

RAIL:SEC:2019

February 11, 2019

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 11th February, 2019

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 (Standalone & Consolidated) for the quarter and nine months ended 31st December, 2018 (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 2018-19. The payment date of the said Interim Dividend shall be on or before 11th March, 2019.

RECORD DATE

The Company has fixed 22nd February, 2019 as the Record Date for the purpose of Payment of Interim Dividend.

The Board Meeting commenced at 12.15 PM and concluded at 5.30 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 MONTH ENDED 31ST DECEMBER, 2018

(Rs. in Crores)

Particulars	Quarter ended			Nine month ended		Year Ended
	31.12.2018	31.12.2017	30.09.2018	31.12.2018	31.12.2017	31.03.2018
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 Revenue from operations (gross) (refer note 8a)	290.45	263.26	316.07	913.14	796.80	1,093.20
2 Other income	10.18	7.24	4.94	20.43	21.16	25.05
3 Total Revenue (1 + 2)	300.63	270.50	321.01	933.57	817.96	1,118.25
4 Expenses						
Cost of raw material and components consumed	199.20	175.16	200.65	604.95	504.53	696.28
Purchase of traded goods	2.12	3.02	2.31	5.97	14.04	15.93
Change in inventories of finished goods and work in progress	(8.25)	(4.40)	6.17	(7.14)	(6.57)	(3.87)
Excise duty	-	-	-	-	17.45	17.45
Other manufacturing expenses	27.72	23.44	30.06	86.08	74.38	100.46
Employee benefits expense	26.60	26.07	24.58	78.09	74.84	100.60
Finance costs	4.68	3.91	5.68	15.29	11.82	17.16
Depreciation and amortisation	10.96	10.15	11.07	32.74	30.13	40.92
Other expenses	15.80	15.01	18.15	50.62	44.14	63.40
Total Expenses	278.83	252.36	298.67	866.60	764.76	1,048.33
5 Profit before exceptional items and tax (3 - 4)	21.80	18.14	22.34	66.97	53.20	69.92
6 Exceptional items [expense/(income)]	3.91	2.71	0.13	8.73	4.89	6.80
7 Profit before tax (5 - 6)	17.09	15.43	22.21	58.24	48.31	63.12
8 Tax expense:						
a) Current Tax	4.85	2.09	4.92	13.82	12.09	14.23
b) Deferred Tax	0.13	1.38	0.76	1.37	0.34	(0.75)
9 Profit for the year (7 - 8)	12.91	11.96	16.53	43.05	35.88	49.64
10 Other Comprehensive Income / (Loss) (Net of taxes)						
a (i) Items that will not be reclassified to profit or loss	(1.21)	0.09	0.18	(0.77)	(0.09)	(0.69)
a (ii) Income tax relating to items that will not be reclassified to profit or loss	0.41	(0.03)	(0.05)	0.26	0.03	0.24
11 Total Comprehensive Income (9+10)	12.11	12.02	16.66	42.54	35.82	49.19
12 Paid up equity share capital (Face value of Re.1/- per share)	13.53	13.53	13.53	13.53	13.53	13.53
13 Basic and diluted earning per equity share [nominal value of share as on Dec 31, 2018 : Re.1/- (March 31, 2018 : Re.1/-)]	0.95*	0.88*	1.23*	3.18*	2.65*	3.67

* Not annualised

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, 2019.
- 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, 2019 as 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) 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.3.90 Crores for the quarter ended 31st December, 2018 (Rs.8.72 Crores for nine months ended on 31st December, 2018).
- 7) 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	
	31.12.2018	31.12.2017	30.09.2018	31.12.2018	31.12.2017
Net loss/(gain) on Foreign Currency transactions and translation on borrowings	(1.06)	(0.48)	0.74	-	-

- 8) The list of entities included in the consolidated financial results for the quarter ended 31st December, 2018 are as follows:

- i. Rico Auto Industries Inc. USA - Wholly Owned Subsidiary
- ii. Rico Auto Industries (UK) Limited - Wholly Owned Subsidiary
- iii. AAN Engineering Industries Limited - Wholly Owned Subsidiary
- iv. Rico Investments Limited - Subsidiary
- v. Rico Jinfei Wheels Limited - Step-down Subsidiary
- vi. Rasa Autocom Limited - Step-down Subsidiary
- vii. Rico Aluminium and Ferrous Auto Components Limited - Step-down Subsidiary
- viii. Magna Rico Powertrain Private Limited - Joint Venture

- 9) 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 :

a. Standalone

(Rs. in Crores)

Particulars	Quarter Ended			Nine Months Ended	
	31.12.2018	31.12.2017	30.09.2018	31.12.2018	31.12.2017
Revenue from operations (gross)	290.45	263.26	316.07	913.14	796.80
Excise Duty on sales	-	-	-	-	17.45
Revenue from operations (net of excise duty)	290.45	263.26	316.07	913.14	779.35

b. Consolidated

Particulars	Quarter Ended			Nine Months Ended	
	31.12.2018	31.12.2017	30.09.2018	31.12.2018	31.12.2017
Revenue from operations (gross)	334.54	303.38	361.22	1,044.89	897.19
Excise Duty on sales	-	-	-	-	20.32
Revenue from operations (net of excise duty)	334.54	303.38	361.22	1,044.89	876.87

- 10) The Company has adopted IndAS 115 "Revenue from contract with customers" applying a modified retrospective transition approach, which replaces earlier revenue recognition standard. There is no material impact on retained earnings or profit for the period.

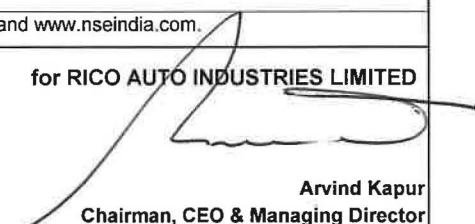
- 11) The financial results for the quarter and Nine Months ended 31st December, 2018 are also IndAS compliant. The Management has exercised necessary due diligence to ensure that the financial results give a true and fair view. This has not been subjected to limited review or audit.

- 12) The Board has approved the acquisition of equity shares alongwith its step down Subsidiary, Rasa Autocom Limited, in the 50:50 Joint Venture Company namely Magna Rico Powertrain Private Limited (JV Co.) from other Joint Venture Partner namely Magna Powertrain GMBH. The Company will acquire 5,00,000 equity shares and Rasa Autocom Limited will acquire 2,06,20,000 equity shares. Post this acquisition, JV Co. will become a subsidiary of the Company and the Company alongwith its step down subsidiary will be holding entire share capital of the JV Co.

- 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 : 11th February, 2019

RICO AUTO INDUSTRIES LIMITED

CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTH ENDED 31ST DECEMBER, 2018

(Rs. in Crores)

Particulars	Quarter ended			Nine month ended		Year Ended
	31.12.2018	31.12.2017	30.09.2018	31.12.2018	31.12.2017	31.03.2018
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 Revenue from operations (gross) (refer note 8b)	334.54	303.38	361.22	1,044.89	897.19	1,229.63
2 Other income	4.29	5.45	3.03	11.13	14.75	16.16
3 Total Revenue (1 + 2)	338.83	308.83	364.25	1,056.02	911.94	1,245.79
4 Expenses						
Cost of raw material and components consumed	192.49	171.98	182.28	572.15	461.03	615.26
Purchase of traded goods	-	-	-	-	-	-
Change in inventories of finished goods and work in progress	(16.01)	(11.86)	7.06	(22.46)	(9.43)	8.73
Excise duty	-	-	-	-	20.32	20.32
Other manufacturing expense	60.41	55.54	66.37	189.53	166.98	225.88
Employee benefits expense	38.28	37.60	36.21	113.46	108.40	145.64
Finance costs	5.71	4.38	6.66	17.95	12.95	18.74
Depreciation and amortisation	14.49	13.40	14.54	43.11	39.80	53.90
Other expenses	22.88	19.20	26.75	73.64	57.39	82.68
Total Expenses	318.25	290.24	339.87	987.38	857.44	1,171.15
5 Share of profit of Joint Venture	0.58	0.56	0.82	2.16	2.18	2.90
6 Profit before extra-ordinary items and tax (3 - 4 + 5)	21.15	19.15	25.20	70.80	56.68	77.54
7 Exceptional items	4.00	2.85	0.27	9.10	5.45	7.43
8 Profit before tax (6 - 7)	17.15	16.30	24.93	61.70	51.23	70.11
9 Tax expense:	-	-	-	-	-	-
a) Current Tax	5.80	2.73	5.88	16.73	13.37	16.06
b) Deferred Tax	0.46	0.24	0.97	0.79	(1.47)	(3.95)
10 Profit for the year (8 - 9)	10.89	13.33	18.08	44.18	39.33	58.00
11 Other Comprehensive Income / (Loss) (Net of taxes)						
a (i) Items that will not be reclassified to profit or loss	(0.01)	0.23	0.26	0.86	0.39	(0.47)
a (ii) Income tax relating to items that will not be reclassified to profit or loss*	(0.01)	(0.09)	(0.08)	(0.30)	(0.09)	0.14
b (i) Items that will be reclassified to profit or loss	(1.42)	(2.13)	1.90	1.50	(2.09)	0.90
b (ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-
12 Total Comprehensive Income (10+11)	9.45	11.34	20.16	46.24	37.54	58.57
a. Net profit attributable to :						
(i) Owners of the company	10.80	13.22	17.92	43.96	39.21	57.80
(ii) Non-controlling interest	0.09	0.11	0.16	0.22	0.12	0.20
b. Other Comprehensive Income attributable to :						
(i) Owners of the company	(1.43)	(1.99)	2.07	2.06	(1.79)	0.57
(ii) Non-controlling interest	(0.01)	-	0.01	-	-	(0.00)
c. Total Comprehensive Income attributable to :						
(i) Owners of the company	9.37	11.23	19.99	46.02	37.42	58.37
(ii) Non-controlling interest	0.08	0.11	0.17	0.22	0.12	0.20
13 Net Profit for the year after non-controlling interest [10 - 12a(ii)]	10.80	13.22	17.92	43.96	39.21	57.80
14 Paid up equity share capital (Face value of Re.1/- per share)	13.53	13.53	13.53	13.53	13.53	13.53
15 Basic and diluted earning per equity share	0.80*	0.98*	1.32*	3.27*	2.90*	4.27
[nominal value of share as on Dec 31, 2018 : Re.1/- (March 31, 2018 : Re.1/-)]						

* Not annualised

Walker Chandiok & Co LLP

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Independent Auditor's Review Report on Standalone Quarterly Financial Results and Year to Date 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 2018 and the year to date results for the period 1 April 2018 to 31 December 2018, 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, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) 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.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500013


Anupam Kumar
Partner

Membership No.: 501531



Place: Gurugram

Date: 11 February 2019

Walker ChandioK & Co LLP

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Independent Auditor's Review Report on Consolidated Quarterly Financial Results and Year to Date 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 31 December 2018 and the consolidated year to date results for the period 1 April 2018 to 31 December 2018 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, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) 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 Chandiok & Co LLP

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

4. We did not review the financial results of four subsidiaries included in the Statement whose financial results reflect total revenues of ₹ 84.96 Crores and ₹ 277.71 Crores for the quarter and period ended 31 December 2018 respectively, net profit (including other comprehensive income) of ₹ 0.21 Crores and ₹ 4.39 Crores for the quarter and period ended 31 December 2018 respectively, total assets of ₹ 270.02 Crores and net assets of ₹ 176.47 Crores as at quarter ended 31 December 2018. The Statement also includes the Group's share of net profit (including other comprehensive income) of ₹ 0.58 Crores and ₹ 2.16 Crores for the quarter and period ended 31 December 2018 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 have 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 country. The Company's management has converted the financial results of such subsidiary located outside India from accounting principles generally accepted in its country 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.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500013


Anupam Kumar
Partner

Membership No.: 501531



Place: Gurugram

Date: 11 February 2019

Walker ChandioK & Co LLP

Independent Auditor's Review Report on Consolidated Quarterly Financial Results and Year to Date 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
AAN Engineering Industries Limited
Rico Investment Limited
Rico Aluminium and Ferrous Auto Components Limited
Rasa Autocom Limited
Rico Jinfei Wheels Limited

Joint Venture:

Magna Rico Powertrain Private Limited

