

RAIL:SEC:2015

February 11, 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 : **Board Meeting held on 11th February, 2015**

Dear Sir,

Pursuant to the Listing Agreements, SEBI (Insider Trading) Regulation 2002 and other applicable rules and regulations, 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, 2014 (copy enclosed).
2. Limited Review Report for the aforesaid quarter duly signed by the Auditors of the Company.

BOARD MEETING FOR INTERIM DIVIDEND

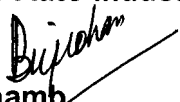
A meeting of Board of Directors of the Company will be held on Saturday, the 14th day of February, 2015 to consider declaration of interim dividend for the financial year 2014-2015.

TRADING WINDOW

Please note that the trading window will remain closed upto 16th February, 2015.

Thanking you,

Yours faithfully,
for Rico Auto Industries Limited


B.M. Jham
Company Secretary
FCS : 2446

Encl : As above

RICO AUTO INDUSTRIES LIMITED

Regd. Office : 69 KM Stone, Delhi - Jaipur Highway , Dharuhera, Distt. Rewari (Haryana)
Corp. Office : 38 KM Stone, Delhi - Jaipur Highway, Gurgaon - 122001 (Haryana) CIN : L34300HR1983PLC023187

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER, 2014

(Rs. in Crores)

PART - I

Particulars	Quarter ended on			Nine months ended		Year ended
	31.12.2014	30.09.2014	31.12.2013	31.12.2014	31.12.2013	31.03.2014
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Gross revenue	234.80	249.98	250.60	714.75	804.14	1,041.62
Income from operations						
2. Net sales/income from operations (net of excise duty)	201.61	215.61	220.25	612.70	706.73	901.25
- Domestic	148.44	164.57	170.73	463.07	554.29	708.05
- Export	53.17	51.04	49.52	149.63	152.44	193.20
3. Other operating income	7.79	7.25	6.08	23.61	16.45	29.14
Total income from operations	209.40	222.86	226.33	636.31	723.18	930.39
4. Expenses						
a) Cost of materials consumed	105.02	115.32	118.66	327.27	397.97	497.62
b) Change in inventories of finished goods and work-in-progress	2.68	(3.77)	2.90	(3.01)	7.66	12.99
c) Employee benefit expense	28.77	27.36	29.10	84.14	85.96	112.44
d) Depreciation and amortisation	17.59	16.10	18.14	49.85	53.88	71.33
e) Power and fuel	22.64	27.30	20.60	73.74	60.55	78.75
f) Other expenditure	37.00	37.41	25.24	101.80	92.74	125.07
Total expenses	213.70	219.72	214.64	633.79	698.76	898.20
5. Profit/(loss) from operations before other income, finance cost and exceptional items	(4.30)	3.14	11.69	2.52	24.42	32.19
6. Other income	9.04	9.55	4.78	27.99	19.77	32.65
7. Profit from ordinary activities before finance cost and exceptional items	4.74	12.69	16.47	30.51	44.19	64.84
8. Finance cost	16.48	15.17	11.78	43.42	42.22	59.36
9. Profit/(loss) from ordinary activities after finance cost but before exceptional items	(11.74)	(2.48)	4.69	(12.91)	1.97	5.48
10. Exceptional items { (Income) / Expenses }	(227.32)	1.08	-	(224.76)	-	1.38
11. Profit/(loss) from ordinary activities before tax	215.58	(3.56)	4.69	211.85	1.97	4.10
12. Tax expense/(Credit)	36.15	(1.50)	0.75	35.21	0.51	1.47
13. Net profit/(loss) from ordinary activities after tax	179.43	(2.06)	3.94	176.64	1.46	2.63
14. Extraordinary items (net of tax)	-	-	-	-	-	-
15. Net profit/(loss) for the period	179.43	(2.06)	3.94	176.64	1.46	2.63
16. Paid-up equity share capital of Re.1/- each	13.53	13.53	13.53	13.53	13.53	13.53
17. Reserves excluding revaluation reserves as per balance sheet of previous accounting year	-	-	-	-	-	308.69
18. Earning per Share (before and after extraordinary items, not annualised)						
- Basic (Rs.)	13.26	(0.16)	0.29	13.05	0.11	0.19
- Diluted (Rs.)	13.26	(0.16)	0.29	13.05	0.11	0.19

PART - I I

A. PARTICULARS OF SHAREHOLDING	Quarter ended on			Nine months ended		Year ended
	31.12.2014	30.09.2014	31.12.2013	31.12.2014	31.12.2013	31.03.2014
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Aggregate of public shareholding						
a) Number of shares	67505022	67505022	67505022	67505022	67505022	67505022
b) Percentage of shareholding	49.90	49.90	49.90	49.90	49.90	49.90
2. Promoters and promoter group shareholding						
a) Pledged/ encumbered						
- Number of shares	45400000	45400000	32000000	45400000	32000000	47400000
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	66.98	66.98	47.21	66.98	47.21	69.93
- Percentage of shares (as a % of the total share capital of the Company)	33.56	33.56	23.65	33.56	23.65	35.04
b) Non-encumbered						
- Number of shares	22379978	22379978	35779978	22379978	35779978	20379978
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	33.02	33.02	52.79	33.02	52.79	30.07
- Percentage of shares (as a % of the total share capital of the Company)	16.54	16.54	26.45	16.54	26.45	15.06

B. INVESTOR COMPLAINTS	Quarter ended on 31.12.2014
Pending at the beginning of the quarter	Nil
Received during the quarter	4
Disposed off during the quarter	4
Remaining unresolved at the end of quarter	Nil

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 11th February, 2015.

2) The Limited Review as required under Clause 41 of the Listing Agreement of the standalone results has been completed by the Statutory Auditors of the Company. The Limited Review for the quarter ended 31st December, 2014 does not have any impact on the above results.

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

4) As the Company's primary segment falls within a single business segment viz. "Automotive Components", accordingly disclosure requirements under Clause 41 of the Listing Agreement are not applicable.

5) The Consolidated Financial Results of the Company have been prepared in accordance with the Accounting Standards and includes the results of its Subsidiary and Joint Venture Companies.

6) Effective from 1st April, 2014, the Company has charged depreciation based on the revised remaining useful life of the assets as per the requirement of Schedule II of the Companies Act, 2013. Further, based on transitional provision provided in Note 7(b) of Schedule II, an amount of Rs.2.95 Crores (net of deferred tax) has been adjusted against retained earnings. Based on the technical estimate and history of usage, the Company has retained useful life of certain categories of plant and machinery which is higher than the useful life as indicated in Schedule II. Owing to aforementioned change in estimate (except for certain categories of plant and machinery where the earlier useful life is retained), depreciation charge for the quarter would have been higher by Rs.1.87 Crores and for the period would have been lower by Rs.0.62 Crore.

7) During the quarter, the Company completed the sale of all of its shares in the Joint Venture, FCC RICO Limited, a joint venture between the Company and FCC Co. Ltd., Japan for a total gross consideration of Rs.495.00 Crores to FCC Co. Ltd., Japan and/or its affiliate. The transaction was carried out at arms length based on valuation performed by the valuation expert. [Refer note 9(a)]

In accordance with the requirement of clause 41, information relating to discontinued operation for the purpose of consolidated financial results are as follows:

Particulars	Quarter ended on			9 Months ended		Year ended
	31.12.2014	30.09.2014	31.12.2013	31.12.2014	31.12.2013	31.03.2014
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
1. Profit / (Loss) before tax from ordinary activities attributable to discontinuing operations	7.05	9.45	9.82	22.46	14.55	25.19
2. Add / (Less) : Tax expenses of discontinuing operations	2.06	2.92	2.87	6.97	4.69	7.70
3. Profit / (Loss) from discontinuing operations	4.99	6.53	6.95	15.49	9.86	17.49

8) During the current quarter, the Company has carried out a comprehensive review of its business activities/investment in subsidiaries and have identified certain businesses undergoing continuing pressure. In order to turnaround these business division, the management has, with a strategic view and bring in more focused attention on these businesses, have decided to restructure its business activities to ensure optimize operational efficiency and consequently maximize the shareholders value. As part of the business restructuring, the Board of directors has in their meeting held on January 29, 2015 -

a. proposed to sell/transfer its (a) Ferrous based auto components business division located at Gurgaon & Manesar (Haryana) ("Ferrous Undertaking") and (b) Non-ferrous based auto components business division located at Sanand ("Non-Ferrous Undertaking") (collectively may be referred as "Undertakings"); to its one of the subsidiary Companies namely RAA Autocom Limited as going concern on a slump sale basis and on arm's length subject to receipt of all relevant approvals, consents in accordance with the applicable laws. The lump sum consideration for Ferrous Undertaking and Non-Ferrous Undertaking is Rs.39.59 Crores and Rs.4.81 Crores respectively, which has been arrived at without values being assigned to individual assets and liabilities, shall be paid in cash to the Company. Consequently, an impairment loss of Rs. 171.17 Crores has been recorded under exceptional items. [Refer note 9(b)]

b. approved the sale and transfer of investment in subsidiaries namely RAA Autocom limited, Rasa Autocom limited and Rico Jinfei Wheels limited for an aggregate consideration of Rs. 1.50 Crores to another subsidiary company namely, Rico Investments Limited incorporated for the purpose of holding the investment in the group companies as a core investment company. The aforementioned consideration has been determined on arm's length based on valuation report of an independent valuer. Consequently, an impairment loss of Rs 49.07 Crores has been recorded under exceptional items. [Refer note 9(c)]
The aforementioned proposed sale is subject to approval of the shareholders.

9) Exceptional items include the following:

a. Sale of shares in the Joint Venture, FCC RICO Limited:

As further explained in Note 7, consequent to the sale of all shares held by the Company in the joint venture for a total gross consideration of Rs.495 Crores, the Company has recorded a gain of Rs. 491 Crores during this quarter.

b. Provision for impairment of business divisions:

As detailed in Note 8(a), the Board of directors of the Company, have approved the transfer of its (a) Ferrous Undertaking and (b) Non-ferrous based auto components business division located at Sanand on a going concern basis. In accordance with the principles of the prudence as enunciated in accounting standard 1 "Disclosure of accounting policies", the Company has made a provision of Rs. 171.17 Crores representing impairment of net assets of the aforesaid undertakings.

c. Provision for diminution in the value of investments:

As detailed in Note 8(b), the Board of directors of the Company, have approved the transfer of Company's investment in RAA Autocom Limited, Rasa Autocom Limited and Rico Jinfei Wheels Limited. In accordance with the principles of the prudence as enunciated in accounting standard 1 "Disclosure of accounting policies", the Company has made a provision of Rs. 49.07 Crores representing decline in value of investments.

d. Provision for diminution in the value of loans and advances:

During the quarter, the Company entered into settlement agreement with RAA Autocom Limited, Uttarakhand Automotive Limited, Rico Jinfei Wheels Limited and RASA Autocom Limited for recovery of loans aggregating to Rs. 100.19 Crores given by the Company over the past few years. As per the settlement agreement, Out of Rs 100.19 crores, an aggregate of Rs. 30.49 Crores, representing interest accrued on such loans and Rs. 8.23 Crores of the loan balance recoverable from Uttarakhand Automotive Limited has been provided for in the results for the quarter.

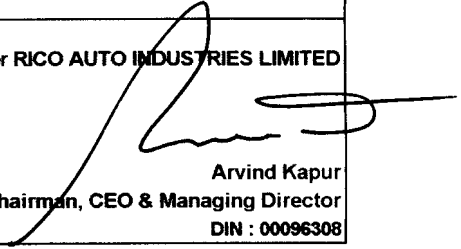
e. Other items:

Exceptional item also includes expenditure incurred pursuant to Voluntary Retirement Scheme of the Company amounting to Rs. 2.56 Crores and legal and professional expenses of Rs. 4.11 Crores incurred in relation to sale of investment in FCC Rico Ltd.

10) Tax expense includes tax related to exceptional items amounting to Rs. 39.98 Crores. (current tax - Rs. 102.62 Crores and deferred tax credit - Rs. 62.64 Crores)

11) Results are available at Company's website ricoauto.com and also at bseindia.com and nseindia.com.

for RICO AUTO INDUSTRIES LIMITED


Arvind Kapur
Chairman, CEO & Managing Director
DIN : 00096308

Place : Gurgaon

Date : 11th February, 2015

UNAUDITED CONSOLIDATED FINANCIAL RESULTS
RICO AUTO INDUSTRIES LTD. AND ITS SUBSIDIARIES AND JOINT VENTURES
FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER, 2014

(Rs. in Crores)

Particulars	Quarter ended on			Nine months ended		Year ended
	31.12.2014	30.09.2014	31.12.2013	31.12.2014	31.12.2013	31.03.2014
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Gross revenue	402.01	435.62	403.94	1,239.96	1,239.47	1,660.48
Income from operations						
2. Net sales/income from operations (net of excise duty)	348.44	378.35	353.97	1,072.86	1,090.28	1,442.93
- Domestic	323.73	356.41	339.82	1,014.25	1,036.74	1,374.06
- Export	24.71	21.94	14.15	58.61	53.54	68.87
3. Other operating income	8.23	9.71	7.79	28.80	21.56	37.17
Total income from operations	356.67	388.06	361.76	1,101.66	1,111.84	1,480.10
4. Expenses						
a) Cost of materials consumed	203.31	224.66	212.83	644.47	664.86	875.98
b) Change in inventories of finished goods and work-in-progress	9.01	0.64	3.06	7.17	3.81	15.43
c) Employee benefit expense	38.76	37.75	38.80	114.26	113.75	149.68
d) Depreciation and amortisation	22.97	21.89	23.67	66.87	70.71	94.32
e) Power and fuel	26.44	31.85	24.52	86.38	73.80	96.09
f) Other expenditure	57.18	57.77	38.26	161.64	142.97	193.02
Total expenses	357.67	374.56	341.14	1,080.79	1,069.90	1,424.52
5. Profit/(loss) from operations before other income, finance cost and exceptional items	(1.00)	13.50	20.62	20.87	41.94	55.58
6. Other income	10.33	8.00	5.00	25.99	14.68	26.08
	9.33	21.50	25.62	46.86	56.62	81.66
7. Profit from ordinary activities before finance cost and exceptional items						
8. Finance cost	17.94	17.22	12.94	48.51	49.71	67.38
9. Profit/(loss) from ordinary activities after finance cost but before exceptional items	(8.61)	4.28	12.68	(1.65)	6.91	14.28
10. Exceptional items { (Income) / Expenses }	(207.09)	1.18	(0.07)	(204.45)	0.06	1.71
11. Profit/(loss) from ordinary activities before tax	198.48	3.10	12.75	202.80	6.85	12.57
12. Tax expense/(Credit)	38.28	1.41	3.84	42.19	5.82	9.87
13. Net profit/(loss) from ordinary activities after tax	160.20	1.69	8.91	160.61	1.03	2.70
14. Extraordinary items (net of tax)	-	-	-	-	-	-
15. Net profit/(loss) for the period	160.20	1.69	8.91	160.61	1.03	2.70
16. Paid-up equity share capital of Re.1/- each	13.53	13.53	13.53	13.53	13.53	13.53
17. Reserves excluding revaluation reserves as per balance sheet of previous accounting year	-	-	-	-	-	335.28
18. Earning per Share (before and after extraordinary items, not annualised)						
- Basic (Rs.)	11.84	0.12	0.66	11.87	0.08	0.20
- Diluted (Rs.)	11.84	0.12	0.66	11.87	0.08	0.20

The Consolidated Financial Results include Results of the following Companies:

Name of the Company	% shareholding & voting power of Rico Auto Industries Ltd.	Nature of Interest
1) Rico Auto Industries Inc. USA	100%	Subsidiary
2) Rico Auto Industries (UK) Limited	100%	Subsidiary
3) Rico Jinfei Wheels Limited	92.50%	Subsidiary & Joint Venture
4) Rasa Autocom Limited	100%	Subsidiary
5) Uttarakhand Automotives Limited	100%	Subsidiary
6) RAA Autocom Limited	100%	Subsidiary
7) AAN Engineering Industries Limited	100%	Subsidiary
8) FCC Rico Limited	50%	Joint Venture
9) Magna Rico Powertrain Pvt. Ltd.	50%	Joint Venture

NOTE:
The Consolidated Financial Results of the Company have been prepared in accordance with the Accounting Standards and includes the results of its Subsidiary and Joint Venture Companies.

Walker Chandiok & Co LLP

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Review Report

To the Board of Directors of Rico Auto Industries Limited

1. We have reviewed the accompanying statement of unaudited financial results ("the Statement") of **Rico Auto Industries Limited** ("the Company") for the quarter ended **31 December 2014** and the year to date results for the period 1 April 2014 to 31 December 2014, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. 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 Engagements (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 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 has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement, including the manner in which it is to be disclosed, or that it contains any material misstatement.
4. We have neither performed a review nor performed an audit of the information and disclosures for the consolidated results for the quarter ended 31 December 2014 and year to date period 1 April 2014 to 31 December 2014, including comparative information, as reported in the statement and accordingly do not express any opinion thereon.

For **Walker Chandiok & Co LLP**
(formerly *Walker, Chandiok & Co*)
Chartered Accountants
Firm Registration No: 001076N/N500013

per **Ashish Gupta**
Partner
Membership No. 504662

Place : Gurgaon
Date : 11 February 2015