

RAIL:SEC:2014

December 24, 2014

The Manager
Listing Department
National Stock Exchange of India Limited
Exchange Plaza,
5th Floor, Plot No.C/1, G Block
Bandra-Kurla Complex, Bandra (E)
Mumbai - 400 051

Kind Attn: **Ms. Swati Sopare**

Re: **Clarification of Announcement dated 23/12/2014**

Madam,

Please refer to your e-mail dated 24/12/2014, with respect to the announcement submitted on 23/12/2014 regarding the "Sale of shareholding of Joint Venture Company-FCC Rico Limited". The point-wise clarification is given below:

1. This was not the unit or division of the Company (Rico Auto). It was 50:50 Joint Venture Company a separate entity in the name of FCC Rico Limited (Unlisted Company) was registered with the Registrar of Companies, NCT of Delhi & Haryana. We were holding investment in this Company and were receiving dividend as and when declared by such Company. During the financial year 2013-14 we received a dividend of Rs.2.96 Crores from the Joint Venture Company.
2. Agreement for sale of investment has been entered into by the Company (Rico Auto) on 25/09/2014 after obtaining the Board's approval and intimation of sale of shareholding in Joint Venture was given to you vide our letter No. RAIL:SEC:2014 dated 25/09/2014, which is already appearing in the stock exchange website.
3. The amount of consideration towards the sale of investment aggregating to Rs.495.00 Crores (Rupees four hundred ninety five crores only) have been received by the Company on 23/12/2014. The amount of consideration was mentioned in our earlier letter dated 25/09/2014 submitted to the stock exchange.
4. The transaction does not fall within the related party transactions as per Section 188 of the Companies Act, 2013 as well as Clause 49 of the Listing Agreement. The buyer of the entire investment are FCC Clutch India Private Limited and FCC (Phillippines) Corp., group companies of FCC Co. Ltd., Japan.

Hope the above would clarify the position. However, we would be glad to furnish any other information.

Thanking you,

Yours faithfully,
for Rico Auto Industries Limited


B.M. Jhamb
Company Secretary