

RAIL:SEC:2018

February 09, 2018

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 : Outcome of Board Meeting held on 9th February, 2018

Dear Sir/Madam,

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that the Board of Directors have approved the following in the aforesaid meeting:

1. Unaudited Financial Results for the quarter and nine months ended 31st December, 2017 (copy enclosed).
2. Limited Review Report for the aforesaid quarter duly signed by the Auditors of the Company.
3. Declared an Interim Dividend of 40 per cent i.e. @ Re.0.40 per equity share of Re.1/- each of the Company for the financial year 2017-18. The payment date of the said Interim Dividend shall be on or before 9th March, 2018.

RECORD DATE

The Company has fixed 22nd February, 2018 as the Record Date for the purpose of Payment of Interim Dividend.

The Board Meeting commenced at 12.00 Noon and concluded at 3.00 PM.

Thanking you,

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


B.M. Jhamb
Company Secretary
FCS : 2446

Encl : As above

RICO AUTO INDUSTRIES LIMITED

Regd. & Corp. Office : 38 KM Stone, Delhi - Jaipur Highway, Gurugram - 122001 (Haryana) CIN:L34300HR1983PLC023187

STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER, 2017

(Rs. in Crores)

Particulars	Quarter Ended			Nine months Ended	
	31-12-2017	30-09-2017	31-12-2016	31-12-2017	31-12-2016
	(Unaudited)				
1 Revenue from operations (gross) (refer note 11)	263.26	270.68	235.69	796.80	768.42
2 Other income	7.24	6.51	6.56	21.16	18.09
3 Total Revenue (1 + 2)	270.50	277.19	242.25	817.96	786.51
4 Expenses					
Cost of raw material and components consumed	175.16	172.93	140.83	504.53	463.18
Purchase of traded goods	3.02	4.97	5.56	14.04	14.97
Change in inventories of finished goods and work in progress	(4.40)	0.53	(1.72)	(6.57)	(7.85)
Excise Duty on sales	-	-	16.41	17.45	50.40
Employee benefits expense	26.07	25.02	22.70	74.84	68.54
Finance costs	3.91	4.45	5.71	11.82	14.43
Depreciation and amortisation	10.15	10.01	9.83	30.13	27.71
Other expenses	38.45	39.86	32.28	118.52	104.02
Total Expenses	252.36	257.77	231.60	764.76	735.40
5 Profit before exceptional items and tax (3 - 4)	18.14	19.42	10.65	53.20	51.11
6 Exceptional items [expense/(income)]	2.71	1.75	-	4.89	0.44
7 Profit before tax	15.43	17.67	10.65	48.31	50.67
8 Tax expense:					
a) Current Tax	2.09	5.83	(0.76)	12.09	9.39
b) Deferred Tax	1.38	(0.75)	2.21	0.34	1.75
9 Profit for the year (7 - 8)	11.96	12.59	9.20	35.88	39.53
10 Other Comprehensive Income / (Loss)					
a)(i) Items that will not be reclassified to profit or loss	0.09	0.59	(0.91)	(0.09)	(1.61)
(ii) Income tax relating to items that will not be reclassified to profit or loss	(0.03)	(0.21)	0.31	0.03	0.56
b)(i) Items that will be reclassified to profit or loss	-	-	-	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-
11 Total Comprehensive Income (9+10)	12.02	12.97	8.60	35.82	38.48
12 Paid up equity share capital (Face value of Re.1/- per share)	13.53	13.53	13.53	13.53	13.53
13 Basic and diluted earning per equity share [nominal value of share December 31, 2017 : Re.1/- (March 31, 2017 : Re. 1/-)]	0.88	0.93	0.68	2.65	2.92

The Company adopted Indian Accounting Standards (IndAS) from 1st April, 2017 as per road map released by Ministry of Corporate Affairs (MCA). Reconciliation of Net Profit after tax as previously reported under Indian GAAP and IndAS for the quarter and nine months ended 31st December 2016 are as follows:

S.No.	Description	(Rs. in Crores)	
		Quarter Ended	Nine months Ended
		31-12-2016	31-12-2016
1	Net Profit as per Previous Indian GAAP	7.57	35.21
2	Measurement of Current investment at MTM	0.05	0.19
3	EIR adjustments	1.48	4.56
4	Adjustment for recording actuarial (gains)/losses in OCI	0.91	1.61
5	Adjustment of Prior period Items	0.03	0.16
6	Others*	0.00	0.00
7	Deferred tax impact of above adjustments	(0.84)	(2.20)
8	Net Profit as per IndAS	9.20	39.53
9	Other Comprehensive Income (Net of Tax)	(0.60)	(1.05)
10	Total Comprehensive Income (8+9)	8.60	38.48

* Amounts have been rounded off to zero

NOTES

- 1) The above Financial Results were reviewed by the Audit Committee and thereafter were approved and taken on record by the Board of Directors in their meeting held on 9th February, 2018.
- 2) The Limited Review of the standalone and consolidated results has been completed by the Statutory Auditors of the Company.
- 3) The Board has declared an Interim Dividend of Re.0.40 per equity share and fixed 22nd February, 2018 as the Record Date for the purpose.
- 4) As per Indian Accounting Standard (IndAS) 108 "Operating Segment", the Company's business falls within a single business segment viz. "Automotive Components".
- 5) "The Consolidated Financial Results of the Company have been prepared in accordance with the Indian Accounting Standards (IndAS) 27 "Separate Financial Statements", Indian Accounting Standard (IndAS) 110 "Consolidated Financial Statements", Indian Accounting Standard (IndAS) 112 "Disclosure of Interest in Other Entities" and Indian Accounting Standard (IndAS) 28 "Financial Reporting of Investment in Associates and Joint Ventures (as applicable) notified under The Companies Act 2013 ("the Act").
- 6) Exceptional items include expenditure incurred pursuant to Voluntary Retirement Scheme of the Company amounting to Rs.2.71 crores for the quarter ended 31st December, 2017 (Rs 4.89 crores for nine months ended on 31st December, 2017).
- 7) With respect to amalgamation of the wholly owned subsidiary Uttarakhand Automotives Limited with the Company, the Company received the final order of the Hon'ble National Company Law Tribunal on 9th January 2018, which was filed with the Registrar of Companies, NCT of Delhi and Haryana on 11th January 2018.
- 8) Finance Cost of standalone results includes exchange difference arising from foreign currency short term borrowings regarded as an adjustment to interest cost as under:

Particulars	Quarter Ended			Nine months Ended	
	31-12-2017	30-09-2017	31-12-2016	31-12-2017	31-12-2016
Net loss/(gain) on Foreign Currency transactions and translation on	(0.48)	0.32	1.65	-	2.54

- 9) In the consolidated results, export sales of Rs. 154.25 crores for the period ended 31st December, 2017 made to wholly owned foreign subsidiaries in USA and UK from the Company is eliminated. Standalone export sales from the Company is Rs. 193.76 crores for the period ended 31st December, 2017 which constitute approx 25% of the net sales.

- 10) The list of entities included in the consolidated financial results for the quarter ended 31st December, 2017 are as follows:

- i. Rico Auto Industries Inc, USA - Wholly Owned Subsidiary
- ii. Rico Auto Industries (UK) Limited - Wholly Owned Subsidiary
- iii. Uttarakhand Automotives Limited - Wholly Owned Subsidiary - ceased to be a subsidiary w.e.f. 11th January, 2018 (refer note 7)
- iv. AAN Engineering Industries Limited - Wholly Owned Subsidiary
- v. Rico Investments Limited - Subsidiary
- vi. Rico Jinfei Wheels Limited - Step-down Subsidiary
- vii. Rasa Autocom Limited - Step-down Subsidiary
- viii. Rico Aluminium and Ferrous Auto Components Limited - Step-down Subsidiary
- ix. Magna Rico Powertrain Private Limited - Joint Venture

- 11) Consequent to introduction of Goods and Service Tax (GST) with effect from 1st July, 2017 Excise Duty, VAT and other indirect taxes were subsumed into GST. In accordance with Indian Accounting Standard - 18 (IndAS -18) on Revenue and Schedule III of Companies Act, 2013, unlike Excise Duties, levies like GST is not part of Revenue, accordingly, the figures for the period upto 30th June, 2017 are not strictly relatable to those thereafter. The following additional information is being provided to facilitate such understanding :

Particulars	Quarter Ended			Nine months Ended	
	31-12-2017	30-09-2017	31-12-2016	31-12-2017	31-12-2016
Revenue from operations (gross)	263.26	270.68	235.69	796.80	768.42
Excise Duty on sales	-	-	16.41	17.45	50.40
Revenue from operations (net of excise duty)	263.26	270.68	219.28	779.35	718.02

- 12) The financial results for the quarter and nine months ended 31st December, 2016 are also IndAS compliant. The Management has exercised necessary due diligence to ensure that the financial results give a true and fair view. This has not been subjected to limited review or audit.

- 13) Previous quarter's amounts have been re-grouped/re-classified, wherever considered necessary to make them comparable with those of the current quarter.

- 14) Results are available at Company's website www.ricoauto.in and at www.bseindia.com and www.nseindia.com

for RICO AUTO INDUSTRIES LIMITED

Arvind Kapur
Chairman, CEO & Managing Director
DIN : 00096308

Place : New Delhi
Date : 9th February, 2018

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CONSOLIDATED UNAUDITED FINANCIAL RESULTS
FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER, 2017

(Rs. in Crores)

Particulars	Quarter Ended			Nine months Ended	
	31-12-2017	30-09-2017	31-12-2016	31-12-2017	31-12-2016
	(Unaudited)				
1 Revenue from operations (gross) (refer note 2)	303.38	299.99	259.91	897.19	631.81
2 Other income	5.45	4.49	5.07	14.75	11.51
3 Total Revenue (1 + 2)	308.83	304.46	264.96	911.94	843.32
4 Expenses					
Cost of raw material and components consumed	171.98	153.15	120.62	461.03	363.16
Purchase of traded goods	-	-	0.56	-	2.36
Change in inventories of finished goods and work in progress	(11.86)	2.16	(1.13)	(9.43)	(7.51)
Excise Duty	-	-	19.13	20.32	56.42
Employee benefits expense	37.60	36.15	33.17	108.40	100.96
Finance costs	4.38	4.90	5.89	12.95	14.83
Depreciation and amortisation	13.40	13.29	12.64	39.80	35.40
Other expenses	74.74	75.81	64.05	224.37	203.50
Prior period items (net)	-	-	-	-	-
Total Expenses	290.24	265.48	254.95	857.44	791.16
5 Share of profit / (loss) of Joint Venture	0.56	(0.25)	0.93	2.18	3.34
6 Profit before extra-ordinary items and tax (3 - 4 + 5)	19.15	18.75	10.96	56.68	55.50
7 Exceptional items	2.85	1.77	0.06	5.45	0.63
6 Profit before tax (6 - 7)	16.30	16.98	10.90	51.23	54.87
9 Tax expense:					
a) Current Tax	2.73	6.25	(0.83)	13.37	10.57
b) Deferred Tax	0.24	(1.28)	1.60	(1.47)	(0.77)
10 Profit for the year (8 - 9)	13.33	12.01	10.13	39.33	45.07
11 Minority Interest	0.11	0.07	0.08	0.12	0.36
12 Net Profit for the year after minority interest (10 - 11)	13.22	11.94	10.05	39.21	44.71
13 Other Comprehensive Income / (Loss) (Net of taxes)					
a)(i) Items that will not be reclassified to profit or loss	(1.90)	3.34	(0.85)	0.39	(2.08)
(ii) Income tax relating to items that will not be reclassified to profit or loss*	(0.09)	(0.36)	0.37	(0.09)	0.65
b) (i) Items that will be reclassified to profit or loss	-	-	-	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-
14 Total Comprehensive Income (12+13)	11.23	14.92	9.57	39.51	43.28
15 Paid up equity share capital (Face value of Re.1/- per share)	13.53	13.53	13.53	13.53	13.53
16 Basic and diluted earning per equity share [nominal value of share December 31, 2017 : Re. 1/- (March 31, 2017 : Re. 1/-)]	0.98	0.88	0.74	2.90	3.30

1)

The Company adopted Indian Accounting Standards (IndAS) from 1st April, 2017 as per road map released by Ministry of Corporate Affairs (MCA). Reconciliation of Net Profit after tax as previously reported under Indian GAAP and IndAS for the quarter and nine months ended 31st December, 2016 are as follows:

(Rs. in Crores)

S.No.	Description	Quarter Ended	Nine months Ended	
		31.12.2016	31.12.2016	
1	Net Profit as per Previous Indian GAAP	9.14	41.73	
2	Measurement of Current investment at MTM	0.13	0.44	
3	EIR adjustments	(0.01)	0.22	
4	Adjustment for recording actuarial (gains)/losses in OCI	1.08	1.88	
5	Adjustment of Prior period Items	0.05	0.20	
6	Others*	0.01	0.01	
7	Deferred tax impact of adjustments	(0.35)	0.23	
8	Net Profit as per IndAS	10.05	44.71	
9	Other Comprehensive Income (Net of Tax)	(0.48)	(1.43)	
10	Total Comprehensive Income (8+9)	9.57	43.28	

* Amounts have been rounded off to zero

2) Consequent to introduction of Goods and Service Tax (GST) with effect from 1st July, 2017 Excise Duty, VAT and other indirect taxes were subsumed into GST. In accordance with Indian Accounting Standard - 18 (IndAS -16) on Revenue and Schedule III of Companies Act, 2013, unlike Excise Duties, levies like GST is not part of Revenue, accordingly, the figures for the period upto 30th June, 2017 are not strictly relatable to those thereafter. The following additional information is being provided to facilitate such understanding :

Particulars	Quarter Ended			Nine months Ended	
	31-12-2017	30-09-2017	31-12-2016	31-12-2017	31-12-2016
Revenue from operations (gross)	303.38	299.99	259.91	897.19	831.81
Excise Duty on sales	-	-	19.13	20.32	58.42
Revenue from operations (net of excise duty)	303.38	299.99	240.76	876.87	773.39

Walker Chandiook & Co LLP

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Independent Auditor's Review Report on Standalone Quarterly Financial Results and Year to Date Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of Rico Auto Industries Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results ("Statement") of Rico Auto Industries Limited ("the Company") for the quarter ended 31 December 2017 and the year to date results for the period 1 April 2017 to 31 December 2017, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures, applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 and SEBI Circulars CIR/CFD/CMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016, and other recognised accounting practices and policies has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.



Walker Chandiook & Co LLP

Auditor's Review Report on Quarterly Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Cont'd)

4. The financial results for the quarter ended 31 December 2016 and the year to date results for the period 1 April 2016 to 31 December 2016 included in this accompanying statement, are based on the previously issued financial results prepared in accordance with applicable accounting standards, as notified under the Companies (Accounting Standards) Rules, 2006 read with Rule 7 of the Companies (Accounts) Rules, 2014 in respect of Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies reviewed by us on which we issued an unmodified review report dated 3 February 2017. Such financial results prepared in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, have been reviewed by us.

Walker Chandiook & Co LLP
For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500013

Ashish Gupta
per Ashish Gupta
Partner

Membership No. 504662



Place: Gurugram

Date: 9 February 2018

Walker Chandiook & Co LLP

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Independent Auditor's Review Report on Consolidated Quarterly Financial Results and Year to date financial results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of Rico Auto Industries Limited

1. We have reviewed the accompanying statement of unaudited consolidated financial results ("Statement") of Rico Auto Industries Limited ("the Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group"), and its joint venture (Refer Annexure 1 for the list of subsidiaries and joint venture included in the Statement) for the quarter ended 31 December 2017 and year to date results for the period 1 April 2017 to 31 December 2017, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures, applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above and upon consideration of the review reports of the other auditors, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 and SEBI Circulars CIR/CFD/CMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016, and other recognised accounting practices and policies has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.



Walker Chandiook & Co LLP

Independent Auditor's Review Report on Consolidated Quarterly Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Cont'd)

4. The financial results for the quarter ended 31 December 2016 and the year to date results for the period 1 April 2016 to 31 December 2016 included in this accompanying statement, are based on the previously issued financial results prepared in accordance with applicable accounting standards, as notified under the Companies (Accounting Standards) Rules, 2006 read with Rule 7 of the Companies (Accounts) Rules, 2014 in respect of Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies reviewed by us on which we issued an unmodified review report dated 3 February 2017. Such financial results prepared in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, have been reviewed by us.
5. We did not review the financial results of five subsidiaries included in the Statement whose financial results reflect total revenues of ₹ 81.76 Crores and ₹ 251.67 Crores for the quarter and nine months ended 31 December 2017 respectively, net profit/(loss) (including other comprehensive income) of ₹ (0.53) Crores and ₹ (0.44) Crores for the quarter and nine months ended 31 December 2017 respectively, total assets of ₹ 260.35 Crores as at 31 December 2017 and net assets of ₹ 147.83 Crores as at 31 December 2017. The Statement also includes the Group's share of net (loss)/profit (including other comprehensive income) of ₹ 0.56 Crores and ₹ 2.18 Crores for the quarter and nine months ended 31 December 2017 respectively as considered in the Statement, in respect of one joint venture, whose financial results have not been reviewed by us. These financial results have been reviewed by other auditors whose review reports have been furnished to us by the management and our report in respect thereof is based solely on the review reports of such other auditors.

Further, of these subsidiaries and joint venture, one subsidiary is located outside India whose financial results has been prepared in accordance with accounting principles generally accepted in their respective countries and which have been reviewed by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial results of such subsidiary located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Company's management. Our report in so far as it relates to the financial results of such subsidiary located outside India is based on the report of other auditor and the conversion adjustments prepared by the management of the Company and reviewed by us.

Our review report is not modified in respect of this matter.

Walker Chandiook & Co LLP
For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500013

Ashish Gupta
per Ashish Gupta
Partner
Membership No. 504662



Place: Gurugram
Date: 9 February 2018

Walker Chandiok & Co LLP

Independent Auditor's Review Report on Consolidated Quarterly Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Cont'd)

Annexure 1

List of entities included in the Statement

List of subsidiaries:

Rico Auto Industries Inc. (USA)
Rico Auto Industries (UK) Limited
Uttarakhand Automotive Limited
AAN Engineering Industries Limited
Rico Investments Limited
Rico Aluminium and Ferrous Auto Components Limited
Rasa Autocom Limited
Rico Jinfei Wheels Limited

Jointly Controlled Entity:

Magna Rico Powertrain Private Limited

