

RAIL:SEC:2017

August 04, 2017

BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai - 400001  Scrip Code - 520008	National Stock Exchange of India Limited Exchange Plaza, 5 <sup>th</sup> 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 4<sup>th</sup> August, 2017

Dear Sir/Madam,

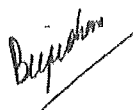
Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that the Board of Directors have approved the following in the aforesaid meeting:

1. Unaudited Financial Results for the first quarter ended 30<sup>th</sup> June, 2017 (copy enclosed).
2. Limited Review Report for the aforesaid quarter duly signed by the Auditors of the Company.
3. Shri Rakesh Kumar Sharma, Vice President (Fin. & A/cs) has been designated as Chief Financial Officer (CFO) of the Company w.e.f. 4<sup>th</sup> August, 2017.
4. Annual General Meeting will be held on Friday the 22<sup>nd</sup> day of September, 2017 at the Registered Office of the Company.

The Board Meeting commenced at 11.00 AM and concluded at 1.35 PM.

Thanking you,

Yours faithfully,  
for Rico Auto Industries Limited



**B.M. Jhamb**  
Company Secretary  
FCS : 2446

## 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 ENDED 30TH JUNE, 2017

(Rs. in Crores)

Particulars	Quarter ended	
	30.06.2017 (Unaudited)	30.06.2016 (Unaudited)
1 Revenue from operations (gross)	262.86	263.99
2 Other income	7.41	6.86
3 Total Revenue (1 + 2)	270.27	270.85
4 Expenses		
Cost of raw material and components consumed	156.44	160.95
Purchase of traded goods	6.05	5.23
Change in inventories of finished goods and work in progress	(2.70)	(5.76)
Excise Duty on sales	17.45	16.69
Employee benefits expense	23.75	23.14
Finance costs	3.46	5.16
Depreciation and amortisation	9.97	9.10
Other expenses	40.21	36.66
Total Expenses	254.63	251.17
5 Profit before exceptional items and tax (3 - 4)	15.64	19.68
6 Exceptional items [expense/(income)]	0.43	0.38
7 Profit before tax	15.21	19.30
8 Tax expense:	3.88	4.31
9 Profit for the year (7 - 8)	11.33	14.99
10 Other Comprehensive (Income) / Loss (Net of taxes)	0.50	(0.02)
11 Total Comprehensive Income (9-10)	10.83	15.01
12 Paid up equity share capital (Face value of Re.1 per share)	13.53	13.53
13 Basic and diluted earning per equity share [nominal value of share June 30, 2017 : Re. 1/- (March 31, 2017 : Re. 1/-)]	0.84	1.11

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 ended 30th June, 2016 is as follows:

Description	30.06.2016 (Unaudited)
Net Profit as per Previous Indian GAAP	14.07
Measurement of Current investment at MTM	0.06
EIR adjustments	1.33
Adjustment for recording actuarial (gains)/losses in OCI	(0.03)
Adjustment of Prior period Items	0.05
Others*	0.00
Deferred tax impact of above adjustments	(0.49)
Net Profit as per IndAS	14.99
Other Comprehensive Income (Net of Tax)	0.02
Total Comprehensive Income	15.01

**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 4th August, 2017.

2) The Limited Review of the standalone and consolidated results has been completed by the Statutory Auditors of the Company.

3) As per Indian Accounting Standard (IndAS) 108 "Operating Segment", the Company's business falls within a single business segment viz. "Automotive Components".

4) The Consolidated Financial Results of the Company have been prepared in accordance with the Indian Accounting Standard (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").

5) Exceptional Items include expenditure incurred pursuant to Voluntary Retirement Scheme of the Company amounting to Rs. 0.43 crore for the quarter ended 30th June, 2017.

6) The Scheme of Amalgamation of Uttarakhand Automotives Limited, Wholly Owned Subsidiary with its Holding Company Rico Auto Industries Limited as approved by the Shareholders on 30th January, 2017 has been filed with the Hon'ble High Court of Punjab and Haryana at Chandigarh. Consequent to amendment in the Companies Act, 2013, the matter has been transferred to National Company Law Tribunal, Chandigarh (NCLT). The next date of hearing fixed for the said matter is 31st August, 2017.

7) Finance Cost of standalone and consolidated results includes exchange difference arising from foreign currency short term borrowings regarded as

Particulars	30.06.2017	30.06.2016
Net loss/(gain) on Foreign Currency transactions and translation on borrowings	0.16	1.73

8) In the consolidated results, export sales of Rs.49.89 crores for the period ended 30th June, 2017 made to wholly owned foreign subsidiaries in USA and UK from the Company is eliminated. Standalone export sales from the Company is Rs.63.93 crores for the period ended 30th June, 2017 which constitute 27% of the net sales.

9) The list of entities included in the consolidated financial results for the quarter ended 30th June, 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
- 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

10) The financial results for the quarter ended 30 June 2016 are also Ind AS compliant. The management has exercised necessary due diligence to ensure that the financial results give a true and fair view. This information has not been subjected to limited review or audit.

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

\* Amount have been rounded off to zero

12) Results are available at Company's website [ricoauto.in](http://ricoauto.in) and also at [bseindia.com](http://bseindia.com) and [nseindia.com](http://nseindia.com).

for RICO AUTO INDUSTRIES LIMITED



Arvind Kapur  
Chairman, CEO & Managing Director  
DIN : 00096308

Place : New Delhi  
Date : 4th August, 2017

*Arvind*

**CONSOLIDATED UNAUDITED FINANCIAL RESULTS  
FOR THE QUARTER ENDED 30TH JUNE, 2017**

(Rs. in Crores)

Particulars	Quarter ended	
	30.06.2017 (Unaudited)	30.06.2016 (Unaudited)
1 Revenue from operations (gross)	293.82	280.88
2 Other income	4.81	4.37
3 Total Revenue (1 + 2)	298.63	285.25
4 Expenses		
Cost of raw material and components consumed	135.90	130.44
Purchase of traded goods	-	1.14
Change in inventories of finished goods and work in progress	0.25	(5.55)
Excise Duty	20.32	19.06
Employee benefits expense	34.65	33.88
Finance costs	3.67	5.37
Depreciation and amortisation	13.11	11.45
Other expenses	73.82	69.87
Total Expenses	281.72	265.66
5 Share of (profit) of Joint Venture	(1.87)	(1.00)
6 Profit before extra-ordinary items and tax (3 - 4 - 5)	18.78	20.59
7 Exceptional items [expense/(income)]	0.83	0.48
8 Profit before tax	17.95	20.11
9 Tax expense:	3.96	4.32
10 Profit for the year (8 - 9)	13.99	15.79
11 Minority Interest	(0.06)	(0.04)
12 Net Profit for the year after minority interest	14.05	15.83
13 Other Comprehensive (Income) / Loss (Net of taxes)	0.69	0.02
14 Total Comprehensive Income (12+13)	13.36	15.81
15 Paid up equity share capital (Face value of Re.1 per share)	13.53	13.53
16 Basic and diluted earning per equity share [nominal value of share June 30, 2017 : Re. 1/- (March 31, 2017 : Re. 1/-)]	1.04	1.17

Reconciliation of Net Profit after tax as previously reported under Indian GAAP and IndAS for the quarter ended June 30, 2016 is as follows:

Description	30.06.2016 (Unaudited)
Net Profit as per Previous India GAAP	15.58
Measurement of Current investment at MTM	0.14
EIR adjustments	(0.05)
Adjustment for recording actuarial (gains)/losses in OCI	0.03
Adjustment of Prior period Items	0.06
Tax impact on stock reserve	0.11
Deferred tax impact of above adjustments	(0.04)
Net Profit as per Previous IndAS	15.83
Other Comprehensive Income (Net of Tax)	(0.02)
Total Comprehensive Income	15.81

# Walker Chandiook & Co LLP

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Jacaranda Marg, DLF Phase II  
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## **Independent Auditor's Review Report on Standalone Quarterly 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 30 June 2017, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Attention is drawn to the fact that the figures for the corresponding quarter ended 30 June 2016, including the reconciliation of net profit under Ind AS of the corresponding quarter with net profit reported under previous GAAP, as included in the Statement have been approved by the Board of Directors but have not been subject to limited review or audit. 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*  
For Walker Chandiook & Co LLP  
Chartered Accountants  
Firm Registration No: 001076N/N500013  
*Ashish Gupta*  
per Ashish Gupta  
Partner  
Membership No. 504662



**Place:** New Delhi  
**Date:** 04 August 2017

# Walker Chandiook & Co LLP

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## **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**

### **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 joint venture (Refer Annexure 1 for the list of subsidiaries and joint venture included in the Statement) for the quarter ended 30 June 2017, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Attention is drawn to the fact that the figures for the corresponding quarter ended 30 June 2016, including the reconciliation of net profit under Indian Accounting Standards (Ind AS) of the corresponding quarter with net profit reported under previous GAAP, as included in the Statement have been approved by the Board of Directors but have not been subject to limited review or audit. 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

4. We did not review the financial results of five subsidiaries included in the Statement whose financial results reflect total revenues of ₹ 87.78 Crores for the quarter ended 30 June 2017 and net loss (including other comprehensive income) of ₹ 0.38 Crores for the quarter ended 30 June 2017. The Statement also includes the Group's share of net profit (including other comprehensive income) of ₹ 1.87 Crores for the quarter ended 30 June 2017 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.

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: New Delhi

Date: 04 August 2017

# Walker Chandio & Co LLP

## Annexure 1

### List of entities included in the Statement

Name of the entity	Nature of Relationship
Rico Auto Industries Limited	Holding Company
Rico Auto Industries Inc. (USA)	Subsidiary
Rico Auto Industries (UK) Limited	Subsidiary
Utrakhand Automotives Limited	Subsidiary
AAN Engineering Industries Limited	Subsidiary
Rico Investment Limited	Subsidiary
Rico Aluminium and Ferrous Auto Components Limited	Step down subsidiary
Rasa Autocom Limited	Step down subsidiary
Rico Jinfei Wheels Limited	Step down subsidiary
Magna Rico Powertrain Private Limited	Joint Venture

