RICO AUTO INDUSTRIES LIMITED
CORP. OFF.: 38 K.M. STONE, DELHI - JAIPUR HIGHWAY, GURGAON 122001, HARYANA. INDIA
TEL.: +91 124 2824000, +91 124 4032200 FAX : +91 124 2824200
email : rico@ricoauto.in website : www.ricoauto.com CIN :L34300HR1983PLC023187

RAIL:SEC:2016 September 23, 2016

BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai - 400001 Scrip Code - **520008**	National Stock Exchange of India Limited Exchange Plaza, 5th Floor, Plot No.C/1, G Block Bandra-Kurla Complex Bandra (E), Mumbai - 400 051 Scrip Code - **RICOAUTO**

Sub : **Outcome of 33rd Annual General Meeting – 23rd September, 2016**

Dear Sir/Madam,

We wish to inform you that pursuant to Regulation 30 of SEBI (LODR) Regulations, 2015, the 33rd Annual General Meeting (AGM) of the Company was held today i.e. on 23rd September, 2016 at 12.00 Noon at the Registered Office of the Company at 69 KM Stone, Delhi-Jaipur Highway, Dharuhera, Distt. Rewari - 122106 (Haryana). In accordance with provisions of the Companies Act, 2013 and Rules framed thereunder, the Company had provided its members facility to exercise their vote by electronic means during the period from 20/09/2016 to 22/09/2016. The Company has fixed 16th September, 2016 as a cut-off date to record the entitlement of shareholders to cast their vote at the 33rd AGM of the Company.

Further, those members, who did not have access to e-voting facility and were present in the AGM, the Chairman of the Company ordered a poll to provide similar right of voting to the member present, in person and through proxies, at the AGM, to vote in proportion to the shares held by them as on cut-off date 16th September, 2016 on all the resolutions of Ordinary and Special businesses as set out in Item 01 to 07 of the Notice convening the said AGM.

The consolidated result of the poll conducted at the AGM and the e-voting shall be announced on or before 25th September, 2016 and the same shall be forwarded to the Stock Exchange(s) in the format prescribed under Regulation 44(3) of the SEBI (LODR) Regulations, 2015. The same shall also be uploaded on website of the Company on the same day.

We are also enclosing herewith the copy of Chairman's Speech.

We request you to kindly take the same on records.

Thanking you,

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

B.M. Jhamb
Company Secretary
FCS : 2446

Encl : As above

RICO AUTO INDUSTRIES LIMITED

Regd. Office: 69 K.M Stone, Delhi-Jaipur Highway, Dharuhera, Distt. Rewari (Haryana)
Corp. Office: 38 K.M Stone, Delhi-Jaipur Highway, Gurgaon - 122 001 (Haryana)

CHAIRMAN'S SPEECH

(Statement of the Chairman at the 33rd Annual General Meeting of the Company held on Friday, the 23rd day of September, 2016)

Dear Shareholders,

Good afternoon and a warm welcome to the 33rd Annual General Meeting of your Company. At the outset, I would like to acknowledge the support that you have extended to your Company at all times, which is deeply appreciated.

The Annual Report for the year ended 31st March, 2016, the Directors' Report and Audited Accounts of the Company have been shared with you for your reference. With your permission, I take them as read.

As far as the Financial Year 2015-16 goes, India has been able to hold its growth of 7.9% amidst a not so booming Global Economy. The GDP is expected to grow at 7.7% in the Fiscal 2016-17. Government of India's policy initiatives and reforms coupled with lower energy prices and rising real incomes are clearly driving private consumption.

As far as the Indian Automobile Industry goes, it saw a marginal growth of 2.6% in production in 2015-16, over the previous year. In total, the industry produced 23.9 million vehicles in 2015-16 over the last fiscal. In terms of sales, the growth was 7.24% in Passenger Vehicles, 11.51% in Commercial Vehicles, 1.03% in Three Wheelers, 3.01% in Two Wheelers and a growth of 1.91% in Exports.

According to the Automotive Component Manufacturers Association of India (ACMA), the turnover of India's Auto Component Manufacturing Industry grew at 8.8% in 2015-16, which is further expected to grow in double digits in 2016-17.

Our Honorable Prime Minister's Vision of "Make in India" and "Ease of Doing Business" has started yielding positive results. FDI has gone up exponentially and several Companies representing wide range of sectors from Defence to Electronics are actively exploring possibilities of either expanding or establishing manufacturing facilities in India for India & for the World. This should result in favorable demand trend for Indian automobile and auto component industry. Your Company is well poised to leverage this increase in demand to enhance its growth and augment shareholder value.

To maintain the growth momentum it is the constant endeavor of your Company to look for opportunities that cater to the domestic and export markets. From April 2016, your Company has commenced commercial production at the new Greenfield plant at Chennai to supply Machined Aluminum Auto Components to Renault – Nissan and is also targeting South India based customers and looking for Export opportunities to be catered from this plant.

Based on the improvement in the business scenario and strategic initiatives taken by your Company the revenues are expected to grow by about 15% in 2016-17. Similarly exports are also expected to show a growth of 15% over the previous year.

Operations

Your Company has leveraged the change in business climate to step up growth and has recorded an increase in its turnover. Your Company posted a turnover of Rs.990.1 crores in 2015-16 as against Rs.943.9 crores in the previous year, an increase of 4.9%.

Your Company, however has earned a Profit after Tax (PAT) of Rs.27.1 crores during the year under report over the previous year's profit of Rs.171.9 crores. The exceptional profit in the last fiscal was recorded on account of the Company selling the entire 39,50,000 fully paid-up equity shares of Rs.10/- each of the Joint Venture Company namely FCC Rico Limited.

Consequent to the financial numbers, your Company has paid an Interim Dividend at 50% i.e. Re 0.50 per Equity Share of Re.1/- each. The same was paid on 28th March, 2016. In addition, your Directors have recommended a Final Dividend @ 10% i.e. Re 0.10 per Equity Share of Re.1/- each for the financial year 2015-16. The total dividend would accordingly be 60% and the total outgo for the financial year 2015-16 would amounts to Rs.9.78 crores.

The Unaudited Financial Results of the Company for the first quarter of the current year ended 30th June, 2016, which have already been announced and published are encouraging and show a growth trend in keeping with the macro economic variables. Your Company has shown a turnover of Rs.269.4 crores for the first quarter of the current year against a turnover of Rs.236.5 crores in the corresponding quarter of the previous year, an increase of 14%. Going forward, the year will witness a steadfast focus on improvement in productivity along with an increase of client base, efficient utilization of assets, as well as compliance with lean manufacturing practices along with a de-risked business model.

Exports

Exports are a core focus area for your Company. The FY 2015-16 saw prestigious clients like Renault being added to your Company's portfolio. Your Company is also focusing on building infrastructure and capacity to further improve its segment competitiveness.

In keeping with these efforts, your Company recorded a 30% growth in its Export Turnover by clocking a figure of Rs.249.0 crores as against Rs.192.0 crores in the previous year. The Export Turnover includes sales to OEMs through our Wholly Owned Subsidiaries amounting to Rs.186.2 crores as against Rs.122.1 crores in the previous year, an increase of 52%.

During the quarter ended 30th June, 2016 of current year, Export Turnover has recorded a growth of 29% and stands at Rs.69.2 crores as against Rs.53.7 crores in the corresponding quarter of the previous year despite the slowdown in the off-road vehicles.

Expansions

It is a core focus of your Company to look at capacity utilization as well as acquiring new technologies to enhance productivity.

To this end our Bawal Plant has been set up for High Tonnage High Pressure Die Casting and your Company is now gearing up for production of higher volumes. The Chennai Plant for supply of Machined Aluminium Auto Components to Renault – Nissan has started commercial production. In the first phase, the plant has installed capacity of 1,50,000 sets per annum for making Engine Parts including Cylinder Blocks. The Foundation stone for a new manufacturing plant at Pathredi, Bhiwadi (Rajasthan) was laid on 7th July, 2016 for the manufacturing of Auto Components. Your Company is hopeful to start commercial production by the next financial year.

Subsidiary Companies

Your Company has four Wholly Owned Subsidiaries (including two overseas subsidiaries), one Subsidiary Company and three Step-down Subsidiary Companies. There was no material change in the nature of the business of any Subsidiary Company. During the year under review, Rico Aluminum and Ferrous Auto Components Limited (RAFA) and Rico Investments Limited (RIL) have become material subsidiaries of the Company.

A. Rico Auto Industries Inc. USA

This Company is engaged in the business of trading of Auto Components and providing warehousing and logistics support to our OEMs and Tier-I Customers in the North American and Brazilian Markets on Just In Time (JIT) basis.

The Company has recorded a total revenue of Rs.145.0 crores during the financial year ended 31st March, 2016 as against Rs.91.0 crores in the previous year, an increase of 59%.

The Company earned a net profit after tax of Rs.1.8 crores in the financial year ended 31st March, 2016 as against Rs.1.1 crores in the previous year. The Company has not declared any dividend for the financial year ended 31st March, 2016.

This Subsidiary has achieved a gross turnover of Rs.43.8 crores for the first quarter ended 30th June, 2016 as against Rs.27.0 crores in the corresponding quarter of the previous year, an increase of 62%.

The Subsidiary is expecting a good growth during the current financial year.

B. **Rico Auto Industries (UK) Limited, UK**

This Company is engaged in the business of trading of Auto Components and providing warehousing and logistics support to our OEMs and Tier-I Customers for the European Markets on Just In Time (JIT) basis.

The Company has recorded a total revenue of Rs.41.0 crores during the financial year ended 31st March, 2016 as against Rs.37.3 crores in the previous year.

The Company earned a net profit of Rs.0.29 crore in the financial year ended 31st March, 2016 as against Rs.0.27 crore in the previous year. The Company has not declared any dividend for the financial year ended 31st March, 2016.

C. **Uttarakhand Automotives Limited**

During the year under review, this Company has not started any manufacturing activities.

The Company has earned a total income of Rs.8.7 crores by way of remission of interest after adjusting expenses & exceptional items and recorded a profit of Rs.8.6 crores as against profit of Rs.1.7 crores in the previous year.

The Draft Scheme of Amalgamation of Uttarakhand Automotives Limited, Wholly Owned Subsidiary with its Holding Company Rico Auto Industries Limited is approved by Board of Directors on 4th February, 2016. This Company will be merged after obtaining the necessary approvals from the Court and other government authorities.

D. **AAN Engineering Industries Limited**

This Company AAN (Army, Airforce & Navy) has been set-up to focus on non-automotive business of Defence. Focus is on manufacturing and supplying of Technical and Engineering equipment required for Defence services.

This Company has obtained the AS 9100C Certification as 'Manufacturer of Precision Machined Components and Assemblies' for Aerospace.

This Company has also signed an International Distributor & Representation Agreement with 2 Foreign Companies in the field of Track Assemblies for Armored Track Vehicles and Handheld and Mounted Observation Systems.

The year under review also saw successful on site Audit by large Private Aerospace OEMs e.g. Airbus & Thales SA, further strengthening our Company's chances of bagging new business opportunities.

The Company has earned a total revenue of Rs.0.31 crore and incurred a loss of Rs.0.16 crore as on 31st March, 2016.

E. **Rico Investments Limited**

During the year under review, this Company has recorded a gross revenue of Rs.5.9 crores in the first year of its operation. This Company has earned a profit of Rs.2.1 crores in the financial year ended 31st March, 2016.

This Company has earned a total revenue of Rs.1.2 crores and net profit of Rs.0.48 crore for the quarter ended 30th June, 2016.

The details of the subsidiary companies are given below:

i) **Rico Aluminium and Ferrous Auto Components Limited (RAFA)**

During the year under review, the Company has recorded a gross turnover of Rs.295.3 crores during the financial year 2015-16. The Company has earned a profit of Rs.1.7 crores as on 31st March, 2016.

Further, this Company has achieved a gross turnover of Rs.68.6 crores for the quarter ended 30th June, 2016.

ii) **Rasa Autocom Limited**

This Company is engaged in the business of manufacturing of High Pressure and Gravity Die Cast Auto Components in Aluminium.

The Company has recorded a turnover of Rs.45.2 crores during the financial year ended 31st March, 2016 as against Rs.7.8 crores in the previous year.

The Company has earned profit of Rs.1.3 crores in the financial year ended 31st March, 2016 as against the loss of Rs.1.9 crores in the previous year.

iii) **Rico Jinfei Wheels Limited**

This Company has recorded a total revenue of Rs.83.4 crores during the financial year ended 31st March, 2016 as against Rs.108.9 crores in the previous year. This Company has incurred a loss of Rs.0.33 crores in financial year ended 31st March, 2016 as against profit of Rs.11.0 crores in the previous year.

For the quarter ended 30th June, 2016 gross turnover was Rs.19.1 crores as against Rs.30.1 crores in corresponding quarter of previous year. The rest of the year looks very encouraging.

Joint Venture

Let me share with you the performance of our Joint Venture Company for the year under review.

Magna Rico Powertrain Private Limited

Magna Rico recorded a gross turnover of Rs.71.3 crores in the financial year ended 31st March, 2016 as against Rs.65.6 crores in the previous year. The Company has incurred a loss of Rs.1.5 crores in the financial year ended 31st March, 2016 as against profit of Rs.6.1 crores in the previous year.

The gross turnover increased by 47% and stood at Rs.21.4 crores for the quarter ended 30th June, 2016 as against Rs.14.6 crores in the corresponding quarter of previous year.

The Company has not declared any dividend nor made any additional investments for the financial year ended 31st March, 2016.

Credit Ratings

On 10th May, 2016 India Ratings assigned 'IND BBB+' Long Term Issuer Credit Rating to your Company with a 'Stable' outlook based on a consolidated view of the Company and its Subsidiaries businesses on the back of their similar business profile.

Corporate Social Responsibility

Your Company is deeply committed towards contributing to societal change and growth. To this end, the CSR Policy is aimed at the following:

- ✓ Promoting cleanliness and sanitation in schools and clinics in the rural areas
- ✓ Enhancing environmental sustainability
- ✓ Providing quality healthcare
- ✓ Skill development
- ✓ Supporting rural development

Future Outlook

Global automotive industry is witnessing a technological transformation with data, computing and improvement in manufacturing technologies. The Indian Automobile Industry is expected to grow on the back of improvement in economic climate. Your Company is fully equipped to take advantage of this changing economic climate to generate value.

To this end, your Company has taken the following steps and will continue to look for opportunities in domestic and export markets:

- Commenced commercial production at the new Greenfield Plant at Chennai to supply Auto Components to Renault – Nissan with increase Robotization.
- Laid the foundation stone for a new manufacturing plant at Pathredi, Bhiwadi (Rajasthan) in July, 2016 for the manufacturing of Auto Components
- Working with Hero MotoCorp to increase contribution in new launches
- R & D Team has developed various new products for its customers across the globe, localized various new technologies, optimized products & processes, developed new processes to meet new automobile emission norms
- The Company is leveraging drivers like use of virtual simulations to the real production process to improve time to market & increase in productivity in manufacturing through Automation.

The Company is fully aware of the risks and challenges going forward and is working to broaden the product portfolio, increase our customer profile and geographic reach.

Acknowledgements

I would like to take this opportunity to extend a warm thank you to all our business constituents, who have played an important role in the journey of your Company. Let me acknowledge the valuable role played by our Bankers & various Government Departments for their unstinting support and guidance.

Thank you is also due to all our customers and other stakeholders for their unwavering support. Let me also thank all our employees for their dedicated efforts. A warm thank you to all our shareholders for their confidence & trust. We are fully committed to reciprocate the trust reposed in us.

CHAIRMAN

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