Transfer Agent, M/s. MCS Share Transfer Agent Limited quoting their folio number.

Pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2025/97 dated 2nd July, 2025, shareholders are hereby informed that a special window has been opened for a period of six months, from 7th July, 2025 to 6th January, 2026 to facilitate re-lodgement of transfer requests of physical shares.

16. SEBI vide circular nos. SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/131 dated July 31, 2023 and SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/135 dated August 4, 2023 read with master circular no. SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/145 dated August 11, 2023, had issued guidelines towards an additional mechanism for investors to resolve their grievances by way of Online Dispute Resolution ('ODR') through a common ODR portal. Pursuant to above mentioned circulars, post exhausting the option to resolve their grievance with the Company/its Registrar and Share Transfer Agent directly and through existing SCORES platform, the investors can initiate dispute resolution through the ODR Portal (<https://smartodr.in/login>) and the same can also be accessed through our website at <https://www.ricoauto.in/investor-relation.html>. Members can access the SEBI Circulars on the website of SEBI at <https://www.sebi.gov.in>.
17. All the documents referred in the Notice and the Explanatory Statement shall be available for inspection through electronic mode and physical copies of the documents will also be available at the Registered Office of the Company for inspection on all working days except Saturday between 11.00 A.M. to 4.00 P.M. without any fee from the date of circulation of this Notice up to the date of AGM. Members seeking inspection of such documents can send an e-mail to cs@ricoauto.in.
18. The extract of the Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which Directors are interested under Section 189 of the Companies Act, 2013 will be available electronically for inspection during the AGM upon login to NSDL e-voting system at www.evoting.nsdl.com and physically at the venue of the AGM.
19. Attendance slip and the route map showing directions to reach the venue of the 42nd AGM is enclosed as per the requirements of Secretarial Standard-2 of "General Meetings".
20. Pursuant to the MCA Circulars and SEBI Circular, the Notice of the 42nd AGM and the Annual Report including the Audited Financial Statements for the financial year 2024-25 are being sent through electronic mode to those Members whose e-mail ids are registered with the Company/RTA/Depositories. A letter is being sent to those Members providing the web-link, for assessing the Notice of the AGM and the Annual Report is available to those shareholder(s) who have not registered their email addresses. Members may note that the Notice and Annual Report will also be available on the website of the Company at <https://www.ricoauto.in/investor-relation.html>, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website

of NSDL at www.evoting.nsdl.com. Any Member/s requiring the hard copy of Annual Report may kindly send an email to cs@ricoauto.in or send a duly signed request in original at the Registered Office of the Company.

During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of meeting, a member would be entitled to inspect the proxies lodged during the business hours of the Company, provided that not less than three days' notice in writing is given to the Company.

21. Beside the voting by way of physical ballot paper at the venue of the AGM, in compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended to date, and the Circulars issued by the MCA and SEBI, the Company is also pleased to provide to its Members, a facility to exercise their right to vote on resolutions proposed to be considered and passed at the ensuing 42nd AGM by electronic means and the business may be transacted through remote e-voting services. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by the Member using remote e-voting system as well as voting on the date of the AGM will be provided by NSDL.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING ANNUAL GENERAL MEETING ARE AS UNDER:

- A) The remote e-voting period commences on Saturday, 13th September, 2025 (9.00 a.m. IST) and ends on Monday, 15th September, 2025 (5.00 p.m. IST). During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Tuesday, 9th September, 2025, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
- B) The Members who have already cast their votes through remote e-voting may attend the meeting but shall not be entitled to cast their votes again at the AGM.
- C) The Member(s) who receives an e-mail from NSDL (for Members whose e-mail addresses are registered with the Company/RTA/Depositories) is advised to take the following steps for casting his/her vote by remote e-voting:

The process and manner for remote e-voting are as under:

How to cast vote electronically using NSDL e-voting system?

The way to cast vote electronically on NSDL e-voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-voting system
<https://www.evoting.nsdl.com>

- A) **Login method for e-voting for Individual shareholders holding securities in demat mode:**

In terms of SEBI circular dated 9th December, 2020 on e-voting facility provided by the Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account

maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and e-mail id in their demat accounts in order to access e-voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of Shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	- Existing IDeAS user can visit the e-services website of NSDL viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User Id and Password. After successful authentication, you will be able to see e-voting services under value added services. Click on "Access to e-voting" under e-voting services and you will be able to see e-voting page. Click on Company name or e-voting service provider i.e. NSDL and you will be re-directed to e-voting website of NSDL for casting your vote during the remote e-voting period. - If you are not registered for IDeAS e-services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp. - Visit the e-voting website of NSDL. Open web browser by typing the URL:https://www.evoting.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You have to enter your User Id (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on Company name or e-voting service provider i.e. NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting and voting during the meeting. - Shareholders/Members can also download NSDL Mobile App "NSDL Speed-e" facility by scanning the QR code mentioned below for seamless voting experience. NSDL Mobile App is available on    

Type of Shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	- Existing users who have opted for Easi/Easiest, they can login through their user Id and password. Option will be made available to reach e-voting page without any further authentication. The URL for users to login to Easi/Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. - After successful login of Easi/Easiest the user will be also able to see the e-voting Menu. The Menu will have links of e-voting service provider i.e. NSDL. Click on NSDL to cast your vote. - If the user is not registered for Easi/Easiest, option to register is available at https://www.web.cdslindia.com/myeasi/Registration/EasiRegistration - Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. Upon logging in, you will be able to see e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on Company name or e-voting service provider i.e. NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period.

Important note: Members who are unable to retrieve User Id/ Password are advised to use Forget User Id and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at no. 022-48867000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

B) Login Method for e-voting shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode:

How to Login to NSDL e-voting website?:

- Visit the e-voting website of NSDL. Open web browser by typing the URL: <https://www.evoting.nsdl.com> either on a personal computer or on a mobile.
- Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholders/ Member' section.
- A new screen will open. You have to enter your User Id, Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL e-services i.e. IDeAS, you can login at <https://eservices.nsdl.com> with your existing IDeAS login. Once you login to NSDL e-services after using your login credentials, click on e-voting and you can proceed to Step 2 i.e. cast your vote electronically.

IV. Your User Id details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User Id is:
a) For Members who hold shares in demat account with NSDL	8 Character DP Id followed by 8 Digit Client Id. For example if your DP Id is IN300*** and Client Id is 12***** then your user Id is IN300***12*****
b) For Members who hold shares in demat account with CDSL	16 Digit Beneficiary Id. For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form	EVEN Number followed by Folio Number registered with the Company. For example if folio number is 001*** and EVEN is 135339 then user ID is 135339001

V. Your password details are given below:

- If you are already registered for e-voting, then you can use your existing password to login and cast your vote.
- If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- How to retrieve your 'initial password'?
 - If your e-mail Id is registered in your demat account or with the Company, your 'initial password' is communicated to you on your e-mail Id. Trace the e-mail sent to you from NSDL from your mailbox. Open the e-mail and

open the attachment i.e. a pdf file. The password to open the pdf file is your 8-digit Client Id for NSDL account, last 8 digits of Client Id for CDSL account or folio number for shares held in physical form. The pdf file contains your 'User Id' and your 'Initial Password'.

- ii) The Member(s) whose e-mail Id is not registered with the Company/Depository Participants, and they are not having their user Id and password, may obtain a login Id and password for casting his/her vote by remote e-voting by sending a request at evoting@nsdl.co.in or by contacting NSDL at the toll free no.1800-1020-990 mentioning their Demat Account No./Folio No.
- VI. If you are unable to retrieve or have not received the "Initial Password" or have forgotten your password:
- a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.
- VII. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
- VIII. Now, you have to click on "Login" button.
- IX. After you click on the "Login" button, Home page of e-voting will open.

Step 2: Cast your vote electronically on NSDL e-voting system:

How to cast your vote electronically on NSDL e-voting system?

- I. After successful login at Step 1, you will be able to see all the Companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
- II. Select "EVEN" of Rico Auto Industries Limited which is 135339 You wish to cast your vote during the remote e-voting period and casting your vote during the AGM. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
- III. Now you are ready for e-voting as the voting page opens.
- IV. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
- V. Upon confirmation, the message "Vote cast successfully" will be displayed.
- VI. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

- VII. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for Shareholders:

- I. Institutional Shareholders (i.e. other than Individuals, HUF, NRI etc.) are requested to send scanned copy (PDF/JPEG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote and attend the AGM, to the Scrutinizer through e-mail at csmilanmalik@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional Shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution/Power of Attorney/Authority Letter etc. by clicking on "Upload Board Resolution/Authority Letter" displayed under "e-voting" tab in their login.
- II. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
- III. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request at evoting@nsdl.co.in.

Process for those shareholders whose e-mail Ids are not registered with the depositories/company for procuring user Id and password and registration of e-mail Ids for e-voting for the resolutions set out in this notice:

- I. In case shares are held in physical mode please provide Folio No., Name of Shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by e-mail to cs@ricoauto.in.
- II. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary Id), Name, client master or copy of Consolidated Account Statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to cs@ricoauto.in. If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at Step 1 (A) i.e. Login method for e-voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
- III. Alternatively, Members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

Instructions for e-voting on the day of the AGM are as under:

- I. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- II. Only those Members, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the AGM.
- III. Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

- IV. The details of the person who may be contacted for any grievances connected with the facility for e-voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

Instructions for Members attending the AGM through VC/OAVM are as under:

- I. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-voting system. Members may access by following the steps mentioned above for Access to NSDL e-voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the notice to avoid last minute rush.
 - II. Members are encouraged to join the Meeting through Laptops for better experience. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
 - III. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
 - IV. Members who would like to express their views/ask questions during the meeting will be required to register themselves as speaker by sending their request from their registered e-mail Id, mentioning their name, DP Id and Client Id/Folio Number, Mobile Number etc. at cs@ricoauto.in by 9th September, 2025.
 - V. Only those Members who have registered themselves as speaker by 5.00 PM on 9th September, 2025 will be able to speak at the meeting depending on availability of time.
 - VI. Further, Members who would like to have their questions/queries responded during the AGM are requested to send such questions/queries in advance within the aforesaid date and time, by following similar process as stated above.
- D) The voting rights of Members shall be in proportion to their shares of the paid-up equity share capital in the Company as on cut-off date i.e. Tuesday, 9th September, 2025.
- E) A person, who acquire shares of the Company and become Member of the Company after the Company sends the Notice of 42nd AGM by e-mail and holds shares on cut-off date i.e. Tuesday, 9th September, 2025 may obtain login Id and password by sending a request at evoting@nsdl.co.in.
- F) A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through e-voting.
- G) The e-voting process shall be conducted and scrutinized and report thereon will be prepared in accordance with the provisions

of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014.

- H) Shri Milan Malik (C.P. No.16614, FCS No.9888), Partner Lexnexus Corporate Solutions LLP failing him Shri Subhash Chander Setia (C.P. No. 23681, FCS No. 3019), Partner Lexnexus Corporate Solutions LLP has been appointed by the Board of Directors of the Company as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- I) The Chairman shall, at the AGM, at the end of discussion on the resolutions allow e-voting or by way of ballot paper as the case may be, for all those Members who are participating in the AGM but have not cast their votes through the remote e-voting facility.
- J) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, unblock the votes cast through remote e-voting in presence of 2 (two) witnesses, who are not in employment of the Company and shall make, within two working days of the conclusion of the AGM, a Consolidated Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company <https://www.ricoauto.in/investor-relation.html> and on the website of NSDL www.evoting.nsdl.com and the same shall be communicated to the BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No.4

Ratification of Remuneration payable to Cost Auditors

Pursuant to the provisions of Section 148 of the Companies Act, 2013 (the Act) and the Companies (Audit and Auditors) Rules, 2014 (the Rules), the Board, based on the recommendation of the Audit Committee, at its meeting held on 12th August, 2025, has approved the appointment of M/s. MM & Associates, Cost Accountants (Firm Registration No. 000454), as the Cost Auditors of the Company for carrying out Cost Audit of the Company for the financial year 2025-26 on a total remuneration of ₹2.00 lakhs (Rupees Two lakhs only) plus applicable taxes and out of pocket expenses, if any. The remuneration payable to the Cost Auditors is required to be ratified by the Members in accordance with the provisions of the Act and Rules made thereunder. Accordingly, the consent of the Members is being sought for ratification of the remuneration payable to Cost Auditors for the financial year 2025-26.

None of the Directors and Key Managerial Personnel of the Company or their relatives, is concerned or interested, financially or otherwise, in the proposed resolution.

The Board, therefore, recommends the Ordinary Resolution as set out at Item No.4 for your approval.

Item No. 5

Appointment of M/s. PG & Associates, Practicing Company Secretaries as Secretarial Auditors of the Company for a term of five (5) consecutive years

SEBI vide notification no. SEBI/LAD-NRO/GN/2024/218 dated 12th December, 2024 has introduced 'SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024' to establish detailed norms governing the appointment, re-appointment, and removal of Secretarial Auditors in listed entities, effective from 31st December, 2024. The recent amendment mandates that the listed

companies have to obtain shareholders' approval for appointment of Secretarial Auditors.

Accordingly, the Board of Directors of the Company at their Meeting held on 12th August, 2025, based on the recommendation of the Audit Committee, approved appointment of M/s. PG & Associates, Practicing Company Secretaries, having Peer Reviewed Certificate No.6917/2025 as Secretarial Auditor of the Company, in accordance with the provisions of Section 204 of the Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Regulation 24A of the SEBI Listing Regulations and other applicable provisions, if any, for a term of Five (5) consecutive years, commencing from 1st April, 2025 till 31st March, 2030, subject to approval of the Members of the Company at the AGM.

M/s. PG & Associates is a firm founded in 2004 by CS Preeti Grover. The firm brings deep domain knowledge and extensive experience in compliance requirements for listed companies, with specialization in Secretarial Audits, Company Law matters, and SEBI Regulation. CS Preeti Grover, a distinguished name in the Company Secretaries fraternity, with over 28 years of experience. She is a certified CSR Professional, a registered Social Impact Assessor, and an expert in start-up registrations with DPIIT. She is faculty at Institute of Directors (IOD), POSH Trainer and an Independent Director in three Listed Companies.

Primarily engaged in providing auditing and assurance services, the firm is recognized for its strong command over compliance management, regulatory reporting, and delivering reliable, high-quality professional services.

The recommendations are based on the fulfilment of the eligibility criteria and qualification prescribed under the Act, rules made

thereunder and the SEBI Listing Regulations. M/s. PG & Associates, Practicing Company Secretaries, has given their consent to act as Secretarial Auditors of the Company and holds a valid Peer Review Certificate issued by the Peer Review Board of the Institute of Company Secretaries of India ("ICSI") and they are not disqualified from being appointed as Secretarial Auditors and have no conflict of interest. M/s. PG & Associates has furnished a declaration that they have not taken up any prohibited non-secretarial audit assignments for the Company, its holding and Subsidiary Companies.

The Board has approved remuneration of ₹2,10,000/- for conducting the audit for the financial year 2025-26, excluding applicable taxes. The Board of Directors has authorised Chairman and Managing Director of the Company to alter and vary the terms and conditions of appointment, including remuneration, in such manner and to such extent as may be mutually agreed with the Secretarial Auditors.

None of the Directors and Key Managerial Personnel of the Company or their relatives, is concerned or interested, financially or otherwise, in the proposed resolution.

The Board, therefore, recommends the Ordinary Resolution as set out at Item No.5 for your approval.

By Order of the Board
for **Rico Auto Industries Limited**

Ruchika Gupta
Company Secretary
FCS No. 6456

Place : Gurugram
Date : August 12, 2025

**RICO AUTO INDUSTRIES LIMITED**

CIN : L34300HR1983PLC023187

Regd. & Corp. Office: 38 KM Stone, Delhi-Jaipur Highway, Gurugram - 122001, Haryana
Tel: +91 124 2824000, Fax: +91 124 2824200, E-mail: cs@ricoauto.in, Website: www.ricoauto.in**Attendance Slip**

(To be presented at the entrance)

I hereby record my presence at the 42nd Annual General Meeting of the Company held on Tuesday, the 16th day of September, 2025 at 12.00 Noon at the Registered Office of the Company at 38 KM Stone, Delhi-Jaipur Highway, Gurugram - 122001, Haryana.

Folio No. DP ID No. Client ID No. No. of Shares Held

Name of the Member Signature

Name of the Proxyholder Signature

1. Only Member/Proxyholder can attend the Meeting.

2. Signature of Member/Proxyholder should be as per specimen registered/recorded with the Company/RTA/Depository.

RICO AUTO INDUSTRIES LIMITED

CIN : L34300HR1983PLC023187

Regd. & Corp. Office: 38 KM Stone, Delhi-Jaipur Highway, Gurugram - 122001, Haryana
Tel: +91 124 2824000, Fax: +91 124 2824200, E-mail: cs@ricoauto.in, Website: www.ricoauto.in**Proxy Form (MGT-11)**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s) :

Registered Address :

E-mail ID :

Folio No. DP ID No. Client ID No.

I/We, being the Member(s) of Rico Auto Industries Limited, holding Shares hereby appoint:

1. Name : E-mail ID :

Address : Signature : , or failing him/her

2. Name : E-mail ID :

Address : Signature : , or failing him/her

3. Name : E-mail ID :

Address : Signature :

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 42nd Annual General Meeting of the Company, to be held on Tuesday, the 16th day of September, 2025 at 12.00 Noon at the Registered Office of the Company at 38 KM Stone, Delhi-Jaipur Highway, Gurugram - 122001, Haryana and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	Optional*	
		For	Against
Ordinary Business			
1.	Adoption of the Audited Standalone and Consolidated Financial Statements for the year ended 31 st March, 2025 together with the Reports of Directors' and Auditor's thereon.		
2.	To declare the dividend on Equity Shares for the financial year ended 31 st March, 2025. The Board has recommended dividend @ 50 per cent i.e. ₹0.50 (Fifty paise) per Equity Share of ₹1/- each.		
3.	To appoint a Director in place of Shri Rajiv Kumar Miglani (DIN:06873155), who retires by rotation and being eligible, offers himself for re-appointment.		
Special Business			
4.	Ratification of Remuneration payable to Cost Auditors M/s. MM & Associates, Cost Accountants, Firm Registration No.000454.		
5.	Appointment of M/s. PG & Associates, Practicing Company Secretaries, as Secretarial Auditors of the Company for a term of five (5) consecutive years.		

Signed this day of 2025

Signature of the Member

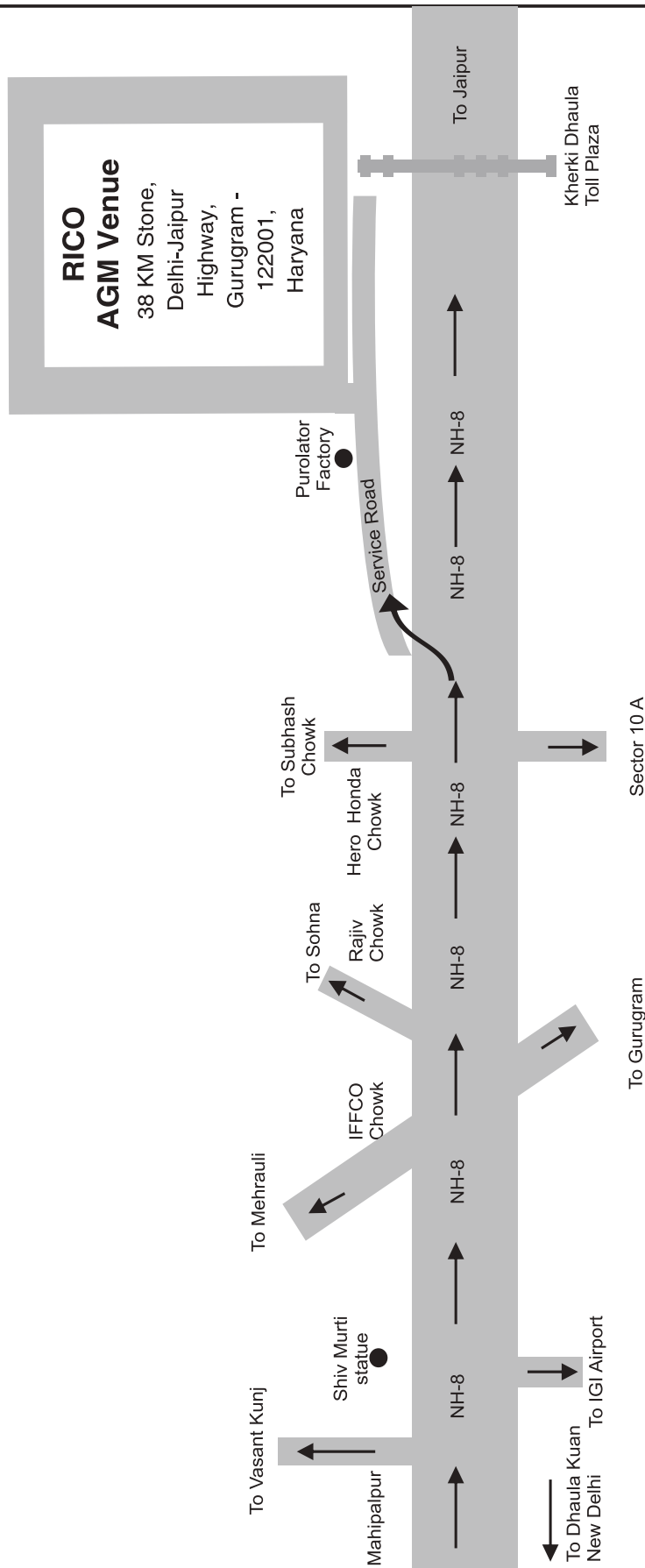
Signature of Proxyholder(s)

Affix
Revenue
Stamp**Notes:**

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting (by 12.00 Noon on 14th September, 2025).
- For the Resolutions, Explanatory Statement and Notes please refer to the Notice of the 42nd Annual General Meeting.
- *It is optional to put a tick (✓) mark in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- Please complete all details including details of Member(s) in above box before submission to the Company.

ROUTE MAP

SHOWING DIRECTION TO REACH THE VENUE OF 42ND AGM



(Refer Note 10 of the Notice of 42nd AGM)

COMMUNICATION ON TAX DEDUCTION AT SOURCE (TDS) ON DIVIDEND DISTRIBUTION

Pursuant to the provisions of the Income Tax Act, 1961, ("the Act"), dividends paid or distributed by the Company after 1st April, 2020 shall be taxable in the hands of the shareholders. The Companies are required to deduct tax at source at the time of payment of dividends to shareholders. The rate of deduction of tax depends on residential status of the shareholder, the documents submitted by the shareholder and accepted by the company.

Please take note of the below TDS provisions and information/document requirements for each Shareholder:

Section 1: For all Members - Details that should be completed and/or updated, as applicable.

All Members are requested to ensure that the below details are completed and/or updated, as applicable, in their respective demat account/s maintained with the Depository Participant/s; or in case of shares held in physical form, with the Company, by 9th September, 2025. Please note that these details as available on Book Closure Date will be relied upon by the Company, for the purpose of complying with the applicable TDS provisions:

- I. Valid Permanent Account Number (PAN)
- II. Residential status as per the Act i.e. Resident or Non-Resident for FY 2024-25.
- III. Category of the Member:
 - i. Mutual Fund
 - ii. Insurance Company
 - iii. Alternate Investment Fund (AIF) Category I and II
 - iv. AIF Category III
 - v. Government (Central/State Government)
 - vi. Foreign Portfolio Investor (FPI)/Foreign Institutional Investor (FII): Foreign Company
 - vii. FPI/FII: Others (being Individual, Firm, Trust, AJP, etc.)
 - viii. Individual
 - ix. Hindu Undivided Family (HUF)
 - x. Firm
 - xi. Limited Liability Partnership (LLP)
 - xii. Association of Persons (AOP), Body of Individuals (BOI) or Artificial Juridical Person (AJP)
 - xiii. Trust
 - xiv. Domestic Company
 - xv. Foreign Company
- IV. E-mail Address
- V. Address

Section 2: TDS provisions and documents required, as applicable for relevant category of Members.

Members are requested to take note of the TDS rates and document/s, if any, required to be submitted to the Company by 9th September, 2025 for their respective category, in order to comply with the applicable TDS provisions.

- I. **For Resident Members:**
 - i. **Mutual Funds:** No TDS is required to be deducted as per the Act subject to specified conditions. Self-attested copy of valid SEBI registration certificate needs to be submitted.
 - ii. **Insurance Companies:** No TDS is required to be deducted as per the Act subject to specified conditions. Self-attested copy of valid IRDA registration certificate needs to be submitted.
 - iii. **Category I and II Alternative Investment Fund:** No TDS is required to be deducted as per the Act subject to specified conditions. Self-attested copy of valid SEBI registration certificate needs to be submitted.
 - iv. **Recognised Provident Funds:** No TDS is required to be deducted as per Circular No.18/2017 subject to specified conditions. Self attested copy of a valid order from Commissioner under Rule 3 of Part A of Fourth Schedule to the IT Act, or Self-attested valid documentary evidence (e.g. relevant copy of registration, notification, order, etc.) in support of the provident fund being established under a scheme framed under the Employees' Provident Funds Act, 1952 needs to be submitted.

- v. **Approved Superannuation Fund:** No TDS is required to be deducted as per Circular No.18/2017 subject to specified conditions. Self attested copy of valid approval granted by Commissioner under Rule 2 of Part B of Fourth Schedule to the IT Act needs to be submitted.
- vi. **Approved Gratuity Fund:** No TDS is required to be deducted as per Circular No.18/2017 subject to specified conditions. Self attested copy of valid approval granted by Commissioner under Rule 2 of Part C of Fourth Schedule to the IT Act needs to be submitted.
- vii. **National Pension Scheme:** No TDS is required to be deducted as per Sec 197A (1E) of the IT Act.
- viii. **Government (Central/State):** No TDS is required to be deducted as per Sec 196(i) of the IT Act.
- ix. **Any other entity entitled to exemption from TDS:** Valid self-attested documentary evidence (e.g. relevant copy of registration, notification, order, etc.) in support of the entity being entitled to exemption from TDS needs to be submitted.
- x. **Other Resident Members:**
 - a) TDS is required to be deducted at the rate of 10% u/s 194 of the IT Act.
 - b) No TDS is required to be deducted, if aggregate dividend distributed or likely to be distributed during the financial year to individual shareholder does not exceed ₹10,000/- (Rupees Ten Thousand only). Normal dividend/s declared in the preceding financial year 2023-24 would be considered as the basis to determine applicability of the said threshold for the entire financial year.
 - c) No TDS is required to be deducted on furnishing of valid Form 15G (for individuals, with no tax liability on total income and income not exceeding maximum amount which is not chargeable to tax) or Form 15H (for individual above the age of 60 years with no tax liability on total income). As per Finance Act, 2023, the new taxation regime under Section 115BAC of the Act is the default tax regime. Accordingly, we shall consider the forms for exemption only in cases where the estimated total income in case of 15G is <= ₹4,00,000/- and in case of 15H is <= ₹12,00,000/- as per provisions of Section 197A of the Act.
 - d) TDS is required to be deducted at the rate of 20% u/s 206AA of the IT Act, if valid PAN of the shareholder is not available.
 - e) TDS is required to be deducted at the rate prescribed in the lower tax withholding certificate issued u/s 197 of the Act, if such valid certificate is provided.
 - f) TDS shall be deducted at the rate of 20% u/s 206AA of the IT Act, if the shareholder is a specified person within the meaning of Sec. 206AB(3). However, in term of Circular No. 11 of 2021 dated 21st June, 2021, if the specified person files a valid return of income (filed & verified) for Assessment Year 2023-24 or 2024-25 during the financial year 2025-26 before the Book Closure date, then he will not be treated as specified person and tax shall be deducted @10%.

II. For Non-resident Members:

- i. **FPI and FII:** TDS is required to be deducted at the rate of 20% (plus applicable surcharge and cess) u/s 196D of the IT Act on the entire amount of dividend to be received by the shareholder without any threshold.
- ii. **Any entity entitled to exemption from TDS:** Valid self-attested documentary evidence (e.g. relevant copy of registration, notification, order, etc. by Indian tax authorities) in support of the entity being entitled to exemption from TDS needs to be submitted.
- iii. **Other Non-resident Members:**
 - a) TDS is required to be deducted at the rate of 20% (plus applicable surcharge and cess) u/s 195 of the IT Act.
 - b) Shareholder may be entitled to avail lower TDS rate as per Double Tax Avoidance Treaty (DTAA) between India and the country of tax residence of the shareholder as modified by Multilateral Instrument ('MLI') on furnishing the below specified documents:
 - 1) Self-attested copy of PAN;
 - 2) Self-attested copy of valid Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the shareholder is a resident;
 - 3) Self-declaration in Form 10F; and
 - 4) Self-declaration on letterhead of having no Permanent Establishment in India, Beneficial ownership of shares and eligibility to claim treaty benefits (as per Annexure 1 to this Communication).
 - c) TDS is required to be deducted at the rate prescribed in valid lower tax withholding certificate issued u/s 197 of the IT Act, if such valid certificate is provided, except in case of FII and FPI whose TDS is to be effected u/s 196(D).
 - d) In case of FII and FPI, copy of SEBI registration certificate.

Details and/or documents as mentioned above in Section 1 and Section 2, as applicable to the Member, need to be sent, duly completed and signed, through registered e-mail address of the Member with PAN being mentioned in the subject of the e-mail to reach by 9th September, 2025. Please note that no communication this regard, shall be accepted post 9th September, 2025.

Section 3: Other general information for the Members:

- I. For all self-attested documents, Members must mention on the document "certified true copy of the original". For all documents being sent/accepted by e-mail, the Member undertakes to send the original document/s on request by the Company.

- II. In case, the dividend income is assessable to tax in the hands of a person other than the registered Member as on the Book Closure Date, the registered Member is required to furnish a declaration containing the name, address, PAN of the person to whom TDS credit is to be given and reasons for giving credit to such person as per Rule 37BA of the Income Tax Rules, 1962.
- III. Shareholders holding Equity Shares under multiple accounts under different status/ category and single PAN, may note that higher of the tax as applicable to the status in which shares held under a PAN will be considered on their entire holding in different accounts.
- IV. TDS deduction certificate will be sent to the Members' registered email address in due course.
- V. Surcharge will be levied as per rates applicable for the financial year 2024-25.
- VI. Normal dividend/s declared in the preceding financial year 2023-24 would be considered as the basis to determine applicability of the surcharge rate.
- VII. Health and Education Cess of 4% is applicable for financial year 2024-25 for non-residents.
- VIII. Application of TDS rate is subject to necessary due diligence and verification by the Company of the shareholder details as available in register of Members on the Book Closure Date, documents, information available in public domain, etc. In case of ambiguous, incomplete or conflicting information, or the valid information/documents not being provided, the Company will arrange to deduct tax at the maximum applicable rate.
- IX. In case TDS is deducted at a higher rate, an option is still available with the shareholder to file the return of income and claim an appropriate refund, if eligible.
- X. In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided/to be provided by the Member/s, such Member/s will be responsible to indemnify the Company and also, provide the Company with all information/documents and co-operation in any appellate proceedings.

Disclaimer: The information set out herein above is included for general information purposes only and does not constitute legal or tax advice. Since the tax consequences are dependent on facts and circumstances of each case, the investors are advised to consult their own tax consultant with respect to specific tax implications arising out of receipt of dividend.

(Refer Section 2(II)(iii)(b)(4) of above Communication on TDS on Dividend Distribution)

ANNEXURE 1

FORMAT FOR DECLARATION FOR CLAIMING BENEFITS UNDER DTAA

Date:.....

To,
Rico Auto Industries Limited
38 KM Stone, Delhi-Jaipur Highway
Gurugram-122001, Haryana
E-mail: cs@ricoauto.in

Subject: Declaration for eligibility to claim benefit under Double Taxation Agreement between Government of India and Government of (mention country of tax residency) ("DTAA"), as modified by Multilateral Instrument ("MLI"), if applicable

With reference to above, I/We wish to declare as below:

1. I/We, (Full name of the shareholder), having Permanent Account Number (PAN) under the Indian Income Tax Act, (mention PAN), and holding (mention number of shares held) number of shares of the Company under demat account number/folio number as on the Cut off date 9th September, 2025, am/are a tax resident of..... (country name) in terms of Article 4 of the DTAA as modified by MLI (if applicable) and do not qualify as a 'resident' of India under section 6 of the Indian Income Tax Act, 1961 ("the IT Act"). A copy of the valid tax residency certificate for (period), which is valid as on the Book Closure Date, is attached herewith.
2. I/We am/are eligible to be governed by the provisions of the DTAA as modified by MLI (if applicable), in respect of the dividend income and entitled to claim treaty benefits including but not limited to the Principal Purpose Test (PPT), Limitation of Benefit Clause (LOB), Simplified Limitation of Benefits (SLOB), period of holding of shares etc. as applicable. I/We specifically confirm that my/our affairs were not arranged such that the main purpose for the principal purpose thereof was to obtain tax benefits available under the applicable tax treaty.
3. I/We am/are the legal and beneficial owner of [No. of Shares] shares held in the Company. Further, I/We am/are the beneficial owner of dividend income to be received from the Company in respect of aforementioned shares.
4. I/We am/are tax resident of (mention country of tax residency) and assessed therein as a tax resident and I/We am/are not a fiscally transparent entity.
5. I/We do not have a Permanent Establishment ("PE") in India in terms of Article 5 of the DTAA as modified by MLI (if applicable) or a fixed base in India and the amounts paid/payable to me/us, in any case, are not attributable to the PE or fixed base, if any, which may have got constituted otherwise.
6. I/We do not have a PE in a third country and the amounts paid/payable to me/us, in any case, are not attributable to a PE in third jurisdiction, if any, which may have got constituted otherwise.
7. I/We do not have a Business Connection in India according to the provisions of section 9(1)(i) of the Act and the amounts paid/payable to me/us, in any case, are not attributable to business operations, if any, carried out in India.
8. We do not have a Place of Effective Management [under section 6(3) of the IT Act] in India (if shareholder is a Company).

I/We hereby certify that the declarations made above are true and bonafide. In case in future, any of the declarations made above undergo a change, I/we undertake to promptly intimate you in writing of the said event. You may consider the above representations as subsisting unless intimated otherwise.

I/We in the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by me/us, I/we will be responsible to pay and indemnify such income tax demand (including interest, penalty etc.) and provide the Company with all information/documents that may be necessary and co-operate in any proceedings before any income tax/appellate authority.

For (Mention the name of the payee)

Authorised Signatory

(Name of the person signing)

(Designation of the person signing)

DIRECTORS' REPORT

To the Shareholders,

Your Directors take pleasure in presenting the 42nd Annual Report of your Company, together with the Audited Financial Statements for the year ended 31st March, 2025.

FINANCIAL RESULTS

(₹ in Crores)

Particulars	Standalone		Consolidated	
	Current Year 2024-25	Previous Year 2023-24	Current Year 2024-25	Previous Year 2023-24
Total Revenue	1641.49	1682.39	2225.21	2174.46
Profit before Interest, Depreciation and Exceptional Items	164.94	192.38	201.28	236.75
Interest and Financial Charges	40.41	45.51	55.99	58.24
Profit before Depreciation, Exceptional Items and Tax	124.53	146.87	145.29	178.51
Depreciation	88.91	103.85	101.56	118.50
Profit before Exceptional Items and Tax	35.62	43.02	43.73	60.01
Exceptional Items	1.14	2.58	1.14	2.58
Profit/(Loss) before Tax (PBT)	34.48	40.44	42.59	57.43
Tax Expense	11.57	9.59	21.18	18.49
Profit after Tax	22.91	30.85	21.41	38.94
Other Comprehensive Income (net of tax)	(4.13)	2.74	(3.41)	2.57
Total Comprehensive Income	18.78	33.59	18.00	41.52

STATE OF COMPANY'S AFFAIRS

On Standalone basis revenue from operations is ₹1,641.5 crores. The Profit After Tax stood at ₹22.91 crores and the EBITDA margin is 10.1%. During the year our sales grew marginally by 2.3%, despite the ongoing global challenges, which reduced our exports by approximately ₹100 crores compared to the previous year. Consolidated Total Revenue stood at ₹2,225.2 crores compared to ₹2,174.5 crores in the previous year. The Profit After Tax stood at ₹21.41 crores, as against ₹38.94 crores in the previous year. The EBITDA margin was down to 9.0%, from 10.9% in the previous financial year.

Your Company's performance remained stable despite facing macroeconomic headwinds, supply chain disruptions and geopolitical uncertainties during the financial year 2024-25. We successfully expanded our presence in the Hybrid Vehicle Segment, which is beginning to deliver good results. Additionally, we have strengthened our business relationships with key OEMs such as Maruti Suzuki, BMW, Toyota, Tata, AISIN, Musashi and Hero. The Company has created a new Non-Automotive business vertical to focus on-Railways and CNC Machines. Railways product portfolio would include manufacturing high-quality cast & machined components for Tracks, Wagons & Carriages utilizes the current surplus capacities. Supplies have already started.

Over the past two decades, the Company has built a strong reputation as a reliable exporter of critical components, underpinned by robust quality systems. To effectively support and manage its international clientele, the Company has established a comprehensive network of warehousing facilities in Europe (Germany, France) and USA (Detroit, North Carolina) and business representations across key global markets. The Company recorded an export turnover of ₹326.86 crores during the year under review compared to ₹426.43 crores in the previous year. This decline was primarily attributable to a global slowdown in Electric Vehicle (EV) sales. Despite this, the Company has continued to strengthen its focus on export segment and has secured new export business from leading global customers, namely GKN, Knorr-Bremse, Daimler and Cummins which will grow our exports by 20% in the current Financial year.

Further details as regards the efforts of your Company have been mentioned in the Management Discussion and Analysis section of this report.

OUTLOOK OF THE COMPANY

The global automotive industry is undergoing significant transformation, driven by advancements in Internal Combustion Engine (ICE), CNG, Hybrid Electric, Plug in Hybrid Battery Electric, Flex Fuel and Fuel Cell Electric Vehicles. The Company is well-positioned to capitalize on these emerging trends by leveraging its technological expertise and robust capabilities.

Your Company anticipates good growth over the next few years driven by an increase in demand of components for Hybrid, Electric and ICE vehicles for Domestic and Export markets. We have new additional confirmed orders of ₹720 crores peak sales per annum from Maruti, TATA, Toyota, Musashi, Knorr Bremse, AISIN, GKN etc. over and above current production. Currently these programs are under development and will go into SOP starting current FY and will touch their peak volume by 2027.

We are expanding our businesses by strengthening development of system level products, braking system competencies and structural parts. In addition, exploring new domestic and international markets by delivering innovative Engineering and Manufacturing solutions to achieve our goals.

The first quarter ended 30th June, 2025, recorded a total revenue of ₹389.83 crores as against the total revenue of ₹399.96 crores in the corresponding quarter of the previous year. Consequently, the profit after tax stood at ₹4.54 crores for the first quarter as against the profit of ₹3.43 crores in the corresponding quarter of the previous year. The Company is confident of improving the turnover and margin during the remaining part of the year.

DIVIDEND

Your Directors are pleased to recommend for your approval a Dividend @ 50 percent i.e. ₹0.50 per Equity Share of ₹1/- each for the financial year 2024-25 amounting to ₹6.76 crores on the equity share capital of

₹13.53 crores. The dividend payout is as per Dividend Distribution Policy which is available on the website of the Company at <https://ricoauto.com/files/Dividend%20Distribution%20Policy.pdf>.

TRANSFER TO RESERVES

During the year under review, no amount has been transferred to the Reserves.

SHARE CAPITAL

The Paid-up Share Capital as on 31st March, 2025 was ₹13,52,85,000/- divided into 13,52,85,000 equity shares of ₹1/- each. During the year under review, your Company has neither issued shares with Differential Voting Rights nor granted Stock Options or Sweat Equity. The Authorised Share Capital of your Company is ₹270.00 crores.

CREDIT RATING

CRISIL Ratings Limited, Credit Rating Agency has assigned its 'CRISIL A/Stable/CRISIL A1' ratings to the bank facilities of Rico Auto Industries Limited based on a consolidated view of the Company and its Subsidiaries business on the back of their similar business profile, Common Treasury and Management Team and the instrument wise rating actions are given below:

Total Bank Loan Facilities Rated	₹615 Crores
Long Term Rating	CRISIL A/Stable (Assigned)
Short Term Rating	CRISIL A1 (Assigned)

PLANTS AND FACILITIES

The Company has well developed modern flexible manufacturing facilities to meet customer expectations. These facilities are geographically spread to strategically located and de-risk its operations. The Company has launched various new businesses for optimum utilization of its existing capacities.

The Company has continually increased the use of renewable sources both from Solar and Wind energy in its plants. This will support our target of reducing carbon footprint and also savings in energy cost.

The readiness of the upcoming new Facility at SIPCOT Industrial Park, Shoolagiri, **Hosur**, Tamilnadu is in progress and expected to start its commercial production during Q4 of the current financial year. This will cater to the requirements of Toyota, AISIN and other OEMs in southern region primarily for Hybrid and EVs.

The details of Plants and Facilities are given in the Corporate Governance Report.

CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to Section 129(3) of the Companies Act, 2013 read with rules made thereunder the appended Audited Consolidated Financial Statements of the Subsidiaries and the Joint Venture Company forms part of the Annual Report.

A Statement containing salient features of the financial statements of Subsidiaries and Joint Venture Company has been provided in Form AOC-1 which is annexed and forms part of this Report.

Further, audited financial statements of the Subsidiaries and Joint Venture Company have also been placed on the website link of the Company <https://www.ricoauto.in/investor-relation.html>.

The Company will make available these documents upon request by any member of the Company interested in obtaining the same.

SUBSIDIARY AND JOINT VENTURE COMPANIES

Your Company has seven (7) Subsidiaries. There was no material change in the nature of the business of any Subsidiary Company. Pursuant to SEBI (LODR) Regulations, 2015, Rico Jinfei Wheels

Limited and Rico Fluidtronics Limited are material subsidiaries of the Company.

Amalgamation of Subsidiaries – Rico Fluidtronics Limited with Rico Jinfei Wheels Limited

The Hon'ble National Company Law Tribunal, Chandigarh ("NCLT"), vide its order dated 1st July, 2025, has approved the scheme of amalgamation of M/s. Rico Fluidtronics Limited with and into M/s. Rico Jinfei Wheels Limited, with appointed date being 1st April, 2023. The certified copy of order received on 4th July, 2025.

A. Rico Fluidtronics Limited (Merged with Rico Jinfei Wheels Limited vide NCLT Order dated 1st July, 2025)

This Company is in the business of supplying Oil and Water Pumps for PV and CV applications. The key customers are Maruti Suzuki, Mahindra & Mahindra, Renault Nissan and Volvo. During the year under review, this Company has recorded a total revenue of ₹258.99 crores as against ₹223.72 crores in the previous year. This Company has earned a profit after tax of ₹21.48 crores as against profit after tax of ₹17.52 crores in the previous year. The Company has installed additional manufacturing capacities to support additional volumes of expanding business.

The Company has declared and paid a dividend of ₹19.43 crores on Equity Share of ₹10/- each during the Financial year 2024-25.

During the financial year and period under review, your Company has not made an additional investment in this Subsidiary.

B. Rico Jinfei Wheels Limited (Subsidiary and Joint Venture)

This Company is a Material Subsidiary of your Company, specialize in designing and producing light weight, durable, and aesthetically superior alloy wheels for scooters, motorcycles, and electric two-wheelers. Our in-house R&D team collaborates with key customers like Hero, Bajaj and Honda to develop custom designs that align with evolving market trends and rider preferences. This Company has recorded a total turnover of ₹387.98 crores during the financial year ended 31st March, 2025 as against ₹312.57 crores in the previous year. This Company has made a net loss of ₹6.26 crores as against the profit of ₹2.25 crores in the previous year. This was due to one time loss of ₹6.87 crores on sale of asset during the year.

Further, this Company has recorded a total turnover (Post Merger) of ₹159.14 crores for the quarter ended 30th June, 2025. The Company has earned Profit after tax (Post Merger) of ₹8.02 crores for the quarter ended 30th June, 2025.

During the financial year and period under review your Company has not made an additional investment in this Subsidiary.

C. AAN Engineering Industries Limited

AAN, an AS 9100D Certified Company, defines it as a "Manufacturer of Precision Machined Components & Assemblies" including systems for the Aerospace, Naval and Defence Industry and all other forces.

AAN offers an extensive array of services for the manufacture of components/sub-systems and system sheet metal within the Defence, Naval & Aerospace Industry. These include Design and Development of Tooling, Casting, Machining and Assembly, supported by CAD, CAM, CAE and R&D testing facilities. AAN works with a wide range of Raw Materials - Aluminum Alloy, Alloy Steel and High Manganese Steel and Raw Material/Castings as required by the client.

AAN Engineering as a part of consortium has partnered with a leading OEM of Containerized Shooting Ranges and is one of the key shortlisted companies by the Ministry of Defence

permitted to participate in these tenders which are being handled under Make in India programmes. The Company has set up a new state of art production facility for manufacturing of Indoor Containerised Shooting Range, and is in the process of fulfilling several tenders which it has won.

The Company also has signed Transfer of Technology (ToT) with TBRL (DRDO) for Design & Manufacturing of Baffle Shooting Ranges for Indian and Global Armed forces. This positions the Company as DRDO key strategic industry partner and supplier for niche technology globally. There is growing demand and requirement of Baffles Ranges across Indian Armed & Paramilitary forces and the Company is fully geared to deliver the same. The Company has also acquired a Defence Industrial License for the same and has completed site inspection of numerous defence sites as part of validation and design consultancy, thereby paving the way for upcoming tenders of these ranges.

AAN is already empaneled and registered with the Special Products division of Electronics Corporation of India Limited (ECIL), Hyderabad, Bharat Electronics Limited (BEL), Pune, Bharat Earth Movers Limited (BEML), Bangalore, Engine Divisions of Hindustan Aeronautical Limited (HAL) (Bangalore, Nasik and Koraput), Heavy Vehicles Factory (HVF) Avadi, Army Base Workshop, Army Directorate of Indigenization and various Ordnance Factories and has a Defence Industrial License for Ammunition manufacturing due to which it is placed favorably as a supplier to all.

AAN embodies your Company's Defence Outfit and Strategic Investment. With the mission Atma Nirbhar Bharat, more involvement with Defence sector is foreseen.

During the year under review, the Company recorded a total revenue of ₹9.49 crores as against ₹16.34 crores in the previous year. During the year, the Company has earned a profit after tax of ₹1.40 crores as against a profit of ₹1.09 crores in the previous year.

This Subsidiary has recorded a total revenue of ₹5.85 crores in the first quarter ended 30th June, 2025 as against ₹0.64 crore in the corresponding quarter of the previous year. The Company earned a profit after tax of ₹0.49 crore for the first quarter ended 30th June, 2025 as against ₹0.02 crore in the corresponding quarter of the previous year.

During the financial year and period under review your Company has not made an additional investment in this Subsidiary.

D. Rico Friction Technologies Limited

The Company is engaged in manufacturing of Friction material for Automotive application. This Company has recorded a total turnover of ₹6.92 crores during the financial year ended 31st March, 2025 as against ₹4.22 crores in the previous year. This Company has earned a profit after tax of ₹1.75 crores in the financial year ended 31st March, 2025 as against the profit after tax of ₹0.82 crore in the previous year. This Company has declared and paid final dividend of ₹0.98 crore (90%) of ₹9.00 per Equity Share of ₹10/- each for the financial year 2024-25.

Further, this Company has recorded a total turnover of ₹1.56 crores for the quarter ended 30th June, 2025 as against ₹1.56 crores in the corresponding quarter of the previous year. The Company has earned a profit after tax of ₹0.34 crore for the quarter ended 30th June, 2025 as against the profit after tax of ₹0.37 crore in the corresponding quarter of the previous year.

During the financial year and period under review your Company has not made an additional investment in this Subsidiary.

E. Rico Auto Industries Inc., USA

This Company is engaged in the business of trading of Auto Components and providing warehousing, logistics and last mile support to our OEM and Tier-I Customers in North America, Mexico and Brazil for goods manufactured by your Company.

The Company recorded a total turnover of ₹122.39 crores during the financial year ended 31st March, 2025 as against ₹155.33 crores in the previous year. The Company earned a profit after tax of ₹1.04 crores in the financial year ended 31st March, 2025 as against ₹1.51 crores in the previous year. The Company has not declared any dividend for the financial year ending 31st March, 2025.

This Subsidiary has achieved a total turnover of ₹36.42 crores for the first quarter ended 30th June, 2025 as against ₹29.33 crores in the corresponding quarter of the previous year. The Company earned a profit after tax of ₹0.27 crore for the first quarter ended 30th June, 2025 as against a profit after tax of ₹0.12 crore in the corresponding quarter of the previous year. During the financial year and period under review, your Company has not made an additional investment in this Subsidiary.

F. Rico Auto Industries (UK) Limited, U.K.

There is a change of business model of your Company according to which it has started direct supplies to many of the European Customers after Brexit. The Company incurred a loss of ₹0.62 crore in the financial year ended 31st March, 2025 as against loss of ₹0.51 crore in the previous year.

G. Rico Care Foundation (Section 8 Company)

Your Company's investment in this Company stands at ₹2,99,000/- (59.80% of the total paid-up capital) as on 31st March, 2025. The Company is registered under Section 8 of the Companies Act, 2013 and is undertaking Corporate Social Responsibility (CSR) activities on behalf of Rico Group Companies.

The financials of the aforesaid Company have not been considered for consolidation in the accounts of your Company.

ASSOCIATE COMPANIES

A. Roop Ram Industries Private Limited

This Company is associated with your Company as per the terms and conditions of the Power Purchase Agreement (PPA) for supply of Sustainable Solar Power. There is no change in investment of ₹2.43 crores (24,34,640 fully paid-up equity shares of ₹10/- each, 26% of the total paid-up capital) during the year. From 17th February, 2022, your Company has started procuring 1.40 crores units per year of Solar Power from the said Company resulting in an approximate savings of ₹1.80 crores annually.

The financials of the aforesaid Associate Company have not been considered for consolidation in the accounts of your Company.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT (MDA)

Pursuant to Regulation 34(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, MDA is annexed which forms part of this Report.

RISK MANAGEMENT

Business risk evaluation and its management is an ongoing process within the Company. The Board has constituted a Risk Management Committee to frame, implement, monitor and review the Risk Management Policy and to ensure its effectiveness. Details of the Risk Management Committee are given in the Corporate Governance Report. The policy is available on the website link of the Company <https://ricoauto.in/files/Key%20Policies.pdf>. The Audit Committee has an additional oversight on the financial risks and controls.

HUMAN RESOURCES

Please refer to the paragraphs on Human Resources in the Management Discussion & Analysis section for detailed analysis.

During the year under report, the Industrial relations with personnel remained cordial, at all Plants.

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace and has in place an Internal Complaint Committee to redress the complaints and circumstances regarding the behavior of sexual harassment at workplace. The Policy for the same is placed on the intranet for the benefit of its employees. There were no complaints received from any employee during the year under review.

PARTICULARS OF EMPLOYEES AND REMUNERATION

The information required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1), Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended and forming part of this Report for the year ended 31st March, 2025 are set out in the Annexure of this Report.

However, the Annual Report, excluding the Annexure, is being sent to the Members of the Company in terms of the provisions of Section 136 of the Companies Act, 2013. A Member who is interested in obtaining these particulars may write to the Company Secretary at cs@ricoauto.in.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (BRSR)

The Business Responsibility and Sustainability Report (BRSR) as prescribed by the SEBI Listing Regulations, 2015 has been prepared and forms part of this Annual Report for the financial year 2024-25.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The adequacy of Internal Financial Controls is discussed in Management Discussion and Analysis, which forms part of this Report.

CORPORATE GOVERNANCE

A separate report on Corporate Governance containing General Shareholders information, along with the Certificate from Practicing Company Secretary regarding compliance of conditions of Corporate Governance as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed as a part of this Report.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

The Board consists of Ten Directors - Four Executive Directors, one Non-Executive Non-Independent Director and Five Non-Executive Independent Directors including one Woman Independent Director. They all have considerable experience in their respective fields. The Chairman of the Board is an Executive Director.

During the year, Ms. Shikha Kapur has been appointed as Non-Executive Non-Independent Director on 1st April, 2024. Shri Prabhakar Kadapa and Shri Kanav Monga were appointed as Independent Directors of the Company on 30th September, 2024 and 3rd October, 2024 respectively. Shri Arvind Kapur, was re-appointed as Chairman, CEO & Managing Director. The appointments have been approved and regularised by the Shareholders through the Postal Ballot, the details of which forms part of Corporate Governance Report.

In accordance with the provisions of the Companies Act, 2013, Shri Rajiv Kumar Miglani (DIN:06873155), Executive Director of the Company will retire by rotation at the forthcoming AGM and

who being eligible, has offered himself for re-appointment. A brief resume of Shri Rajiv Kumar Miglani is given in the Notice of the AGM.

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on 31st March, 2025 are:

- i) Shri Arvind Kapur, Chairman, CEO and Managing Director;
- ii) Shri Kaushalendra Verma, Whole-time Director (Designated as Executive Director);
- iii) Shri Rajiv Kumar Miglani, Whole-time Director (Designated as Executive Director);
- iv) Shri Samarth Kapur, Whole-time Director (Designated as Executive Director);
- v) Shri Rakesh Kumar Sharma, Chief Financial Officer; and
- vi) Ms. Ruchika Gupta, Company Secretary & Compliance Officer.

DECLARATION BY INDEPENDENT DIRECTORS AND STATEMENT ON COMPLIANCE OF THE CODE OF CONDUCT

All Independent Directors of the Company have given declarations under Section 149(7) of the Act, that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations. In terms of Regulation 25(8) of the SEBI Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence. The Independent Directors of the Company have undertaken requisite steps towards the inclusion of their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs, in terms of Section 150 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

In the opinion of the Board, the Independent Directors possess the requisite expertise and experience and are persons of high integrity and repute. They fulfill the conditions specified in the Act read alongwith the Rules made thereunder and are independent of the Management.

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors have carried out the annual evaluation of its own performance, the Individual Directors including the Chairman as well as the evaluation of the working of its committees. The evaluation of Board as a whole and Non-Independent Directors including Chairman was done by the Independent Directors in their meeting held on 20th February, 2025. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

BOARD MEETINGS

During the year under review, Six Board Meetings were held, and one separate meeting of Independent Directors was held, the details of which forms part of Corporate Governance Report.

AUDIT COMMITTEE

Your Company has an Audit Committee to meet the requirements of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Details of the Audit Committee are given under the Corporate Governance Report. There are no recommendations of the Audit Committee which were not accepted by the Board.

NOMINATION AND REMUNERATION COMMITTEE

Your Company has in place a duly constituted Nomination and Remuneration Committee to meet the requirements of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing

Obligations and Disclosure Requirements) Regulations, 2015. Details of the Nomination and Remuneration Committee are given under the Corporate Governance Report.

The Board has framed (i) Policy on Board Diversity; and (ii) Nomination & Remuneration Policy which lays down a framework in relation to the remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. This policy also lays down criteria for selection and appointment of Board Members. This Policy is placed on the website link of the Company <https://ricoauto.in/files/Key%20Policies.pdf>.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

In accordance with the requirements of Section 135 of the Companies Act, 2013, the amount to be spent during the financial year 2024-25, worked out to be ₹68.99 lakhs. The Company has spent an amount of ₹68.99 lakhs towards the CSR activities/ projects through M/s. Rico Care Foundation, Section 8 Company as specified in CSR Policy of the Company during the financial year 2024-25. The CSR activities of the Company are being monitored by the CSR Committee. The focus area of CSR activities is as per Schedule VII of the Companies Act, 2013.

The details about the policy on Corporate Social Responsibility ("CSR") including initiatives taken on CSR, the annual report on CSR activities and the composition of CSR Committee are annexed and forms part of this report. The Policy is available on the website link of the Company <https://ricoauto.in/files/Key%20Policies.pdf>.

VIGIL MECHANISM

The Company has established Vigil Mechanism/Whistle Blower Policy for Directors, Employees, Clients, Vendors, Suppliers and Contractors as an avenue to report concerns including unethical behavior, actual or suspected, frauds or violation of the Company's code of conduct. The same meets the requirements of Section 177(9) of the Companies Act, 2013 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is available on the website link of the Company <https://ricoauto.in/files/Key%20Policies.pdf>. During the year under review, no matter has been received under this policy.

RELATED PARTY TRANSACTIONS AND MATERIAL SUBSIDIARIES

The Company has duly approved policies for determining the Material Subsidiaries and Material Related Party Transactions.

These Policies are available on the website link of the Company <https://ricoauto.in/files/Key%20Policies.pdf>. All contracts/ arrangements/ transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on arm's length basis and approval of the Audit Committee was sought for entering into related party transactions. No material related transactions were entered during the financial year, accordingly there are no particulars to report in Form AOC-2 which is annexed and forms part of this Report. As required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a return has been filed with BSE/NSE. Please also refer to note no. 45 to the standalone financial statements for related party disclosures.

LISTING OF EQUITY SHARES

The Equity Shares of your Company are presently listed on the BSE Limited and National Stock Exchange of India Limited. The Annual Listing Fees have been paid for the financial year 2025-26.

ANNUAL RETURN

The Annual Return of the Company as on 31st March, 2025 is available on the website link of the Company <https://ricoauto.in/files/Annual%20Return.pdf>.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The particulars of investments made, loans and guarantees given are provided in the standalone financial statements. (Please refer to note 6, 7 and 40 of the standalone financial statements).

FIXED DEPOSITS

The Company has not accepted deposits from the public during the year under review.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, your Directors to the best of their knowledge and ability confirm that:

- in the preparation of the annual accounts for the financial year ended 31st March, 2025, the applicable accounting standards have been followed and there are no material departures;
- appropriate accounting policies have been selected and applied consistently and have made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2025 and of the profit for the year 1st April, 2024 to 31st March, 2025;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and preventing and detecting fraud and other irregularities;
- the annual accounts for the financial year ended 31st March, 2025 have been prepared on a going concern basis;
- internal financial controls have been laid down to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

STATUTORY AUDITORS

M/s. B S R & Co. LLP, Chartered Accountants (Firm Registration No.101248W/W-100022) were appointed as Statutory Auditors of your Company at the 39th Annual General Meeting (AGM) held on 30th September, 2022, to hold office for a term of five consecutive years till the conclusion of 44th AGM to be held in the year 2027.

As required under Regulation 33 of the SEBI (LODR) Regulations, 2015, the Statutory Auditors have confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

The Reports given by the Statutory Auditors on the financial statements (Standalone and Consolidated) of the Company for the financial year 2024-25 forms part of this Annual Report. The said Reports are unmodified and there are no qualifications, reservations, adverse remarks or disclaimer.

INTERNAL AUDITORS

The Board on the recommendation of the Audit Committee has appointed M/s. Grant Thornton Bharat LLP (LLPIN: AAA-7677) as the Internal Auditors of the Company for the Financial Year 2025-26.

COST AUDITORS AND MAINTENANCE OF COST RECORDS

The cost records as required under section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014 are being prepared and maintained by the Company in order to ensure proper compliance.

The Board, on the recommendation of the Audit Committee, has re-appointed M/s. MM & Associates, Cost Accountants (Firm

Registration No.000454) as Cost Auditors to carry out the cost audit of the Company for the financial year 2025-26. In terms of Section 148 of the Companies Act, 2013 and the rules made thereunder, remuneration of Cost Auditors is to be ratified by members of the Company. Accordingly, a resolution is included in the Notice of ensuing Annual General Meeting for your approval.

The Cost Audit Report for the financial year 2024-25 would be filed with the Ministry of Corporate Affairs, Delhi within the stipulated time.

SECRETARIAL AUDIT REPORT

The Board of Directors of the Company, on the recommendation made by the Audit Committee, had appointed Shri Vimal Chadha of M/s. Vimal Chadha & Associates, Practicing Company Secretary (FCS No. 5758; CP No. 18669 & Peer Review Certificate No.1889/2022), as the Secretarial Auditors of the Company for the financial year 2024-25.

Secretarial Audit Report under Section 204 of the Act read with Rules made thereunder and Regulation 24A of the Listing Regulations from Shri Vimal Chadha, is set out in Annexure to this Report.

The Secretarial Audit Report and Secretarial Compliance Report for the financial year 2024-25, does not contain any qualification, reservation, or adverse remark.

SECRETARIAL AUDITORS

Pursuant to Section 204(1) of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and Pursuant to Regulation 24A of SEBI (LODR) (Third Amendment) Regulations, 2024, with effect from April 1, 2025, the listed companies have to obtain shareholders' approval for appointment of Secretarial Auditors.

Accordingly, the Board of Directors of the Company at their Meeting held on 12th August, 2025, based on the recommendation of the Audit Committee, approved appointment of M/s. PG & Associates, Practicing Company Secretaries, having Peer Reviewed Certificate No.6917/2025 as Secretarial Auditor of the Company, in accordance with the provisions of Section 204 of the Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Regulation 24A of the SEBI Listing Regulations and other applicable provisions, if any, for a term of Five (5) consecutive years, commencing from 1st April, 2025 till 31st March, 2030, subject to approval of the Members of the Company at the AGM.

The Practicing Company Secretary holds a valid certificate of peer review issued by the Institute of Company Secretaries of India and that he has not incurred any of the disqualifications as specified under the Companies Act, 2013 and by the SEBI. The Company has received a written confirmation from the aforesaid firm to the effect that his appointment as the Secretarial Auditors of the Company, if made, will be as per the requirements laid down under the Companies Act, 2013 and SEBI Listing Regulations. In this regard, a Resolution for appointment is carried in the Notice of the Annual General Meeting.

SECRETARIAL AUDIT OF MATERIAL UNLISTED INDIAN SUBSIDIARY

The Secretarial Audit of Rico Jinfei Wheels Limited and Rico Fluidtronics Limited, Material Subsidiaries of the Company for the Financial Year 2024-25 was carried out pursuant to Section 204 of the Companies Act, 2013 and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Secretarial Audit Report of the Subsidiary do not contain any qualification, reservation or adverse remark or disclaimer. The report is annexed to this report.

ANNUAL SECRETARIAL COMPLIANCE REPORT

The Company has undertaken an audit for the Financial Year 2024-25 for all applicable compliances as per Securities and Exchange Board of India Regulations and Circulars/ Guidelines issued thereunder. The Annual Secretarial Compliance Report has been submitted to the Stock Exchanges timely for the Financial Year 2024-25.

SECRETARIAL STANDARDS

The Company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

TRANSFER OF UNCLAIMED AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Corporate Governance Report contains details of transfer of Unpaid/ unclaimed Dividends and Shares transferred to Investor Education and Protection Fund (IEPF).

CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The relevant information as required by the provisions of Section 134(3) (m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, is given in the Annexure forming part of this report.

GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following matters as there were no transactions on these items during the year under review:

- There are no significant material orders passed by the Regulators or Courts or Tribunal, which would impact the going concern status of the Company and its future operation.
- No fraud has been reported by the Auditors to the Audit Committee or the Board.
- There has been no change in the nature of business of the Company.
- There were no material changes and commitments affecting the financial position of the Company occurring between 31st March, 2025 and the date of this Report.
- There is no proceedings pending under the Insolvency and Bankruptcy Code, 2016.
- There was no instance of one-time settlement with any Bank or Financial Institution

APPRECIATION

Your Directors convey their appreciation for shareholders, customers, suppliers as well as vendors, bankers, business associates, regulatory, and government authorities for their continued support.

The Board of Directors place on record sincere gratitude to all employees for their unwavering dedication, resilience, and collaborative spirit. We are confident in our ability to drive our continued success in the years ahead.

On behalf of the Board of Directors

Arvind Kapur

Chairman, CEO &
Managing Director
(DIN: 00096308)

Place : Gurugram
Date : August 12, 2025

INFORMATION UNDER SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (ACCOUNTS) RULES, 2014 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2025

The details of Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo are as follows:

A. Conservation of Energy

i) Steps taken or impact on the conservation of energy

Energy Conservation is an ongoing process, taken as a challenge. The various measures taken by your Company are:

a) Utilizing alternate sources of energy

The Company has taken following initiatives for consumption of Green Energy to reduce the carbon footprint in the environment:

- Using Captive Solar Energy in Gurugram Plant (10 MW).
- Using Solar and Wind Power in our Chennai Plant (2 MW).
- Start using Roof Top Solar at Bawal Plant (1.40 MW).
- Start using Roof Top Solar Power at Rico Jinfei Wheels Limited, Manesar Plant (450 KW).

b) Benefits of Energy Conservation measures

- Increase in the share of renewable energy usage by 81.51%.
- Reduction in overall energy consumption by 25.70%.
- Reduction in GHG emissions by 16.38%.

ii) Capital Investment on Energy Conservation Equipment

No Capital investment made during the year 2024-25 in Energy conservation equipment. Various projects are finalized and will be executed in FY 25-26.

With the implementation of the various energy conservation projects in coming years, the energy cost is expected to be reduced which consequently will result in cost saving.

B. Technology Absorption

At Rico Auto, we remain focused on adopting advanced manufacturing technologies to improve productivity, product quality, and process consistency across our operations.

During the year, we continued to invest in automation and digitalisation across our casting and machining areas. This included the use of robotic systems, automated gauging, and conveyor-based material handling to enhance efficiency and reduce manual intervention.

We also made steady progress in digital integration through IoT-enabled systems for real-time monitoring and improved utilisation of equipment. In parallel, pilot projects using Artificial Intelligence were initiated to reduce process defects and support better decision-making on the shop floor.

To further strengthen quality control, the Company is implementing end-to-end traceability of components across key stages of manufacturing.

We remain committed to continuous technology upgradation and innovation to meet evolving customer needs and global quality standards.

i) Information regarding imported technology (imported during the last three years reckoned from the beginning of the financial year) - Not Applicable

- a) The details of technology imported : NA
- b) The year of import : NA
- c) Whether the technology been fully absorbed : NA
- d) If not fully absorbed, areas where absorption has not taken place, and the reason thereof : NA

ii) Expenditure incurred on Research and Development

- a) Capital Expenditure during the year 2024-25 – ₹ 3.40 crores
- b) Operating Expenditure – ₹14.36 crores
- c) Total Expenditure – ₹17.76 crores
- d) Total R&D expenditure as percentage to total turnover – 1.11%

C. Foreign Exchange Earnings and Outgo

Total foreign exchange used and earned:

(₹ in Crores)

Particulars	2024-25	2023-24
i) Expenditure in foreign currency	47.30	67.25
ii) Foreign Exchange earned	311.95	409.62

On behalf of the Board of Directors

Arvind Kapur

Chairman, CEO &
Managing Director
(DIN: 00096308)

Place : Gurugram
Date : August 12, 2025

ANNEXURE TO DIRECTORS' REPORT

MANAGEMENT DISCUSSION & ANALYSIS

1. ECONOMIC OVERVIEW

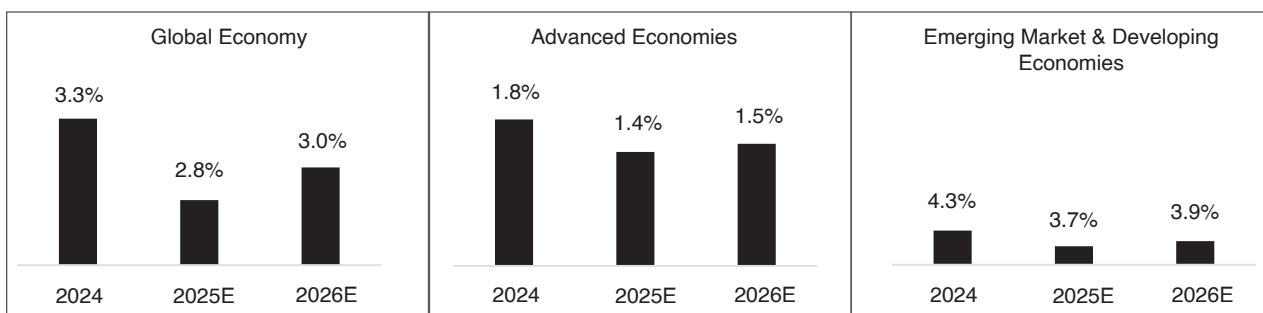
1.1 Global Economic Overview

The year 2024 underscored the cyclical nature of global economic recovery, which was marked by gradual stabilization amidst continuous external challenges. The global economy expanded by 3.3% in 2024, which was slightly lower than the 3.5% growth recorded in 2023. Global inflation showed signs of moderation, averaging 5.7% in 2024, which was down from the peak of 8.6% in 2022. Thus, indicating a gradual return towards the central bank targets. This stabilization came in after a period of exceptional global disruptions. However, despite the easing inflationary pressures, structural shifts in global trade and evolving policy landscapes have reintroduced economic

uncertainties, causing a possible challenge to the recovery momentum.

Looking ahead, global growth is forecasted to decelerate to 2.8% in 2025 before improving marginally by 0.2% to reach 3.0% in 2026. These projections show a downward revision of 0.5% for 2025 and 0.3% for 2026, largely reflecting the adverse impacts of new trade measures. These revisions are broad-based across economies, which are driven by both the direct implications of changes in the policies and the indirect impacts through weakened trade linkages, subdued business sentiment and rising uncertainty.

Advanced economies continue to demonstrate resilience domestically but are facing increasing external pressures from trade disputes and shifting policies. Meanwhile, the emerging and developing economies remain vulnerable to spillovers from reduced external demand, global disinflation efforts, and tighter financial conditions.



Source: International Monetary Fund (IMF), World Economic Outlook, April 2025

Outlook

The global economy is projected to expand at an average rate of 3.2% over the next 5 years, remaining below the pre-pandemic historical average of 3.7% (2000-2019). This reflects a weaker structural momentum and continued external headwinds, with growth projections downgraded across several advanced and emerging economies compared to 2020 forecasts.

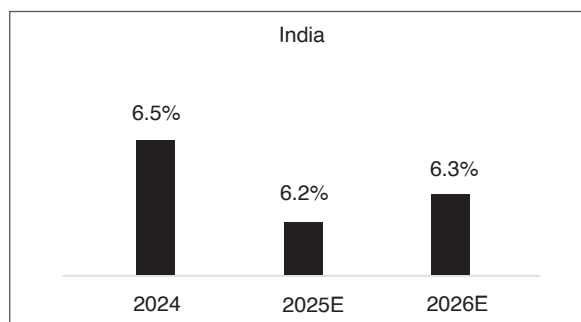
Global trade growth is expected to be around 1.7% in 2025, revised down by 1.5% compared to the World Economic Outlook's previous forecast. This revised estimate primarily reflects the impact of rising tariff barriers and the gradual dissipation of earlier cyclical gains in goods trade. Elevated trade policy uncertainty has reinforced the need for renewed efforts toward regional and multilateral trade frameworks. Agreements encompassing areas such as digital trade, services, and investment are expected to support greater predictability, productivity, and resilience.

The global headline inflation is projected to decline to 4.3% in 2025 and further to 3.6% in 2026. Inflation in advanced economies is expected to ease to 2.2% by 2026, while emerging and developing economies are projected to see inflation moderate to 4.6% by 2026.

1.2 Indian Economic Scenario

In fiscal year 2026, the global economy faces great uncertainty driven by trade policy shifts in terms of higher tariffs being imposed by USA across the globe and a potential slowdown in growth. Despite these external challenges, India remains one of the most resilient economies because of its huge domestic market, an emerging middle class that's getting larger and favourable macro economic factors. IMF forecasts India's real GDP growth to be at 6.2% in 2025, slightly lower than its earlier estimate, due to global headwinds. Strong macroeconomic fundamentals,

ongoing policy support and steady rural consumption are expected to sustain the growth momentum. Strategic reforms in infrastructure, digitisation and financial inclusion continue to enhance India's growth potential and reinforce its role in the global economy.



The Indian government has increased capital expenditure to INR 11.21 lakh crore (3.1% of GDP) in FY2026, which includes INR 1.5 lakh crore in interest-free loans to states. This underscores the emphasis of the government on infrastructure-led growth and strengthening state-level capacities.

India's fiscal approach remains focused on reform, resilience, and inclusive development. In a volatile global setting, these priorities support macroeconomic stability and long-term growth.

The FDI inflows in FY 2024-25 reached USD 81.04 billion (provisional), 14% growth compared to the previous year.

India's cumulative FDI between FY 2014-25 stood at USD 748.78 billion, hence accounting for ~70% of total inflows over the last 25 years. This reflects the sustained investor confidence in the Indian economy.

Outlook

The Union Budget for FY 2025-26 underscores a measured path to fiscal consolidation, aiming to reduce the fiscal deficit from 4.8% to 4.4% of GDP. With inflation within the RBI's target band, monetary policy is expected to gradually turn accommodative. The ongoing structural reforms, including improved subsidy targeting and rationalization of tax expenditures, are set to enhance the efficiency of public spending. Progress in logistics, digital infrastructure, and tax administration is expected to facilitate greater private sector investment.

India continues to hold its position as the fastest-growing major economy, though this growth remains largely supported by robust government capital expenditure. Reflecting easing price pressures and the expectation of a favourable monsoon, the RBI has revised its inflation outlook for FY 2026 to 3.7%, from 4% earlier.

2. INDUSTRY STRUCTURE AND DEVELOPMENT

2.1 Global Automobile Industry

In 2024, the global sales of passenger and commercial vehicles reached 95.3 million units, registering a growth of 2.7% over 2023 (92.9 million units) and marking the highest volume recorded since the pre-pandemic peak in 2019. Over the five years from 2019 to 2024, the industry reported a cumulative growth of 3.5%.

Passenger vehicle sales stood at 67.5 million units, up 3.3% year-on-year, while commercial vehicle sales increased by 1.2% to 27.8 million units. India ranked third globally in passenger vehicle sales with a volume of 4.27 million units, following China and the United States. In overall vehicle sales (passenger and commercial combined), India held the third position with total volumes reaching 5.2 million units.

(Source: OICA - Organisation Internationale des Constructeurs d'Automobiles)

2.2 Indian Automobile Industry

The Indian automotive industry is projected to reach a market size of USD 300 billion by 2026, driven by growing domestic demand, export opportunities, and a supportive policy environment. India has emerged as the world's one of the largest manufacturer of electric two-wheelers and three-wheelers, reinforcing its position as a key player in the global automotive landscape.

India continues to exhibit significant headroom for growth in the passenger vehicle segment. With a car penetration rate of just 24 per 1,000 people-among the lowest across the top 13 global markets and well below the world average of 314 per 1,000 people-the long-term potential remains robust.

Government initiatives, notably the Production-Linked Incentive (PLI) Scheme and the FAME India programme, have played a pivotal role in promoting local manufacturing and attracting foreign direct investment. The PLI scheme for the automotive and auto components sector received an allocation of INR 2,818.9 crore (USD 325.6 million) for FY 2025-26, and its tenure was extended by one year, now applicable until March 31, 2028.

The Industry continues to benefit from steady domestic demand, underpinned by sustained government capital expenditure and infrastructure investments. India's position as a global sourcing hub has also supported robust export growth, particularly to markets in Africa and neighbouring countries.

All segments of the auto industry are expected to maintain their growth momentum in FY 2025-26, supported by stable macroeconomic fundamentals, proactive policy interventions, and continued infrastructure development. Export demand is expected to remain strong, with 'Made in India' vehicles gaining increasing traction in global markets.

Automobile Sales and Production Trends

The Indian automobile industry sustained its growth momentum in FY 2024-25, supported by strong domestic demand, policy stability, infrastructure push, and a growing shift towards sustainable mobility.

Passenger Vehicle sales reached an all-time high of 4.3 million units, growing 2% YoY, while Three-wheeler volumes rose 6.7% YoY to 7.4 lakh units-also the highest ever. Two-wheelers recorded a robust 9.1% YoY growth with sales of 19.6 million units, driven by improved rural sentiment and favourable consumption trends. Commercial Vehicles witnessed a marginal decline of 1.2% YoY to 9.6 lakh units; however, the MHCV sub-segment remained resilient, registering 1% growth. The Tractor segment posted a strong recovery, with retail sales rising 7% and offtake volumes up 8% YoY, supported by a healthy rabi harvest and improved farm sentiment.

Exports showed encouraging recovery across segments, particularly in Passenger Vehicles and Two-wheelers, reflecting rising global demand and India's manufacturing competitiveness. Government initiatives like the PM E-Drive and PM e-Sewa schemes reinforced the long-term vision for clean and inclusive mobility. Alongside structural policy support, measures such as income tax reforms and RBI's accommodative stance are expected to further enhance consumer confidence and sustain industry growth.

Automobile Production Trends

(In Numbers)

Category	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Passenger Vehicles	40,28,471	34,24,564	30,62,280	36,50,698	45,77,487	49,01,840	50,61,164
Commercial Vehicles	11,12,405	7,56,725	6,24,939	8,05,527	10,35,626	10,67,504	10,32,645
Three Wheelers	12,68,833	11,32,982	6,14,613	7,58,669	8,55,696	9,96,159	10,50,020
Two Wheelers	2,44,99,777	2,10,32,927	1,83,49,941	1,78,21,111	1,94,59,009	2,14,68,527	2,38,83,857
Quadracycles	5,388	6,095	3,836	4,061	2,897	5,006	6,488
Grand Total	3,09,14,874	2,63,53,293	2,26,55,609	2,30,40,066	2,59,30,715	2,84,39,036	3,10,34,174

(Source: SIAM)

Domestic Sales Trends

(In Numbers)

Category	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Passenger Vehicles	33,77,389	27,73,519	27,11,457	30,69,523	38,90,114	42,18,746	43,01,848
Commercial Vehicles	10,07,311	7,17,593	5,68,559	7,16,566	9,62,468	9,67,878	9,56,671
Three Wheelers	7,01,005	6,37,065	2,19,446	2,61,385	4,88,768	6,91,749	7,41,420
Two Wheelers	2,11,79,847	1,74,16,432	1,51,20,783	1,35,70,008	1,58,57,012	1,79,74,365	1,96,07,332
Quadricycles	627	942	(12)	124	725	725	120
Grand Total	2,62,66,179	2,15,45,551	1,86,20,233	1,76,17,606	2,11,99,087	2,38,53,463	2,56,07,391

(Source: SIAM)

Emerging Electric Vehicles Trends

The global Electric Vehicle (EV) market, valued at approximately USD 250 billion in 2021, is projected to expand nearly five fold to USD 1,318 billion by 2028, reflecting strong structural growth drivers. In line with this global transition, the Government of India launched the PM E-DRIVE scheme, with an outlay of USD 1.3 billion (INR 10,900 crore), effective till March 31, 2026. The scheme aims to accelerate EV adoption, expand charging infrastructure, and strengthen domestic manufacturing capabilities. These initiatives are expected to reduce crude oil dependence, improve the trade balance, and contribute to environmental sustainability.

In FY 2024-25, total EV registrations in India rose by 16.9% YoY to 1.97 million units. Electric Two-Wheelers led the segment with 11.5 lakh units, registering a 21.2% YoY growth, while Electric Three-Wheelers saw a 10.5% YoY rise with registrations nearing 7 lakh units. Electric Passenger Vehicle registrations crossed 1 lakh units, growing by 18.2% over the previous year. Complementing these efforts, the Voluntary Vehicle Modernization Program continues to support the phased transition away from older, polluting vehicles, enhancing both environmental outcomes and road safety.

Automobile Exports Trends

India continues to offer a compelling cost advantage in automotive manufacturing, with operational savings of

10-25% compared to Europe and Latin America. Backed by strong engineering capabilities, scalable production, and improving quality standards, India is emerging as a preferred global manufacturing hub. The country is also on track to be amongst the largest Electric Vehicle market by 2030, with an estimated investment opportunity exceeding USD 200 billion over the next 8-10 years.

During FY 2024-25, total automobile exports grew by 19.2% YoY, reflecting robust global demand and rising acceptance of India-manufactured vehicles in international markets. Passenger Vehicle exports reached an all-time high of 0.77 million units, registering a growth of 14.6% YoY, led by increased traction in Latin America, Africa, and select developed markets. Two-Wheeler exports rose by 21.4% to 4.2 million units, supported by new model launches and stable demand across key geographies. Three-Wheeler exports grew by 2.3% to 3.1 lakh units, driven by replacement demand and improved financing availability. Commercial Vehicle exports recorded strong growth of 23% to 0.81 lakh units - the highest ever, supported by global freight requirements and enhanced connectivity. Notably, the segment benefited from increased exports of globally benchmarked models manufactured in India, with select OEMs entering developed markets.

Automobile Exports Trends

(In Numbers)

Category	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Passenger Vehicles	6,76,192	6,62,118	4,04,397	5,77,875	6,62,891	6,72,105	7,70,364
Commercial Vehicles	99,933	60,379	50,334	92,297	78,645	65,816	80,986
Three Wheelers	5,67,683	5,01,651	3,93,001	4,99,730	3,65,549	2,99,977	3,06,914
Two Wheelers	32,80,841	35,19,405	32,82,786	44,43,131	36,52,122	34,58,416	41,98,403
Quadricycles	4,400	5,185	3,529	4,326	2,280	4,178	6,422
Grand Total	46,29,049	47,48,738	41,34,047	56,17,359	47,61,487	45,00,492	53,63,089

(Source: SIAM)

2.3 Indian Auto Component Industry

India's auto components sector is projected to grow by 7-9% in FY 2024-25, maintaining momentum from the previous year. The growth will be primarily driven by sustained demand from two-wheelers and passenger vehicles, especially utility vehicles, which together account for nearly 50% of the sector's revenue. Modest contributions from the commercial vehicle and tractor segments (around 17%) and a stable aftermarket (15% share, growing at 5-7%) are expected to provide additional support.

Export performance, however, may remain subdued due to softer demand in key markets such as the US and Europe, which collectively contribute 60% of India's auto component exports. The sector's operating margins are expected to remain stable at 12-12.5%, supported by a rising share of high-margin, technology-intensive products-such as ADAS modules, infotainment systems, and advanced braking systems-which now contribute approximately 27% of revenue.

Easing raw material costs, particularly for steel, aluminium, and plastics, are also expected to support profitability. However, potential tariff increases by the US could pose risks to margin stability, with firms highly exposed to that market likely to face a margin impact of 125-150 basis points.

The capital expenditure in the Indian auto components sector remains strong, with industry investments of INR 22,000 crore focused on EV technologies and precision engineering.

FINANCIAL PERFORMANCE

1. Revenue

Total revenue of ₹1641.49 crore was recorded in FY25 as against revenue of ₹1682.39 crore in the previous year. The total revenue for FY25 includes export revenue of ₹326.86 crore as against ₹426.23 crore in the previous year, a reduction of 23 percent in exports.

2. Profits

The Company has earned Profit before Interest, Depreciation and Tax (PBITD) of ₹164.94 crore during FY25 over the previous year's PBITD of ₹192.38 crore. The Profit before Tax of ₹34.48 crore, and Profit after Tax of ₹22.91 crore, were recorded in FY25. The Company is focused to take cost reduction initiatives, optimum utilisation of its installed capacities to improve the profitability for sustained growth.

Key Financial Ratios

Key Financial Ratios are given below:

Ratio	Measurement unit	As at 31 st March, 2025	As at 31 st March, 2024	Change	Remarks
		Ratio	Ratio		
Current ratio	Times	0.84	0.85	-1%	NA
Debt-equity ratio	Times	0.84	0.83	2%	NA
Debt service coverage ratio	Times	0.91	1.16	-21%	NA
Return on equity ratio	Percentage	3.46%	4.78%	-28%	Decrease in return on equity ratio is on account of decrease in net profit after tax in current year.
Inventory turnover ratio	Times	3.97	4.11	-4%	NA
Trade receivables turnover ratio	Times	5.89	5.18	14%	NA
Trade payables turnover ratio	Times	2.69	2.58	4%	NA
Net capital turnover ratio	Times	-14.58	-16.21	-10%	NA
Net profit ratio	Percentage	1.43%	1.87%	-24%	N/A
Return on capital employed	Percentage	5.93%	7.08%	-16%	N/A
Return on investment	Percentage	39.42%	25.36%	55%	Increase in Return-on investment ratio is on account of increase in interest and dividend income in current year.

INDIAN ACCOUNTING STANDARDS (Ind AS)

The Company, its Subsidiaries and Joint Venture are complying with the applicable Ind AS issued by the Ministry of Corporate Affairs (MCA) from time to time.

RICO EXECUTIVE COMMITTEE (REC)

The Company has an Executive Committee (REC) to drive day to day affairs accountable to the Managing Director and Board of Directors for business performance. REC is responsible

3. Earnings Per Share (EPS)

The Basic and Diluted EPS of ₹1/- paid-up share is ₹1.69 for FY25. The previous year's Basic and Diluted EPS was ₹2.28 on Re.1/- paid-up share.

4. Dividend

The Company's Directors have recommended a Dividend @50 percent i.e. ₹0.50 per Equity Share of ₹1/- each for FY25 amounting to ₹6.76 crore on the equity share capital of ₹13.53 crore as against a dividend of 60 percent i.e. ₹0.60 per Equity Share of ₹1/- each amounting to ₹8.12 crore in the previous year on the same Equity Share Capital.

5. Reserves & Surplus

The reserves and surplus of the Company stood at ₹654.37 crore as against ₹643.71 crore in the previous year.

6. Loan Funds

Total debt outstanding as on 31st March, 2025 stands at Term Loan & Buyers Credit of ₹375.15 crore and Working Capital Loan of ₹178.30 crore, aggregating to ₹553.45 crore as against Term Loan & Buyers Credit of ₹341.20 crore and Working Capital Loan of ₹202.33 crore, aggregating to ₹543.53 crore in the previous year.

for defining long-term business goals, major milestones, and developing plans for seamless execution. Provide necessary support and resources to Rico Leadership Team (RLT) in effectively executing the short/mid-term operational plans. While RLT is responsible for ensuring compliance and adherence to internal controls, REC holds the ultimate responsibility of monitoring and guaranteeing business performance with high level of ethics, sustainability and creating value for each stakeholder.

RISKS & CONCERNS

The operations of the Company are largely dependent on the volatility and cyclical nature of the Industry, geopolitical equilibrium are major factors affecting the growth of the Company. General economic conditions impact the industry at large and in turn our operations as well. The Risk Management Committee of the Company on frequent intervals assess all identified material subjects that are directly connected to the risks, formulated comprehensive mitigation strategies to effectively address these risks. Our Key Risk Indicators (KRIs) are vital metrics used to monitor potential risks that may affect our business objectives including market dynamics, operational efficiency, compliance, cybersecurity and business continuity. They serve as early warning signals, allowing for proactive risk identification and mitigation. By continuously tracking these indicators, we ensure timely intervention and effective risk mitigation.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Our Company has robust internal controls over financial reporting encompassing its processes, policies, and procedures to ensure the accuracy, reliability, and integrity of its financial statements. These controls are designed to ensure compliance with applicable laws and regulations, process adherence, safeguard assets and prevent fraud. The Company's Audit Committee is responsible for reviewing the Report submitted by the Internal Auditors. Suggestions for improvements are considered, and the Audit Committee follows up on the implementation of corrective actions. The Audit Committee also invites the Statutory and Internal Auditors for regular meetings to ascertain their views on the adequacy of internal control systems and keeps the Board of Directors informed of its observations from time to time.

HUMAN RESOURCES

RICO believes at its core that the Human Resource are its invaluable asset, we are committed to continuously enhance learning and development opportunities to support our employee's growth plans and career aspirations.

Rico is fostering the culture of diversity, equity and inclusion where everyone feels empowered and everyone's work is valued. We continue to focus on enhancing employees experience from onboarding to benefits and wellness programmes. Our focus is to build expertise and talent pool to drive our business forward and be future-ready organisation.

RICO has laid a strategic foundation to drive transformational changes year on year by collaborating with reputed partners such as EY, Mazars, and valued customer MSIL for upgrading our online learning platform and advance manpower planning. This partnership enables the Company to effectively leverage external expertise across key dimensions of the business.

The S4 Hana project under the umbrella of "Shifting Gears" initiative has been a comprehensive response to the evolving business landscape, embracing emerging technologies and best practices. RICO has a strong emphasis on organizational excellence, HR automation and digitalization, ESG integration, and compliance automation. RICO is well -positioned to remain competitive and sustainable in an increasingly dynamic global environment.

Furthermore, recognizing employees' ideas reinforces a culture of engagement and innovation. Continued reforestation efforts is our strong commitment for sustainability. Internal & external initiatives ensure that every team member and community is valued, and RICO believes in inclusive growth.

We set consistent standards across business practices to prevent and zero tolerance to any form of human rights violations or abuses. This commitment is reflected in the Rico Group's policies and day-to-day actions across its workforce,

business partners, communities, and the regions where it operates.

We have internal mechanism to redress grievances on human rights. A robust grievance mechanism helps in having a stronger and stable workforce. It helps resolve all concerns and facilitate in communicating people suggestions to the management.

We are confident, we are on the right path of transformation.

ENVIRONMENT, HEALTH AND SAFETY (EHS)

Environment, Health and Safety (EHS) is the set that studies and implements the practical aspects of maintaining Environment, Employees Health and Safety at workplace.

The Company is committed to the highest standards and continual improvement in the Environment, Occupational health and Safety with all applicable laws and customer requirements. All units and locations of the Rico Group are certified under the ISO 45001 OHS Management System. Safety is one of the Rico Group's top priorities, and we are deeply committed to establishing a culture that promotes safety and personal accountability at all levels. Emphasis is placed on individual responsibility, supported by well-established systems and protocols such as work permit procedures, employee training, Lockout/Tagout (LOTO) processes, safety inspections, audits, and periodic assessments. All employees direct of indirect are encouraged and expected to report not only accidents but also near-miss incidents and potential hazards.

OHS Committees are constituted at each plant. These committees maintain equal representation from the workforce, ensuring a balanced and inclusive approach to safety governance. The OHS Committees play a critical role in the development and implementation of safety best practices, identifying and minimizing risks, and providing a structured platform for employees to voice concerns and propose solutions related to OHS.

RICO focuses on Employees' wellness. Medical checkup camps are organised for employees every year. Health talks are arranged for increasing awareness amongst people about good health, nutrition and exercise. We also encourage employees to engage in various sports activities like cricket, badminton, table tennis as we have well equipped sports complex in our corporate campus. Employee engagement campaigns conducted on key health and safety topics such as fire safety, road safety, emergency evacuation, and workplace ergonomics.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

ESG principles form a core part of RICO's long-term vision for sustainable and responsible growth. ESG serves as a robust framework for evaluating the Company's practices, performance, and impact across critical dimensions of sustainability, ethics, and stakeholder well-being. It also provides an important lens through which to assess emerging business risks and opportunities.

As part of its sustainability roadmap, the Company carried out an ESG due diligence and evaluated its GHG emissions profile to identify key impact areas and opportunities for improvement. With a long-term goal of achieving carbon neutrality by 2050, the Company has begun realigning several of its key initiatives to ESG-specific guidelines. Strategic efforts are underway to enhance energy efficiency, transition to cleaner technologies, and increase the share of renewable energy in its operations. In the coming years, the Company will continue to strengthen its ESG performance through focused actions in areas such as product innovation, responsible water and waste management, optimized supply chains, occupational health and safety, and community engagement.

Rico Auto also places a strong emphasis on social impact, with active efforts to promote employee well-being, diversity and inclusion, and equitable growth. Governance continues to remain a key enabler, with the Company reinforcing transparency, ethical conduct, and board-level diversity to build trust and resilience.

Key ESG priorities have been identified under the three core pillars: Environmental, Social, and Governance, and the Company has initiated several projects aligned to these pillars. As RICO evolves with the changing global sustainability landscape, it remains deeply committed to advancing its ESG journey and delivering long-term value to all stakeholders.

Environmental

RICO remains committed to advancing its environmental sustainability goals through targeted actions across key material areas. The Company has conducted a comprehensive assessment of its Scope 1 and Scope 2 greenhouse gas (GHG) emissions to identify major sources and opportunities for reduction. As part of its decarbonization strategy, it has installed solar panels at multiple facilities, significantly lowering its carbon footprint. To improve energy efficiency, the Company has undertaken initiatives such as upgrading to energy-efficient lighting, minimizing compressed air losses, and modernizing equipment to reduce energy intensity. In water management, RICO conserves freshwater by treating and reusing wastewater through in-house Effluent and Sewage Treatment Plants, using the recycled water for non-potable applications like gardening and cleaning. The Company has also advanced in waste management by adopting reduce, reuse, and recycle principles, ensuring 100% disposal of hazardous waste through authorized vendors and implementing process improvements to minimize waste generation at source. Additionally, resource efficiency efforts have been directed at optimizing raw material and energy usage across operations. These initiatives are supported by continuous monitoring, employee engagement, and regular audits, reflecting the Company's ongoing commitment to environmental responsibility, regulatory compliance, and alignment with global sustainability standards.

Social

RICO places strong emphasis on social responsibility, with a focus on workplace health and safety, inclusive growth, and ethical supply chain practices. The Company actively promotes diversity and inclusion at all levels, including enhanced representation at the Board level, and is steadily increasing workforce diversity across its operations. To support employee development, RICO has institutionalized comprehensive and continuous training programs aimed at upgrading skills, promoting leadership, and preparing its workforce for future challenges. The Company is equally committed to providing fair compensation, equal employment opportunities, and a broad range of employee welfare benefits. Over the past year, RICO has significantly expanded employment opportunities promoting inclusive, equitable, and sustainable growth through people-centric practices.

Governance

In line with its commitment to responsible business conduct, RICO continues to strengthen its governance framework by elevating corporate governance standards and embedding a culture of integrity, transparency, and accountability. The Company is focused on enhancing enterprise risk management practices, upholding the highest standards of ethical conduct, and proactively identifying and mitigating conflicts of interest. Emphasis is placed on promoting board diversity, ensuring responsible and performance-linked executive compensation,

and maintaining strict adherence to corporate policies and regulatory requirements. Through these measures, RICO aims to build long-term stakeholder trust and ensure robust, ethical, and future-ready governance.

RESEARCH AND DEVELOPMENT (R&D)

The Company's Research and Development (R&D) team continuously working on design innovations for the sustenance of business growth by providing solutions to real world challenges. Team has successfully developed many e-mobility & import substitution parts, for long term business requirements.

R&D team is providing solutions to customers, with focus to offer first time right products. Our team works concurrently with OEMs development team to provide best technical solutions, in line with their expectations. Our in-house R&D capability for Die design, Die manufacturing, Special Purpose Machine (CNC) building and Automation enhanced customer confidence and makes Rico a Supplier of Choice.

Our R&D team continuously working and providing innovative/VA/VE Solutions for Design of Engine clutch Assy & CVT (Continuous variable Transmission) of various models of 2W-OEM and Developing new Model from concept to realization keeping cost in focus without compromising the Performance and Durability.

Our R&D team have successfully developed Paper-based Friction material for clutch Application, we are first in India to develop this Paper-based Friction material. It is being procured from overseas by competitors to make clutch friction Disc used in Clutch assy. Our paper-based friction material is approved by Global OEM and is currently in production.

We have successfully developed various components for Hybrid and Electric vehicles, such as transmission housings, cases and covers, Electric motor housing and differential cases. For IC engines team has developed components such as Cover Valves, Timing cases, Oil pans, Fly wheels etc. For 2-wheeler, team has successfully designed and developed many clutches, got approvals from customer and started production.

INFORMATION TECHNOLOGY

We implemented S4 HANA in April 2025 as a greenfield project. We are dedicated to continually acquiring state-of-the-art technology and information resources, with a focus on enhancing the availability and security of our information. Several initiatives have been implemented to improve automation, process performance, and controls. Technologies such as Disaster Recovery Sites, Private Cloud and Cloud Storage play a crucial role in safeguarding our vital information in the event of a disaster. To ensure robust data security and protect your privacy, we have adopted advanced features like Multi-Factor Authentication (MFA), Data Loss Prevention (DLP), and Advanced Threat Protection (ATP).

Our Information Security Management System is compliant with the requirements of ISO/IEC 27001:2013, certified by KVQA. We are currently in the process of updating our compliance to ISO/IEC 27001:2022.

The Company received the TISAX Certificate in July 2024.

The Company is maximizing its IT Infrastructure to generate business intelligence reports and enhance productivity with collaboration technology. It is also adopting Industry 4.0 and integrating IoT with SAP HANA to improve operational efficiencies and optimize resources.

CAUTIONARY NOTE

This report contains certain forward-looking statements. All such statements are subject to risks and uncertainties. Actual results could differ materially from those expressed or implied.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING

[Under Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L34300HR1983PLC023187
2.	Name of the Listed Entity	Rico Auto Industries Limited (The "Company")
3.	Year of Incorporation	1983
4.	Registered office address	38 KM Stone, Delhi-Jaipur Highway, Gurugram - 122001, Haryana
5.	Corporate office address	38 KM Stone, Delhi-Jaipur Highway, Gurugram - 122001, Haryana
6.	E-mail id	cs@ricoauto.in
7.	Telephone	0124-2824000
8.	Website	www.ricoauto.in
9.	Financial Year for which reporting is being done	2024-25
10.	Name of the Stock Exchange(s) where shares are listed	BSE Limited and The National Stock Exchange of India Limited
11.	Paid-up Capital	₹13.53 Crores
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report:	Ms. Ruchika Gupta, Company Secretary, Phone: 0124-2824117 Email: ruchikaguptacs@ricoauto.in
13.	Reporting boundary – Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together)	The disclosure under this report of the Company with its group entities (together with known as 'The Rico Group') have been made on Consolidated basis (includes only Indian subsidiaries. Refer to point no. 23(1) below).
14.	Name of assessment or assurance provider	Since, the Company does not fall in the list of the top 250 listed companies based on the market capitalisation; therefore, it is not required to obtain assurance on BRSR; accordingly, this requirement is not applicable.
15.	Type of assessment or assurance obtained	Not Applicable

II. Products/services

16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Manufacturing of automotive components and systems.	The Rico Group is engaged in the design, development, manufacturing, and supply of high-precision, engineering-grade components for the automotive industry. The Rico Group produces a wide range of products including engine and transmission parts, braking systems, and other critical components for two-wheelers, passenger vehicles, and commercial vehicles.	100%

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1.	Casting of Non-Ferrous Metals	24320	87%
2.	Casting of Iron	24319	13%

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	15	1	16
International	0	2*	2

*These offices pertain to international subsidiaries which are not considered within reporting boundary as per point no. 13 above.

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	8
International (No. of Countries)	8

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Exports contribute 15.59% of the total turnover of the Rico Group.

c. A brief on types of customers.

The Rico Group is a globally recognized engineering enterprise that delivers a wide range of high-precision, fully machined aluminium and ferrous components and assemblies to the leading automotive Original Equipment Manufacturers (OEMs) across the world. With comprehensive, integrated capabilities that include design, product development, tooling, casting, precision machining and assembly, the Rico Group serves both aluminium and ferrous product segments. Leveraging advanced infrastructure and technical expertise, it has built strong relationships with a prestigious global clientele that includes BMW, Hero, Maruti Suzuki, Toyota, Renault, Nissan, Tata Motors, Cummins, Honda, Mahindra, Volvo and Bajaj etc.

IV. Employees

20. Details as at the end of Financial Year:

a. Employees and Workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)*	704	685	97.30%	19	2.70%
2.	Other than permanent (E)	12	12	100%	0	0%
	Total employees (D + E)	716	697	97.35%	19	2.65%
WORKERS						
3.	Permanent (F)	1581	1531	96.84%	50	3.16%
4.	Other than Permanent (G)	4014	3923	97.73%	91	2.27%
	Total workers (F + G)	5595	5454	97.48%	141	2.52%

* Includes Directors and KMPs as well.

b. Differently abled Employees and Workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	1	1	100%	0	0%
2.	Other than Permanent (E)	0	0	0%	0	0%
	Total differently abled employees (D + E)	1	1	100%	0	0%
DIFFERENTLY ABLED WORKERS						
3.	Permanent (F)	1	1	100%	0	0%
4.	Other than permanent (G)	0	0	0%	0	0%
	Total differently abled workers (F + G)	1	1	100%	0	0%

21. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	10	2	20.00%
Key Management Personnel*	6	1	16.67%

*Includes 1 Managing Director and 3 Executive Directors who are considered in Board of Directors as well.

22. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

	FY 2024-25 (Turnover rate in current FY)			FY 2023-24 (Turnover rate in previous FY)*			FY 2022-23 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	40.69%	43.24%	40.75%	29.91%	24.39%	29.77%	28%	30%	28%
Permanent Workers	17.98%	42.55%	18.69%	25.97%	14.12%	25.66%	8%	0%	8%

*The previous year's values have been revised and regrouped wherever required.

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. (a) Name of holding / subsidiary / associate companies / joint ventures*

S. No	Name of the holding/ Subsidiary/ Associate Companies/ Joint Ventures (A)	Indicate whether holding/ Subsidiary/ Associate/Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	AAN Engineering Industries Limited	Subsidiary	100	Yes
2.	Rico Fluidtronics Limited	Subsidiary	100	Yes
3.	Rico Jinfei Wheels Limited (RJWL)	Subsidiary and JV	91.74***	Yes
4.	Rico Friction Technologies Limited	Subsidiary	70	Yes
5.	Rico Care Foundation	Subsidiary	59.80	No
6.	Roop Ram Industries Private Limited**	Associate	26	No
7.	Rico Auto Industries Inc., USA	Subsidiary	100	No
8.	Rico Auto Industries (UK) Limited, U.K.	Subsidiary	100	No

* For the purpose of BRSR disclosure, only the Indian Subsidiaries have been considered in reporting boundary. Please refer to point no. 13 above.

** During the financial year 2021-22, the Company had bought the share of this Company as strategic investment to procure solar power at subsidized rates through a Power Purchase Agreement (PPA). Therefore, this Company is not an associate of the Company in normal parlance. Hence, it is not considered for BRSR reporting boundary for disclosure with other group companies.

*** Held by the Company directly or indirectly to its subsidiary.

VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: **Yes**
(ii) Turnover (in ₹) – **₹1607.02 Crores**
(iii) Net worth (in ₹) – **₹667.90 Crores**

VII. Transparency and Disclosures Compliances

25. Complaints / Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/ No) (If yes, then provide web-link for grievance redress policy)*	FY 2024-25 (Current Financial Year)			FY 2023-24 (Previous Financial Year)		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	No	0	0	–	0	0	–
Investors (other than shareholders)	Not Applicable	0	0	–	0	0	–
Shareholders	Yes	0	0	–	2	0	–
Employees and workers	Yes	0	0	–	22	0	Day to day operational issues
Customers	Yes	229	0	–	107	2	–
Value Chain Partners (Direct Suppliers)	No	0	0	–	0	0	–
Other (please specify)	No	–	–	–	–	–	–

*The Rico Group has a strong Grievance Redressal Mechanism in place through numerous policies and procedures that extends to all of the Rico Group's operations and stakeholders. For instance, the Rico Group has a robust Vigil Mechanism/Whistle-Blower Policy, Human Rights Policy, Forced Labor and Modern Slavery Policy, Anti-Bribery and Anti-Corruption Policy and Policy on POSH for all of its women employees, which can be accessed at <https://www.ricoauto.com/investor-relation.html>. Furthermore, while each department is responsible for managing and addressing the respective grievances for their respective stakeholders, the Rico Group's Legal and Secretarial Department assists in handling and resolving certain complaints, in consultation with the management.

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format:

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Climate Change	Risk and Opportunity	Climate change poses a significant risk to the Rico Group's operations and long-term sustainability, mainly due to high energy consumption and heat emissions from its commercial activities. These factors contribute to environmental degradation and rising costs. Recognising this, the Rico Group is committed to adopting more sustainable practices by implementing an integrated energy management system focused on renewable energy. This approach will help to reduce energy costs, minimise heat emissions, and lower the Rico Group's carbon footprint, ultimately improving environmental performance and resilience.	The Rico Group is progressively integrating climate-related considerations into business planning and operations. It is working towards improving energy efficiency in manufacturing processes, enhancing the share of renewable energy in its energy mix, and investing in cleaner technologies like replacing its fuel powered furnaces into electric furnaces. It is also evaluating Scope 1 and Scope 2 Greenhouse Gas (GHG) emissions and has initiated several measures towards reducing the same.	Negative/ Positive

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
2.	Stakeholder engagement	Opportunity	The Rico Group takes a well-organized approach to stay in regular touch with its stakeholders, making sure their concerns, expectations, and feedback are heard and acted upon. By keeping communication open and consistent across different channels, it aims to build trust, maintain strong relationships, and stay in tune with stakeholder priorities.	—	Positive
3.	Waste management	Risk and Opportunity	Waste management and disposal can create environmental and operational risks for the Rico Group, including pollution, regulatory issues, and higher costs if not managed well. At the same time, focusing on waste reduction and circular economy practices offers a chance to improve performance. By adopting waste minimisation, reuse, and recycling, the Rico Group can reduce risks, use resources more efficiently, and support sustainability.	The Rico Group has implemented waste segregation practices at source, invested in authorized recyclers and ensures compliance with Hazardous Waste Management Rules and E-Waste/Plastic Waste Rules as applicable. Awareness and training programs are conducted for employees, and several efforts are being taken for waste minimization.	Negative/ Positive
4.	Water management	Opportunity	Efficient water management presents an opportunity for the Rico Group to enhance resource efficiency, reduce operational costs, and strengthen relationships with stakeholders, particularly in water-stressed regions. Effective water management benefits local communities, ensures long-term business continuity, and improves the Rico Group's environmental performance in the eyes of customers, regulators, and investors.	—	Positive

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
5.	Employee Health and Safety	Risk	Unsafe working conditions can lead to workplace incidents, regulatory penalties, reduced employee morale, and reputational damage. It impacts internal stakeholders such as employees, contract workers, and unions, as well as external stakeholders such as regulators, auditors, and customers who prioritize responsible supply chains. Poor safety performance can also disrupt operations and affect overall productivity.	The Rico Group has implemented International Organization for Standardization (ISO) 45001 aligned with statutory requirements and industry best practices. Regular safety trainings, mock drills, risk assessments, and audits are conducted across facilities. The Rico Group promotes a safety-first culture through awareness campaigns and employee engagement. Personal protective equipment (PPE) and other safety equipment's usage is strictly enforced, and incident reporting systems are in place to ensure continuous improvement. Periodic health check-ups, hygiene monitoring, and ergonomic interventions are also part of Rico Group's preventive health strategy.	Negative
6.	Women Empowerment and Employee Engagement	Opportunity	Enhancing gender diversity and promoting a culture of engagement presents an opportunity to build a more inclusive, motivated, and productive workforce. These initiatives positively influence internal stakeholders such as employees and management, while also aligning with the expectations of customers, investors, and partners committed to responsible business practices. A strong culture of inclusion can improve talent retention, innovation, and operational efficiency across the value chain.	—	Positive
7.	Products and Innovation	Opportunity	Innovation in products and processes offers a key opportunity for the Rico Group to remain competitive, meet evolving customer expectations, and support the transition to sustainable mobility. It positively impacts OEM customers, R&D partners, suppliers, and end-users by improving performance, efficiency, and environmental impact across the value chain.	—	Positive

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
8.	Emissions	Risk	Rising GHG emissions expose the Rico Group to regulatory, operational, and reputational risks. Stricter emissions norms, carbon pricing, and stakeholder expectations can increase compliance costs and affect access to markets, especially from global OEMs focused on decarbonization. This risk impacts investors, customers, regulatory bodies, and communities across the value chain.	The Rico Group is proactively working to monitor and reduce its GHG emissions through energy efficiency initiatives, process optimization, and increased use of renewable energy. The Rico Group is tracking Scope 1 and Scope 2 emissions. Investments in clean technologies, awareness programs, and alignment with future regulatory requirements are key strategies being adopted. The Rico Group is also exploring long-term emission reduction targets in line with national and global climate commitments.	Negative
9.	Community engagement	Opportunity	The Rico Group is committed to Corporate Social Responsibility (CSR), with the aim of supporting sustainable socio-economic development and helping more people benefit from the country's progress. Through various CSR initiatives, the Rico Group provides meaningful support to local communities.	–	Positive
10.	Responsible supply chain Management	Risk and Opportunity	Inadequate oversight of Environment, Social, and Governance (ESG) practices in the supply chain may lead to reputational damage, compliance issues, and business disruptions, impacting key stakeholders including OEM customers, suppliers, investors, and regulatory bodies. Conversely, a responsible supply chain can enhance operational resilience, stakeholder trust, and long-term competitiveness.	The Rico Group is strengthening its supply chain governance by promoting adherence to its Supplier Code of Conduct, which covers ethical, environmental, and social standards. The Rico Group is in the process of developing a comprehensive supplier evaluation framework that includes ESG criteria. Responsible sourcing practices are being adopted to ensure traceability, regulatory compliance, and alignment with customer expectations.	Negative/Positive

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	The policies required to be framed as per the Securities and Exchange Board of India (SEBI) Regulations are approved by the Board of Directors and rest of the policies are approved by the respective Committees as designated by the Board of Directors.								
c. Web Link of the Policies, if available	The policies stipulated under SEBI Regulations and the Companies Act, 2013 are posted on the Rico Group's website, which can be accessed using the below-mentioned link: https://www.ricoauto.com/investor-relation.html Additionally, the Rico Group's intranet hosts several internal policies that are available to internal stakeholders.								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes. Some of the Rico Group's policies extend to certain value chain partners as well.								
4. Name of the national and international codes/ certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	• ISO-9001 • International Automotive Task Force (IATF)-16949 • ISO-14001 • ISO-45001 • ISO-27001								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	• The Rico Group has identified a set of key environmental and social performance indicators and is in the process of developing a comprehensive ESG roadmap. This roadmap will outline specific commitments, well-defined goals, and measurable targets across several focus areas, including: • Assessment of GHG emissions across Scope 1, 2, and 3; • Implementation of zero liquid discharge systems across all manufacturing facilities; • Promotion of diversity and inclusion within the organization; • Strengthening the learning and development environment for employees; • Efficient water resource management; • Sustainable waste management practices; • Responsible supply chain management; • Proactive stakeholder engagement; • Ensuring employee health and workplace safety; • Promoting innovation in products and processes; • Engagement and development of local communities.								

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	The Rico Group remains committed to aligning its initiatives within the ESG framework. It has commenced the process of reorganizing and restructuring key projects to ensure they are in line with defined ESG parameters. As part of this effort, the Rico Group has conducted a comprehensive due diligence exercise across all its operations and corporate functions to assess current practices. Based on the identified gaps, a time-bound roadmap has been developed to address these areas, with clearly defined targets aimed at achieving meaningful progress over a period of three to five years. Some of the key achievements during the reporting year include the following: ● Increase in board diversity by 160% ● Reduction in GHG emissions by 16.38% ● Reduction in specific GHG emissions (w.r.t. revenue) by 18.37% ● Reduction in overall energy consumption by 25.70% ● Reduction in specific energy consumption (w.r.t. revenue) by 27.47% ● Increase in the share of renewable energy usage by 81.51% ● Reduction in water consumption by 6.06% ● Reduction in specific water consumption (w.r.t. revenue) by 8.29%								
Governance, leadership, and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	This report has been prepared in alignment with the nine principles of the ‘National Guidelines on Responsible Business Conduct’ (NGRBCs), serving as a comprehensive overview of our sustainability performance. It reflects our consistent efforts, rooted in our core values, to integrate responsible business practices into every aspect of our operations. The report also highlights our ongoing initiatives and progress in addressing key ESG challenges, setting clear targets, and achieving tangible outcomes. At the Rico Group, we reaffirm our unwavering commitment to contributing meaningfully to economic development while enhancing the quality of life for local communities and society at large. We strongly believe in conducting our business in a manner that supports inclusive growth across the pillars of society, the economy, and the environment. Our continuous efforts focus on improving environmental sustainability, promoting access to basic formal education, and fostering skill development to enhance the employability of youth, especially in remote and rural areas. Recognizing the urgency of global environmental challenges, the Rico Group is actively planning the adoption of solar power across its facilities as part of our broader initiative to mitigate climate change and reduce environmental impact. Through our diverse CSR initiatives, we have also undertaken targeted programs to uplift and support disadvantaged and marginalized groups. This includes supporting the education of differently abled children and enabling livelihood opportunities for underprivileged sections of society through skill development initiatives. Our commitment to environmental and social responsibility is underpinned by strong corporate governance, guided by our core principles of integrity, accountability, and transparency. We adhere strictly to all applicable legal and regulatory requirements, ensuring that policies and procedures promoting responsible business conduct are effectively implemented. This foundation is vital as we strive to build a future-ready organization that not only achieves operational excellence but also delivers long-term value to the environment and society.								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility Policy(ies).	The Rico Executive Committee (REC) is responsible for the implementation of the Business Responsibility Policy(ies). Shri Arvind Kapur (DIN 00096308), Chairman, CEO and Managing Director (CMD), is responsible for oversight of the Business Responsibility Policy(ies).								

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9										
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes, REC is responsible for decision making on sustainability related issues, which comprises of the following members:																		
	Name					Designation													
	Shri Kaushalendra Verma					Executive Director													
	Shri Rajiv Kumar Miglani					Executive Director													
	Shri Samarth Kapur					Executive Director													
	Shri Rakesh Kumar Sharma					Chief Financial Officer													
	Shri Abhishek Kulshrestha					Executive Vice President													
	Shri Sachinder Kaul					Senior Vice President													
	Shri Shalinder Rathi					Senior Vice President													
	Shri Subodh Mal					Vice President													
	Shri B.K. Jain					Vice President													
	Shri Sanjay Bhat					Associate Vice President													
10. Details of Review of NGRBCs by the Company:																			
Subject for Review		Indicate whether review was undertaken by Director/Committee of the Board/Any other Committee							Frequency (Annually/Halfy Yearly/Quarterly/ Any other – please specify)										
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	
Performance against above policies and follow up action		The Rico Group’s policies are periodically reviewed by the designated Committee or the Board of Directors, or as deemed necessary based on emerging requirements. This review process includes a thorough assessment of the relevance, effectiveness, and implementation of each policy. Where appropriate, updates or modifications are made to ensure continued alignment with regulatory developments, industry best practices, and the Rico Group’s evolving strategic objectives.																	
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances		The Rico Group complies with all the currently applicable Laws and Regulations.																	
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.										P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	
										The Rico Group is presently conducting an internal assessment and evaluation of the effectiveness of its policies. However, going forward, it may consider engaging an external agency to review these policies to further ensure their operational efficiency and effectiveness.									
12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:																			
Questions										P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	
The entity does not consider the Principles material to its business (Yes/No)										Not Applicable									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)																			
The entity does not have the financial or/human and technical resources available for the task (Yes/No)																			
It is planned to be done in the next Financial Year (Yes/No)																			
Any other reason (please specify)																			

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicator

1. Percentage coverage by training and awareness programmes on any of the principles during the Financial Year:

Segment	Total number of training and awareness programmes held	Topics/ principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	4	- Accounting Updates - Auditing Updates - Companies Act, 2013, SEBI Listing Obligations and Disclosure Requirements (LODR) Updates - Tax Updates	100%
Key Managerial Personnel	11	- Accounting Updates - Auditing Updates - Companies Act, 2013, SEBI (LODR) Updates - Tax Updates - SAP Awareness & Module Training - S/4 High Performance Analytic Appliance (HANA) Production Planning Module - S/4 HANA Materials Management Module - S/4 HANA Plant Maintenance Module - S/4 HANA Human Capital Management Module - S/4 HANA Financial Accounting Module - S/4 HANA Quality Management Module - Prevention of Sexual Harassment (POSH) Awareness Training	100%

Segment	Total number of training and awareness programmes held	Topics/ principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Employees other than BoDs and KMPs	716	Health and Safety • Fire Fighting • Aspect Impact & Hazardous Waste Management • First Aid Training • Safety Awareness Skill Upgradation • Advanced Product Quality Planning (APQP) - Process Flow Diagram – (PFD), Control Plan (CP) • Process Failure Mode Effects Analysis (Quality Training) • IATF 16949 Basics of Applicability (Quality Training)) • Statistical Process Control, Seven Quality Control (7-QC) Tools, Control Charts (Quality Training) • Managerial Skills • Time Management • Presentation Skills • Supervisory Skills • Interpersonal Skills • Measurement Statistical Analysis (MSA) Overview (Quality Training) • Production Part Approval Process (PPAP) (Quality Training) • Design Failure Mode Effect Analysis (DFMEA) and Process Failure Mode Effect Analysis (PFMEA) and Control Plan (Quality Training) • Problem Solving Techniques (Why Analysis, Eight Disciplines Methodology (8D) & Rejection Analysis and Handling Customer Complaints, Control Charts) • MS Excel (MIS Preparation) • Machining Process Control • Hydraulics and Fittings • SAP Awareness & Module Training – S/4 HANA Production Planning Module – S/4 HANA Materials Management Module – S/4 HANA Plant Maintenance Module – S/4 HANA Human Capital Management Module – S/4 HANA Financial Accounting Module – S/4 HANA Quality Management Module • Die Maintenance System and Techniques • Die Assembly and Matching Technique • Basics of Casting Process Control • Root Cause Analysis • Rejection Analysis • Measuring & Gauging Techniques • Training on Employee Self Service (ESS) Portal • Prevention of Sexual Harassment (POSH) • ESG Awareness Session - Basic Level • ESG Awareness Session - Advance Level • Performance Management	100%

Segment	Total number of training and awareness programmes held	Topics/ principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Workers	880	Health and Safety • Fire Fighting • Aspect Impact & Hazardous Waste Management • First Aid Training • Safety Awareness • Safe Forklift Driving (Basic Functioning of Fork Lifters) Skill Upgradation • APQP, PFD, CP (Quality Training) • Process Failure Mode Effects Analysis (Quality Training) • Statistical Process Control, 7-QC Tools, Control Charts (Quality Training) • Time Management • Supervisory Skills • Interpersonal Skills • Quality Management Basics • PPAP (Quality Training) • Problem Solving Techniques (Why, 8D Methodology) & Rejection Analysis and Handling Customer Complaints, Control Charts (Quality Training) • Computer Numerical Control (CNC) Programming/Basics of CNC • Machining Process Control • Hydraulics and Fittings • Die Maintenance System and Techniques • Die Assembly and Matching Technique • Basics of Casting Process Control • Root Cause Analysis • Rejection Analysis • Training on Employee Self Service (ESS) Portal • POSH	100%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the Financial Year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/Fine	No material fines / penalties / punishment/ award / compounding fees / settlement amount were paid in proceedings by the Rico Group or by directors / KMPs during the current financial year.				
Settlement					
Compounding fee					
Non-Monetary					
	NGRBC Principle	Name of the regulatory/enforcement agencies/ judicial institutions		Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	Nil	Not Applicable		Not Applicable	Not Applicable
Punishment	Nil	Not Applicable		Not Applicable	Not Applicable

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Not Applicable	

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy?

Yes, the Rico Group has an Anti-Corruption and Bribery Policy. The Rico Group is committed to upholding the highest ethical and integrity standards in its business operations. The Rico Group does not stand any form of bribery by, or of, its employees or any persons or Companies acting for it or on its behalf. The objective of this Policy is to develop proper measures to prevent the Rico Group from

becoming involved in any activity involving bribery, corruption or facilitation payments. The Policy applies to all the employees and Business Partners of the Rico Group, who work on behalf of the Rico Group.

The aforesaid policy is available and accessible to all employees and workers on the Rico Group's website: <https://www.ricoauto.com/investor-relation.html>.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption:

	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

6. Details of complaints with regard to conflict of interest:

	FY 2024-25 (Current Financial Year)		FY 2023-24 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	–	Nil	–
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	–	Nil	–

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not applicable, as no cases of corruption or conflicts of interest were reported during the year.

8. Number of days of accounts payables [(Accounts payable *365) / Cost of goods/services procured] in the following format:

	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)*
Number of days of accounts payables	92.37	85.23

* The previous year's values have been revised and regrouped wherever required.

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)*
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	–	–
	b. Number of trading houses where purchases are made from	–	–
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	–	–
Concentration of Sales	a. Sales to dealers /distributors as % of total sales	1.02%	0.93%
	b. Number of dealers / distributors to whom sales are made	122	117
	c. Sales to top 10 dealers/ distributors as % of total sales to dealers / distributors	48.65%	50.00%

Parameter	Metrics	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)*
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	1.78%	2.55%
	b. Sales** (Sales to related parties / Total Sales)	0.10%	0.08%
	c. Loans & advances (Loans & advances given to related parties/Total loans & advances)	—	—
	d. Investments (Investments in related parties / Total Investments made)	100%	100%

* The previous year's values have been revised and regrouped wherever required.

** Sales to related parties includes Sales of goods and services.

Leadership Indicator

- Awareness programmes conducted for value chain partners on any of the principles during the financial Year:

Total number of awareness programmes held	Topics / principles covered under the training	% age of value chain partners covered (by value of business done with such partners) under the awareness programmes
30	- Safe handling of chemical substances - Safe transportation of materials - Fire safety measures - Road safety measures - Legal Obligations and Compliance - Environment, health & safety (EHS) training	10.31%

- Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? **(Yes/No)** If Yes, provide details of the same.

Yes, the Rico Group has well-defined processes in place to prevent and manage conflicts of interest involving Board members. A comprehensive 'Code of Conduct for Directors and Senior Management' has been implemented, providing clear guidelines and a structured reporting mechanism for addressing potential conflict of interest situations. This policy is accessible on the Rico Group's website: <https://www.ricoauto.com/investor-relation.html>.

PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

- Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	Current Financial Year 2024-25	Previous Financial Year 2023-24	Details of improvements in environmental and social impacts
R&D	22.28%	18.63%	The Rico Group is continuously spending money on research and development activities in development of friction material used for braking systems, clutch development used in the manufacturing of auto parts, and development of Continuous variable transmission system for tool development. The Rico Group expects to improve the usability of these parts for the end users and reducing the carbon footprints through manufacturing these products indigenously.

	Current Financial Year 2024-25	Previous Financial Year 2023-24	Details of improvements in environmental and social impacts
Capex	4.11%	1.03%	During the reporting period, the Rico Group made focused capital investments to enhance environmental performance and workplace safety. These included installing wet scrubbers for emission control, upgrading wastewater treatment systems for improved water reuse, and shifting to cleaner fuels such as Piped Natural Gas (PNG) and electric furnaces. Safety was further strengthened through the installation of Liquefied Petroleum Gas (LPG) leak detection systems.

2. a. Does the entity have procedures in place for sustainable sourcing? **(Yes/No)**

Yes, the Rico Group has a well-defined procedure in place for sustainable sourcing. As part of its commitment to responsible procurement, the Rico Group integrates social, ethical, and environmental performance considerations into its supplier selection and engagement processes. The supplier selection, assessment, and evaluation framework are designed to incorporate key sustainability elements to ensure alignment with the Rico Group's values and ESG goals. This comprehensive process includes conducting initial supplier surveys to assess compliance and capability, performing continuous risk evaluations to monitor ongoing performance, and carrying out periodic audits and assessments.

b. If yes, what percentage of inputs were sourced sustainably?

Approximately 30% of the input materials used by the Rico Group were sourced through sustainable means. In line with its commitment to responsible procurement, the Rico Group incorporates social, ethical, and environmental performance criteria during the initial screening and selection of suppliers. The supplier selection, assessment, and evaluation process are deeply embedded with sustainability principles. This comprehensive approach includes conducting thorough initial assessments of suppliers, continuous monitoring through risk evaluations, and routine audits and performance reviews. By integrating these critical elements, the Rico Group ensures that its sourcing practices support long-term environmental stewardship, ethical conduct, and social responsibility across its supply chain.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

As a manufacturer of automobile components, the Rico Group's products are directly supplied to the OEMs as per their requirements, hence the Rico Group has very limited scope for reclaiming it at the end of its life cycle. Hence, the Rico Group has not reused, recycled or disposed any e-waste, hazardous or any other waste. However, the Rico Group has reclaimed some of the plastic (packaging material) to be reused or disposed.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

No, EPR is not applicable to the entity's current business operations, as the Rico Group does not fall under the categories of producers, importers, or brand owners as defined under the applicable EPR regulations.

Leadership Indicator

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product/ Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
The Rico Group has not yet undertaken Life Cycle Perspective (LCP) or Life Cycle Assessment (LCA) for any of its products. However, recognizing the growing importance of evaluating the environmental impact across a product's entire life cycle, from raw material sourcing to end-of-life disposal, the Rico Group is actively considering the adoption of such assessments in the near future. These evaluations may be integrated into its sustainability roadmap in the coming years to further enhance environmental responsibility and support data-driven decision-making for product design and development.					

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product/Service	Description of the risk/concern	Action Taken
Not applicable, as the Rico Group has not yet initiated LCP/LCA for any of its products.		

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material (by weight of the input material)	
	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Aluminium and Iron	Recycled or reused raw materials account for approximately 95% to 97% of the total input materials used in the Rico Group's production processes.	Recycled or reused raw material used as an input material for the production constitutes around 95% to 97% of the total material.

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2024-25 (Current Financial Year)			FY 2023-24 (Previous Financial Year)*		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)**	–	–	12.75	–	–	15.48
E-waste	–	–	–	–	–	–
Battery waste	–	–	–	–	–	–
Hazardous waste	–	–	–	–	–	–
Other waste	–	–	–	–	–	–

* The previous year's values have been revised and regrouped wherever required.

** Only the quantity of end-of-life plastic bins disposed of has been reported, as reusable bins continue to be used within operations.

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Packaging material	0.02%

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees:

	% of employees covered by										
Category	Total (A)	Health insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B)/(A)	Number (C)	% (C)/(A)	Number (D)	% (D)/(A)	Number (E)	% (E)/(A)	Number (F)	% (F)/(A)
Permanent Employees											
Male	685	685	100%	685	100%	0	0%	37	5.40%	0	0%
Female	19	19	100%	19	100%	19	100%	0	0%	0	0%
Total	704	704	100%	704	100%	19	2.70%	37	5.26%	0	0%
Other than Permanent Employees											
Male	12	12	100%	12	100%	0	0%	1	8.33%	0	0%
Female	0	0	0%	0	0%	0	0%	0	0%	0	0%
Total	12	12	100%	12	100%	0	0%	1	8.33%	0	0%

b. Details of measures for the well-being of workers:

Category	Total (A)	Health insurance		Accident insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B)/(A)	Number (C)	% (C)/(A)	Number (D)	% (D)/(A)	Number (E)	% (E)/(A)	Number (F)	% (F)/(A)
Permanent workers											
Male	1531	1531	100%	1531	100%	0	0%	108	7.05%	0	0%
Female	50	50	100%	50	100%	50	100%	0	0%	0	0%
Total	1581	1581	100%	1581	100%	50	3.16%	108	6.83%	0	0%
Other than Permanent workers											
Male	3923	3923	100%	3923	100%	0	0%	0	0%	0	0%
Female	91	91	100%	91	100%	91	100%	0	0%	0	0%
Total	4014	4014	100%	4014	100%	91	2.27%	0	0%	0	0%

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format:

Name of Product/Service	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)*
Cost incurred on well-being measures as a % of total revenue of the Company	0.06%	0.06%

*The previous year's values have been revised and regrouped wherever required.

2. Details of retirement benefits, for Current Financial Year and Previous Financial Year.

Benefits	FY 2024-25 (Current Financial Year)			FY 2023-24 (Previous Financial Year)		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF*	100%	100%	Yes	100%	100%	Yes
Gratuity	100%	100%	Yes	100%	100%	Yes
ESI	8.10%	100%#	Yes	6.06%**	100%#	Yes
Others-please specify	Nil	Nil	—	Nil	Nil	—

*Applicable to all the employees and workers, except for advisors and retainers (the employees who are working on continued employment terms post-retirement).

** The previous year's values have been revised and regrouped wherever required.

Applicable to 100% workers as per the threshold limit prescribed under the Employees State Insurance (ESI) Act, 1948.

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

At present, most of the Rico Group's offices and premises are accessible to differently abled employees and workers. However, a few manufacturing sites are not fully accessible due to specific safety requirements and the structural design of those locations.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, the Rico Group has an Equal Opportunity Policy in accordance with the Rights of Persons with Disabilities Act, 2016. This policy is accessible to employees via the Rico Group's intranet.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	66.67%	100%	—
Female	—	100%	—	—
Total	100%	83.33%	100%	—

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If yes, then give details of the mechanism in brief)
Permanent Workers	Yes, the Rico Group is committed to providing a safe, respectful, and supportive workplace for all its employees and workers. To make sure any concerns are heard and addressed properly, several easy-to-access grievance redressal options are available, including: • Grievance boxes placed at key locations across the premises; • An Online Grievance Register for confidential and convenient submissions; • Opportunities for employees to raise concerns through their trade union representatives and internal committees; • A dedicated grievance redressal email id: ethicsline@ricoauto.in, where employees can directly share their issues with the concerned team. These systems are in place to ensure that everyone has a fair and open way to voice their concerns. The Rico Group also reviews these processes regularly to keep improving how employee concerns are handled.
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:

	FY 2024-25 (Current Financial Year)			FY 2023-24 (Previous Financial Year)		
Category	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category I	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	704	0	0%	729	0	0%
Male	685	0	0%	711	0	0%
Female	19	0	0%	18	0	0%
Total Permanent Workers	1581	592	37.44%	1672	629	37.62%
Male	1531	554	36.19%	1628	590	36.24%
Female	50	38	76.00%	44	39	88.64%

8. Details of training given to employees and workers:

Category	FY 2024-25 (Current Financial Year)					FY 2023-24 (Previous Financial Year)				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	% (F/D)	
Employees										
Male	697	697	100%	697	100%	723	723	100%	714	98.76%
Female	19	19	100%	19	100%	19	19	100%	19	100%
Total	716	716	100%	716	100%	742	742	100%	733	98.79%
Workers*										
Male	1531	1531	100%	1531	100%	1628	1628	100%	1449	89%
Female	50	50	100%	50	100%	44	44	100%	44	100%
Total	1581	1581	100%	1581	100%	1672	1672	100%	1493	89.29%

*The reporting for this information includes permanent workers only.

9. Details of performance and career development reviews of employees and workers:

Category	FY 2024-25 (Current Financial Year)			FY 2023-24 (Previous Financial Year)		
	Total (A)	No. (B)	% (B)/(A)	Total (C)	No. (D)	%(D)/(C)
Employees						
Male	697	697	100%	723	723	100%
Female	19	19	100%	19	19	100%
Total	716	716	100%	742	742	100%
Workers*						
Male	1531	1531	100%	1628	1628	100%
Female	50	50	100%	44	44	100%
Total	1581	1581	100%	1672	1672	100%

*The reporting for this information includes permanent workers only.

10. Health and safety management system:

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such system?

Yes, the Rico Group is certified under ISO 45001:2018 for its Occupational Health and Safety (OHS) Management System across all its business operations and locations. This certification reflects the Rico Group's strong commitment to ensuring a safe and healthy work environment. The Rico Group's EHS Policy articulates its philosophy and dedication to managing key EHS aspects effectively.

EHS encompasses the study and application of best practices aimed at safeguarding the environment, while ensuring the health and safety of individuals in the workplace. At its core, the Rico Group is committed to ensuring that its operations and the activities of its employees do not pose any risk or harm to people or the environment.

To support this commitment, the Rico Group provides comprehensive training to employees, associates, contractors, and suppliers, equipping them with the knowledge and skills necessary to perform their roles safely and responsibly. The OHS management system plays a vital role in identifying potential hazards, assessing associated risks, and implementing effective control measures to mitigate health and safety risks in all operations and activities.

Regular assurance programs, including audits and inspections, are conducted to monitor compliance and drive continuous improvement. In the event of an incident, the Rico Group ensures prompt reporting, thorough investigation to identify root causes, and the systematic implementation of corrective actions. Lessons learned from such incidents are shared and deployed across all Group entities to foster a culture of safety, accountability, and continuous learning.

- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis entity?

The Rico Group has established a robust and well-defined safety monitoring system, complemented by structured hazard identification and risk assessment procedures. In alignment with the ISO 45001:2018 OHS Management System, both routine and non-routine activities across all operational areas undergo comprehensive hazard assessments to identify potential risks. For each significant risk identified, appropriate control measures are implemented to mitigate or eliminate hazards and ensure a safe working environment.

At the Group level, several proactive initiatives are undertaken on a regular basis to identify work-related hazards and evaluate risks, including:

- Hazard Identification & Risk Assessment (HIRA)
- Job Safety Analysis (JSA)
- Work Permit Systems for high-risk activities
- Regular Internal and External Audits
- Safety Observation System for proactive reporting
- Leadership involvement and accountability through OHS objective planning
- Operational planning and control procedures
- Observation reporting, incident investigation, and knowledge-sharing
- Ongoing measurement, monitoring, and performance review
- Comprehensive Fire Detection and Protection System Management
- Quarterly reviews of safety performance across all locations by the Steering Committee

In addition, the safety performance of all sites is also reviewed monthly by the Steering Committee to ensure consistent oversight, promote accountability, and drive continuous improvement in health and safety practices across the organization.

- c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Yes/No)

Yes, the Rico Group has established a structured process that enables workers to report work-related hazards and, when necessary, withdraw from situations that pose a risk to their health and safety. This includes a comprehensive incident management and reporting system designed to capture all work-related incidents, such as accidents, unsafe conditions, and unsafe behaviors. Each reported case is thoroughly reviewed, and appropriate corrective actions are implemented to ensure resolution and prevent recurrence, thereby fostering a safe and responsive work environment.

d. Do the employees/ workers of the entity have access to non-occupational medical and healthcare services? **(Yes/ No)**

Yes, All the employees are covered under the ESI, the Rico Group's health insurance and personal accident policy.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0.09	0.61
Total recordable work-related injuries	Employees	0	0
	Workers	0	9
No. of fatalities	Employees	0	0
	Workers	1	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

All units and locations of the Rico Group are certified under the ISO 45001 OHS Management System, reflecting the Rico Group's strong commitment to maintaining high safety standards. In fact, the Rico Group has established internal safety protocols that exceed the requirements of applicable legislative norms.

To continuously enhance health and safety performance, the Rico Group undertakes a range of proactive initiatives, including regular safety audits conducted by both internal teams and external experts. Comprehensive training programs are provided to employees covering various critical areas such as behavior-based safety, fire safety, and process safety.

Key mitigation measures implemented to prevent or reduce significant OHS risks include:

- Installation and maintenance of advanced fire detection, alarm, and suppression systems
- Routine site inspections, reviews, and audits to evaluate safety readiness
- Regular emergency preparedness drills, including fire and medical emergency simulations
- Free medical camps for employees to raise health awareness
- Digital monitoring of indoor and outdoor air quality, noise level assessments, and periodic medical examinations
- Ongoing OHS training to raise employee awareness and foster a culture of safety
- Employee engagement campaigns on key health and safety topics such as fire safety, road safety, emergency evacuation, and workplace ergonomics.

These efforts collectively contribute to building a safe, healthy, and compliant workplace environment across all the Rico Group operations.

13. Number of Complaints on the following made by employees and workers:

	FY 2024-25 (Current Financial Year)			FY 2023-24 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working conditions	Nil	Nil	–	Nil	Nil	–
Health & Safety	Nil	Nil	–	Nil	Nil	–

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health & Safety practices	100% of the plants and offices were assessed internally
Working Conditions	100% of the plants and offices were assessed internally

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

Workplace safety is one of the Rico Group's top priorities, and we are deeply committed to establishing a culture that promotes safety and personal accountability at all levels. Emphasis is placed on individual responsibility, supported by well-established systems and protocols such as work permit procedures, employee training, Lockout/Tagout (LOTO) processes, safety inspections, operational controls, continuous monitoring, audits, and periodic assessments. Any gaps, deviations, or findings identified during these activities are addressed through the implementation of corrective measures, which are systematically tracked to ensure effective closure.

A comprehensive incident management system is in place, which includes structured processes for incident reporting, investigation, and the implementation of corrective and preventive actions. All employees and contract workers are encouraged and expected to report not only accidents but also near-miss incidents and potential hazards. To facilitate this, dedicated reporting mechanisms have been established across all operations.

OHS Committees are constituted at each plant, chaired by the respective center heads and comprising representatives from senior management, employees, and cross-functional teams. These committees maintain equal representation from the workforce, ensuring a balanced and inclusive approach to safety governance.

The OHS Committees play a critical role in investigating reported incidents, supporting the development and implementation of safety best practices, identifying and minimizing risks, and providing a structured platform for employees to voice concerns and propose solutions related to OHS.

Leadership Indicators

- Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).
Yes, the Rico Group extends compensatory packages in the event of death of employees and workers for most of its plants.
- Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.
The Rico Group ensures that statutory dues payable by service providers on behalf of their employees are fully and timely deposited. This is monitored through periodic audits and supported by additional control mechanisms.
- Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Employees	0	0	0	0
Workers	1	0	0	0

- Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? **(Yes/ No)**
Yes, the Rico Group offers transition assistance programs to support continued employability and smooth career transitions in cases of retirement or termination. In most instances, employees are engaged on an annual contract, which may be renewed based on their performance and the availability of suitable opportunities within the Rico Group.
- Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health & Safety practices	100% of all direct suppliers
Working conditions	100% of all direct suppliers

- Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.
Not applicable, as no significant risks or concerns were identified from the assessments of health and safety practices and working conditions of the Rico Group's value chain partners.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

- Describe the processes for identifying key stakeholder groups of the entity.
Stakeholders are integral to the Rico Group's sustained growth, strategic advancement, and long-term value creation. They form the foundation of the Rico Group's ecosystem, contributing to and being impacted by its operations, decisions, and overall performance. Key stakeholders comprise individuals, groups, organizations, and institutions that either exert a material influence on the Rico Group's strategic direction, governance, and business outcomes, or are significantly affected by the Rico Group's policies, decisions, and operational activities across various functions.

2. List of stakeholders groups identified as key for our Company and the frequency of engagement with each stakeholder group:

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees and Workers	No	Email, Phone calls, Short Message Service (SMS), Meetings, Notice Board	Regularly	Employee engagement activities, The Rico Group policies, Organisational structure, Trainings programmes, Other important developments
Shareholders	No	Email, Meetings, Newspaper, The Rico Group website, Stock exchanges, other Statutory Authority	Quarterly and need based	Compliance, Governance practices, Financial and Operational performance related
Board of Directors	No	Board meetings, one-to-one meetings	Quarterly and need based	Compliance of law, major decisions, day-to-day functioning
Customers	No	Email, Meetings, Websites, Phone calls, social media	Need based	Business/Project related, Feedback on product
Suppliers and Service Providers	No	Email, Meetings, Phone calls, Websites, Plant audits, Inspection	Need based	Product related, Price negotiations etc.
Institutions/Industry Associations	No	Joint research, studies, working groups, conferences, events, assistance, Emails and meetings	Need based	Industrial development related
Regulatory Bodies	No	Official communication channels, Regulatory audits/ inspections Compliances	Need based	Applicable laws and regulations
Communities	Yes	Community meetings with local people, Non-Governmental Organizations (NGOs), Government Departments, etc, CSR activities	Need based	CSR Initiatives

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

To effectively communicate the Rico Group's strategic objectives and performance across all levels, the Rico Group maintains a continuous, structured, and proactive engagement framework with its key stakeholders. This involves regular consultations led by relevant Company personnel, including business leaders and key departmental or process heads, who engage with stakeholders to address and discuss economic, environmental, and social matters. These interactions and insights are subsequently presented and deliberated upon during Board meetings. Feedback gathered from stakeholders is formally communicated to senior management and the Board of Directors, ensuring transparency and alignment. In response to this input, the Board of Directors routinely reviews key developments, revisits strategies, and considers necessary actions to ensure that stakeholder expectations and concerns are effectively integrated into the Rico Group's decision-making processes and long-term planning.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes, the Rico Group has identified key social and environmental issues through a structured consultation process involving its stakeholders. These engagements form a critical part of the Rico Group's materiality assessment, which is conducted to evaluate and prioritize issues that are most relevant to the Rico Group's long-term sustainability and stakeholder interests. Upon completion of this assessment, a well-defined list of material topics, those deemed most significant and impactful to both the Rico Group's operations and its external stakeholders, was established. Furthermore, the Rico Group actively incorporates stakeholder inputs and recommendations into the development and refinement of its internal policies, business strategies, and operational processes. This ensures that stakeholder expectations are consistently reflected in the Rico Group's decision-making framework, thereby strengthening transparency, accountability, and alignment with broader environmental and social objectives.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

The Rico Group remains committed to creating a positive and lasting impact on underprivileged sections of society by aligning its CSR activities with their specific needs and priorities. These efforts are aimed to promote inclusive development and address critical social challenges by implementing targeted programs that promote education, healthcare, livelihood enhancement, and community welfare. For comprehensive information on the scope, implementation, and impact of these initiatives, please refer to the CSR section of the Annual Report for the financial year 2024-25.

PRINCIPLE 5: Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

	FY 2024-2025 (Current Financial Year)			FY 2023-24 (Previous Financial Year)		
	Total (A)	No. of employees / workers covered (B)	% (B/A)	Total (C)	No. of employees / workers covered (D)	% (D/C)
Employees						
Permanent	704	704	100%	729	729	100%
Other than permanent	12	12	100%	13	13	100%
Total Employees	716	716	100%	742	742	100%
Workers						
Permanent	1581	1581	100%	1672	1672	100%
Other than permanent	4014	4014	100%	4364	4364	100%
Total Workers	5595	5595	100%	6036	6036	100%

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2024-25 (Current Financial Year)					FY 2023-24 (Previous Financial Year)				
	Total (A)	FY 2024-25 (Current Financial Year)		FY 2023-24 (Previous Financial Year)		Total (D)	FY 2023-24 (Previous Financial Year)		FY 2023-24 (Previous Financial Year)	
		Equal to Minimum Wage	More than Minimum Wage	Equal to Minimum Wage	More than Minimum Wage		Equal to Minimum Wage	More than Minimum Wage	Equal to Minimum Wage	More than Minimum Wage
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	704	0	0%	704	100%	729	0	0%	729	100%
Male	685	0	0%	685	100%	711	0	0%	711	100%
Female	19	0	0%	19	100%	18	0	0%	18	100%
Other than permanent	12	0	0%	12	100%	13	0	0%	13	100%
Male	12	0	0%	12	100%	12	0	0%	12	100%
Female	0	0	0%	0	100%	1	0	0%	1	100%
Workers										
Permanent	1581	0	0%	1581	100%	1672	0	0%	1672	100%
Male	1531	0	0%	1531	100%	1628	0	0%	1628	100%
Female	50	0	0%	50	100%	44	0	0%	44	100%
Other than permanent	4014	910	22.67%	3104	77.33%	4364	647	14.83%	3717	85.17%
Male	3923	910	23.20%	3013	76.80%	4350	633	14.55%	3717	85.45%
Female	91	0	0%	91	100%	14	14	100%	0	0%

3. Details of remuneration/salary/wages

a. Median remuneration / wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)*	8	11,98,178	2	5,26,238
Key Managerial Personnel**	6	7,11,833	1	4,83,333
Employees other than BoD and KMP	683	47,515	17	47,366
Workers	5454	47,278	141	39,215

* Only Executive Directors are considered for the purpose of this disclosure as the other directors do not draw any salary except for sitting fee and commission.

** Includes 4 Executive Directors who are considered for the purpose of median calculation of the Board of Directors as well.

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Gross wages paid to females as % of total wages	3.45%	3.56%

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, the Rico Group's Human Resources (HR) Department is responsible for addressing any human rights issues or impacts that affect its employees and workers. In addition, each Department Head is accountable for managing and addressing human rights concerns related to their respective business operations and external business relationships.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Respect for human rights is one of the Rico Group's core values, and it is committed to protecting and promoting these rights across all areas of its operations. The Rico Group strives to uphold fair and ethical practices in both business and employment.

To address any concerns related to human rights, the Rico Group has established several internal mechanisms, including:

- A comprehensive Grievance Redressal Policy
- A dedicated POSH Policy
- A Vigil Mechanism/Whistle Blower Policy for anonymous reporting
- Grievance boxes installed in common areas for easy access
- An Online Grievance Register for convenient and confidential submissions
- Union representatives empowered to raise concerns through various committees
- Weekly meetings at the shop floor to directly engage with workers
- Open communication channels where employees can speak with their Reporting Managers, members of senior management, or approach the HR Department directly.

These mechanisms ensure that all employees and workers have multiple safe avenues to report concerns, helping to maintain a respectful and supportive workplace for everyone.

6. Number of Complaints on the following made by employees and workers:

	FY 2024-25 (Current Financial Year)			FY 2023-24 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	Nil	Nil	—	Nil	Nil	—
Discrimination at workplace	Nil	Nil	—	Nil	Nil	—
Child Labour	Nil	Nil	—	Nil	Nil	—
Forced Labour/ Involuntary Labour	Nil	Nil	—	Nil	Nil	—
Wages	Nil	Nil	—	Nil	Nil	—
Other human rights related issues	Nil	Nil	—	Nil	Nil	—

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Total Complaints reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	Nil	Nil
Complaints on POSH as a % of female employees/workers		
Complaints on POSH upheld		

8. Mechanisms to prevent adverse consequences to the complainant in discrimination harassment cases.

The Rico Group is committed to ensuring that individuals who raise legitimate concerns related to discrimination or harassment are fully protected from any form of retaliation, punitive action, or adverse consequences. This assurance is an integral part of promoting a safe and transparent work environment where employees feel empowered to report issues in good faith. The Rico Group's Grievance Redressal Policy, Whistle Blower Policy, and Policy on POSH include specific provisions that uphold the confidentiality of complainants. These policies clearly state that all reports, records, and information associated with complaints, including those disclosed during the course of any inquiry or investigation, shall be treated as strictly confidential. Access to such information is limited exclusively to authorized personnel as designated by the Rico Group's management, thereby reinforcing the integrity and confidentiality of the resolution process.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

The Rico Group is committed to upholding fundamental human rights and endeavors to integrate these principles into all of its business agreements and contractual arrangements. In practice, key human rights provisions are already explicitly incorporated into the majority of the Rico Group's agreements and contracts. In line with its continuous improvement approach, the Rico Group is actively reviewing and refining these contractual documents to establish a more formalized framework that allows for periodic evaluation and updates. This ongoing process aims to strengthen the integration of human rights considerations, ensure alignment with evolving legal and ethical standards, and reinforce the Rico Group's dedication to responsible and sustainable business conduct.

10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100% of the plants and offices were assessed internally.
Forced/ Involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others- please specify	

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Not applicable.

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

No significant grievances received during the year on account of Human Rights. Human rights are generally reinforced across the Rico Group's business processes as a matter of practice through the Code of Conduct, as well as other policies and procedures. The Rico Group provides all its employees and workers with the necessary training on a regular basis and keeps its Code of Conduct and other policies and procedures up to date based on risks/concerns that develop and feedback received throughout the year.

2. Details of the scope and coverage of any Human rights due diligence conducted.

The Rico Group's Human Rights Statement provides a clear framework to ensure that all employees, contractual workers, vendors, clients, and communities are treated with respect and dignity. It sets consistent standards across business practices to prevent and not tolerate any form of human rights violations or abuses. This commitment is reflected in the Rico Group's policies and day-to-day actions across its workforce, business partners, communities, and the regions where it operates.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

At present, the majority of the Rico Group's premises and offices are accessible to differently abled visitors. However, a few manufacturing facilities or specific locations may have limited accessibility due to safety considerations and the distinctive design or structural constraints of those sites.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual harassment	No such assessments were carried out during FY 2024-25; however, the Rico Group plans to undertake them in the near future.
Discrimination at workplace	
Child labour	
Forced/ Involuntary labour	
Wages	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Not Applicable, as no such assessments were conducted during the FY 2024-25.

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment.

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
From Renewable sources		
Total electricity consumption (A) (In Giga Joules)	79,384.82	43,493.95
Total fuel consumption (B) (In Giga Joules)	0.00	241.80
Energy consumption through other sources (C) (In Giga Joules)	0.00	0.00
Total energy consumption from renewable sources (A+B+C) (In Giga Joules)	79,384.82	43,735.75
From Non-Renewable sources		
Total electricity consumption (D) (In Giga Joules)	4,32,141.09	4,54,646.96
Total fuel consumption (E) (In Giga Joules)	2,11,348.25	4,74,520.36
Energy consumption through other sources (F) (In Giga Joules)	0.00	0.00
Total energy consumption from non-renewable sources (D+E+F) (In Giga Joules)	6,43,489.33	9,29,167.32
Total energy consumed (A+B+C+D+E+F) (In Giga Joules)	7,22,874.15	9,72,903.06
Energy intensity per rupee of turnover (Total energy consumed/ Revenue from operations)	0.000033	0.0000450
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP) **	0.000675	0.000931*
Energy intensity in terms of physical output	13.05	13.61
Energy intensity (optional) – the relevant metric may be selected by the entity	–	–

* The previous year's values have been revised and regrouped wherever required.

** The source for Purchasing Power Parity (PPP) is International Monetary Fund (IMF). The PPP rates considered is 20.66 as per the 2025 update.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment/ evaluation/assurance has been carried out by an external agency.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not applicable, as the Rico Group does not operate any sites or facilities designated as DCs under the Government of India's PAT Scheme.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Water withdrawal by source (in kiloliters)		
(i) Surface water	0.00	0.00
(ii) Groundwater	1,57,371.00	1,62,251.00
(iii) Third party water	84,543.93	91,521.00
(iv) Seawater/Desalinated water	0.00	0.00
(v) Others	0.00	0.00
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	2,41,914.93	2,53,772.00
Total volume of water consumption (in kilolitres)	2,18,026.21	2,32,080.00
Water intensity per rupee of turnover (Water consumed / turnover)	0.000010	0.0000107
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP) **	0.000204	0.000222*
Water intensity in terms of physical output	3.94	3.25
Water intensity (optional) – the relevant metric may be selected by the entity	–	–

* The previous year's values have been revised and regrouped wherever required.

** The source for Purchasing Power Parity (PPP) is International Monetary Fund (IMF). The PPP rates considered is 20.66 as per the 2025 update.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment/ evaluation/assurance has been carried out by an external agency.

4. Provide the following details related to water discharged:

Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Water discharge by destination and level of treatment (in KL)		
(i) To surface Water	16,111.02	–
- No treatment	2,038.63	–
- With treatment (please specify level of treatment)	14,072.39	–
(ii) To Ground Water	–	–
- No treatment	–	–
- With treatment (please specify level of treatment)	–	–
(iii) To Seawater	–	–
- No treatment	–	–
- With treatment (please specify level of treatment)	–	–
(iv) Sent to third parties	7,777.70	21,692.00
- No treatment	–	1,888.00
- With treatment (please specify level of treatment)	7,777.70	19,804.00
(v) Others	–	–
- No treatment	–	–
- With treatment (please specify level of treatment)	–	–
Total water discharge (in KL)	23,888.72	21,692.00

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

The Rico Group has set up Effluent Treatment Plants (ETPs) and Sewage Treatment Plants (STPs) at most of its sites to treat wastewater. The treated water is reused for gardening and other non-potable purposes, significantly reducing reliance on freshwater and limiting external discharge.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)*
NOx	Metric tonnes	13.56	12.86
SOx	Metric tonnes	3.02	3.59
Particulate matter (PM)	Metric tonnes	18.18	19.66
Persistent organic pollutants (POP)	–	Nil	Nil
Volatile organic compounds (VOC)	–	Nil	Nil
Hazardous air pollutants (HAP)	–	Nil	Nil
Others-please specify	–	Nil	Nil

* The previous year's values have been revised and regrouped wherever required.

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No Independent assessment/evaluation/assurance has been carried out by the external agency.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	13,749.17	30,377.07
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	87,268.49	90,424.23
Total Scope 1 and Scope 2 emissions intensity per rupee of Turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	Metric tonnes of CO ₂ equivalent/Rupees	0.0000046	0.0000056
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP) **		0.0000943	0.000116*
Total Scope 1 and Scope 2 emission intensity in terms of physical output	Metric tonnes of CO ₂ equivalent/production in tonnes	1.82	1.69
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	–	–	–

* The previous year's values have been revised and regrouped wherever required.

** The source for Purchasing Power Parity (PPP) is International Monetary Fund (IMF). The PPP rates considered is 20.66 as per the 2025 update.

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Not Applicable, as no independent assessment/evaluation/assurance has been carried out by an external agency.

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Yes, the Rico Group has undertaken several initiatives during the reporting year to reduce GHG emissions as part of its environmental responsibility. Key initiatives include the following:

- Installation and expansion of solar energy systems, including rooftop solar at Bawal (1.40 MW) and continued use of solar and wind power (5 MW) at the Chennai plant and captive solar (10 MW) at Gurugram plant.
- Transitioned from PNG to electricity-operated melting and holding furnaces by installing 14 melting (95KW) and 19 holding (75 KW) furnaces, significantly reducing GHG emissions at RJWL (Manesar) Plant.
- Transitioned from high-emission fuels to cleaner alternatives by replacing furnace oil with PNG in the 1.5 Tons Per Hour (TPH) melting furnace at the Chennai plant.
- Replaced old Light Emitting Diodes (LEDs) with high-lumen-per-watt fixtures across all units.
- Reconditioned transformers to improve energy efficiency and reduce transmission losses.
- Installed variable speed control drive (VSD) in AC units and added temperature controllers with fan speed regulation in cooling towers.
- Reduced compressed air losses through leakage control in foundry machines.
- Replaced diesel forklifts with battery-operated ones at Chennai plant.
- Switched from diesel to PNG or hybrid Diesel Generator (DG) sets at various plants.
- Planted 2000 trees at the Rewari site aimed at promoting carbon sequestration and improving the local environment.

These actions collectively support the Rico Group's commitment to lowering its carbon footprint across its operations.

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	101.42	82.62
E-waste (B)	0.22	0.78
Bio-medical waste (C)	0.00	0.03
Construction and demolition waste (D)	0.00	0.00
Battery waste (E)	101.53	29.70
Radioactive waste (F)	0.00	0.00
Other Hazardous waste. Please specify, if any. (G) (Discarded Lube waste, mechanical, DG and service oils)	110.50	102.46
Other Non-hazardous waste generated (H). Please specify, if any.	4350.90	4,276.44
Total (A+B + C + D + E + F + G + H)	4664.55	4,492.03
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	0.0000002	0.0000002
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP) **	0.0000044	0.0000043*
Waste intensity in terms of physical output	0.08	0.06
Waste intensity (optional) – the relevant metric may be selected by the entity	–	–
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	2.96	400.00
(ii) Re-used	1.33	197.05
(iii) Other recovery operations	0.00	0.00
Total	4.28	597.05
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	26.38	27.03
(ii) Landfilling	6.49	0.00
(iii) Other disposal operations	4627.40	3,867.95
Total	4660.27	3,894.98

* The previous year's values have been revised and regrouped wherever required.

** The source for Purchasing Power Parity (PPP) is International Monetary Fund (IMF). The PPP rates considered is 20.66 as per the 2025 update.

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment/evaluation/assurance has been carried out by an external agency.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The Rico Group has implemented an effective waste management system that supports operations while promoting source segregation and the adoption of recycling practices. Detailed procedures are in place for the collection, handling, transportation, storage, and disposal of ETP sludge, along with specific instructions for various waste categories. The Rico Group adheres to the waste management guidelines issued by the State and Central Pollution Control Boards (SPCBs/CPCBs). Additionally, all major plant locations are equipped with wastewater treatment facilities, and waste reduction efforts also include the reuse of packaging materials.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S.No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any
Not applicable, as the Rico Group does not operate or maintain offices in or near ecologically sensitive areas.			

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current Financial Year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant web link
No environmental impact assessments were conducted for any projects by the Rico Group during the current financial year. Therefore, this requirement is not applicable.					

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes, the Rico Group is compliant with all the applicable environmental laws/ regulations/ guidelines in India.

S. No.	Specify the law/regulation/ guidelines which was not complied with	Provide details of the non-compliance	Any fines/penalties/action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Not applicable, as there were no instances of non-compliance with applicable environmental laws, regulations, or guidelines in India.				

Leadership Indicators

1. Water withdrawal, consumption, and discharge in areas of water stress (in kilolitres):
For each facility/plant located in areas of water stress, provide the following information:
- Name of the area: **Gurugram, Bawal and Chennai**
 - Nature of operations: **Manufacturing of auto components.**
 - Water withdrawal, consumption, and discharge in the following format:

Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	0.00	0.00
(ii) Ground water	96,053.00	97,039.00
(iii) Third party water	73,442.11	12,240.00
(iv) Sea water / desalinated water	0.00	0.00
(v) Others	0.00	0.00
Total volume of water withdrawal (in kilolitres)	1,69,495.11	1,09,279.00
Total volume of water consumption (in kilolitres)	1,61,717.41	1,09,279.00
Water intensity per rupee of turnover (Water consumed / turnover)	0.0000073	0.0000051
Water intensity (optional) – the relevant metric may be selected by the entity	–	–
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	0.00	0.00
– No treatment	0.00	0.00
– With treatment – please specify level of treatment	0.00	0.00

Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
(ii) Into Ground water	0.00	0.00
– No treatment	0.00	0.00
– With treatment – please specify level of treatment	0.00	0.00
(iii) Into Sea water	0.00	0.00
– No treatment	0.00	0.00
– With treatment – please specify level of treatment	0.00	0.00
(iv) Sent to third-parties	7,777.70	0.00
– No treatment	0.00	0.00
– With treatment – please specify level of treatment	7,777.70	0.00
(v) Others	0.00	0.00
– No treatment	0.00	0.00
– With treatment – please specify level of treatment	0.00	0.00
Total water discharged (in kilolitres)	7,777.70	0.00

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment/evaluation/assurance has been carried out by an external agency.

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ Equivalent	Scope 3 emissions are not currently accounted for by the Rico Group; however, a roadmap for their identification and management is being developed and will be implemented in the near future.	
Total Scope 3 emissions per rupee of turnover			
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Not Applicable

3. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not applicable, as the Rico Group does not operate or maintain offices in or near ecologically sensitive areas.

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

S. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1.	Energy Conservation Initiatives	- Replaced old LED lights with new high lumen/watt LEDs across units. - Installed variable speed drives in AC units and temperature controllers with fan speed regulation in cooling towers. - Reconditioned transformers to enhance power transmission efficiency. - Reduced compressed air losses by plugging leakages in foundry machines.	Reduced overall energy consumption, reduced GHG emissions and improved equipment's efficiency.
2.	Adoption of Cleaner Technologies	- Replaced diesel-operated forklifts with battery-operated models. - Converted melting and holding furnaces from PNG to electricity-operated systems at RJWL (Manesar) Plant. - Switched to hybrid or PNG-based DG sets at multiple locations. - Transitioned from high-emission fuels to cleaner alternatives by replacing furnace oil with PNG in the 1.5 TPH melting furnace at the Chennai plant.	Reduced reliance on fossil fuels and reduced GHG emissions.
3.	Use of Renewable Energy	- Commissioned rooftop solar installations at: Bawal (1.4 MW). - Continued sourcing power from 10 MW captive solar plant in Gurugram and 5 MW solar & wind mix at Chennai.	Enhanced green energy use and reduced carbon footprint across operations.

S. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
4.	Water Conservation and Reuse	- Continued use of ETPs and STPs for treating waste water. - Treated water is reused for gardening and other non-potable purposes.	Improved water efficiency and reduced freshwater dependency.
5.	Waste Reduction and Circularity	- Continued 100% disposal of hazardous waste through authorized vendors. - Implemented process improvements to minimise waste generation at source.	More effective waste management and minimization of landfill impact.
6.	Carbon Footprint	Assessed Scope 1 & 2 emissions to identify high-impact areas and develop reduction strategies.	Implemented GHG emission reduction plans.
7.	Green Cover and Carbon Sequestration	Planted 2000 trees aimed at promoting carbon sequestration and improving the local environment.	Contributed to carbon sequestration and promoted site-level biodiversity.

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Yes, the Rico Group has implemented a comprehensive Business Continuity Policy along with an Onsite Emergency Plan. These frameworks are designed to ensure organizational resilience and preparedness in the face of potential disruptions. The primary objective of these measures is to safeguard the continuity of business operations and minimize downtime in the event of unforeseen incidents that could impact the Rico Group's infrastructure, personnel, or processes. By doing so, the Rico Group aims to maintain operations at normal or near-normal performance levels, ensuring minimal interruption to critical activities and timely recovery. These plans are periodically reviewed and updated to remain aligned with emerging risks and industry best practices.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

During the FY 2024-25, the Rico Group did not carry out detailed evaluation of its value chain partners, focussing only on environmental impact. However, as a standard practice, all suppliers are required to formally acknowledge and adhere to the Rico Group's Supplier Code of Conduct, containing certain evaluation criterion. The Rico Group expects its suppliers not only to comply with this Code but also to actively promote and embed its principles within their own supply chains. Further, some of the Rico Group's policies also extend to some class of its value chain partners as well.

Furthermore, the Rico Group is currently in the process of formulating a comprehensive evaluation framework that includes a detailed checklist covering key parameters across ESG dimensions. These assessments are intended to be implemented in the near future as part of the Rico Group's broader sustainability and responsible sourcing initiatives.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

The Rico Group is in the process of developing a comprehensive evaluation framework, which will include a detailed checklist covering key ESG parameters. These assessments are planned to be implemented as part of the Rico Group's broader sustainability and responsible sourcing initiatives. In the interim, as a standard practice, all suppliers are required to formally acknowledge and comply with the Rico Group's Supplier Code of Conduct, which outlines specific evaluation criteria.

8. How many Green Credits have been generated or procured:

a.	By the listed entity	None
b.	By the top ten (in terms of value of purchases and sales, respectively) value chain partners	This information is currently unavailable, as the Rico Group has not conducted any such assessment so far.

PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/associations:
The Rico Group is affiliated with 5 trade and industry chambers/associations.
- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of / affiliated to:

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1.	Confederation of Indian Industries (CII)	National
2.	Automotive Components Manufacturers' Association (ACMA)	National
3.	PHD Chamber of Commerce and Industry	National
4.	Gurgaon Chamber of Commerce and Industries (GCCCI)	State
5.	Indo-American Chamber of Commerce (IACC)	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
Not applicable, as the Rico Group has not been subject to any adverse orders issued by regulatory authorities.		

Leadership Indicators

1. Details of public policy positions advocated by the entity:

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
The Rico Group actively contributes recommendations pertaining to the industry at large, as well as its own operations, either independently or through participation in various trade bodies, industry associations, and related forums.					

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current Financial Year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not applicable, as no projects were undertaken during the current year required a Social Impact Assessment (SIA) under the applicable legal provisions.					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
Not applicable, as the Rico Group did not undertake any projects that required R&R during the reporting period.						

3. Describe the mechanisms to receive and redress grievances of the community.

The Rico Group has put in place several mechanisms to receive and address grievances from the community. These include one-on-one interactions as well as group meetings with beneficiaries, ensuring they have ample opportunity to share their concerns.

Further, the Rico Group engages in a variety of CSR initiatives to meet the requirements of the communities in and around its plant locations and resolves their complaints if any.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Directly sourced from MSMEs/ small producers	31.91%	39.60%
Directly from within India	100%	100%

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Location	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)*
Rural	6.30%	5.99%
Semi-Urban	20.68%	21.36%
Urban	11.14%	11.25%
Metropolitan	61.88%	61.40%

(Place to be categorized as per RBI classification system – rural / semi – urban / urban / metropolitan)

* The previous year's values have been revised and regrouped wherever required.

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
Not Applicable, as there were no projects that required SIA based on applicable law in the current year	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount spent (In INR)
The Rico Group did not carry out any CSR projects in the government-identified aspirational districts during the current financial year.			

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized / vulnerable groups? **(Yes/No)**
Currently, the Rico Group does not have a preferential procurement policy to purchase from suppliers comprising marginalized or vulnerable groups.
- (b) From which marginalized /vulnerable groups do you procure?
Not Applicable.
- (c) What percentage of total procurement (by value) does it constitute?
Not Applicable

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current Financial Year), based on traditional knowledge:

S. No.	Intellectual property based on traditional knowledge	Owned/Acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
The Rico Group is continuously spending money on research and development activities in development of friction material used for braking system, clutch development used in the manufacturing of auto parts, and development of Continuous variable transmission system for tool development. The Rico Group expects to improve the usability of these parts for the end users and reducing the carbon footprints through manufacturing these products indigenously. In the current Financial Year 2024-25, the Rico Group has spent ₹ 4.24 crores on R&D activity (capitalised as Intangible under Development).				

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the case	Corrective action taken
Not applicable, as no adverse orders were issued in any intellectual property-related disputes involving the use of traditional knowledge.		

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1.	Supported the education of children from economically weaker sections through the Ramakant Munjal Foundation	2	100%
2.	Supported the education of a child through the Kiki Centre for Technology	1	0%
3.	Encouraged sports in rural areas such as wrestling by identifying and supporting promising young athletes	40-50	100%
4.	Planted 2,000 trees and ensured their care and maintenance in Rewari	Society as a whole	100%
5.	Developed rural infrastructure through road construction work in Dharuhera	Society as a whole	100%
6.	Supported Rotary Delhi Southwest Foundation with a contribution of ₹2 lakhs	50	Not Assessed
7.	Provided support to an individual from an economically weaker section of society for the medical treatment of a severe disease	1	100%
8.	RICO Medi Care Clinic in Pathredi provided free medical facilities to rural communities and improved access to preventive healthcare	1500-2000	100%

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner
Essential Indicators

- Describe the mechanisms in place to receive and respond to consumer complaints and feedback.
The Rico Group operates on a Business-to-Business (B2B) model and supplies its products primarily to OEMs; therefore, it has a limited scope of responding directly to the consumers and obtaining feedback from them.
However, OEMs being the Rico Group's direct customers, their feedback and satisfaction are among the Rico Group's core measures of success. To gain insight into their expectations, the Rico Group actively engages with its clients across multiple communication platforms. A dedicated team is in place to ensure seamless customer (OEMs) experience by focusing on understanding and fulfilling their varied needs. Furthermore, the Rico Group maintains a structured mechanism to monitor their complaints and grievances, ensuring timely and appropriate resolutions in accordance with internally defined service benchmarks. This proactive approach reinforces the Rico Group's commitment to continuous improvement and customer-centricity.

- Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	Not applicable, as the Rico Group operates in a B2B model and its products are not directly supplied to end consumers.
Safe and responsible usage	
Recycling and/or safe disposal	

- Number of consumer complaints in respect of the following:

	FY 2024-25 (Current Financial Year)		Remarks	FY 2023-24 (Previous Financial Year)*		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	Nil	Nil	–	Nil	Nil	–
Advertising	Nil	Nil	–	Nil	Nil	–
Cyber-security	Nil	Nil	–	Nil	Nil	–
Delivery of essential services	Nil	Nil	–	Nil	Nil	–
Restrictive Trade Practices	Nil	Nil	–	Nil	Nil	–
Unfair Trade Practices	Nil	Nil	–	Nil	Nil	–
Other (from OEMs)**	Nil	Nil	–	Nil	Nil	–

* The previous year's values have been revised and regrouped wherever required.

** The Company supplies its products on a B2B basis to OEMs, hence there are no complaints received directly from consumers.

- Details of instances of product recalls on account of safety issues

	Number	Reasons for recall
Voluntary recalls	Nil	Not Applicable
Forced recalls	Nil	Not Applicable

- Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.
Yes, the Rico Group has established a framework and policy addressing cyber security and data privacy risks, which is accessible on the Rico Group's intranet.
- Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.
Not applicable, as no complaints were received during the reporting period regarding advertising, delivery of essential services, cybersecurity, or customer data privacy. Additionally, there were no repeated instances of product recalls, nor were any penalties imposed or actions initiated by regulatory authorities in relation to the safety of the Rico Group's products or services.
- Provide the following information relating to data breaches:
 - Number of instances of data breaches along-with impact
No instances of data breaches were identified during the reporting period.
 - Percentage of data breaches involving personally identifiable information of customers.
No data breaches involving customers' personally identifiable information were identified during the reporting period.
 - Impact, if any, of the data breaches
Not applicable, as no data breach incidents were identified during the reporting period.

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).
The Information on products and services of the Rico Group can be accessed at the Rico Group's website **www.ricoauto.in**.
2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.
As the Rico Group operates on a B2B model and supplies its products primarily to OEMs, it has limited scope to directly inform or educate end-users regarding the safe and responsible use of its products and/or services.
3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.
Not Applicable, as the Rico Group does not providing any essential services.
4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable)
If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? **(Yes/No)**
Not applicable, as the Rico Group supplies its products to OEMs, who utilize them as inputs in the production of their final goods.
With respect to the customer's satisfaction, the Rico Group places strong emphasis on the same and employs multiple approaches to achieve it. Feedback, whether direct or indirect, is systematically collected to identify potential concerns or complaints, following which appropriate corrective actions are formulated and implemented. Additionally, the Rico Group's management regularly compiles, reviews, and monitors customer satisfaction trends to ensure continuous improvement and responsiveness to client needs.

ANNEXURE TO DIRECTORS' REPORT

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY

The Company's philosophy of Corporate Governance is to meet strategic goals responsibly and transparently, while being accountable to our stakeholders. Your Company is equipped with a framework of corporate governance that considers the long-term interest of every stakeholder as we operate with a commitment to integrity, fairness and equity between the Shareholders, Directors, Auditors and the Management. Your Company's Board comprises of Promoter Directors, professionally competent Executive Directors, Non-Executive and Independent Directors who have effective control over the affairs of the Company. The Board on a continuous basis oversees the overall functioning of the Company and ensures a conducive environment for continuity of business.

The Company is in compliance with the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and the compliance report for the period from 1st April, 2024 to 31st March, 2025 on the Corporate Governance is given below:

BOARD OF DIRECTORS

1. COMPOSITION OF BOARD

The Company has an optimum combination of Executive and Non-executive Directors, including Independent Director and Woman Directors. The Board as on 31st March, 2025 consists of Ten Directors - Four Executive Directors, one Non-Executive Non-Independent Director and Five Non-Executive Independent Directors including one Woman Independent Director. They all have with them considerable experience in their respective fields. The Chairman of the Board is an Executive Director.

A. Managing Director and Whole-time Directors

The Company has one Managing Director and three Whole-time Directors designated as Executive Directors who are responsible for overall management, planning, policy, strategy, operations, marketing, production, sales subject to the superintendence, control and direction of the Board of Directors. The Directors are being paid remuneration as prescribed under the Companies Act, 2013. The remuneration being paid is recommended by the Nomination and Remuneration Committee followed by the approval from the Board and Shareholders. No sitting fee is being paid to them.

B. Independent Directors

All Independent Directors have confirmed that they met the criteria of Independence as mentioned in Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) read with Section 149 of the Companies Act, 2013 and are independent to management. As on 31st March, 2025 the Company has Five Non-Executive Independent Directors including one Woman Independent Director.

Particulars of Directors of the Company and their Directorship in other Companies, Membership/Chairmanship in Committees across all Companies in which they are Directors and shareholding in the Company as on 31st March, 2025 are as follows:

Name of the Director/Category	DIN	Number of Committees		Number of other Directorship held*	Shareholding as on 31/03/2025
		Membership held*	Chairmanship held*		
Non-Executive Independent Directors					
Shri Kanwal Monga^	00153473	—	—	1	Nil
Dr. Amarjit Chopra^	00043355	1	4	4	Nil
Dr. Ashok Seth^	00050540	—	—	—	25000
Shri Satish Sekhri^	00211478	1	—	2	1900
Shri Rajeev Kapoor^	02051466	1	1	1	Nil
Shri Vinod Kumar Nagar^	02487061	1	1	—	Nil
Ms. Sarita Kapur	08848507	—	—	1	Nil
Shri Hemal Bharat Khandwala	05241590	1	1	—	133400
Shri Yogesh Kapur	00070038	5	5	8	Nil
Shri Prabhakar Kadapa+	00059374	1	—	—	Nil
Shri Kanav Monga#	01058097	1	—	—	Nil
Executive Directors					
Shri Kaushalendra Verma	02004259	2	—	4	Nil
Shri Rajiv Kumar Miglani	06873155	—	—	4	Nil
Shri Samarth Kapur	01525517	1	—	1	194800
Non-Executive Non-Independent Director					
Ms. Shikha Kapur§	01537250	—	—	—	—
Executive & Promoter Director					
Shri Arvind Kapur, Chairman, CEO & MD	00096308	1	1	2	14118043

* Excluding Private Limited Companies, Foreign Companies and LLPs.

[^] Shri Kanwal Monga, Dr. Amarjit Chopra, Dr. Ashok Seth, Shri Satish Sekhri, Shri Rajeev Kapoor and Shri Vinod Kumar Nagar ceased to hold office of Director w.e.f. 29th September, 2024 upon completion of their second term as Independent Director(s).

⁺ Shri Prabhakar Kadapa has been appointed as Independent Director on 30th September, 2024.

[#] Shri Kanav Monga has been appointed as Independent Director on 3rd October, 2024.

^{\$} Ms. Shikha Kapur has been appointed as Non-Executive Non-Independent Director on 1st April, 2024.

● Except Shri Arvind Kapur, Ms. Shikha Kapur and Shri Samarth Kapur being related to each other, no other Directors are inter-se related.

There are no pecuniary relationship or transactions of Independent Directors vis-à-vis the Company. Only two Committees viz. the Audit Committee and Stakeholders Relationship Committee are considered for the purpose of ascertaining the membership and chairmanship of the Directors. None of the Director is either a member of more than ten aforesaid Board Committees or Chairman of more than five such Committees.

The name of listed entities (including this Company), where the Directors of the Company as on 31st March, 2025, hold directorship and the category thereof are furnished below:

Name of Director	Name of listed entity in which Directorship held	Category of Directorship
Ms. Sarita Kapur	Rico Auto Industries Limited	Independent
	SMC Global Securities Limited	Independent
Shri Hemal Bharat Khandwala	Rico Auto Industries Limited	Independent
Shri Yogesh Kapur	Rico Auto Industries Limited	Independent
	Greenlam Industries Limited	Independent
	Kirloskar Oil Engines Limited	Independent
	ASK Automotive Limited	Independent
	Relaxo Footwear Limited	Independent
	Polyplex Corporation Limited	Independent
Shri Prabhakar Kadapa	Rico Auto Industries Limited	Independent
Shri Kanav Monga	Rico Auto Industries Limited	Independent
Ms. Shikha Kapur	Rico Auto Industries Limited	Non-Executive Non-Independent
Shri Kaushalendra Verma	Rico Auto Industries Limited	Executive
Shri Rajiv Kumar Miglani	Rico Auto Industries Limited	Executive
Shri Samarth Kapur	Rico Auto Industries Limited	Executive
Shri Arvind Kapur	Rico Auto Industries Limited	Executive
	Subros Limited	Independent

C. List of Core Skills/Expertise/Competencies identified by the Board of Directors

Chart of core skills/expertise/competencies identified by the Board of Directors in context of the Company's Business and sector for it to function effectively and actually available with the Board:

Name of Director	List of Core Skills/Expertise/Competencies
Ms. Sarita Kapur	Legal Advisory Services, Contractual and Commercial matters, Public and Private International laws, Employment laws, Personal laws, Succession and trusts. Practicing Mediator affiliated with Samadhan, Delhi High Court, Accredited by the Ministry of Corporate Affairs and the Chartered Institute of Arbitrators, UK.
Shri Hemal Bharat Khandwala	Advisor in the areas of financial management, business strategy, decision making and brand building.
Shri Yogesh Kapur	Fellow Chartered Accountant engaged in advising companies on strategic initiatives, investment banking, reorganization, business/corporate restructuring, fund raising and regulatory requirements/compliances etc.
Shri Prabhakar Kadapa	His experiences spanning into sectors like Automobile & Auto Components, Farm Equipment, Construction & Mining Equipment, Appliance & Precision Engineering. Also specializes in Strategy, M&A, Business Restructuring, Operations management & supply chain specifics.
Shri Kanav Monga	His leadership style is marked by a deep understanding of international business dynamics, particularly between India and Japan. He has a strong leadership track record, deep-rooted connections in the global business community, particularly with Japanese corporations, and a visionary approach to strategic joint ventures and collaborations.
Ms. Shikha Kapur	She is Global business leader with 20+ years of experience in finance, strategy and operations. Consistent track record in increasing shareholder value across a breadth of companies and industries, including scaling early-stage high growth start-ups to driving transformational growth at Fortune 100 businesses. Proven leadership experience and track record of building and managing high performing teams, and partnering with the business and across functions to deliver superior strategies and execution.
Shri Kaushalendra Verma	Profit Centre Management, Business Development, Technology Transfers, Greenfield Projects, Program Management, Manufacturing Engineering, Risk Management, Manufacturing and Quality Assurance and possesses strong leadership skills in planning, organizing, systematic analysis, people management, and team building.
Shri Rajiv Kumar Miglani	Program Management Domestic and Overseas from the Automotive and Engineering Industry, Technical Assurance, Risk Management, Business Development and has strong leadership skills for Project planning, Resource management and administration.
Shri Samarth Kapur	Operation, Engineering, Manufacturing, Management in the Automotive and Engineering Industry and is well versed in all aspects of planning and general administration.
Shri Arvind Kapur	Management, Project Management, Purchase and Supply Chain Management, Strategy, Budgeting, Finance, Operations, Marketing, Production, Costing, Investment and Human Resource Management.

2. BOARD MEETINGS

The Board meets at regular intervals to discuss and deliberate on business strategies, policies and the financial performance of the Company. In case of business exigencies, the Board's approval is taken by way of circular resolutions.

The Agenda papers along with detailed material information are sent in advance to each Director and in exceptional cases tabled at the meeting. This ensures timely and informed decisions by the Board. The Board is also apprised about the important developments in the industry, business operations and regulations.

The Company has convened six Board Meetings during the financial year 2024-25. The meetings were held on 24/05/2024, 13/08/2024, 26/09/2024, 03/10/2024, 11/11/2024 and 12/02/2025. The interval between any two meetings was well within the maximum period of 120 days.

The attendance of Directors at the Board Meetings held during the year and at the last Annual General Meeting is as under:

Name of the Director	Number of Board Meetings		Attended Last AGM*
	Held	Attended	
Shri Kanwal Monga [^]	3	3	No
Dr. Amarjit Chopra [^]	3	3	Yes
Dr. Ashok Seth [^]	3	—	Yes
Shri Satish Sekhri [^]	3	3	No
Shri Rajeev Kapoor [^]	3	3	Yes
Shri Vinod Kumar Nagar [^]	3	3	No
Ms. Sarita Kapur	6	6	Yes
Shri Hemal Bharat Khandwala	6	6	Yes
Shri Yogesh Kapur	6	6	No
Shri Prabhakar Kadapa ⁺	3	3	No
Shri Kanav Monga [#]	3	3	No
Ms. Shikha Kapur ^{\$}	6	4	No
Shri Kaushalendra Verma	6	6	Yes
Shri Rajiv Kumar Miglani	6	6	Yes
Shri Samarth Kapur	6	6	Yes
Shri Arvind Kapur	6	6	Yes

* 41st Annual General Meeting (AGM) held on 27th September, 2024 at the Registered Office of the Company through Video Conferencing.

[^] Shri Kanwal Monga, Dr. Amarjit Chopra, Dr. Ashok Seth, Shri Satish Sekhri, Shri Rajeev Kapoor and Shri Vinod Kumar Nagar ceased to hold office of Director w.e.f. 29th September, 2024 upon completion of their second term as Independent Director(s).

⁺ Shri Prabhakar Kadapa has been appointed as Independent Director on 30th September, 2024.

[#] Shri Kanav Monga has been appointed as Independent Director on 3rd October, 2024

^{\$} Ms. Shikha Kapur has been appointed as Non-Executive Non-Independent Director on 1st April, 2024.

A. Post Meeting Follow-up

The Board has an effective post meeting follow-up procedure. At every Board Meeting a status of action taken on the decisions taken during the previous Board Meetings are discussed.

B. Familiarisation Programme for Independent Directors

The Company from time to time familiarises the Independent Directors about the Company, its product, business and the ongoing events relating to the Company through presentations. The appointment of an Independent Director is formalised by issuing a letter to the Director, which inter alia explains the role, function, duties and responsibilities expected from him as a Director of the Company.

The Executive Directors of the Company also provide details of the development in the industry and business operations of the Company to the Directors at the Board Meetings on regular basis. The details of familiarization programmes imparted to Independent Directors is available on the website of the Company viz. <https://www.ricoauto.in/investor-relation.html>.

C. Board Evaluation

Your Company understands the requirements of an effective Board Evaluation process and accordingly Performance Evaluation of the Board, its Committees and Individual Directors including the Chairman of the Board is conducted every year.

In compliance with the requirements of the provisions of Section 178 of the Companies Act, 2013 and the Listing Regulations and the Guidance Note of Board Evaluation issued by SEBI in January, 2017, your Company has carried out Performance Evaluation in respect of above for the financial year ended 31st March, 2025.

During the year, the Board adopted the process of evaluation through circulation of evaluation forms, discussions and also made an oral assessment of its functioning in accordance with the requirements of the Companies Act, 2013, the Listing Regulations and the goal of the Company. Further in the like manner, the functioning of the Committees was also evaluated. The Independent Directors also interacted amongst themselves and with the Chairman. The overall assessment of the Board was that it was functioning as a cohesive body including the Committees of the Board that were functioning well with periodic reporting by the Committees to the Board on the work done and progress made during the period. Based on the aforesaid Performance Evaluation, your Board decided to continue the terms of appointment of the Chairman, Independent Directors, Executive Directors and the Non-Executive Directors.

D. Meeting of Independent Directors

Independent Directors of the Company met separately on 20th February, 2025, without the presence of Non-Independent Directors and members of Management. All the Independent Directors were present at the meeting through virtual mode. In accordance with the provisions of Listing Regulations and the Companies, Act, 2013, following matters were, inter alia, reviewed and discussed in the meeting:

- Performance of Non-Independent Directors and the Board as a whole;
- Performance of the Chairman of the Company, taking into account the views of Executive and Non-Executive Directors; and
- Assessment of the quality, quantity and timelines of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

3. COMMITTEES OF THE BOARD

The Board of Directors have constituted Committees in compliance with the Act and Listing regulations to deal with specific areas and activities of the Company. These Board Committees play an important role in overall management of day-to-day affairs and governance of the Company. The Board Committees meet at regular intervals, takes necessary steps to perform its duties entrusted by the Board. The minutes of the Committee Meetings are placed before the Board on regular basis.

The Board has the following Committees:

A. AUDIT COMMITTEE

The Committee consists of three Independent Directors and one Executive Director as on 31st March, 2025. The Chairman of the Committee is experienced Financial Professional and other members also has area of expertise in the field of financial reporting and internal controls. The Composition, quorum, power, role and scope of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013 and provisions of Regulation 18 of the Listing Regulations which include amongst others:

- The recommendation for appointment, remuneration and terms of appointment of Auditors of the Company.
- Review and monitor the auditor's independence & performance and effectiveness of audit process.
- Examination of the financial statement and the auditors' report thereon.
- Approval or any subsequent modification of transaction of the Company with related parties.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the Company.
- Evaluation of internal financial controls and risk management systems.
- Monitoring the end use of funds raised through public offers and related matters.
- Establishing a vigil mechanism for Directors and Employees to report genuine concerns.

The Audit Committee met five times during the financial year 2024-25. The meetings were held on 24/05/2024, 13/08/2024, 26/09/2024, 11/11/2024 and 12/02/2025. The Board re-constituted the Audit Committee in their meeting held on 26th September, 2024 effective from 30th September, 2024 post completion of the second term of existing Independent Directors. The composition and attendance of the Audit Committee is as under:

Name of the Director	Position held	Number of Meetings	
		Held	Attended
Dr. Amarjit Chopra*	Chairman	3	3
Shri Rajeev Kapoor*	Member	3	3
Shri Vinod Kumar Nagar*	Member	3	3
Shri Yogesh Kapur**	Chairman	2	2
Shri Hemal Bharat Khandwala**	Member	2	2
Shri Prabhakar Kadapa**	Member	2	2
Shri Arvind Kapur	Member	5	5

* Dr. Amarjit Chopra, Shri Rajeev Kapoor and Shri Vinod Kumar Nagar ceased to be Chairman/Member of the Committee on 29th September, 2024.

** Shri Yogesh Kapur, Shri Hemal Bharat Khandwala and Shri Prabhakar Kadapa has been appointed as Chairman/Member of the Committee on 30th September, 2024.

The Chief Financial Officer, Statutory Auditors and Internal Auditors regularly attend the Audit Committee Meetings and apprise the members of the Committee with various issues. The Company Secretary acts as Secretary to the Committee. The Minutes of each Audit Committee Meeting are placed before the Meetings of the Board.

The interval between any two meetings was well within the maximum period of 120 days.

The Statutory Auditors, Internal Auditors, Cost Auditors and Secretarial Auditors of the Company have not reported any frauds to the Audit Committee or to the Board of Directors under Section 143(12) of the Companies Act, 2013, including rules made thereunder.

B. NOMINATION AND REMUNERATION COMMITTEE

The Company has Nomination and Remuneration Committee to comply with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations. The scope of the Committee includes amongst others:

- Recommend to the Board a policy relating to the remuneration for the Directors, Key Managerial Personnel and Senior Management.
- Fixation of salary, perquisites etc. of all Executive Directors of the Company at the time of their appointment/re-appointment.
- Recommending commission payable to the Non-Executive Directors and Managing Director.
- Formulate the criteria for determining qualification, positive attributes and independence of a Director.
- Identify persons who qualify to become Director and who may be appointed in Senior Management and recommend to the Board for their appointment.
- Formulate the criteria for effective evaluation of performance of Board, its Committees and Individual Directors.
- Devising a policy on diversity of the Board of Directors.

i) Composition & Attendance

The Nomination and Remuneration Committee consists of three Independent Directors and one Executive Director as on 31st March, 2025. The Nomination and Remuneration Committee met five times during the financial year 2024-25. The Committee Meetings were held on 08/08/2024, 26/09/2024, 03/10/2024, 11/11/2024 and 10/02/2025 during the financial year 2024-25. The Board re-constituted the Nomination and Remuneration Committee in their meeting held on 26th September, 2024 effective from 30th September, 2024 post completion of the second term of existing Independent Directors. The composition and attendance is as under:

Name of the Director	Position held	Number of Meetings	
		Held	Attended
Shri Kanwal Monga*	Chairman	2	2
Dr. Amarjit Chopra*	Member	2	1
Shri Rajeev Kapoor*	Member	2	2
Ms. Sarita Kapur**	Chairperson	3	3
Shri Hemal Bharat Khandwala**	Member	3	3
Shri Yogesh Kapur**	Member	3	3
Shri Arvind Kapur	Member	5	5

* Shri Kanwal Monga, Dr. Amarjit Chopra and Shri Rajeev Kapoor ceased to be Chairman/Member of the Committee on 29th September, 2024.

** Ms. Sarita Kapur, Shri Hemal Bharat Khandwala and Shri Yogesh Kapur has been appointed as Chairperson/Member of the Committee on 30th September, 2024.

The Minutes of each Committee Meeting are placed before the Meetings of the Board. The Company Secretary acts as Secretary to the Committee.

ii) Performance Evaluation Criteria for the Board, its Committees and Individual Directors

The Committee has formulated evaluation criteria for Board, its Committees and Individual Directors which is broadly based on knowledge & expertise to perform the role, competency & professional experience, board engagement & time commitment and integrity & honesty.

iii) Remuneration to Directors

The Non-Executive Directors are entitled to sitting fee and commission based on Net Profit of the Company, as per provisions of the Companies Act, 2013 to be divided among them as may be determined by the Nomination and Remuneration Committee, Board of Directors and the Shareholders of the Company.

Remuneration to the Managing Director and Executive Directors is governed by resolutions passed by the Nomination and Remuneration Committee, Board of Directors and Shareholders of the Company, which cover the terms of appointment and payment of remuneration as per Nomination and Remuneration Policy of the Company.

Besides the above, there are no other pecuniary relationships or transactions with the Company. Managing Director and Executive Directors have not received any remuneration or commission from any of the Company's subsidiaries, except Shri Samarth Kapur, Executive Director receiving remuneration from M/s. Rico Jinfei Wheels Limited, Subsidiary Company.

(₹ in Lakhs)

Name of the Director	Sitting Fees	Salary	Perks	Commission	Total
Non-Executive Independent Directors					
Shri Kanwal Monga*	2.25	N.A.	N.A.	3.14	5.39
Dr. Amarjit Chopra*	4.50	N.A.	N.A.	3.14	7.64
Dr. Ashok Seth*	—	N.A.	N.A.	3.14	3.14
Shri Satish Sekhri*	2.25	N.A.	N.A.	3.14	5.39
Shri Rajeev Kapoor*	4.50	N.A.	N.A.	3.14	7.64
Shri Vinod Kumar Nagar*	4.50	N.A.	N.A.	3.14	7.64
Ms. Sarita Kapur	5.00	N.A.	N.A.	6.30	11.30
Shri Hemal Bharat Khandwala	6.50	N.A.	N.A.	6.30	12.80
Shri Yogesh Kapur	6.50	N.A.	N.A.	6.30	12.80
Shri Prabhakar Kadapa [^]	4.25	N.A.	N.A.	3.16	7.41
Shri Kanav Monga [#]	2.75	N.A.	N.A.	3.11	5.86
Non-Executive Non-Independent Director					
Ms. Shikha Kapur	N.A.	N.A.	N.A.	N.A.	N.A.
Executive Directors					
Shri Kaushalendra Verma	N.A.	120.12	—	N.A.	120.12
Shri Rajiv Kumar Miglani	N.A.	111.79	—	N.A.	111.79
Shri Samarth Kapur ^{\$}	N.A.	59.40	—	N.A.	59.40
Shri Arvind Kapur	N.A.	873.00	109.00	Nil	982.00

* Shri Kanwal Monga, Dr. Amarjit Chopra, Dr. Ashok Seth, Shri Satish Sekhri, Shri Rajeev Kapoor and Shri Vinod Kumar Nagar ceased to hold office of Director w.e.f. 29th September, 2024 upon completion of their second term as Independent Director(s).

[^] Shri Prabhakar Kadapa has been appointed as Independent Director on 30th September, 2024.

[#] Shri Kanav Monga has been appointed as Independent Director on 3rd October, 2024.

^{\$} Shri Samarth Kapur receive the remuneration from M/s. Rico Jinfei Wheels Limited, Subsidiary Company.

iv) Remuneration Policy

The Company has adopted a policy relating to the remuneration for Directors, Senior Management, Key Managerial Personnel and other Employees of the Company. The same is available on the website of the Company viz. <https://www.ricoauto.in/investor-relation.html>.

The remuneration policy is directed towards rewarding performance, based on review of achievements. It is aimed at attracting and retaining high caliber talent.

v) Stock Option

At present the Company has no stock option plans.

C. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee consists of two Independent Directors and two Executive Directors. The Stakeholders Relationship Committee met four times during the financial year 2024-25. The meetings were held on 08/08/2024, 25/11/2024, 09/12/2024 and 07/01/2025. The Board re-constituted the Stakeholders Relationship Committee in their meeting held on 3rd October, 2024 post completion of the second term of existing Independent Directors. The composition and attendance is as under:

Name of the Director	Position held	Number of Meetings	
		Held	Attended
Shri Vinod Kumar Nagar*	Chairman	1	1
Dr. Amarjit Chopra*	Member	1	—
Shri Samarth Kapur	Member	4	4
Shri Hemal Bharat Khandwala**	Chairman	3	—
Shri Kanav Monga**	Member	3	2
Shri Kaushalendra Verma**	Member	3	3

* Shri Vinod Kumar Nagar and Dr. Amarjit Chopra ceased to be Chairman/Member of the Committee on 29th September, 2024.

** Shri Hemal Bharat Khandwala and Shri Kaushalendra Verma has been appointed as Chairman/Member of the Committee on 30th September, 2024 and Shri Kanav Monga has been appointed as Member of the Committee on 3rd October, 2024.

The Committee deals in matters relating to redressing of investor complaints, transmission and transposition of shares, issue of duplicate share certificates, transfer of shares to IEPF Authority, review of dematerialized and rematerialized shares.

The Minutes of each Committee Meeting are placed before the meetings of the Board. The Company Secretary acts as Secretary to the Committee.

D. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The CSR Committee has been constituted pursuant to the provisions of Section 135 of the Companies Act, 2013 consisting of three Independent Directors and one Executive Director.

The CSR Committee met one time on 08/08/2024 during the financial year 2024-25. The Board re-constituted the CSR Committee in their meeting held on 3rd October, 2024 post completion of the second term of existing Independent Directors. The composition and attendance is as under:

Name of the Director	Position held	Number of Meetings	
		Held	Attended
Shri Rajeev Kapoor*	Chairman	1	1
Dr. Ashok Seth*	Member	1	—
Shri Vinod Kumar Nagar*	Member	1	1
Shri Samarth Kapur*	Member	1	1
Ms. Sarita Kapur**	Chairperson	—	—
Shri Kanav Monga**	Member	—	—
Shri Kaushalendra Verma**	Member	—	—
Shri Arvind Kapur**	Member	—	—

* Shri Rajeev Kapoor, Dr. Ashok Seth, Shri Vinod Kumar Nagar and Shri Samarth Kapur ceased to be Chairman/Member of the Committee on 29th September, 2024.

** Ms. Sarita Kapur, Shri Kaushalendra Verma and Shri Arvind Kapur has been appointed as Chairperson/Member of the Committee on 30th September, 2024 and Shri Kanav Monga has been appointed as Member of the Committee on 3rd October, 2024.

The terms of reference of the CSR Committee are as under:

- Formulate and recommend to the Board a Corporate Social Responsibility Policy and its review from time to time;
- Ensure effective implementation and monitoring of the CSR activities as per approved policy, plans and budget; and
- Ensure compliance with law, rules and regulations governing CSR and to periodically report to the Board.

E. RISK MANAGEMENT COMMITTEE

The Risk Management Committee has been constituted pursuant to the provisions of the Companies Act, 2013 consisting of two Independent Directors and three Executive Directors.

The Risk Management Committee met two times during the financial year 2024-25. The meetings were held on 08/08/2024 and 31/01/2025. The Board re-constituted the Risk Management Committee in their meeting held on 26th September, 2024 effective from 30th September, 2024 post completion of the second term of existing Independent Directors. The composition and attendance is as under:

Name of the Director	Position held	Number of Meetings	
		Held	Attended
Shri Rajeev Kapoor*	Chairman	1	1
Shri Kanwal Monga*	Member	1	1
Dr. Amarjit Chopra*	Member	1	—
Ms. Sarita Kapur**	Chairperson	1	1
Shri Prabhakar Kadapa**	Member	1	1
Shri Kaushalendra Verma	Member	2	2
Shri Rajiv Kumar Miglani	Member	2	2
Shri Arvind Kapur	Member	2	2

* Shri Rajeev Kapoor, Shri Kanwal Monga and Dr. Amarjit Chopra ceased to be Chairman/Member of the Committee on 29th September, 2024.

** Ms. Sarita Kapur and Shri Prabhakar Kadapa has been appointed as Chairperson/Member of the Committee on 30th September, 2024.

The Minutes of each Committee Meeting are placed before the meetings of the Board. The Company Secretary acts as Secretary to the Committee.

The scope of the Committee includes amongst others:

- Formulation of Risk Management Policy;
- Appointment, removal and terms of remuneration of the Chief Risk Officer;
- Appointment of consultant or professional to frame Risk Management Plans including policy and for subsequent monitoring and evaluation thereof;
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- To monitor and oversee implementation of the Risk Management Policy, including evaluating the adequacy of risk management systems;
- To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity; and
- To keep the Board informed about the nature and content of its discussions, recommendations and actions to be taken.

The Company has Risk Management Policy which is available at Company website <https://www.ricoauto.in/investor-relation.html>.

F. FINANCE COMMITTEE

The Finance Committee has been constituted pursuant to the provisions of the Companies Act, 2013 consisting of one Independent Directors and three Executive Directors. The Finance Committee deals with borrowing in any form Bank, Financial Institutions and Overseas Funding Institutions etc. within limits assigned to it by the Board from time to time, other bank related matters, authorization to officials for certain matters including legal cases and other specific matters assigned to it.

The Finance Committee met five times during the financial year 2024-25. The meetings were held on 22/07/2024, 10/10/2024, 25/11/2024, 26/12/2024 & 26/03/2025. The Board re-constituted the Finance Committee in their meeting held on 26th September, 2024 effective from 30th September, 2024 post completion of the second term of existing Independent Directors. The composition and attendance is as under:

Name of the Director	Position held	Number of Meetings	
		Held	Attended
Shri Kanwal Monga*	Member	1	–
Shri Rajeev Kapoor*	Member	1	1
Shri Samarth Kapur*	Member	1	1
Shri Yogesh Kapur**	Member	4	4
Shri Kaushalendra Verma**	Member	4	4
Shri Rajiv Kumar Miglani**	Member	4	4
Shri Arvind Kapur	Chairman	5	4

* Shri Kanwal Monga, Shri Rajeev Kapoor and Shri Samarth Kapur ceased to be Member of the Committee on 29th September, 2024.

** Shri Yogesh Kapur, Shri Kaushalendra Verma and Shri Rajiv Kumar Miglani has been appointed as Member of the Committee on 30th September, 2024.

The Minutes of each Committee Meeting are placed before the meetings of the Board. The Company Secretary acts as Secretary to the Committee.

4. DISCLOSURES

i) Disclosures on materially significant related party transactions that may have potential conflict with the interests of the Company at large:

Kindly refer to the notes forming part of accounts for the details of Related Party Transactions. There are no materially significant Related Party Transactions, which have potential conflict with the interests of the Company at large. All Related Party Transactions are presented to the Audit Committee and Board. Omnibus approval is obtained for the transactions which are foreseen and repetitive in nature.

There are no agreements with any party which impact the management or control of the Company or impose any restriction or create any liability upon the Company.

ii) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority, on any matter related to the capital markets, during the last three years:

No penalties, strictures were imposed on the Company by Stock Exchanges or SEBI or by any Statutory Authorities, on any matter relating to capital markets, during the last three years.

iii) Whistle Blower Policy and affirmation that no personnel has been denied access to the Audit Committee:

Pursuant to section 177(9) of the Companies Act, 2013 and in compliance with the SEBI Regulation the Audit Committee of the Company has approved the policy/mechanism on dealing with Whistle Blowers. The Audit Committee reviews the same as and when required. The said policy/mechanism is also available on Company's website at <https://ricoauto.in/files/Key%20Policies.pdf>. During the financial year under review, no complaint was received to be referred to the Audit Committee and no person was denied access to the Audit Committee.

iv) Risk Management:

The Company has laid down procedures to inform Board Members about the risk assessment and minimization procedures. These procedures are subject to review to ensure that management controls risks through means of a properly defined framework. The compliance statements regarding the insurance policy, coverage and settlement of claims thereof is presented to the Audit Committee on quarterly basis.

v) Disclosure of Accounting Treatment:

The Company has prepared its financial statement as per the Indian Accounting Standards (IndAS) prescribed by Institute of Chartered Accountants of India (ICAI). There is no deviation in the Accounting Treatment.

vi) Preferential Issue:

During the financial year 2024-25, no Preferential Issue was made.

vii) Management Discussion and Analysis (MDA):

A MDA Report which forms part of the Annual Report is given by means of a separate annexure attached to the Directors' Report.

viii) Compliance with Mandatory Requirements:

The Company has obtained a Certificate from the Company Secretary in Practice to the effect that the Company has complied with the conditions of the Corporate Governance. The same is annexed and sent along with the Annual Report of the Company to the Shareholders and to the Stock Exchanges.

ix) **Code for Prevention of Insider Trading Practices:**

Pursuant to SEBI (Prohibition of Insider Trading Regulations), 2015, the Company has a Board approved Code of Conduct to regulate, monitor and report trading by insiders ('Code of Conduct') and a Code of Practices and Procedures for Fair Disclosure of unpublished price sensitive information ('Code of Fair Disclosure').

The Company has also approved Policy and Procedures for inquiry in case of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information.

The code of conduct and code of fair disclosure framed by the Company have helped in ensuring compliance with the requirements.

x) **Disclosures in relation to the Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013:**

Kindly refer to relevant disclosures in the Directors' Report which forms part of the Annual Report 2024-25.

xi) **Related Party Transactions:**

The Company has adopted policies on material subsidiaries and dealing with related party transactions which are available on the website of the Company viz. <https://www.ricoauto.in/investor-relation.html>

xii) **Commodity Price Risk/Foreign Exchange Risk and Hedging Activities:**

The Company manages its Commodity Price Risks by Linked Indexation with its customers which are settled quarterly as per benchmark reference. Similarly on Foreign Exchange Risk, the Company has Robust Exports and enjoys a Natural Hedge over the Imports/Borrowings denominated in Foreign Currency. It has an elaborate Forex Policy which is approved by the Board. The details of the Foreign Currency Exposure as on 31st March, 2025 are disclosed in notes of the Standalone Financial Statements.

xiii) **Adoption of the Non-Mandatory Requirements:**

The Compliance Status of the Non-Mandatory requirements of the Regulation 27(1) of the Listing Regulations is as under:

a) **The Board**

Maintenance of Chairman Office - As the Company has an Executive Chairman, disclosure is not required.

b) **Shareholder Rights**

The Company regularly publishes its quarterly results in the newspapers. These results are also available on Company's website at <https://www.ricoauto.in/investor-relation.html>. Quarterly financial results alongwith Earnings Release are being sent to shareholders through electronically.

c) **Audit Qualifications**

During the financial year under review, there is no audit qualification in Company's financial statements. The Company continues to adopt best practices to ensure regime of unqualified financial statements.

d) **Reporting of Internal Auditor**

The Internal Auditor reports, directly to the Audit Committee on quarterly basis.

5. SHAREHOLDERS

A. MEANS OF COMMUNICATION

- i) Quarterly/Annual Results are published in the following Newspapers:
 - a) Business Standard (English Newspaper) Delhi & Mumbai
 - b) Veer Arjun (Hindi Newspaper) Delhi
- ii) Quarterly/Annual Results and Shareholding Pattern are displayed on Company's website at <https://www.ricoauto.in/investor-relation.html> and all important/price sensitive information are submitted to the BSE/NSE where the shares of the Company are listed and these Stock Exchanges display these announcements on their respective websites.
- iii) The Company's official press releases and any presentation made to the Institutional Investors or/and Analysts are displayed on website of the Company viz. <https://www.ricoauto.in/investor-relation.html>
- iv) The Shareholder Information section forms part of the Report.

B. DETAILS OF GENERAL BODY MEETINGS

Financial Year	Type of Meeting	Location/Mode of Meeting	Date	Time
2021-2022	39 th AGM	Through Video Conferencing	30/09/2022	12.00 Noon
2022-2023	40 th AGM	Registered Office at Gurugram and through Video Conferencing	29/09/2023	12.00 Noon
2023-2024	41 st AGM	Registered Office at Gurugram and through Video Conferencing	27/09/2024	12.00 Noon

The following Special Resolutions were taken up in the AGMs held during the last three financial years and were passed with the requisite majority:

39th AGM (30/09/2022)

1. Appointment of Shri Hemal Bharat Khandwala as an Independent Director.
2. Appointment of Shri Kaushalendra Verma as Whole-time Director designated as "Executive Director".
3. Appointment of Shri Rajiv Kumar Miglani as Whole-time Director designated as "Executive Director".
4. Appointment of Shri Samarth Kapur as Whole-time Director designated as "Executive Director".
5. Approval of payment of Remuneration to Shri Arvind Kapur, Chairman, CEO & Managing Director.

40th AGM (29/09/2023)

1. Appointment of Shri Yogesh Kapur as an Independent Director.

41st AGM (27/09/2024)

No Special Resolution Passed in this AGM.

Postal Ballot

During the Financial year 2024-25, one ordinary resolution was passed by the Shareholder(s) through Postal Ballot process dated 16/06/2024 and three special resolutions were passed by the Shareholder(s) through Postal Ballot process dated 12/12/2024 the details of voting pattern is as follows:

16/06/2024:

S. No.	Resolution	No. of Votes Polled	No. & % age of votes in favour	No. & %age of votes against
1.	Appointment of Ms. Shikha Kapur (DIN:01537250) as a Non-Executive Non-Independent Director of the Company.	74184866	72685041 (97.98%)	72685041 (97.98%)

Shri Milan Malik (Membership No. FCS 9888 & Certificate of Practice No. 16614), Partner of M/s. Corpnexus Services LLP, Company Secretaries & Legal Consultants was appointed as the Scrutinizer for conducting the Postal Ballot/E-voting process in a fair and transparent manner.

12/12/2024:

S. No.	Resolution	No. of Votes Polled	No. & % age of votes in favour	No. & % age of votes against
1.	Appointment of Shri Prabhakar Kadapa (DIN: 00059374) as an Independent Director of the Company.	74227822	74223612 (99.99%)	4210 (0.01%)
2.	Appointment of Shri Kanav Monga (DIN: 01058097) as an Independent Director of the Company.	74226972	74222009 (99.99%)	4963 (0.01%)
3.	Re-appointment of Shri Arvind Kapur (DIN: 00096308), Chairman, CEO & Managing Director and payment of Remuneration.	74162768	72782960 (98.14%)	1379808 (1.86%)

Shri Milan Malik (Membership No. FCS 9888 & Certificate of Practice No. 16614), Partner of M/s. Lexnexus Corporate Solutions LLP (formerly known as Corpnexus Services LLP), Company Secretaries & Legal Consultants was appointed as the Scrutinizer for conducting the Postal Ballot/E-voting process in a fair and transparent manner.

Procedure for Postal Ballot

The Postal Ballot process was carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Companies Act, 2013 (as amended) read with the Rules framed thereunder and applicable circulars issued by the Ministry of Corporate Affairs and the Listing Regulations.

Details of Special Resolution proposed to be transacted through Postal Ballot

None of the businesses proposed to be transacted at the ensuing AGM requires passing of a resolution through postal ballot.

6. RECONCILIATION OF SHARE CAPITAL AUDIT REPORT

Shri K.K. Sachdeva of M/s. K.K. Sachdeva & Associates, Company Secretaries (CP No.4721, FCS No.7153) carried out Reconciliation of Share Capital Audit on quarterly basis to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid-up capital as on 31st March, 2025 is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL. The Reconciliation of Share Capital Audit Report is being submitted to the Stock Exchanges and is also placed before the Board Meetings from time to time for confirmation.

7. DIVERSITY ON THE BOARD OF THE COMPANY

The Company aims to enhance the effectiveness of the Board by diversifying its composition and to obtain the benefit out of such diversity in better and improved decision making. In order to ensure that the Board of the Company has appropriate balance of skills, experience and diversity of perspectives that are imperative for the execution of its business strategy, the Company considers a number of factors, including but not limited to skills, industry experience, background and business acumen. Policy on Board Diversity is displayed on website of the Company viz. <https://www.ricoauto.in/investor-relation.html>

8. DIRECTORS AND OFFICERS INSURANCE

The Company has undertaken Directors and Officers Liability Insurance Policy (D and O Insurance) for all its Directors, including Independent Directors, for a quantum and risks as determined by the Board of Directors of the Company.

9. CREDIT RATINGS

Kindly refer to relevant disclosures in the Directors' Report which forms part of the Annual Report 2024-25.

10. CHIEF EXECUTIVE OFFICER (CEO), CHIEF FINANCIAL OFFICER (CFO), COMPLIANCE OFFICER

Shri Arvind Kapur, Chairman & Managing Director is Chief Executive Officer. Shri Rakesh Kumar Sharma is Chief Financial Officer. Shri B.M. Jhamb, Company Secretary was the compliance Officer upto 30th September, 2024. Ms. Ruchika Gupta, Company Secretary is Compliance Officer w.e.f 1st October, 2024.

11. REQUIREMENTS OF CORPORATE GOVERNANCE

The Company has complied with Corporate Governance requirements as specified in Regulations 17 to 27 and Clause (b) to (i) of Regulation 46(2) of the Listing Regulations. However Fine imposed by BSE and NSE as per SEBI Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/0155 dated November 11, 2024 under Regulation 17(1) regarding Non-compliance pertaining to the composition of Board. There was a delay of three days in appointment of an Independent Director within the stipulated time. The delay caused due to fulfilling necessary compliances before the appointment of Independent Director. There were some technical glitches at the end of other regulatory authorities and immediately on rectification of all documents conducted the Board Meeting to ensure proper composition of Board. The Stock Exchanges (BSE & NSE) each imposed fine of ₹5,000/- in November, 2024 and ₹10,000/- in March, 2025 for this default and the Company has paid the fines accordingly.

12. CODE OF CONDUCT

The Company has adopted a Code of Conduct for its Board Members and Senior Management. The Code of Conduct has also been posted on the website of the Company at <https://www.ricoauto.in/investor-relation.html>. The code has been circulated to all the Directors and Senior Management.

The Declaration by the Chief Executive Officer (CEO) of the Company concerning compliance with the Code of Conduct for Board Members and Senior Management is given below:

I hereby confirm that:

As provided under Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has obtained from all the Board Members and Senior Management personnel, affirmation that they have complied with the Code of Conduct for Board Members and Senior Management in respect of the financial year ended 31st March, 2025.

Place : Gurugram
Date : May 27, 2025

Arvind Kapur
Chairman, CEO &
Managing Director
(DIN : 00096308)

13. COMPLIANCE CERTIFICATE TO THE BOARD PURSUANT TO REGULATION 17(8) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

This is to certify that:

- a) We have reviewed the Financial Statements and the Cash Flow Statement for the year ended 31st March, 2025 and that to the best of our knowledge and belief:
 - i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) These financial statements and other financial information included in the report, present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- b) To the best of our knowledge and belief, no transactions entered into by the Company during the financial year ended 31st March, 2025 are fraudulent, illegal or violative of the Company's code of conduct.
- c) We are responsible for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Company's Auditors and the Audit Committee that there are no deficiencies in the design or operation of internal controls.
- d) We have indicated to the Auditors and the Audit Committee:
 - i) that there has not been any significant changes in internal control over financial reporting during the year under report;
 - ii) that there has not been any significant changes in accounting policies; and
 - iii) that we are not aware of any instances during the year under report of any fraud with involvement therein, of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Place : Gurugram
Date : May 27, 2025

Rakesh Kumar Sharma
Chief Financial Officer

Arvind Kapur
Chairman, CEO &
Managing Director
(DIN : 00096308)

GENERAL SHAREHOLDERS' INFORMATION

1. **Annual General Meeting (AGM)**
Day, Date, Time, Venue and Mode : 42nd AGM will be held on Tuesday, the 16th day of September, 2025 at 12.00 Noon at the Registered Office of the Company is also providing the facility to attend the AGM through Video Conferencing ('VC')/Other Audio-Visual Mean ('OAVM').
2. **Financial Calendar**
Financial Year : 1st April to 31st March
For the year 2024-25, Results were announced on
First quarter ended 30th June, 2024 : 13th August, 2024
Second quarter and half year ended 30th September, 2024 : 11th November, 2024
Third quarter ended 31st December, 2024 : 12th February, 2025
Fourth quarter and year ended 31st March, 2025 : 27th May, 2025
For the year 2025-26, Results will be announced on (Tentative)
First quarter ended 30th June, 2025 (announced) : 12th August, 2025
Second quarter and half year ending 30th September, 2025 : November, 2025
Third quarter ending 31st December, 2025 : February, 2026
Fourth quarter and year ending 31st March, 2026 : May, 2026
3. **Dates of Book Closure** : 10th September, 2025 to 16th September, 2025 (both days inclusive)
4. **Dividend Payment Date** : Dividend @ ₹0.50 per share would be paid within 30 days of declaration by the Shareholders in the Annual General Meeting.
5. **Registered Office** : 38 KM Stone, Delhi-Jaipur Highway, Gurugram - 122001 (Haryana) India
6. **Registrar and Transfer Agent**
(Common for Physical Transfer as well as Dematerialisation of Shares) : M/s. MCS Share Transfer Agent Limited
179-180, DSIDC Shed, 3rd Floor, Okhla Industrial Area Phase I, New Delhi - 110020
7. **Plant Locations**

Gurugram Plant : Aluminium
38 KM Stone, Delhi-Jaipur Highway
Gurugram - 122001 (Haryana) India

Gurugram Plant : Ferrous
38 KM Stone, Delhi-Jaipur Highway
Gurugram - 122001 (Haryana) India

Haridwar Plant : Aluminium
Plot No.1 & 2, Industrial Park IV, Village Begumpur,
Distt. Haridwar - 249403 (Uttarakhand) India

Chennai Plant : Aluminium (ICE)
Plot No.A9, SIPCOT Industrial Growth Centre
Oragadam, Chennai - 602105 (Tamilnadu) India

Chennai Plant : Aluminium (EV & Hybrid)
Plot No.A9, SIPCOT Industrial Growth Centre
Oragadam, Chennai - 602105 (Tamilnadu) India

Bawal Plant: Aluminium (Low Tonnage)
Plot No.21, Sector-5, HSIIDC, Phase-II
IMT Bawal - 123501, Distt. Rewari (Haryana) India

Bawal Plant: Aluminium (High Tonnage)
Plot No.22-23, Sector-5, HSIIDC, Phase-II
IMT Bawal - 123501, Distt. Rewari (Haryana) India

Pathredi Plant : Ferrous
Plot No.SP3 800 & 801, Industrial Area Pathredi
Distt. Alwar - 301019 (Rajasthan) India

Halol Plant : Aluminium
Plot No.1602/A, GIDC
Halol - 389350, Gujarat (India)

Dharuhera Plant
69 KM Stone, Delhi-Jaipur Highway
Dharuhera, Distt. Rewari - 123110 (Haryana) India

Sanand Plant
Plot No.D2, Tata Motors Vendor Park, Village Sanand,
P.O. Viroch Nagar, Ahmedabad - 382170 (Gujarat) India

Subsidiary Companies:

Rico Jinfei Wheels Limited : Aluminium
Plot No.397, Sector-8, IMT Manesar,
Gurugram - 122050 (Haryana) India

Rico Fluidtronics Limited
Plot No.11, Sector-8, IMT Manesar,
Gurugram - 122050 (Haryana) India

AAN Engineering Industries Limited (Defence)
38 KM Stone, Delhi-Jaipur Highway
Gurugram - 122001 (Haryana) India

Rico Friction Technologies Limited (Friction Material)
38 KM Stone, Delhi-Jaipur Highway
Gurugram - 122001 (Haryana) India

8. Share Transfer System

Physical

Members may please note that SEBI, vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25th January, 2022, has mandated Listed Companies to issue securities in demat form only while processing service requests viz. Issue of duplicate securities certificate; claim from Unclaimed Suspense Account; Exchange of securities certificate; Endorsement; Sub-division/Splitting of securities certificate; Consolidation of securities certificates/folios; Transmission and Transposition. Accordingly, Shareholders are requested to make service requests by submitting a duly filled and signed Form ISR-4, the format of which is available on the Company's website under the weblink at <https://www.ricoauto.com/files/form%20ISR-1-2-3-and-SH-13-14.pdf> and on the website of the Company's RTA at <https://www.mcsregistrars.com>. It may be noted that any service request can be processed only after the folio is KYC compliant.

The transmission, transposition, remat, split of share certificate and issue of duplicate share certificate are approved by the Stakeholders Relationship Committee. This Committee normally meets as and when required to complete the transfer related works within the stipulated period.

Pursuant to the amendment in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subsequent notification(s) issued by SEBI, w.e.f. 1st April, 2019 except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository. All the requests received from shareholders for transmission etc. are processed by the Share Transfer Agent of the Company within the stipulated time as prescribed in the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 or in any other applicable law. SEBI had also clarified that listed entities/RTAs shall issue a 'Letter of Confirmation' in lieu of physical share certificates while processing any of the aforesaid investor service requests.

Demat

Requests for dematerialization/re-materialization of shares are processed and confirmation is given to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) directly by the Registrar and Share Transfer Agent. The Annual Custody Fees for the Financial Year 2025-26 have been paid to the Depositories.

9. Listing on Stock Exchanges

The Company's shares are listed on the following Stock Exchanges and the Annual Listing Fees for the Financial Year 2025-26 have been paid to the Exchanges:

Name & Address of Stock Exchanges	Stock Codes/Scrip Code	ISIN Number for NSDL/CDSL (Dematerialised shares)
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001	520008	INE209B01025
National Stock Exchange of India Limited Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai - 400051	RICOAUTO	

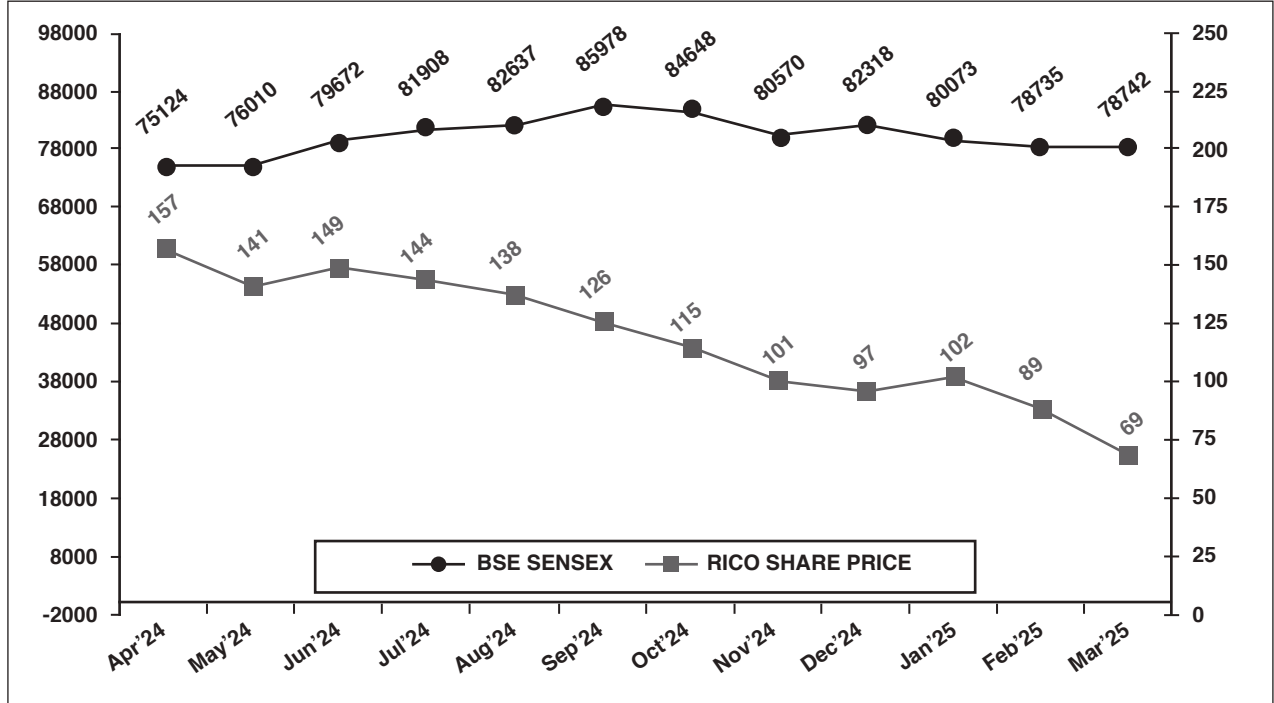
10. Stock Market Data

The closing price as on 31st March, 2025 of the Equity Shares at BSE and NSE is ₹60.46 & ₹60.37 respectively. Monthly high & low price and volume of shares of ₹1/- each traded at BSE and NSE for 2024-25 are as under:

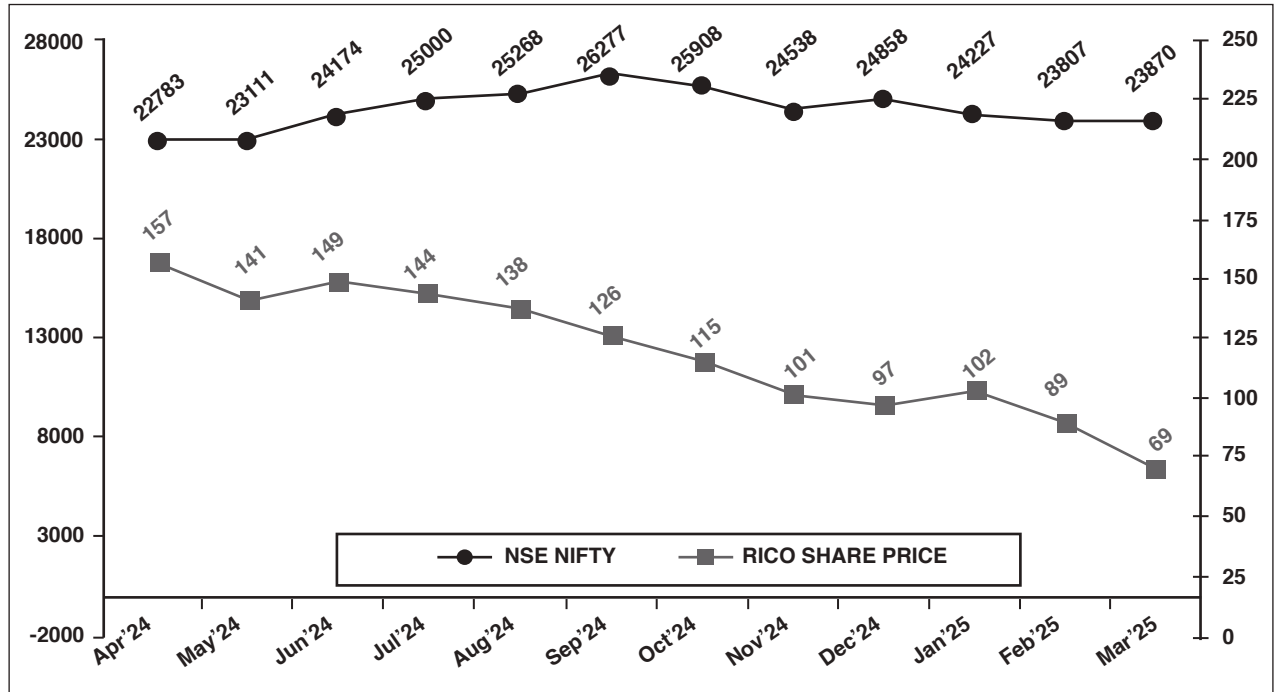
Month/Year	BSE Limited (BSE)			National Stock Exchange (NSE)		
	High (₹)	Low (₹)	Volume of Shares Traded	High (₹)	Low (₹)	Volume of Shares Traded
April, 2024	157.00	125.20	4393857	157.00	129.00	9725363
May, 2024	141.45	115.95	3487710	141.40	115.75	4352822
June, 2024	148.95	106.95	3243197	149.00	107.25	4739322
July, 2024	143.70	120.00	3599910	143.75	120.04	33145527
August, 2024	137.60	114.95	2087548	137.61	115.10	15762495
September, 2024	126.45	112.00	1701538	126.30	112.00	13205264
October, 2024	114.90	88.70	1119188	114.96	88.73	9490123
November, 2024	100.76	83.47	851153	100.73	83.50	6556603
December, 2024	96.63	80.10	627697	96.80	80.00	5508400
January, 2025	102.38	78.31	3195931	102.35	78.59	34203949
February, 2025	88.68	62.82	1014675	88.56	62.76	8495692
March, 2025	68.87	59.10	1099334	68.98	58.35	12295028

11. Stock Performance of Rico Auto Industries Limited Vs. Stock Exchange Indices

INDEX COMPARISON – RICO SHARE PRICE VS. BSE SENSEX (HIGH)



INDEX COMPARISON – RICO SHARE PRICE VS. NSE NIFTY (HIGH)



12. Dematerialisation of Shares and Liquidity

Trading in Equity Shares of the Company is permitted only in dematerialised form w.e.f. 28th August, 2000 for all investors. The ISIN Number of both NSDL and CDSL is INE209B01025. The Equity Shares of the Company are regularly traded on BSE Limited and National Stock Exchange of India Limited.

Break-up of Shares in Physical and Demat segment as on 31st March, 2025

Segment	No. of Shareholders	% of Shareholders	No. of shares	% of Shareholding
Physical	426	0.37	182371	0.13
Demat	113417	99.63	135102629	99.87
Total	113843	100.00	135285000	100.00

13. Distribution of Shareholding as on 31st March, 2025

No. of Equity Shares held	No. of Shareholders	Percent of Shareholders	No. of Shares	Percent of Shareholding
1 – 5000	112427	98.76	34478788	25.49
5001 – 10000	804	0.70	5878764	4.34
10001 – 20000	319	0.28	4501154	3.33
20001 – 30000	102	0.09	2538506	1.88
30001 – 40000	45	0.04	1531216	1.13
40001 – 50000	38	0.03	1721340	1.27
50001 – 100000	55	0.05	3968804	2.93
100001 & Above	53	0.05	80666428	59.63
Total	113843	100.00	135285000	100.00

14. Shareholding Pattern as on 31st March, 2025

Category of Shareholders	No. of Shares (Demat Mode)	No. of Shares (Physical Mode)	Total No. of Shares	Percent of Shareholding
Promoter and Promoter Group	68096246	–	68096246	50.34
Foreign Institutional Investors	2121953	–	2121953	1.57
Bodies Corporate	3267657	–	3267657	2.42
NRI	2065476	–	2065476	1.53
Trusts	4760	–	4760	0.00
IEPF Authority	1387218	–	1387218	1.03
Indian Public	58159319	182371	58341690	43.13
Total	135102629	182371	135285000	100.00

15. Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion Date and likely impact on Equity

The Company has not issued any GDRs/ADRs/Warrants or any Convertible Instruments.

16. Unpaid/Unclaimed Dividends

Pursuant to the provisions of Sections 124 & 125 of the Companies Act, 2013 the amount of dividend which remains unpaid/unclaimed for a period of Seven (7) years is required to be transferred to the “Investor Education and Protection Fund” (IEPF), constituted by the Central Government. Member(s) who have not yet cashed their dividend warrant(s) is/are requested in their own interest to write to the Company for claiming outstanding dividend declared by the Company. The amount of unpaid or unclaimed dividend relating to the financial year ended 31st March, 1995 to 31st March, 2017 (Interim Dividend) have already been transferred to the Investor Education and Protection Fund (IEPF). During the year, the aggregate unclaimed dividend amount of ₹2598818/- for the financial year 2016-17 and interim dividend amount of ₹871456/- relating to financial year 2017-18 was transferred to IEPF.

Date for Transferring Unclaimed Dividend to the IEPF Authority

Year	Rate of Dividend (percent)	Date of Declaration	No. of Shareholders	Amount of Dividend (₹)	Amount of Unclaimed Dividend (₹)	Unclaimed Dividend (Percent)	Due date for transfer to IEPF
2018	Final – 40	29/09/2018	66168	54114000.00	812904.00	1.50	29/10/2025
2019	Interim – 40	11/02/2019	67887	54114000.00	580136.00	1.07	11/03/2026
2019	Final – 40	30/09/2019	63614	54114000.00	550724.00	1.02	30/10/2026
2020	Final – 30	12/11/2020	72960	40585500.00	460482.69	1.13	12/12/2027
2021	Final – 20	30/09/2021	75486	27057000.00	234734.76	0.87	30/10/2028
2022	Final – 40	30/09/2022	71142	54114000.00	300455.64	0.56	30/10/2029
2023	Final – 75	29/09/2023	77625	101463750.00	415232.01	0.41	29/10/2030
2024	Final – 60	27/09/2024	114384	81171000.00	273264.96	0.34	27/10/2031

Members wishing to claim dividends that remain unclaimed are requested to correspond with the Company Secretary, at the Company's registered office or at cs@ricoauto.in. The Company has not transferred or hold any Equity shares in the Demat suspense account or unclaimed suspense account.

17. Shares transferred to IEPF Authority

Section 124(6) of the Companies Act, 2013 and IEPF Rules, mandates Companies to transfer the shares of Members whose dividend remain unpaid/unclaimed for a consecutive period of seven (7) years to the Demat Account of IEPF Authority. In view of the same, during the year, the Company has transferred 1807 equity shares of the face value of ₹1/- each in respect of 24 shareholders to the Demat Account of IEPF Authority on 6th December, 2024 and filed the Form IEPF-4 with MCA on 10th December, 2024. During the year, dividend aggregating to ₹831547/- was also remitted to IEPF Authority, in respect of shares held in the Demat Account of IEPF Authority. Details of such shareholders, whose shares are transferred to IEPF Authority and their unpaid dividends for subsequent years are available on the website of the Company at <https://www.ricoauto.in/investor-relation.html>

18. Release of dividends/shares by IEPF Authority

The Members, whose dividends/shares are transferred to IEPF authority, can claim the same from the IEPF Authority after complying with the prescribed procedures. More details regarding the procedure to claim back dividends/shares can be accessed at <https://www.iepf.gov.in/IEPF/pdf/FAQsIEPF5.pdf>.

Applications in Form IEPF-5 are made by the Shareholders of the Company for claiming back their dividends/shares from IEPF Authority by following the required procedure given on website of IEPF <http://www.iepf.gov.in/IEPF/refund.html>.

Reminder Letters sent and Notice published by the Company prior to transfer of shares to IEPF Authority.

As per the IEPF Rules, Companies are required to inform regarding the transfer of shares to those Members whose shares are due for transfer to IEPF, three months prior to such transfer, at their latest available address and also publish newspaper advertisement for the same. In addition to compliance with the above, the Company proactively informed the Members regarding the transfer of unclaimed dividends as well, requesting them to comply with the requirements to claim back the dividends and avoid transfer of shares to IEPF Authority.

In order to prevent the shares from getting transferred to IEPF Authority, Members, who have not claimed their dividends for the previous seven years, are hereby requested to approach the Company to claim the same, by complying with the necessary requirements.

Nodal Officer (IEPF Authority)

The Nodal Officer of the Company, appointed in accordance with the provisions of IEPF Rules, are given below:

Ms. Ruchika Gupta

Tel.: + 91 0124 2824117, Email ID: cs@ricoauto.in

19. Dispute Resolution Mechanism at Stock Exchanges

To enable the Shareholders to raise any dispute against the Company or its RTA on delay or default in processing any investor services related request, SEBI has provided an option of 'Arbitration with Stock Exchanges (NSE and BSE)' as a Dispute Resolution Mechanism.

20. Online Dispute Resolution (ODR) Mechanism

As per SEBI Circulars issued from time to time, in case of any grievances, the Shareholders are advised to first approach the Company or its RTA. If the response is not received/not satisfactory, Shareholders can raise a complaint on SCORES/with Stock Exchanges.

After exhausting all the above available options for resolution of the grievance, if the Shareholder is still not satisfied with the outcome, they can initiate dispute resolution through the ODR Portal at <https://smartodr.in/login>

As mentioned above, for effective use of the ODR process, shareholders are requested to initiate the Smart ODR process as the last resort after exhausting all available options for grievance redressal. The ODR serves as a platform for resolution of long pending disputes, which are otherwise difficult to be taken to a logical end.

21. Fee paid to Statutory Auditors

A total fee of ₹1.01 crores was paid by the Company and its Subsidiaries for all audit and services availed, on a consolidated basis, to the Statutory Auditors and all Entities in network firm/network entity of which the Statutory Auditors is a part, for the financial year ended 31st March, 2025.

22. Subsidiary Companies

The Company has six subsidiaries. None of the subsidiary is listed on any Stock Exchange. The Audit Committee and the Board reviews the financial statements, the minutes of the Board Meetings and all significant transactions and arrangements of the Subsidiary Companies.

Rico Jinfei Wheels Limited (RJWL) is material subsidiary pursuant to the provisions of Regulation 16(1)(c) of the Listing Regulations. This subsidiary undergo Secretarial Audit in compliance with Regulation 24A of the Listing Regulations. Copy of Secretarial Audit Report of RJWL forms part of this report. The Secretarial Audit Report of this material subsidiary does not contain any qualification, reservation, adverse remark or disclaimer.

23. Web link for various Policies of the Company

The following Policies are available on the website of the Company i.e. <https://ricoauto.in/files/Key%20Policies.pdf>

- | | |
|--|---|
| 1. Whistle Blower/Vigil Mechanism Policy | 9. Risk Management Policy |
| 2. Policy for Determining Material Subsidiaries | 10. Policy on Board Diversity |
| 3. Related Party Transactions Policy | 11. Dividend Distribution Policy: https://ricoauto.com/files/Dividend%20Distribution%20Policy.pdf |
| 4. Corporate Social Responsibility Policy | 12. Policy for Prohibition, Prevention and Redressal of Sexual Harassment of women at workplace |
| 5. Nomination and Remuneration Policy | 13. Anti Bribery—Anti Corruption Policy |
| 6. Policy on Determination of Materiality of Events or Information | 14. Forced Labor and Modern Slavery Policy |
| 7. Policy on Preservation of Records | 15. Human Rights Policy |
| 8. Website Content Archival Policy | |

24. Investors/Shareholders Correspondence

- | | | | |
|------|---|---|--|
| i) | Any queries relating to the Financial Statements of the Company | : | <p>Shri Rakesh Kumar Sharma
Chief Financial Officer
Rico Auto Industries Limited
38 KM Stone, Delhi-Jaipur Highway
Gurugram - 122001 (Haryana) India
Tel : (91)(0124) 2824226, 2824000
E-mail : rakeshsharma@ricoauto.in</p> |
| ii) | Payment of dividend on Shares and any other queries relating to Annual Report | : | <p>Ms. Ruchika Gupta
Company Secretary
Rico Auto Industries Limited
38 KM Stone, Delhi-Jaipur Highway
Gurugram - 122001 (Haryana) India
Tel : (91)(0124) 2824117, 2824000
Fax: (91)(0124) 2824200
E-mail : ruchikaguptacs@ricoauto.in
cs@ricoauto.in</p> |
| iii) | Transfer/Dematerialisation of Shares and any other queries relating to Shares | : | <p>M/s. MCS Share Transfer Agent Limited
Unit : Rico Auto Industries Limited
179-180, DSIDC Shed, 3rd Floor
Okhla Industrial Area, Phase I , New Delhi - 110020, India
Tel : (011)41406149 Fax : (011)41709881
E-mail : helpdeskdelhi@mcsregistrars.com
admin@mcsregistrars.com</p> |

On behalf of the Board of Directors

Arvind Kapur
Chairman, CEO &
Managing Director
(DIN: 00096308)

Place : Gurugram
Date : August 12, 2025

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,
The Members,
Rico Auto Industries Limited
38 KM Stone, Delhi-Jaipur Highway
Gurugram - 122001
Haryana

We have examined the compliance with the conditions of Corporate Governance by Rico Auto Industries Limited for the financial year ended 31st March, 2025, as per the relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as referred in Regulation 15(2) of the Listing Regulations.

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Regulations of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Regulations of the Corporate Governance as stipulated in the above mentioned Listing Agreement/Listing Regulations, as applicable except there was a delay of three days in appointment of an Independent Director within the stipulated time. The delay caused due to fulfilling necessary compliances before the appointment of Independent Director. There were some technical glitches at the end of other regulatory authorities and immediately on rectification of all documents conducted the Board Meeting to ensure proper composition of Board. The Stock Exchanges (BSE & NSE) each imposed fine of ₹5,000/- in November, 2024 and ₹10,000/- in March, 2025 for this default and the Company has paid the fines accordingly.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

for **K.K. Sachdeva & Associates**
Company Secretaries
(Firm No. I2002DE298700)

K. K. Sachdeva
Proprietor
FCS No. 7153, CP No. 4721
Peer Review: 1684/2022
UDIN: F007153G001001410

Place : Gurugram
Date : August 12, 2025

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C Clause 10(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members,
Rico Auto Industries Limited
38 KM Stone, Delhi-Jaipur Highway
Gurugram -122001
Haryana

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Rico Auto Industries Limited having CIN:L34300HR1983PLC023187 and Registered Office at 38 KM Stone, Delhi-Jaipur Highway, Gurugram - 122001, Haryana (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C Clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications [including Directors Identification Number (DIN) status at the portal www.mca.gov.in] as considered necessary and explanations furnished to us by the Company & its Officers, we hereby certify that none of the Directors on the Board of the Company as stated below as on 31st March, 2025 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

Name of Director	DIN	Date of Appointment in the Company
Ms. Sarita Kapur	08848507	28/08/2020
Shri Hemal Bharat Khandwala	05241590	26/08/2022
Shri Yogesh Kapur	00070038	26/08/2023
Shri Prabhakar Kadapa	00059374	30/09/2024
Shri Kanav Monga	01058097	03/10/2024
Ms. Shikha Kapur	01537250	01/04/2024
Shri Kaushalendra Verma	02004259	26/08/2022
Shri Rajiv Kumar Miglani	06873155	26/08/2022
Shri Samarth Kapur	01525517	26/08/2022
Shri Arvind Kapur	00096308	10/03/1983

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion, on these, based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

for **K.K. Sachdeva & Associates**
Company Secretaries
(Firm No. I2002DE298700)

K. K. Sachdeva
Proprietor

FCS No. 7153, CP No. 4721
Peer Review: 1684/2022
UDIN: F007153G001001511

Place : Gurugram
Date : August 12, 2025

ANNEXURE TO DIRECTORS' REPORT

THE ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES (2024-25)

1. A brief outline of CSR Policy of the Company:

The Company endeavors to integrate social and environment concerns in its business operations. The Company demonstrates an increased commitment at all levels in the organization to operate business in an economically, socially and environmentally sustainable manner.

2. Composition of CSR Committee:

S. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Shri Rajeev Kapoor*	Chairman/Independent Director	1	1
2.	Dr. Ashok Seth*	Member/Independent Director	1	—
3.	Shri Vinod Kumar Nagar*	Member/Independent Director	1	1
4.	Shri Samarth Kapur*	Member/Executive Director	1	1
5.	Ms. Sarita Kapur**	Chairperson/Independent Director	—	—
6.	Shri Kanav Monga**	Member/Independent Director	—	—
7.	Shri Kaushalendra Verma**	Member/Executive Director	—	—
8.	Shri Arvind Kapur**	Member/Executive Director	—	—

* Shri Rajeev Kapoor, Dr. Ashok Seth, Shri Vinod Kumar Nagar and Shri Samarth Kapur ceased to be Chairman/Member of the Committee on 29th September, 2024.

** Ms. Sarita Kapur, Shri Kaushalendra Verma and Shri Arvind Kapur has been appointed as Chairperson/Member of the Committee on 30th September, 2024 and Shri Kanav Monga has been appointed as Member of the Committee on 3rd October, 2024.

3. Web links where composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company:

- The composition of the CSR Committee and CSR Policy are available on our website <https://www.ricoauto.in/investor-relation.html>.
- The Board, based on the recommendation of the CSR Committee, at its meeting held on 12th August, 2025, has approved the annual action plan/projects for FY 2025-26, the details of which are available on our website <https://www.ricoauto.in/investor-relation.html>.

4. Executive Summary along with web-link(s) of impact assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable: Not Applicable

5. Average Net Profit of the Company as per section 135(5):

- Two percent of average net profit of the Company as per section 135(5): ₹68.99 lakhs
- Surplus arising out of the CSR projects or programmes or activities of the previous financial years: ₹0.00 lakh
- Amount required to be set off for the financial year, if any: Nil
- Total CSR obligation for the financial year (5a+5b-5c): ₹68.99 lakhs

6. a) Amount spent on CSR projects (both ongoing project and other than ongoing project) : ₹68.99 lakhs

(Note: The Company has undertaken CSR activities through Rico Care Foundation, a Company registered under Section 8 of Companies Act, 2013 as an implementing agency)

- Amount spent on Administrative Overheads: Nil
- Amount spent on Impact Assessment, if applicable: Nil
- Total amount spent for the Financial Year [(a)+(b)+(c)]: ₹68.99 lakhs
- CSR amount spent or unspent for the financial year: Nil

Total Amount Spent for the Financial Year (₹ in lakhs)	Amount Unspent (₹ in lakhs)				
68.99	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
	Nil	N.A.	N.A.	N.A.	N.A.

f) Excess amount for set off, if any:

S.No.	Particulars	Amount (₹ in lakhs)
(i)	Two percent of average net profit of the Company as per section 135(5)	68.99
	a) Less: Amount required to be set off for the financial year, if any	–
	b) Amount of CSR Expenditure for the year	68.99
(ii)	Total amount spent for the financial year	68.99
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.00
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.00

7. Details of Unspent CSR amount for the preceding three financial years: Nil

S.No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135(6) (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (₹ in lakhs)	Amount spent in the financial year (In ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any		Amount remaining to be spent in succeeding financial years (in ₹)
						Name of the Fund Amount (in ₹)	Date of Transfer	
1	2	3	4	5	6	7		8
Nil								

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility Amount spent in the financial year. If yes, enter the number of capital assets created/acquired: No

S. No.	Short particulars of the property or asset(s) (including complete address and location of the property)	Pin code of the property or asset(s)	Date of Creation	Amount of CSR Amount spent	Details of Entity/Authority/Beneficiary or the registered owner		
					CSR Registration Number, if applicable	Name	Registered Address
1	2	3	4	5	6	7	8
NIL							

(All the fields should be captured as appearing in the revenue record, Flat No., House No., Municipal Office/Municipal Corporation/Gram Panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per sub section (5) of section 135: Not Applicable
10. CFO Certificate:

In terms of Rule 4(5) of the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended, I Rakesh Kumar Sharma, Chief Financial Officer of Rico Auto Industries Limited, hereby certify that the funds so disbursed to the Company for CSR activities during the FY 2024-25 has been utilised for the purpose and in the manner as approved by the Board of Directors.

For Rico Auto Industries Limited

Rakesh Kumar Sharma
Chief Financial Officer

11. The CSR Committee confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and policy of the Company.

Arvind Kapur
Chairman, CEO & Managing Director
(DIN: 00096308)

Sarita Kapur
Chairperson - CSR Committee
(DIN: 08848507)

Place : Gurugram
Date : August 12, 2025

ANNEXURE TO DIRECTORS' REPORT

Detail pertaining to Remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

1. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2024-25:

S.No.	Name of Directors	Ratio to Median Remuneration
Non-Executive Independent Directors		
i)	Shri Kanwal Monga*	0.89
ii)	Dr. Amarjit Chopra*	1.26
iii)	Dr. Ashok Seth*	0.52
iv)	Shri Satish Sekhri*	0.89
v)	Shri Rajeev Kapoor*	1.26
vi)	Shri Vinod Kumar Nagar*	1.26
vii)	Ms. Sarita Kapur	1.86
viii)	Shri Hemal Bharat Khandwala	2.12
ix)	Shri Yogesh Kapur	2.12
x)	Shri Prabhakar Kadapa^	1.23
xi)	Shri Kanav Monga#	0.97
Non-Executive Non-Independent Director		
xii)	Ms. Shikha Kapur\$	—
Executive Directors		
xiii)	Shri Kaushalendra Verma	19.87
xiv)	Shri Rajiv Kumar Miglani	18.49
xv)	Shri Samarth Kapur	9.83
xvi)	Shri Arvind Kapur, Chairman, CEO & MD	162.50

* Shri Kanwal Monga, Dr. Amarjit Chopra, Dr. Ashok Seth, Shri Satish Sekhri, Shri Rajeev Kapoor and Shri Vinod Kumar Nagar ceased to hold office of Director w.e.f. 29th September, 2024 upon completion of their second term as Independent Director(s).

^ Shri Prabhakar Kadapa has been appointed as Independent Director on 30th September, 2024.

Shri Kanav Monga has been appointed as Independent Director on 3rd October, 2024.

\$ Ms. Shikha Kapur has been appointed as Non-Executive Non-Independent Director on 1st April, 2024.

2. The percentage of increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year 2024-25:

S.No.	Name of Directors/KMP and Designation	Remuneration		% age increase/ (decrease) in Remuneration
		2024-25 (Amount in ₹)	2023-24 (Amount in ₹)	
	Non-Executive Independent Directors			
i)	Shri Kanwal Monga*	539000.00	1035000.00	N.A.
ii)	Dr.Amarjit Chopra*	764000.00	1410000.00	N.A.
iii)	Dr. Ashok Seth*	314000.00	660000.00	N.A.
iv)	Shri Satish Sekhri*	539000.00	1085000.00	N.A.
v)	Shri Rajeev Kapoor*	764000.00	1460000.00	N.A.
vi)	Shri Vinod Kumar Nagar*	764000.00	1460000.00	N.A.
vii)	Ms. Sarita Kapur	1130000.00	1085000.00	4.15
viii)	Shri Hemal Bharat Khandwala	1280000.00	1085000.00	17.97
ix)	Shri Yogesh Kapur	1280000.00	625000.00	104.80
x)	Shri Prabhakar Kadapa^	741000.00	N.A.	N.A.
xi)	Shri Kanav Monga#	586000.00	N.A.	N.A.
	Non-Executive Non-Independent Director			
xii)	Ms. Shikha Kapur\$	N.A.	N.A.	N.A.
	Executive Directors			
xiii)	Shri Kaushalendra Verma	12012966.00	10385451.00	15.67
xiv)	Shri Rajiv Kumar Miglani	11179264.00	10415276.00	7.33
xv)	Shri Samarth Kapur**	5940000.00	6415980.00	(7.42)
xvi)	Shri Arvind Kapur, Chairman, CEO & MD	98240488.00	92866724.00	5.79
	Key Managerial Personnel			
xvii)	Shri Rakesh Kumar Sharma, Chief Financial Officer	8988910.00	7532400.00	19.34
xviii)	Shri B.M. Jhamb, Company Secretary@	2080762.00	4693009.00	N.A.
xix)	Ms. Ruchika Gupta, Company Secretary*	2190358.00	N.A.	N.A.

- * Shri Kanwal Monga, Dr. Amarjit Chopra, Dr. Ashok Seth, Shri Satish Sekhri, Shri Rajeev Kapoor and Shri Vinod Kumar Nagar ceased to hold office of Director w.e.f. 29th September, 2024 upon completion of their second term as Independent Director(s), hence the same is not comparable.
- ^ Shri Prabhakar Kadapa has been appointed as Independent Director on 30th September, 2024, hence the same is not comparable.
- # Shri Kanav Monga has been appointed as Independent Director on 3rd October, 2024, hence the same is not comparable.
- \$ Ms. Shikha Kapur has been appointed as Non-Executive Non-Independent Director on 1st April, 2024, hence the same is not comparable.
- ** Shri Samarth Kapur receive the remuneration from M/s. Rico Jinfei Wheels Limited, Subsidiary Company.
- @ Shri B.M. Jhamb has been ceased to Company Secretary on 30th September, 2024, hence the same is not comparable.
- + Ms. Ruchika Gupta has been appointed as Company Secretary on 1st October, 2024, hence the same is not comparable.

3. **The percentage of increase in the median remuneration of employees in the financial year 2024-25:** 1.94%
4. **The number of permanent employees on the roll of Company as on 31st March, 2025:** 2034
5. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**
The average increase in cost of employees other than managerial personnel in 2024-25 was 8.06%. Percentage increase(+)/decrease(-) in the managerial remuneration for the year 2024-25 was 6.41%.
6. **Affirmation that the remuneration is as per the Remuneration Policy of the Company:**
It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

On behalf of the Board of Directors

Arvind Kapur
Chairman, CEO &
Managing Director
(DIN: 00096308)

Place : Gurugram
Date : August 12, 2025

ANNEXURE TO DIRECTORS' REPORT

FORM NO. MR-3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2025

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members,
Rico Auto Industries Limited
38 KM Stone, Delhi-Jaipur Highway
Gurugram - 122001, Haryana

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Rico Auto Industries Limited (CIN: L34300HR1983PLC023187)** (hereinafter called "the Company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and representations made by the Management, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2025 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2025 according to the provisions of (including any amendment thereof):

- i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, where applicable; and
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') and amendments thereof:
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) *The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - d) *The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - e) *The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g) *The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
 - h) *The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; and
 - i) The Securities & Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.(*Not applicable, as no event took place under these Regulations during the Audit Period.)
- vi) We further report that having regard to compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company:
 - a) The Factories Act, 1948;
 - b) The Environment Protection Act, 1986 and the rules made thereunder;
 - c) The Water (Prevention and Control of Pollution) Act, 1974 and the rules made thereunder;
 - d) The Air (Prevention and Control of Pollution) Act, 1981 and the rules made thereunder;
 - e) Noise Pollution (Regulation and Control) Rules, 2000;
 - f) The Contract Labour (Regulation and Abolition) Act, 1970;
 - g) Macro, Small & Medium Enterprises Development (MSMED) Act, 2006;
 - h) The Petroleum Act, 1934 and the rules made thereunder;
 - i) The Payment of Bonus Act, 1965; and
 - j) Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013.

We further report that the compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated laws.

We have also examined compliance with the applicable clauses of the following:

- i) Applicable Secretarial Standards issued by the Institute of Company Secretaries of India; and
- ii) The Listing agreement entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

During the year under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried in compliance with the provisions of the Act except that there was a delay of three days in appointment of an Independent Director. The delay caused due to fulfilling necessary compliances before the appointment of Independent Director. There were some technical glitches at the end of other regulatory authorities and immediately on rectification of all documents the Company conducted the Board Meeting to ensure proper composition of Board. The Stock Exchanges (BSE & NSE) each imposed fine of ₹5,000/- in November, 2024 and ₹10,000/- in March, 2025 for this default and the Company has paid the fines accordingly.

Adequate notice was given to all Directors to schedule the Board Meetings. The agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions at Board and Committee Meetings were carried out through unanimous consent as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

for **Vimal Chadha & Associates**
Company Secretaries
(Firm No. S2017DE508700)

Vimal Chadha
Proprietor
Practicing Company Secretary
Peer Review : 1889/2022
FCS No. 5758, CP No.18669
UDIN: F005758G000987741

Place : Gurugram

Date : August 12, 2025

Note : This report is to be read with our letter of even date which is annexed as Annexure - A and forms an integral part of this report.

‘ANNEXURE A’

To,
The Members,
Rico Auto Industries Limited
38 KM Stone, Delhi – Jaipur Highway,
Gurugram – 122001,
Haryana

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Account of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

for **Vimal Chadha & Associates**
Company Secretaries
(Firm No. S2017DE508700)

Vimal Chadha
Proprietor
Practicing Company Secretary
Peer Review: 1889/2022
FCS No. 5758, CP No.18669
UDIN: F005758G000987741

Place : Gurugram

Date : August 12, 2025

ANNEXURE TO DIRECTORS' REPORT

FORM NO. MR-3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2025

[Pursuant to Section 204(1) of the Companies Act, 2013 and
Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Rico Jinfei Wheels Limited
38 KM Stone, Delhi-Jaipur Highway
Gurugram - 122001, Haryana

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Rico Jinfei Wheels Limited (CIN: U34200HR2007PLC037021)** (hereinafter called "the Company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on **31st March, 2025**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on the **31st March, 2025** according to the provisions of:

- i) The Companies Act, 2013 (the Act) read with amendments till date and the Rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder; **(Not Applicable to the Company during the audit period)**
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent applicable of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not Applicable to the Company during the audit period)** and
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') **were not applicable** to the Company during the audit period:
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
 - i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- vi) We further report that having regard to compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company:
 - i) The Factories Act, 1948;
 - ii) The Environment Protection Act, 1986 and the rules made thereunder;
 - iii) The Water (Prevention and Control of Pollution) Act, 1974 and the rules made thereunder;
 - iv) The Air (Prevention and Control of Pollution) Act, 1981 and the rules made thereunder;
 - v) Noise Pollution (Regulation and control) Rules 2000;
 - vi) The Contract Labour (Regulation and Abolition) Act 1970;

- vii) Macro, Small & Medium Enterprises Development (MSMED) Act 2006;
- viii) The Payment of Bonus Act, 1965; and
- ix) Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013.

We further report that the compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated laws.

We have also examined compliance with the applicable clauses of the following:

- i) Secretarial Standards (SS) with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India.
- ii) The Listing Agreements entered into by the Company with Stock Exchange **(Not Applicable to the Company during the audit period)**

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, Agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions at Board and Committee Meetings were carried out through unanimous consent as recorded in the minutes of the meetings of the Board of Directors.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that the scheme of amalgamation of M/s Rico Fluidtronics Limited ("Transfer or Company") with your Company ("Transferee Company") which was filed by the Company with National Company Law Tribunal (NCLT), Chandigarh Bench on 30th March 2024 and is approved by the NCLT on July 1st, 2025.

for **K K Sachdeva & Associates**
Company Secretaries
(Firm No. I2002DE298700)

K.K.Sachdeva
Proprietor

FCS No. 7153, CP No. 4721
Peer Review: 1684/2022
UDIN: F007153G000743614

Place : New Delhi
Date : July 09, 2025

ANNEXURE TO DIRECTORS' REPORT

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2025

[Pursuant to Section 204(1) of the Companies Act, 2013 and
 Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
 The Members,
Rico Fluidtronics Limited
 38 KM Stone, Delhi-Jaipur Highway
 Gurugram - 122001
 Haryana

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Rico Fluidtronics Limited (CIN: U29110HR2008PLC037708)** (hereinafter called "the Company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on **31st March, 2025**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on the **31st March, 2025** according to the provisions of:

- i) The Companies Act, 2013 (the Act) read with amendments till date and the Rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder; **(Not Applicable to the Company during the audit period)**
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent applicable of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not Applicable to the Company during the audit period)** and
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') **were not applicable** to the Company during the audit period:
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
 - i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- vi) We further report that having regard to compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company:
 - i) The Factories Act, 1948;
 - ii) The Environment Protection Act, 1986 and the rules made thereunder;
 - iii) The Water (Prevention and Control of Pollution) Act, 1974 and the rules made thereunder;
 - iv) The Air (Prevention and Control of Pollution) Act, 1981 and the rules made thereunder;
 - v) Noise Pollution (Regulation and control) Rules 2000;
 - vi) The Contract Labour (Regulation and Abolition) Act 1970;
 - vii) Macro, Small & Medium Enterprises Development (MSMED) Act 2006;
 - viii) The Payment of Bonus Act, 1965; and
 - ix) Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013.

We further report that the compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated laws.

We have also examined compliance with the applicable clauses of the following:

- i) Secretarial Standards (SS) with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India.
- ii) The Listing Agreements entered into by the Company with Stock Exchange **(Not Applicable to the Company during the audit period)**

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, Agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions at Board and Committee Meetings were carried out through unanimous consent as recorded in the minutes of the meetings of the Board of Directors.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that the scheme of amalgamation of M/s Rico Fluidtronics Limited ("Transferor Company") with Rico Jinfei Wheels Limited ("Transferee Company") which was filed by the Company with National Company Law Tribunal (NCLT), Chandigarh Bench on 30th March, 2024 and is approved by the NCLT on 1st July, 2025.

for **K K Sachdeva & Associates**
Company Secretaries
(Firm No. I2002DE298700)

K.K.Sachdeva
Proprietor

FCS No. 7153, CP No. 4721
Peer Review: 1684/2022
UDIN: F007153G000831988

Place : New Delhi
Date : July 14, 2025

Independent Auditor's Report

To the Members of
Rico Auto Industries Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Rico Auto Industries Limited (the "Company") which comprise the standalone balance sheet as at 31 March 2025, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2025, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Key audit matter

Revenue Recognition

See Note 26 to standalone financial statements

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* 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 together with the ethical requirements that are relevant to our audit of the standalone 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 we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matter(s)

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter	How the matter was addressed in our audit
The Company's revenue is derived primarily from sale of goods which comprises automotive components. Revenue from sale of goods is recognised at a point in time when performance obligation is satisfied and is based on the transfer of control to the customer as per terms of the contract with them which may vary for each customer. The Company and its external stakeholders focus on revenue as a key performance metric. Revenue recognition has been identified as a key audit matter as there could be incentives or external pressures to meet expectations resulting in revenue being overstated and recognized before the control has been transferred.	In view of the significance of the matter we, applied the following audit procedures in this area, to obtain sufficient appropriate audit evidence: - We assessed the Company's accounting policies for revenue recognition by comparing with applicable accounting standards. - We evaluated the design and implementation of the key internal financial controls with respect to the timing of revenue recognition and tested the operating effectiveness of such controls on a sample basis. - We performed substantive testing by selecting samples (using statistical sampling) of revenue transactions recorded during the year and after the financial year-end by testing the underlying documents which included sales invoices, shipping documents and proof of deliveries, to assess whether these are recognised in the appropriate period in which control of the goods is transferred to the customer. - We scrutinized journal entries related to revenue recognised during the year based upon specified risk-based criteria, to identify unusual or irregular items; and - Considered the adequacy of the disclosures in accordance with the relevant accounting standard.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions as per applicable laws and regulations.

Management's and Board of Directors' Responsibilities for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are 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.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are 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 SAs 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 these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, 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 adequate internal financial controls with reference to financial statements in place 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 and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements 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 standalone financial statements 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. A. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matter stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors as on 1 April 2025 taken on record

- by the Board of Directors, none of the directors is disqualified as on 31 March 2025 from being appointed as a director in terms of Section 164(2) of the Act.
- f. The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A.b. above on reporting under Section 143(3)(b) of the Act and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B.** With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a. The Company has disclosed the impact of pending litigations as at 31 March 2025 on its financial position in its standalone financial statements - Refer Note 40 to the standalone financial statements.
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - d.
 - i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 51 (x) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 51 (xi) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
 - e. The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 52 to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.
 - f. Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility except that that audit trail was not enabled at the database level for accounting software to log any direct data changes. For accounting software for which audit trail feature is enabled, the audit trail facility has been operating throughout the year for all relevant transactions recorded in the software and we did not come across any instance of audit trail feature being tampered with during the course of our audit. Additionally, the audit trail has been preserved by the company as per the statutory requirements for record retention from the date of audit trail enablement.
- C.** With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:
- In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Shashank Agarwal
Partner

Place: Gurugram
Date : 27 May 2025

Membership No.: 095109
ICAI UDIN:25095109BMOOKP5414

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Rico Auto Industries Limited for the year ended 31 March 2025

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i)
 - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
 - (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity

of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.

- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other

than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company, except for the following which are not held in the name of the Company:

Description of property	Gross carrying value (in INR crores)	Held in the name of	Whether promoter, director or their relative or employee	Period held- indicate range, where appropriate	Reason for not being held in the name of the Company. Also indicate if in dispute
Freehold Land, Bawal, Haryana.	14.41	RASA Autocom Limited	No	6 June 2011	RASA Autocom Limited has been merged with the Company during earlier years.

- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

- (ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made investment or provided guarantees, security or granted any advance in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties. The Company has granted loans to the employees during the year in respect of which the requisite information is as below. The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships and any other entities during the year.

- (a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans to employees as below:

Particulars	Loans (Rs. in crore)
Aggregate amount during the year	
a) Others (employees)	3.87
Balance outstanding as at balance sheet date of above	
a) Others (employees)	1.37

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the terms and conditions of the grant of loans during the year are, prima facie, not prejudicial to the interest of the Company.

- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.

- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.

- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.

- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of investments made and loans, guarantees and security given by the Company, in our opinion the provisions of Section 185 and 186 of the Companies Act, 2013 ("the Act") have been complied with.

- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, the undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2025 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Service tax, Duty of excise and Value added tax which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (₹ in crore)	Period to which the amount relates	Forum where dispute is pending	Amount paid under protest (₹ in crore)
Gujarat VAT, 2003	Disallowance of input on rejected goods	0.04	Financial year 2017-18	Gujarat tax tribunal Sales	0.009
Finance Act, 1994	Denial of credit taken on services of insurance, catering, tent house and taxi	0.40	Financial year 2004-05 2008-09	Custom Excise & Service Tax Appellate Tribunal	Nil
Finance Act, 1994	Wrong credit taken on services of insurance, catering, Tent House and taxi cab	0.29	Financial year 2011-12 to 2013-14	Custom Excise & Service Tax Appellate Tribunal	Nil
Finance Act, 1994	Deposit of inadmissible cenvat credit availed on the capital goods destroyed in fire	0.39	Financial year 2012-13	Commissioner, Central Excise (Appeal)	Nil
Finance Act, 1994	Denial of credit taken on outward freight	0.07	Financial year 2011-12 to 2013-14	Commissioner, Central Excise (Appeal)	Nil
Finance Act, 1994	Denial of credit taken on credit taken on Service of insurance and tour and travelling services	0.10	Financial year 2012-13	Commissioner, Central Excise (Appeal)	Nil
Central Excise Act, 1944	Excise duty not reversed/paid on job work	3.08	Financial year 2015-16 to 2016-17	Commissioner of GST	0.23
Central Excise Act, 1944	duty is payable on the amount of sales tax retained	0.56	Financial year 2011-12 to 2012-13	Custom Excise and service tax appellate tribunal	Nil
Goods and Services Tax Act	Tax credit incorrectly availed	0.01	Financial year 2001-02 to 2003-04	State Tax officer	0.01

Name of the statute	Nature of the dues	Amount (₹ in crore)	Period to which the amount relates	Forum where dispute is pending	Amount paid under protest (₹ in crore)
Goods and Services Tax Act	Ineligible transitional credit availed on Capital Goods	0.28	Financial year 2017-18	Commissioner of GST	Nil
Local area development tax	Local area development tax	0.01	Financial year 2006	Joint excise and taxation commissioner	Nil
Goods and Services Tax Act	Difference in taxable supply e-way bill and GST returns.	93.18	Financial year 2018-19	Joint Commissioner of CGST	Nil
Goods and Services Tax Act	Difference in RCM paid and credit availed	0.06	Financial year 2018-19	Assistant commissioner of state tax	Nil
Goods and Services Tax Act	Difference in ITC claimed in GSTR 3B and GSTR2A	0.49	Financial year 2020-21	Assistant commissioner of state tax	Nil

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the Company has used funds to the extent of Rs. 9 crores raised on short-term basis for long-term purposes.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Act.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries (as defined under the Act).
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) During the course of our examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

Also refer to the Other Information paragraph of our main audit report which explains that the other information comprising the information included in Company's annual report is expected to be made available to us after the date of this auditor's report.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**
Chartered Accountants

Firm's Registration No.:101248W/W-100022

Shashank Agarwal
Partner

Place: Gurugram

Membership No.: 095109

Date : 27 May 2025

ICAI UDIN:25095109BMOOKP5414

Annexure B to the Independent Auditor's Report on the standalone financial statements of Rico Auto Industries Limited for the year ended 31 March 2025

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Rico Auto Industries Limited ("the Company") as of 31 March 2025 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2025, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation

of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion

or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Shashank Agarwal
Partner
Membership No.: 095109
ICAI UDIN:25095109BMOOKP5414

Place: Gurugram
Date : 27 May 2025

Standalone balance sheet as at 31 March 2025

(All amounts in ₹ crores, unless otherwise stated)

Particulars	Notes	As at 31 March 2025	As at 31 March 2024
I. ASSETS			
1. NON-CURRENT ASSETS			
Property, plant and equipment	5A	934.34	911.53
Capital work-in-progress	5B	100.03	79.02
Intangible assets	5C	4.39	6.29
Intangible assets under development	5D	13.58	6.22
Financial assets			
(i) Investments	6	47.15	47.15
(ii) Loans	7	—	1.77
(iii) Other financial assets	8	17.29	14.71
Other non-current assets	9	3.36	5.22
Total non-current assets		1,120.14	1,071.91
2. CURRENT ASSETS			
Inventories	10	239.25	224.50
Financial assets			
(i) Trade receivables	11	277.54	268.42
(ii) Cash and cash equivalents	12	0.58	2.76
(iii) Bank balances other than (ii) above	13	5.82	11.90
(iv) Loans	14	3.17	8.58
(v) Other financial assets	15	2.78	4.19
Other current assets	16	24.47	41.36
Current tax assets (net)		13.30	5.06
Total current assets		566.91	566.77
Total assets		1,687.05	1,638.68
II. EQUITY AND LIABILITIES			
1. EQUITY			
Equity share capital	17	13.53	13.53
Other equity	18	654.37	643.71
Total equity		667.90	657.24
2. NON-CURRENT LIABILITIES			
Financial liabilities			
(i) Borrowings	19	274.39	261.74
(ii) Lease liabilities	43	4.54	10.11
Provisions	20	19.65	15.48
Deferred tax liabilities (net)	35	43.47	25.33
Total non-current liabilities		342.05	312.66
3. CURRENT LIABILITIES			
Financial liabilities			
(i) Borrowings	21	279.07	281.79
(ii) Lease liabilities	43	5.51	7.80
(iii) Trade payables			
a) Total outstanding dues of micro enterprises and small enterprises	22	22.14	23.29
b) Total outstanding dues of creditors other than micro and small enterprises	22	323.90	320.71
(iv) Other financial liabilities	24	18.84	18.19
Other current liabilities	25	27.64	17.00
Total current liabilities		677.10	668.78
Total of liabilities (current + non-current)		1,019.15	981.44
Total equity and liabilities		1,687.05	1,638.68

Material accounting policies

2

The notes referred above form an integral part of these standalone financial statements.

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 101248W/W-100022

Shashank Agarwal
Partner
Membership No. 095109

Place : Gurugram
Date : 27 May, 2025

For and on behalf of the Board of Directors of
Rico Auto Industries Limited

Arvind Kapur
Chairman, CEO &
Managing Director
DIN: 00096308

Rakesh Kumar Sharma
Chief Financial Officer

Place : Gurugram
Date : 27 May, 2025

Kaushalendra Verma
Whole-time Director
DIN : 02004259

Ruchika Gupta
Company Secretary
M. No. F-6456

Rajiv Kumar Miglani
Whole-time Director
DIN : 06873155

Standalone Statement of profit and loss for the year ended 31 March 2025

(All amounts in ₹ crores, unless otherwise stated)

Particulars	Notes	For the Year ended 31 March 2025	For the Year ended 31 March 2024
INCOME			
Revenue from operations	26	1,607.02	1,653.06
Other income	27	34.47	29.33
Total income (I)		1,641.49	1,682.39
EXPENSES			
Cost of raw material consumed	28	922.42	909.20
Changes in inventories of finished goods and work-in-progress	29	(1.38)	(3.94)
Other manufacturing expenses	30	192.20	216.77
Employee benefits expense	31	262.63	257.62
Finance costs	32	40.41	45.51
Depreciation and amortization expense	5	88.91	103.85
Other expenses	33	100.68	110.36
Total expenses (II)		1,605.87	1,639.37
Profit before exceptional item and tax (III = I - II)		35.62	43.02
Exceptional item	34	1.14	2.58
Profit before tax (IV)		34.48	40.44
Tax expense	35		
Current tax expense		—	7.06
Deferred tax expense		12.47	4.66
Tax adjustment for earlier years		(0.90)	(2.13)
Total tax expense (V)		11.57	9.59
Profit for the year (VI = IV - V)		22.91	30.85
Other comprehensive income (VII)			
(a) Items that will not be reclassified to statement of Profit and loss	35B		
Remeasurements (loss)/gain of defined benefit plan obligations		(3.58)	0.17
Income tax relating to above items		0.90	(0.06)
(b) Items that will be reclassified to statement of Profit and loss			
Effective portion of gain/(loss) on designated portion of hedging instruments in a cash flow hedge		(1.94)	4.05
Income tax relating to above items		0.49	(1.42)
Other comprehensive income (loss) for the year		(4.13)	2.74
Total Comprehensive Income for the year		18.78	33.59
Earnings per share:			
Basic and diluted (nominal value per share ₹ 1/-)	36	1.69	2.28

Material accounting policies

2

The notes referred above form an integral part of these standalone financial statements.

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 101248W/W-100022

Shashank Agarwal

Partner

Membership No. 095109

For and on behalf of the Board of Directors of

Rico Auto Industries Limited

Arvind Kapur

Chairman, CEO &

Managing Director

DIN: 00096308

Kaushalendra Verma

Whole-time Director

DIN : 02004259

Rajiv Kumar Miglani

Whole-time Director

DIN : 06873155

Rakesh Kumar Sharma

Chief Financial Officer

Ruchika Gupta

Company Secretary

M. No. F-6456

Place : Gurugram

Date : May 27, 2025

Place : Gurugram

Date : May 27, 2025

Standalone Statement of changes in equity for the year ended March 31 2025

(All amounts in ₹ crores, unless otherwise stated)

A Equity share capital

Particulars	Note	Equity Shares	
		No. of shares	Amount
Balance as at 31 March 2025	17	135,285,000	13.53
Changes in equity share capital during the year		—	—
Balance as at 31 March 2024		135,285,000	13.53
Changes in equity share capital during the year		—	—
Balance as at 01 April 2023		135,285,000	13.53

B Other equity

Particulars	Attributable to Owners of Equity				
	Reserve and Surplus				
	Capital Redemption Reserve	Security Premium	Retained earnings	General Reserve	Total other equity
Balance as at 01 April 2024	2.00	145.04	417.13	79.54	643.71
Profit for the year	—	—	22.91	—	22.91
Other comprehensive income for the year (net of tax)	—	—	(4.13)	—	(4.13)
Dividend on equity shares (final) (refer note 52)	—	—	(8.12)	—	(8.12)
Balance as at 31 March 2025	2.00	145.04	427.79	79.54	654.37
Balance as at 01 April 2023	2.00	145.04	393.69	79.54	620.27
Profit for the year	—	—	30.85	—	30.85
Other comprehensive income for the year (net of tax)	—	—	2.74	—	2.74
Dividend on equity shares (Final) (refer note 52)	—	—	(10.15)	—	(10.15)
Balance as at 31 March 2024	2.00	145.04	417.13	79.54	643.71

Notes:

1. Refer Note 18 for nature and purpose of other equity.

Material accounting policies

The notes referred above form an integral part of these standalone financial statements.

As per our report of even date attached
For B S R & Co. LLP
 Chartered Accountants
 ICAI Firm Registration No. 101248W/W-100022

Shashank Agarwal
 Partner
 Membership No. 095109

Place : Gurugram
 Date : 27 May, 2025

For and on behalf of the Board of Directors of
Rico Auto Industries Limited

Arvind Kapur
 Chairman, CEO &
 Managing Director
 DIN: 00096308

Rakesh Kumar Sharma
 Chief Financial Officer

Place : Gurugram
 Date : 27 May, 2025

Kaushalendra Verma
 Whole-time Director
 DIN : 02004259

Ruchika Gupta
 Company Secretary
 M. No. F-6456

Rajiv Kumar Miglani
 Whole-time Director
 DIN : 06873155

Standalone Statement of cash flow for the year ended March 31 2025

(All amounts in ₹ crores, unless otherwise stated)

Particulars	For the Year ended 31 March 2025	For the Year ended 31 March 2024
A. Cash flow from operating activities		
Net profit before tax	34.48	40.44
Adjustments for:		
Depreciation and amortisation expense	88.91	103.85
Profit on sale of property, plant and equipment	(2.55)	(1.39)
Dividend Income	(19.96)	(14.78)
Unrealised foreign exchange (gain)/loss	(3.54)	(2.19)
Loss allowance on trade receivables	0.07	0.32
Finance costs	40.41	45.51
Amortisation of contract costs	5.60	5.53
Interest income on financial assets measured at amortized cost	(2.86)	(4.47)
Operating profit before working capital changes	140.56	172.82
Changes in working capital:		
Increase in inventories	(14.75)	(8.29)
Increase in trade receivables	(7.22)	102.14
(Increase)/ Decrease in other assets	17.58	(1.56)
(Increase)/ Decrease in trade payables	2.03	(4.60)
(Increase)/ Decrease in other liabilities and provisions	15.39	(27.11)
	153.59	233.40
Direct taxes paid (net of refunds)	(8.24)	(0.07)
Net cash generated from operating activities	A 145.35	233.33
B. Cash flows from investing activities		
Purchase of property, plant and equipment, capital work in progress and intangible assets (including capital advances)	(145.06)	(157.07)
Purchase of investments	—	(1.85)
Proceeds from sale of property, Plant and equipments	9.50	1.92
Proceeds from bank deposit more than 3 months	6.08	3.23
Loan received back	7.17	18.79
Dividend received	19.96	14.78
Interest received	2.86	5.33
Net cash used in investing activities	B (99.49)	(114.87)
C. Cash flows from financing activities		
Proceeds from non-current borrowings	149.82	41.07
Payment for lease liabilities - principal	(7.86)	(9.13)
Payment for lease liabilities - interest	(1.20)	(1.84)
Repayment of non-current borrowings	(117.45)	(99.48)
Proceeds/ repayment from current borrowings (net)	(24.02)	3.72
Dividend paid	(8.12)	(10.15)
Interest paid	(39.21)	(44.09)
Net cash generated from/(used in) financing activities	C (48.04)	(119.90)
Net decrease in cash and cash equivalents	A+B+C (2.18)	(1.44)
Cash and cash equivalents at the beginning of year	2.76	4.20
Cash and cash equivalents at end of the year	0.58	2.76
Balances with banks:		
- In current accounts	0.06	0.05
- Cash on hand	0.52	2.71
Cash and cash equivalents at the end of the year	0.58	2.76

Standalone Statement of cash flow for the year ended March 31 2025

(All amounts in ₹ crores, unless otherwise stated)

Particulars	For the Year ended 31 March 2025	For the Year ended 31 March 2024
Changes in liabilities arising from financing activities		
Interest accrued on borrowings at the beginning of year	1.51	1.92
Interest on borrowings during the year	38.56	43.68
Interest paid during the year	(39.21)	(44.09)
Interest accrued on borrowings at the end of year	0.86	1.51
Borrowings at the beginning of year	543.52	598.23
Proceeds from long term borrowings	149.82	41.07
Repayment of long term borrowings	(117.45)	(99.48)
Proceeds/ repayment (net) from short term borrowings	(24.02)	3.70
Non-Cash changes due to Exchange differences	1.57	(0.00)
Borrowings at the end of year	553.44	543.52
Lease liabilities at the beginning of the year	17.91	17.45
Addition during the year	—	9.59
Deletion during the year	—	—
Finance cost accrued during the year	1.20	1.84
Payment of Lease liabilities	(9.06)	(10.97)
Lease liabilities at the end of the year	10.05	17.91

Notes:

* Refer note 33 for CSR expenses

Refer note 2 for material accounting policies

The above Statement of cash flows has been prepared under the Indirect Method as set out in Ind AS 7 on Statement of cash flows.

The accompanying notes form an integral part of Standalone Financial Statements.

As per our report of even date attached
For B S R & Co. LLP
 Chartered Accountants
 ICAI Firm Registration No. 101248W/W-100022

Shashank Agarwal
 Partner
 Membership No. 095109

Place : Gurugram
 Date : 27 May, 2025

For and on behalf of the Board of Directors of
Rico Auto Industries Limited

Arvind Kapur
 Chairman, CEO &
 Managing Director
 DIN: 00096308

Rakesh Kumar Sharma
 Chief Financial Officer

Place : Gurugram
 Date : 27 May, 2025

Kaushalendra Verma
 Whole-time Director
 DIN : 02004259

Ruchika Gupta
 Company Secretary
 M. No. F-6456

Rajiv Kumar Miglani
 Whole-time Director
 DIN : 06873155

Notes to the standalone financial statements for the year ended 31 March 2025

(₹ in crores, except share data, per share data and unless otherwise stated)

1 Corporate Information

Rico Auto Industries Limited ("the Company") registered office is situated at 38 KM Stone, Delhi – Jaipur Highway, Gurugram – 122001 (Haryana), was incorporated in India on March 7, 1983. The Company supplies a broad range of high-precision fully machined aluminum and ferrous components and assemblies to Original Equipment Manufacturers across the globe. Its integrated services include design, development, tooling, casting, machining, assembly and research and development across aluminum and ferrous products. The Company is in the business of manufacturing and sale of auto components for two wheelers and four wheelers.

2 Material accounting policies

2.1 Basis Of Preparation

(i) Statement of compliance

These Standalone Financial Statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 (the 'Act'), read with Companies (Indian Accounting Standards) Rules, 2015, presentation requirements of Division II of Schedule III to the Companies Act, 2013" financials and other relevant provisions of the Act.

The Standalone Financial Statements of the Company for the year ended 31 March 2025 are approved by the Company's Audit Committee and the Board of Directors on 27 May, 2025.

(ii) Functional and presentation currency

These Standalone Financial Statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest Crores, unless otherwise indicated.

(iii) Basis of measurement

These Standalone Financial Statements have been prepared on going concern basis under the historical cost convention on accrual basis, except for the following items which have been measured at fair value or revalued amount:

Items	Measurement basis
Certain financial assets and financial liability (including derivative instrument)	Fair value
Net defined benefit plan (asset)/liability	Fair value of plan assets less present value of defined benefit obligation.

(iv) Use of estimates and judgements

In preparation of these Standalone Financial Statements, management has made judgements, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized prospectively. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the Standalone Financial Statements is included in the following notes.

Judgements

- Lease classification and term- Note 43

Estimation

- Recognition and estimation of tax expense including deferred tax- Note 35
- Estimated impairment of financial assets and non-financial assets – Note 2.2 (g)
- Assessment of useful life of property, plant and equipment and intangible assets– Note 2.2 (a)
- Estimation of obligations relating to employee benefits: key actuarial assumptions- Note 42
- Valuation of inventories – Note 2.2 (i)
- Recognition and measurement of provision and contingencies: Key assumption about the likelihood and magnitude of an outflow of resources- Note 40
- Fair value measurement – Note 2.1 (v)

(v) Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Notes to the standalone financial statements for the year ended 31 March 2025 (Contd.)

(₹ in crores, except share data, per share data and unless otherwise stated)

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: : inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in Note 37 – Financial instrument.

(vi) Current - non-current classification

Asset

The Company classifies an asset as current asset when:

- it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- it holds the asset primarily for the purpose of trading;
- it expects to realise the asset within twelve months after the reporting period; or
- the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

Liabilities

A liability is classified as current when:

- it is expected to be settled in its normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Company's normal operating cycle is twelve months.

2.2 Summary of material accounting policies

a. Property, plant and equipment

(i) Recognition and Measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment includes its purchase price, import duties and non-refundable purchase taxes, duties or levies, after deducting trade discounts and rebates, any other directly attributable cost of bringing the asset to its working condition for its intended use and estimated cost of dismantling and removing the items and restoring the site on which it is located. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Refer to note 2.1(iv) regarding significant accounting judgements, estimates and assumptions.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Standalone Statement of Profit and Loss when the asset is derecognized.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Notes to the standalone financial statements for the year ended 31 March 2025 (Contd.)

(₹ in crores, except share data, per share data and unless otherwise stated)

A property, plant and equipment is eliminated from the Standalone Financial Statements on disposal or when no further benefit is expected from its use and disposal. Assets retired from active use and held for disposal are generally stated at the lower of their net book value and net realizable value. Any gain or losses arising disposal of property, plant and equipment is recognized in the Standalone Statement of Profit and Loss.

Once classified as held-for-sale, property, plant and equipment are no longer depreciated.

Gains or losses arising from de-recognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Standalone Statement of Profit and Loss when the asset is derecognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably.

(iii) Depreciation

Depreciation on building and plant & machinery is provided on the straight-line method, computed on the basis of useful life on a pro-rata basis from the date the asset is ready to put to use. However, for certain assets of plant and machinery depreciation is provided using straight line method over a period of 20 years based on the technical estimate and history of usage.

Depreciation on other property, plant and equipment is provided on written down value method, computed on the basis of useful life prescribed in schedule II to the Companies Act, 2013 on a pro-rata basis from the date the asset is ready to put to use. Free hold land is not depreciated.

Depreciation on the dies and moulds is provided based on useful life of the items ascertained on a technical estimate by the management.

Intangible assets are being amortised on written down value method over the useful life of 5-10 years, as estimated by the management to be the economic life of the assets over which economic benefits are expected to flow.

Asset	Estimated Useful Life (in years)	Life as per schedule II of the Companies Act (in years)
Plant and machinery*	15–20	10–15
Building**	30–60	30–60
Furniture and fixtures	10	10
Office equipment	5	5
Computers	3–8	3
Vehicles	8	8
Product development	5	5
Dies	5–15	10

* Includes right of use asset having life of 5 years.

** Includes right of use asset having life of 9 years.

Leasehold land right of use asset having life of 99 years.

The Company, based on technical assessment made by technical expert and management estimate, depreciates these items of property, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted, if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed of).

b. Intangible assets

(i) Recognition and Measurement

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an item of intangible asset comprises its purchase price, including import duties and other non-refundable taxes or levies and any attributable costs of bringing the asset to its working condition for its intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

An intangible asset shall be recognised if, and only if:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Notes to the standalone financial statements for the year ended 31 March 2025 (Contd.)

(₹ in crores, except share data, per share data and unless otherwise stated)

Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in the Standalone Statement of Profit and Loss in the period in which the expenditure is incurred.

An intangible asset is derecognized on disposal or when no future economic benefits are expected from its use and disposal. Losses arising from retirement and gains or losses arising from disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Standalone Statement of Profit and Loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in the Standalone Statement of Profit and Loss as incurred.

(iii) Amortization

The useful lives of intangible assets are assessed as either finite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets is recognized in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset. Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made prospective basis.

– Software

Software purchased by the Company are amortized on a straight-line basis i.e. non-standard (customized) software in four years and standard (non-customized) software in five years.

c. Capital work-in-progress or Intangible assets under development

Capital work in progress/Intangible assets under development are stated at cost, net of impairment loss, if any. Assets in the course of construction are capitalised in capital work in progress account. At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs (net of income) associated with the commissioning of the asset, including the expenditure incurred on trial runs (net of trial run receipts, if any), are capitalised up to the date asset is ready for its intended use.

Expenses incurred relating to project during the project development stage prior to its intended use, are considered as pre-operative expenses and disclosed under 'Capital work in progress' or 'Intangible assets under development', as the case may be.

Amounts paid towards technical know-how fees and other expenses for specifically identified projects/ products being development expenditure is carried forward based on assessment of benefits arising from such expenditure. Such expenditure is amortized over the period of expected future sales from the related product, i.e. the estimated period of 6 years on straight line basis based on past trends, commencing from the month of commencement of commercial production.

d. Capital advances

Advances paid towards the acquisition of property, plant and equipment and intangible assets, outstanding at each balance sheet date is classified as capital advances under "other non-current assets".

e. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company as a lessee the Company applies a single recognition and measurement approach for all leases, except for short-term leases. The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense over the lease term.

The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated amortization and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date, an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located less any lease incentives received. Right-of-use assets are amortized on a straight-line basis from the commencement date over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer note 2.2 (g) for Impairment of non-financial assets.

Notes to the standalone financial statements for the year ended 31 March 2025 (Contd.)

(₹ in crores, except share data, per share data and unless otherwise stated)

(ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. Lease liabilities and Right-of-use assets have been presented as a separate line in the balance sheet. Lease payments have been classified as cash used in financing activities.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

(iii) Lease payments

Payments made under operating leases are generally recognized in the Standalone Statement of Profit and Loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase. Lease incentive received are recognized as an integral part of the total lease expense over the term of the lease.

(iv) Sale and leaseback

A sale and leaseback transaction is where the Company sells an asset and immediately reacquires the use of the asset by entering into a lease with the buyer. A sale occurs when control of the underlying asset passes to the buyer. A lease liability is recognised, the associated property, plant and equipment asset is derecognised, and a right of use asset is recognised at the proportion of the carrying value relating to the right retained. Any gain or loss arising relates to the rights transferred to the buyer.

Company as lessor

Leases in which the company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

f. Borrowing costs

Borrowing costs includes interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs), amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they are incurred.

g. Impairment of non-financial assets

The Company assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest Group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

An asset's recoverable amount is the higher of an individual asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

Notes to the standalone financial statements for the year ended 31 March 2025 (Contd.)

(₹ in crores, except share data, per share data and unless otherwise stated)

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

The Company's corporate assets do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses, if any, are recognized in the Standalone Statement of Profit and Loss. Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognized in OCI up to the amount of any previous revaluation surplus.

In regard to assets for which impairment loss has been recognized in prior period, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

An assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the Standalone Statement of Profit and Loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

h. Government grant

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as other operating revenue on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e., by equal annual instalments.

The Company is entitled for export incentives which are recognised as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made, and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds. These are presented as other operating revenue in the standalone statement of profit and loss.

i. Inventories

Inventories which include raw materials, components, stores, work in progress, finished goods and spares are valued at the lower of cost and net realizable value. However, raw materials, components and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost or in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials and components: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost of raw material, components, stores and spares is determined on first in, first out basis.
- Finished goods and work in progress: Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity. Cost is determined on first in, first out basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. The net realizable value of work-in-progress is determined with reference to the selling prices of related finished products.

The comparison of cost and net realizable value is made on an item-by-item basis.

j. Foreign currency transactions

Transactions in foreign currencies are initially recorded by the Company at functional currency spot rates at the date the transaction first qualifies for recognition or an average rate if the average rate approximates the actual rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognized in the Standalone Statement of Profit and Loss.

Notes to the standalone financial statements for the year ended 31 March 2025 (Contd.)

(₹ in crores, except share data, per share data and unless otherwise stated)

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or the Statement of Profit and Loss are also recognized in OCI or the Statement of Profit and Loss, respectively).

k. Revenue

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognises revenue when it transfers control over a good or service to a customer.

Sale of products

Revenue from sale of products is recognised when control of the products being sold is transferred to customers and there are no longer any unfulfilled obligations. The performance obligations in contract with customers are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on delivery terms. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of discount) allocated to that performance obligation. Revenue excludes taxes or duties collected on behalf of the government.

For contracts that permit the customer to return an item, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore, the amount of revenue recognised is adjusted for expected returns, which are estimated based on the historical data. In these circumstances, a refund liability and a right to recover returned goods asset are recognised.

The Company recognized revenue when (or as) a performance obligation was satisfied, i.e. when 'control' of the goods underlying the particular performance obligation were transferred to the customer.

Further, revenue from sale of goods is recognized based on a 5-Step Methodology which is as follows:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned and deferred revenue ("contract liability") is recognised when there are billings in excess of revenues.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

Use of significant judgements in revenue recognition:

- a) The Company's contracts with customers could include promises to transfer products to a customer. The Company assesses the products promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- b) Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.
- c) The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract.
- d) The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

Notes to the standalone financial statements for the year ended 31 March 2025 (Contd.)

(₹ in crores, except share data, per share data and unless otherwise stated)

Rendering of services

Revenue from services rendered is recognized in profit or loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to surveys of work performed.

Job work and development charges are recognized upon full completion of the job work and development services and when all the significant risks and rewards of ownership of the goods have been passed to the buyer, on delivery of the goods and no significant uncertainty exists regarding the collection of the consideration.

Interest income

For all financial assets measured either at amortized cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis. Interest income is included in the statement of profit and loss.

Dividends

Revenue is recognized when the Company's right to receive the payment is established by the reporting date.

I. Income tax

Income tax expense comprises current tax and deferred tax. It is recognized in the Standalone Statement of Profit and Loss except to the extent that it relates to a business combination or to an item recognized directly in equity or in other comprehensive income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is provided using the Balance sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences.

In the situations where the Company is entitled to a tax holiday under the Income Tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax asset is recognized in respect of timing differences which are reversed during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the Company restricts recognition of deferred tax assets to the extent that it has become reasonably certain that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

Deferred tax assets are recognized on carry forward of unused tax credits and any unused tax losses.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized. Deferred tax assets – unrecognized or recognized, are reviewed at each reporting date and are recognized/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Notes to the standalone financial statements for the year ended 31 March 2025 (Contd.)

(₹ in crores, except share data, per share data and unless otherwise stated)

m. Segment reporting

Basis for segmentation

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. The Company is primarily engaged in the manufacturing and assembling of automotive components for the automotive industry. All operating segments' operating results are reviewed regularly by the Company's Chief Operating Decision Maker ("CODM") to make decisions about resources to be allocated to the segments and assess their performance. CODM believes that these are governed by same set of risk and returns hence CODM reviews as one balance sheet component.

n. Earnings per share (EPS)

Basic earnings per share are calculated by dividing the Profit or Loss for the year attributable to the shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue, if any, that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted earnings per share (DEPS)

For the purpose of calculating diluted earnings per share, the profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares except where the results will be anti-dilutive.

o. Provisions (Other than employee benefits)

General provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed the expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost. Expected future operating losses are not provided for.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Warranty provisions

Provision for warranty related costs are recognized when the product is sold or service provided and is based on historical experience. The provision is based on technical evaluation/ historical warranty data and after weighting of all possible outcomes by their associated probabilities. The estimate of such warranty related costs is revised annually. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Contingent liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. The Company does not recognize a contingent liability but discloses its existence in the standalone financial statements.

Contingent asset

Contingent asset is not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognized.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

p. Employee benefits

(i) Short-term employee benefits

All employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid, if the Company has a present legal or constructive obligation to pay the amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

(ii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions to the Regional Provident Fund Commissioner towards provident fund and employee state insurance scheme ('ESI'). Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in the Standalone Statement of Profit and Loss in the periods during which the related services are rendered by employees. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Notes to the standalone financial statements for the year ended 31 March 2025 (Contd.)

(₹ in crores, except share data, per share data and unless otherwise stated)

(iii) Defined benefit plans

The Company operates a defined benefit gratuity plan, which requires contributions to be made to India First Life Insurance Company Limited and LIC of India.

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. Vesting occurs upon completion of five years of service.

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method, which recognizes each year of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in profit or loss on the earlier of:

- The date of the plan amendment or curtailment; and
- The date that the Company recognizes related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes the following changes in the net defined benefit obligation as an expense in the Statement of Profit and Loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income.

(iv) Other long term employee benefits

Compensated absences

The employees can carry-forward a portion of the unutilized accrued compensated absences and utilize it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

As per the compensated absence encashment policy, the Company does not have an unconditional right to defer the compensated absence of employees, accordingly the entire compensated absence obligation as determined by an independent actuary has been classified as current liability as at the period/ year end.

q. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Recognition and initial measurement

Trade receivables and debt securities are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss ('FVTPL'), transaction costs that are directly attributable to its acquisition or issue.

(ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at:

- Amortized cost;
- Fair Value through Other Comprehensive Income ('FVOCI') – debt instrument;
- FVOCI – equity investment; or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

Notes to the standalone financial statements for the year ended 31 March 2025 (Contd.)

(₹ in crores, except share data, per share data and unless otherwise stated)

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables. Company has recognized financial assets viz. security deposit, trade receivables, employee advances at amortized cost.

A debt instrument is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Standalone Statement of Profit and Loss. On de-recognition of the asset, cumulative gain or loss previously recognized in OCI is re-classified from the equity to Standalone Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Investments in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognized in the Standalone Statement of Profit and Loss.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purpose of this assessment 'Principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Company considers:

- contingents events that would change the amounts or timings of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non - recourse features).

Notes to the standalone financial statements for the year ended 31 March 2025 (Contd.)

(₹ in crores, except share data, per share data and unless otherwise stated)

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual amount, as feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. Interest income, foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Debt investment at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investment at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are not reclassified to profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held- for- trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

(iii) Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(v) Derivative financial instruments

Derivative accounting

Initial recognition and subsequent measurement

The company uses derivative financial instruments, such as forward currency contracts. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

Hedge Accounting

Initial recognition and subsequent measurement

The company designates (Cash Flow Hedge):

- Intrinsic Value of Call Spread option to hedge foreign currency risk for repayment of Principal Amount in relation to FCNR Loan availed in Euro.
- Interest Rate Swap (Floating to Fixed) to hedge interest rate risk in respect of Floating rate of interest in relation to FCNR Loan.

Notes to the standalone financial statements for the year ended 31 March 2025 (Contd.)

(₹ in crores, except share data, per share data and unless otherwise stated)

The company documents at the inception of the hedging transaction the economic relationship between hedging instruments and hedged items including whether the hedging instrument is expected to offset changes in cash flows of hedged items. The company documents its risk management objective and strategy for undertaking various hedge transactions at the inception of each hedge relationship.

Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the other comprehensive income in cash flow hedging reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge.

The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other income or expense.

When option contracts are used to hedge foreign currency risk, the company designates only the intrinsic value of the option contract as the hedging instrument.

Gains or losses relating to the effective portion of the change in intrinsic value of the option contracts are recognised in the cash flow hedging reserve within equity. The changes in the time value of the option contracts that relate to the hedged item ('aligned time value') are recognised within other comprehensive income in the costs of hedging reserve within equity.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss. The time value of an option used to hedge represents part of the cost of the transaction.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss within other income or expense.

Impairment of financial assets

The Company recognizes loss allowances for expected credit losses on:

- Financial assets measured at amortized cost; and
- Financial assets measured at FVOCI – financial assets.

At each reporting date, the Company assesses whether financial assets carried at amortized cost and financial assets at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit – impaired includes the following observable data:

For recognition of impairment loss on financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowance for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charged to the Standalone Statement of the Profit and Loss and is recognized in OCI.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with Company's procedures for the recovery of amount due.

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for the measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a. Financial assets that are financial assets, and are measured at amortized cost e.g., deposits and advances.
- b. Trade receivables that result from transactions that are within the scope of Ind AS 115.
- c. Financial guarantee contracts which are not measured as at FVTPL.

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL

Notes to the standalone financial statements for the year ended 31 March 2025 (Contd.)

(₹ in crores, except share data, per share data and unless otherwise stated)

is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Standalone Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Standalone Statement of Profit and Loss. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortized cost and contractual revenue receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

r. Recognition of interest expense

Interest expense is recognized using effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments through the expected life of the financial instrument to:

- the amortized cost of the financial liability.

In calculating interest expense, the effective interest rate is applied to the amortized cost of the liability.

s. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand and cheques on hand, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash at bank, cash on hand and cheques on hand as they are considered an integral part of the Company's cash management.

t. Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

u. Dividend distribution

Dividends paid are recognised in the period in which the interim dividends are approved by the Board of Directors of the Company, or in respect of the final dividend when approved by shareholders of the Company.

v. Corporate Social Responsibility ("CSR") expenditure

CSR expenditure incurred by the Company is charged to the Standalone Statement of the Profit and Loss.

w. Expenditure

Expenses are accounted for on the accrual basis and charged to standalone statement of profit and loss.

x. Exceptional items

Exceptional items refer to items of income or expense within the Standalone Statement of Profit and Loss from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Company.

Notes to the standalone financial statements for the year ended 31 March 2025 (Contd.)

(₹ in crores, except share data, per share data and unless otherwise stated)

y. Equity share capital

Incremental costs directly attributable to the issue of equity shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with Ind AS 12.

z. Research and development

Expenditure on research and development activities is recognized in the Standalone Statement of Profit and Loss as incurred.

Development expenditure is capitalized as part of cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognized in profit or loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortisation and any accumulated impairment losses, if any.

3 Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31 March 2025, MCA has notified Ind AS - 117 Insurance Contracts and amendments to Ind AS 116 - Leases relating to sale and leaseback transactions. The Company has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact in its financial statements.

4 Rounding off amounts

All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest crores (up to two decimal places) as per the requirements of Schedule III of the Act unless otherwise stated.

Notes to the Standalone Financial Statements for the year ended 31 March 2025 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

5 Property, Plant and Equipment, Capital Work-in-progress, Intangible assets and Intangible assets under Development

5A Property, plant and equipment

Particulars	Gross carrying values			Accumulated depreciation			Net carrying values	
	As at 01 April 2024	Additions	Disposals	As at 31 March 2025	Charge for the year	Adjustment upon disposals	As at 31 March 2025	As at 31 March 2024
Property plant and equipment								
Land (refer note 5.1 below)*	48.24	22.43	–	70.67	0.34	–	68.74	46.64
Buildings**	180.62	0.87	0.01	181.48	6.34	0.01	135.39	140.85
Furniture and fixtures	3.63	0.02	–	3.64	0.21	–	0.81	1.00
Plant and equipment***	990.92	56.03	11.56	1,035.39	56.68	6.76	629.02	634.46
Dies and moulds	138.59	34.33	3.03	169.89	20.55	1.43	85.52	73.33
Vehicles	16.24	2.51	3.07	15.68	2.49	2.50	6.79	7.33
Office equipment	15.78	0.59	0.04	16.32	0.42	0.04	8.07	7.91
Total	1,394.02	116.78	17.71	1,493.09	87.01	10.74	934.34	911.53

Particulars	Gross carrying values			Accumulated depreciation			Net carrying values	
	As at 01 April 2023	Additions	Disposals	As at 31 March 2024	Charge for the year	Adjustment upon disposal	As at 31 March 2024	As at 31 March 2023
Property plant and equipment								
Land (refer note 5.1 below)*	48.22	0.02	–	48.24	0.21	–	46.64	46.83
Buildings**	179.26	1.36	–	180.62	6.42	–	140.85	145.91
Furniture and fixtures	3.54	0.09	–	3.63	0.26	–	1.00	1.17
Plant and equipment (refer note 5.3 below)***	878.25	117.39	4.72	990.92	71.61	1.69	634.46	591.71
Dies and moulds	103.26	41.46	6.13	138.59	21.33	1.35	73.33	57.98
Vehicles	14.53	3.62	1.91	16.24	2.66	1.64	7.33	6.64
Office equipment	15.34	0.44	0.00	15.78	0.32	0.00	7.92	7.80
Total	1,242.40	164.38	12.76	1,394.02	102.81	4.68	911.53	858.04

*Includes gross block of right of use assets amounting to ₹ 43.21 (31 March 2024 : ₹ 20.78) with net block of ₹ 40.19 (31 March 2024 : ₹ 18.11) as at the reporting date, refer note 43.

**Includes gross block of right of use asset amounting to ₹ 1.55 (31 March 2024 : ₹ 1.55) with net block of ₹ 0.59 (31 March 2024 : ₹ 0.93) as at the reporting date, refer note 43.

***Includes gross block of right of use asset amounting to ₹ 37.21 (31 March 2024 : ₹ 39.80) with net block of ₹ 29.69 (31 March 2024 : ₹ 34.02) as at the reporting date, refer note 43.

Notes to the Standalone Financial Statements for the year ended 31 March 2025 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

5.1 Title deeds of Immovable Property not held in the name of the company

Relevant line item in the Balance Sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the company
As at 31 March 2025						
Property, plant and equipment	Freehold land, Bawal, Haryana	14.41	RASA Autocom Limited	No	6-Jun-11	RASA Autocom Limited was merged with the Company during the last year. The Company is in the process of transferring the title deed in its own name
As at 31 March 2024						
Property, plant and equipment	Freehold land, Bawal, Haryana	14.41	RASA Autocom Limited	No	6-Jun-11	RASA Autocom Limited was merged with the Company during the last year. The Company is in the process of transferring the title deed in its own name

5.2 For commitments with respect to property, plant and equipment, refer note 41.

5.3 During the year ended 31 March 2024, the Company acquired certain machinery appearing under property, plant and equipment and leased on market terms for 10 years to its subsidiary company Rico Jinfei Wheels Limited.

This sale-and-leaseback transaction enabled the subsidiary to reduce its liability towards the Company by INR ₹17.06 crores, while continuing to use the machinery.

Notes to the Standalone Financial Statements for the year ended 31 March 2025 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

5B Capital work-in-progress

Particulars	As at 31 March 2025	As at 31 March 2024
As at the beginning of the year	79.02	67.88
Additions	51.87	64.47
Transfers to property, plant and equipment	(30.86)	(53.33)
As at the end of the year	100.03	79.02

Asset under construction

Capital work in progress as at 31 March 2025, 31 March 2024 comprises expenditure incurred mainly for building in the course of construction and plant and machinery. The Company accounts for capitalization of property, plant and equipment to the extent applicable through capital work in progress and therefore the movement in capital work-in-progress is the difference between closing and opening balance of capital work-in-progress as adjusted in additions to property, plant and equipment.

i The capital work-in-progress ageing schedule as at 31 March 2025 and 31 March 2024 is as follows :

As at 31 March 2025					
CWIP	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	55.62	33.18	11.23	–	100.03
As at 31 March 2024					
CWIP	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	64.10	14.92	–	–	79.02

There are no projects as at each reporting year where activity had been suspended. Also there are no projects as at the end of reporting period which has exceeded cost as compared to its original plan or where completion is overdue.

Borrowing costs capitalized/transferred to capital work in progress during the year amounts to ₹ 3.54 crores (previous year ₹ 2.80 crores) and the capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Group's borrowings during the year, in this case 9.00% (previous year 9.00%)

- (i) For details regarding charge on property, plant and equipment - refer note 19 and 44.
- (ii) For details regarding contractual commitments for the acquisition of property, plant and equipment - refer note 41.
- (iii) The Company has not revealed its property, plant and equipment during the year.
- (iv) The Company does not have any benami property and no proceedings have been initiated or pending against the Company for holding any benami property, under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the rules made thereunder.
- (v) All title deeds of immovable properties are held in the name of Company, except those as disclosed in note 5.1 above.

Notes to the Standalone Financial Statements for the year ended 31 March 2025 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

5C Intangible assets

Particulars	Gross carrying values		Accumulated depreciation		Net carrying values	
	As at 01 April 2024	As at 31 March 2025	As at 01 April 2024	Charge for the year	As at 31 March 2025	As at 31 March 2024
Product development	9.50	9.50	3.21	1.90	4.39	6.29
Total Intangible assets	9.50	9.50	3.21	1.90	4.39	6.29

Particulars	Gross carrying values		Accumulated depreciation		Net carrying values	
	As at 01 April 2023	As at 31 March 2024	As at 01 April 2023	Charge for the year	As at 31 March 2024	As at 31 March 2023
Product development	5.48	9.50	2.17	1.04	6.29	3.31
Total Intangible assets	5.48	9.50	2.17	1.04	6.29	3.31

5D Intangible assets under development

Particulars	As at 31 March 2025	As at 31 March 2024
As at the beginning of the year	6.22	7.51
Additions	7.36	2.73
Transfers to intangible assets	–	(4.02)
As at the end of the year	13.58	6.22

The intangible assets under development ageing schedule as at 31 March 2025 and 31 March 2024 is as follows :

As at 31 March 2025

Intangible assets under development	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	7.36	1.96	1.58	2.68	13.58

As at 31 March 2024

Intangible assets under development	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	1.96	1.58	1.31	1.37	6.22

There are no projects as at each reporting period where activity had been suspended. Also there are no projects as at the reporting period which has exceeded cost as compared to its original plan or where completion is overdue.

Notes to the Standalone Financial Statements for the year ended 31 March 2025 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

Particulars	As at 31 March 2025	As at March 31 2024
NON-CURRENT ASSETS		
6 Investments		
Investments at cost		
Investments in subsidiaries		
Investment in equity shares (Unquoted)		
Rico Auto Industries Inc. (USA)	0.12	0.12
2,500 equity shares of US\$ 10/- each (31 st March, 2024: 2500 equity shares of US\$ 10/- each)		
Rico Auto Industries (UK) Limited (U.K.)	0.17	0.17
20,000 equity shares of GBP 1/- each (31 March 2024: 20,000 equity shares of GBP 1/- each)		
AAN Engineering Industries Limited	6.05	6.05
60,50,000 equity shares of ₹10/- each (31 March 2024: 60,50,000 equity shares of ₹10/- each)		
Rico Jinfei Wheels Limited	6.05	6.05
3,55,25,000 equity shares of ₹10/- each (31 March 2024: 3,55,25,000 equity shares of ₹10/- each)		
Rico Friction Technology Limited	0.76	0.76
7,56,000 equity shares of ₹10/- each (31 March 2024: 7,56,000 equity shares of ₹10/- each)		
Rico Fluidtronics Limited	29.69	29.69
4,22,40,000 equity shares of ₹10/- each (31 March 2024: 4,22,40,000 equity shares of ₹10/- each)		
Aggregate amount of investments in subsidiaries (A)	42.84	42.84
Investments - others		
Investment in equity instruments at FVTPL - unquoted		
Roop Ram Industries Private Limited	2.43	2.43
24,34,640 equity shares of ₹10/- each (31 March 2024: 24,34,640 equity shares of ₹10/- each)		
Rico Care Foundation (Sec 8 Company)	0.03	0.03
29,900 equity shares of ₹10/- each (31 March 2024: 29,900 equity shares of ₹10/- each)		
Dalavaipuram Renewables Private Limited	1.85	1.85
18,51,967 equity shares of ₹10/- each (31 March 2024: 18,51,967 equity shares ₹10/- each)		
Aggregated book value and fair value of investments in un-quoted equity instruments at FVTPL (B)	4.31	2.46
Aggregated amount of investments (A+B)	47.15	47.15
7 Loans		
(unsecured, considered good)		
Loans to related parties (refer note 45 and 48)	—	1.77
	—	1.77
8 Other financial assets		
(unsecured, considered good)		
Other financial assets carried at amortised cost		
security deposits	17.29	14.71
	17.29	14.71

Notes to the standalone financial statements for the year ended 31 March 2025 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

Particulars	As at 31 March 2025	As at March 31 2024
9 Other non-current assets (unsecured, considered good)		
Capital advances	1.98	1.37
Contract costs (refer note 49)	1.11	3.26
Prepaid expenses	0.27	0.59
	3.36	5.22
CURRENT ASSESTS		
10 Inventories (Valued at lower of cost or net realisable value)		
Raw materials (includes goods in transit of ₹ 0.99 (31 March 2024: ₹ 0.39))	41.90	36.11
Work-in-progress	33.43	28.42
Finished goods (includes goods in transit of ₹ 18.67 (31 March 2024: ₹ 13.67))	105.42	109.06
Stores and spares	58.50	50.91
Total	239.25	224.50
i) The Company has provided for provision for inventories on raw materials and store and spares of INR 0.45 crore (31 March 2024: INR 0.36 crore) for the year ended 31 March 2025.		
ii) The write-down of inventories to net realisable value during the year amounted to INR 0.34 crores (31 March 2024: INR 2.07 crores). The write-down is included in changes in inventories of finished goods.		
iii) Refer note 44 for information on assets charged as security by the Company.		
11 Trade Receivables		
Trade receivables	248.89	248.53
Receivables from related parties (refer note 45)	28.65	19.89
Total	277.54	268.42
Unsecured, considered good	277.54	268.42
Trade receivables which have significant increase in credit risk	—	—
Trade receivables - credit impaired	1.33	1.25
	278.86	269.67
Less: Allowances for credit loss	(1.33)	(1.25)
Total	277.54	268.42

For terms and conditions of trade receivables owing from related parties, see Note 45.

No trade receivables are due from directors or officers of the Company either separately or jointly with any other person.

The trade receivables are non-interest bearing and generally on terms of 30 - 90 days.

Particulars	Outstanding for the following periods from due date of payments						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Trade Receivables ageing schedule as on 31 March 2025:							
i) Undisputed Trade receivables- considered good	227.75	44.20	3.29	2.23	0.07	—	277.54
ii) Undisputed Trade receivables- which have significant increase in credit risk	—	—	—	—	—	—	—
iii) Undisputed Trade Receivables- credit Impaired	—	—	—	1.18	0.02	0.12	1.32
iv) Disputed Trade Receivables- considered good	—	—	—	—	—	—	—
v) Disputed Trade receivables- which have significant increase in credit risk	—	—	—	—	—	—	—
vi) Disputed Trade Receivables- credit Impaired	—	—	—	—	—	—	—
vii) Less: Allowance for credit loss	—	—	—	(1.18)	(0.02)	(0.12)	(1.32)
	227.75	44.20	3.29	2.23	0.07	—	277.54
Trade Receivables ageing schedule as on 31 March 2024:							
i) Undisputed Trade receivables- considered good	222.52	42.57	1.05	1.52	0.76	—	268.42
ii) Undisputed Trade receivables- which have significant increase in credit risk	—	—	—	—	—	—	—
iii) Undisputed Trade Receivables- credit Impaired	—	—	—	1.12	0.02	0.11	1.25
iv) Disputed Trade Receivables- considered good	—	—	—	—	—	—	—
v) Disputed Trade receivables- which have significant increase in credit risk	—	—	—	—	—	—	—
vi) Disputed Trade Receivables- credit Impaired	—	—	—	—	—	—	—
vii) Less: Allowance for credit loss	—	—	—	(1.12)	(0.02)	(0.11)	(1.25)
	222.52	42.57	1.05	1.52	0.76	—	268.42

Notes to the standalone financial statements for the year ended 31 March 2025 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

Particulars	As at 31 March 2025	As at March 31 2024
12 Cash and Cash Equivalents		
Cash on hand	0.06	0.05
Balances with banks:		
– On current accounts	0.52	2.71
Total	0.58	2.76
13 Bank Balances Other Than Cash and Cash Equivalents		
Unpaid dividend accounts*	0.36	0.69
Bank deposits with original maturity of more than 3 months and remaining maturity of less than 12 months	5.46	11.20
Total	5.82	11.90
*These balances are not available for use by the company and has been kept in escrow accounts for unclaimed dividends.		
CURRENT ASSESTS		
14 Loans (unsecured, considered good)		
Loans to employees	1.40	1.50
Loans to related parties (refer note 45)	1.77	7.08
	3.17	8.58
(i) The Company has no loans and advances which are either repayable on demand or are without specifying any terms or period of repayment.		
(ii) No loans or advances are due by directors or other officers of the Company or any of them either severally or jointly with any other person. Further, no loans or advances are due by firms or private companies in which any director is a partner, a director or a member.		
15 Other financial assets (unsecured, considered good)		
Other financial assets carried at amortised cost		
Interest receivable	0.65	0.65
Export incentive receivable	0.06	1.26
Solar power purchase recoverable	0.86	0.86
Others	1.21	1.42
Total	2.78	4.19
16 Other current assets (unsecured, considered good)		
Advances to suppliers	7.53	20.55
Prepaid expenses	6.19	4.13
Balance with government authorities	4.01	6.50
Contract costs (refer note 49)	3.55	6.99
Others	3.19	3.19
	24.47	41.36
EQUITY AND LIABILITIES		
17 Equity share capital		
a) Authorised		
490,000,000 equity shares of ₹ 1/- each, 216,000,000 equity shares of ₹ 10/- each (31 March 2024: 490,000,000 equity shares of ₹ 1/- each, 216,000,000 equity shares of ₹ 10/- each)	265.00	265.00
5,000,000 redeemable preference shares of ₹ 10/- each (31 March 2024: 5,000,000 redeemable preference shares of ₹ 10/- each)	5.00	5.00
	270.00	270.00
b) Issued, subscribed and paid up		
135,285,000 equity shares of ₹ 1/- each fully paid up (31 March 2024: 135,285,000 equity shares of ₹ 1/- each)	13.53	13.53
	13.53	13.53

c) Reconciliation of number of equity shares outstanding

Particulars	Year ended 31 March 2025		Year ended 31 March 2024	
	Amount	No. of shares	Amount	No. of shares
At the beginning of the year	13.53	135,285,000	13.53	135,285,000
Movement during the year	–	–	–	–
Outstanding at the end of the year	13.53	135,285,000	13.53	135,285,000

Notes to the standalone financial statements for the year ended 31 March 2025 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

Rights, preferences and restrictions attached to equity shares.

The Company has one class of equity shares having par value of INR 1 per share (31 March 2024: INR 1 per share). Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. All the existing equity shares rank pari passu in all respects including but not limited to dividends and shares in the company's residual assets on winding up.

The Company has paid final dividend of INR 0.60 per equity share of face value INR 1 each, which was declared during last year.

The Board of Directors at its Meeting held on 27 May 2025, has recommended a final dividend @ 50% i.e. INR 0.50 per equity share. The dates of the book closure for the entitlement of such final dividend and Annual General Meeting shall be decided and informed in due course of time.

In the event of liquidation of the Company, the share holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the share holders.

d) Details of shareholders holding more than 5% equity shares in the Holding Company

Name of shareholder	As at 31 March 2025		As at 31 March 2024	
	% of holding	No of shares	% of holding	No of shares
ASN Manufacturing and Services Private Limited	15.40	20,838,321	15.40	20,838,321
Mr. Arvind Kapur	10.44	14,118,043	10.44	14,118,043
Mr. Arun Kapur	6.48	8,770,849	6.48	8,770,849
Meraki Manufacturing and Finvest Advisors Private Limited	8.72	11,790,841	8.72	11,790,841
Higain Investments Private Limited	5.60	7,580,628	5.60	7,580,628

The above information is furnished as per the shareholders register as at 31 March 2025 and 31 March 2024

e) Details of shareholding of promoters

Promoter name	As at 31 March 2025			As at 31 March 2024		
	No of shares	% holding	% of change during the year	No of shares	% holding	% of change during the year
Mr. Arvind Kapur	14,118,043	10.44%	—	14,118,043	10.44%	—
Mr. Arun Kapur	8,770,849	6.48%	—	8,770,849	6.48%	—
Mrs. Upasna Kapur	3,453,384	2.55%	—	3,453,384	2.55%	—
Mrs. Ritu Kapur	733,140	0.54%	—	733,140	0.54%	—
Ms. Nyla Kapur	383,440	0.28%	—	383,440	0.28%	—
Mr. Samarth Kapur	194,800	0.14%	—	194,800	0.14%	—
Mrs. Shivani Kapur	149,800	0.11%	—	149,800	0.11%	—
Mrs. Romilla Bahl	79,000	0.06%	—	79,000	0.06%	—
Mrs. Promila Sikka	4,000	0.00%	—	4,000	0.00%	—
ASN Manufacturing and Services Private Limited	20,838,321	15.40%	—	20,838,321	15.40%	—
Meraki Manufacturing and Finvest Advisors Private Limited	11,790,841	8.72%	—	11,790,841	8.72%	—
Higain Investments Private Limited	7,580,628	5.60%	—	7,580,628	5.60%	—
Total	68,096,246	50.34%	—	68,096,246	50.34%	—

- f) The Company has not issued bonus shares, equity shares issued for considerations other than cash and also no shares has been bought back during the period of five years immediately preceeding 31 March 2025.

Notes to the standalone financial statements for the year ended 31 March 2025 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

Particulars	As at March 31 2025	As at March 31 2024
18 OTHER EQUITY		
Redemption reserve		
Opening balance	2.00	2.00
Changes during the year	—	—
Closing balance	2.00	2.00
Securities premium		
Opening balance	145.04	145.04
Changes during the year	—	—
Closing balance	145.04	145.04
General reserve		
Opening balance	79.54	79.54
Changes during the year	—	—
Closing balance	79.54	79.54
Retained earnings		
Opening balance	417.13	393.69
Add: Profit for the year	22.91	30.85
Other Comprehensive Income for the year	(4.13)	2.74
Less: Dividend on equity shares (Final)	(8.12)	(10.15)
Closing balance	427.79	417.13
Total	654.37	643.71
Description of reserves		
a) Capital Redemption Reserve		
The same has been created on redemption of share capital and shall be utilised in accordance with provision of the Act.		
b) Securities premium		
Securities premium reserve is used to record the premium on issue of shares. The reserve will be utilised in accordance with provisions of the Act.		
c) General reserve		
General Reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purposes		
d) Retained earnings		
Retained earnings are the accumulated profits earned by the company till date, as adjusted for distribution to owners.		
NON-CURRENTS LIABILITIES		
19 BORROWINGS*		
Secured, at amortized cost		
Term loan		
From banks		
Foreign currency loans	50.84	65.36
Rupee loans	165.72	195.88
From Financial institutions		
Rupee loans	125.00	76.45
Vehicle loans		
From financial institutions	0.30	0.63
From banks	2.66	2.88
Unsecured, at amortised cost	344.52	341.20
Term loan		
From bank		
Rupee loan	30.63	—
	375.15	341.20
Less: Amount clubbed under "Current borrowings" (Current maturities of long term borrowings)	100.76	79.46
Aggregate secured borrowings	274.39	261.74
*Also, refer Note 19 (A) and 19 (B)		

Notes to the standalone financial statements for the year ended 31 March 2025 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024
A Security Details - non-current secured loans		
1 Buyer's credit facility from Yes Bank Limited is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future) and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram. Loan carries interest @JPYbor + 0.95% per annum.	5.32	—
2 Buyer's credit facility from Axis Bank Limited carries interest @Jpybor + 0.65% to 1.53% per annum (previous year Jpybor + 1.50% to 1.53% per annum) and is repayable against disbursement of term loan which is repayable in 9 quarterly installments. The facility is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future) and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram.	—	11.21
3 Buyer's credit facility from Indusind Bank Limited carries interest @Euribor +0.50% per annum (previous year Euribor + 0.50% per annum) and is repayable against disbursement of term loan which is repayable in 12-15 quarterly installments. The facility is secured by first pari passu charge on machinery etc purchased against the facility and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Chennai and Pathredi.	45.52	54.15
4 Rupee term loan from Yes Bank Limited carries interest @ 9.25% to 10.80% per annum (previous year 8.75% to 10.05% per annum) and is repayable in 16 equal quarterly installments. The term loan is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future) and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram.	—	1.16
5 Rupee term loan from Yes Bank Limited carries interest @ 8.90% to 10.45% per annum (previous year 8.75% to 9.60% per annum) and is repayable in 16 equal quarterly installments. The term loan is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future) and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram.	—	0.95
6 Rupee term loan from Yes Bank Limited carries interest @ 8.90% to 10.30% per annum (previous year 8.75% to 8.90% per annum) and is repayable in 16 equal quarterly installments. The term loan is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future) and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram.	—	2.40
7 Rupee term loan from Yes Bank Limited carries interest @ 10.00% to 10.70% per annum (previous year 8.75% to 10.00% per annum) and is repayable in 16 equal quarterly installments. The term loan is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future) and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram.	—	3.39
8 Rupee term loan from Yes Bank Limited carries interest @ 10.45% per annum and is repayable in 16 equal quarterly installments. The term loan is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future) and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram.	—	0.82
9 Rupee term loan from Yes Bank Limited carries interest @ 10.35% per annum and is repayable in 4 equal quarterly installments. The term loan is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future) and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram.	—	1.23
10 Rupee term loan from Yes Bank Limited carries interest @ 9.20% per annum and is repayable in 20 equal quarterly installments. The term loan is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future) and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram.	12.73	—
11 Rupee term loan from IndusInd Bank Limited carries interest @ 9.25% to 10.45% per annum (previous year 9.25% per annum) and is repayable in 24 quarterly installments. The term loan is secured by first pari passu charge on mahinery etc purchased against the facility and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Chennai and Pathredi.	—	8.40

Notes to the standalone financial statements for the year ended 31 March 2025 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024
12 The Company has taken term loan alongwith a principal only swap (INR to Euro) from Kotak Mahindra Bank Limited. The loan carries interest @ 9.45% to 9.90% per annum (previous year 7.80% to 9.45% per annum) and is repayable in 16 equal quarterly installments after moratorium of 6 quarters starting December 2020. The term loan is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future) and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram.	–	1.97
13 Rupee term loan from Kotak Mahindra Bank Limited carries interest @ 9.45% to 9.95% per annum (previous year 7.85% to 9.45% per annum) and is repayable in 16 equal quarterly installments after moratorium of 12 quarters starting February, 2022. The term loan is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future) and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram.	–	0.79
14 The company has converted rupee term loan in euro, a cross currency swap from Kotak Mahindra Bank Limited, carries interest @ 3.05% per annum on euro notional (previous year 3.05 % per annum) and is repayable in 16 equal quarterly installments after moratorium of 12 quarters starting December 2021. The term loan is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future) and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram.	4.05	12.16
15 Rupee term loan from Kotak Mahindra Bank Limited carries interest @ 9.20% to 10.00% per annum (previous year 8.00% to 9.20% per annum) and is repayable in 16 equal quarterly installments after moratorium of 9 quarters starting February 2022. The term loan is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future) and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram.	–	2.20
16 Rupee term loan from Kotak Mahindra Bank Limited carries interest @ 9.55% to 10.10% per annum (previous year 8.00% to 9.55% per annum) and is repayable in 16 equal quarterly installments after moratorium of 3 quarters starting August 2020. The term loan is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future) and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram.	–	1.74
17 Rupee term loan from Axis Bank Limited carries interest @ 8.85% to 10.00% per annum (previous year 8.85% per annum) and is repayable in 12 quarterly installments after moratorium of 8 quarters starting Sep 2024. The term loan is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future) and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram.	14.06	8.54
18 Rupee term loan from Karnataka Bank carries interest @ 9.00% to 9.90% per annum (previous year 9.00% per annum) and is repayable in 24 quarterly installments after moratorium of 5 quarters starting from Sep 2023. The term loan is secured by the first pari passu charge on machinery etc purchased against the facility and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Chennai and Pathredi.	57.95	59.84
19 Rupee term loan from HDFC Bank Limited carries interest @ 9.50% to 10.50% per annum (previous year 8.50% to 9.50 % per annum) and is repayable in 20 equal quarterly installments after moratorium of 4 quarters starting January 2022. The term loan is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future) and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram.	8.75	13.75
20 Rupee working capital term loan (ECLGS) from Yes Bank Limited carries interest @ 9.25% per annum (previous year 7.60% to 9.25% per annum) and is repayable in 48 equal monthly installments after moratorium of 12 months starting April 2022. The term loan is secured by second pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future), second pari passu charge on mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram and second pari passu charge on all the current assets of the Company including all types of stocks and book debts / receivables (both present and future).	4.25	8.50

Notes to the standalone financial statements for the year ended 31 March 2025 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024
21 Rupee working capital term loan (ECLGS) from Kotak Mahindra Bank Limited carries interest @ 8.80% to 9.20% per annum (previous year 7.15% to 8.80% per annum) and is repayable in 48 monthly installments after moratorium of 12 months starting February 2022. The term loan is secured by second pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future), second pari passu charge on mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram and second pari passu charge on all the current assets of the Company including all types of stocks and book debts / receivables (both present and future).	7.44	14.61
22 Rupee working capital term loan (ECLGS) from State Bank of India carries interest @ 9.25% per annum (previous year 7.95% to 9.25% per annum) and is repayable in 48 equal monthly installments after moratorium of 24 months starting January,2024. The term loan is secured by second pari passu charge on all the current assets of the Company including all types of stocks and book debts / receivables (both present and future).	6.03	8.17
23 Rupee working capital term loan (ECLGS) from Axis Bank Limited carries interest @ 8.90% to 9.30% per annum (previous year 7.35% to 8.90% per annum) and is repayable in 48 equal monthly installments after moratorium of 24 months starting February,2024. The term loan is secured by second pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future), second pari passu charge on mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram and second pari passu charge on all the current assets of the Company including all types of stocks and book debts / receivables (both present and future).	5.82	8.33
24 Rupee working capital term loan (ECLGS) from HDFC Bank Limited carries interest @ 9.00% per annum and is repayable in 48 equal monthly installments after moratorium of 24 months starting April,2025. The term loan is secured by second pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future), second pari passu charge on mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram and second pari passu charge on all the current assets of the Company including all types of stocks and book debts / receivables (both present and future).	12.00	12.00
25 Rupee Working Capital term loan from ICICI Bank carries interest rate @ 9.00% and is repayable in 12 equal quarterly installments starting from May, 2024. The term loan is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future) and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram.	10.00	15.00
26 Rupee term loan from ICICI Bank carries interest rate @ 9.00% and is repayable in 18 equal quarterly installments after moratorium of 3 quarters starting December,2024. The term loan is secured by first pari passu charge by way of hypothecation on all the movable fixed assets of the company (both present and future) and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram.	17.78	9.92
27 Rupee term loan from Bajaj Finance Limited carries interest @ 9.50% to 9.85% per annum (previous year 9.30% to 11.10% per annum) and is repayable in 20 quarterly installments after moratorium of 5 quarters starting May 2021. The term loan is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future) and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram.	4.85	—
28 Rupee term loan from Bajaj Finance Limited carries interest @ 9.50% to 9.85% per annum (previous year 9.30% to 11.10% per annum) and is repayable in 20 quarterly installments after moratorium of 5 quarters starting May 2021. The term loan is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future) and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram.	—	9.79
29 Rupee term loan from Bajaj Finance Limited carries interest @ 9.50% to 9.85% per annum (previous year 9.30% to 11.10% per annum) and is repayable in 20 quarterly installments after moratorium of 5 quarters starting May 2021. The term loan is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future) and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram.	75.00	—
30 Rupee working capital term loan from Axis Finance Limited carries interest @ 9.90% to 10.50% per annum (previous year 9.00% to 10.25% peer annum) and is repayable in 18 quartelry installments after moratorium of 12 months starting from December 2023. The term loan is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company.	50.00	66.67

Notes to the standalone financial statements for the year ended 31 March 2025 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024
31 Vehicle loans are secured by hypothecation of vehicles financed and are repayable in monthly instalments ranging from 47-60 carrying interest @ 7.20% to 9.50% per annum (Previous year 7.20% to 9.50% per annum).	2.96	3.51
	344.52	341.20
A1 Security Details - non-current Unsecured loans		
Working capital rupee term loan from Shinhan Bank carries interest @ 8.45% per annum and is repayable in 16 quarterly installments starting November'2024. The working capital term loan is unsecured.	30.63	—
	375.15	341.20
B. Security Details - Current Secured Loans		
Current secured loans		
1 Working capital loans/facilities are secured against first pari passu charge on all the current assets of the Company including all types of stocks and book debts / receivables (both present and future) carrying interest rate ranging from 5.60% to 10.25% per annum (previous year 3.70% to 8.90% per annum).	140.78	165.98
Current Unsecured loans		
2 Working capital facility for sale bill discounting from various banks carries interest @ 5.75% to 8.25% per annum (previous year 5.40% to 6.25% per annum)	37.52	36.35
	178.30	202.33
Total Borrowings	553.45	543.53
Additional disclosures :		
1 The Company has utilised the borrowings for the purpose it was taken.		
2 The quarterly returns/ statements of current assets filed with the banks/ financial institutions are in agreement with the books of accounts.		
3 One of the lender of the Company has also waived the compliance with specific covenant under their loan agreements.		
20 Provisions		
Provision for gratuity (refer note 42)	18.46	14.55
Provision for compensated absences	1.19	0.93
Total	19.65	15.48
CURRENT LIABILITIES		
21 Borrowings		
Working capital loans		
Secured, at amortised cost**		
From banks		
Working Capital Demand Loan from banks in INR	13.00	44.80
Working capital rupee loans	127.78	121.18
Total (A)	140.78	165.98
Unsecured, at amortised cost**		
Sale bills discounting	37.52	36.35
Total (B)	37.52	36.35
Current maturities of long-term borrowings (C) *	100.76	79.46
Total (A+B+C)	279.07	281.79
* Refer note 19 (A) for security details and terms of repayment for non-current borrowings (including current maturities)		
** Refer note 19 (B) for security details and terms of repayment for current borrowings		
22 Trade payables		
Payable to micro enterprises and small enterprises	22.14	23.29
Payable to other than micro enterprises and small enterprises	313.74	306.24
Due to related parties (refer note 45)	10.16	14.47
Total	346.04	344.00

Terms and conditions of the above financial liabilities:

For explanations on the Company's credit risk management processes, refer to Note 39. For dues payables to related parties refer to Note 45.

*Acceptances are arrangements where operational suppliers of goods and services are initially paid by banks/ financial institutions while the Company continues to recognise the liability till settlement with the banks/financial institutions, which are normally effected within payable days.

Notes to the standalone financial statements for the year ended 31 March 2025 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

S.No	Particulars	Outstanding for following periods from due date of payment						
		Unbilled	Not due	Less than 6 months	6 months – 1 year	1 – 2 years	2 – 3 years	Total
23	Trade payables ageing schedule as on 31 March 2025							
(i)	MSME	–	15.58	6.56	–	–	–	22.14
(ii)	Others	1.31	205.09	116.92	0.06	0.25	0.27	323.90
(iii)	Disputed dues – MSME	–	–	–	–	–	–	–
(iv)	Disputed dues – Others	–	–	–	–	–	–	–
	Total	1.31	220.67	123.48	0.06	0.25	0.27	346.04
	Trade Payables ageing schedule as on 31 March 2024							
(i)	MSME	–	15.65	7.64	–	–	–	23.29
(ii)	Others	1.70	212.89	103.63	0.82	0.84	0.83	320.71
(iii)	Disputed dues – MSME	–	–	–	–	–	–	–
(iv)	Disputed dues – Others	–	–	–	–	–	–	–
	Total	1.70	228.54	111.27	0.82	0.84	0.83	344.00
	Particulars	As at 31 March 2025						As at 31 March 2024
24	Other Financial Liabilities							
	I. Derivatives at fair value through profit and loss							
	Derivative liability measured at fair value (refer note 37)	0.63						0.73
	Total (I)	0.63						0.73
	II. Other financial liabilities at amortised cost							
	Interest accrued but not due on borrowings	0.86						1.51
	Unclaimed dividends	0.36						0.69
	Security deposits	4.70						3.97
	Capital creditors	8.54						7.93
	Employee benefits payable	3.76						3.36
	Total (II)	18.22						17.46
	Total (I+II)	18.84						18.19
25	Other current liabilities							
	Statutory liabilities	18.06						10.59
	Contract liabilities- advance from customers* (refer note 49)	9.05						6.05
	Statutory Liabilities	(0.53)						(0.36)
	Other liabilities	0.53						0.36
	Total	27.64						17.00
	*Represents non-interest bearing advances from customers, expected to be recognised within the period of 1 year.							
	Particulars	For the year ended 31 March 2025						For the year ended 31 March 2024
26	Revenue from operations							
	Operating revenue							
	Export Sales	319.11						407.71
	Domestic Sales	1,254.17						1,217.33
	Sale of products	1,573.29						1,625.04
	Sale of services	0.31						0.79
		1,573.59						1,625.83
	Other operating revenue							
	Sales of scrap	11.16						11.12
	Duty draw back and other incentives	7.75						10.52
	Others	14.53						5.59
		33.43						27.23
	Total	1,607.02						1,653.06
	Reconciliation of Revenue Recognised with contracted price is as follows:							
	Contract price	1,602.13						1,644.06
	Adjustments to the contract price – cash discount and credit notes	(28.54)						(18.23)
	Revenue Recognised	1,573.59						1,625.83

Notes to the standalone financial statements for the year ended 31 March 2025 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
a) The amount of INR 6.05 crores included in contract liabilities at 31 March 2024 has been recognised as revenue during the year ended 31 March 2025. (31 March 2024: INR 10.08 crores).		
b) No information is provided about remaining performance obligations at 31 March 2025 or at 31 March 2024 that have an original expected duration of one year or less, as allowed by Ind AS 115.		
c) Refer note 48 for disclosure requirements as per Ind AS 115 - "Revenue from contracts with customers".		
27 Other income		
Interest income under the effective interest method	2.86	4.47
Dividend Income	19.96	14.78
Exchange rate fluctuation (net)	1.77	3.64
Rental income	3.98	1.50
Profit on sale of property, plant and equipment	2.55	1.39
Miscellaneous Income	3.34	3.55
Total	34.47	29.33
28 Cost of materials consumed		
Raw material and components		
Opening stock	36.11	51.20
Add: Purchases during the year	928.21	894.11
Less: Closing stock	41.90	36.11
Raw material and components consumed	922.42	909.20
29 Changes in inventories of finished goods and work-in-progress		
(a) Work-in-progress		
Opening stock	28.42	25.63
Closing stock	33.43	28.42
	(5.01)	(2.79)
(b) Finished goods		
Opening stock	109.05	107.90
Closing stock	105.42	109.05
	3.63	(1.15)
Total	(1.38)	(3.94)
30 Other manufacturing expenses		
Consumption of stores and spares	62.68	68.59
Power and fuel	129.52	148.18
Total	192.20	216.77
31 Employee benefits expense		
Salaries, wages and bonus	238.70	235.13
Contribution to provident and other funds	12.71	10.94
Staff welfare expenses	11.22	11.55
Total	262.63	257.62
32 Finance costs		
Interest on debts, borrowings and lease liabilities measured at amortised cost	39.80	44.77
Other borrowing costs	0.62	0.74
Total	40.41	45.51
33 Other expenses		
Rent (Refer Note 43)	2.01	1.88
Freight and forwarding charges	49.98	62.66
Legal and professional*	13.26	12.57
Repairs and Maintenance	—	—
Repairs to machinery	6.67	6.56
Repairs to buildings	1.02	1.29
Others	3.35	2.43
Rates & taxes	0.63	0.56
Traveling and conveyance	4.47	4.99
Insurance	4.44	4.55
Amortisation of contract assets	5.60	5.53
Directors' sitting fees	0.93	1.12
Allowances for bad and doubtful receivables and advances	0.07	0.32
CSR Expenses**	0.72	0.32
Vehicle running and maintenance expenses	3.01	3.07
Marketing and sales promotion	2.39	1.26
Miscellaneous expenses	2.12	1.23
Total	100.68	110.36

Notes to the standalone financial statements for the year ended 31 March 2025 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
*Includes payment to auditors on account of:		
As auditors:		
Audit fees for Statutory audit	0.48	0.48
Audit fees for Limited Reviews	0.12	0.12
Certification services	0.05	0.06
In other capacity		
Reimbursement of expenses	0.05	0.05
	0.70	0.71
** Disclosure relating to CSR expenditure:		
As per Section 135 of the Companies Act, 2013, a CSR committee has been formed by the Company. The funds were primarily allocated and utilized for the activities that are specified in Schedule VII of the Companies Act, 2013.		
a) Gross amount required to be spent by the Company during the year is ₹ 0.69 crores (31 March 2024: ₹ 0.41 crores).		
(a) Gross Amount required to be spent by the Company as per Section 135 of the Companies Act 2013	0.69	0.41
(b) Amount approved by the Board to be spent during the year	0.69	0.41
(c) Amount spent during the year on		
(i) Construction/acquisition of any asset	—	—
(ii) On purposes other than (i) above	0.69	0.41
(d) Total of previous year shortfall	—	—
(e) Reason for shortfall	Not applicable	Not applicable
(f) Nature of CSR activities	Education and Skill Development, Health Care, Environment protection, Promoting gender equality and empowerment of women, Community Development and Others	Education and Skill Development, Health Care, Environment protection, Promoting gender equality and empowerment of women, Community Development and Others
34 Exceptional Items		
Expenditure incurred on account of voluntary retirement scheme	1.14	2.58
Total	1.14	2.58
35 Income Tax		
A The reconciliation of estimated income tax expense at statutory income tax rate is as follows:		
Profit before income tax expense	34.48	40.44
Income tax using the Company's domestic tax rate@25.17% for current financial year & @34.94% for previous year	8.68	14.13
Tax impact of deductible/ non-deductible expenses		
– Tax adjustments for earlier years	(0.90)	(2.13)
– Impact of change in tax rate	(14.37)	—
– MAT written off	19.17	—
– Others	(1.01)	(2.41)
Income tax expense after adjustment of tax impact on non-deductible items	11.57	9.59
B Income tax expenses recognised in the standalone statement of profit and loss		
Tax expense		
Current tax	—	7.06
Deferred tax expense/(credit)	12.47	4.66
Tax adjustments	(0.90)	(2.13)
Total tax expense	11.57	9.59

Notes to the standalone financial statements for the year ended 31 March 2025 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

Deferred tax liabilities/(assets) in relation to:	Opening balance	Recognised /(reversed) through profit and loss	Recognised /(reversed) through OCI	Closing Balance
Deferred tax liabilities (net)				
For the year ended 31 March 2025:				
Deferred tax liabilities				
Depreciation and amortisation	47.89	(3.82)	—	44.07
Financial assets and liabilities at amortised cost (including leases)	5.96	0.30	—	6.26
Others	6.16	(5.18)	(0.49)	0.49
	60.01	(8.70)	(0.49)	50.82
Deferred tax assets				
Employee benefits	(8.45)	2.00	(0.90)	(7.35)
MAT and carry forward losses	(26.23)	26.23	—	—
Reversal of tax liability	—	(7.06)	—	—
	(34.68)	21.17	(0.90)	(7.35)
Net deferred tax liabilities	25.33	12.47	(1.39)	43.47
For the year ended 31 March 2024:				
Deferred tax liabilities				
Depreciation and amortisation	51.25	(3.36)	—	47.89
Financial assets and liabilities at amortised cost (including leases)	4.99	0.97	—	5.96
Others	3.65	1.09	1.42	6.16
	59.89	(1.30)	1.42	60.01
Deferred tax assets				
Employee benefits	(5.69)	(2.82)	0.06	(8.45)
MAT and carry forward losses	(35.01)	8.78	—	(26.23)
	(40.70)	5.96	0.06	(34.68)
Net deferred tax liabilities	19.19	4.66	1.48	25.33

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. The same is assessed every year basis business projections of taxable profits in future. There are no un-recognized deferred taxes and liabilities as at 31 March 2024 and 31 March 2023.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Section 115BAA of the Income Tax Act, 1961, introduced by the Taxation Laws (Amendment) Ordinance, 2019, allows any domestic company to pay income tax at the rate of 25.17%, effective from the fiscal year 2019-20, subject to the condition that they will not avail any incentives or exemptions. This new tax scheme provides an option for a lower tax base of 25.17%, while the existing tax rate is 34.94%. The Company has opted to shift under new tax regime from FY 2024-25 and has re-measured its deferred tax balances.

B Components of Other Comprehensive Income

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

Particulars	Retained earnings	Total
During the year ended 31 March 2025:		
Re-measurement loss on defined benefit plans	(3.58)	(3.58)
Tax impact on re-measurement gain on defined benefit plans	0.90	0.90
Effective portion of gain on designated portion of hedging instruments in a cash flow hedge	(1.94)	(1.94)
Income tax relating to gain on designated portion of hedging instruments in a cash flow hedge	0.49	0.49
	(4.13)	(4.14)
During the year ended 31 March 2024:		
Re-measurement loss on defined benefit plans	0.17	0.17
Tax impact on re-measurement gain on defined benefit plans	(0.06)	(0.06)
Effective portion of gain on designated portion of hedging instruments in a cash flow hedge	4.05	4.05
Income tax relating to gain on designated portion of hedging instruments in a cash flow hedge	(1.42)	(1.42)
	2.74	2.74

Notes to the standalone financial statements for the year ended 31 March 2025 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
36 Earnings Per Share		
Profit after tax (A)(₹)	22.91	30.85
Weighted average number of equity shares (basic/diluted) (B)	135,285,000	135,285,000
Nominal value of equity share (₹)	1.00	1.00
Earnings per share - basic/diluted (A/B) (₹)	1.69	2.28
Reconciliation of weighted average number of equity shares for calculation of Basic and Diluted earnings per share:		
Particulars	Number of equity shares	Weighted average number of shares
Equity shares of face value of ₹1 per share:		
Balance as at 1 April 2023	135,285,000	135,285,000
Issued during the year 2023-24	—	—
Balance as at 31 March 2024	135,285,000	135,285,000
Issued during the year 2024-25	—	—
Balance as at 31 March 2025	135,285,000	135,285,000
As at 31 March 2025 and 31 March 2024, the Company does not have any dilutive potential equity shares.		

37 Financial instruments

A Financial Instruments by category

The carrying amounts and fair values of financial instruments by category are as follows:

	As at 31 March 2025			As at 31 March 2024		
	Derivative (FV) used for Hedging	FVTPL	Amortised Cost*	Derivatives (FV) used for Hedging	FVTPL	Amortised Cost*
Financial assets						
Non-current						
Investments#	—	4.31	42.84	—	4.31	42.84
Loans	—	—	—	—	—	1.77
Other financial assets	—	—	17.29	—	—	14.71
Current						
Trade Receivables	—	—	277.54	—	—	268.42
Cash and cash equivalents	—	—	0.58	—	—	2.76
Bank balances other than cash and cash equivalents	—	—	5.82	—	—	11.90
Loans	—	—	3.17	—	—	8.58
Other financial assets	—	—	2.78	—	—	4.19
	—	4.31	350.02	—	4.31	355.17
Financial liabilities						
Non-current						
Borrowings (excluding current maturities of long term borrowings)	—	—	274.39	—	—	261.74
Lease liabilities	—	—	4.54	—	—	10.11
Current						
Borrowings	—	—	279.07	—	—	281.79
Lease liabilities	—	—	5.51	—	—	7.80
Trade payables	—	—	346.04	—	—	344.00
Other financial liabilities	0.63	—	18.21	0.73	—	17.46
	0.63	—	927.74	0.73	—	922.89

* The management assessed that the fair values of current financial assets and liabilities significantly approximate their carrying amounts largely due to the current maturities of these instruments. Accordingly, management has not disclosed fair values for financial instruments such as trade receivables, trade payables, cash and cash equivalents, other current assets, other current liabilities etc.

The investment in equity shares of subsidiaries are measured at cost.

The fair value of non-current financial assets and financial liabilities are determined by discounting future cash flows using current rates of instruments with similar terms and credit risk. The current rates used do not reflect significant changes from the discount rates used initially. Therefore, the carrying value of these instruments measured at amortised cost approximate their fair value.

The fair value of non-current borrowings are determined basis prevailing interest rate and other terms and conditions. The carrying value approximate their fair value.

Notes to the standalone financial statements for the year ended 31 March 2025 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

B Fair value hierarchy
The categories used are as follows:

Level 1: Quoted price in active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs are unobservable inputs for the asset or liability.

B1. Financial assets and liabilities measured at fair value - recurring fair value measurements

	As at	Level 1	Level 2	Level 3	Total
Derivative asset	31 March 2025	–	–	–	–
Derivative liability	31 March 2025	–	0.63	–	0.63
Derivative asset	31 March 2024	–	–	–	–
Derivative liability	31 March 2024	–	0.73	–	0.73
Investment in equity instruments at FVTPL - unquoted	31 March 2025	–	4.31	–	4.31
Investment in equity instruments at FVTPL - unquoted	31 March 2024	–	4.31	–	4.31

There have been no transfers between Level 1 and Level 2 during the year ended 31 March 2024.

C Derivative financial instruments and hedge accounting

The Company's exposure arises mainly on import (of raw material and capital items), export (of finished goods) and foreign currency borrowings. The Company follows a policy of matching of import and export exposures (natural hedge) to reduce the net exposure in any foreign currency. Whenever the natural hedge is not available or is not fully covering the foreign currency exposure of the Company, management uses certain derivative instruments to manage its exposure to the foreign currency risk. Foreign currency transactions are managed within approved policy parameters. The Company uses forward contracts, cross currency swap and interest rate swaps to hedge its exposure to foreign currency and interest rate risk. Effective April 1, 2019, these derivatives are designated as hedging instruments in respect of foreign currency risk and interest rate risk in cash flow hedges.

The Company enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Foreign exchange forward contracts are valued using valuation techniques, which employ the use of market observable inputs. The most frequently applied valuation techniques include forward pricing using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies and forward rate curves of the underlying. All derivative contracts are fully cash collateralised, thereby eliminating both the counterparty and the Company's own non-performance risk. As at 31 March 2025 the marked-to-market value of derivative asset positions is net of a credit valuation adjustment attributable to derivative counterparty default risk. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognised at fair value.

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The economic relationship and hedge effectiveness are based on the qualitative factors and the use of a hypothetical derivative where appropriate.

The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk and notional amount of the hedging instruments are identical to the hedged items.

Impact of hedging activities
(i) Effects of hedge accounting on balance sheet as at 31 March 2025 :

Type of hedge and risks	Notional amount	Carrying amount of hedging instruments		Maturity dates	Weighted average strike price/ rate	Change in fair value of hedging instruments	Change in value of hedged item used as the basis for recognising hedge effectiveness
		Assets	Liabilities				
Cash flow hedge							
Foreign exchange risk							
Derivative instruments							
(i) Cross currency swaps	EUR 521,002.73	–	0.70	Apr 2020 - Sep 2025	77.81	1.07	1.07
(ii) Forward contracts	USD 2,195,605	0.07	–	Apr 2025 - Nov 2025	86.63	0.09	0.09
(iii) Forward contracts	EUR 5,450,000	0.00	–	Apr 2025 - Feb 2026	93.64	0.88	0.88
Total		0.07	0.70				

Notes to the standalone financial statements for the year ended 31 March 2025 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

Effects of hedge accounting on balance sheet as at 31 March 2024:

Type of hedge and risks	Notional amount	Carrying amount of hedging instruments		Maturity dates	Weighted average strike price/rate	Change in fair value of hedging instruments	Change in value of hedged item used as the basis for recognising hedge effectiveness
		Assets	Liabilities				
Cash flow hedge							
Foreign exchange risk							
Derivative instruments							
(i) Cross currency swaps	EUR 1,781,508	–	1.77	Apr 2020 - Sep 2025	77.83	2.08	2.08
(ii) Forward contracts	USD 3,065,000	0.16	–	Apr 2023 - Feb 2025	84.07	0.19	0.19
(iii) Forward contracts	EUR 4,100,000	0.89	–	Oct 2022 - Oct 2024	93.06	3.29	3.29
Interest rate risk							
(i) Interest rate swap	EUR 1,584,943	–	–	Apr 2020 - Sep 2024	2.80%	(0.31)	(0.31)
Total		1.04	1.77				

(ii) Effects of hedge accounting on statement of profit and loss account for the year ended 31 March 2025:

Type of hedges	Change in value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised	Amount reclassified from cash flow hedge reserve
Cash flow hedge			
Foreign exchange and Interest rate risk	0.10	–	5.54

Effects of hedge accounting on statement of profit and loss account for the year ended 31 March 2024 :

Cash flow hedge			
Foreign exchange and Interest rate risk	4.05	–	1.99

(iii) Movement in cash flow hedge reserve:

Particulars	Foreign currency and interest rate risk (As at 31 March 2025)	Foreign currency and interest rate risk (As at 31 March 2024)
Opening balance	7.38	5.32
Add: Changes in fair value of hedging instruments	0.10	4.05
Less: Amounts reclassified to profit or loss	(5.54)	(1.99)
Less: Deferred tax relating to above (net)		
Closing balance	1.93	7.38

38 Capital Management

The Company's capital management objectives are:

The capital structure of the Company consists of debt, cash and cash equivalents and equity attributable to equity shareholders of the Company which comprises issued share capital (including premium) and accumulated reserves disclosed in the Statement of Changes in Equity. The Company's capital management objective is to achieve an optimal weighted average cost of capital while continuing to safeguard the Company's ability to meet its liquidity requirements (including its commitments in respect of capital expenditure) and repay loans as they fall due. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is debt divided by total equity. The Company's policy is to keep an optimum gearing ratio. The Company includes within debt, interest bearing loans and borrowings.

Total debt divided by total equity

Particulars	31 March 2025	31 March 2024
Total debts*	563.50	561.44
Total equity #	667.90	657.24
Debt equity ratio	0.84	0.85

* includes short term and long term borrowings & lease liabilities

includes equity share capital and other equity

Notes to the standalone financial statements for the year ended 31 March 2025 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

39 Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's principal financial assets other than derivatives comprise investments, loans given, trade and other receivables and cash and cash equivalents that derive directly from its operations. The Company also enters into foreign exchange derivative transactions.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the mitigation of these risks. The Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in foreign exchange derivatives for speculative purposes will be undertaken. The policies for managing each of these risks, which are summarized below:

39A Market risk:

Market risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of two types of risks namely currency risk and interest rate risk. The objective of the market risk management is to manage and control market risk exposure within acceptable parameters while optimising the return.

a. Foreign currency risk:

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency), investments & borrowing in foreign currency, etc. The Company's exposure arises mainly on import (of raw material and capital items), export (of finished goods) and foreign currency borrowings. The Company follows a policy of matching of import and export exposures (natural hedge) to reduce the net exposure in any foreign currency. Whenever the natural hedge is not available or is not fully covering the foreign currency exposure of the Company, management uses certain derivative instruments to manage its exposure to the foreign currency risk. Foreign currency transactions are managed within approved policy parameters.

(i) Particulars of unhedged foreign currency exposure as at the reporting date

The Company exposure (without considering the derivative contracts) to foreign currency risk at the end of the reporting period expressed in INR are as follows:

Particulars	AED	THB	USD	JPY	EURO	GBP	Total
As at 31 March 2025							
Trade payables	—	—	8.91	0.31	4.97	3.18	17.37
Other payables	—	—	—	—	—	—	—
Borrowings:							
Term loan#	—	—	—	5.32	50.42	—	55.74
Less: Investments	—	—	—	—	—	—	—
Less: Cash & Bank	—	—	0.07	—	0.00	—	0.07
Less: Trade receivables	—	—	15.37	—	31.49	—	46.86
Net payable / (receivable)	—	—	(6.53)	5.63	23.90	3.18	26.18
Impact on profit and loss account on account of change in currency							
Sensitivity to increase of 1%	—	—	0.07	(0.06)	(0.24)	(0.03)	(0.26)
Sensitivity to decrease of 1%	—	—	(0.07)	0.06	0.24	0.03	0.26
Impact on equity, net of tax on account of change in currency							
Sensitivity to increase of 1%	—	—	0.04	(0.04)	(0.16)	(0.02)	(0.17)
Sensitivity to decrease of 1%	—	—	(0.04)	0.04	0.16	0.02	0.17

Includes INR to EURO Swap amounting to EURO 5,21,003 outstanding as at 31 March 2025.

Notes to the standalone financial statements for the year ended 31 March 2025 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

Particulars	AED	THB	USD	JPY	EURO	GBP	Total
As at 31 March 2024							
Trade payables	0.01	0.01	14.82	0.08	3.50	3.15	21.56
Advance from customer			—	—	—	—	—
Other payables	—	—	—	—	—	—	—
Borrowings:							
Term loan#	—	—	—	11.21	70.47	—	81.68
Less: Investments	—	—	—	—	—	—	—
Less: Cash & Bank	—	—	0.02	—	0.00	—	0.02
Less: Advance to supplier	—	—	—	—	—	—	—
Less: Trade receivables	—	—	21.89	—	44.70	—	66.59
Net payable / (receivable)	0.01	0.01	(7.09)	11.29	29.27	3.15	36.65
Impact on profit and loss account on account of change in currency							
Sensitivity to increase of 1%	(0.00)	(0.00)	0.07	(0.11)	(0.29)	(0.03)	(0.37)
Sensitivity to decrease of 1%	0.00	0.00	(0.07)	0.11	0.29	0.03	0.37
Impact on equity, net of tax on account of change in currency							
Sensitivity to increase of 1%	(0.00)	(0.00)	0.05	(0.07)	(0.19)	(0.02)	(0.24)
Sensitivity to decrease of 1%	0.00	0.00	(0.05)	0.07	0.19	0.02	0.24

Includes INR to EURO Swap amounting to EURO 17,81,508 outstanding as at 31 March 2024.

	Currency sold	As at 31 March 2025	As at 31 March 2024
Derivatives outstanding at the reporting date:			
Forward contract (sell) against exports	USD	19.05	25.77
Forward contract (sell) against exports	EURO	51.03	38.15

b. Interest rate risk:

The Company is exposed to interest rate risk as the Company borrows funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings.

Particulars	As at 31 March 2025	As at 31 March 2024
Variable rate borrowings	512.97	498.45

A reasonable change of 0.50% in interest rates at reporting date would have affected the profit and loss shown below:

Variable rate borrowings	Year ended 31 March 2025	Year ended 31 March 2024
Impact on profit and loss account on account of change in interest rate		
Interest rate increase by 0.5%	2.56	2.49
Interest rate decrease by 0.5%	(2.56)	(2.49)
Impact on equity, net of tax on account of change in interest rate		
Interest rate increase by 0.5%	1.67	1.62
Interest rate decrease by 0.5%	(1.67)	(1.62)

Notes to the standalone financial statements for the year ended 31 March 2025 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

39B Credit risk:

Credit risk refers to the risk of default on its obligation by the customer/counter party resulting in a financial loss. The Company's exposure to credit risk is limited to the carrying amount of financial assets recognised at the date of the balance sheet, as summarised below:

Particulars	As at 31 March 2025	As at 31 March 2024
Cash and cash equivalents	0.58	2.76
Other bank balances	5.82	11.90
Trade receivables	277.54	268.42
Loans	3.17	10.35
Other financial assets	20.07	18.90

Cash and cash equivalents and bank balances

Credit risk relating to cash and cash equivalents and restricted cash is considered negligible as counterparties are banks. The management considers the credit quality of deposits with such banks to be good and reviews the banking relationships on an on-going basis.

Trade Receivables

Trade receivables are unsecured in nature and are derived from revenue earned from customers. Trade receivable are non-interest bearing and are settled upto 30 to 90 days terms.

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to whom the Company grants credit terms in the normal course of business. In accordance with Ind AS 109, the Company uses expected credit loss model to assess the impairment loss. The Company uses a provision matrix to compute the expected credit loss allowance of trade receivables. The provision matrix takes into account available external and internal credit risk factors such as default risk of industry, historical experience for customers, etc. However, the allowance for lifetime expected credit loss on customer balances for the year ended 31 March 2025 and 31 March 2024 are insignificant.

Ageing	Expected credit loss %
Within the credit period	0%
0-90 days past due	0%
91-180 days past due	0%
181-365 days	0%
More than 366 days past due	36%

Particulars	As at 31 March 2025	As at 31 March 2024
Movement in the loss allowance in respect of trade receivables:		
Balance at the beginning of the year	1.25	0.93
Amount written off	—	—
Provided during the year	0.07	0.32
Balance at the end of the year	1.32	1.25

Loans and other financial assets measured at amortised cost

Given below is the ageing of loans:

Loans		
Less than 1 year	3.17	8.58
1-3 years	—	1.77
More than 3 years	—	—
	3.17	10.35

Notes to the standalone financial statements for the year ended 31 March 2025 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

39C Liquidity risk:

The Company manages liquidity risk by maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities for the Company. The Company has established an appropriate liquidity risk management framework for its short term, medium term and long term funding requirements. The below tables summarise the maturity profile of the Company's financial liabilities:

Particulars	Less than 1 year	1 - 3 years	More than 3 years	Total
As at March 31 2025:				
Borrowings	279.07	182.93	91.45	553.45
Expected interest on above borrowings	29.45	31.15	8.19	68.79
Interest accrued but not due on borrowings	0.86	—	—	0.86
Trade payable (including capital creditors)	354.57	—	—	354.57
Unclaimed dividends	0.36	—	—	0.36
Employee benefits payable	3.76	—	—	3.76
Security deposits	4.70	—	—	4.70
Derivative liability measured at fair value	0.63	—	—	0.63
Lease liabilities	5.51	4.54	—	10.05
As at March 31 2024:				
Borrowings	281.79	163.05	98.69	543.53
Expected interest on above borrowings	30.88	30.26	8.40	69.54
Interest accrued but not due on borrowings	1.51	—	—	1.51
Trade payable (including capital creditors)	344.00	—	—	344.00
Unclaimed dividends	0.69	—	—	0.69
Employee benefits payable	3.36	—	—	3.36
Security deposits	3.97	—	—	3.97
Derivative liability measured at fair value	0.73	—	—	0.73
Lease liabilities	7.80	10.11	—	17.91

40 Contingent liabilities

A Contingent liabilities: The company has contingent liabilities in respect of:

Particulars	As at 31 March 2025	As at 31 March 2024
i) Demand against the Company not acknowledged as liability		
Income taxes	—	0.16
Sales tax and Value added tax	1.30	0.05
Excise and service tax	4.21	2.99
Dues to statutory bodies	5.60	5.60
	<u>11.11</u>	<u>8.80</u>
ii) The Company has given comfort letters to banks for funds raised by its subsidiary companies, namely Rico Jinfei Wheels Limited for ₹10.00 crores (31 March 2024 : ₹10.00 crores). As on 31 March 2025, the subsidiary company has utilised funds in against of said letter of comfort for ₹6.77 crores (31 March 2024 : ₹7.22 crores).		
iii) The Company has given corporate guarantee for the funds raised by its subsidiary company, namely AAN Engineering Industries Limited for ₹5.00 crores (31 March 2024 : ₹ 5.00 crores). As on 31 March 2025, the subsidiary company has utilised funds in against of said corporate guarantee for ₹ 0.00 crores (31 March 2024 : ₹0.75 crores).		

41 Commitments

i) Estimated amount of contracts remaining to be executed on account of capital commitments pertaining to Property, plant and equipments ₹42.79 crores (net of advances ₹1.98) (31 March 2024: ₹10.90 crores [net of advances ₹1.37 crores])	42.79	10.90
ii) For commitments related to lease agreements, refer note 43		

Notes to the standalone financial statements for the year ended 31 March 2025 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
42 Employee benefits		
A Defined contribution plans		
Employer's contribution to provident fund	9.33	8.72
Employer's contribution to ESI	0.29	0.34

**B Defined benefit plan
GRATUITY**

In accordance with The Payment of Gratuity Act, 1972, the company provides for gratuity, as defined benefit plan. The gratuity plan provides for a lump sum payment to the employees at the time of separation from the service on completion of vested year of employment i.e. five years. The liability of gratuity plan is provided based on actuarial valuation as at the end of each financial year based on which the Company contributes the ascertained liability to Life Insurance Corporation of India and Indiafirst Life Insurance Company Limited with whom the plan assets are maintained.

The following table sets out the funded status and the amount recognised in the Company's standalone financial statements.

B1 Change in defined benefit obligation

	For the year ended 31 March 2025	For the year ended 31 March 2024
Present value of obligation as at beginning of the year	28.30	27.12
Current service cost*	2.04	2.25
Interest cost*	2.04	2.06
Benefits paid	(2.76)	(3.03)
Actuarial loss	3.63	(0.10)
Present value of obligation as at end of the year	33.25	28.30

*Included in employee benefit expenses.

B2 Change in fair value of plan assets

	As at 31 March 2025	As at 31 March 2024
Fair value of assets at the beginning of the year	13.74	11.12
Expected return on plan assets	0.99	0.95
Employer's contributions	—	0.11
Benefits paid	—	1.49
Return on plan asset greater than discount rate – (Other comprehensive income)	0.06	0.07
Fair value of plan assets as at end of the year	14.78	13.74

The major categories of plan assets of the fair value of the total plan assets are as follows:

Particulars - Defined Gratuity Plan

Investment in funds managed by the LIC / India First	14.78	13.74
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B3 Reconciliation of Fair Value of Plan Assets and Defined Benefit Obligation

Present value of obligation as at the end of the year	33.25	28.30
Fair value of plan assets as at the end of the year	14.78	13.74
Amount recognised in provisions (refer note 20)	18.47	14.56

B4 Expense recognised during the year

	Year ended 31 March 2025	Year ended 31 March, 2024
In standalone statement of profit and loss account		
Current service cost	2.04	2.25
Interest cost (net of income)	1.05	1.11
Net cost	3.09	3.36
In other comprehensive income		
- Change in financial assumptions	2.76	0.73
- Return on plan asset greater than discount rate	—	(0.07)
- experience variance (i.e. actual experience vs assumptions)	0.87	(0.83)
Net cost	3.63	(0.17)

Notes to the standalone financial statements for the year ended 31 March 2025 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
B5 The principal assumptions used in determining gratuity obligation for the Company's plans are shown below:		
Discount rate	6.75%	7.20%
Rate of increase in compensation levels	6.00%	5.50%
Mortality rate (% of IALM 12-14)	100.00%	100.00%
Retirement age (years)	58	58
Attrition / Withdrawal rates, based on age (per annum)		
Upto 30 years	7.40%	7.40%
31 to 40 years	2.80%	2.80%
41 to 50 years	0.52%	0.52%
Above 50 years	0.22%	0.22%

B6 Sensitivity analysis for gratuity liability

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting period, while holding all other assumptions constant. The result of sensitivity analysis is given below:

Particulars	As at 31 March 2025		As at 31 March 2024	
	Increase	Decrease	Increase	Decrease
Impact of change in discount rate (+/- 0.5%)	31.77	34.84	27.03	29.67
Impact of change in salary (+/- 0.5%)	34.84	31.75	29.69	27.00
Impact of change in attrition rate (+/- 0.5%)	33.27	33.23	28.39	28.20

B7 Experience adjustment related to gratuity is summarised as below:

Particulars	Year ended					
	31-Mar-20	31-Mar-21	31-Mar-22	31-Mar-23	31-Mar-24	31-Mar-25
On plan liabilities - gain/(loss)	(2.45)	(1.39)	(0.41)	(1.02)	(0.83)	1.04
On plan assets - gain/(loss)	—	—	0.18	(0.20)	—	—

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
B8 Expected contribution during the next annual reporting period		
The Company's best estimate of contribution during the next year	20.83	16.60
B9 Maturity profile of Defined Benefit Obligation		
Weighted average duration (based on discounted cashflows)	9 years	10 years

Expected cash flows over the next (valued on undiscounted basis):

Particulars	As at 31 March 2025	As at 31 March 2024
1 year	2.04	1.81
2 to 5 years	9.73	7.94
6 to 10 years	16.05	14.09
More than 10 years	41.17	38.85

43 Leases

(A) Company as Lessee:

(i) Nature of Leasing activities

The Company has entered into lease arrangements for land, plant and equipment, and office and factory buildings that are renewable on a periodic basis with approval of both lessor and lessee. The Company does not have any lease commitments towards variable rent as per the contract.

Notes to the standalone financial statements for the year ended 31 March 2025 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

(ii) Following are the changes in the carrying value of right of use assets:

Particulars	Category of ROU assets			Total
	Land	Buildings	Plant and equipment	
Balance as at 01 April 2023	18.25	1.26	27.20	46.72
Addition during the year	—	—	9.59	9.59
Deletions during the year	—	—	—	—
Amortisation for the year	0.21	0.34	2.77	3.32
Balance as at 31 March 2024	18.04	0.92	34.03	53.00
Addition during the year	22.43	—	—	22.43
Deletions during the year	—	—	2.60	2.60
Amortisation for the year	0.28	0.34	1.74	2.36
Balance as at 31 March 2025	40.19	0.58	29.69	70.47

(iii) The weighted average incremental borrowing rate applied to lease liability is 7.40% (previous year @ 7.40%).
(iv) Lease liabilities are presented in the Standalone Balance Sheet as follows:

Particulars	As at 31 March 2025	As at 31 March 2024
Non-current	4.54	10.11
Current	5.51	7.80
Total lease liabilities	10.05	17.91

(v) Amount recognised in Statement of Profit and Loss:

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Interest on lease liabilities	1.20	1.84
Rental expense relating to short-term leases	2.01	1.88
	3.22	3.72

(vi) Amount recognised in Statement of Cash Flows:

Total cash outflow for leases	9.06	10.97
	9.06	10.97

(vii) The following is the movement in lease liabilities:

Opening balance	17.91	17.45
Addition during the year	—	9.59
Deletion during the year	—	—
Finance cost accrued during the year	1.20	1.84
Payment of lease liabilities	(9.06)	(10.97)
Closing balance	10.05	17.91

(viii) Lease payments not recognized as liability:

The expense relating to payments not included in the measurement of the lease liability is as follows:

Short term leases	2.01	1.88
Total	2.01	1.88

(ix) Lease term ranges from 4-9 years (previous year 4- 9 years)
(B) Company as Lessor:

The Company has entered into agreement in the nature of lease with its subsidiary for the purpose of lease of machinery for a period of 10 years. The same is in the nature of operating lease.

The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date.

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Within one year	1.45	1.47
After one year but not more than five years	8.57	5.88
More than five years	2.77	7.11
Total	12.79	14.46

Notes to the standalone financial statements for the year ended 31 March 2025 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

44 Assets charged as Security

The carrying amount of assets charged as security for current and non-current borrowings are as under:

Particulars	Note	As at 31 March 2025	As at 31 March 2024
Current assets			
Inventories	10	239.25	224.50
Trade receivables	11	277.54	268.42
Cash and cash equivalents	12	0.58	2.76
Other bank balances	13	5.82	11.90
Financial assets - Loans	14	3.17	8.58
Other financial assets	15	2.78	4.19
Other current assets	16	24.47	41.36
Total (I)		553.61	561.71
Non-current assets			
Property, plant and equipment	5A	850.80	848.88
Capital work-in-progress	5B	97.33	78.97
Total (II)		948.13	927.85
Grand Total (I+II)		1,501.74	1,489.56

44A The Company has investment in following subsidiaries:

S No	Name of the Subsidiary Company	Nature of relation	Ownership in % either directly or through subsidiaries		Country of Incorporation and Principal place of Business
			2024-25	2023-24	
1	Rico Auto Industries Inc. , USA	Subsidiary Company	100	100	USA
2	Rico Auto Industries (UK) Limited	Subsidiary Company	100	100	UK
3	AAN Engineering Industries Limited	Subsidiary Company	100	100	India
4	Rico Friction Technologies Limited	Subsidiary Company	70	70	India
5	Rico Fluidtronics Limited	Subsidiary Company	100	100	India
6	Rico Jinfei Wheels Limited	Subsidiary Company	91.74	91.74	India

44B Disclosure in relation to Micro and Small enterprises 'Suppliers' as defined in the Micro, Small and Medium Enterprises Development Act, 2006.

The dues to Micro, Small and Medium Enterprises as required under the Micro, Small and Medium Enterprises Development Act, 2006 to the extent information available with the company is given below:

S.No	Particulars	As at 31 March 2025	As at 31 March 2024
(a)	The principal amount remaining unpaid to any supplier as at the end of the year	22.14	23.29
(b)	The interest due on principal amount remaining unpaid to any supplier as at the end of the year	—	—
(c)	The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 alongwith the amounts of the payments made to the supplier beyond the appointed day during each accounting year	—	—
(d)	Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	—	—
(e)	Amount of Interest accrued and remaining unpaid at the end of the year	—	—
(f)	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under the MSMED Act.	—	—

Notes to the standalone financial statements for the year ended 31 March 2025 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

45 Related Party Disclosures

I Related parties:

(a) Related party and nature of related party relationship where control exists:

A. Subsidiaries (Including step-down subsidiary)

I) Indian subsidiaries

- i. AAN Engineering Industries Limited
- ii. Rico Jinfei Wheels Limited
- iii. Rico Fluidtronics Limited
- iv. Rico Friction Technologies Private Limited

II) Foreign subsidiaries

- i. Rico Auto Industries Inc., (USA)
- ii. Rico Auto Industries (UK) Limited, UK

(b) Other related parties (Entity in which KMP exercise significant influence) with whom there are transactions during the year or balances as at year end

- i. ASN Manufacturing and Services Private Limited
- ii. ASN Properties Private Limited
- iii. Helical Spring (Unit of T.K. Precision Private Limited)
- iv. Rico Care Foundation
- v. Sandhar Technologies Limited (up to 01st July 2024)
- vi. Mirah Belle Naturals and Apothecary Private Limited
- vii. Kapbros Engineering Industries Limited (Amalgamated with ASN Manufacturing and Services Private Limited vide NCLT order dated 27th July 2023)
- viii. Ishvara Manufacturing and Finvest Advisors Private Limited
- ix. Maggie Manufacturing and Tech Private Limited (Amalgamated with ASN Manufacturing and Services Private Limited vide NCLT order dated 27th July 2023)

(c) Key management personnel

- i. Shri Arvind Kapur – Chairman, CEO & Managing Director
- ii. Ms. Shikha Kapur – Non-Executive & Non-Independent Director (w.e.f. 1st April 2024)
- iii. Shri Kaushalendra Verma – Executive Director
- iv. Shri Rajiv Kumar Miglani – Executive Director
- v. Shri Samarth Kapur – Executive Director
- vi. Ms. Sarita Kapur – Independent Director
- vii. Shri Hemal Bharat Khandwala – Independent Director
- viii. Shri Yogesh Kapur – Independent Director (w.e.f. 26th August 2023)
- ix. Shri Prabhakar Kadapa – Independent Director (w.e.f. 30th September 2024)
- x. Shri Kanav Monga – Independent Director (w.e.f. 3rd October 2024)
- xi. Dr. Amarjit Chopra – Independent Director (up to 29th September 2024)
- xii. Shri Satish Sekhri – Independent Director (up to 29th September 2024)
- xiii. Dr. Ashok Seth – Independent Director (up to 29th September 2024)
- xiv. Shri Kanwal Monga – Independent Director (up to 29th September 2024)
- xv. Shri Rajeev Kapoor – Independent Director (up to 29th September 2024)
- xvi. Shri Vinod Kumar Nagar – Independent Director (up to 29th September 2024)
- xvii. Shri Rakesh Kumar Sharma – Chief Financial Officer*
- xix. Mrs. Ruchika Gupta – Company Secretary* (w.e.f. 1st October 2024)
- xx. Shri B.M. Jhamb – Company Secretary* (up to 30th September 2024)

*as per the Companies Act 2013

Notes to the standalone financial statements for the year ended 31 March 2025 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

II Transactions with related parties:

Nature of transactions		Year ended 31 March 2025	Year ended 31 March 2024
1 Rico Jinfei Wheels Limited			
Purchase of raw material		2.34	3.63
Sale of finished goods		2.28	7.12
Repayment of loan (assets)		—	5.31
Recovery of expenses		0.17	0.12
Interest income		0.56	1.31
Purchase of property, plant and equipments**		—	17.62
Rent paid		0.82	0.48
Sale of assets		0.03	0.37
Job work expenses		1.06	—
Rental Income		1.64	—
2 Rico Auto Industries Inc, USA			
Sale of finished goods		107.16	129.38
Reimbursement of expenses		0.25	0.17
Recovery of expenses		0.00	0.00
3 AAN Engineering Industries Limited			
Rent income		0.41	0.24
Recovery of expenses		1.03	0.97
Sale of goods		0.01	10.81
Purchase of goods including job work		0.03	14.41
Job work Expenses		2.64	—
Job work Income		0.04	—
Sale of Machine (asset)		0.24	—
4 Rico Fluidtronics Limited			
Sale of goods		49.08	47.19
Business support services		5.28	4.43
Dividend received		19.43	14.78
Purchase of goods		0.82	0.78
Reimbursement of expense		0.00	—
Sale of property, plant and equipment		0.71	0.00
Rental Income		0.02	—
5 Rico Friction Technologies Private Limited			
Purchase of goods		6.86	5.39
Rent Income		0.22	0.26
Sale of goods		—	0.00
Recovery of expenses		0.17	0.15
Dividend received		0.53	—
B Enterprises in which KMP/Director have control or exercise significant influence			
1 Kapbros Engineering Industries Limited			
Purchase of raw material		—	5.51
Sale of goods		—	0.07
Purchase of property, plant and equipment		—	3.93
Sale of assets*		—	—
2 ASN Manufacturing and Services Private Limited			
Rent expense		0.60	0.95
Rent income		0.63	0.02
Sales of goods		0.14	1.57
Purchase of goods		2.13	17.90
Purchase of property, plant and equipment		0.28	8.09
Recovery of expenses		3.25	1.70
Security deposit		0.00	0.26
Interest received		0.00	0.75
Sale of machinery		1.26	—
Sale of services		0.16	—
Job work expenses		23.78	—

Notes to the standalone financial statements for the year ended 31 March 2025 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

Nature of transactions		Year ended 31 March 2025	Year ended 31 March 2024
3 Helical Spring (Unit of T.K. Precision Private Limited)			
Purchase of raw material	5.63	6.23	
Recovery of expenses	—	—	
Job Work Income	—	0.02	
Sale of services	0.04	—	
4 Ishwara Manufacturing and Finvest Advisors Private Limited			
Rent expense	0.08	0.08	
5 ASN Properties Private Limited			
Rent income*	0.00	0.00	
6 Mirah Belle Naturals & Apothecary Pvt. Ltd.			
Purchase of goods	0.18	—	
7 Rico Care Foundation			
Recovery of expenses	0.69	—	
Rent Income	0.03	—	
8 Sandhaar Technologies Limited			
Purchase of goods	1.66	—	
Sale of services	0.72	—	
Recovery of expenses	0.05	—	
9 Key management personnel compensation			
Shri Arvind Kapur	9.82	9.29	
Shri Kaushalendra Verma	1.14	0.99	
Shri Rajiv Kumar Miglani	1.11	0.99	
Shri Rakesh Kumar Sharma#	0.90	0.72	
Shri B.M. Jhamb#	0.20	0.45	
Mrs. Ruchika Gupta#	0.21	—	
Sitting fees and commission	0.93	0.49	
Short-term employee benefits	14.31	12.93	
Post employment benefits	0.30	0.29	
Total managerial remuneration paid to key management personnel	14.61	13.22	

* Amounts have been rounded off to zero.

As per section 203 of the Act, definition of Key Managerial Personnel includes Chief Executive Officer, Chief Financial Officer and Company Secretary.

Note: The above transactions are in the ordinary course of business.

III Balances outstanding with related parties:

Particulars		Year ended 31 March 2025	Year ended 31 March 2024
A Step down Subsidiaries/Subsidiaries			
1 Rico Jinfei Wheels Limited			
Trade payables	5.97	1.91	
Trade receivables	—	8.85	
2 Rico Auto Industries Inc, USA			
Trade receivables	8.71	10.32	
3 Rico Auto Industries (UK) Limited, UK			
Trade payables	3.81	3.83	
4 AAN Engineering Industries Limited			
Trade receivables	0.31	—	
Trade payables	—	1.64	
5 Rico Fluidtronics Limited			
Trade receivables	13.66	7.62	
Trade Payables	0.00	0.23	
6 Rico Friction Technologies Private Limited			
Trade payables	3.71	2.54	

Notes to the standalone financial statements for the year ended 31 March 2025 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
B Enterprises in which KMP/Director have control or exercise significant influence		
1 Kapbros Engineering Industries Limited		
Trade receivables	—	8.35
2 ASN Manufacturing And Services Private Limited		
Security deposits	—	0.26
Trade Payables	1.76	5.18
3 Helical Spring (Unit of T.K. Precision Private Limited)		
Trade payables	0.51	1.64
4 ASN Properties Private Limited		
Trade receivables	0.00	0.01
5 Ishwara Manufacturing and Finvest Advisors Private Limited		
Security Deposits	—	—
Trade payables	0.02	0.01
6 Mirah Belle Naturals & Apothecary Pvt. Ltd.		
Trade payables	0.01	0.01
7 Sandhar Technologies Limited		
Trade payables	0.35	0.65

* Amounts have been rounded off to zero

** Refer note 5A for sale and leaseback transaction.

All transactions with related parties are made on the terms equivalent to those that prevail at arm's length transactions and within the ordinary course of business. Outstanding balances at respective year ends are unsecured.

The Company has given comfort letters to banks for funds raised by its subsidiary companies, namely Rico Jinfei Wheels Limited for ₹ 10.00 crores (31 March 2024 : ₹ 10.00 crores). As on 31 March 2025, the subsidiary company has utilised funds in against of said letter of comfort for ₹ 6.77 crores (31 March 2024 : ₹ 7.22 crores).

The Company has given corporate guarantee for the funds raised by its subsidiary company, namely AAN Engineering Industries Limited for ₹ 5.00 crores (31 March 2024 : ₹ 5.00 crores). As on 31 March 2025, the subsidiary company has utilised funds in against of said corporate guarantee for ₹ 0.00 crores (31 March 2024 : ₹ 0.75 crores).

46 Transfer pricing

The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under sections 92-92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation of the international transactions entered into with the associated enterprises from 1 April 2024 and expects such records to be in existence before the due date of filing of income tax return. The management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the Standalone Financial Statements, particularly on the amount of tax expense and that of provision for taxation.

47 (a) Segment Reporting

The Company is engaged in the business of manufacturing and assembling of automotive components. The Company's Chief Operating Decision Maker (CODM) is the Managing Director. The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by industry classes. All operating segments' operating results are reviewed regularly by CODM to make decisions about resources to be allocated to the segments and assess their performance. CODM believes that these are governed by same set of risk and returns hence CODM reviews as one balance sheet component. Further, the economic environment in which the company operates is significantly similar and not subject to materially different risk and rewards.

The operating segment of the Company is identified to be "Automotive components" as the CODM reviews business performance at an overall Company level as one segment.

The geographical revenue is allocated based on the location of the customers. Accordingly, as the company operates in a single business and geographical segment, the reporting requirements for primary and secondary disclosures under Indian Accounting Standard - 108 Operating Segment have not been provided in the standalone financial statements. The financial information for these reportable segments has been provided in Consolidated Financial statements as per Ind-AS 108 - Operating Segments.

Major Customer

There are two customers who contribute to 10 per cent or more of the Company's revenue from operations.

Notes to the standalone financial statements for the year ended 31 March 2025 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

47 (b) Financial ratios

Ratio	Measurement unit	Numerator	Denominator	As at 31 Mar 2025 (a)	As at 31 Mar 2024 (b)	Change (a vs b)	Remarks
				Ratio	Ratio		
Current ratio	Times	Total current assets	Total current liabilities	0.84	0.85	-1%	NA
Debt-equity ratio	Times	Total Debt	Shareholder's equity	0.84	0.83	2%	NA
Debt service coverage ratio	Times	Net profit after tax (excluding Other Comprehensive Income)+ Depreciation & amortizations +Interest on loans+Loss on sale of PPE	Total amount of interest, lease payments & principal repayments of loan during the year	0.91	1.16	-21%	NA
Return on equity ratio	Percentage	Net profit after tax	Average Shareholder's equity	3.46%	4.78%	-28%	Decrease in return on equity ratio is on account of decrease in net profit after tax in current year.
Inventory turnover ratio	Times	Cost of goods sold	(Opening inventory+closing inventory)/2	3.97	4.14	-4%	NA
Trade receivables turnover ratio	Times	Revenue from operations	Average Account Receivables (Opening+Closing)/2	5.89	5.18	14%	NA
Trade payables turnover ratio	Times	Total Purchases	Average Account Payables (Opening+Closing)/2	2.69	2.58	4%	NA
Net capital turnover ratio	Times	Revenue from operations	Working capital (Current Assets- Current liabilities)	(14.58)	(16.21)	-10%	NA
Net profit ratio	Percentage	Net Profit after tax	Revenue from operations	1.43%	1.87%	-24%	NA
Return on capital employed	Percentage	Earning Before interest and Tax	Capital Employed (Tangible Net worth+ Total Debt+ Deferred tax liability)	5.93%	7.08%	-16%	NA
Return on investment	Percentage	Interest Income + Dividend Income	Average of Investment and Loan recoverable from Related Party	39.42%	25.36%	55%	Increase in Return on investment ratio is on account of increase in interest and dividend income in current year.

48 Information pursuant to regulation 34, read with Schedule V (Part A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended:

The assets and liabilities recognised as a result of the acquisition are as follows:

Loans and advances in the nature of loans to subsidiaries			Maximum balance outstanding during the year ended	
Name of entity	As at		31-Mar-25	31-Mar-24
	31-Mar-25	31-Mar-24		
Rico Jinfei Wheels Limited (inclusive of Rico Castings Limited)	1.77	8.85	8.85	14.16
ASN Manufacturing & Services Private Limited	—	—	—	13.99

Notes to the standalone financial statements for the year ended 31 March 2025 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

Disclosure pursuant to Section 186(4) of the Companies Act, 2013

Nature of the transaction (loans given/ investment made/guarantee given)		Repayment terms for loans given	As at 31 March 2025	As at 31 March 2024
(a)	Long-term loans given to provide financial assistance to related parties for general business purpose*			
	Rico Jinfei Wheels Limited (inclusive of Rico Castings Limited) @ 10.00% per annum	20 equal quarterly instalments. 1st instalment commence from the end of the April-June quarter, 2018. and there after payment by the end of each quarter.		
	Opening balance		3.25	5.20
	Loans given during the year		—	—
	Loans repaid during the year		(2.60)	(1.95)
	Closing balance		0.65	3.25
	ASN Manufacturing & Services Private Limited @ 10.00% per annum	20 equal quarterly instalments. 1st instalment commence from the end of the April-June quarter, 2018. and there after payment by the end of each quarter.		
	Opening balance		—	3.30
	Loans given during the year		—	—
	Loans repaid during the year		—	(3.30)
	Closing balance		—	—
	Rico Jinfei Wheels Limited (inclusive of Rico Castings Limited) @ 10% per annum	20 equal quarterly instalments. 1st instalment commence from the end of the April-June quarter, 2018. and there after payment by the end of each quarter.		
	Opening balance		5.60	8.96
	Loans given during the year		—	—
	Loans repaid during the year		(4.48)	(3.36)
	Closing balance		1.12	5.60
	ASN Manufacturing & Services Private Limited @ 10.00% per annum	20 equal quarterly instalments. 1st instalment commence from the end of the April-June quarter, 2018. and there after payment by the end of each quarter.		
	Opening balance		—	10.69
	Loans given during the year		—	—
	Loans repaid during the year		—	(10.69)
	Closing balance		—	—
*All loans are unsecured				
(b)	Investments			
	Investment in equity shares			
	Rico Auto Industries Inc. (USA)		0.12	0.12
	Rico Auto Industries (UK) Limited (U.K.)		0.17	0.17
	AAN Engineering Industries Limited		6.05	6.05
	Rico Fluidtronics Limited		29.69	29.69
	Rico Friction Technology Private Limited		0.76	0.76
	Rico Care Foundation		0.03	0.03
	Roop Ram Industries Private Limited		2.43	2.43
	Rico Jinfei Wheels Limited		6.05	6.04
(c)	Corporate guarantee			
	Rico Jinfei Wheels Limited		10.00	10.00
	AAN Engineering Industries Limited		5.00	5.00

Notes to the standalone financial statements for the year ended 31 March 2025 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

49 The Company generates revenue primarily from the sale of automotive products.

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Revenue from contracts from customers (A)		
Sale of products	1,573.29	1,625.04
Sale of services	0.31	0.79
Other operating revenues (B)	33.43	27.23
Total revenue from operations (A+B)	1,607.02	1,653.06

Following are the disclosures with respect to revenue from operations in accordance with Ind AS 115.

The Company's revenue disaggregated by geographical markets is as follows:

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
India	1,280.16	1,234.82
Other than India	326.86	418.23
Total	1,607.02	1,653.06

The following table provides information about trade receivables, contract costs and contract liabilities from contracts with customers:

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Trade receivables	277.54	268.42
Contract assets	4.66	10.25
Contract liabilities – Advances from customers	9.05	6.05

Significant changes in Contract costs and contract liabilities during the year are as follows:

Particulars	As at 31 March 2025			As at 31 March 2024		
	Contract cost	Unbilled revenue	Advances from customers	Contract cost	Unbilled revenue	Advances from customers
Opening balances	10.25	–	6.05	15.79	–	10.08
Addition during the year	–	0.60	9.05	–	18.75	22.59
Revenue recognized/ amount	(5.59)	(0.60)	(6.05)	(5.54)	(18.75)	(26.62)
Closing balance	4.66	–	9.05	10.25	–	6.05
Non-current	1.11	–	–	3.26	–	–
Current	3.55	–	9.05	6.99	–	6.05

The Company's contracts with customers includes promises to transfer products and rendering of services to the customer. The Company assesses the products/services promised in identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables. The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits of significant risks and who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risk and rewards to the customer, acceptance of delivery by the customer etc. Based on the above assessment performance obligation is satisfied at point in time. Company have payment terms of 30 days to 65 days in case of domestic customers and 90 days in case of export customers.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is an unconditional right to receive cash, and only passage of time is required, as per contractual terms.

The contract liabilities primarily relate to the advance consideration received from customers for procurement of goods, for which revenue is recognised point in time. This will be recognised as revenue when the control of the goods will be transferred, which is expected to occur during the next year.

Contract costs relate directly to a contract that the entity has specifically identified which includes the costs relating to generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future. Further, An contract cost recognised is amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates.

Notes to the standalone financial statements for the year ended 31 March 2025 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

50 Events after Balance sheet date

There are no reportable subsequent events after the balance sheet date.

51 Additional regulatory information not disclosed elsewhere in the financial information:

- (i) No proceeding has been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) The Company has not entered into any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- (iii) The Company (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have more than one CIC (the same is not required to be registered with RBI as not being Systemically Important CIC).
- (iv) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.
- (v) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (vi) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- (vii) The Company has complied with the number of layers prescribed under the Companies Act, 2013.
- (viii) The Company does not have any charge which is yet to be registered with ROC beyond the statutory period.
- (ix) The Company has not advanced or provided loan to or invested funds in any entities including foreign entities (Intermediaries) or to any other persons, with the understanding that the intermediary shall:
- (x) The Company has not advanced or provided loan to or invested funds in any entities including foreign entities (Intermediaries) or to any other persons, with the understanding that the intermediary shall:
 - i. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (ultimate beneficiaries); or
 - ii. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- (xi) The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - i. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (ultimate beneficiaries); or
 - ii. provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- (xii) The Company has not undertaken any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

52 The following dividend were declared and paid by the company during the year:

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
INR 0.60 per equity Share (31 March 2024: INR 0.75)	8.12	10.15

After the reporting dates the following dividends were proposed by the directors subject to the approval at the annual general meeting; the dividends have not been recognised as liabilities.

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
INR 0.50 per equity Share (31 March 2024: INR 0.60)	6.77	8.12

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 101248W/W-100022

Shashank Agarwal
Partner
Membership No. 095109

Place : Gurugram
Date : May 27, 2025

For and on behalf of the Board of Directors of
Rico Auto Industries Limited

Arvind Kapur
Chairman, CEO &
Managing Director
DIN: 00096308

Rakesh Kumar Sharma
Chief Financial Officer

Kaushalendra Verma
Whole-time Director
DIN : 02004259
Ruchika Gupta
Company Secretary
M. No. F-6456

Rajiv Kumar Miglani
Whole-time Director
DIN : 06873155

Place : Gurugram
Date : May 27, 2025

ANNEXURE TO DIRECTORS' REPORT

FINANCIAL STATEMENT OF SUBSIDIARIES/JOINT VENTURE

FORM AOC – 1

[(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)]
Statement containing salient features of the Financial Statement of Subsidiaries/Associate Companies/Joint Ventures

Part "A": Subsidiaries

(₹ in Crores)

Name of the Subsidiary	AAN Engineering Industries Limited	Rico Auto Industries Inc. USA	Rico Auto Industries (U.K.) Limited	Rico Jinfei Wheels Limited	Rico Fluidtronics Limited	Rico Friction Technologies Limited
Sl. No.	1	2	3	4	5	6
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01.04.2024 to 31.03.2025	01.04.2024 to 31.03.2025	01.04.2024 to 31.03.2025	01.04.2024 to 31.03.2025	01.04.2024 to 31.03.2025	01.04.2024 to 31.03.2025
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR	USD (Exchange Rate 85.48)	GBP (Exchange Rate 110.51)	INR	INR	INR
Share Capital	6.05	0.12	0.16	49.08	42.24	1.09
Reserves & Surplus	(2.34)	42.39	5.89	(41.57)	16.33	3.32
Total Assets	5.45	46.77	6.08	229.65	129.30	5.35
Total Liabilities	1.74	4.26	0.03	222.14	70.74	0.94
Investments	–	–	–	0.01	9.51	–
Turnover (Net of Excise)	9.50	122.39	–	387.98	259.00	6.92
Profit before taxation	1.40	1.39	(0.62)	(5.74)	29.13	2.35
Provision for taxation	0.01	0.35	--	0.52	7.66	0.60
Profit after taxation	1.42	1.04	(0.62)	(6.26)	21.48	1.75
Interim Dividend Paid	–	–	–	–	19.43	–
% of shareholding	100.00	100.00	100.00	72.38	100.00	70.00

Notes: 1. Name of Subsidiaries which are yet to commence operations: N.A.

2. Name of Subsidiaries which have been liquidated or sold during the year: N.A.

Part “B”: Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates	Roop Ram Industries Private Limited
1. Latest audited Balance Sheet Date	31.03.2025
2. Shares of Associates held by the Company on the year end: i) No. of Shares ii) Amount of Investment in Associates	2434640 ₹ 2,43,46,400/-
3. Description of how there is significant influence	Holding 26% shareholding
4. Reason why the associates is not consolidated	Based on the terms of the Shareholders Agreement with Roop Ram Industries Private Limited (Roop Ram), the Company does not have any right to the Profit or Loss of Roop Ram and at the end of the term of the Power Purchase Agreement (“PPA”), the Company will receive back the investment made by it. Accordingly, the Company has not recognised investee’s Profit or Loss in the Company’s consolidated Profit or Loss.
5. Net worth attributable to shareholding as per latest audited Balance Sheet	NIL
6. Profit/Loss for the year: i) Considered in Consolidation ii) Not Considered in Consolidation	No Yes

Notes: 1. Name of Subsidiaries which are yet to commence operations: N.A.
2. Name of Subsidiaries which have been liquidated or sold during the year: N.A.

FORM AOC - 2

[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

1. Details of Contracts or Arrangements or Transactions not at Arm’s length basis:There were no Contracts or Arrangements or Transactions entered into during the year ended 31st March, 2025.**2. Details of Material Contracts or Arrangements or Transactions at Arm’s length basis:**There were no Material Contracts or Arrangements or Transactions entered into during the year ended 31st March, 2025.

- During the financial year 2024-25, all related party transactions entered into by the Company were in the ordinary course of business and on arm’s length basis and are approved by Audit Committee and Board of the Company.
- Definition of the term ‘Material Contracts or Arrangements or Transactions’ is taken as per Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For and on behalf of the Board of Directors of
Rico Auto Industries Limited

Arvind Kapur
Chairman, CEO &
Managing Director
DIN: 00096308

Kaushalendra Verma
Whole-time Director
DIN : 02004259

Rajiv Kumar Miglani
Whole-time Director
DIN : 06873155

Rakesh Kumar Sharma
Chief Financial Officer

Ruchika Gupta
Company Secretary
M. No. F-6456

Place : Gurugram
Date : May 27, 2025

CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 2024–25

INDEPENDENT AUDITOR'S REPORT

To the Members of

Rico Auto Industries Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Rico Auto Industries Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2025, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of such subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2025, of its consolidated profit and other comprehensive

income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter

Revenue Recognition

See Note 26 to consolidated financial statements

The key audit matter	How the matter was addressed in our audit
The Group's revenue is derived primarily from sale of goods which comprises automotive components. Revenue from sale of goods is recognised at a point in time when performance obligation is satisfied and is based on the transfer of control to the customer as per terms of the contract with them which may vary for each customer. The Group and its external stakeholders focus on revenue as a key performance metric. Revenue recognition has been identified as a key audit matter as there could be incentives or external pressures to meet expectations resulting in revenue being overstated and recognized before the control has been transferred.	In view of the significance of the matter we, applied the following audit procedures in this area, to obtain sufficient appropriate audit evidence: - We assessed the Group's accounting policies for revenue recognition by comparing with applicable accounting standards. - We evaluated the design and implementation of the key internal financial controls with respect to the timing of revenue recognition and tested the operating effectiveness of such controls on a sample basis. - We performed substantive testing by selecting samples (using statistical sampling) of revenue transactions recorded during the year and after the financial year-end by testing the underlying documents which included sales invoices, shipping documents and proof of deliveries, to assess whether these are recognised in the appropriate period in which control of the goods is transferred to the customer. - We scrutinized journal entries related to revenue recognised during the year based upon specified risk-based criteria, to identify unusual or irregular items; and - Considered the adequacy of the disclosures in accordance with the relevant accounting standard.

Other Information

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and auditor's reports thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated

financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Holding Company's annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions as per applicable laws and regulations.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit and loss and other comprehensive income,

consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company 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 Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are 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 SAs 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 these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, 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 adequate internal financial controls with reference to financial statements in place 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 and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. 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 consolidated financial statements 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by 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. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements 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.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

- a. We did not audit the financial statements of four subsidiaries, whose financial statements reflect total assets (before consolidation adjustments) of ₹58.06 crores as at 31 March 2025, total revenues (before consolidation adjustments) of ₹138.81 crores and net cash inflows (before consolidation adjustments) amounting to ₹1.03 crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose report have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the report of the other auditors.

One of these subsidiaries is located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in its country and which has been audited by other auditor under generally accepted auditing standards applicable in its country. The Holding Company's management has converted the financial statements of such subsidiary located outside India from accounting principles generally accepted in its country 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 such subsidiary located outside India is based on the report of other auditor and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries, as were audited by other auditors, as noted in the "Other Matters" paragraph, we report, to the extent applicable, that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors except for the matter stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors of the Holding Company as on 01 April 2025 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2025 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 the other auditors on separate financial statements of the subsidiaries, as noted in the "Other Matters" paragraph:
 - a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2025 on the consolidated financial position of the Group. Refer Note 40 to the consolidated financial statements.
 - b. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2025.
 - c. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2025.
 - d. (i) The respective management of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary companies that, to the best of its knowledge and belief, as disclosed in the Note 55 (x) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary companies to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary companies ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (ii) The respective management of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary companies that, to the best of its knowledge and belief, as disclosed in the Note 55 (xi) to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiary companies from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Holding Company or any of such subsidiary companies shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiary companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditors notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The interim dividend declared and paid by the subsidiary company incorporated in India during the year and until the date of this audit report is in compliance accordance with Section 123 of the Act.
- The final dividend paid by the Holding Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.
- As stated in Note 52 to the consolidated financial statements, the Board of Directors of the Holding company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.
- f. Based on our examination which included test checks and the work performed by the respective auditors of the subsidiary companies incorporated in India whose financial statements have been audited under the Act, except for the instances mentioned below, the Holding Company and its four subsidiary companies incorporated in India have used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further,

during the course of our audit, we and respective auditors of such subsidiary companies incorporated in India did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail has been preserved by the Holding Company and its four subsidiary companies incorporated in India as per the statutory requirements for record retention from the date of audit trail enablement.

- the audit trail (edit log) facility for the accounting software used by the Holding Company and its four subsidiary companies incorporated in India were not enabled at the database level to log any direct data changes.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Shashank Agarwal
Partner
Membership No.: 095109
ICAI UDIN:25095109BMOOKQ2091

Place: Gurugram
Date : 27 May 2025

Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements of Rico Auto Industries Limited for the year ended 31 March 2025

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

In our opinion and according to the information and explanations given to us, following companies incorporated in India and included in the consolidated financial statements, have unfavourable remarks, qualification or adverse remarks given by the respective auditors in their report under the Companies (Auditor's Report) Order, 2020 (CARO):

Sr. No.	Name of the entities	CIN	Holding Company/ Subsidiary	Clause number of the CARO report which is unfavourable or qualified or adverse	Remarks
1	Rico Auto Industries Ltd	L34300HR 1983 PLC023187	Holding Company	Clause 3(ix)(d)	Short term funds used for long term purposes
2.	Rico Fluidtronics Limited	U29110HR 2008 PLC037708	Subsidiary Company	Clause 3 (iii)(e)	Loans falling due during the year were extended by fresh loans granted during the year

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Shashank Agarwal
Partner
Membership No.: 095109
ICAI UDIN:25095109BMOOKQ2091

Place: Gurugram
Date : 27 May 2025

Annexure B to the Independent Auditor's Report on the consolidated financial statements of Rico Auto Industries Limited for the year ended 31 March 2025

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of Rico Auto Industries Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2025, we have audited the internal financial controls with reference to financial statements of the Holding Company and such companies incorporated in India under the Act which are its subsidiary companies, as of that date.

In our opinion and based on the consideration of reports of the other auditors on internal financial controls with reference to financial statements of subsidiary companies, as were audited by the other auditors, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2025, based on the internal financial controls with reference to financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The respective Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the respective company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit

of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to two subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of this matter.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

Shashank Agarwal

Partner

Place: Gurugram

Date : 27 May 2025

Membership No.: 095109

ICAI UDIN:25095109BMOOKQ2091

Consolidated balance sheet as at 31 March 2025

(All amounts in ₹ crores, unless otherwise stated)

Particulars	Notes	As at 31 March 2025	As at 31 March 2024
I. ASSETS			
1. NON-CURRENT ASSETS			
Property, plant and equipment	5A	1,077.29	1,050.09
Capital work-in-progress	5B	108.70	81.76
Investment property	5C	13.10	13.36
Intangible assets	5D	4.39	6.29
Intangible assets under development	5E	15.58	6.94
Financial assets			
(i) Investments	6	4.34	4.34
(ii) Loans	7	0.00	0.00
(iii) Other financial assets	8	18.99	16.10
Deferred tax assets	35	8.46	7.34
Other non-current assets	9	4.60	5.56
Total non-current assets		1,255.45	1,191.78
2. CURRENT ASSETS			
Inventories	10	308.05	286.05
Financial assets			
(i) Trade receivables	11	370.32	332.89
(ii) Cash and cash equivalents	12	10.46	8.38
(iii) Bank balances other than (ii) above	13	9.44	13.12
(iv) Loans	14	1.44	1.53
(v) Other financial assets	15	3.93	8.23
Other current assets	16	27.05	44.98
Current Tax Assets (net)		15.53	7.81
Total current assets		746.22	702.99
Total assets		2,001.67	1,894.77
II. EQUITY AND LIABILITIES			
1. EQUITY			
Equity Share capital	17	13.53	13.53
Other Equity	18	716.39	706.51
Equity attributable to owners of the Company		729.92	720.04
Non-controlling interest		2.95	2.95
Total equity		732.87	722.99
2. NON-CURRENT LIABILITIES			
Financial liabilities			
(i) Borrowings	19	332.32	306.68
(ii) Lease liabilities	47	16.82	23.47
Provisions	20	21.59	17.11
Deferred tax liabilities (net)	35	43.60	22.87
Total non-current liabilities		414.33	370.13
3. CURRENT LIABILITIES			
Financial Liabilities			
(i) Borrowings	21	340.67	348.30
(ii) Lease liabilities	47	7.52	10.04
(iii) Trade payables			
a) Total outstanding dues of micro enterprises and small enterprises	22	33.33	32.76
b) Total outstanding dues of creditors other than micro and small enterprises	22	398.78	344.65
(iv) Other financial liabilities	23	31.37	34.21
Other current liabilities	24	37.56	28.75
Provisions	25	1.47	1.32
Current tax liabilities (net)		3.77	1.62
Total current liabilities		854.47	801.65
Total of liabilities (current + non-current)		1,268.80	1,171.78
Total equity and liabilities		2,001.67	1,894.77

Material accounting policies

2

The notes referred above form an integral part of these consolidated financial statements.

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 101248W/W-100022

Shashank Agarwal

Partner

Membership No. 095109

For and on behalf of the Board of Directors of

Rico Auto Industries Limited

Arvind Kapur

Chairman, CEO &

Managing Director

DIN: 00096308

Kaushalendra Verma

Whole-time Director

DIN : 02004259

Rajiv Kumar Miglani

Whole-time Director

DIN : 06873155

Rakesh Kumar Sharma

Chief Financial Officer

Ruchika Gupta

Company Secretary

M. No. F-6456

Place : Gurugram

Date : 27 May, 2025

Place : Gurugram

Date : 27 May, 2025

Consolidated statement of profit and loss for the year ended 31 March 2025

(All amounts in ₹ crores, unless otherwise stated)

Particulars	Notes	For the year ended 31 March 2025	For the year ended 31 March 2024
INCOME			
Revenue from operations	26	2,212.40	2,159.73
Other income	27	12.81	14.73
Total income (I)		2,225.21	2,174.46
EXPENSES			
Cost of raw materials consumed	28	1,347.43	1,245.24
Changes in inventories of finished goods and work-in-progress	29	(11.75)	5.01
Other manufacturing expenses	30	248.05	261.59
Employee benefits expense	31	313.06	301.31
Finance costs	32	55.99	58.24
Depreciation and amortization expense	5	101.56	118.50
Other expenses	33	127.14	124.56
Total expenses (II)		2,181.48	2,114.44
Profit before exceptional item & tax (III= I-II)		43.73	60.01
Exceptional Item	34	1.14	2.58
Profit before tax (IV)		42.59	57.43
Tax expense	35		
Current tax expense		8.41	14.01
Deferred tax expense		13.67	6.61
Tax adjustments for earlier years		(0.90)	(2.13)
Total Tax Expense (V)		21.18	18.49
Profit for the year (VI=IV-V)		21.41	38.94
Other comprehensive income (VII)			
(a) Items that will not be reclassified to statement of Profit and loss			
Remeasurements (loss)/gain of defined benefit plan obligations		(3.65)	(0.00)
Income tax relating to above items		0.90	(0.06)
(b) Items that will be reclassified to statement of Profit and loss			
Exchange differences on translation of foreign operations		1.05	0.79
Effective portion of gain/(loss) on designated portion of hedging instruments in a cash flow hedge		(1.94)	3.26
Income tax relating to above items		0.23	(1.42)
Other comprehensive income/ (loss) for the year		(3.41)	2.57
Total comprehensive income for the year		18.00	41.52
Net Profit attributable to:			
Owners of the group		21.40	38.34
Non-controlling interest		0.01	0.60
Other comprehensive attributable to:			
Owners of the group		(3.40)	2.58
Non-controlling interest		(0.01)	(0.01)
Total comprehensive attributable to:			
Owners of the group		18.00	40.93
Non-controlling interest		0.00	0.59
Net Profit for the year after non-controlling interest		21.40	38.34
Paid up equity share capital (face value of ₹ 1/- per share)		13.53	13.53
Earnings per share			
Basic and diluted (nominal value per share ₹ 1/-)	36	1.58	2.88

Material accounting policies

2

The notes referred above form an integral part of these consolidated financial statements.

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 101248W/W-100022

Shashank Agarwal
Partner
Membership No. 095109

Place : Gurugram
Date : 27 May, 2025

For and on behalf of the Board of Directors of
Rico Auto Industries Limited

Arvind Kapur
Chairman, CEO &
Managing Director
DIN: 00096308

Rakesh Kumar Sharma
Chief Financial Officer

Kaushalendra Verma
Whole-time Director
DIN : 02004259

Ruchika Gupta
Company Secretary
M. No. F-6456

Rajiv Kumar Miglani
Whole-time Director
DIN : 06873155

Place : Gurugram
Date : 27 May, 2025

Consolidated statement of changes in equity for the year ended 31 March 2025

(All amounts in ₹ crores, unless otherwise stated)

A Equity share capital

	No. of shares	Amount
Balance as at 31 March 2025	13,52,85,000	13.53
Changes in equity share capital during the year	—	—
Balance as at 31 March 2024	13,52,85,000	13.53
Changes in equity share capital during the year	—	—
Balance as at 01 April, 2024	13,52,85,000	13.53

B Other equity

Particulars	Attributable to Owners of Equity						Non-controlling interest	Total other equity
	Reserves and Surplus					Items of OCI		
	Capital Reserve	Capital redemption reserve	Securities premium	Retained earnings	General reserve	Foreign currency translation reserve		
Balance as at 01 April 2024	14.49	2.00	145.04	436.16	99.70	9.12	2.95	709.46
Profit for the year	—	—	—	21.41	—	—	—	21.41
Other comprehensive income for the year (net of tax)	—	—	—	(4.46)	—	1.05	—	(3.41)
Transaction with Non controlling interests	—	—	—	0.00	—	—	0.00	0.00
Contribution by and distribution to owner	—	—	—	—	—	—	—	—
Dividend on equity shares (final) (refer note 52)	—	—	—	(8.12)	—	—	—	(8.12)
Balance as at March 31 2025	14.49	2.00	145.04	444.99	99.70	10.17	2.95	719.34
Balance as at April 01 2023	14.49	2.00	145.04	406.16	99.70	8.33	2.36	678.08
Profit for the year	—	—	—	38.94	—	—	—	38.94
Other comprehensive income for the year (net of tax)	—	—	—	1.80	—	0.79	—	2.59
Transaction with Non controlling interests	—	—	—	(0.59)	—	—	0.59	—
Contribution by and distribution to owner	—	—	—	—	—	—	—	—
Dividend on equity shares (Final) (refer note 52)	—	—	—	(10.15)	—	—	—	(10.15)
Balance as at March 31 2024	14.49	2.00	145.04	436.16	99.70	9.12	2.95	709.46

Material accounting policies

2

Refer note 18 for nature and purpose of other equity.

The notes referred above form an integral part of these consolidated financial statements.

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 101248W/W-100022

Shashank Agarwal
Partner
Membership No. 095109

Place : Gurugram
Date : 27 May, 2025

For and on behalf of the Board of Directors of
Rico Auto Industries Limited

Arvind Kapur
Chairman, CEO &
Managing Director
DIN: 00096308

Rakesh Kumar Sharma
Chief Financial Officer

Place : Gurugram
Date : 27 May, 2025

Kaushalendra Verma
Whole-time Director
DIN : 02004259

Ruchika Gupta
Company Secretary
M. No. F-6456

Rajiv Kumar Miglani
Whole-time Director
DIN : 06873155

Consolidated statement of cash flow for the year ended 31 March 2025

(All amounts in ₹ crores, unless otherwise stated)

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
A. Cash flow from operating activities		
Net profit before tax	42.59	57.43
Adjustments for:		
Depreciation and amortisation expense	101.56	118.50
Profit on sale of property, plant and equipment	—	(1.41)
Loss on sale of Land	6.87	—
Unrealised foreign exchange (gain)/loss	(3.54)	(2.19)
Loss allowance on trade receivables	0.10	0.32
Finance costs	55.99	58.24
Amortisation of contract costs	5.60	5.53
Interest income on financial assets measured at amortized cost	(2.96)	(3.39)
Operating profit before working capital changes	206.21	233.03
Changes in working capital:		
Increase in inventories	(21.41)	(5.08)
(Increase)/ Decrease in trade receivables	(39.40)	61.92
(Increase)/ Decrease in other assets	(12.55)	(11.25)
Increase/(Decrease) in trade payables	54.70	(9.05)
Increase/(Decrease) in other liabilities and provisions	11.13	(11.48)
	<u>198.67</u>	<u>258.09</u>
Direct taxes paid (net of refunds)	(5.58)	(10.86)
Net cash generated from operating activities	A 193.10	247.23
B. Cash flow from investing activities		
Purchase of property, plant and equipment, capital work in progress and intangible assets (including capital advances)	(161.06)	(170.57)
Purchase of investments	—	(1.86)
Proceeds from sale of property, plant and equipments	19.68	16.38
Proceeds from bank deposit more than 3 months	3.68	5.72
Loan (given)/ repaid by subsidiaries during the year	—	43.90
Interest received	2.96	3.27
Net cash used in investing activities	B (134.74)	(103.16)
C. Cash flow from financing activities		
Proceeds from non-current borrowings	185.82	50.45
Payment for lease liabilities - principal	(9.66)	(10.12)
Payment for lease liabilities - interest	(1.95)	(2.43)
Repayment of non-current borrowings	(130.53)	(133.52)
Proceeds/ repayment from current borrowings (net)	(38.85)	8.63
Dividend paid	(8.12)	(10.15)
Interest paid	(53.45)	(56.08)
Net cash used in financing activities	C (56.74)	(153.22)
Net Increase/ (decrease) in cash and cash equivalents	A+B+C 1.62	(9.15)
Effect of foreign currency fluctuation arising out of consolidation	1.05	0.79
Cash and cash equivalents at the beginning of the year	8.38	16.74
Cash and cash equivalents at the end of the year	11.04	8.38
Cash and cash equivalents include		
Balances with banks:		
— In current accounts	0.08	0.07
— Cash on hand	8.62	8.31
— Deposit with original Maturity of less than three months	1.76	—
Cash and cash equivalents at the end of the year	10.46	8.38
Interest accrued on borrowings at the beginning of year	1.56	1.78
Interest on borrowings during the year	53.03	55.86
Interest paid during the year	(53.45)	(56.08)
Interest accrued on borrowings at the end of year	1.14	1.56
Borrowings at the beginning of year	654.98	729.45
Proceeds from long term borrowings	185.82	50.45
Repayment of long term borrowings	(130.53)	(133.52)
Proceeds/ repayment (net) from short term borrowings	(38.85)	8.63
Non-Cash changes due to Exchange differences	1.57	(0.03)
Borrowings at the end of year	672.99	654.98

Consolidated Statement of changes in equity for the year ended 31 March 2025 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Lease Liabilities at the beginning of the year	33.51	24.82
Addition during the year	0.49	18.81
Deletion during the year	—	0.00
Finance cost accrued during the year	1.95	2.43
Payment of Lease liabilities	(11.61)	(12.55)
Lease liabilities at the end of the year	24.34	33.51

Notes:

Refer note 2 for material accounting policies

The above Statement of cash flows has been prepared under the Indirect Method as set out in Ind AS 7 on Statement of cash flows.

The accompanying notes form an integral part of these consolidated financial statements.

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 101248W/W-100022

Shashank Agarwal

Partner

Membership No. 095109

For and on behalf of the Board of Directors of

Rico Auto Industries Limited**Arvind Kapur**

Chairman, CEO &

Managing Director

DIN: 00096308

Rakesh Kumar Sharma

Chief Financial Officer

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Whole-time Director

DIN : 02004259

Ruchika Gupta

Company Secretary

M. No. F-6456

Rajiv Kumar Miglani

Whole-time Director

DIN : 06873155

Place : Gurugram

Date : 27 May, 2025

Place : Gurugram

Date : 27 May, 2025

Notes to the consolidated financial statements for the year ended 31 March 2025

(₹ in crores, except share data, per share data and unless otherwise stated)

1. CORPORATE INFORMATION

Rico Auto Industries Limited ("the Holding Company") registered office is situated at 38 KM Stone, Delhi - Jaipur Highway, Gurugram - 122001 (Haryana). The Holding Company was incorporated in India on 7 March 1983. The Holding Company's shares are listed on two stock exchanges in India. The Holding Company with its Subsidiaries (together referred to as the "Group") supplies a broad range of high-precision fully machined aluminum and ferrous components and assemblies to Original Equipment Manufacturers across the globe. Its integrated services include design, development, tooling, casting, machining, assembly and research and development across aluminum and ferrous products. The Group is in the business of manufacturing and sale of auto components for two wheelers and four wheelers.

The Consolidated Financial Statements for the year ended 31 March 2025 comprise Financial Statements of the Group.

2. MATERIAL ACCOUNTING POLICIES

2.1 Basis of preparation

i) Compliance with Ind AS

The consolidated financial statements have been prepared as a going concern in accordance with Indian Accounting Standards (Ind AS) notified under the Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015, presentation requirements of Division II of Schedule III to the Companies Act, 2013" financials and other relevant provisions of the Act.

The consolidated financial statements of the Group for the year ended 31 March 2025 are approved by the Holding Company's Audit Committee and the Board of Directors on 27 May 2025.

The consolidated financial statements have been prepared on the historical cost convention on accrual basis except for the following assets and liabilities which have been measured at fair value.

- Derivative financial instruments
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).
- Defined benefit plans - plan assets measured at fair value.

Historical cost is generally based on the fair value of the consideration given in exchange of goods or services.

The principal accounting policies are set out below -

ii) Functional and presentation currency:

The functional currency of the Holding Company and its Indian subsidiaries is the Indian Rupee. The functional currency of foreign subsidiaries is the currency of the primary economic environment in which the entity operates.

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are retranslated at the exchange rate prevailing on the balance sheet dates and exchange gains and losses arising on settlement and restatement are recognised in the statement of profit and loss. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

The material accounting policies used in preparation of the consolidated financial statements have been discussed in the respective notes.

iii) Going concern and basis of measurement

The Consolidated financial statements have been prepared on going concern basis under the historical cost convention on accrual basis except for certain financial assets and financial liabilities, defined benefit plans that are measured at fair values at the end of each reporting period.

iv) Current – non-current classification

Asset

The Group classifies an asset as current asset when:

- it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- it holds the asset primarily for the purpose of trading;
- it expects to realise the asset within twelve months after the reporting period; or
- the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

Notes to the consolidated financial statements for the year ended 31 March 2025 (Contd.)

(₹ in crores, except share data, per share data and unless otherwise stated)

Liabilities

A liability is classified as current when:

- it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- it holds the liability primarily for the purpose of trading;
- the liability is due to be settled within twelve months after the reporting period; or
- it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

The Group's normal operating cycle is twelve months.

2.2 Basis of consolidation

• Subsidiary

Subsidiary is the entity controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiary companies are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The Group combines the financial statements of the Holding Company and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses.

• Principles of consolidation

The consolidated financial statements comprise the financial statements of the Holding Company and its subsidiaries. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Holding Company, i.e., year ended on 31 March.

Consolidation procedure:

i) Subsidiary:

- (a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Holding Company with those of its subsidiaries.
- (b) Offset (eliminate) the carrying amount of the Holding Company's investment in each subsidiary and the Holding Company's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

Notes to the consolidated financial statements for the year ended 31 March 2025 (Contd.)

(₹ in crores, except share data, per share data and unless otherwise stated)

- (c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full). Ind-AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Holding Company of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the Holding Company's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

The subsidiary companies which are included in the Consolidation and the Holding Company's holding therein is as under:

S. No.	Name of the Subsidiary Company	Nature of relation	Ownership in % either directly or through subsidiaries		Country of Incorporation and Principal place of Business
			2024-25	2023-24	
1	Rico Auto Industries Inc . , USA	Subsidiary Company	100%	100%	USA
2	Rico Auto Industries (UK) Limited	Subsidiary Company	100%	100%	UK
3	AAN Engineering Industries Limited	Subsidiary Company	100%	100%	India
4	Rico Friction Technologies Limited	Subsidiary Company	70%	70%	India
5	Rico Fluidtronics Limited	Subsidiary Company	100%	100%	India
6	Rico Jinfei Wheels Limited	Subsidiary Company	72.38%	72.38%	India

2.3 Material accounting policies

i) Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a good or service to a customer and the performance obligations towards customer have been met. Performance obligations are deemed to have been met when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Sale of products

Revenue from sale of products is recognised when control of the products being sold is transferred to customers and there are no longer any unfulfilled obligations. The performance obligations in contract with customers are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on delivery terms. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of discount) allocated to that performance obligation. Revenue excludes taxes or duties collected on behalf of the government.

For contracts that permit the customer to return an item, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore, the amount of revenue recognised is adjusted for expected returns, which are estimated based on the historical data. In these circumstances, a refund liability and a right to recover returned goods asset are recognised

The Group recognized revenue when (or as) a performance obligation was satisfied, i.e. when 'control' of the goods underlying the particular performance obligation were transferred to the customer.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duties.

Notes to the consolidated financial statements for the year ended 31 March 2025 (Contd.)

(₹ in crores, except share data, per share data and unless otherwise stated)

Expected sales returns, volume and cash discounts are accounted as reduction of revenue basis the estimate of customers' future purchases / customers' future sales to downstream customers in the value-chain. Any changes in the estimated amount of obligations for discounts/incentives are recognized prospectively in the period in which the change occurs.

Further, revenue from sale of goods is recognized based on a 5-Step Methodology which is as follows:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Contracts are subject to modification to account for changes in contract specification and requirements. The Group reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

Use of significant judgements in revenue recognition:

- a) The Group's contracts with customers could include promises to transfer products to a customer. The Group assesses the products promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- b) Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Group allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.
- c) The Group uses judgement to determine an appropriate standalone selling price for a performance obligation. The Group allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract.
- d) The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

Interest income

For all financial assets measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

Rental income

Rental income arising from properties given under operating leases is recognised over the lease term for which the property is given on rent as per the rent agreement and is shown in other income under revenue in the Consolidated Statement of Profit and Loss.

Contract assets

A contract asset is the entity's right to consideration in exchange for goods or services that the entity has transferred to the customer. A contract asset becomes a receivable when the entity's right to consideration is unconditional, which is the case when only the passage of time is required before payment of the consideration is due. The impairment of contract assets is measured, presented and disclosed on the same basis as trade receivables.

Notes to the consolidated financial statements for the year ended 31 March 2025 (Contd.)

(₹ in crores, except share data, per share data and unless otherwise stated)

Contract liabilities

A contract liability is the obligation to transfer goods to a customer for which the entity has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the entity transfers goods or services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the entity performs under the contract.

ii) **Leases**

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group's lease asset consists of lease for land, building and machines. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (1) the contract involves the use of an identified asset, (2) the Group has substantially all of the economic benefits from the use of the asset through the period of the lease, and (3) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a Right of use (ROU) asset and a corresponding lease liability for all lease arrangements under which it is a lessee, except for short-term leases and low value leases. For short-term leases and low value leases, the Group recognizes the lease payments as an expense on a straight-line basis over the term of the lease.

The ROU assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated from the date of commencement of the lease on a straight -line basis over the shorter of the lease term and the useful life of the underlying asset

The lease liability is initially measured at amortized cost at the present value of the future lease payments. For leases under which the rate implicit in the lease is not readily determinable, the Group uses its incremental borrowing rate based on the information available at the date of commencement of the lease in determining the present value of lease payments.

Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Group changes its assessment as to whether it will exercise an extension or a termination option.

Lease liability and ROU assets have been separately presented in the Balance sheet and the payment of principal portion of lease liabilities has been classified as financing cash flows.

Group as lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

iii) **Government grants, subsidies and export incentives**

Grants from the government are recognised at their fair value where there is reasonable assurance that the grant will be received and the Group will comply with all the conditions.

Government grants related to the income are deferred and recognised in the consolidated Statement of Profit and Loss over the period necessary to match them with the cost that are intended to compensate and presented within other income.

Government grants related to property plant and equipment are included in the non-current liabilities as deferred income and are credited to Profit and loss on a straight-line basis over the expected life of the related assets and presented within other income in accordance with the primary conditions associated with purchase of assets and related grants.

Export benefit entitlements, in the nature of income grant, are recognised in the consolidated Statement of Profit and Loss when the right to receive benefit is established in respect of the exports made and the realisation is reasonably certain.

iv) **Property, plant and equipment**

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment includes its purchase price, import duties and non-refundable purchase taxes, duties or levies, after deducting trade discounts and rebates, any other directly attributable cost of bringing the asset to its working condition for its intended use the cost of replacing part of the plant and equipment and borrowing costs for long – term construction projects if the recognition criteria are met and estimated cost of dismantling and removing the items and restoring the site on which it is located. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of

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the respective asset if the recognition criteria for a provision are met. All other repairs and maintenance costs are expensed when incurred.

Construction in progress is stated at cost, net of accumulated impairment losses, if any. Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the Statement of Profit and Loss.

Recognition:

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if:

- (a) it is probable that future economic benefits associated with the item will flow to the entity; and
- (b) the cost of the item can be measured reliably.

All other expenses on existing assets, including day- to- day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

The Group identifies and determines cost of asset significant to the total cost of the asset having useful life that is materially different from that of the remaining life.

Property, Plant and Equipment which are added/disposed off during the year, depreciation is provided on pro-rata basis with reference to the month of addition/deletion.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

Subsequent expenditure can be capitalized only if it is probable that future economic benefits associated with the expenditure will flow to the Group.

Expenditure directly attributable to construction activity is capitalized. Other indirect costs incurred during the construction periods which are not directly attributable to construction activity are charged to Statement of Profit and Loss. Reinvested income earned during the construction period is adjusted against the total of indirect expenditure.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Capital work-in-progress and Intangible assets under development

Capital work in progress/Intangible assets under development are stated at cost, net of impairment loss, if any. Assets in the course of construction are capitalised in capital work in progress account. At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs (net of income) associated with the commissioning of the asset, including the expenditure incurred on trial runs (net of trial run receipts, if any), are capitalised up to the date asset is ready for its intended use.

Expenses incurred relating to project during the project development stage prior to its intended use, are considered as pre-operative expenses and disclosed under 'Capital work in progress' or 'Intangible assets under development', as the case may be.

Amounts paid towards technical know-how fees and other expenses for specifically identified projects/ products being development expenditure is carried forward based on assessment of benefits arising from such expenditure. Such expenditure is amortized over the period of expected future sales from the related product, i.e. the estimated period of 6 years on straight line basis based on past trends, commencing from the month of commencement of commercial production.

Capital advances

Advances paid towards the acquisition of property, plant and equipment and intangible assets, outstanding at each balance sheet date is classified as capital advances under "other non-current assets".

v) Intangible assets

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the tax authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates.

An intangible asset is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the Statement of Profit and Loss when the asset is derecognised.

Intangibles under progress represents intangible assets under construction and is carried at cost.

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The useful lives of intangible assets are assessed as finite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

vi) Investment properties

Investment property comprises freehold land that are held for capital appreciation and recognised at cost, less impairment loss, if any.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

Though the Group measures investment property using cost-based measurement, the fair value of investment property is disclosed in notes. Fair value are determined based on an annual evaluation performed by an accredited external independent valuer.

vii) Depreciation and amortisation

Depreciation on building and plant and machinery is provided on the straight-line method, computed on the basis of useful life, on a pro-rata basis from the date the asset is ready to put to use. However, for certain categories of plant and machinery depreciation is provided using straight line method over a period of 20 years based on the technical estimate and history of usage.

Depreciation on other property, plant and equipment is provided on written down value method, computed on the basis of useful life prescribed in Schedule II to the Companies Act, 2013, on a pro-rata basis from the date the asset is ready to put to use.

Depreciation on dies and moulds is provided based on useful life of the items ascertained on a technical estimate by the management.

Intangible assets are being amortised on written down value method over the useful life of 5-10 years, as estimated by the management to be the economic life of the assets over which economic benefits are expected to flow.

The estimated useful life considered for the assets are as under:

Asset	Estimated Useful Life
Plant and machinery	15-20
Building	30-60
Furniture and fixtures	10
Office equipment	5
Computers	3-8
Vehicles	8
Dies	5-15
Product development	5
Softwares	3-5
Other intangibles	10

* Includes right of use asset having life of 5 years.

** Includes right of use asset having life of 9 years

The management has estimated, supported by independent assessment by technical experts, professionals, the useful lives of the following classes of assets:

- The useful life of temporary erection is estimated one year, which is lower than those indicated in Schedule II.
- Computers (Servers and networks) are depreciated over the estimated useful lives of three - four years, which is lower than those indicated in Schedule II.
- Non-Commercial Vehicles are depreciated over the estimated useful lives of six years, which is lower than those indicated in Schedule II.

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viii) Fair value measurement

The Group measures financial instruments such as investments at fair value at each reporting/ balance sheet date

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period or each case.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This Note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes

- Disclosures for valuation methods, significant estimates and assumptions
- Quantitative disclosures of fair value measurement hierarchy
- Investment properties
- Financial instruments (including those carried at amortised cost)

ix) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets**Initial recognition and measurement**

All financial assets (other than trade receivable which is recognised at transaction price as per Ind AS 115) are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial instruments at amortised cost
- Financial instruments at fair value through profit or loss (FVTPL)
- Financial instruments measured at fair value through other comprehensive income (FVTOCI)

A 'financial instruments' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Financial instruments at FVTPL

FVTPL is a residual category for financial assets. Any financial assets, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a financial assets which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

The net changes in fair value are recognised in the statement of profit and loss.

Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on Initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Derivative financial instruments and hedge accounting

The Group uses derivative instruments such as foreign exchange forward contracts and currency swaps to hedge its foreign currency and interest rate risk exposure. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value and changes therein are generally recognized in profit and loss.

Impairment of financial assets

In accordance with Ind-AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets measured at amortized cost; and
- Lease receivables under Ind-AS 116

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The Group follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind-AS 116

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Group does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to Statement of Profit and Loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings. For more information refer Note 19.

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De-recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative financial Instruments and hedge accounting

Derivative accounting

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

Hedge Accounting

Initial recognition and subsequent measurement

The Group designates (Cash Flow Hedge):

- Intrinsic Value of Call Spread option to hedge foreign currency risk for repayment of Principal Amount in relation to FCNR Loan availed in Euro.
- Interest Rate Swap (Floating to Fixed) to hedge interest rate risk in respect of Floating rate of interest in relation to FCNR Loan.

The Group documents at the inception of the hedging transaction the economic relationship between hedging instruments and hedged items including whether the hedging instrument is expected to offset changes in cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking various hedge transactions at the inception of each hedge relationship.

Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the other comprehensive income in cash flow hedging reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other income or expense.

When option contracts are used to hedge foreign currency risk, the Group designates only the intrinsic value of the option contract as the hedging instrument.

Gains or losses relating to the effective portion of the change in intrinsic value of the option contracts are recognised in the cash flow hedging reserve within equity. The changes in the time value of the option contracts that relate to the hedged item ('aligned time value') are recognised within other comprehensive income in the costs of hedging reserve within equity.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss. The time value of an option used to hedge represents part of the cost of the transaction.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss within other income or expense.

x) Inventories

Inventories which include raw materials, components, stores, work in progress, finished goods and spares are valued at the lower of cost and net realizable value. However, raw materials, components and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost or in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realizable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Inventories are valued as follows:

Raw materials, stores and spares

Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

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Inventories are valued at lower of cost or net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis.

Work in progress

Work in progress is valued at lower of cost or net realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity and actual stage of production. Cost is determined on a weighted average basis.

Finished goods

Finished goods are valued at lower of cost or net realisable value (NRV). NRV assessment is done on item by item basis. Cost includes direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity. Cost is determined on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and cost necessary to make the sale.

xi) Business Combination

Common control

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and the control is not transitory. Business combinations involving entities under common control are accounted for using the pooling of interest method. The net assets of the transferor entity or business are accounted at their carrying amounts on the date of the acquisition subject to necessary adjustments required to harmonize accounting policies. Any excess or shortfall of the consideration paid over the share capital of transferor entity or business is recognised through shareholders' equity.

Optional concentration test: An optional test ('the concentration test') that allows the acquirer to carry out a simple assessment to determine whether the acquired set of activities and assets is not a business. The entity can choose whether or not to apply the concentration test for each transaction it makes. If the test is successful, then the acquired set of activities and assets is not a business and no further assessment is required. If the test is not met or the entity does not carry out the test, then the entity needs to assess whether or not the acquired set of assets and activities meets the definition of a business in the normal way.

The test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or a group of similar identifiable assets.

xii) Employee benefits

Short term employee benefits and defined contribution plans:

All employee benefits payable/available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages and bonus etc. are recognised in the statement of profit and loss in the period in which the employee renders the related service.

Provident fund and Employee State Insurance scheme

Provident fund benefit and Employee State Insurance benefit are defined contribution plans under which the Group pays fixed contributions into funds established under Employee Provident Fund and Miscellaneous Provision Act, 1952 and Employee State Insurance Act, 1948 respectively. The Group has no legal or constructive obligations to pay further contributions after payment of the fixed contribution. The contributions recognised in respect of defined contribution plans are expensed as they accrue. Liabilities and assets may be recognised if underpayment or prepayment has occurred and are included in current liabilities or current assets, respectively, as they are normally of a short-term nature.

Gratuity

Gratuity is in the nature of defined benefit plan. The liability recognised in the consolidated balance sheet in respect of gratuity is the present value of the defined benefit obligation as at the consolidated balance sheet date less the fair value of plan assets. Gratuity Fund is administered through Life Insurance Corporation of India and India First Life Insurance Company Limited. The defined benefit obligation is calculated at the consolidated balance sheet date on the basis of actuarial valuation by an independent actuary using projected unit credit method. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recorded in Other Comprehensive Income in the year in which such change occurs.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment; and
- The date that the Group recognises related restructuring cost.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Group recognises the following changes in the net defined benefit obligation as an expense in the Statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income.

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Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the Group recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of terminations benefits. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

Compensated absences

The Group also provides benefit of compensated absences to its employees which are in the nature of long-term benefit plan. The compensated absences comprise of vesting as well as non-vesting benefit. Liability in respect of compensated absences becoming due and expected to be availed within one year from the balance sheet date is recognised on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefits expected to be availed by the employees. Liability in respect of compensated absences becoming due and expected to be availed more than one year after the consolidated balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method as on the reporting date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recorded in the consolidated Statement of Profit and Loss in the year in which such gains or losses arise. Leave encashment fund is administered through Life Insurance Corporation of India and India First Life Insurance Company Limited.

xiii) Research and development expenses

Revenue expenditure on research is expensed off under the respective heads of account in the year in which it is incurred.

Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalized, if the cost can be reliably measured, the product or process is technically and commercially feasible and the Group has sufficient resources to complete the development and to use and sell the asset. The expenditure capitalized includes the cost of materials, direct labour and an appropriate proportion of overheads that are directly attributable to preparing the asset for its intended use. Development expenditure that does not meet any of the aforementioned conditions is recognised in the consolidated Statement of Profit and Loss as an expense as incurred.

Property, plant and equipment used for research and development are depreciated in accordance with the Group's policy on property, plant and equipment as stated above.

xiv) Borrowing cost

Borrowing costs directly attributable to acquisition, construction or erection of qualifying assets are capitalized. Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended use are complete.

Other borrowing costs are recognised as an expense in the consolidated Statement of Profit and Loss in the year in which they are incurred.

xv) Foreign currency transactions

Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount, the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent recognition

Foreign currency monetary assets and liabilities are reported using the closing rate as at the reporting date.

Non-monetary items, which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

Exchange differences

Exchange differences arising on settlement or translation of monetary items are recognised in the consolidated Statement of Profit and Loss in the year in which they arise, except for the following:

- Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are recognized in profit or loss in the Separate Financial Statements of the reporting entity or the individual Financial Statements of the foreign operation, as appropriate. In the Financial Statements that include the foreign operation and the reporting entity such exchange differences are recognized initially in OCI. These exchange differences are reclassified from equity to profit or loss on disposal of the net investment.
- Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or the statement of profit and loss are also recognized in OCI or the Statement of Profit and Loss, respectively).

Notes to the consolidated financial statements for the year ended 31 March 2025 (Contd.)

(₹ in crores, except share data, per share data and unless otherwise stated)

Group companies

On Consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their Statements of Profit or Loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the Group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for Consolidation are recognized in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognized in profit or loss.

Foreign operations

The assets and liabilities of foreign operations (subsidiaries) including goodwill and fair value adjustments arising on acquisition, are translated into INR, the functional currency of the Group and its joint ventures, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount of exchange differences related to that foreign operation recognized in OCI is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is re-allocated to NCI. When the Group disposes of only a part of its interest in an associate or a joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

xvi) Income Taxes

Tax expense recognised in the consolidated Statement of Profit and Loss comprises the sum of deferred tax and current tax except the ones recognised in Other Comprehensive Income or directly in equity.

Current tax is the amount of tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations. Current income tax relating to items recognised outside the consolidated Statement of Profit and Loss is recognised outside the consolidated Statement of Profit and Loss (either in other comprehensive income or in equity). The current tax is calculated using the tax rate that have been enacted or subsequently enacted by the end of the reporting period.

Deferred tax is recognised in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside the consolidated Statement of Profit and Loss is recognised outside the consolidated Statement of Profit and Loss (either in other comprehensive income or in equity).

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and liability on a net basis.

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with asset will be realised.

Deferred tax assets are recognized on carry forward of unused tax credits and any unused tax losses.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Group recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized. Deferred tax assets – unrecognized or recognized, are reviewed at each reporting date and are recognized/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realized.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Deferred income tax are not provided on the undistributed earnings of the subsidiaries where it is expected that the earnings of the subsidiary will not be distributed in the foreseeable future.

xvii) Provisions and contingencies

The Group creates a provision when there is a present obligation (legal/constructive) as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated

Notes to the consolidated financial statements for the year ended 31 March 2025 (Contd.)

(₹ in crores, except share data, per share data and unless otherwise stated)

to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may but probably will not require an outflow of resources. Disclosure is also made in respect of a present obligation that probably requires an outflow of resources, where it is not possible to make a reliable estimate of the related outflow. Where there is a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

xviii) Earnings per share

Basic earnings per share

Basic earnings per share are calculated by dividing:

- the profit attributable to owners of the Group; and
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential equity shares; and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

xix) Impairment of non-financial assets

For assets with definite useful life, the Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded Group's or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Intangible assets with indefinite useful lives are tested for impairment annually at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

xx) Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term balances, as defined above.

xxi) Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

xxii) Dividend distribution

Dividends paid are recognised in the period in which the interim dividends are approved by the Board of Directors of the Holding Company, or in respect of the final dividend when approved by shareholders of the Holding Company.

Notes to the consolidated financial statements for the year ended 31 March 2025 (Contd.)

(₹ in crores, except share data, per share data and unless otherwise stated)

xxiii) Corporate Social Responsibility ("CSR") expenditure

CSR expenditure incurred by the Group is charged to the Consolidated Statement of the Profit and Loss.

xxiv) Expenditure

Expenses are accounted for on the accrual basis.

xxv) Exceptional items

Exceptional items refer to items of income or expense within the Consolidated Statement of Profit and Loss from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Group.

xxvi) Equity share capital

Incremental costs directly attributable to the issue of equity shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with Ind AS 12.

xxvii) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements. Contingent assets are only disclosed when it is probable that the economic benefits will flow to the entity.

xxviii) Segment reporting

Basis for segmentation

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. The Group is primarily engaged in the manufacturing and assembling of automotive components for the automotive industry. All operating segments' operating results are reviewed regularly by the Group's Chief Operating Decision Maker ("CODM") to make decisions about resources to be allocated to the segments and assess their performance. CODM believes that these are governed by same set of risk and returns hence CODM reviews as one balance sheet component.

xxix) Rounding off amounts

All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest crores (up to two decimal places) as per the requirements of Schedule III of the Act unless otherwise stated.

3. SIGNIFICANT ESTIMATES AND JUDGEMENTS

The preparation of consolidated financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these consolidated financial statements and the reported amount of revenues and expenses for the years presented. Actual results may differ from the estimates. Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements includes:

Significant Estimates

- measurement of defined benefit obligations;
- estimation of useful lives of property, plant and equipment;
- estimation on future sales, discount rates and terminal growth rates for determining impairment of investment in/ loan advanced to subsidiary companies;
- provision and contingent liabilities;
- carrying values of inventories;
- carrying values of hedging instruments;
- lease classification, lease term and discount rates; and
- Impairment assessment of financial and non-financial assets.

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

Note 26: revenue recognition: whether revenue from products is recognised over time or at a point in time; and

Note 47: lease term: whether the Group is reasonably certain to exercise extension options.

4. RECENT PRONOUNCEMENTS

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31 March 2025, MCA has notified Ind AS - 117 Insurance Contracts and amendments to Ind AS 116 - Leases relating to sale and leaseback transactions. The Group has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact in its financial statements.

Notes to the consolidated financial statements for the year ended 31 March 2025 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

5 Property, plant and equipment, capital work-in-progress, investment property, intangible assets and intangible assets under development

5A Property plant and equipment

Particulars	Gross carrying values			Accumulated Depreciation			Net carrying values	
	As at 01 April 2024	Additions	Disposals	As at 31 March 2025	Charge for the year	Adjustment upon disposals	As at 31 March 2025	As at 31 March 2024
Property, plant and equipment								
Land*	116.43	22.47	16.87	122.04	0.28	–	120.15	114.82
Buildings**	205.88	1.36	0.01	207.23	7.87	0.01	145.96	152.47
Furniture and fixtures	4.13	0.02	0.04	4.12	0.22	0.01	0.83	1.06
Plant and equipment***	1,102.21	89.92	11.46	1,180.67	67.45	5.92	709.07	692.15
Dies and moulds	139.99	34.33	3.03	171.29	20.56	1.43	85.92	73.75
Vehicles	17.58	2.51	3.19	16.90	2.46	2.58	7.10	7.66
Office equipment	17.09	0.63	0.04	17.68	0.56	0.03	8.25	8.18
Total	1,603.31	151.24	34.63	1,719.93	99.40	9.98	1,077.29	1,050.09

Particulars	Gross carrying values			Accumulated Depreciation			Net carrying values	
	As at 01 April 2023	Additions	Disposals	As at 31 March 2024	Charge for the year	Adjustment upon disposals	As at 31 March 2024	As at 31 March 2023
Property, plant and equipment								
Land*	116.41	0.02	–	116.43	0.22	–	114.82	115.02
Buildings**	203.70	2.18	–	205.88	8.48	–	152.47	158.77
Furniture and fixtures	4.04	0.09	–	4.13	0.27	–	1.06	1.24
Plant and equipment***	1,004.27	141.30	43.36	1,102.21	83.71	24.67	692.15	653.25
Dies and moulds	104.66	41.46	6.13	139.99	21.33	1.35	73.75	58.40
Vehicles	15.87	3.62	1.91	17.58	2.80	1.64	7.66	7.11
Office equipment	16.54	0.55	0.00	17.09	0.41	0.00	8.18	8.04
Total	1,465.49	189.22	51.40	1,603.31	117.22	27.66	1,050.09	1,001.83

* Includes gross block of right of use asset amounting to ₹ 43.21 crores (31 March 2024 : ₹ 19.64 crores) with net block of ₹ 40.19 crores (31 March 2024 : ₹ 18.04 crores) as at the reporting date, refer note 46.

** Includes gross block of right of use asset amounting to ₹ 11.73 crores (31 March 2024 : ₹ 11.64 crores) with net block of ₹ 6.01 crores (31 March 2024 ₹ 4.15 crores) as at the reporting date, refer note 46.

*** Includes gross block of right of use asset amounting to ₹ 46.41 crores (31 March 2024 : ₹ 49.07 crores) with net block of ₹ 37.84 crores (31 March 2024 : ₹ 43.24 crores) as at the reporting date, refer note 46.

Notes to the consolidated financial statements for the year ended 31 March 2025 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

5.1 Title deeds of Immovable Property not held in the name of the company

Relevant line item in the Balance Sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the company
As at 31 March 2025						
Property, plant and equipment	Freehold land, Bawal, Haryana	14.41	RASA Autocom Limited	No	6-Jun-11	RASA Autocom Limited was merged with the Company. The Company is in the process of transferring the title deed in its own name.
Property, plant and equipment	Freehold land, Manesar, Haryana	60.01	Rico Castings Limited	No	22-Mar-07	Rico Castings Limited was merged with the subsidiary company i.e. Rico Jinfei Wheels Limited. The Company is in the process of transferring the title deed in its own name.
As at 31 March 2024						
Property, plant and equipment	Freehold land, Bawal, Haryana	14.41	RASA Autocom Limited	No	6-Jun-11	RASA Autocom Limited was merged with the Company. The Company is in the process of transferring the title deed in its own name.
Property, plant and equipment	Freehold land, Manesar, Haryana	60.01	Rico Castings Limited	No	22-Mar-07	Rico Castings Limited was merged with the subsidiary company i.e. Rico Jinfei Wheels Limited during the last year. The Company is in the process of transferring the title deed in its own name.
Property, plant and equipment	Freehold land, Ludhiana, Punjab	16.87	Rico Castings Limited	No	21-Dec-16	

5.2 For commitments with respect to property, plant and equipment, refer note 41.

Notes to the consolidated financial statements for the year ended 31 March 2025 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

5B Capital work-in-progress

Particulars	As at 31 March 2025	As at 31 March 2024
As at the beginning of the year	81.76	71.92
Additions	89.41	68.81
Transfers to property, plant and equipment	(62.47)	(58.97)
As at the end of the year	108.70	81.76

Asset under construction

Capital work in progress as at 31 March 2025, 31 March 2024 comprises expenditure incurred mainly for building in the course of construction and plant and machinery and dies. The Company accounts for capitalization of property, plant and equipment to the extent applicable through capital work in progress and therefore the movement in capital work-in-progress is the difference between closing and opening balance of capital work-in-progress as adjusted in additions to property, plant and equipment.

i. The capital work-in-progress ageing schedule as at 31 March 2025 and 31 March 2024 is as follows :

As at 31 March 2025

CWIP	Less than 1 Year	1–2 years	2–3 years	More than 3 years	Total
Projects in progress	64.31	33.16	11.23	–	108.70
Projects temporarily suspended	–	–	–	–	–

As at 31 March 2024

CWIP	Less than 1 Year	1–2 years	2–3 years	More than 3 years	Total
Projects in progress	66.84	14.92	–	–	81.76
Projects temporarily suspended	–	–	–	–	–

There are no projects as at each reporting year where activity had been suspended. Also there are no projects as at the end of reporting period which has exceeded cost as compared to its original plan or where completion is overdue.

Notes to the consolidated financial statements for the year ended 31 March 2025 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

5C Investment property

The group has leased out its land and building for the purpose of earning rental incomes. Therefore, as at reporting date, the Group earns rental income from land and building, hence as per Ind AS 40 – "Investment Property", land and building has been classified as investment property. The Group has no restrictions on the realisability of its investment property. The notes set out the disclosure relating to investment property as per the requirement of Ind AS 40 – "Investment Property".

Particulars	Gross carrying values			Accumulated depreciation			Net carrying values	
	As at 01 April 2024	Additions	Disposals	As at 31 March 2025	Charge for the year	Adjustment upon disposals	As at 31 March 2025	As at 31 March 2024
Land	6.82	–	–	6.82	–	–	6.82	6.82
Buildings	8.48	–	–	8.48	0.26	–	6.28	6.54
Total	15.30	–	–	15.30	0.26	–	13.10	13.36

Particulars	Gross carrying values			Accumulated depreciation			Net carrying values	
	As at April 01 2023	Additions	Disposals	As at 31 March 2024	As at Charge for the year	Adjustment upon disposals	As at 31 March 2024	As at 31 March 2023
Land	6.82	—	—	6.82	—	—	6.82	6.82
Buildings	8.48	—	—	8.48	1.68	—	6.54	6.80
Total	15.30	—	—	15.30	1.68	—	13.36	13.62

i. Amount recognised in consolidated statement of profit and loss for investment property

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Rental income from Investment property	0.68	0.68
Direct operating expenses	–	–
Profit from investment property before depreciation	0.68	0.68
Depreciation during the year	0.26	0.26
Profit from investment property	0.42	0.42

ii. Fair Value

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Investment property	42.79	40.50

As at 31 March 2025 and 31 March 2024, the fair values of the investment properties are ₹ 42.79 crores and ₹ 40.50 crores respectively in total from land and building. Fair valuations are based on the valuation by a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. The fair value measurement for all of the investment property has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

Notes to the consolidated financial statements for the year ended 31 March 2025 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

iii. Estimation of Fair Value

Fair value of Investment property is based on market approach. While applying the market approach, consideration has been given to circle rates issued by relevant regulatory authorities. With respect to the investment property at the beginning of current year, there is no change in circle rate from previous year.

iv. Description of valuation techniques used and key inputs for valuation on investment properties:

Particulars	Valuation technique
Land and building situated on Plot No 22, Sector 05, HSIIDC Phase-II, Bawal, Haryana ₹12,300 per sq. mt. after considering the location, shape & size and local enquiries, the market rate has been considered.	Market value
Land area - 20,475 Sq. mt.	
Land value - ₹ : 27.49 crores	
Building value- ₹ : 15.30 crores	

5D Intangible assets

Particulars	Gross carrying values			Accumulated amortisation		Net carrying values	
	As at 01 April 2024	Additions	Disposals	As at 01 April 2024	Charge for the year	As at 31 March 2025	As at 31 March 2024
Product development	9.50	-	-	3.21	1.90	4.39	6.29
Software	0.41	-	-	0.41	-	-	-
Total Intangible assets	9.91	-	-	3.62	1.90	4.39	6.29

Particulars	Gross carrying values			Accumulated amortisation		Net carrying values	
	As at 01 April 2023	Additions	Disposals	As at 01 April 2023	Charge for the year	As at 31 March 2024	As at 31 March 2023
Product development	5.48	4.02	-	2.18	1.03	6.29	3.30
Software	0.41	-	-	0.41	-	-	-
Total Intangible assets	5.89	4.02	-	2.59	1.03	6.29	3.30

Notes to the consolidated financial statements for the year ended 31 March 2025 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

5E Intangible assets under development

Particulars	As at 31 March 2025	As at 31 March 2024
As at the beginning of the year	6.94	7.52
Additions	8.64	3.44
Transfers to intangible assets	–	(4.02)
As at the end of the year	15.58	6.94

The intangible assets under development ageing schedule as at 31 March 2025 and 31 March 2024 is as follows :

As at 31 March 2025						
Intangible assets under development	Less than 1 Year	1–2 years	2–3 years	More than 3 years	Total	
Projects in progress	8.64	2.68	1.58	2.68	15.58	
As at 31 March 2024						
Intangible assets under development	Less than 1 Year	1–2 years	2–3 years	More than 3 years	Total	
Projects in progress	2.68	1.58	1.31	1.37	6.94	

There are no projects as at each reporting period where activity had been suspended. Also there are no projects as at the reporting period which has exceeded cost as compared to its original plan or where completion is overdue.

F Borrowing costs capitalized/transferred to capital work in progress during the year amounts to ₹ 3.54 crores (previous year ₹ 2.80 crores) and the capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Group's borrowings during the year, in this case 9.00% (previous year 9.00%).

G (i) For details regarding charge on property, plant and equipment - refer note 19.

(ii) The Group has not revalued its property, plant and equipment during the year.

(iii) The Group does not have any benami property and no proceedings have been initiated or pending against the Group for holding any benami property, under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the rules made thereunder.

Notes to the consolidated financial statements for the year ended 31 March 2025 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024
NON-CURRENT ASSETS		
6 Investments		
Investment in equity instruments at FVTPL - unquoted		
Roop Ram Industries Private Limited	2.44	2.44
24,34,640 equity shares of ₹10/- each (31 March 2023: 24,34,640 equity shares of ₹10/- each)		
Rico Care Foundation (Sec 8 Company)	0.05	0.05
49,900 equity shares of ₹10/- each (31 March 2024: 49,900 equity shares of ₹10/- each)		
Dalavaipuram Renewables Private Limited	1.85	1.85
18,51,967 equity shares of ₹10/- each (31 March 2024: 18,51,967 equity shares of ₹10/- each)		
Aggregated book value and fair value of investments in un-quoted equity instruments at FVTPL	4.34	4.34
Aggregated amount of investments	4.34	4.34
7 Loans		
(unsecured, considered good)		
Loans to related parties (refer note 53)*	0.00	0.00
Less: Current maturities of loans to related parties*	0.00	0.00
* amount less than INR 1 cr.	0.00	0.00
8 Other financial assets		
(unsecured, considered good)		
Other financial assets carried at amortised cost		
Security deposits		
Security deposits	18.99	16.10
	18.99	16.10
9 Other non-current assets (unsecured, considered good)		
Capital advances	2.87	1.37
Contract costs (refer note 44)	1.11	3.26
Prepaid expenses	0.62	0.92
	4.60	5.56
CURRENT ASSETS		
10 Inventories		
(valued at lower of cost or net realisable value)		
Raw materials (includes goods in transit of ₹ 0.99 (31 March 2024: ₹ 0.39)	49.74	49.55
Work-in-progress	46.77	34.90
Finished goods (includes goods in transit of ₹ 18.67 (31 March 2024: ₹ 14.58)	149.14	148.61
Stores and spares	62.40	53.00
Total	308.05	286.05
i) The Group has provided for provision for inventories on raw materials and store and spares of INR 0.45 crores (31 March 2024: INR 0.36 crores) for the year ended 31 March 2025		
ii) The write-down of inventories to net realisable value during the year amounted to INR 0.34 crores (31 March 2024: INR 2.07 crores). The write-down is included in changes in inventories of finished goods.		
iii) Refer note 39D for information on assets charged as security by the Group.		
11 Trade receivables		
Trade receivables (refer note 48 for ageing schedule)	371.68	334.14
Total	371.68	334.14
Unsecured, considered good	370.32	332.89
Trade receivables – credit impaired	1.36	1.25
	371.68	334.14
Less: Allowances for credit loss	(1.36)	(1.25)
Total	370.32	332.89

For amounts due from related parties and terms and conditions, refer note 53.

No trade receivables are due from directors or officers of the Company either separately or jointly with any other person.

The trade receivables are non-interest bearing and generally on terms of 30 - 90 days.

Notes to the consolidated financial statements for the year ended 31 March 2025 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024
12 Cash and cash equivalents		
Cash on hand	0.08	0.07
Balances with banks		
On current accounts	8.62	8.31
Deposit with original Maturity of less than three months	1.76	—
Total	10.46	8.38
13 Bank balances other than cash and cash equivalents		
Unpaid dividend accounts*	0.36	0.69
Bank deposits with original maturity of more than 3 months and remaining maturity less than 12 months	9.08	12.43
Total	9.44	13.12
* These balances are not available for use by the group and has been kept in escrow accounts for unclaimed dividends.		
CURRENT ASSETS		
14 Loans (unsecured, considered good)		
Loans to employees	1.44	1.53
Total	1.44	1.53
(i) The Company has no loans and advances which are either repayable on demand or are without specifying any terms or period of repayment.		
(ii) No loans or advances are due by directors or other officers of the Company or any of them either severally or jointly with any other person. Further, no loans or advances are due by firms or private companies in which any director is a partner, a director or a member.		
15 Other financial assets (unsecured, considered good)		
Other financial assets carried at amortised cost		
Interest receivable	0.98	0.73
Export incentive receivable	0.13	1.55
Others	2.82	5.95
Total	3.93	8.23
16 Other current assets (unsecured, considered good)		
Advances to suppliers	5.24	22.78
Prepaid expenses	6.59	4.74
Balance with government authorities	8.50	6.63
Contract costs (refer note 44)	3.54	6.99
Others	3.18	3.84
	27.05	44.98
EQUITY AND LIABILITIES		
17 Equity share capital		
a) Authorised		
490,000,000 equity shares of ₹ 1/- each, 216,000,000 equity shares of ₹ 10/- each (31 March 2024: 490,000,000 equity shares of ₹ 1/- each, 216,000,000 equity shares of ₹ 10/- each)	265.00	265.00
5,000,000 redeemable preference shares of ₹ 10/- each (March 31, 2024: 5,000,000 redeemable preference shares of ₹ 10/- each)	5.00	5.00
b) Issued, subscribed and paid-up		
135,285,000 equity shares of ₹ 1/- each fully paid up (31 March 2024: 135,285,000 equity shares of ₹ 1/- each)	13.53	13.53
	13.53	13.53

Notes to the consolidated financial statements for the year ended 31 March 2025 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

c) Reconciliation of number of equity shares outstanding

Particulars	Year ended 31 March 2025		Year ended 31 March 2024	
	Amount	No. of shares	Amount	No. of shares
At the beginning of the year	13.53	135,285,000	13.53	135,285,000
Movement during the year	—	—	—	—
Outstanding at the end of the year	13.53	135,285,000	13.53	135,285,000

d) Description of the rights, preferences and restrictions attached to each class of shares
Rights, preferences and restrictions attached to equity shares

The Holding company has one class of equity shares having par value of INR 1 per share (31 March 2024: INR 1 per share). Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend which is paid as and when declared by the Board of Directors. All the existing equity shares rank pari passu in all respects including but not limited to dividends and shares in the company's residual assets on winding up.

The Company has paid final dividend of INR 0.60 per equity share of face value INR 1 each, which was declared during last year.

The Board of Directors at its Meeting held on 27 May 2025, has recommended a final dividend @ 50% i.e. INR 0.50 per equity share. The dates of the book closure for the entitlement of such final dividend and Annual General Meeting shall be decided and informed in due course of time.

In the event of liquidation of the Company, the share holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the share holders.

e) Details of shareholders holding more than 5% equity shares in the Holding Company

Name of shareholder	As at 31 March 2025		As at 31 March 2024	
	% of holding	No of shares	% of holding	No of shares
ASN Manufacturing and Services Private Limited	15.40	20,838,321	15.40	20,838,321
Mr. Arvind Kapur	10.44	14,118,043	10.44	14,118,043
Mr. Arun Kapur	6.48	8,770,849	6.48	8,770,849
Meraki Manufacturing and Finvest Advisors Private Limited	8.72	11,790,841	8.72	11,790,841
Higain Investments Private Limited	5.60	7,580,628	5.60	7,580,628

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

f) Details of shareholding of promoters

Promoter name	As at 31 March 2025			As at March 31 2024		
	No of shares	% holding	% of change during the year	No of shares	% holding	% of change during the year
Mr. Arvind Kapur	14,118,043	10.44%	—	14,118,043	10.44%	—
Mr. Arun Kapur	8,770,849	6.48%	—	8,770,849	6.48%	—
Mrs. Upasna Kapur	3,453,384	2.55%	—	3,453,384	2.55%	—
Mrs. Ritu Kapur	733,140	0.54%	—	733,140	0.54%	—
Ms. Nyla Kapur	383,440	0.28%	—	383,440	0.28%	—
Mr. Samarth Kapur	194,800	0.14%	—	194,800	0.14%	—
Mrs. Shivani Kapur	149,800	0.11%	—	149,800	0.11%	—
Mrs. Romilla Bahl	79,000	0.06%	—	79,000	0.06%	—
Mrs. Promila Sikka	4,000	0.00%	—	4,000	0.00%	—
ASN Manufacturing and Services Private Limited	20,838,321	15.40%	—	20,838,321	15.40%	—
Meraki Manufacturing and Finvest Advisors Private Limited	11,790,841	8.72%	—	11,790,841	8.72%	—
Higain Investments Private Limited	7,580,628	5.60%	—	7,580,628	5.60%	—
Total	68,096,246	50.34%	—	68,096,246	50.34%	—

g) The Company has not issued bonus shares, equity shares issued for considerations other than cash and also no shares has been bought back during the period of five years immediately preceeding 31 March 2025.

Notes to the consolidated financial statements for the year ended 31 March 2025 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024
18 Other equity		
Capital redemption reserve		
Opening balance	2.00	2.00
Changes during the year	—	—
Closing balance	2.00	2.00
Capital reserve		
Opening balance	14.49	14.49
Changes during the year	—	—
Closing balance	14.49	14.49
Securities premium		
Opening balance	145.04	145.04
Changes during the year	—	—
Closing balance	145.04	145.04
General reserve		
Opening balance	99.70	99.70
Changes during the year	—	—
Closing balance	99.70	99.70
Foreign currency translation reserve		
Opening balance	9.12	8.33
Changes during the year	1.05	0.79
Closing balance	10.17	9.12
Retained earnings		
Opening balance	436.16	406.16
Add : Profit for the year	21.41	38.94
Other Comprehensive Income for the period	(4.46)	1.80
Less : Dividend on equity shares (Final)	(8.12)	(10.15)
Less : transfer to non controlling interest	0.00	(0.59)
Closing balance	444.99	436.16
Total	716.39	706.51
Description of reserves		
a Capital reserve		
Capital reserve represent amount created on acquisition of business pursuant to Composite Scheme of Arrangement and Amalgamation.		
b Capital redemption reserve		
The same has been created on redemption of share capital and shall be utilised in accordance with provision of the Act.		
c Securities premium		
Securities premium reserve is used to record the premium on issue of shares. The reserve will be utilised in accordance with provisions of the Act.		
d General reserve		
General Reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purposes.		
e Retained earnings		
Retained earnings are the accumulated profits earned by the company till date, as adjusted for distribution to owners.		
NON-CURRENTS LIABILITIES		
19 Borrowings*		
Secured, at amortised cost		
Term loan		
From banks		
Foreign currency loans	50.84	65.36
Rupee loans	173.28	195.88
From Financial institutions		
Rupee loans	191.02	122.46
Vehicle loans		
From financial institutions	0.30	0.63
From banks	2.66	2.92

Notes to the consolidated financial statements for the year ended 31 March 2025 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024
Unsecured loan, at amortized cost		
Term loan		
From banks		
Rupee loans	30.63	—
From related party (refer note 45)	6.89	9.40
	<u>455.61</u>	<u>396.65</u>
Less: Amount clubbed under "Current borrowings" (Current maturities of long term borrowings)	123.30	89.97
Aggregate secured borrowings	<u>332.32</u>	<u>306.68</u>
*Also, refer Note 19 (A) and 19 (B)		
A Security Details – non-current secured loans		
1 Buyer's credit facility from Yes Bank Limited carries interest @JPYbor + 0.95% per annum and is repayable against disbursement of term loan which is repayable in 8-9 quarterly installments. The facility is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future) and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram. Loan.	5.32	—
2 Buyer's credit facility from Axis Bank Limited carries interest @Jpybor + 0.65% to 1.53% per annum (previous year Jpybor + 0.65% to 1.53%) and is repayable against disbursement of term loan which is repayable in 9 quarterly installments. The facility is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future) and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram. This loan is fully repaid on 07-Aug-24.	—	11.21
3 Buyer's credit facility from Indusind Bank Limited carries interest @Euribor +0.50% per annum (previous year Euribor + 0.50% per annum) and is repayable against disbursement of term loan which is repayable in 12-15 quarterly installments. The facility is secured by first pari passu charge on machinery etc purchased against the facility and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Chennai and Pathredi.	45.52	54.15
4 Rupee term loan from Yes Bank Limited carries interest @ 10.70% to 10.80% per annum (previous year 9.25% to 10.80% per annum) and is repayable in 16 equal quarterly installments. The term loan is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future) and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram. This loan is fully repaid on 30-June-24.	—	1.16
5 Rupee term loan from Yes Bank Limited carries interest @ 10.30% to 10.90% per annum (previous year 8.90% to 10.45% per annum) and is repayable in 16 equal quarterly installments. The term loan is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future) and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram. This loan is fully repaid on 06-Aug-24.	—	0.95
6 Rupee term loan from Yes Bank Limited carries interest @ 10.30% to 10.90% per annum (previous year 8.90% to 10.30% per annum) and is repayable in 16 equal quarterly installments. The term loan is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future) and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram. This loan is fully repaid on 27-Dec-24.	—	2.40
7 Rupee term loan from Yes Bank Limited carries interest @ 10.70% to 10.90% per annum (previous year 10.00% to 10.70% per annum) and is repayable in 16 equal quarterly installments. The term loan is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future) and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram. This loan is fully repaid on 27-Dec-24.	—	3.39
8 Rupee term loan from Yes Bank Limited carries interest @ 10.90% per annum (previous year 10.45% per annum) and is repayable in 16 equal quarterly installments. The term loan is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future) and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram. This loan is fully repaid on 27-Dec-24.	—	0.82

Notes to the consolidated financial statements for the year ended 31 March 2025 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024
9 Rupee term loan from Yes Bank Limited carries interest @ 10.35% to 10.90% per annum (previous year 10.35% per annum) and is repayable in 4 equal quarterly installments. The term loan is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future) and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram. This loan is fully repaid on 05-June-24.	–	1.23
10 Rupee term loan from Yes Bank Limited carries interest @ 9.20% to 9.25% per annum and is repayable in 20 equal quarterly installments. The term loan is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future) and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram.	12.73	–
11 Rupee term loan from IndusInd Bank Limited carries interest @ 10.45% per annum (previous year 9.25% to 10.45% per annum) and is repayable in 24 quarterly installments. The term loan is secured by first pari passu charge on mahinery etc purchased against the facility and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Chennai and Pathredi. This loan is fully repaid on 25-April-24.	–	8.40
12 The Company has taken term loan alongwith a principal only swap (INR to Euro) from Kotak Mahindra Bank Limited. The loan carries interest @ 9.90% to 10.00% per annum (previous year 9.45% to 9.90% per annum) and is repayable in 16 equal quarterly installments after moratorium of 6 quarters starting December 2020. The term loan is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future) and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram. This loan is fully repaid on 25-Sept-24.	–	1.97
13 Rupee term loan from Kotak Mahindra Bank Limited carries interest @ 9.95% to 10.05% per annum (previous year 9.45% to 9.95% per annum) and is repayable in 16 equal quarterly installments after moratorium of 12 quarters starting February,2022. The term loan is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future) and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram. This loan is fully repaid on 30-Jan-25.	–	0.79
14 The company has converted rupee term loan in euro, a cross currency swap from Kotak Mahindra Bank Limited, carries interest @ 3.05% per annum on euro notional (previous year 3.05 % per annum) and is repayable in 16 equal quarterly installments after moratorium of 12 quarters starting December 2021. The term loan is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future) and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram.	4.05	12.16
15 Rupee term loan from Kotak Mahindra Bank Limited carries interest @ 10.00% to 10.20% per annum (previous year 9.20% to 10.00% per annum) and is repayable in 16 equal quarterly installments after moratorium of 9 quarters starting February 2022. The term loan is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future) and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram. This loan is fully repaid on 30-Jan-25.	–	2.20
16 Rupee term loan from Kotak Mahindra Bank Limited carries interest @ 10.10% per annum (previous year 9.95% to 10.10% per annum) and is repayable in 16 equal quarterly installments after moratorium of 3 quarters starting August 2020. The term loan is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future) and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram. This loan is fully repaid on 13-May-24.	–	1.74
17 Rupee term loan from Axis Bank Limited carries interest @ 10.00% to 10.20% per annum (previous year 8.85% to 10.00% per annum) and is repayable in 12 quarterly installments after moratorium of 8 quarters starting Sep 2024. The term loan is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future) and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram.	14.06	8.54
18 Rupee term loan from Karnataka Bank carries interest @ 9.30% to 10.30% per annum (previous year 9.00% to 9.90% per annum) and is repayable in 24 quarterly installments after moratorium of 5 quarters starting from Sep 2023. The term loan is secured by the first pari passu charge on machinery etc purchased against the facility and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Chennai and Pathredi.	57.95	59.84

Notes to the consolidated financial statements for the year ended 31 March 2025 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024
19 Rupee term loan from HDFC Bank Limited carries interest @ 9.00% to 10.75% per annum (previous year 9.50% to 10.50% per annum) and is repayable in 20 equal quarterly installments after moratorium of 4 quarters starting January 2022. The term loan is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future) and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram.	8.75	13.75
20 Rupee working capital term loan (ECLGS) from Yes Bank Limited carries interest @ 9.25% per annum (previous year 9.25% per annum) and is repayable in 48 equal monthly installments after moratorium of 12 months starting April 2022. The term loan is secured by second pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future), second pari passu charge on mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram and second pari passu charge on all the current assets of the Company including all types of stocks and book debts / receivables (both present and future).	4.25	8.50
21 Rupee working capital term loan (ECLGS) from Kotak Mahindra Bank Limited carries interest @ 9.20% to 9.25% per annum (previous year 8.80% to 9.20% per annum) and is repayable in 48 monthly installments after moratorium of 12 months starting February 2022. The term loan is secured by second pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future), second pari passu charge on mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram and second pari passu charge on all the current assets of the Company including all types of stocks and book debts / receivables (both present and future).	7.44	14.61
22 Rupee working capital term loan (ECLGS) from State Bank of India carries interest @ 9.25% per annum (previous year 9.25% per annum) and is repayable in 48 equal monthly installments after moratorium of 24 months starting January, 2024. The term loan is secured by second pari passu charge on all the current assets of the Company including all types of stocks and book debts / receivables (both present and future).	6.03	8.17
23 Rupee working capital term loan (ECLGS) from Axis Bank Limited carries interest @ 9.20% to 9.25% per annum (previous year 8.90% to 9.30% per annum) and is repayable in 48 equal monthly installments after moratorium of 24 months starting February, 2024. The term loan is secured by second pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future), second pari passu charge on mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram and second pari passu charge on all the current assets of the Company including all types of stocks and book debts / receivables (both present and future).	5.82	8.33
24 Rupee working capital term loan (ECLGS) from HDFC Bank Limited carries interest @ 9.00% per annum (previous year 9.00% per annum) and is repayable in 48 equal monthly installments after moratorium of 24 months starting April, 2025. The term loan is secured by second pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future), second pari passu charge on mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram and second pari passu charge on all the current assets of the Company including all types of stocks and book debts / receivables (both present and future).	12.00	12.00
25 Rupee Working Capital term loan from ICICI Bank carries interest rate @ 9.00% per annum (previous year 9.00% per annum) and is repayable in 12 equal quarterly installments starting from May, 2024. The term loan is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future) and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram.	10.00	15.00
26 Rupee term loan from ICICI Bank carries interest rate @ 9.00% per annum (previous year 9.00% per annum) and is repayable in 18 equal quarterly installments after moratorium of 3 quarters starting December, 2024. The term loan is secured by first pari passu charge (unless specifically charged) by way of hypothecation on all the movable fixed assets of the company (both present and future) and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram.	17.78	9.92
27 Rupee term loan from HDFC Bank Limited carries interest @ 8.71% to 9.00% per annum and is repayable in 7 quarterly installments starting August 2024. The term loan is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future) and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram.	4.85	—

Notes to the consolidated financial statements for the year ended 31 March 2025 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024
28 Rupee term loan from Bajaj Finance Limited carries interest @ 9.85% per annum (previous year 9.50% to 9.85% per annum) and is repayable in 20 quarterly installments after moratorium of 5 quarters starting May 2021. The term loan is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future) and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram. This loan is fully repaid on 05-July-24.	–	9.79
29 Rupee term loan from Bajaj Finance Limited carries interest @ 9.00% per annum and is repayable in 60 Monthly installments after moratorium of 12 months starting Feb'26. The term loan is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future) and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram.	75.00	–
30 Rupee working capital term loan from Axis Finance Limited carries interest @ 9.90% to 10.50% per annum (previous year 9.00% to 10.25% per annum) and is repayable in 18 quarterly installments after moratorium of 12 months starting from December 2023. The term loan is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company.	50.00	66.67
31 Vehicle loans are secured by hypothecation of vehicles financed and are repayable in monthly instalments ranging from 47-60 carrying interest @ 7.20% to 9.50% per annum (Previous year 7.20% to 9.50% per annum).	2.96	3.51
32 Rupee term loan from Axis Finance Limited carries interest @ 10.00% to 10.20% per annum (previous year 9.50% to 10.00% per annum) and is repayable in 24 equal quarterly installments starting December-2023. The term loan is secured by first and exclusive charge on the moveable fixed assets, mortgage over immovable properties at Manesar plant and Bawal Plant of the company and first pari passu charge on current assets.	38.02	46.01
33 Rupee term loan from Axis Finance Limited carries interest @ 10.25% to 10.45% per annum and is repayable in 19 equal quarterly installments starting May-2025. The term loan is secured by first and exclusive charge on the moveable fixed assets, mortgage over immovable properties at Bawal Plant of the company and first pari passu charge on current assets.	28.00	–
34 Rupee term loan from ICICI Bank carries interest rate @ 9.00% per annum and is repayable in 18 equal quarterly installments after moratorium of 2 quarters starting January'2025. The term loan is secured by exclusive charge (unless specifically charged) by way of hypothecation on all the movable fixed assets of the company (both present and future).	7.56	–
35 Vehicle loans are secured by hypothecation of vehicles financed and are repayable in monthly instalments ranging from 47-60 carrying interest @ 8.50% per annum (Previous year 8.50% per annum). This loan is fully repaid on 15-Oct-24.	–	0.04
Loans from Related Parties – Non current unsecured	6.86	9.40
	424.96	396.65
Security Details - non-current Unsecured loans		
Rupee working capital term loan from Shinhan Bank carries interest @ 8.20% to 8.45% per annum and is repayable in 16 quarterly installments starting November'2024.	30.63	–
	30.63	–
B Security Details – Current Secured Loans		
1 Working capital loans/facilities are secured against first pari passu charge on all the current assets of the Company including all types of stocks and book debts / receivables (both present and future) carrying interest rate ranging from 7.95% to 10.60% per annum (previous year 6.11% to 10.75% per annum).	140.78	165.98
2 Working capital loans/facilities from ICICI Bank Ltd are secured against first pari passu charge on all the current assets of the Company including all types of stocks and book debts / receivables (both present and future) carrying interest rate ranging from 8.99% to 10.00% per annum (previous year 9.85% to 10.00% per annum).	1.00	2.95
Current Unsecured loans		
3 Working capital facility for sale bill discounting from various banks carries interest @ 8.28% to 8.50% per annum (previous year 7.58% to 8.50% per annum).	37.52	36.35
4 Working capital facility for sale bill discounting from various banks carries interest @ 8.50% to 8.92% per annum (previous year 8.50% per annum).	38.08	44.96
5 Loans from related parties.	–	8.09
	217.39	258.33
Total borrowings	672.99	654.98

Additional disclosures:

- The Group has utilised the borrowings for the purpose it was taken.
- One of the lender of the Holding Company has also waived the compliance with specific covenant under their loan agreements.
- The quarterly returns/statements of current assets filed with the banks/financial institutions are in agreement with the books of accounts.

Notes to the consolidated financial statements for the year ended 31 March 2025 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024
20 Provisions		
Provision for gratuity (refer note 41)	19.66	15.57
Provision for compensated absences	1.64	1.32
Provision for warranty* (refer note 25)	0.29	0.22
Total	21.59	17.11
CURRENT LIABILITIES		
21 Borrowings		
Working capital loans		
Secured, at amortised cost*		
From banks		
Working Capital Demand Loan from banks in INR	14.00	47.75
Working capital rupee loans	127.78	121.18
Rupee loans	141.78	168.93
	141.78	168.93
Unsecured, at amortised cost		
Bills discounting	75.61	81.27
Loans from related parties	—	8.14
TOTAL (B)	75.61	89.41
Current maturities of long-term borrowings (C)*	123.29	89.97
Total (A+B)	340.67	348.30
*Also, refer note 19 (A) and 19 (B) for security and other details.		
22 Trade payables		
Payable to micro enterprises and small enterprises (refer note 49)	33.33	32.76
Payable to other than micro enterprises and small enterprises	398.78	344.65
Total	432.12	377.41
For amounts due to related parties and terms and conditions, refer note 53		
Terms and conditions of the above financial liabilities:		
For explanations on the Company's risk management processes, refer to note 39. Acceptances are arrangements where operational suppliers of goods and services are initially paid by banks/ financial institutions while the Company continues to recognise the liability till settlement with the banks/financial institutions, which are normally effected within payable days.		
23 Other financial liabilities		
I. Derivatives at fair value through profit and loss		
Derivative liability measured at fair value (refer note 37)	0.63	0.73
Total (I)	0.63	0.73
II. Other financial liabilities at amortised cost		
Interest accrued but not due on borrowings	1.14	1.56
Unclaimed dividends	0.36	0.69
Security deposits	5.19	4.33
Capital creditors	9.69	8.45
Employee benefits payable	5.43	5.89
Land enhancement charges payable	8.93	8.93
Other liabilities	—	3.63
Total (II)	30.74	33.48
Total (I+II)	31.37	34.21
24 Other liabilities		
Statutory liabilities	27.68	18.96
Contract liabilities— advance from customers* (refer note 49)	9.08	9.37
Other liabilities	0.80	0.41
Total	37.56	28.75
*Represents non-interest bearing advances from customers, expected to be recognised within the period of 1 year.		
25 Provisions		
Provision for gratuity (refer note 42)	0.84	0.79
Provision for compensated absences	0.31	0.32
Provision for warranty*	0.31	0.21
Total	1.47	1.32
*Movement in provision for warranty		
Opening Balance	0.43	0.26
Add: Charge for the year (refer to note 35)	0.70	0.49
Less: Utilised during the year	(0.53)	(0.32)
Closing provision	0.60	0.43

* The subsidiary company i.e. Rico Fluidtronics Limited gives warranty on sale of goods. The provision for warranty is made on the basis of management estimate of expected claims basis the Company's past experience. This reflects management's estimate of its liability towards warranty expenses.

Notes to the consolidated financial statements for the year ended 31 March 2025 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
26 Revenue from operations		
Operating revenue		
Sale of products	2,160.01	2,122.76
Sale of services	2.48	2.71
	<u>2,162.49</u>	<u>2,125.47</u>
Other operating revenue		
Sales of scrap	30.00	17.84
Duty draw back and other incentives	7.89	10.76
Others	12.02	5.66
	<u>49.91</u>	<u>34.26</u>
Total	<u>2,212.40</u>	<u>2,159.73</u>
Reconciliation of Revenue Recognised with contracted price is as follows :		
Contract price	2,191.03	2,143.70
Adjustments to the contract price - cash discount and credit notes	(28.54)	(18.23)
Revenue Recognised	<u>2,162.49</u>	<u>2,125.47</u>
The Adjustment made to the contract price comprises of cash discount, returns, and credits under the head "Operating Revenue".		
The amount of INR 9.37 crores included in contract liabilities at 31 March 2024 has been recognised as revenue during the year ended 31 March 2025. (31 March 2024: INR 10.30 crores).		
No information is provided about remaining performance obligations at 31 March 2024 or at 31 March 2023 that have an original expected duration of one year or less, as allowed by Ind AS 115.		
Refer note 44 for disclosure requirements as per Ind AS 115 - "Revenue from contracts with customers".		
27 Other income		
Interest income under the effective interest method	2.96	3.39
Exchange rate fluctuation (net)	1.71	3.64
Rental income	2.90	1.89
Miscellaneous Income	5.24	5.80
Total	<u>12.81</u>	<u>14.73</u>
28 Cost of materials consumed		
Raw material and components		
Opening stock	49.55	58.65
Add : Purchases during the year	1,347.62	1,236.31
Less : Closing stock	49.74	49.55
Raw material and components consumed	<u>1,347.43</u>	<u>1,245.24</u>
29 Changes in inventories of finished goods and work in progress		
(a) Work-in-progress		
Opening stock	34.90	32.77
Closing stock	46.77	34.90
	<u>(11.86)</u>	<u>(2.13)</u>
(b) Finished goods		
Opening stock	148.61	155.75
Closing stock	148.49	148.61
	<u>0.12</u>	<u>7.14</u>
Total	<u>(11.75)</u>	<u>5.01</u>
30 Other manufacturing expenses		
Consumption of stores and spares	76.23	79.63
Power and fuel	171.82	181.96
Total	<u>248.05</u>	<u>261.59</u>
31 Employee benefit expenses		
Salaries, wages and bonus	284.62	275.81
Contribution to provident and other funds	14.33	12.20
Staff welfare expenses	14.12	13.30
Total	<u>313.06</u>	<u>301.31</u>

Notes to the consolidated financial statements for the year ended 31 March 2025 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
32 Finance costs		
Interest on debts, borrowings and lease liabilities measured at amortised cost	54.98	55.37
Other borrowing costs	1.01	2.87
Total	55.99	58.24
33 Other expenses		
Rent (Refer Note 46)	1.56	1.91
Freight and forwarding charges	59.77	66.42
Legal and professional	14.92	13.43
Repairs and Maintenance		
Repairs to machinery	8.38	7.63
Repairs to buildings	1.08	1.40
Others	4.38	3.15
Rates & taxes	1.07	1.25
Traveling and conveyance	4.82	5.36
Insurance	5.03	5.13
Amortisation of contract assets	5.60	5.53
Directors' sitting fees	0.45	0.52
Commission to Directors	0.50	0.63
Allowances for bad and doubtful receivables and advances	0.10	0.32
CSR Expenses	0.72	0.49
Vehicle running and maintenance expenses	3.61	3.32
Loss on sale of property, plant and equipments	6.87	—
Marketing and sales promotion	2.39	1.26
Miscellaneous expenses	5.89	6.63
Total	127.14	124.56
34 Exceptional items		
Expenditure incurred on account of vountry retirement scheme	1.14	2.58
Total	1.14	2.58
35 Income tax		
A The reconciliation of estimated income tax expense at statutory income tax rate is as follows:		
Accounting profit before income tax expense	42.59	57.43
Computed income tax using the tax rates applicable to individual entities	15.14	21.77
Tax impact of deductible/non-deductible expenses		
– Tax adjustments for earlier years	(0.90)	(2.13)
– Impact of change in tax rate	(14.37)	—
– MAT written off (net of reversal of tax liability)	19.17	—
– Others	2.14	(1.15)
Income tax expense reported in statement of profit and loss	21.18	18.49
B The major components of income tax expense for the year ended 31 March 2025 and 31 March 2024 are:		
Recognised in the statement of profit and loss		
Current tax	8.41	14.01
Deferred tax expense	13.67	6.61
Tax adjustments for earlier years	(0.90)	(2.13)
Total tax expense charged in statement of profit and loss	21.18	18.49
Recognised in the other comprehensive income		
Deferred tax expense related to items recognised in OCI during the year		
Net gain/(loss) on remeasurement of defined benefit obligations	(0.90)	0.06
Effective portion of gain on designated portion of hedging instruments in a cash flow hedge	(0.23)	1.42
Tax expense charged in OCI	(1.13)	1.48

Notes to the consolidated financial statements for the year ended 31 March 2025 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

Deferred tax liabilities/(assets) in relation to:	Opening balance	Recognised /(reversed) through profit and loss	Recognised /(reversed) through OCI	Closing Balance
Deferred tax liabilities (net)				
For the year ended 31 March 2025:				
Deferred tax liabilities				
Depreciation and amortisation	50.54	0.45	—	50.99
Financial assets and liabilities at amortised cost (including leases)	5.96	0.30	—	6.26
Others	4.04	(5.18)	—	(1.14)
	<u>60.54</u>	<u>(4.43)</u>	<u>—</u>	<u>56.11</u>
Deferred tax assets				
Employee benefits	(9.59)	2.00	(0.90)	(8.49)
Carry forward losses and tax credit entitlement	(33.92)	26.23	—	(7.69)
Reversal of tax liability	—	(7.06)	—	(7.06)
Others	(1.50)	4.00	(0.23)	2.27
	<u>(45.01)</u>	<u>25.17</u>	<u>(1.13)</u>	<u>(20.97)</u>
Net deferred tax liabilities	<u>15.53</u>	<u>20.74</u>	<u>(1.13)</u>	<u>35.14</u>
For the year ended 31 March 2024:				
Deferred tax liabilities				
Depreciation and amortisation	49.50	1.04	—	50.54
Financial assets and liabilities at amortised cost (including leases)	5.75	0.21	—	5.96
Others	4.16	(0.12)	—	4.04
	<u>59.41</u>	<u>1.13</u>	<u>—</u>	<u>60.54</u>
Deferred tax assets				
Employee benefits	(6.22)	(3.43)	0.06	(9.59)
Carry forward losses and tax credit entitlement	(45.04)	11.12	—	(33.92)
Others	(0.71)	(2.21)	1.42	(1.50)
	<u>(51.97)</u>	<u>5.48</u>	<u>1.48</u>	<u>(45.01)</u>
Net deferred tax liabilities	<u>7.44</u>	<u>6.61</u>	<u>1.48</u>	<u>15.53</u>

The Group offsets tax assets and tax liabilities if and only if it has a legal enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relates to income tax levied by the same tax authorities.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. The same is assessed every year basis business projections of taxable profits in future. There are no un-recognized deferred taxes and liabilities as at 31 March 2025 and 31 March 2024.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Section 115BAA of the Income Tax Act, 1961, introduced by the Taxation Laws (Amendment) Ordinance, 2019, allows any domestic company to pay income tax at the rate of 25.17%, effective from the fiscal year 2019-20, subject to the condition that they will not avail any incentives or exemptions. This new tax scheme provides an option for a lower tax base of 25.17%, while the existing tax rate is 34.94%. The Holding company has opted to shift under new tax regime from FY 2024-25 and has re-measured its deferred tax balances.

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
36 Earnings per share		
Profit after tax (A)(₹ in crores)	21.41	38.94
Weighted average number of equity shares (basic/diluted) (B)	135,285,000	135,285,000
Nominal value of equity share (₹)	1.00	1.00
Earnings per share - basic/diluted (A/B) (₹)	<u>1.58</u>	<u>2.88</u>

Notes to the consolidated financial statements for the year ended 31 March 2025 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

37 Financial instruments
A Financial Instruments by Category

The carrying amounts and fair values of financial instruments by category are as follows:

Particulars	As at 31 March 2025			As at 31 March 2024		
	Derivate (FV) used for Hedging	FVTPL	Amortized Cost*	Derivate (FV) used for Hedging	FVTPL	Amortized Cost*
Financial assets						
Non-current						
Investments#	—	4.34	4.34	—	4.34	4.34
Loans	—	—	—	—	—	—
Other financial assets	—	—	18.99	—	—	16.10
Current						
Trade Receivables	—	—	370.32	—	—	332.89
Cash and cash equivalents	—	—	10.46	—	—	8.38
Bank balances other than cash and cash equivalents	—	—	9.44	—	—	13.12
Loans	—	—	1.44	—	—	1.53
Other financial assets	—	—	3.93	—	—	8.23
	—	4.34	418.92	—	4.34	384.58
Financial liabilities						
Non-current						
Borrowings (excluding current maturities of long term borrowings)	—	—	332.32	—	—	306.68
Lease liabilities	—	—	16.82	—	—	23.47
Current						
Borrowings	—	—	340.67	—	—	348.30
Lease liabilities	—	—	7.52	—	—	10.04
Trade payables	—	—	432.12	—	—	377.41
Other financial liabilities	—	0.63	30.74	—	0.73	33.48
	—	0.63	1,160.19	—	0.73	1,099.38

* The management assessed that the fair values of current financial assets and liabilities significantly approximate their carrying amounts largely due to the current maturities of these instruments. Accordingly, management has not disclosed fair values for financial instruments such as trade receivables, trade payables, cash and cash equivalents, other current assets, other current liabilities etc.

The investment in equity shares of subsidiaries are measured at cost.

The fair value of non-current financial assets and financial liabilities are determined by discounting future cash flows using current rates of instruments with similar terms and credit risk. The current rates used do not reflect significant changes from the discount rates used initially. Therefore, the carrying value of these instruments measured at amortised cost approximate their fair value.

The fair value of non-current borrowings are determined basis prevailing interest rate and other terms and conditions. The carrying value approximate their fair value.

B Fair value hierarchy

The categories used are as follows:

Level 1: Quoted price in active market.

Level 2: Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Discounted cash flow method is used to capture the present value of the expected future economic benefits that will flow to the company.

B.1 Financial assets and liabilities measured at fair value – recurring fair value measurements

Particulars	As at	Level 1	Level 2	Level 3	Total
Derivative asset	31 March 2025	—	—	—	—
Derivative liability	31 March 2025	—	0.63	—	0.63
Derivative asset	31 March 2024	—	—	—	—
Derivative liability	31 March 2024	—	0.73	—	0.73
Investment in equity instruments at FVTPL - unquoted	31 March 2025	—	4.34	—	4.34
Investment in equity instruments at FVTPL - unquoted	31 March 2024	—	4.34	—	4.34

There have been no transfers between Level 1 and Level 2 during the year ended 31 March 2025.

C Derivative financial instruments and hedge accounting

The Company's exposure arises mainly on import (of raw material and capital items), export (of finished goods) and foreign currency borrowings. The Company follows a policy of matching of import and export exposures (natural hedge) to reduce the net exposure in any foreign currency. Whenever the natural hedge is not available or is not fully covering the foreign currency exposure of the Company, management uses certain derivative instruments to manage its exposure to the foreign currency risk.

Notes to the consolidated financial statements for the year ended 31 March 2025 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

Foreign currency transactions are managed within approved policy parameters. The Company uses forward contracts, cross currency swap and interest rate swaps to hedge its exposure to foreign currency and interest rate risk. Effective April 1, 2019, these derivatives are designated as hedging instruments in respect of foreign currency risk and interest rate risk in cash flow hedges.

The Company enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Foreign exchange forward contracts are valued using valuation techniques, which employ the use of market observable inputs. The most frequently applied valuation techniques include forward pricing using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies and forward rate curves of the underlying. All derivative contracts are fully cash collateralised, thereby eliminating both the counterparty and the Company's own non-performance risk. As at 31 March 2024 the marked-to-market value of derivative asset positions is net of a credit valuation adjustment attributable to derivative counterparty default risk. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognised at fair value.

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The economic relationship and hedge effectiveness are based on the qualitative factors and the use of a hypothetical derivative where appropriate.

The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk and notional amount of the hedging instruments are identical to the hedged items.

Impact of hedging activities

(i) Effects of hedge accounting on balance sheet as at 31 March 2025 :

Type of hedge and risks	Notional amount	Carrying amount of hedging instruments		Maturity dates	Weighted average strike price/rate	Change in fair value of hedging instruments	Change in value of hedged item used as the basis for recognising hedge effectiveness
		Assets	Liabilities				
Cash flow hedge							
Foreign exchange risk							
Derivative instruments							
(i) Cross currency swaps	EUR 521,003	–	0.70	Apr 2020 - Sep 2025	77.81	1.07	1.07
(ii) Forward contracts	USD 2,195,605	0.07	–	Apr 2025 - Nov 2025	86.63	0.09	0.09
(iii) Forward contracts	EUR 5,450,000	0.00	–	Apr 2025 - Feb 2026	93.64	0.88	0.88
Interest rate risk							
(i) Interest rate swap							
Total		0.07	0.70				

Effects of hedge accounting on balance sheet as at 31 March 2024 :

Type of hedge and risks	Notional amount	Carrying amount of hedging instruments		Maturity dates	Weighted average strike price/rate	Change in fair value of hedging instruments	Change in value of hedged item used as the basis for recognising hedge effectiveness
		Assets	Liabilities				
Cash flow hedge							
Foreign exchange risk							
Derivative instruments							
(i) Cross currency swaps	EUR 1,781,508	–	1.77	Apr 2020 - Sep 2025	77.83	2.08	2.08
(ii) Forward contracts	USD 3,065,000	0.16	–	Apr 2023 - Feb 2025	84.07	0.19	0.19
(iii) Forward contracts	EUR 4,100,000	0.89	–	Oct 2022 - Oct 2024	93.06	3.29	3.29
Interest rate risk							
(i) Interest rate swap	EUR 1,584,943	–	–	Apr 2020 - Sep 2024	2.80%	(0.31)	(0.31)
Total		1.04	1.77				

Notes to the consolidated financial statements for the year ended 31 March 2025 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

(ii) Effects of hedge accounting on statement of profit and loss account for the year ended 31 March 2025 :

Type of hedge	Change in value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised	Amount reclassified from cash flow hedge reserve
Cash flow hedge			
Foreign exchange and Interest rate risk	0.10	–	5.54

Effects of hedge accounting on statement of profit and loss account for the year ended 31 March 2025 :

Cash flow hedge			
Foreign exchange risk	4.05	–	1.99

(iii) Movement in cash flow hedge reserve

Particulars	Foreign currency and interest rate risk (As at March 31 2025)	Foreign currency and interest rate risk (As at March 31, 2024)
Opening balance	7.38	5.32
Add: Changes in fair value of hedging instruments	0.10	4.05
Less: Amounts reclassified to profit or loss	(5.54)	(1.99)
Less: Deferred tax relating to above (net)		
Closing balance	1.93	7.38

38 CAPITAL MANAGEMENT

The Company's capital management objectives are:

The capital structure of the Group consists of debt, cash and cash equivalents and equity attributable to equity shareholders of the Group which comprises issued share capital (including premium) and accumulated reserves disclosed in the Statement of Changes in Equity. The Group's capital management objective is to achieve an optimal weighted average cost of capital while continuing to safeguard the Group's ability to meet its liquidity requirements (including its commitments in respect of capital expenditure) and repay loans as they fall due. The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is debt divided by total equity. The Group's policy is to keep an optimum gearing ratio. The Group includes within debt, interest bearing loans and borrowings.

Total debt divided by total equity

	As at 31 March 2025	As at 31 March 2024
Total debts*	697.33	688.49
Total equity #	732.87	722.99
Debt equity ratio	0.95	0.95

* includes short term and long term borrowings & lease liabilities

includes equity share capital and other equity

39 Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's principal financial assets other than derivatives comprise investments, loans given, trade and other receivables and cash and cash equivalents that derive directly from its operations. The Company also enters into foreign exchange derivative transactions.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the mitigation of these risks. The Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in foreign exchange derivatives for speculative purposes will be undertaken. The policies for managing each of these risks, which are summarized below:-

39A Market risk:

Market risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of two types of risks namely currency risk and interest rate risk. The objective of the market risk management is to manage and control market risk exposure within acceptable parameters while optimising the return.

Notes to the consolidated financial statements for the year ended 31 March 2025 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

a. Foreign currency risk:

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency), investments & borrowing in foreign currency, etc.

The Company's exposure arises mainly on import (of raw material and capital items), export (of finished goods) and foreign currency borrowings. The Company follows a policy of matching of import and export exposures (natural hedge) to reduce the net exposure in any foreign currency. Whenever the natural hedge is not available or is not fully covering the foreign currency exposure of the Company, management uses certain derivative instruments to manage its exposure to the foreign currency risk. Foreign currency transactions are managed within approved policy parameters.

(i) Particulars of unhedged foreign currency exposure as at the reporting date

The Company exposure (without considering the derivative contracts) to foreign currency risk at the end of the reporting period expressed in INR are as follows:

Particulars	CNY	AED	THB	USD	JPY	EURO	GBP	KRW	Total
As at 31 March 2025									
Trade payables	—	—	—	9.46	0.32	4.97	3.18	—	17.93
Other payables	—	—	—	—	—	—	—	—	—
Borrowings:									
Term loan#	—	—	—	—	5.32	50.42	—	—	55.73
Less: Investments	—	—	—	—	—	—	—	—	—
Less: Cash & Bank	—	—	—	0.07	—	0.00	—	0.00	0.07
Less: Trade receivables	—	—	—	15.37	—	35.12	—	—	50.49
Net payable / (receivable)	—	—	—	(5.97)	5.64	20.27	3.18	(0.00)	23.09
Impact on profit and loss account on account of change in currency									
Sensitivity to increase of 1%	—	—	—	0.06	(0.06)	(0.20)	(0.03)	0.00	(0.23)
Sensitivity to decrease of 1%	—	—	—	(0.06)	0.06	0.20	0.03	(0.00)	0.23
Impact on equity, net of tax on account of change in currency									
Sensitivity to increase of 1%	—	—	—	0.04	(0.04)	(0.15)	(0.02)	0.00	(0.17)
Sensitivity to decrease of 1%	—	—	—	(0.04)	0.04	0.15	0.02	(0.00)	0.17

Includes INR to EURO Swap amounting to EURO 5,21,003 outstanding as at 31 March 2025.

As at 31 March 2024

Trade payable	—	0.01	0.01	15.49	0.08	3.50	3.15	—	22.24
Other Payables	—	—	—	—	—	—	—	—	—
Borrowings:									
Term loan#	—	—	—	—	11.21	70.47	—	—	81.69
Less: Investments	—	—	—	—	—	—	—	—	—
Less: Cash & Bank	—	—	—	0.02	—	0.00	—	—	0.02
Less: Trade receivable	—	—	—	21.89	—	48.05	—	0.00	69.94
Net payable / (receivable)	—	0.01	0.01	(6.42)	11.29	25.92	3.15	(0.00)	33.97
Impact on profit and loss account on account of change in currency									
Sensitivity to increase of 1%	—	(0.00)	(0.00)	0.06	(0.11)	(0.26)	(0.03)	0.00	(0.34)
Sensitivity to decrease of 1%	—	0.00	0.00	(0.06)	0.11	0.26	0.03	(0.00)	0.34
Impact on equity, net of tax on account of change in currency									
Sensitivity to increase of 1%	—	(0.00)	(0.00)	0.04	(0.07)	(0.17)	(0.02)	0.00	(0.22)
Sensitivity to decrease of 1%	—	0.00	0.00	(0.04)	0.07	0.17	0.02	(0.00)	0.22

Includes INR to EURO Swap amounting to EURO 17,81,508 outstanding as at 31 March 2024.

Derivatives outstanding at the reporting date:

Particulars	Currency sold	As at 31 March 2025	As at 31 March 2024
Forward contract (sell) against exports	USD	19.02	25.77
Forward contract (sell) against exports	Euro	51.03	38.15

Notes to the consolidated financial statements for the year ended 31 March 2025 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

b. Interest rate risk:

The Company is exposed to interest rate risk as the Company borrows funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings.

Particulars	As at 31 March 2025	As at 31 March 2024
Variable rate borrowings	536.79	498.45

A reasonable change of 0.50% in interest rates at reporting date would have affected the profit and loss shown below:

Variable rate borrowings	Year ended 31 March 2025	Year ended 31 March 2024
Impact on profit and loss account on account of change in interest rate		
Interest rate increase by 0.5%	2.68	2.49
Interest rate decrease by 0.5%	(2.68)	(2.49)
Impact on equity, net of tax on account of change in interest rate		
Interest rate increase by 0.5%	2.01	1.62
Interest rate decrease by 0.5%	(2.01)	(1.62)

39B Credit Risk :

Credit risk refers to the risk of default on its obligation by the customer/counter party resulting in a financial loss. The Company's exposure to credit risk is limited to the carrying amount of financial assets recognised at the date of the balance sheet, as summarised below:

Particulars	As at 31 March 2025	As at 31 March 2024
Cash and cash equivalents	10.46	8.38
Other bank balances	9.44	13.12
Trade receivables	370.32	332.89
Loans	1.44	1.53
Other financial assets	22.92	24.34

Cash and cash equivalents and bank balances

Credit risk relating to cash and cash equivalents and restricted cash is considered negligible as counterparties are banks. The management considers the credit quality of deposits with such banks to be good and reviews the banking relationships on an on-going basis.

Trade Receivables

Trade receivables are unsecured in nature and are derived from revenue earned from customers. Trade receivable are non-interest bearing and are settled upto 30 to 90 days terms.

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to whom the Company grants credit terms in the normal course of business. In accordance with Ind AS 109, the Company uses expected credit loss model to assess the impairment loss. The Company uses a provision matrix to compute the expected credit loss allowance of trade receivables. The provision matrix takes into account available external and internal credit risk factors such as default risk of industry, historical experience for customers, etc. However, the allowance for lifetime expected credit loss on customer balances for the year ended 31 March 2025 and 31 March 2024 are insignificant.

Ageing	Expected credit loss %
Within the credit period	0%
0-90 days past due	0%
91-180 days past due	0%
181-365 days	0%
More than 366 days past due	35%

Movement in the loss allowance in respect of trade receivables:

Particulars	As at 31 March 2025	As at 31 March 2024
Balance at the beginning of the year	1.25	0.93
Amount written off	—	—
Provided during the year	0.10	0.32
Balance at the end of the year	1.36	1.25

Notes to the consolidated financial statements for the year ended 31 March 2025 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

Loans and other financial assets measured at amortised cost

Given below is the ageing of loans:

Particulars	As at 31 March 2025	As at 31 March 2024
Loans		
Less than 1 year	1.44	1.53
1–3 years	–	–
More than 3 years	–	–
	1.44	1.53

39C Liquidity risk:

The Company manages liquidity risk by maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities for the Company. The Company has established an appropriate liquidity risk management framework for its short term, medium term and long term funding requirements. The below tables summarise the maturity profile of the Company's financial liabilities:

Particulars		Less than 1 year	1 – 3 years	More than 3 years	Total
As at 31 March 2025					
Borrowings		335.94	217.61	119.42	672.97
Expected interest on above borrowings		36.44	40.89	10.76	88.09
Interest accrued but not due on borrowings	OFL	1.14	–	–	1.14
Trade payable (including capital creditors)		432.10	–	–	432.10
Unclaimed dividends	OFL	0.36	–	–	0.36
Employee benefits payable	OFL	5.43	–	–	5.43
Security deposits	OFL	5.19	–	–	5.19
Derivative liability measured at fair value	OFL	0.63	–	–	0.63
Lease liabilities		24.34	–	–	24.34
As at 31 March 2024					
Borrowings		329.31	226.98	98.69	654.97
Expected interest on above borrowings	OFL	38.08	36.26	8.40	82.74
Interest accrued but not due on borrowings		1.56	–	–	1.56
Trade payable (including capital creditors)		377.41	–	–	377.41
Unclaimed dividends	OFL	0.69	–	–	0.69
Employee benefits payable	OFL	5.89	–	–	5.89
Security deposits	OFL	4.33	–	–	4.33
Derivative liability measured at fair value	OFL	0.73	–	–	0.73
Lease liabilities		33.50	–	–	33.50

39D Assets charged as security

The carrying amount of assets charged as security for current and non-current borrowings are as under:

Particulars	Note	As at 31 March 2025	As at 31 March 2024
Current assets			
Inventories	10	274.03	286.05
Trade receivables	11	360.59	332.89
Cash and cash equivalents	12	6.21	8.38
Other bank balances	13	9.44	13.12
Financial assets - Loans	14	1.44	1.53
Other financial assets	15	3.89	8.23
Other current assets	16	30.73	44.98
Total (I)		686.33	695.17
Non-current assets			
Property, plant and equipment	5A	992.32	1050.09
Capital work-in-progress	5B	105.99	81.76
Investment Property	5C	13.10	–
Intangible assets	5D	–	–
Financial assets - Loans	7	–	–
Other financial assets	8	–	–
Other tax assets (net)		–	–
Other non-current assets	9	–	–
Total (II)		1,111.41	1,131.85
Grand Total (I+II)		1,797.74	1,827.02

Notes to the consolidated financial statements for the year ended 31 March 2025 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

40 Contingent liabilities

A Contingent liabilities: The Group has contingent liabilities in respect of:

A1 Demand against the Group not acknowledged as liability

Particulars	As at 31 March 2025	As at 31 March 2024
Income taxes	–	0.16
Sales tax and Value added tax	1.30	0.05
Excise and service tax	4.22	2.99
Dues to statutory bodies	5.60	5.60
Goods and Service Taxes	3.08	0.23
	14.20	9.03
B Commitments		
Estimated amount of contracts remaining to be executed on account of capital commitments pertaining to Property, plant and equipments [net of advances ₹ 2.87 crores (31 March 2024: ₹ 1.37 Crores)]	48.73	24.44

41 Employee benefits

A Defined contribution plans

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Employer's contribution to provident fund	10.34	9.70
Employer's contribution to ESI	0.42	0.48

B Defined benefit plan

Gratuity

In accordance with the Payment of Gratuity Act, 1972, the group provides for gratuity, as defined benefit plan. The gratuity plan provides for a lump sum payment to the employees at the time of separation from the service on completion of vested year of employment i.e. five years. The liability of gratuity plan is provided based on actuarial valuation as at the end of each financial year based on which the Company contributes the ascertained liability to Life Insurance Corporation of India and India First Life Insurance Company Limited with whom the plan assets are maintained.

(₹ in Crores)

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
B1 Change in defined benefit obligation		
Present value of obligation as at beginning of the year	30.45	29.15
Current service cost*	2.27	2.46
Interest cost*	2.17	2.18
Benefits paid	(2.90)	(2.86)
Actuarial loss	3.72	(0.47)
Present value of obligation as at end of the year	35.71	30.45
*Included in employee benefit expenses.		
Particulars	As at 31 March 2025	As at 31 March 2024
B2 Change in fair value of plan assets		
Fair value of assets at the beginning of the year	14.10	11.44
Expected return on plan assets	0.99	0.95
Employer's contributions	–	0.11
Benefits paid	–	1.55
Return on plan asset greater than discount rate - (Other comprehensive income)	0.10	0.07
Fair value of plan assets as at end of the year	15.21	14.10
The major categories of plan assets of the fair value of the total plan assets are as follows:		
Defined Gratuity Plan		
Investment in funds managed by the LIC / India First	15.21	14.10

Notes to the consolidated financial statements for the year ended 31 March 2025 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024
B3 Reconciliation of Fair Value of Plan Assets and Defined Benefit Obligation		
Present value of obligation as at the end of the year	35.71	30.45
Fair value of plan assets as at the end of the year	15.21	14.10
Amount recognised in provisions (refer note 17)	20.50	16.35
	Year ended 31 March 2025	Year ended 31 March 2024
B4 Expense recognised during the year		
In consolidated statement of profit and loss account		
Current service cost	2.27	2.44
Interest cost (net of income)	1.18	1.21
Net cost	3.44	3.65
In other comprehensive income		
– Change in financial assumptions	2.76	0.73
– Return on plan asset greater than discount rate	–	(0.07)
– experience variance (i.e. actual experience vs assumptions)	0.89	(0.66)
Net cost	3.65	(0.00)
B5 The principal assumptions used in determining gratuity obligation for the Company's plans are shown below:		
Discount rate	6.75%	7.20%
Rate of increase in compensation levels	6.00%	5.50%
Mortality rate (% of IALM 12-14)	100.00%	100.00%
Retirement age (years)	58	58
Attrition / Withdrawal rates, based on age (per annum)		
Upto 30 years	7.40%	7.40%
31 to 40 years	2.80%	2.80%
41 to 50 years	0.52%	0.52%
Above 50 years	0.22%	0.22%

B6 Sensitivity analysis for gratuity liability

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting period, while holding all other assumptions constant. The result of sensitivity analysis is given below:

Particulars	As at 31 March 2025		As at 31 March 2024	
	Increase	Decrease	Increase	Decrease
Impact of change in discount rate (+/- 0.5%)	31.77	34.84	28.19	30.91
Impact of change in salary (+/- 0.5%)	34.84	31.75	30.92	28.17
Impact of change in attrition rate (+/- 0.5%)	33.27	33.23	29.58	29.40

B7 Experience adjustment related to gratuity is summarised as below:

Particulars	Year ended				
	31 March 2021	31 March 2022	31 March 2023	31 March 24	31 March 25
On plan liabilities – gain/(loss)	(1.39)	(0.41)	(1.02)	(0.83)	1.04
On plan assets – gain/(loss)	–	0.18	(0.20)	–	0

B8 Expected contribution during the next annual reporting period

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
The Company's best estimate of contribution during the next year	20.83	16.60

Notes to the consolidated financial statements for the year ended 31 March 2025 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

B9 Maturity profile of Defined Benefit Obligation

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Weighted average duration (based on discounted cashflows)	9 years	10 years
Expected cash flows over the next (valued on undiscounted basis):	As at 31 March 2025	As at 31 March 2024
1 year	2.04	2.44
2 to 5 years	9.73	8.67
6 to 10 years	16.05	14.50
More than 10 years	41.17	38.87

- 42 The Company is engaged in the business of manufacturing and assembling of automotive components. The Company's Chief Operating Decision Maker (CODM) is the Managing Director. The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by industry classes. All operating segments' operating results are reviewed regularly by CODM to make decisions about resources to be allocated to the segments and assess their performance. CODM believes that these are governed by same set of risk and returns hence CODM reviews as one balance sheet component. Further, the economic environment in which the company operates is significantly similar and not subject to materially different risk and rewards. The operating segment of the Company is identified to be "Automotive components" as the CODM reviews business performance at an overall Company level as one segment.

Accordingly, as the company operates in a single business and geographical segment, the reporting requirements for primary and secondary disclosures under Indian Accounting Standard – 108 Operating Segment have not been provided in the standalone financial statements.

Information about geographical area is given below:

Particulars	India	UK (including Europe)	US	Other countries	Total
Year ended 31 March 2025					
Revenue from external customers (gross)	1,861.06	187.18	148.99	15.17	2,212.40
Non-current assets#	1,223.66	–	–	–	1,223.66
Year ended 31 March 2024					
Revenue from external customers (gross)	1,740.74	257.68	146.60	14.71	2,159.73
Non-current assets#	1,164.00	–	–	–	1,164.00

Excluding Financial assets and Deferred tax assets

- 43 As per the transfer pricing norms applicable in India, the Group is required to use certain specified methods in computing arm's length price of transactions between the associated enterprises and maintain prescribed information and documents related to such transactions. The appropriate method to be adopted will depend on the nature of the transactions/class of transactions, class of associated persons, functions performed and other factors, which have been prescribed. The Group is in the process of updating the transfer pricing study for the current financial year. However, in the opinion of the management the same would not have a material impact on these consolidated financial statements.
- 44 The Group generates revenue primarily from the sale of automotive products.

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Revenue from contracts from customers (A)		
Sale of products	2,162.49	2,122.76
Sale of services	–	2.71
Other operating revenues (B)	49.91	34.26
Total revenue from operations (A+B)	2,212.41	2,159.73

Following are the disclosures with respect to revenue from operations in accordance with Ind AS 115 –

The Group's revenue disaggregated by geographical markets is as follows:

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
India	1,861.06	1,740.74
Other than India	351.35	418.99
Total	2,212.41	2,159.73

Notes to the consolidated financial statements for the year ended 31 March 2025 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

The following table provides information about trade receivables, contract costs and contract liabilities from contracts with customers:

Particulars	As at 31 March 2025	As at 31 March 2024
Contract asset		
– Trade receivables	370.32	332.89
Contract cost	4.65	10.25
Contract liabilities		
– Advances from customers	9.08	9.37

Significant changes in Contract costs and contract liabilities during the year are as follows:

Particulars	As at 31 March 2025				As at 31 March 2024			
	Contract asset	Unbilled revenue	Advances from customers	Deferred revenue	Contract asset	Unbilled revenue	Advances from customers	Deferred revenue
Opening balances	10.25	–	9.36	–	15.79	–	10.30	–
Addition during the year	–	0.60	9.05	–	–	18.67	22.59	–
Revenue recognized/ amount adjusted/ amortized during the year	(5.60)	(0.60)	(9.33)	–	(5.54)	(18.67)	(23.52)	–
Closing balance	4.65	–	9.08	–	10.25	–	9.37	–
Non-current	1.11	–	–	–	3.26	–	–	–
Current	3.54	–	9.08	–	6.99	–	9.37	–

The Company's contracts with customers includes promises to transfer products and rendering of services to the customer. The Company assesses the products/services promised in identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables. The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits of significant risks and who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risk and rewards to the customer, acceptance of delivery by the customer etc. Based on the above assessment performance obligation is satisfied at point in time. Company have payment terms of 30 days to 65 days in case of domestic customers and 90 days in case of export customers.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is an unconditional right to receive cash, and only passage of time is required, as per contractual terms.

The contract liabilities primarily relate to the advance consideration received from customers for procurement of goods, for which revenue is recognised point in time. This will be recognised as revenue when the control of the goods will be transferred, which is expected to occur during the next year.

Contract costs relate directly to a contract that the entity has specifically identified which includes the costs relating to generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future. Further, An contract cost recognised is amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates.

Notes to the consolidated financial statements for the year ended 31 March 2025 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

45 Additional information as required by paragraph 2 of the general instructions for preparation of consolidated financial statements to Schedule III to the Companies Act, 2013:
For the year ended 31 March 2025:

Particulars	Net assets		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
	As at 31 March 2025		for the year ended 31 March 2025		for the year ended 31 March 2025		for the year ended 31 March 2025	
	As % Consolidated net assets	Amount	As % Consolidated net profit	Amount	As % Consolidated other comprehensive income	Amount	As % Consolidated other comprehensive income	Amount
Parent								
Rico Auto Industries Limited	91.5%	667.90	107.06%	22.91	121.53%	(4.13)	104.33%	18.78
Indian subsidiaries								
1 AAN Engineering Industries Limited	0.51%	3.69	6.5%	1.39	0.0%	—	7.72%	1.39
2 Rico Jinfei Wheels Limited	1.17%	8.52	(29.25%)	(6.26)	1.47%	(0.05)	(35.06%)	(6.31)
3 Rico Fluidtronics Limited	8.02%	58.56	100.37%	21.48	(0.31%)	0.01	119.39%	21.49
4 Rico Friction Technologies Private Limited	0.6%	4.41	8.13%	1.74	(0.02%)	0.00	9.67%	1.74
Foreign subsidiaries								
1 Rico Auto Industries Inc., USA	5.82%	42.51	4.86%	1.04	(30.88%)	1.05	11.61%	2.09
2 Rico Auto Industries (UK) Limited, UK	0.83%	6.05	(2.94%)	(0.63)	0.0%	—	(3.5%)	(0.63)
Non-controlling interest	(0.4%)	(2.95)	0.05%	0.01	0.29%	(0.01)	0.0%	—
1 Rico Jinfei Wheels Limited	—	—	—	—	—	—	—	—
2 Rico Friction Technologies Private Limited	—	—	—	—	—	—	—	—
Add/(Less): Effect of Intercompany	(8.05%)	(58.77)	(94.77%)	(20.28)	7.91%	(0.27)	(114.17%)	(20.55)
Total	100.00%	729.92	100.00%	21.40	100.00%	(3.40)	100.00%	18.00

For the year ended 31 March 2024:

Rico Auto Industries Limited	91.28%	657.24	80.47%	30.85	106.29%	2.74	82.06%	33.59
Indian subsidiaries								
1 AAN Engineering Industries Limited	0.29%	2.08	2.29%	0.88	0.33%	0.01	2.17%	0.89
2 Rico Jinfei Wheels Limited	1.61%	11.62	6.65%	2.55	(6.08%)	(0.16)	5.84%	2.39
3 Rico Fluidtronics Limited	7.85%	56.51	45.7%	17.52	(1.13%)	(0.03)	42.72%	17.49
4 Rico Friction Technologies Private Limited	0.33%	2.40	1.49%	0.57	0.27%	0.01	1.41%	0.58
Foreign subsidiaries								
1 Rico Auto Industries Inc., USA	5.61%	40.42	3.95%	1.51	0.0%	—	3.7%	1.51
2 Rico Auto Industries (UK) Limited, UK	0.88%	6.36	(1.33%)	(0.51)	0.0%	—	(1.24%)	(0.51)
Non-Controlling Interest	(0.41%)	(2.95)	(1.57%)	(0.60)	0.39%	0.01	(1.44%)	(0.59)
1 Rico Jinfei Wheels Limited	—	—	—	—	—	—	—	—
2 Rico Friction Technologies Private Limited	—	—	—	—	—	—	—	—
Add/(Less): Effect of Inter company	(7.45%)	(53.64)	(37.65%)	(14.43)	(0.07%)	(0.00)	(35.24%)	(14.43)
Total	100.00%	720.04	100.00%	38.34	100.00%	2.58	99.98%	40.93

Notes to the consolidated financial statements for the year ended 31 March 2025 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

Subsidiaries considered for consolidation

The Group's subsidiaries as at 31 March 2025 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The Country of incorporation or registration is also their principal place of business.

Name of entity	Indian / Foreign	Place of business/ country of incorporation	Ownership interest held by the Group		Nature of relation
			31 March 2025	31 March 2024	
AAN Engineering Industries Limited	Indian subsidiary	India	100.00%	100.00%	Wholly owned subsidiary
Rico Auto Industries Inc., USA	Foreign subsidiary	USA	100.00%	100.00%	Wholly owned subsidiary
Rico Auto Industries (UK) Limited, UK	Foreign subsidiary	UK	100.00%	100.00%	Wholly owned subsidiary
Rico Jinfei Wheels Limited	Indian subsidiary	India	91.74%	91.74%	Subsidiary
Rico Friction Technologies Private Limited	Indian subsidiary	India	70.00%	70.00%	Subsidiary
Rico Fluidtronics Limited	Indian subsidiary	India	100.00%	100.00%	Wholly owned subsidiary

46 Leases

A Company as Lessee:

i. Nature of Leasing activities

The Company has entered into lease arrangements for land, plant and equipment, and office and factory buildings that are renewable on a periodic basis with approval of both lessor and lessee. The Company does not have any lease commitments towards variable rent as per the contract.

ii. Following are the changes in the carrying value of right of use assets:

Particulars	Category of ROU assets			
	Land	Building	Plant and equipment	Total
Balance as at 01 April 2023	18.25	5.90	27.20	51.35
Addition during the year	—	—	18.81	18.81
Deletions during the year	—	—	—	—
Amortisation for the year	0.21	1.75	2.77	4.73
Balance as at 31 March 2024	18.04	4.15	43.24	65.43
Addition during the year	22.43	3.47	—	25.90
Deletions during the year	—	—	2.73	2.73
Amortisation for the year	0.28	1.61	2.67	4.56
Balance as at 31 March 2025	40.19	6.01	37.84	84.04

iii. The weighted average incremental borrowing rate applied to lease liability is 7.40% (previous year @ 7.40%).

iv. Lease liabilities are presented in the consolidated Balance Sheet as follows:

Particulars	As at 31 March 2025	As at 31 March 2024
Non-current	16.82	23.47
Current	7.52	10.04
Total lease liabilities	24.34	33.51
Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
v. Amount recognised in Statement of Profit and Loss:		
Interest on lease liabilities	1.95	2.43
Rental expense relating to short-term leases	1.56	1.91
	3.51	4.34
vi. Amount recognised in Statement of Cash Flows:		
Total cash outflow for leases	11.61	12.55
	11.61	12.55

Notes to the consolidated financial statements for the year ended 31 March 2025 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

vii. The following is the movement in lease liabilities:

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Opening balance	33.51	24.82
Addition during the year	0.49	18.81
Deletion during the year	—	—
Modification during the year	—	—
Finance cost accrued during the year	1.95	2.43
Payment of lease liabilities	(9.66)	(10.08)
Payment of interest	(1.95)	(2.47)
Closing balance	24.34	33.51
viii. Lease payments not recognized as liability:		
The expense relating to payments not included in the measurement of the lease liability is as follows:		
Short term leases	1.56	1.91
Total	1.56	1.91

ix. Lease term ranges from 4-9 years (previous year 4- 9 years)

x. The below tables summarise the maturity profile of the lease liabilities:

	Less than 1 year	1 – 3 years	More than 3 years	Total
As at 31 March 2025	7.52	11.28	5.54	24.34
As at 31 March 2024	6.03	12.87	14.61	33.51

xi. Lease income recognized during the current year ₹ 2.90 crores (previous year ₹ 1.89 crores)

xii. The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Less than one year	1.56	1.89
One to two years	—	—
Two to three years	—	—
Three to four years	—	—
Four to five years	—	—
More than five years	—	—
	1.56	1.89

47 Proposed scheme of amalgamation of subsidiary companies

The Board of Directors of Rico Jinfei Wheels Limited ("RJWL" or "Transferee Company") and Rico Fluidtronics Limited ("RFL" or "Transferor Company") in their respective meetings held on 28 March 2024 have approved the Scheme of Amalgamation ("Scheme") for merger of RFL into RJWL, pursuant to Section 230 to 232 and other applicable provisions of the Companies Act, 2013 ("the Act"). The Scheme has been filed with the National Company Law Tribunal ("NCLT") on 28 March 2024 and is subject to necessary statutory and regulatory approvals. Pending requisite approvals, the impact has not been considered in these financial statements.

Notes to the consolidated financial statements for the year ended 31 March 2025 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

48 Trade receivables ageing schedule

Particulars	Outstanding for following periods from due date of payment							Total
	Unbilled	Not due	Less than 6 months	6 months – 1 year	1–2 years	2–3 years	More than 3 years	
As at 31 March 2025								
Undisputed Trade receivables – considered good	–	303.35	60.44	4.03	2.44	0.06	–	370.32
Undisputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–	–	–
Undisputed Trade receivable – credit impaired	–	–	–	–	1.18	0.02	0.12	1.32
Disputed Trade receivables – considered good	–	–	–	–	–	–	–	–
Disputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–	–	–
Disputed Trade receivable – credit impaired	–	–	–	–	–	–	–	–
Less: Allowance for credit loss	–	–	–	–	(1.18)	(0.02)	(0.12)	(1.32)
	–	303.35	60.44	4.03	2.44	0.06	–	370.32
As at 31 March 2024								
Undisputed Trade receivables – considered good	–	261.78	67.19	1.13	2.04	0.76	–	332.89
Undisputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–	–	–
Undisputed Trade receivable – credit impaired	–	–	–	–	1.12	0.02	0.11	1.25
Disputed Trade receivables – considered good	–	–	–	–	–	–	–	–
Disputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–	–	–
Disputed Trade receivable – credit impaired	–	–	–	–	–	–	–	–
Less: Allowance for credit loss	–	–	–	–	(1.12)	(0.02)	(0.11)	(1.25)
	–	261.78	67.19	1.13	2.04	0.76	–	332.89

49 Trade payables ageing schedule

Particulars	Outstanding for the following periods from due date of payments						Total
	Unbilled	Not due	Less than 1 year	1–2 years	2–3 years	More than 3 years	
As at 31 March 2025							
i) Undisputed MSME	–	20.53	12.80	–	–	–	33.33
ii) Undisputed Others	1.31	233.20	163.75	0.25	0.27	–	398.78
iii) Disputed dues - MSME	–	–	–	–	–	–	–
iv) Disputed dues - Others	–	–	–	–	–	–	–
As at 31 March 2024							
i) Undisputed MSME	0.03	23.00	9.59	0.09	0.05	–	32.76
ii) Undisputed Others	1.70	207.62	133.02	1.45	0.85	–	344.65
iii) Disputed dues - MSME	–	–	–	–	–	–	–
iv) Disputed dues - Others	–	–	–	–	–	–	–

50 Information pursuant to regulation 34, read with Schedule V (Part A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended:

Loans and advances in the nature of loans to entities	As at		Maximum balance outstanding during the year ended	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
ASN Manufacturing and Services Private Limited	–	–	–	13.99
Loan to Related Parties	–	–	–	30.44
Loan to Employees	1.44	1.53	–	–

Notes to the consolidated financial statements for the year ended 31 March 2025 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

Disclosure pursuant to Section 186(4) of the Companies Act, 2013

Nature of the transaction (loans given/investment made/guarantee given)	As at 31 March 2025	As at 31 March 2024
Long-term loans given to provide financial assistance to related parties for general business purpose *		
ASN Manufacturing and Services Private Limited @ 10.00% per annum		
Opening balance	—	10.69
Loans given during the year	—	—
Loans received back during the year	—	10.69
Closing balance	—	—
ASN Manufacturing and Services Private Limited @ 10.00% per annum		
Opening balance	—	3.30
Loans given during the year	—	—
Loans repaid during the year	—	3.30
Closing balance	—	—
Loan @ 8.00% per annum		
Opening balance	—	13.03
Loans given during the year	—	—
Loans repaid during the year	—	13.03
Closing balance	—	—
Loan @ 8.00% per annum		
Opening balance	—	3.25
Loans given during the year	—	—
Loans repaid during the year	—	3.25
Closing balance	—	—
Loan @ 10 % p.annum		
Opening balance	—	5.20
Loans given during the year	—	—
Loans repaid during the year	—	5.20
Closing balance	—	—
Loan @ 10.00% per annum		
Opening balance	—	8.96
Loans given during the year	—	—
Loans repaid during the year	—	8.96
Closing balance	—	—

* refer note 7 for particulars of the loans and advances given.

51 Information pursuant to regulation 34, read with Schedule V (Part A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended:

Nature of the transaction (loans given/investment made/guarantee given)	As at 31 March 2025	As at 31 March 2024
Investments #		
Investment in equity shares		
Rico Care Foundation	0.05	0.05
Roop Ram Industries Private Limited	2.43	2.43
Dalavaipuram Renewables Private Limited	1.85	1.85

refer note 6 for full particulars of the investments made. The above investments are shown at cost per financial reporting requirements

52 The following dividend were declared and paid by the company during the year :

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
INR 0.60 per equity Share (31 March 2024: INR 0.75)	8.12	10.15
After the reporting dates the following dividends were proposed by the directors subject to the approval at the annual general meeting; the dividends have not been recognised as liabilities.		
INR 0.50 per equity Share (31 March 2024: INR 0.60)	6.77	8.12

Notes to the consolidated financial statements for the year ended 31 March 2025 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

53 RELATED PARTY DISCLOSURES

I Related parties

A Related Parties(Entity in which KMP exercise significant influence) with whom there are transactions during the year or balances as at year end

- i. ASN Manufacturing and Services Private Limited
- ii. ASN Properties Private Limited
- iii. Helical Spring (Unit of T.K. Precision Private Limited)
- iv. Rico Care Foundation
- v. Sandhar Technologies Limited (up to 1st July 2024)
- vi. Mirah Belle Naturals and Apothecary Private Limited
- vii. Kapbros Engineering Industries Limited (Amalgamated with ASN Manufacturing and Services Private Limited vide NCLT order dated 27th July 2023)
- viii. Ishvara Manufacturing and Finvest Advisors Private Limited
- ix. Magpie Manufacturing and Tech Private Limited (Amalgamated with ASN Manufacturing and Services Private Limited vide NCLT order dated 27th July 2023)

B Key management personnel

- i. Shri Arvind Kapur – Chairman, CEO & Managing Director
- ii. Shri Kaushalendra Verma – Executive Director
- iii. Shri Rajiv Kumar Miglani – Executive Director
- iv. Shri Samarth Kapur – Executive Director
- v. Ms. Shikha Kapur – Non Executive & Non-Independent Director (w.e.f. 1st April 2024)
- vi. Shri Prabhakar Kadapa – Independent Director (w.e.f. 30th September 2024)
- vii. Shri Kanav Monga – Independent Director (w.e.f. 3rd October 2024)
- viii. Dr. Amarjit Chopra – Independent Director(up to 29th September 2024)
- ix. Shri Satish Sekhri – Independent Director(up to 29th September 2024)
- x. Dr. Ashok Seth – Independent Director(up to 29th September 2024)
- xi. Shri Kanwal Monga – Independent Director(up to 29th September 2024)
- xii. Shri Rajeev Kapoor – Independent Director(up to 29th September 2024)
- xiii. Shri Vinod Kumar Nagar – Independent Director(up to 29th September 2024)
- xiv. Ms. Sarita Kapur – Independent Director
- xv. Shri Hemal Bharat Khandwala – Independent Director
- xvi. Shri Yogesh Kapur – Independent Director (w.e.f. 26th August 2023)
- xvii. Shri Rakesh Kumar Sharma – Chief Financial Officer*
- xviii. Shri B.M. Jhamb – Company Secretary* (up to 30th September 2024)
- xix. Mrs. Ruchika Gupta – Company Secretary* (w.e.f. 1st October 2024)

* as per the Companies Act 2013

II Transactions with related parties:

Nature of transactions		For the year ended 31 March 2025	For the year ended 31 March 2024
B Enterprises in which KMP/Director have control or exercise significant influence			
1 Kapbros Engineering Industries Limited			
Purchase of raw material	–	5.51	
Sale of goods	–	0.07	
Purchase of property, plant and equipment	–	3.93	
2 ASN Manufacturing and Services Private Limited			
Purchase of Raw material including job work	25.91	18.16	
Purchase of property, plant and equipment	0.28	8.09	
Sales of goods	0.14	1.57	
Rent expenses	0.60	0.95	
Rent income	1.05	0.82	
Interest received	–	0.75	
Recovery of expenses	3.25	1.70	
Sale of machinery	1.26	–	
Sale of service	0.16	–	
Repayment of loan	–	0.50	
Interest expenses	0.58	0.98	
Security deposit	–	0.26	

Notes to the consolidated financial statements for the year ended 31 March 2025 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

Nature of transactions	For the year ended 31 March 2025	For the year ended 31 March 2024
3 Helical Spring (Unit of T.K. Precision Private Limited)		
Purchase of raw material	5.63	6.23
Recovery of expenses	—	—
Job Work Income	—	0.02
Sale of service	0.04	—
4 Ishwara Manufacturing and Finvest Advisors Private Limited		
Rent expense	0.08	0.08
5 ASN Properties Private Limited		
Rent income*	—	—
6 Mirah Belle Naturals & Apothecary Pvt. Ltd.		
Purchase of goods	0.20	—
7 Rico Care Foundation		
Recovery of expenses	0.69	—
Rent Income	0.03	—
8 Sandhar Technologies Limited		
Purchase of goods	1.66	—
Sale of services	0.72	—
Recovery of expenses	0.05	—
9 Key management personnel compensation		
Shri Arvind Kapur	9.82	9.29
Shri Kaushalendra Verma	1.14	0.99
Shri Rajiv Kumar Miglani	1.11	0.99
Shri Rakesh Kumar Sharma#	0.90	0.72
Shri B.M. Jhamb#	0.20	0.45
Mrs. Ruchika Gupta#	0.21	—
Sitting fees and commission	0.93	0.49
Particulars		
Short-term employee benefits	14.31	12.93
Post employment benefits	0.30	0.29
Total managerial remuneration paid to key management personnel*	14.61	13.22

* Amounts have been rounded off to zero.

As per section 203 of the Act, definition of Key Managerial Personnel includes Chief Executive Officer, Chief Financial Officer and Company Secretary.

Note: The above transactions are in the ordinary course of business.

III Balances outstanding with related parties

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
B Enterprises in which KMP/Director have control or exercise significant influence		
1 Kapbros Engineering Industries Limited		
Trade payables	—	0.28
Trade receivables	—	8.55
2 ASN Manufacturing And Services Private Limited		
Security deposits	—	0.26
Loan Recoverable	4.72	—
Trade receivables	0.61	—
Trade Payables	2.14	5.18
3 Magpie Manufacturing and Tech Private Limited		
Trade payables	—	—
4 Helical Spring (Unit of T.K. Precision Private Limited)		
Trade payables	0.51	1.64
5 ASN Properties Private Limited		
Trade receivables	—	0.01
6 Ishwara Manufacturing and Finvest Advisors Private Limited		
Trade payables	0.02	0.01
7 Mirah Belle Naturals & Apothecary Pvt. Ltd.		
Trade payables	0.01	0.01
8 Sandhar Technologies Limited		
Trade payables	0.35	0.65

* Amounts have been rounded off to zero.

Notes to the consolidated financial statements for the year ended 31 March 2025 (Contd.)

(All amounts in ₹ crores, unless otherwise stated)

All transactions with related parties are made on the terms equivalent to those that prevail at arm's length transactions and within the ordinary course of business. Outstanding balances at respective year ends are unsecured.

54 Events after Balance sheet date

There are no reportable subsequent events after the balance sheet date.

55 Additional regulatory information not disclosed elsewhere in the financial information

- (i) No proceeding has been initiated or pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) The Group has not been declared as wilful defaulter by any bank or financial Institution or other lender.
- (iii) The Group has not entered into any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- (iv) The Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have more than one CIC (the same is not required to be registered with RBI as not being Systemically Important CIC).
- (v) The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.
- (vi) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (vii) The Group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- (viii) The Group has complied with the number of layers prescribed under the Companies Act, 2013.
- (ix) The Group does not have any charge which is yet to be registered with ROC beyond the statutory period.
- (x) The Group has not advanced or provided loan to or invested funds in any entities including foreign entities (Intermediaries) or to any other persons, with the understanding that the intermediary shall:
 - i. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (ultimate beneficiaries) or
 - ii. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- (xi) The Group has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
 - i. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (ultimate beneficiaries) or
 - ii. provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- (xii) The Group has not undertaken any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

As per our report of even date attached
For B S R & Co. LLP
 Chartered Accountants
 ICAI Firm Registration No. 101248W/W-100022

Shashank Agarwal
 Partner
 Membership No. 095109

Place : Gurugram
 Date : 27 May, 2025

For and on behalf of the Board of Directors of
Rico Auto Industries Limited

Arvind Kapur
 Chairman, CEO &
 Managing Director
 DIN: 00096308

Rakesh Kumar Sharma
 Chief Financial Officer

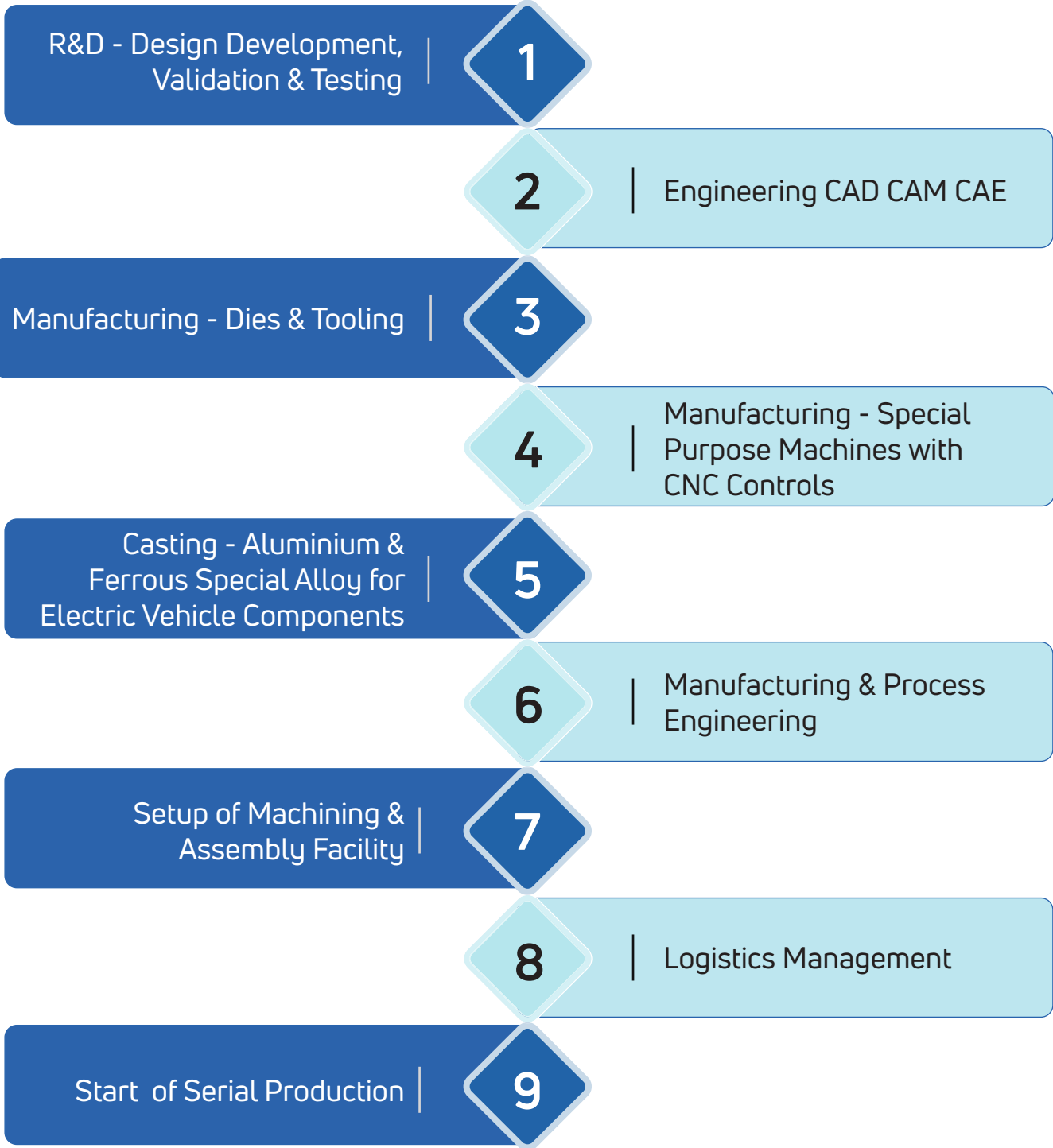
Place : Gurugram
 Date : 27 May, 2025

Kaushalendra Verma
 Whole-time Director
 DIN : 02004259

Ruchika Gupta
 Company Secretary
 M. No. F-6456

Rajiv Kumar Miglani
 Whole-time Director
 DIN : 06873155

Concept to Completion





RICO AUTO INDUSTRIES LIMITED

Registered & Corporate Office
38 KM Stone, Delhi - Jaipur Highway
Gurugram - 122001, Haryana (INDIA)
Phone : +91 124 2824000,
Email : rico@ricoauto.in
Website : www.ricoauto.in