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

February 08, 2016

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 : **Interview of Shri Arvind Kapur with CNBC-TV 18**

Dear Sir,

Please find enclosed herewith the transcript of interview held on 8th February, 2016 by CNBC-TV 18 with Shri Arvind Kapur, Chairman, CEO & Managing Director.

Thanking you,

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

B.M. Jhamb
Company Secretary
FCS : 2446

Encl : As above

Rico Auto reported a 27 percent fall in total income to Rs 258.77 crore while the profit after tax (PAT) came in at Rs 8.76 crore as against Rs 160.2 crore in a same period a year ago. Speaking to CNBC-TV18, Arvind Kapur, CMD of the company says lower trading income led to fall in revenues in the quarter ended December 31.

Hero's new products, especially in the scooter segment, will benefit Rico as well in terms of sales, says Kapur. The company's 30-32 percent revenues come from Hero. Going forward, Kapur says the target is to grow by 15-20 percent in the coming year. The company will cross Rs 250 crore mark in exports in FY16 and expects a 15 percent export growth in FY17.

Below is the verbatim transcript of Arvind Kapur's interview with Latha Venkatesh & Sonia Shenoy on CNBC-TV18.

Sonia: It's been a weak quarter for you; your revenues are down not just in Q3 but for nine months as a whole as well. What is the outlook going ahead and how weak is demand?

A: I do not think you can compare the turnover apple to apple because last year a lot of items were assembled and traded, so there is hardly any validation. However, we did removed Rs 120 crore of that trading that use to take place every year.

But if you look at this year, while the margins have gone up primarily because of its direct contribution to whatever has happened and if I remove those addition sales, our sales have gone up for December '15. We will not be touching the absolute number but whatever our own contribution is, will go up.

Latha: So you are saying is that you are not trading anymore; that trading income is not included?

A: Yes, we are not trading anymore. The trading was part of assembling that we were doing in some of the components and those components were customer directed and we were buying from outside and assembling the components. So that we did not do last year and that's the reason we see the sale coming down.

Sonia: But how has demand been and can you give us an apple to apple comparison now that this trading income will not be there. What could be the growth in revenues in FY17?

A: We are still making budget on that and we are taking all the figures from the customers but we hope to grow by the current level of whatever we are at the moment. Our target is to grow by at least 15 percent next year, if not 20; a lot depends on exports which are taking place.

Our exports are going up and this year we should be crossing almost Rs 250 crore and next year there should be a growth of about 15 percent in exports.

On the domestic front we are going up in the components that we are manufacturing. Fortunately our customer Hero Motocorp, the new launches that they have done, they are doing exceedingly well; the scooters that they have launched and we think that our contribution into the scooter would also go up and our sales should go up.

Sonia: What is the percentage that you get from Hero because Hero has been facing quite a bit of sluggishness as well? There has been not too much of a pickup in rural demand. How much of your revenue comes from Hero?

A: Almost 32 percent of our revenue comes from Hero.