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:2015 September 29, 2015

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

Ref : **Symbol – RICOAUTO & Series – EQ**

Sub : **Outcome of 32nd Annual General Meeting - 29th September, 2015**

Dear Sir,

We wish to inform you that the 32nd Annual General Meeting (AGM) of the Company was held today i.e. on 29th September, 2015 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 26/09/2015 to 28/09/2015. The Company has fixed 22nd September, 2015 as a cut-off date to record the entitlement of shareholders to cast their vote at the 32nd 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 voting by 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 22nd September, 2015 on all the resolutions of Ordinary and Special businesses as set out in Item 01 to 10 of the Notice convening the said AGM and briefly stated below:

S. No.	Resolutions	Type of Resolutions
Ordinary Business		
1.	Adoption of the Audited Financial Statements for the year ended 31st March, 2015 together with the Reports of Directors' and Auditor's thereon.	Ordinary Resolution
2	Declaration of Final Dividend (200%) on Equity Shares and confirmation of the 100% Interim Dividend already paid for the financial year 2014-2015.	Ordinary Resolution
3	Re-appointment of Shri Rakesh Kapur (DIN: 00100359) as Director, liable to retire by rotation.	Ordinary Resolution
4	Ratification of Appointment of M/s. Walker Chandiok & Co LLP, Chartered Accountants (Firm Registration No. N500013) as Statutory Auditors of the Company and fix their remuneration.	Ordinary Resolution

Special Business		
5	Appointment of Mrs. Upasna Kapur as Woman Director of the Company, liable to retire by rotation.	Ordinary Resolution
6	Payment of Commission to Non-Executive Directors.	Special Resolution
7	Re-appointment of Shri Arun Kapur (DIN: 00100270) as Joint Managing Director and Payment of Remuneration.	Special Resolution
8	Ratification of Remuneration of Cost Auditors.	Ordinary Resolution
9	Approval of Related Party Transactions.	Special Resolution
10	Adoption of new set of Articles of Association of the Company Pursuant to the Companies Act, 2013.	Special Resolution

It was further informed that Shri K.K. Sachdeva, Practicing Company Secretary, FCS No. 7153, CP No. 4721, was appointed as Scrutinizer and he has scrunitnized the process of remote e-voting and voting by poll through ballot at AGM, in a fair and transparent manner.

The consolidated result of the poll conducted at the AGM and the e-voting shall be announced on or before 1st October, 2015 and the same shall be forwarded to the Stock Exchange(s) in the format prescribed under Clause 35A of the Listing Agreement. 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 32nd Annual General Meeting of the Company held on Tuesday the 29th day of September, 2015)

Dear Shareholders,

Good afternoon.

Let me welcome all of you to the 32nd Annual General Meeting of your Company. The invaluable support that you have rendered to your Company at all times, is deeply appreciated.

The Annual Report for the year ended 31st March, 2015 and the Directors' Report and Audited Accounts of the Company have been shared with you. With your permission I take them as read.

FY 2014-15 has been a year of recovery for the automotive sector. Riding on the wave of a gradual uplift in market sentiments, excise duty cuts and opening up of the mining and infrastructure sectors, the Indian domestic automotive industry posted an overall growth of 7.2 percent in fiscal year 2014-15. All vehicle categories other than Commercial Vehicles have shown positive growth and passenger car sales have returned to the black after three years, posting a 5 percent increase in sales in FY 2014-15. The two-wheeler segment has also posted an encouraging 8.1 percent growth. One of our largest customers, Hero Moto Corp has recorded an increase in sales of 8.9 percent in this period.

As we take on a new year, we are hopeful that the business climate will only improve. Initiatives such as "Make in India" unveiled by the government to improve the investment environment in the country are being seen as likely growth drivers. The "Make in India" theme is expected to bring long term results with foreign companies looking at India as their manufacturing hub. With vehicle consumption showing a growth in the last few months the stage has been set for cautious optimism as we expect the auto component industry to grow in the range of 6-8 percent in the current fiscal 2015-16, while the economy as a whole is projected to grow at 7.9 percent. Further, as per a recent ACMA- Mc Kinsey study, the Indian automotive components industry aspires to grow 5-6 times its current size by 2026, with exports growing by seven times to equal domestic demand. This vision once translated into action through attracting investments into the sector, as well as ensuring skill development of the talent pool, will lead to another era of accelerated growth.

Your Company is well poised to leverage this change in the economic climate to step up growth & enhance shareholder value.

Operations

The impact of low economic activity in the preceding years, however, is only wearing off gradually. Consequent to a host of financial liquidity constraints arising out of underutilized investments in the past 3 years fuelled by an overall low economic activity during the same period, your Company posted a turnover of Rs.943.90 crores in the year under report as against Rs.1041.62 crores in the previous year.

The Company, however has earned a Profit after Tax (PAT) of Rs.171.87 crores during the year under report over the previous year's profit of Rs.2.63 crores. This exceptional activity has been 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 100 percent i.e. Re 1/- per Equity Share of Re.1/- each. In addition, your Directors have recommended a Final Dividend @ 200 percent i.e. Rs.2/- per Equity Share of Re.1/- each for the financial year 2014-15. The Dividend paid during the financial year is a one time special dividend out of capital gain on sale of the entire stake in Joint Venture Company namely FCC Rico Limited.

The Unaudited Financial Results of the Company for the first quarter of the current year ended 30th June, 2015, 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.236.45 crores for the first quarter of the current year against a turnover of Rs.229.97 crores in the corresponding quarter of the previous year. Steps are being taken to further improve the turnover and margin during the remaining part of the year. The year will witness an unwavering focus on productivity improvement, domestic and international customer base expansion, efficient utilization of assets, reduction in working capital and lean manufacturing along with a de-risked business model.

Exports

As with domestic sales, exports have also always been a focus area for your company. In FY 2014-15 your company added new business from prestigious clients such as BMW, GKN, Musashi, Honeywell & Renault. The Company has further aligned its strategy to build infrastructure and capability for more complex and bigger parts thus giving more value add to the customers and increasing its segment competitiveness.

Despite the overall liquidity constraints and market conditions your Company managed to hold on to its export turnover at Rs.192.64 crores as against Rs.193.20 crores in the previous year. The export turnover includes sales to wholly owned subsidiaries amounted to Rs.122.13 crores as against Rs.124.33 crores in the previous year.

During the quarter ended 30th June, 2015 of current year, export turnover has recorded a growth of 18 percent and stood at Rs.53.69 crores as against Rs.45.42 crores in the corresponding quarter of the previous year despite the slow down in the off-road vehicles.

Expansions

Your Company is working steadfastly towards effectively utilizing its existing available capacities and also implementing new facilities 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. Your Company has also set up a manufacturing plant for supply of HPDC parts to Renault – Nissan in Chennai. The plant and machinery has been installed and production trials are in progress. Commercial production is expected to start in 3rd Quarter of current financial year. Furthermore site development work at our Pathredi (Bhiwadi) Plant has been completed. The buidling construction work is expected to commence in the financial year 2015-16.

Subsidiary Companies

It would be pertinent to share with you the performance of our Subsidiary Companies in the period under review. During the year under review, Rico Jinfei Wheels Limited, Rasa Autocom Limited and Rico Aluminium and Ferrous Auto Components Limited (formerly known as RAA Autocom Limited) have become step-down subsidiaries of the Company. All of them are committed to further their positions in their respective domains:

A. **Rico Auto Industries Inc. USA**

This Company is engaged in the business of trading of Auto Components and providing last mile support to customers i.e. the OEMs & System Suppliers in the North American and Brazilian Markets. The Company earned total revenues of Rs.90.95 crores during the financial year ended 31st March, 2015 as against Rs.85.44 crores in the previous year. The Company earned a net profit of Rs.1.07 crores in the financial year ended 31st March, 2015 as against Rs.1.02 crores in the previous year. The Company has not declared any dividend for the financial year ended 31st March, 2015.

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

This Company is engaged in the business of trading of Auto Components and providing last mile support to customers i.e. the OEMs & System Suppliers for the European Markets.

The Company earned total revenues of Rs.37.26 crores during the financial year ended 31st March, 2015 as against Rs.56.45 crores in the previous year. The Company earned a net profit of Rs.0.27 crore in the financial year ended 31st March, 2015 as against Rs.0.35 crore in the previous year. The Company has not declared any dividend for the financial year ended 31st March, 2015.

The Subsidiary, is expecting significant growth during the remaining part of the current financial year based on the demand of our OEMs and Tier-I Customers.

C. **Uttarakhand Automotives Limited**

During the year under review, the Company has earned a total income of Rs.11.02 crores by way of remission of interest. The Company after adjusting expenses and exceptional items recorded a profit of Rs.1.71 crores as against loss of Rs.0.0035 crore in the previous year. During the financial year and period under review, your Company has not made any additional investment in this Subsidiary.

D. **AAN Engineering Industries Limited**

This Company has been set-up to focus on non-automotive components business, especially for manufacturing and supplying of technical and engineering equipment required for Defence. 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.

E. **Rico Investments Limited**

During the year, the Board of your Company with a strategic view of restructuring the business operation of the Company has formed a subsidiary company namely Rico Investments Limited as a Core Investment Company (CIC) - NBFC, for the purpose of acquiring and holding strategic Investments in the Group Companies of Rico Auto Industries Limited. Your Company has with your approval sold the Investments held in its three subsidiary companies namely Rico Jinfei Wheels Limited, Rasa Autocom Limited and Rico Aluminium and Ferrous Auto Components Limited (formerly known as RAA Autocom Limited) to this Company. Further, consequent to sale of Investments held by Company to Rico Investments Limited, the above mentioned Companies have become step down subsidiaries of the Company.

During the year under review, your Company has invested in the Equity Share Capital of this Subsidiary Company for the purpose of holding strategic investments in the various Group Companies. The details of the step-down subsidiary companies are given below:

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

The Company has earned total income of Rs.6.45 crores during the financial year 2014-15. The Company has incurred total expenses of Rs.4.11 crores during the financial year 2014-15. The Company has earned profit of Rs.1.60 crores as on 31st March, 2015. During the financial year and period under review, your Company has sold its entire shareholding to its newly incorporated subsidiary company namely Rico Investments Limited, NBFC Core Investment Company and Rico Aluminium and Ferrous Auto Components Limited has become step-down subsidiary of your Company.

ii) **Rasa Autocom Limited**

This Company is engaged in the business of manufacturing of high pressure and gravity die cast Auto Components.

The Company has recorded a turnover of Rs.7.76 crores during the financial year ended 31st March, 2015 as against Rs.16.89 crores in the previous year. The Company has incurred loss of Rs.1.94 crores in the financial year ended 31st March, 2015 as against the loss of Rs.7.52 crores in the previous year. However, sale & profit for the current year is likely to be Rs.40.00 crores & Rs.3.00 crores respectively.

iii) **Rico Jinfei Wheels Limited**

This Company earned total revenue of Rs.108.90 crores during the financial year ended 31st March, 2015 as against Rs.63.41 crores in the previous year. This Company has incurred a loss of Rs.10.96 crores in the financial year ended 31st March, 2015 as against Rs.12.81 crores in the previous year. However, sale & profit for the current year is likely to be Rs.115.00 crores & Rs.4.00 crores respectively.

Joint Ventures

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

A. **Magna Rico Powertrain Private Limited**

Magna Rico recorded a turnover of Rs.65.55 crores in the financial year ended 31st March, 2015 as against Rs.51.36 crores in the previous year. The Company has earned a net profit of Rs.6.12 crores in the financial year ended 31st March, 2015 as against Rs.1.74 crores in the previous year. The Company has not declared any dividend for the financial year ended 31st March, 2015.

B. **FCC Rico Limited**

During the period under review, the Company has sold the entire 39,50,000 fully paid up equity shares of Rs. 10/- each of the Joint Venture Company namely FCC Rico Limited to its JV Partner's two Group Companies namely, FCC Clutch India Private Limited and FCC (Philippines) Corporation. The entire consideration of Rs.495.00 crores in the Equity Share Capital towards our investment has been received and consequently FCC Rico Limited has ceased to be our Joint Venture Company w.e.f. 23rd December, 2014. This Company upto 23rd December, 2014 recorded a turnover of Rs.802.00 crores and a profit of Rs.30.90 crores.

Corporate Social Responsibility

In addition to enhancing shareholder value, your company is deeply committed towards contributing to societal growth. Our CSR Policy, is therefore, aimed at Enhancing Environmental Sustainability, Supporting Rural Development, Providing Preventive Health Care, Promoting Education & Skill Development as well as Promoting Cleanliness & Sanitation in Rural areas.

Future Outlook

Your Company immensely values the faith reposed on us by all its business constituents and is fully committed to live up to it. Improved productivity and growth leading to shareholder value enhancement remains our unstinting focus. To this end, we are committed to work towards:

- Improved market penetration and unwavering customer focus
- Improve product quality & competitive advantage through the use of improved technological know how
- Rigorous Cost control measures
- Skill up gradation

Acknowledgements

Let me take this opportunity to thank all the business constituents, without whose support all of the above would not have been possible. I would like to acknowledge the valuable role played by our bankers & various Government departments for their support & guidance. A warm thank you to all our customers & other stakeholders for their unstinting support. Thanks are also due to all our employees for their dedicated efforts. Last but certainly not the least, let me thank all our shareholders for their confidence & trust. Your company is always committed to reciprocate the confidence reposed in us, as it is to maximize shareholder value.

CHAIRMAN

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