



RICO AUTO INDUSTRIES LIMITED

CORP. OFF. : 38 K.M. STONE, DELHI - JAIPUR HIGHWAY, GURGAON 122001 HARYANA (INDIA)
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email : rico@ricoauto.in website : www.ricoauto.com CIN : L34300HR1983PLC023187

RAIL:SEC:2014

September 30, 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

Ref : Symbol – RICOAUTO & Series – EQ

Sub : **Outcome of 31st Annual General Meeting - 30th September, 2014**

Dear Sir,

Please note that the 31st Annual General Meeting (AGM) of the Company was held on 30th September, 2014 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 25/09/2014 to 27/09/2014. The Company has fixed 22nd August, 2014 as a cut-off date to record the entitlement of shareholders to cast their vote at the 31st 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 22nd August, 2014 on all the resolutions of Ordinary and Special businesses as set out in Item 01 to 12 of the Notice convening the said AGM.

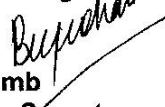
The consolidated result of the poll conducted at the AGM and the e-voting shall be announced before 2nd October, 2014 and the same shall be forwarded to the Stock Exchange(s) in the format prescribed under Clause 35A of the Listing Agreement. The same shall also be uploaded on website of the Company 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

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 31st Annual General Meeting of the Company held on Tuesday the 30th day of September, 2014)

Dear Shareholders,

Good afternoon.

At the outset, let me extend a very warm welcome to all of you on attending the 31st Annual General Meeting of your Company. Your presence as well as the invaluable support rendered to your Company at all times, is much appreciated.

The Annual Report for the year ended 31st March 2014 along with the Directors' Report and Audited Accounts of the Company have been shared with you. With your permission I take them as read.

2013-14 has been a challenging year for the economy at large. The impact of a slow down in the election year was clearly felt in the business outlook. Growth in GDP of less than 5% coupled with high inflation, high interest rates and poor industrial sector growth have all played a role in contributing to the economic climate and the resulting business sentiment. In addition, high fiscal deficit, expansionary subsidies and worsening current account balance have fuelled the slowdown.

As with most industries, the automotive industry in India was also impacted by the macro economic variables. High capital costs, high interest rates and currency fluctuations had a direct co-relation with the sluggish vehicle sales. The industry witnessed a meager 3.4 per cent growth in domestic sales with passenger vehicles down 6.8 per cent and commercial vehicles down a whopping 18.7 per cent.

As we take on a new year, we are hopeful that the business climate will improve. As per the Economic Survey, the Indian economy is likely to grow in the range of 5.4 to 5.9% in 2014-15 overcoming the sub 5% GDP growth of last 2 years. In fact the country's growth rebounded in the April-June quarter in current fiscal to 5.7%, fastest ever growth in the last 9 quarters. Positive sentiment borne out of the hope of growth oriented policy decisions by the Government, have set stage for some cautious optimism. Initiatives such as the "Make in India" campaign unveiled by our Prime Minister, covering India's national manufacturing policy on 25 sectors including Automobiles and Automobile Components, are being seen as likely growth drivers for India.

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

Operations

Consequent to a slowdown in the economy, your Company's performance has been understandably modest this fiscal. Although our Turnover has registered a negative growth, our proactive and professional approach, thorough understanding of the market and our reputation of being quality suppliers have all contributed to arresting this negative growth to a large extent. The best practices adopted by your Company to both, optimize costs and enhance revenues have also gone a long way in making the best of a challenging year.

Your Company has recorded a turnover of Rs.1041.62 crores in the fiscal 2013-14 as against Rs.1185.87 crores in the previous year, with a Profit after Tax (PAT) of Rs.2.63 crores during the year under report

Consequent to the financial numbers, the Board of Directors have recommended a dividend @10 per cent for the financial year 2013-14 on the equity share capital of Rs.13.53 crores.

The Unaudited Financial Results of the Company for the first quarter of the current year ended 30th June, 2014, which have already been announced and published, show a turnover of Rs.229.97 crores compared to turnover of Rs.293.19 crores in the corresponding quarter of the last year. Your Directors are taking steps to improve the turnover and margin during the remaining part of the year. The year will witness an unwavering focus on productivity improvement, 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. Despite combating a global slowdown as well as uncertain economic climate, your Company was successful in posting a 6.2 percent growth in exports. Significant new business was added from prestigious clients such as GKN, BMW, Jatco & Renault. Your Company has aligned its strategy to build infrastructure and capability for more complex and higher tonnage parts thus giving more value to the customers and increasing its segment competitiveness.

Your Company will be launching some critical programs in the last quarter of the current financial year, which will continue to strengthen its position.

Expansions

Your Company is working extensively towards expanding operations by way of commissioning new plants and adding production capacity and latest technology to the existing facilities. In this regard, the production facilities at our Bawal Plant are being up graded to provide a better output to handle growing global demands. Similarly, our Chennai Plant is soon to start operations, which will further add production capacity contributing to a wider consumer and product portfolio. We are in the process of attaining new contracts to better utilize the capacity of our Sanand Plant.

Subsidiary Companies

It would be pertinent to share with you the performance of our Subsidiary Companies in the period under review. Each of them is committed to further their positions in their individual 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 in the North American and Brazilian Markets. The Company earned total revenues of Rs.85.44 crores during the financial year ended 31st March, 2014 as against Rs.78.89 crores in the previous year. The Company earned a net profit of Rs.1.02 crores in the financial year ended 31st March, 2014 as against Rs.0.80 crore in the previous year.

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 for the European Markets. The Company earned total revenues of Rs.56.45 crores during the financial year ended 31st March, 2014 as against Rs.50.75 crores in the previous year. The Company earned a net profit of Rs.0.35 crores in the financial year ended 31st March, 2014 as against Rs.0.72 crore in the previous year.

C. Rasa Autocom Limited

This Company is engaged in the business of manufacturing of high pressure and gravity die cast auto components. Its plant is being equipped for automation and better controls to produce high quality parts in large volume for export. The Company has recorded a turnover of Rs.16.89 crores during the financial year ended 31st March, 2014 as against Rs.10.94 crores in the previous year. The Company has incurred loss of Rs.7.52 crores in the financial year ended 31st March, 2014 as against the loss of Rs.8.63 crores in the previous year.

D. Uttarakhand Automotives Limited

During the year under review, this Company has not started any manufacturing activities. The Company has incurred expenses of Rs.0.35 lac towards administrative and other operating expenses during the financial year 2013-14. The Company has accumulated loss of Rs.10.68 crores as on 31st March, 2014. During the financial year and period under review, your Company has not made any additional investment in this Subsidiary.

E. RAA Autocom Limited

During the year under review, this Company has not started any manufacturing activities. The Company has incurred expenses of Rs.0.31 lac towards administrative and other operating expenses during the financial year 2013-14. The Company has accumulated loss of Rs.1.86 crores as on 31st March, 2014. During the financial year and period under review, your Company has not made any additional investment in this Subsidiary.

F. 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 i.e. Army, Aerospace, Navy and Homeland Security. The Company is now registered with Directorate General of Supplies & Disposals (DGS&D) and the National Small Industries Corporation (NSIC). This Company is in the process of getting AS 9100C Certification for manufacture of aerospace components. This Company has also signed an International Distributor & Representation Agreement with a foreign Company.

During the year under review, this Company has not started any manufacturing activities. The Company has incurred expenses of Rs.0.12 crore towards administrative and other operating expenses during the financial year 2013-14. The Company has accumulated loss of Rs.0.84 crore as on 31st March, 2014. During the financial year and period under review, your Company has not made any additional investment in this Subsidiary.

The above subsidiaries are expected to consolidate their positions further during the current financial year.

Joint Ventures

Your Company has been operating successful Joint Ventures with Internationally acclaimed companies with commendable results towards furthering the Company's global presence and driving growth. Let me give you a brief summary of the performance of each.

A. FCC Rico Limited

FCC Rico recorded a gross turnover (excluding other income) of Rs.1089.22 crores for the financial year ended 31st March, 2014, a 14% growth over last year's actuals.

As you may be aware, your Company has divested its entire stake in this Joint Venture. The divestment worth Rs.495 Crores, signed on 25th September, 2014, has been made with an objective of reallocating your Company's capital resources and management bandwidth towards pursuing other strategic initiatives.

B. Magna Rico Powertrain Private Limited

Magna Rico recorded a turnover of Rs.51.36 crores in the financial year ended 31st March, 2014 a 32% increase over previous year. The Company has earned a net profit of Rs.1.74 crores in the financial year ended 31st March, 2014 as against Rs.0.54 crore in the previous year. During the financial year under review, your Company has invested Rs.1.50 crores in the Equity Share Capital and as on date our investment in the Equity Share Capital stood at Rs.21.12 crores.

C. Rico Jinfei Wheels Limited

This Company earned total revenues of Rs.63.41 crores during the financial year ended 31st March, 2014 as against Rs.61.46 crores in the previous year. This Company minimized its losses which stood at Rs.12.81 crores in the financial year ended 31st March, 2014 as against Rs.14.02 crores in the previous year.

Your Company firmly believes that investments in these Joint Ventures will pave the way to both growth and a stronger global presence in the years to come.

Corporate Social Responsibility

Besides optimizing financial values for our shareholders, your Company is fully committed to its CSR objective of actively contributing to the development and elevation of communities in which we operate. Our CSR policy is therefore driven towards addressing continuous improvement and development in areas of reduction of unemployment, enhancing education, health, safety, hygiene & environmental protection.

Future Outlook

Your Company is fully cognizant of the faith reposed on us by all its business constituents and is equally committed to live up to it. It is with unstinting vigor that we continue to focus on improved productivity & growth. Some of our focus areas include:

- Living up to our reputation of reliability and innovation.
- Expanding our product portfolio towards greater market penetration
- Use of cutting edge technology and advanced R&D to improve product quality and competitiveness
- Stringent focus on cost control measures
- Continuous investment in talent and skill up-gradation

Industrial Relations

Your Company is proud of its people who are dedicated, disciplined, hard- working, progressive and highly skilled in their respective roles. I have always maintained that our people and workers, at all levels of responsibilities, are our greatest assets. Our relations and rapport with our employees are cordial at all plants.

On behalf of the Board and on my own behalf, I place on record appreciation for maintaining healthy industrial relations and the rendering of dedicated services by your Company's employees.

Acknowledgements

In conclusion, I, together with my colleagues on the Board would like to take this opportunity to express my appreciation of the continued support and guidance extended by the Banks and various Government Departments. I also thank the customers and other stakeholders for their continued support and co-operation. Finally, I thank you the shareholders for your invaluable support, trust and confidence reposed in the management of the Company. I assure you all that your Company is positioned to continue to grow in the future and enhance stakeholders' value.

CHAIRMAN

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