

The RICO logo is rendered in a bold, white, sans-serif font against a black background. The letters are thick and closely spaced, with a slight shadow effect on the 'O'.

RELIABILITY
INNOVATION
COMPETITIVENESS
GLOBALIZATION

34th
Annual
Report
2016-17

RICO - Made in India with Pride



RICO - Made in India with Pride

About Us

RICO is an established and reputed engineering group sharply focussed on the automobile industry.

We manufacture and supply world class high precision and fully machined components & assemblies - both aluminium and ferrous - to leading OEMs across the Globe.

Our multiple fully integrated production facilities are equipped to offer complete spectrum of services from designing of components to development of tools, casting and precision machining and assembly of auto components.

Over the years, RICO has earned a reputation of being a reliable source of the most complex components & assemblies. Our commitment to uncompromising quality and the highest standards of excellence is matched by our ability to engineer the most demanding products at competitive cost, as well as our capability to deliver global volumes anywhere across the world.

The result of this exemplary service is the strong customer relationships we share with the most prestigious names in the national and international automotive industry. We have continued to remain a preferred supplier to these valued brands.

Strategic linkages with leading fellow automotive suppliers have given RICO a further technological edge. Joint ventures have been established with players like Magna Powertrain for oil & water pump systems, and Jinfei for alloy wheels.

RICO continually works towards achieving the highest levels of efficiency, productivity and profitability - so as to sustain growth and deliver consistent value to both customers and stakeholders.

Incorporated
in 1983

Global Supplier
of Automotive
Components

Presence in 4
Continents

14 Manufacturing
Plants

Over 4500
Employees

Strong in-house
R&D Capabilities

Our Vision

To be the preferred supplier to OEMs across the Globe.

Our Strategies

World Class Quality

ISO TS 16949, ISO 14001, OHSAS 18001

Integrated Service - Concept to Delivery

Design, Development & Engineering Services, R&D, Testing & Validation, Special Purpose Machines with CNC Controls, Tooling & Prototyping, Casting (Aluminium & Ferrous), Machining & Assembly, Packaging & Logistics

Preferred Supplier

Customer Focussed Enterprise Efficient Account, Program & Launch Management

People

Regular Training, Skill Building, Involvement & Empowerment and Leadership

Globalization

Global Teams, Global Presence & Scale

Shareholder Value

Focus on return on Capital Employed and Consistent Dividend Distribution

Our People: Our Greatest Asset

RICO is proud of its people - dedicated, disciplined, hard-working, progressive and highly skilled in their respective roles. It is their abilities and potential which provide RICO with a vital competitive edge in our intensifying globalization phenomenon.

Each and every member of the RICO 'Parivar' understands the importance of personal responsibilities as well as of team-work. Besides, our continuous focus on comprehensive internal and external training ensures excellence in terms of knowledge, attitude and skills for higher productivity, product innovations and relationship development. We, on our part, value their useful suggestions and ideas, which are suitably rewarded and recognised.

CSR Initiatives

“We believe that our decisive actions today, can lead to build a better tomorrow.”

Our main objective is to contribute towards societal growth by promoting education, hygiene and sanitation, providing awareness on high prioritized health topics like Autism, HIV Aids, Cancer, TB etc.

We are committed for enhancing environmental sustainability, supporting rural development, providing preventive health care, promoting education/skill development, encouraging cleanliness & sanitation in rural areas.

We have been engaging people in campaigns like Tree Plantation, No Tobacco, Preventive Health Care and Road Safety Awareness.

We are active member of NACO's (National Aids Control Organization) Employee Led Model program, through which we run awareness programs related to HIV, Hepatitis among migrant work force and local community.

Financial Highlights

Standalone

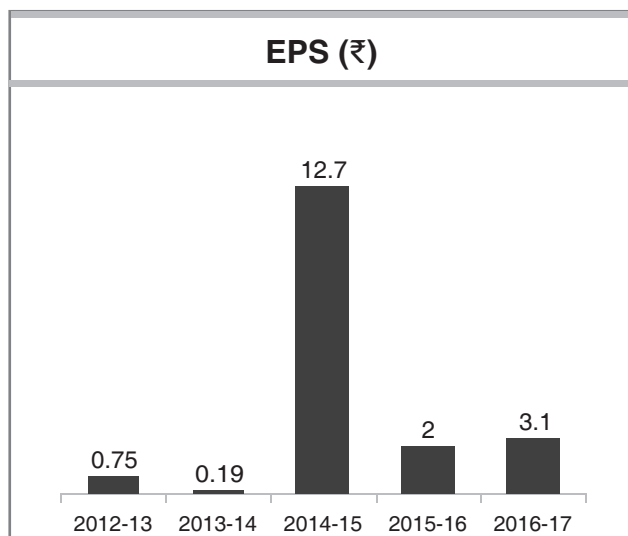
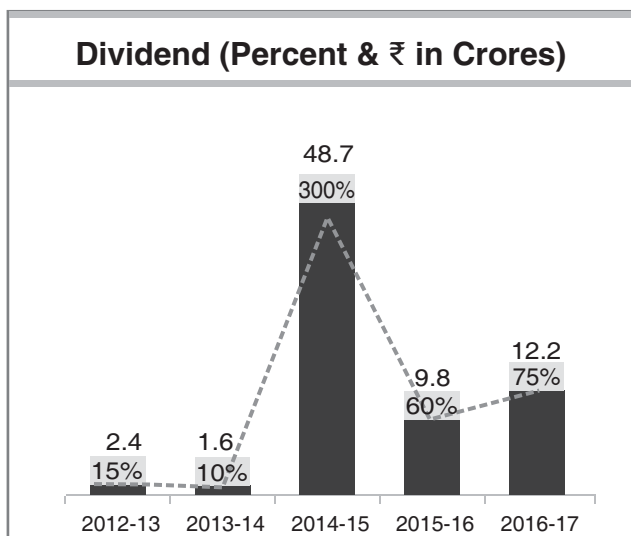
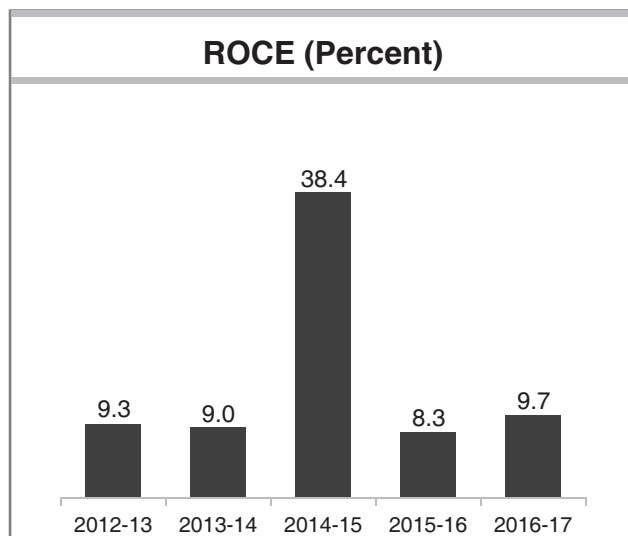
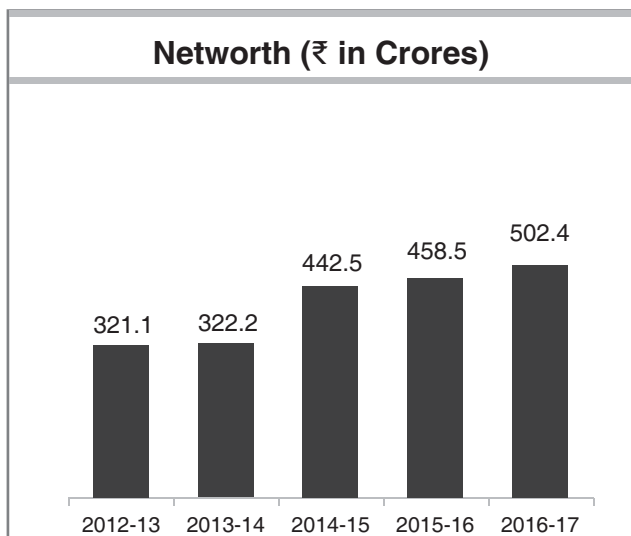
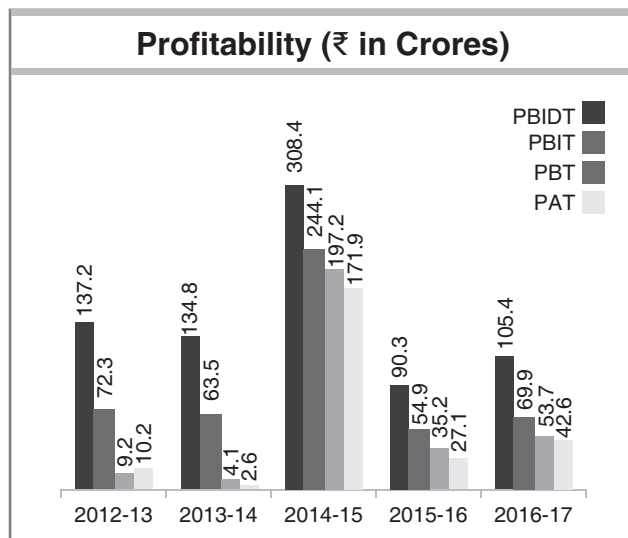
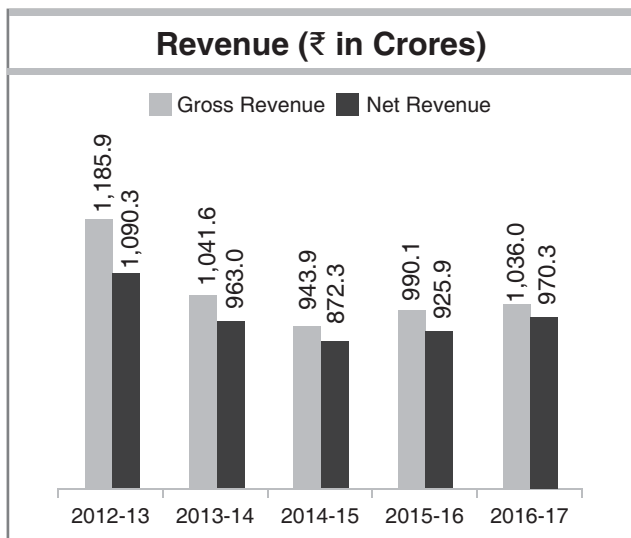
(₹ in Crores)

Particulars	2016-17	2015-16	2014-15#	2013-14	2012-13
Gross Revenue	1036.0	990.1	943.9	1041.6	1185.9
Net Revenue	970.3	925.9	872.3	963.0	1090.3
PBIDT	105.4	90.3	308.4	134.8	137.2
Depreciation	35.5	35.4	64.2	71.3	64.9
PBIT	69.9	54.9	244.1	63.5	72.3
Interest	16.2	19.7	47.0	59.4	63.1
PBT	53.7	35.2	197.2	4.1	9.2
Income Tax	11.5	7.6	48.4	2.5	5.1
Deferred Tax	0.9	(0.1)	(22.5)	(1.1)	(5.7)
MAT Credit Receivable	(1.0)	(1.2)	0.0	0.0	0.0
Previous Year Income Tax	(0.3)	1.7	(0.6)	0.0	(0.3)
PAT	42.6	27.1	171.9	2.6	10.2
Dividend (Including Tax)	12.2	9.8	48.7	1.6	2.4
Gross Fixed Assets (Incl. CWIP)	782.9	744.6	695.9	1068.7	1025.9
Net Fixed Assets (Incl. CWIP)	358.6	343.3	325.7	539.6	562.9
Net Current Assets*	184.6	141.9	135.8	(47.0)	67.3
Equity Share Capital	13.5	13.5	13.5	13.5	13.5
Reserves & Surplus	488.9	445.0	429.0	308.7	307.6
Deferred Tax Liabilities	12.4	11.4	11.5	35.4	36.5
Total Loan Funds	230.8	223.4	180.1	279.0	416.8
Key Ratios (%)					
Operating Margin (PBIDT/Net Revenue)	10.9	9.7	35.4	14.0	12.6
ROCE (PBIT/Avg. Capital Employed)	9.7	8.3	38.4	9.0	9.3
RONW (PAT/Avg. Net Worth)	8.9	6.0	45.0	0.8	3.2
Per Share Data (₹)					
EPS	3.1	2.0	12.7	0.2	0.8
Cash EPS	5.8	4.6	17.5	5.5	5.6
Book Value	37.1	33.9	32.7	23.8	23.7
Dividend (%)	75.0	60.0	300.0	10.0	15.0
Net worth	502.4	458.5	442.5	322.2	321.1

* Excluding short term borrowings and current liability of long term bank borrowings.

Profit of 2014-15 includes capital gain on sale of investments in J.V. Company – FCC Rico Limited.

Standalone



Financial Highlights

Consolidated Group

(₹ in Crores)

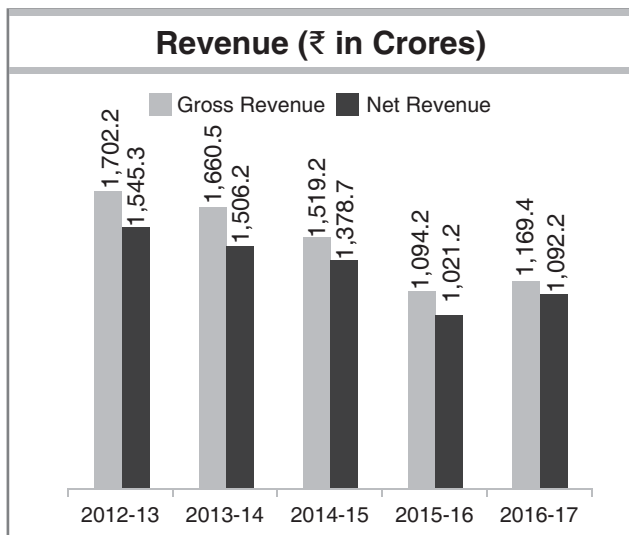
Particulars	2016-17	2015-16	2014-15#	2013-14	2012-13
Gross Revenue	1169.4	1094.2	1519.2	1660.5	1702.2
Net Revenue					
Rico Auto Industries Limited	970.3	925.9	872.3	963.0	1090.3
Rico Auto Industries Inc., USA	151.8	145.0	91.0	85.4	78.9
Rico Auto Industries (UK) Limited, UK	52.3	40.8	37.3	56.4	50.8
FCC Rico Limited (50%)	0.0	0.0	409.6	480.4	431.1
Magna Rico Powertrain Private Limited (50%)	43.9	34.2	31.2	23.2	17.9
Rico Jinfei Wheels Limited (93.5%)	78.0	73.9	98.1	52.0	50.5
Uttarakhand Automotives Limited	0.0	8.7	11.0	0.0	0.0
Rasa Autocom Limited	26.3	40.4	14.9	14.8	9.1
Rico Aluminium and Ferrous Auto Components Limited	248.5	260.7	5.9	0.0	0.0
Rico Investments Limited	4.9	5.9	0.1	0.0	0.0
AAN Engineering Industries Limited	3.7	0.3	0.0	0.0	0.0
Less : Inter Company Sales	(487.4)	(514.7)	(192.6)	(169.0)	(183.3)
Rico Group Consolidated	1092.2	1021.2	1378.7	1506.2	1545.3
PBIDT	126.6	108.2	323.9	174.3	169.9
PBIT	78.9	61.4	239.3	79.9	82.9
PBT	62.0	41.2	186.6	12.6	13.8
PAT	48.6	29.7	153.6	2.7	5.4
Gross Fixed Assets (Incl. CWIP)	955.0	895.6	834.4	1308.7	1242.8
Net Fixed Assets (Incl. CWIP)	478.9	458.1	441.8	707.1	729.0
Net Current Assets*	204.9	182.3	165.0	(2.1)	125.1
Equity Share Capital	13.5	13.5	13.5	13.5	13.5
Reserves & Surplus	505.1	457.1	437.5	335.3	330.5
Deferred Tax Liabilities	13.1	11.9	11.6	37.5	40.4
Total Loan Funds	235.9	227.0	186.1	349.5	499.1
Key Ratios (%)					
Operating Margin (PBITD/Net Revenue)	11.6	10.6	23.5	11.6	11.0
ROCE (PBIT/Avg. Capital Employed)	10.7	9.1	34.6	9.9	9.5
RONW (PAT/Avg. Net Worth)	9.8	6.4	38.4	0.8	1.6
Per Share Data (₹)					
EPS	3.6	2.2	11.4	0.2	0.4
Cash EPS	7.1	5.6	17.6	7.2	6.8
Net Worth	518.6	470.6	451.0	348.8	344.0

*Excluding short term borrowings and current liability of long term bank borrowings.

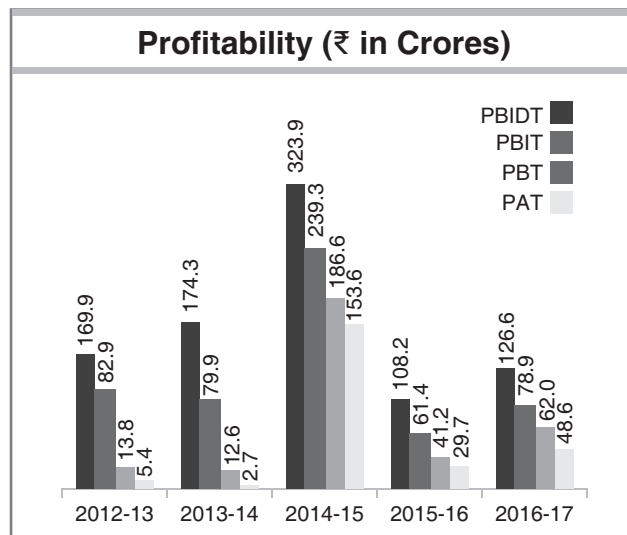
#Profit of 2014-15 includes capital gain on sale of investments in J.V. Company – FCC Rico Limited.

Consolidated Group

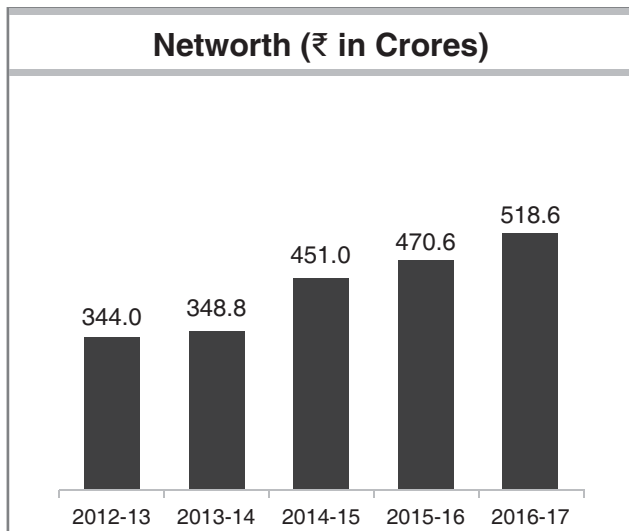
Revenue (₹ in Crores)



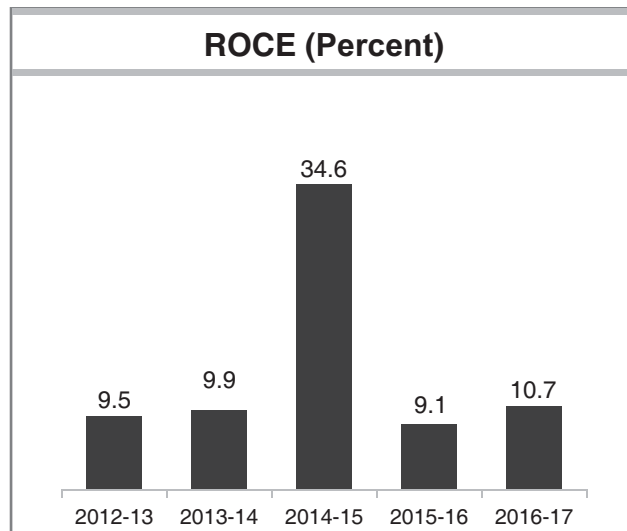
Profitability (₹ in Crores)



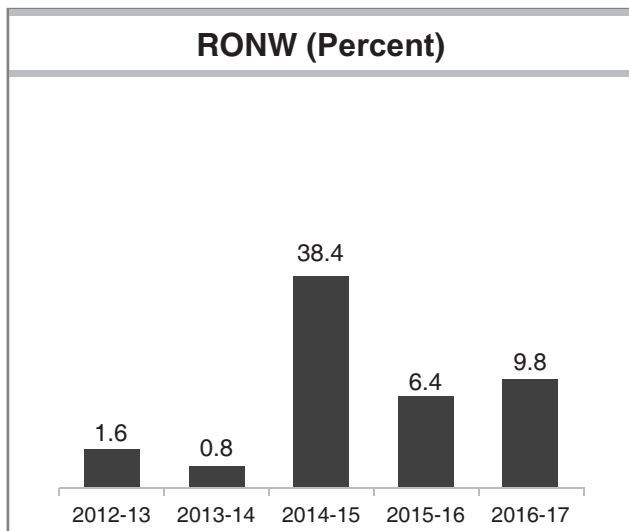
Networth (₹ in Crores)



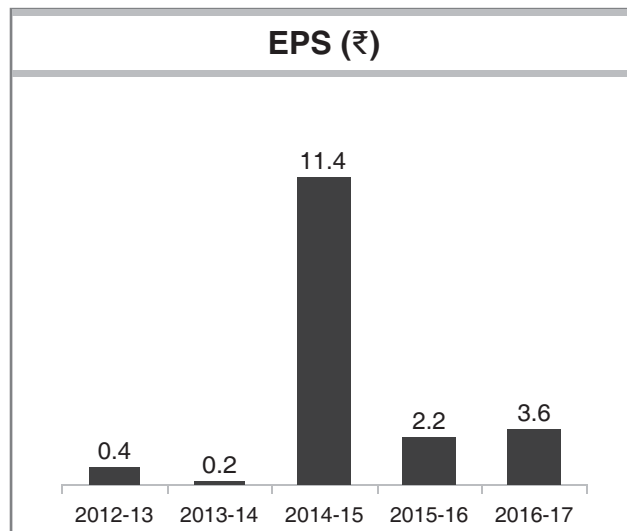
ROCE (Percent)



RONW (Percent)



EPS (₹)



From The Chairman's Desk



Dear Shareholders,

It gives me great pleasure to share with you the financial results of 2016-17. The year has been one of consolidation and growth, fuelled by the macro economic headwinds. The Indian Economy continued on its growth trajectory recording a growth of 7.1% in FY2017. During the same period, the production of vehicles in the Indian Automobile Sector grew by 5.4% on an average. This growth was led by the passenger vehicles segment that recorded a growth of 9.2%, followed by two wheeler sales that stood at a growth percentage of 6.9, while commercial vehicles grew at 4.2% and three wheeler sales recorded a negative growth of 4.9%.

Your Company continued to deliver innovative products to our customers and drive performance. I am happy to report that the consolidated sales figures for Rico Auto Group stood at ₹1092.2 crores, an increase of 7%. This in turn, resulted in a 17.1% growth in EBIDTA from ₹108.2 crores in the previous fiscal to ₹126.6 crores in the fiscal under consideration. Profit after tax recorded an increase of 63.6% from ₹29.7 crores in 2015-16 to ₹48.6 crores in 2016-17. The Consolidated EPS also grew by 64% to ₹3.6 per share while the net worth stood at ₹518.6 crores.

Going forward, the Indian economy is expected to grow in the range of 6.8%–7.5% in FY2018 while a major structural change is expected on account of the GST regulation. The domestic automotive industry is expected to witness robust growth fuelled by the Central Government's impetus to increase investment in road infrastructure and in the upliftment of rural areas. Overall a stable government framework, increased purchasing power, large domestic market, and an ever-increasing development in infrastructure are all positive growth indicators. As a result of all of these factors, the Indian Auto Component industry is expected to register a growth of 8-10% in FY 2017-18.

Your Company is taking a whole lot of measures to leverage this positive climate as also to expand its footprint. Towards this aim, we have recently entered the Aftermarket space and also identified the Defence Sector as a key focus area. We expect the Consolidated EBITDA margins to grow to 18% as against 11.6% in FY2017, over a period of 4-5 years, as we work towards enhancing productivity & improving the product mix. We are also moving towards automation by deploying Robots which in turn will augment productivity. Your Company's current order book is significant, which is likely to be executed over the next two years. Additionally, it has made bids for orders worth around ₹500 crores across OEMs. It is also foraying into newer products thereby addressing the Emission Norms mandate and the Electric Vehicle segment.

Driven by the cornerstones of innovation and perseverance over the years, your Company is a world-class organization today. The numbers reported during the year under review are a testament to our competitive advantage and long-term sustainability.

I would like to take this opportunity to express our gratitude to all our stakeholders, to our customers for their continued trust in us, to our collaborators for helping us support our customers, to our employees and teams, who work with unmatched passion and focus. Last but not the least, to you, our shareholders, for your unwavering belief in us. We would also like to thank all local, state and national governments, the concerned bodies, and the banks and financial institutions in all countries in which we operate, for their strong support.

Arvind Kapur
Chairman, CEO & Managing Director

RICO Core Values

E

ENTREPRENEURSHIP

The power of perusing new challenges with speed, flexibility and ownership

T

TEAMWORK

The power of working together

I

INTEGRITY

The power of honesty and transparency

C

COMMITMENT

The power of responsibility, accountability and ownership

EX

EXCELLENCE

The power of being the best

Key Milestones

2015-17

- Initiated After Market Business
- Foundation Stone laid for new manufacturing plant at Pathredi, Bhiwadi (Rajasthan)
- Added new Facilities/Plants at Bawal & Chennai
- Added Customers – Bentley, PSA

VDA 6.3
CAT SQEP – Silver

2010-14

- Added new Facilities/Plants at Bhiwadi, Sanand, Haridwar & Manesar
- Added Customers – Musashi, GKN, Toyota, VW, Kohler, Avtec
- Sold stake in JV company namely FCC Rico

GM QSB

2007-09

- JV with MAGNA Powertrain (Oil Pump, Water Pump)
- JV with Jinfei China (Aluminium Alloy Wheels – 2 Wheelers)
- Added Customers – JATCO, Magna, Renault, BMW

FORD Q1
CAT SQEP-Bronze

2004-06

- R&D Center Started
- Added Customers – NISSAN, TATA (Small Car Project), Perkins

2003-04

- Enhanced Ferrous and Aluminium Capacity
- Added Customers – GM, Caterpillar, Honeywell, Detroit Diesel, Volvo

2000-02

- Full Service Engineering Design Development Capability
- Added Customers – FORD, Land Rover, Jaguar

TS 16949, ISO 14001
OHSAS 18001

1999-00

- Expansion of Aluminium Die Casting & Machining (Gurugram)

QS 9000

1994-96

- JV (50:50) FCC RICO (Clutch Assembly)
- Started Exports – GM, Eaton, Cummins

1990-92

- International Market OEM Supplier – MEC Japan
- New Plant for Ferrous Casting & Machining (Gurugram)
Focus – Maruti Suzuki

ISO 9000

1985-86

- Technical Collaboration FCC Japan for clutches
- Commercial Production Started (1986)
- Aluminium Die Casting & Machining (Dharuhera)
Focus – Hero Honda & Maruti Suzuki

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Team & Corporate Information

Board of Directors

Arvind Kapur	<i>Chairman, CEO & MD</i>
Kanwal Monga	<i>Independent Director</i>
Amarjit Chopra	<i>Independent Director</i>
Dr. Ashok Seth	<i>Independent Director</i>
Satish Sekhri	<i>Independent Director</i>
Rajeev Kapoor	<i>Independent Director</i>
Vinod Kumar Nagar	<i>Independent Director</i>
Rakesh Kapur	<i>Non-Executive Director</i>
Upasna Kapur	<i>Non-Executive Director</i>
Arun Kapur	<i>Joint Managing Director</i>

Rico Executive Committee (REC)

Surendra Singh
 Rakesh Kumar Sharma
 R K Miglani
 M K Jain
 R Dharna
 Sandeep Rajpal
 Abhishek Kulshrestha

Advisors

O P Aggarwal
 N K Sethi

Chief Financial Officer

Rakesh Kumar Sharma

Company Secretary

B M Jhamb
 FCS No. 2446

Bankers (in alphabetical order)

Export Import Bank of India
 IDBI Bank Limited
 IndusInd Bank Limited
 Kotak Mahindra Bank Limited
 RBL Bank Limited
 State Bank of India
 Yes Bank Limited

Auditors

Walker Chandiok & Co LLP
 Chartered Accountants
 New Delhi, India

Registered & Corporate Office

38 KM Stone, Delhi-Jaipur Highway
 Gurugram - 122001, Haryana, India
 CIN : L34300HR1983PLC023187
 website: www.ricoauto.in

Registrar & Transfer Agent

MCS Share Transfer Agent Limited
 F-65, Okhla Industrial Area, Phase I
 New Delhi - 110020, India

DIRECTORS' REPORT

To the Shareholders,

Your Directors have pleasure in presenting the 34th Annual Report of your Company, together with the Audited Financial Statements for the year ended 31st March, 2017.

FINANCIAL RESULTS

Particulars	(₹ in Crores)	
	Year Ended 31/03/2017	Year Ended 31/03/2016
Gross Sales and other Income	1036.05	990.05
Net Sales and other Income	970.30	925.92
Profit before Interest, Depreciation and Exceptional Items	106.07	93.12
Interest and Financial charges	16.23	19.70
Profit before Depreciation, Exceptional Items and Tax	89.84	73.42
Depreciation	35.53	35.39
Profit before Exceptional Items and Tax	54.31	38.03
Exceptional Items	(0.66)	(2.85)
Profit before Tax (PBT)	53.65	35.18
Tax expense	11.06	8.11
Profit after Tax	42.59	27.07
Profit brought forward	219.48	202.19
Amount available for appropriation	262.07	229.26

OPERATIONS AND THE STATE OF COMPANY'S AFFAIRS

Your Company has recorded a gross turnover of ₹1036.05 crores in the year under report as against ₹990.05 crores in the previous year. Your Company has earned a Profit after Tax (PAT) of ₹42.59 crores during the year under report over the previous year's profit of ₹27.07 crores.

DIVIDEND

During the financial year ended 31st March, 2017, your Directors have recommended a Dividend @ 75 percent i.e. ₹0.75 per Equity Share of ₹1/- each for the financial year 2016-17 amounting to ₹12.22 crores including dividend tax of ₹2.07 crores as against a dividend of 60 percent (50% Interim and 10% Final) i.e. ₹0.60 per Equity Share of ₹1/- each aggregating to ₹9.78 crores including dividend tax of ₹1.66 crores in the previous year on the same Equity Share Capital.

RESERVES AND SURPLUS

During the financial year 2016-17, no amount was transferred to general reserves. The reserves and surplus of your Company stood at ₹488.85 crores as against ₹445.01 crores in the previous year.

SHARE CAPITAL

The paid-up share capital as on 31st March, 2017 was ₹13,52,85,000 divided into 13,52,85,000 equity shares of ₹1/- each. During the year under review, your Company has neither issued shares with Differential Voting Rights nor granted Stock Options nor Sweat Equity.

EXPORTS

The export turnover of your Company during the year under review was ₹253.59 crores as against ₹249.04 crores in the previous year. The export turnover includes sales to wholly owned subsidiaries

amounting to ₹198.48 crores as against ₹186.24 crores in the previous year. The wholly owned subsidiaries of your Company in United Kingdom and United States of America are engaged in providing last mile sales and customer support in their respective regions.

During the quarter ended 30th June, 2017 of current year, export turnover was ₹63.93 crores as against ₹69.15 crores in the corresponding quarter of the previous year. Further details as regards efforts of your Company on this front have been dealt with in the Management Discussion and Analysis section of this report.

OUTLOOK FOR CURRENT YEAR

The Unaudited Financial Results for the first quarter ended 30th June, 2017, already announced, show a gross turnover of ₹270.27 crores for the first quarter of the current year as against a turnover of ₹269.40 crores in the corresponding quarter of the previous year. The Profit after Tax stood at ₹11.33 crores for the first quarter ended 30th June, 2017 as against ₹14.07 crores over the corresponding quarter of previous year. The Earning per Share (EPS) is ₹0.84 for the quarter ended 30th June, 2017 as against ₹1.04 over the corresponding quarter of the previous year. Steps are being taken to improve the turnover and margin during the remaining part of the year.

PLANTS AND FACILITIES

The Company continues its efforts towards expansion of its domestic and overseas customer base by first utilizing the existing available capacities and also implementing new facilities to enhance capacity by acquiring new technologies and also de-risking its operations geographically. The Company is working to augment existing facilities and setting-up new facilities at following locations:

A. Bawal Plant

This plant has been set up for High Tonnage High Pressure Die Casting work with state-of-the-art facility with full Automation, control and High Precision Machining for Auto Parts and Assembly. The Company is now gearing up for higher volumes for our esteemed customers namely BMW, GKN, Renault, Audi, PSA, Volkswagen and Eaton.

B. Chennai Plant

The Company has set up a manufacturing plant at Chennai for supply of Machined Aluminium Auto Components to Renault-Nissan.

The Plant has been commissioned and has started commercial production. At present, the plant has installed capacity of 1,50,000 sets per annum for making Engine Parts which includes Fully Automatic Cylinder Block Die Casting Line. The Ramp up is taking place and plant would start running on full capacity by the 3rd quarter of this financial year.

The Company is also targeting other south based customers for domestic and export programs to further enhance the business from this Plant.

C. Pathredi (Bhiwadi) Plant

The Company has laid the foundation stone for a new manufacturing plant at Pathredi, Bhiwadi (Rajasthan) on 7th July, 2016 for manufacturing of Auto Components.

The Company is expected to start commercial production at the new plant during the next financial year.

D. Sanand Plant

In view of low demand by Tata Motors Limited for the components of the Nano Car, supply is being made from the Company's Gurugram Plant. Efforts are being made to add more customers so that the Plant capacity can be utilized.

Re-starting of the Sanand Plant is under discussion with Tata Motors for manufacturing new parts for their new models. Further, discussions are in progress with Hero MotoCorp and Maruti Suzuki for supplies to their plants in Gujarat and other states.

SUBSIDIARY COMPANIES

Your Company has four Wholly Owned Subsidiaries, one Subsidiary Company and three Step-down Subsidiary Companies. There was no material change in the nature of the business of any Subsidiary Company. During the year under review, Rico Aluminium and Ferrous Auto Components Limited and Rico Investments Limited have become material subsidiaries of the Company.

A. Rico Auto Industries Inc., USA

This Company is engaged in the business of trading of Auto Components and providing warehousing and logistics support to our OEM and Tier-I Customers in the North American and Brazilian Markets. The Company has recorded a gross turnover of ₹151.83 crores during the financial year ended 31st March, 2017 as against ₹145.00 crores in the previous year. The Company earned a net profit after tax of ₹1.58 crores in the financial year ended 31st March, 2017 as against ₹1.80 crores in the previous year. The Company has not declared any dividend for the financial year ended 31st March, 2017.

This Subsidiary has achieved a gross turnover of ₹38.86 crores for the first quarter ended 30th June, 2017 as against ₹43.75 crores in the corresponding quarter of the previous year, a decrease of 11 percent. During the financial year and period under review, your Company has not made any additional investment in this Subsidiary.

The Subsidiary is expecting a moderate growth during the current financial year.

B. Rico Auto Industries (UK) Limited, U.K.

This Company is engaged in the business of trading of Auto Components and providing warehousing and logistics support to our OEM and Tier-I Customers for the European Markets. The Company has recorded a gross turnover of ₹52.25 crores during the financial year ended 31st March, 2017 as against ₹40.77 crores in the previous year. The Company earned a net profit of ₹0.31 crore in the financial year ended 31st March, 2017 as against ₹0.29 crore in the previous year. The Company has not declared any dividend for the financial year ended 31st March, 2017.

This Subsidiary has achieved a gross turnover of ₹19.24 crores for the first quarter ended 30th June, 2017 as against ₹11.10 crores in the corresponding quarter of the previous year, an increase of 73 percent. During the financial year and period under review, your Company has not made any additional investment in this Subsidiary.

C. AAN Engineering Industries Limited

AAN Engineering Industries Limited (AAN) is an AS 9100C Certified Company, which defines it as a "Manufacturer of Precision Machined Components & Assemblies" for the Aerospace and Defence Industry.

AAN offers an extensive array of services for the manufacture of components/sub systems within the Defence & Aerospace Industry. These include Design & Development, Tooling, Casting (Aluminium, Ferrous & High Manganese Steel), Machining and Assembly, supported by CAD, CAM, CAE and R&D testing facilities.

AAN has developed its own in-house state-of-the-art-facility to manufacture and assemble Mechanical Fuzes and metal parts for Electronic Fuzes with installed capacity of producing 25000

Fuze body components per month with scalability up to 50000 per month.

AAN works with a wide range of Raw Materials – namely Aluminium Alloy, Alloy Steel & High Manganese Steel & Raw Material/Castings as required by Client.

AAN is empaneled and registered with the Special Products division of Electronics Corporation of India Limited (ECIL), Hyderabad, Bharat Electronics Limited (BEL), Pune, Engine Divisions of Hindustan Aeronautical Limited (HAL) (Bangalore, Nasik and Koraput), Heavy Vehicles Factory (HVF) Avadi, Army Base Workshop and Army Directorate of Indigenization and various ordnance factory board factories.

The Company is in advanced talks with a prestigious Korean Co. for setting up a co-operation model for niche machining requirements of the OFB, besides being involved in taking on various machining requirements under the 'Make in India' program with a host of prospective European Partners.

During the year under review, the Company has earned total revenue of ₹4.18 crores against ₹0.33 crore in last year. During the year, the Company has earned a profit of ₹0.19 crore against a loss of ₹0.16 crore in the previous year.

This Subsidiary has achieved a gross turnover of ₹1.60 crores for the first quarter ended 30th June, 2017 as against ₹0.85 crore in the corresponding quarter of the previous year, an increase of 94 percent. The Company earned a net profit of ₹0.09 crore for the first quarter ended 30th June, 2017 as against ₹0.35 crore loss in the previous year. During the financial year and period under review, your Company has not made any additional investment in this Subsidiary.

D. Rico Investments Limited

During the year under review, this Company has recorded a gross revenue of ₹4.86 crores as against ₹5.85 crores in previous year. This Company has earned a profit of ₹1.15 crores in the financial year ended 31st March, 2017.

This Company has earned a total revenue of ₹1.21 crores and net profit of ₹0.31 crore for the quarter ended 30th June, 2017.

This Company has not made any additional investment in its Subsidiary Companies. This Company has the following subsidiaries:

i) Rico Aluminium and Ferrous Auto Components Limited

During the year under review, this Company has recorded a gross turnover of ₹272.97 crores as against ₹295.25 crores in the previous year. This Company has earned a profit of ₹0.47 crores as on 31st March, 2017 as against the profit of ₹1.71 crores in the previous year. Further, this Company has achieved a gross turnover of ₹64.69 crores and incurred a loss of ₹0.57 crore for the quarter ended 30th June, 2017.

ii) Rasa Autocom Limited

This Company is engaged in the business of manufacturing of High Pressure and Gravity Die Cast Auto Components. Its plant is equipped with Automation and better controls to produce high quality parts in large volume for export. This Company has recorded a gross turnover of ₹27.54 crores during the financial year ended 31st March, 2017 as against ₹45.59 crores in the previous year. The Company has earned a profit of ₹4.44 crores in the financial year ended 31st March, 2017 as against the profit of ₹1.29 crores in the previous year.

This Subsidiary has achieved a gross turnover of ₹6.32 crores for the first quarter ended 30th June, 2017 as against

₹8.02 crores in the corresponding quarter of the previous year.

iii) Rico Jinfei Wheels Limited

This Company has recorded a gross turnover of ₹87.73 crores during the financial year ended 31st March, 2017 as against ₹83.37 crores in the previous year. This Company has incurred a loss of ₹0.06 crore in the financial year ended 31st March, 2017 as against the loss of ₹0.33 crore in the previous year.

Further, this Company has recorded a gross turnover of ₹24.88 crores for the quarter ended 30th June, 2017 as against ₹19.09 crores in the corresponding quarter of the previous year.

E. Uttarakhand Automotives Limited and Scheme of Amalgamation

During the year under review, this Company has not started any manufacturing activities. This Company has not earned any revenue during the financial year 2016-17. During the financial year and period under review, your Company has not made any additional investment in this Subsidiary.

This Company is in the process of being merged with your Company. The Board of your Company in their meeting held on 5th February, 2016 have approved the Draft Scheme of Amalgamation of Uttarakhand Automotives Limited, the Wholly Owned Subsidiary with the Company.

Your Company, after obtaining necessary approval from the National Stock Exchange of India Limited, BSE Limited and the members, had filed an application with Hon'ble High Court of Punjab & Haryana at Chandigarh. The matter was later on, due to constitution of National Company Law Tribunal, transferred to Hon'ble National Company Law Tribunal (NCLT), Chandigarh Bench.

At present, the matter is pending for approval with Hon'ble NCLT. The next hearing is fixed for 31st August, 2017.

JOINT VENTURE COMPANY

Magna Rico Powertrain Private Limited

Magna Rico has recorded a gross turnover of ₹90.82 crores in the financial year ended 31st March, 2017 as against ₹71.33 crores in the previous year. This Company has earned profit of ₹8.90 crores in the financial year ended 31st March, 2017 as against the loss of ₹1.48 crores in the previous year. This Company has not declared any dividend for the financial year ended 31st March, 2017. During the financial year and period under review, your Company has not made any additional investment in this Joint Venture.

Further, this Company has achieved a gross turnover of ₹23.33 crores for the quarter ended 30th June, 2017 as against ₹21.44 crores in the corresponding quarter of the previous year, an increase of 8.80 percent.

CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to Section 129(3) of the Companies Act, 2013 read with rules made thereunder the appended Audited Consolidated Financial Statements of the Subsidiaries and the Joint Venture Company forms part of the Annual Report.

A Statement containing salient features of the financial statements of Subsidiaries and Joint Venture Company has been provided in Form AOC-1 which is annexed and forms part of this Report. Further, audited financial statements of the Subsidiaries and Joint Venture Company have also been placed on the website of the Company i.e. <http://www.ricoauto.com/investor-relation.html>. The Company will make available these documents upon request by any member of the Company interested in obtaining the same.

MATERIAL CHANGES AND COMMITMENTS

There was no change in the nature of the business of the Company. There were no material changes and commitments affecting the financial position of the Company occurring between 31st March, 2017 and the date of this Report.

CHANGE IN REGISTERED OFFICE

During the year under review, the Registered Office of your Company has been shifted from 69 KM Stone, Delhi-Jaipur Highway, Dharuhera, Distt. Rewari - 122106, Haryana to 38 KM Stone, Delhi-Jaipur Highway, Gurugram - 122001, Haryana.

CREDIT RATING

The India Ratings and Research Private Limited – a Credit Rating Agency, has upgraded the credit ratings, based on a consolidated view of the Company and its Subsidiaries business on the back of their similar business profile, Common Treasury and Management Team, are given below:

Credit Ratings:

Particulars	Ratings
Long Term Issuer Ratings	IND A-/Stable
INR 1600m Term Loans	IND A-/Stable
- INR 1800m Fund and non-fund based working capital limits	IND A-/Stable
- Short Term	IND A1
- INR 450m Non-fund based limits	IND A-/Stable
- Short Term	IND A1

FIXED DEPOSITS

The Company has not accepted deposits from the public during the year under review.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT (MDA)

Pursuant to Regulation 34(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, MDA is annexed which forms part of this Report.

RISK MANAGEMENT

Business risk evaluation and management is an ongoing process within the Company. The same is further discussed in Management Discussion and Analysis, which forms part of this Report.

SECRETARIAL STANDARDS

The Company is in compliance with the Secretarial Standards of ICSI pertaining to Board Meetings and General Meetings.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The adequacy of Internal Financial Controls is discussed in Management Discussion and Analysis, which forms part of this Report.

CORPORATE GOVERNANCE

A separate report on Corporate Governance along with General Shareholders information is annexed as a part of this Report, along with the Certificate from the Practising Company Secretary regarding compliance of conditions of Corporate Governance as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

AUDIT COMMITTEE

Your Company has an Audit Committee to meet the requirements of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Details of the Audit Committee are given under the Corporate Governance Report. There are no recommendations of the Audit Committee which were not accepted by the Board.

NOMINATION AND REMUNERATION COMMITTEE

Your Company has a Nomination and Remuneration Committee to meet the requirements of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Details of the Nomination and Remuneration Committee are given under the Corporate Governance Report. The Nomination and Remuneration Policy is annexed and forms part of this Report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The CSR activities of the Company are monitored by the CSR Committee. In pursuance to the provisions of Section 135 of the Companies Act, 2013, the amount to be spent during the financial year 2016-17, as per computation worked out to be nil. The Company, therefore, was not required to spend mandatorily on CSR Activities. Your Company, however has on voluntary basis spent ₹0.48 crore towards the CSR activities/projects as specified in CSR Policy of the Company during the financial year 2016-17.

The details about the policy on Corporate Social Responsibility ("CSR") including initiatives taken on CSR, annual report on CSR activities and the composition of CSR Committee are annexed and forms part of this report. The Policy is available on the website of the Company i.e. <http://www.ricoauto.com/investor-relation.html>.

VIGIL MECHANISM

The Company has established Vigil Mechanism/Whistle Blower Policy for Directors, Employees, Clients, Vendors, Suppliers and Contractors as an avenue to report concerns including unethical behaviour, actual or suspected, frauds or violation of the Company's code of conduct. The same meets the requirements of section 177(9) of the Companies Act, 2013 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is available on the website of the Company i.e. <http://www.ricoauto.com/investor-relation.html>.

RELATED PARTY TRANSACTIONS

The Company has duly approved policies for determining the Material Subsidiaries and Material Related Party Transactions. These Policies are available on the website of the Company i.e. <http://www.ricoauto.com/investor-relation.html>. All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on arm's length basis and prior approval of the Audit Committee was sought for entering into related party transactions. The details are provided in Form AOC-2 which is annexed and forms part of this Report. Please also refer Note 45 to the standalone financial statements for related party disclosures.

LISTING OF EQUITY SHARES

The Equity Shares of your Company are presently listed on the BSE Limited and National Stock Exchange of India Limited. The Annual Listing Fees have been paid for the financial year 2017-18.

EXTRACT OF ANNUAL RETURN

In accordance with Section 134(3)(a) of the Companies Act, 2013, the extract of Annual Return in Form MGT-9 is enclosed and forms part of this report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The particulars of investments made, loans and guarantees given are provided in the standalone financial statements. (Please refer to note 14, 15, 17, 21 & 33 of the standalone financial statements).

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

In accordance with the provisions of the Companies Act, 2013, Shri Rakesh Kapur, Director (DIN: 00100359) of the Company will retire by rotation at the forthcoming AGM and being eligible, offers himself for re-appointment. Brief resume of Shri Rakesh Kapur is given in the Notice of the AGM.

Shri Rakesh Kumar Sharma is appointed as the Chief Financial Officer (CFO) of the Company w.e.f 4th August, 2017, in place of Shri Sanjay Syal, who has resigned as CFO of the Company from close of business hours on 7th February, 2017.

Apart from this, there is no other change in the KMPs of the Company during the year under report.

All Independent Directors of the Company have given declarations confirming that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and the Listing Regulations, 2015.

BOARD MEETINGS

During the year under review, four Board Meetings were held and one separate meeting of Independent Directors was held, the details of which forms part of Corporate Governance Report.

BOARD EVALUATION

Pursuant to the provisions of Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors have carried out annual evaluation of its own performance, the individual Directors as well as the evaluation of the working of its Committees. The manner, in which the evaluation has been carried out, has been explained in the Corporate Governance Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134 of the Companies Act, 2013, your Directors confirm that:

- i) in the preparation of the annual accounts for the financial year ended 31st March, 2017, the applicable accounting standards have been followed and there are no material departures;
- ii) appropriate accounting policies have been selected and applied consistently and have made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2017 and of the profit for the year 1st April, 2016 to 31st March, 2017;
- iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and preventing and detecting fraud and other irregularities;
- iv) the annual accounts for the financial year ended 31st March, 2017 have been prepared on a going concern basis;
- v) internal financial controls have been laid down to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- vi) proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

STATUTORY AUDITORS

M/s. Walker Chandok & Co LLP, Chartered Accountants, (Firm Registration No. 001076N / N500013) were appointed as Statutory Auditors of the Company for a period of three years at 31st Annual General Meeting (AGM) of the Company held on 30th September, 2014 and will complete three years as Statutory Auditors of the Company at this ensuing AGM. Before this term, they have served as Statutory Auditors for two years, which were completed at 31st AGM held on 30th September, 2014. Therefore, in aggregate they have completed their first term of five years as the Statutory Auditors of the Company.

As per Section 139 of the Companies Act, 2013 (the Act), no listed Company can re-appoint an audit firm as Statutory Auditors for more than two terms of five consecutive years each. Being eligible for re-appointment for second term of five years and based upon the recommendations of Audit Committee, the Board of Directors recommends their re-appointment as Statutory Auditors for a period of five years from the conclusion of ensuing AGM till the

conclusion of 39th AGM, subject to the annual ratification by the shareholders every year. The Company has received a certificate to the effect that their re-appointment, if made, shall be in accordance with the conditions laid down in the Act and they satisfy the criteria provided under Section 141 of the Act.

The other observations in the Auditors' Report are dealt within the notes to accounts at appropriate places and being self-explanatory, need no further comments.

INTERNAL AUDITORS

The Board on recommendation of the Audit Committee has re-appointed M/s. S.C. Vasudeva & Co., Chartered Accountants, New Delhi as the Internal Auditors of the Company for the financial year 2017-18.

COST AUDITORS

The Board on recommendation of the Audit Committee has appointed M/s. J.K. Kabra & Co., Cost Accountants, New Delhi as Cost Auditors to carry out the cost audit of the Company for the financial year 2017-18. In terms of Section 148 of the Companies Act, 2013 and the rules made thereunder, remuneration of Cost Auditors is to be ratified by members of the Company. Accordingly, a resolution is included in the Notice of ensuing Annual General Meeting for your approval. The Cost Audit Report for the financial year 2016-17 would be filed with Ministry of Corporate Affairs, New Delhi within stipulated time.

SECRETARIAL AUDITORS

The Board has appointed Shri K. K. Sachdeva of M/s. K.K. Sachdeva & Associates, Company Secretaries (C.P. No. 4721, FCS No. 7153), as Secretarial Auditors to carry out the secretarial audit of the Company for the financial year 2017-18. The Secretarial Audit Report for the financial year ended 31st March, 2017 is enclosed and forms part of this report.

DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS

The Statutory Auditors, Internal Auditors, Cost Auditors and Secretarial Auditors of the Company have not reported any frauds to the Audit Committee or to the Board of Directors under Section 143(12) of the Companies Act, 2013, including rules made thereunder.

TRANSFER OF UNCLAIMED AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to the provisions of Section 124(5) and other provisions of the Companies Act, 2013 (the Act), read with rules made thereunder, the declared dividends, which remained unpaid/unclaimed for a period of seven years have been transferred by the Company to the IEPF established by the Central Government pursuant to Section 125 of the said Act.

Pursuant to the provisions of the section 124(6) of the Companies Act, 2013, read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (the Rules) requires a company to transfer to the DEMAT Account of IEPF authority all shares in respect of which dividends has not been paid or claimed for 7 (seven) consecutive years or more. In accordance with the aforesaid provisions of the Act read with the rules, your Company has already intimated those shareholders who had not encashed any dividend warrant for seven consecutive years or more, that their shares are liable to be transferred to DEMAT Account of IEPF Authority.

CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The relevant information as required by the provisions of Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, is given in the annexure forming part of this report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There were no significant and material orders passed against the Company by the regulators or courts or tribunals during the financial year 2016-17 impacting the going concern status and Company's operations in future.

GOODS AND SERVICE TAX (GST)

Your Company has implemented the GST, a landmark reform which will have a lasting impact on the economy and a significant growth stimulus to the business.

PERSONNEL

The information required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in the Annexure forming part of this Report.

The information required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended and forming part of this Report for the year ended 31st March, 2017 are set out in the Annexure of this Report. However, the Annual Report excluding the Annexure is being sent to the Members of the Company in terms with the provisions of Section 136 of the Companies Act, 2013. Member who is interested in obtaining these particulars may write to the Company Secretary at the Registered Office of the Company. The said information is also available for inspection by Members at the Registered Office of the Company during working hours upto the date of the ensuing Annual General Meeting.

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace. The Policy is placed on the intranet for the benefit of its employees. There were no complaints received from any employee during the year under review.

During the year under report, the Industrial relations with personnel remained cordial, at all Plants. Your Directors wish to place on record their appreciation of the sincere and unstinted support provided to the Company by its employees at all levels.

ACKNOWLEDGEMENTS

The Board wishes to place on record its sincere appreciation for the continued assistance and support extended to the Company by Financial Institutions, Banks and various departments of Central and State Governments. Your Directors acknowledge with gratitude the encouragement and support extended by our valued customers, business associates and shareholders.

On behalf of the Board of Directors

Arvind Kapur
Chairman, CEO &
Managing Director
(DIN: 00096308)

Place : Delhi
Date : 4th August, 2017

ANNEXURE TO DIRECTORS' REPORT

INFORMATION UNDER SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (ACCOUNTS) RULES, 2014 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2017.

The details of Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo are as follows:

A. CONSERVATION OF ENERGY

i) Steps taken or impact on conservation of energy

Energy Conservation measures taken:

Energy Conservation is an ongoing process, taken as a challenge. The various measures taken by your Company are:

- Replacement of old Reciprocating Air Compressor with Energy efficient Screw Compressor.
- Installation of Light pipes for utilization of solar day light in Shop Floor.
- Reduce energy consumption through:
 - Installation of LED Lights in place of Metal Halide Lights.
 - LED 18 Watt Low Power Consumption Lights in place of 40 Watt Tube Lights with Choke.
 - Replacement of Existing Street Light 150 Watt Light fittings with 80 watt LED Street Light.
- Installation of Roof top Solar Power System/ Buying Solar Power through open access
- Installation of Reverse Osmosis (RO) Plant for further recovery of treated water from RO waste water.
- Installation of HT / LT Capacitor for improving power factor near to unity.

With the implementation of the various energy conservation measures, the energy cost is expected to be reduced which consequently will result in cost saving.

ii) Steps taken by the Company for utilizing alternate sources of energy

The Company is planning for rooftop Solar Power System.

iii) Capital Investment on Energy Conservation Equipment

No capital investment has been made during 2016-17.

B. TECHNOLOGY ABSORPTION

i) Efforts made towards technology absorption

- For development of structural parts by aluminium high pressure die casting, design & construction of die done with the help of benchmarking study, use of casting process simulation & information available in public domain.
- For in house development of high strength aluminium alloys, alloy benchmarking study conducted, alloys & their effects studied, various alloys composition & treatment combination trials done.
- While development of automatic casting finishing cell by using Robots, consultation with domain experts sought, analysis of information in public domain done & various trials conducted.
- While developing the Special Purpose Machine (SPM) for differential housing, explored various available solutions, various trials conducted.
- While developing a heavy mass part by high pressure die casting with high soundness requirement, various

casting process simulation iteration conducted, incorporated special process & various physical trial conducted.

- While developing new products various improvements alternatives were analyzed & optimized with the help of casting process simulation software.
- While doing cycle time improvements in various parts, various layouts & feeding system were analyzed with the help of casting process simulation software

ii) Benefits derived like product improvement, cost reduction, product development or import substitution

- Development of structural parts – In house development, Cost reduction & new business opportunity.
- High strength Alloy development – Import substitution & cost reduction.
- Automatic casting finishing cell – Productivity & Product Quality consistency.
- Cycle Time Improvement – Productivity & cost reduction
- Product improvements – Helped in improvement of Original Equipment Effectiveness (OEE).

iii) Information regarding imported technology (imported during the last three years reckoned from the beginning of the financial year) – Not Applicable

- The details of technology imported : NA
- The year of import : NA
- Whether the technology been fully absorbed : NA
- If not fully absorbed, areas where absorption has not taken place, and the reason thereof : NA

iv) Expenditure incurred on Research and Development

- Capital Expenditure (Net of Sale/ Disposal) including Capital Work-in-Progress as on 31.03.2017 : ₹10.90 crores
- Capital Expenditure during the year 2016-17 : ₹3.05 crores
- Capital Work-in-Progress during the year 2016-17 : Nil
- Recurring Expenditure : ₹8.12 crores
- Depreciation : ₹0.45 crore
- Total (b to e) : ₹11.62 crores
- Total R&D expenditure as percentage to total turnover : 1.12%

C. Foreign Exchange Earnings and Outgo

Total foreign exchange used and earned: (₹ in crores)

Particulars	2016-2017	2015-2016
i) Expenditure in foreign currency	9.92	28.99
ii) Foreign Exchange earned	244.20	237.50

On behalf of the Board of Directors

Arvind Kapur
Chairman, CEO &
Managing Director
(DIN: 00096308)

Place : Delhi
Date : 4th August, 2017

ANNEXURE TO DIRECTORS' REPORT

MANAGEMENT DISCUSSION & ANALYSIS

1. ECONOMIC OVERVIEW

1.1 Global Economic Overview

The global economy grew by 3.1 percent in 2016, with buoyant financial markets and a long awaited cyclical recovery in manufacturing and trade under way, it is expected to rise to 3.5 percent in 2017 and 3.6 percent in 2018. In the United States, manufacturing activities is expected to rebound, contributing to a modest pick up in growth from 1.6 percent in 2016 to an average of 2.3 percent in 2017.

European growth recorded at 1.7 percent in 2016, is expected to remain the same in 2017, as both domestic demand and exports lost momentum. Confidence in the Euro Area has been resilient following the United Kingdom's vote to exit the European Union (EU) in June 2016. Growth in China is estimated to have slightly decelerated to 6.7 percent in 2016 and is expected to remain same in 2017. As part of ongoing economic rebalancing, growth has been concentrated primarily in services, while industrial production has stabilized at moderate levels.

1.2 Indian Economic Scenario

India continues to be the fastest-growing major economy in the world. As per the International Monetary Fund (IMF), India reported 6.8 percent growth in 2016 as compared to just 3.1 percent for the world economy during the same period. Going forward and considering the acceleration of structural reforms, the moves towards a rule-based policy framework and low commodity prices have provided a strong growth impetus. The lower crude oil prices have also helped to reduce current account deficit, improve fiscal positions, and lower inflation, the Indian economy is expected to grow at an even faster rate of 7.2 percent in 2017.

The Indian Automotive Industry accounts for 7.1 percent of national GDP, being one of the key drivers of economic growth. In FY 2016-2017 FDI flow into the automobile industry accounted for 5.1 percent of total FDI equity into the Country.

OUTLOOK

The growth momentum should rise, driven by the Government's policy initiatives in areas such as Taxation (GST), Foreign Direct Investment (FDI), and the ease of doing business, among others. Other major factors helping India stay as a bright spot in the global economic landscape include the lower global oil price, with positive impact on the country's import bill, a well-regulated monetary policy by the Reserve Bank to stabilise prices, and improving fiscal condition. The Government's endeavour to drive a bigger GDP is expected to augur well for the economy in the medium and long terms. The growth recovery has primarily happened due to discretionary spending, public investment and FDI reforms. The introduction of GST and higher outlays in the Budget 2017 are expected to drive growth as well.

2. INDUSTRY STRUCTURE AND DEVELOPMENT

2.1 Global Automobile Industry

During 2016, global auto industry started off slowly but gained momentum later on the back of improving economic development, barring China. The slowdown is likely to limit the improvement in global sales to only 1.5 percent in 2017, against a 2.8 percent jump in 2016. The Asia-Pacific region grew by 9.5 percent in 2016 to around 47 million vehicles, giving the region a 50 percent share of the global

automotive market. During final months of 2016, global car sales witnessed sustained acceleration due to stronger global economic growth. Increased replacement demand in the US resulted in 17.4 million light vehicle sales which is expected to remain flat in 2017 owing to policies and changes proposed by the Trump administration regarding trade and environmental regulations creating some uncertainty. Globally, 77.3 million passenger cars were sold in 2016, which was 5.5 percent more than the previous year. Overall global vehicle sales grew by 2.8 percent in 2016 to an all-time high of 91.0 million. In Europe, 14.6 million passenger cars were registered in 2016, up by 6.2 percent compared to 2015, but in 2017 is expected to close with only 1 percent growth due to looming Brexit negotiations and its impact, banking fears, and election results. The EU accounted for more than 21 percent of global passenger car production in 2016.

OUTLOOK

Global Auto Industry continues to face slow demand. It is also witnessing a historical shift in technological developments. Over the next decade, Electric Vehicle penetration, internet-enabled car technologies and autonomous vehicles are set to trigger the next revolution in the auto industry.

2.2 Indian Automobile Industry

The Indian Auto Industry is amongst the top players in the world. The Indian Automotive Industry accounts for 7.1 percent of national GDP, being one of the key drivers of economic growth. In FY 2016-2017 FDI flow into the Automobile Industry accounted for 5.1 percent of total FDI equity into the Country.

Automotive Mission Plan 2026 has been finalized jointly by the Government of India and Indian Automotive Industry. The objective of the Automotive Mission Plan 2026 includes:

- 1) To propel the Indian Automotive Industry to become the engine of the "Make in India" programme.
- 2) To make the Indian Automotive Industry a significant contributor to the "Skill India" programme.
- 3) Promote safe, efficient and comfortable mobility for every person in the country, with an eye on environmental protection and affordability through both public and personal transport options.
- 4) To seek increase of net exports of the Indian Automotive Industry several fold.
- 5) Promote comprehensive and stable policy dispensation for all regulations impacting the industry.
- 6) The AMP 2026 is aimed at bringing the Indian Automotive Industry among the top three of the world in engineering, manufacture and exports of vehicles & components; growing in value to over 12 percent of India GDP and generating an additional 65 million jobs.

Performance of Auto Industry during 2016-17

Production

The Industry produced a total 25,316,044 vehicles including passenger vehicles, commercial vehicles, three wheelers, two wheelers and quadricycle in April-March 2017 as against 24,016,599 in April-March 2016, registering a growth of 5.41 percent over the same period of last year.

Domestic Sales

The sales of Passenger Vehicles grew by 9.23 percent in

April-March 2017 over the same period last year. Within the Passenger Vehicles, Passenger Cars, Utility Vehicles and Vans grew by 3.85 percent, 29.91 percent and 2.37 percent respectively during April-March 2017 over the same period of last year.

The overall Commercial Vehicles segment registered a growth of 4.16 percent in April-March 2017 as compared to the same period last year. Medium & Heavy Commercial Vehicles (M&HCVs) grew by 0.04 percent and Light Commercial Vehicles grew by 7.41 percent during April-March 2017 over the same period of last year.

Three Wheelers sales declined by 4.93 percent in April-March 2017 over the same period last year. Passenger Carrier sales declined by 8.83 percent and Goods Carrier sales grew by 12.75 percent in April-March 2017 over April-March 2016.

Two Wheelers sales registered a growth at 6.89 percent during April-March 2017 over April-March 2016. Within the Two Wheelers segment, Scooters, Motorcycles and Mopeds grew by 11.39 percent, 3.68 percent and 23.02 percent respectively in April-March 2017 over April-March 2016.

Exports

In April-March 2017, overall automobile exports declined by 4.50 percent. While Passenger Vehicles and Commercial Vehicles exports registered a growth of 16.20 percent and 4.99 percent respectively, exports of Three Wheelers and Two Wheelers declined by 32.77 percent and 5.78 percent respectively in April-March 2017 over April-March 2016.

2.3 Indian Auto Component Industry

The rapid globalising world is opening up newer avenues from the transportation industry, especially while it makes a shift towards electric, electronic and hybrid cars which are deemed more efficient, safe and reliable modes of transportation. Over the next decade this will lead newer verticals and opportunities for auto component manufacturers who would need to adapt to the changes via systematic research and development.

The turnover of Indian Auto Components Industry is expected to reach USD 115 Billion by 2021. The Indian Auto Components Industry is set to become the third largest in the world by 2025. Indian Auto Components Makers are well positioned to benefit from globalisation of the sector as export potential could be increased by up to four times to USD 40 Billion by 2020.

COMPANY REVIEW

Rico Auto Industries Limited (RICO) is an integrated Auto Component Manufacturer present in the value chain from 'Design to Delivery'. RICO manufactures and supplies Aluminium and Ferrous Machined Components and Assemblies to Original Equipment Manufacturers (OEMs) and Tier-1 customers across the globe.

OPPORTUNITIES AND THREATS

The growth of global OEM sourcing from India and the increased indigenisation of global OEMs is turning the country into a preferable designing and manufacturing base. India is expected to become the fourth largest automobiles producer globally by 2020 after China, US and Japan. Growing working population, rapid urbanization, boost in rural economy and rising middle class income are expected to remain key demand drivers. Relative to competitors, India is geographically closer to key automotive markets like the Middle East and Europe. Competition among industry players is intense as government has already deregulated the sector. Increasing number of foreign firms (Hyundai, Ford,

Renault – Nissan, Volkswagen, etc.) are increasing their presence and many more like Kia, MG Rover are planning to enter this high potential market. Cheaper imports of components from China are increasing. The threat level is medium, given the concentration of industry clusters in specific strategic centers. The industry is also facing the 2020 BS VI directive and all manufacturers are gearing up internally to develop the powertrains to meet the environmental regulation. Based on Government of India vision to have majority Electric Vehicles (EV) by 2030, there will be an added pressure on the OEMs for EVs development which may result in new joint ventures & technical arrangements between industry players. This could also lead to major disruption in the auto component industry especially for those companies which are making only Engine and Transmission components.

OUTLOOK

On back of improvement in the business scenario and strategic initiatives taken by your Company, we expect a revenue growth of around 15 percent in 2017-18. We have able to add new business from current customers as well as get new customer into our fold. We have also embarked on a major automation drive along with continued LEAN transition. Your company has also initiated the Aftermarket Business this year. First phase would be two wheeler range and we plan to initiate second range of four wheeler from January 2018. Products initiated are wheels and braking system, Clutch Assembly and components.

Keeping an eye on the future, we have also taken steps to enter into the EV powertrain parts and some other products such as Turbo Manifolds, Structural Parts etc. We are also developing new clutches and Continuously Variable Transmission (CVT) for two wheeler parts. We expect exports to grow by around 15 percent over the previous year based on increased demand on some of the running programs and launch of new programs.

FINANCIAL PERFORMANCE (STANDALONE)

1. Revenue

Gross revenue of ₹1036.05 crores was recorded in the financial year ended 31st March, 2017 as against a revenue of ₹990.05 crores in the previous year, a growth of 4.70 percent. The total revenue for the financial year ended 31st March, 2017 includes export revenue of ₹254.00 crores as against ₹249.00 crores in the previous year, a growth of 2.00 percent.

2. Profits

The Company has earned Profit before Interest, Depreciation and Tax (PBIDT) of ₹105.41 crores during the financial year ended 31st March, 2017 over the previous year's PBIDT of ₹90.27 crores. The Profit before Tax of ₹53.65 crores and Profit after Tax of ₹42.59 crores were recorded in the financial year 2016-17. In order to address the impact of interest rate, material cost, energy cost, availability of power and volatility in foreign exchange, your Company is taking appropriate measures to improve the profitability for a sustained growth.

3. Earnings Per Share (EPS)

The Basic and Diluted EPS of ₹1/- paid up share is ₹3.15 and ₹3.15 respectively for the financial year ended 31st March, 2017. The previous year's Basic and Diluted EPS was ₹2.00 and ₹2.00 respectively on ₹1/- paid-up share.

4. Dividend

During the financial year ended 31st March, 2017, the Board of Directors have recommended a Dividend @ 75 percent i.e. ₹0.75 per Equity Share of ₹1/- each for the financial year 2016-17 amounting to ₹12.22 crores including dividend tax of ₹2.07 crores as against a dividend of 60 percent (50% Interim and 10% Final) i.e. ₹0.60 per Equity Share of ₹1/- each aggregating to ₹9.78 crores including dividend tax of ₹1.66 crores in the previous year on the same Equity Share Capital.

5. Reserves and Surplus

The reserves and surplus of the Company stood at ₹488.85 crores as against ₹445.01 crores in the previous year. During the financial year 2016-17, no amount was transferred to general reserves.

6. Loan Funds

Total debt outstanding as on 31st March, 2017 stands at Term Loan & Buyers Credit of ₹120.90 crores and Working Capital Loan of ₹109.91 crores aggregating to ₹230.81 crores as against Term Loan & Buyers Credit of ₹139.68 crores and Working Capital Loan of ₹83.73 crores aggregating to ₹223.41 crores in the previous year. Low cost funds have substituted high cost loans, improving the finance cost.

RISKS AND CONCERNS

The Company is exposed to external and internal risks associated with the business. The operations of the Company are directly dependent on the Automotive Industry and the cyclical nature of the industry affects us. General economic conditions impact the automotive industry and in turn our operations as well. To counter these risks, we continue to broaden our product portfolio, increase our customer profile and geographic reach. The Company is exposed to strong competitive pressures, both domestic and overseas. Company's established reputation, close customer relationships, ability to provide higher level of engineering, design support and relentless drive for improvement gives us a competitive edge. We are also exposed to financial risk from changes in interest rates, foreign exchange rates, and commodity prices. We are fully aware of risks and are therefore implementing a structured risk management system. The Company is taking steps to ensure the effective risk management including risk identification and its mitigation through proper insurance covers and other strategies.

RICO EXECUTIVE COMMITTEE (REC)

The Company has constituted a Rico Executive Committee (REC) to look after the day to day affairs. It reports to the Managing Director and Board of Directors. The major functions of REC are to set a strategic direction, ensure speedy operational decisions, good internal controls, statutory compliances and risk management.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company's internal control system is aimed at proper utilization and safeguarding of the Company's resources and promoting operational efficiency to ensure compliance of applicable laws and regulations. The internal audit process reviews the in-system checks, covering significant operational areas regularly. The Company's Audit Committee is responsible for reviewing the Audit Report submitted by the Internal Auditors. Suggestions for improvements are considered and the Audit Committee follows up on the implementation of corrective actions. The Audit Committee also invites the Statutory and Internal Auditors for regular meetings to ascertain their views on the adequacy of internal control systems and keeps the Board of Directors informed of its observations from time to time.

HUMAN RESOURCES

Our people have always been our most valued resource and their development is our prime focus. We support our people with continuous in-house and external trainings and boost their morale & performance through employee engagement activities like Kaizen Awards, Quality Circle, Family Connect Program, Sports Activity & Town Hall meetings etc. There are 2760 employees including 1341 contractual employees in the Company as on 31st March, 2017.

ENVIRONMENT, HEALTH AND SAFETY MANAGEMENT

The Company is committed to continuous improvement in Environment, Health and Safety Systems (EHS) in the organization and ensuring compliance with all applicable legal and customer

requirements. Behaviour Based Safety and Clean Development Mechanism (CDM) Projects are new initiatives taken to inculcate safe working culture and to reduce carbon emission. We provide safety training to our employees on different aspects of safety, health and environment. Training covers new-hire induction and periodic refresher training for all employees and third party employees. We too enhance environment, health and safety awareness among our employees through mock drills, various competitions and campaigns. We also encourage employee's family to participate in various EHS events to create awareness beyond RICO.

We encourage employees to report near miss, unsafe condition/action and to take proactive, preventive actions for the same. This strategy will help us to improve EHS performance indicators e.g. reduction in Lost Time Injury Frequency Rate (LTIFR) and Severity Rate. We believe that health is wealth, so regular health camps and awareness sessions are incorporated in the EHS plan. We are committed for continual improvement in the ISO-14001 and OHSAS-18001 Systems. We verify adherence to the EHS systems through internal and external audits.

INFORMATION TECHNOLOGY

The Company is continually acquiring state-of-the-art technology and information resources. Continuous improvement in terms of availability and security of information is our prime motto. Several initiatives are taken to improve automation, process performance & controls. Technologies like Private Cloud and Cloud Storage are helping us to protect vital information in the event of any disaster. The Organization is moving more towards generating business intelligence reports using IT Infrastructure & implementing collaboration technology to improve productivity.

INDIAN ACCOUNTING STANDARDS (Ind-AS)

The Ministry of Corporate Affairs (MCA), on 16th February, 2015 had notified the Companies (Indian Accounting Standards) Rules, 2015 ("the Rules"), which lays down a roadmap for eligible companies for implementation of Indian Accounting Standards (Ind AS). Every listed Company having net worth exceeding ₹250 crores and below ₹500 crores, required to comply with the aforesaid rules w.e.f 1st April, 2017. Being fulfilling the specified criteria, the Company and its subsidiaries, in compliance to aforesaid notification, have adopted Ind AS with effect from 1st April, 2017. The Company has assessed its current financial reporting framework taking into consideration Ind AS and has identified major points of difference. The Company has also completed the modification of accounting and reporting systems for implementation of the Ind AS.

RESEARCH & DEVELOPMENT (R&D)

Research & development is key factor in sustaining company's growth. The Company has won many prestigious projects based on its R & D capabilities, to provide solution for critical products. R & D Team has developed various new products for its customers across the globe, developed new processes to meet enhanced product requirements and alloys to meet high strength requirements in parts for weight reduction to meet new automobile emission norms.

The Company has leveraged its vast experience of CNC machines in development of special purpose machines for its various high volume parts to meet critical tolerances & productivity.

Research & Development team continuously working on some of the initiatives like structural parts, steel casting etc., which will open new avenues for business growth both in India and overseas markets.

CAUTIONARY NOTE

This report contains certain forward-looking statements. All such statements are subject to risks and uncertainties. Actual results could differ materially from those expressed or implied.

ANNEXURE TO DIRECTORS' REPORT

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY

The Company's philosophy of Corporate Governance aims to maximize long-term stakeholders value. It is a combination of many factors to achieve the objectives of transparency, full disclosure, a system of checks and balances between the Shareholders, Directors, Auditors and the Management. Your Company's Board comprises of not only Promoter Directors, but professionally competent Non-Executive and Independent Directors who have effective control over the affairs of the Company. The Board on a continuous basis monitors implementation of decisions taken and at the same time provides management and employees a stable environment to plan and execute strategy.

The Company is in compliance with the requirements of Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and the compliance report for the period from 1st April, 2016 to 31st March, 2017 on the Corporate Governance is given below:

1. COMPOSITION OF BOARD

Rico Auto's Board consists of Ten Directors –Two Executive and Eight Non-Executive Directors and of which six are Independent. They all have with them considerable experience in their respective fields. The Chairman of the Board is an Executive Director.

Particulars of Directors of the Company and their Directorship in other Companies, Membership/Chairmanship in committees across all Companies in which they are Directors and shareholding in the Company as on 31st March, 2017 are as follows:

Name of the Director/Category	DIN	Number of Committees		Number of other Directorship held [#]	Shareholding as on 31/03/2017
		Membership held [#]	Chairmanship held [#]		
Non-Executive Independent Directors					
Shri Kanwal Monga	00153473	—	—	1	Nil
Shri Amarjit Chopra	00043355	1	4	4	Nil
Dr. Ashok Seth	00050540	—	—	—	25000
Shri Satish Sekhri	00211478	5	2	4	1900
Shri Rajeev Kapoor	02051466	1	—	—	Nil
Shri Vinod Kumar Nagar	02487061	2	—	1	Nil
Non-Executive Directors					
Shri Rakesh Kapur	00100359	1	—	4	2398720
Smt. Upasna Kapur	00327461	—	—	1	966920
Executive & Promoter Directors					
Shri Arun Kapur Joint Managing Director	00100270	1	—	2	8651160
Shri Arvind Kapur Chairman, CEO & MD	00096308	1	—	5	12652460

[#]Excluding Private Limited Companies and LLPs.

Except Shri Arvind Kapur, Shri Arun Kapur, Shri Rakesh Kapur and Smt. Upasna Kapur being related to each other, no other Directors are inter-se related.

There are no pecuniary relationship or transactions of Independent Directors vis-à-vis the Company. Only two Committees viz. the Audit Committee and Stakeholders Relationship Committee are considered for the purpose of ascertaining the membership and chairmanship of the Directors. None of the Director is either a member of more than ten aforesaid Board Committees or Chairman of more than five such Committees.

A. Managing Director and Joint Managing Director

The Company has one Managing Director and one Joint Managing Director who are responsible for overall management, planning, policy, strategy, operations, marketing, production, sales subject to the superintendence, control and direction of the Board of Directors. The Managing Director & Joint Managing Director are being paid remuneration as prescribed under the Companies Act, 2013. The remuneration being paid is recommended by the Nomination and Remuneration Committee followed by the approval from the Board, Shareholders and the Central Government, if required. No sitting fee is being paid to them.

B. Board Meetings

The Board meets at regular intervals to discuss and decide on business strategies/policies and review the financial performance of the Company. In case of business exigencies, the Board's approval is taken by way of circular resolutions. The circular resolutions are noted at the subsequent Board Meeting.

The notice of each Board Meeting is given in writing to each Director. The Agenda along with the relevant notes and other material information are sent in advance separately to each Director and in exceptional cases tabled at the meeting. This ensures timely and informed decisions by the Board. The attendance of Directors at the Board Meetings and at the last Annual General Meeting is as under:

Name of the Director	Number of Board Meetings		Attended Last AGM*
	Held	Attended	
Shri Kanwal Monga	4	3	No
Shri Amarjit Chopra	4	4	Yes
Dr. Ashok Seth	4	1	No
Shri Satish Sekhri	4	4	No
Shri Rajeev Kapoor	4	4	No
Shri Vinod Kumar Nagar	4	4	No
Shri Rakesh Kapur	4	4	Yes
Smt. Upasna Kapur	4	3	Yes
Shri Arun Kapur	4	4	Yes
Shri Arvind Kapur	4	4	Yes

*33rd Annual General Meeting (AGM) held on 23rd September, 2016 at the Registered Office of the Company.

The Board met four times during the financial year 2016-17. The meetings were held on 19/05/2016, 29/07/2016, 09/11/2016 and 03/02/2017. The interval between any two meetings was well within the maximum period of 120 days.

C. Post Meeting Follow-up

The Board has an effective post meeting follow-up procedures. At every Board Meeting a status statement pertaining to the decisions taken by the previous Board Meetings is discussed keeping in view the action taken or to be taken.

D. Familiarisation Programme for Independent Directors

The Company from time to time familiarises the Independent Directors about the Company, its product, business and the ongoing events relating to the Company through presentations. The appointment of an Independent Director is formalised by issuing a letter to the Director, which inter alia explains the role, function, duties and responsibilities expected of him as a Director of the Company. The Executive Director of the Company also provides a brief of the development in the industry and business operations of the Company to the Directors at the Board Meetings on regular basis. The details of familiarization programmes imparted to Independent Directors is available on the website of the Company viz. <http://www.ricoauto.com/investor-relation.html>

E. Board Evaluation

During the year, the Board adopted the process of evaluation through discussions and made an oral assessment of its functioning in accordance with the requirements of the Companies Act, 2013 and the Listing Regulations. The members of the Board had, during the year, availed opportunities for mutual discussions which helped them in making assessment of functioning of the Board. Further in the like manner, the functioning of the Committees was also evaluated. The Independent Directors also interacted amongst themselves and with the Chairman. The overall assessment of the Board was that it was functioning as a cohesive body including the Committees of the Board that were functioning well with periodic reporting by the Committees to the Board on the work done and progress made during the period. The deliberations in the process of Board Evaluation has identified certain areas in which there is a scope for improvement in view of rapid changes in the external environment.

F. Independent Directors

During the year under review, the Independent Directors met on 3rd February, 2017, inter alia:

- To review the performance of Non-Independent Directors and the Board as a whole;
- To review the performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors; and
- To assess the quality, quantity and timelines of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All the Independent Directors were present at this meeting.

2. COMMITTEES OF THE BOARD

The Board of Directors have constituted Committees to deal with specific areas and activities which concern the Company and need a closer review. The Board Committees are formed with approval of the Board and function under their respective Charters. These Board Committees play an important role in overall management of day-to-day affairs and governance of the Company. The Board Committees meet at regular intervals, takes necessary steps to perform its duties entrusted by the Board. To ensure good governance, the Minutes of the Committee Meetings are placed before the Board on regular basis.

The Board has the following Committees:

A. AUDIT COMMITTEE

The Company has an Audit Committee since 1996 and is fully operational. The Committee consists of four Independent Directors. The Chairman is a Chartered Accountant and other being well qualified and experienced in the field of accounting matters, financial

reporting and internal controls. The Composition, quorum, power, role and scope of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013 and provisions of Regulation 18 of the Listing Regulations which include amongst others:

- Reviewing of financial reporting system, internal controls system, discussion on financial results and interaction with auditors;
- Recommendation for the appointment of Auditors and their remuneration;
- Reviewing of internal audit reports and significant related party transactions; and
- Reviewing the function of Vigil Mechanism/Whistle Blower Policy.

The composition and attendance of the Audit Committee is as under:

Name of the Director	Position held	Number of Meetings	
		Held	Attended
Shri Amarjit Chopra	Chairman	6	6
Shri Satish Sekhri	Member	6	5
Shri Rajeev Kapoor	Member	6	6
Shri Vinod Kumar Nagar	Member	6	6

The Audit Committee met six times during the financial year 2016-17. The meetings were held on 29/04/2016, 18/05/2016, 29/07/2016, 09/11/2016, 24/11/2016 and 02/02/2017.

Besides the Chief Financial Officer, both Statutory Auditors and Internal Auditors regularly attend the Audit Committee Meetings and the Audit Committee discuss with them various issues.

The Statutory Auditors, Internal Auditors, Cost Auditors and Secretarial Auditors of the Company have not reported any frauds to the Audit Committee or to the Board of Directors under Section 143 (12) of the Companies Act, 2013, including rules made thereunder.

The Minutes of each Audit Committee Meeting are placed before the Meetings of the Board. The Company Secretary acts as Secretary to the Committee.

B. NOMINATION AND REMUNERATION COMMITTEE

The Company has Nomination and Remuneration Committee to comply with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations. The scope of the Committee include amongst others:

- Recommend to the Board a policy relating to the remuneration for the Directors, Key Managerial Personnel and Senior Management.
- Fixation of salary, perquisites etc. of all Executive Directors of the Company at the time of their appointment/re-appointment.
- Deciding commission payable to Executive Directors and Non-Executive Directors.
- Formulate the criteria for determining qualification, positive attributes and independence of a Director.
- Identify persons who qualify to become Director and who may be appointed in Senior Management and recommend to the Board for their appointment.

I) Composition & Attendance

At present, the Nomination and Remuneration Committee consists of four Independent Directors and one Executive Director. The Committee Meetings were held on 18/05/2016 & 29/07/2016 during the financial year 2016-17. The composition and attendance is as under:

Name of the Director	Position held	Number of Meetings	
		Held	Attended
Shri Satish Sekhri	Chairman	2	2
Shri Kanwal Monga	Member	2	1
Shri Amarjit Chopra	Member	2	2
Shri Rajeev Kapoor	Member	2	2
Shri Arvind Kapur*	Member	1	1

*Shri Arvind Kapur was appointed as Member w.e.f. 19/05/2016 in the Board Meeting held on 19/05/2016.

The Minutes of each Committee Meeting are placed before the Meetings of the Board. The Company Secretary acts as Secretary to the Committee.

II) Performance evaluation criteria for Independent Directors

The Committee has formulated evaluation criteria for Independent Directors and the Board of Directors which is broadly based on knowledge & expertise to perform the role, competency and professional experience, board engagement & time commitment and integrity & honesty.

III) Remuneration to Directors

The Non-Executive Directors are entitled to sitting fee and commission based on Net Profit of the Company, as per provisions of the

Companies Act, 2013 to be divided among them as may be determined by the Nomination and Remuneration Committee, Board of Directors and the Shareholders of the Company.

Remuneration to the Managing Director and Joint Managing Director is governed by resolutions passed by the Nomination and Remuneration Committee, Board of Directors and Shareholders of the Company, which cover the terms of appointment and payment of remuneration. The remuneration is by way of salary, perquisites, allowances (fixed components) and commission (variable components) on net profits of the Company subject to overall ceiling of 10 percent as stipulated in Section 197 & 198 of the Companies Act, 2013. In any financial year, if profits are inadequate to cover the remuneration of Managing Director/Joint Managing Director then approval of the Central Government has to be sought. The Central Government has granted approval for payment of remuneration to Managing Director for the period from 17th December, 2014 to 16th December, 2017. The details and terms of appointment and remuneration are as covered under the resolutions passed by the Shareholders.

Besides the above, there are no other pecuniary relationships or transactions with the Company. Neither Managing Director nor Joint Managing Director received any remuneration or commission from any of the Company's subsidiaries.

Details of the Remuneration payable/paid to Directors during the financial year 2016-17 are given below:

Name of the Director	Sitting Fees	Salary	Perks	Commission	(₹' 000)
					Total
Non-Executive Directors					
Shri Kanwal Monga	175	N.A.	N.A.	729	904
Shri Amarjit Chopra	550	N.A.	N.A.	729	1279
Dr. Ashok Seth	75	N.A.	N.A.	729	804
Shri Satish Sekhri	510	N.A.	N.A.	729	1239
Shri Rajeev Kapoor	575	N.A.	N.A.	729	1304
Shri Vinod Kumar Nagar	570	N.A.	N.A.	729	1299
Shri Rakesh Kapur	235	N.A.	N.A.	729	964
Smt. Upasna Kapur	150	N.A.	N.A.	729	879
Executive Directors					
Shri Arun Kapur	N.A.	5188	1434	2123	8745
Shri Arvind Kapur	N.A.	12705	4731	11758	29194

IV) Remuneration Policy

The Company has adopted a policy relating to the remuneration for Directors, Key Managerial Personnel, Senior Management and other Employees of the Company. The same is annexed with the Directors' Report and also is available on the website of the Company viz. <http://www.ricoauto.com/investor-relation.html>

The remuneration policy is directed towards rewarding performance, based on review of achievements. It is aimed at attracting and retaining high caliber talent.

V) Stock Option

At present the Company has no stock option plans.

C. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee consists of two Independent and one Non-Executive Director. The composition and attendance is as under:

Name of the Director	Position held	Number of Meetings	
		Held	Attended
Shri Amarjit Chopra	Chairman	4	4
Shri Vinod Kumar Nagar	Member	4	4
Shri Rakesh Kapur	Member	4	4

The Stakeholders Relationship Committee met four times during the financial year 2016-17. The meetings were held on 18/05/2016, 29/07/2016, 09/11/2016 and 02/02/2017. The Committee deals in matters relating to redressing of investors complaints such as non-receipt of shares, non-receipt of dividends and other related matters.

The Minutes of each Committee Meeting are placed before the meetings of the Board. Shri B.M. Jhamb, Company Secretary acts as Secretary to the Committee and is also the Compliance Officer.

The total number of complaints received and replied to the satisfaction of shareholders during the year ended 31st March, 2017 were Twenty Nine (29). There were no pending complaints as on 31st March, 2017.

D. SHARE TRANSFER COMMITTEE

The Share Transfer Committee consists of one Independent, one Non-Executive and two Executive Directors. The composition and attendance is as under:

Name of the Director	Position held	Number of Meetings	
		Held	Attended
Shri Arvind Kapur	Chairman	12	12
Shri Vinod Kumar Nagar	Member	12	11
Shri Arun Kapur	Member	12	8
Shri Rakesh Kapur	Member	12	12

The Share Transfer Committee met twelve times during the financial year 2016-17. The meetings were held on 04/04/2016, 19/05/2016, 23/08/2016, 16/09/2016, 18/10/2016, 09/11/2016, 24/11/2016, 07/12/2016, 04/01/2017, 21/02/2017, 16/03/2017 and 29/03/2017. The Committee deals in matters relating to transfer and transmission of shares, issue of duplicate and split share certificates, review of dematerialized and rematerialized shares.

The Minutes of each Committee Meeting are placed before the meetings of the Board. The Company Secretary acts as Secretary to the Committee.

E. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The CSR Committee has been constituted pursuant to the provisions of Section 135 of the Companies Act, 2013 consisting of two Independent, one Non-Executive and one Executive Director. The composition and attendance is as under:

Name of the Director	Position held	Number of Meetings	
		Held	Attended
Shri Rajeev Kapoor	Chairman	3	3
Dr. Ashok Seth	Member	3	1
Shri Arun Kapur	Member	3	2
Shri Rakesh Kapur	Member	3	3

The CSR Committee met three times during the financial year 2016-17. The meetings were held on 29/07/2016, 07/11/2016 and 03/02/2017.

The Minutes of each Committee Meeting are placed before the meetings of the Board. The Company Secretary acts as Secretary to the Committee.

The Company has CSR Policy which is available at Company website <http://www.ricoauto.com/investor-relation.html>. The CSR Report for the financial year 2016-17 is annexed with the Directors' Report.

3. DETAILS OF GENERAL BODY MEETINGS

Financial Year	Type of Meeting	Location of Meeting	Date	Time
2013-2014	31 st AGM	Registered Office	30/09/2014	12.00 Noon
2014-2015	32 nd AGM	-----do-----	29/09/2015	12.00 Noon
2015-2016	33 rd AGM	-----do-----	23/09/2016	12.00 Noon

The following Special Resolutions were taken up in the AGMs held during the last three financial years and were passed with the requisite majority:

31st AGM (30/09/2014)

- Approval for borrowing limits upto ₹900.00 Crores.
- Approval for creation of Charge/Mortgage upto ₹900.00 Crores.

32nd AGM (29/09/2015)

- Approval for Payment of Commission to Non-Executive Directors for the period from 1st April, 2015 to 31st March, 2020.
- Approval for Re-appointment of Shri Arun Kapur (DIN:00100270) as Joint Managing Director and Payment of Remuneration.
- Approval of Related Party Transactions.
- Approval for Adoption of new set of Articles of Association of the Company pursuant to the provisions of Companies Act, 2013.

33rd AGM (23/09/2016)

No Special Resolution(s) was passed at this Meeting.

Postal Ballot

There is no Resolution proposed to be passed through Postal Ballot as on the date of this report. During the year 2016-17, the Shareholders as per the Postal Ballot Notice dated 9th November, 2016 passed the following Resolutions:

- Scheme of Amalgamation of Uttarakhand Automotives Limited with Rico Auto Industries Limited.
- Shifting of Registered Office of the Company from Dharuhera to Gurugram within the state of Haryana.

The details of Postal Ballot procedure and voting process are as under:

The Company had appointed Shri K.K. Sachdeva, Practicing Company Secretary (CP No.4721, FCS No.7153) as Scrutinizer to conduct the Postal Ballot process (including e-voting) in a fair and transparent manner and based on his report dated 1st February, 2017, the results of Postal Ballot (including e-voting) were announced on 1st February, 2017 at the Registered Office of the Company. The details of results of Postal Ballot (including e-voting) are as under:

Total No. of shareholders to whom Postal Ballot (including e-voting) Form(s) sent: 50032

Resolution No.1: Scheme of Amalgamation of Uttarakhand Automotives Limited with Rico Auto Industries Limited

Sl. No.	Particulars	Physical	Electronic	Total
1.	Total number of votes casted	3438104	6169861	9607965
2.	Less: Invalid number of votes casted	60618	0	60618
3.	Valid number of votes casted	3377486	6169861	9547347
4.	Total number of votes with assent for the Resolution	3377486	6168905	9546391
5.	Total number of votes with dissent for the Resolution	0	956	956

Total votes casted in favour of Resolution : 99.99 percent

Total votes casted against the Resolution: 0.01 percent

Special Resolution No.2 : Shifting of Registered Office of the Company

Sl. No.	Particulars	Physical	Electronic	Total
1.	Total number of votes casted	71212782	6170431	77383213
2.	Less: Invalid number of votes casted	60618	0	60618
3.	Valid number of votes casted	71152164	6170431	77322595
4.	Total number of votes with assent for the Resolution	71152164	6170090	77322254
5.	Total number of votes with dissent for the Resolution	0	341	341

Total votes casted in favour of Resolution : 100 percent

Total votes casted against the Resolution : 0.00 percent

4. DISCLOSURES**i) Disclosures on materially significant related party transactions that may have potential conflict with the interests of the Company at large:**

Kindly refer to the notes forming part of accounts for the details of Related Party Transactions. There are no materially significant Related Party Transactions, which have potential conflict with the interests of the Company at large.

All Related Party Transactions are presented to the Audit Committee and Board. Omnibus approval is obtained for the transactions which are foreseen and repetitive in nature.

ii) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority, on any matter related to the capital markets, during the last three years:

No penalties, strictures were imposed on the Company by Stock Exchanges or SEBI or by any Statutory Authorities, on any matter relating to capital markets, during the last three years. However, the Company paid a fine to BSE and NSE towards delay in appointment of Women Director. The Women Director was appointed on 19th June, 2015.

iii) Whistle Blower Policy and affirmation that no personnel has been denied access to the Audit Committee:

In compliance with the SEBI Regulation the Audit Committee of the Company has approved the policy/mechanism on dealing with Whistle Blowers. The Audit Committee reviews the same as and when required. The said policy/mechanism is also available on Company's website at <http://www.ricoauto.com/investor-relation.html>. During the Financial Year under review no complaint was received to be referred to the Audit Committee and no person was denied access to the Audit Committee.

iv) Risk Management:

The Company has laid down procedures to inform Board Members about the risk assessment and minimization procedures. These procedures are subject to review to ensure that management controls risks through means of a properly defined framework. The compliance statements regarding the insurance policy, coverage and settlement of claims thereof is presented to the Audit Committee on quarterly basis.

v) Disclosure of Accounting Treatment:

The Company has prepared its financial statement as per the Accounting Standards prescribed by Institute of Chartered Accountants of India (ICAI). There is no deviation in the Accounting Treatment.

vi) **Preferential Issue:**

During the financial year 2016-17, no Preferential Issue was made.

vii) **Management Discussion and Analysis (MDA):**

A MDA Report which forms part of the Annual Report is given by means of a separate annexure attached to the Directors' Report.

viii) **Compliance with Mandatory Requirements:**

The Company has obtained a Certificate from the Company Secretary in Practice to the effect that the Company has complied with the conditions of the Corporate Governance. The same is annexed and sent along with the Annual Report of the Company to all the Shareholders and to the Stock Exchanges.

ix) **Adoption of the Non-Mandatory Requirements:**

The Compliance Status of the Non-Mandatory requirements of the Regulation 27(1) of the Listing Regulations is as under:

a) **The Board**

Maintenance of Chairman Office - As the Company has an Executive Chairman, disclosure is not required.

b) **Shareholder Rights**

The Company regularly publishes its quarterly results in the newspapers. These results are also available on Company's website at <http://www.ricoauto.com/investor-relation.html>. A half-yearly declaration of financial performance including summary of significant events is presently not being sent to each household of shareholders.

c) **Audit Qualifications**

During the financial year under review, there is no audit qualification in Company's financial statements. The Company continues to adopt best practices to ensure regime of unqualified financial statements.

d) **Separate posts of Chairman and CEO**

The Executive Chairman is also holding the position of CEO and Managing Director.

e) **Reporting of Internal Auditor**

The Internal Auditor reports directly to the Audit Committee.

x) **Related Party Transaction**

The Company has adopted policies on material subsidiaries and dealing with related party transactions which are available on the website of the Company viz. <http://www.ricoauto.com/investor-relation.html>

xi) **Commodity Price Risk/Foreign Exchange Risk and Hedging Activities**

The Company manages its Commodity Price Risks by Linked Indexation with its customers which are settled quarterly as per benchmark reference. Similarly on Foreign Exchange Risk the Company has Robust Exports and enjoys a Natural Hedge over the Imports/Borrowings denominated in Foreign Currency. It has an elaborate Forex Policy which is approved by the Board.

5. **MEANS OF COMMUNICATION**

i) Quarterly /Annual Results are published in the following Newspapers:

- a) Business Standard (English Newspaper) – Delhi & Mumbai
- b) Veer Arjun (Hindi Newspaper) – Delhi

ii) Quarterly /Annual Results and Shareholding Pattern are displayed on Company's website at <http://www.ricoauto.com/investor-relation.html> and all important/price sensitive informations are submitted to the BSE/NSE where the shares of the Company are listed and these Stock Exchanges display these announcements on their respective websites.iii) The Company's official press releases and any presentation made to the Institutional Investors or/and Analysts are displayed on website of the Company viz. <http://www.ricoauto.com/investor-relation.html>

iv) The Shareholder Information section forms part of the Report.

6. **RECONCILIATION OF SHARE CAPITAL AUDIT REPORT**

Shri K.K. Sachdeva of M/s. K.K. Sachdeva & Associates, Company Secretaries (CP No.4721, FCS No.7153) carried out Reconciliation of Share Capital Audit on quarterly basis to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid-up capital as on 31st March, 2017 is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL. The Reconciliation of Share Capital Audit Report is being submitted to the Stock Exchanges and is also placed before the Board Meetings from time to time for confirmation.

7. **CODE FOR PREVENTION OF INSIDER TRADING PRACTICES**

In compliance with the SEBI Regulations, the Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code. All Directors and the designated employees have confirmed compliance with the Code.

8. DIVERSITY ON THE BOARD OF THE COMPANY

The Company aims to enhance the effectiveness of the Board by diversifying its composition and to obtain the benefit out of such diversity in better and improved decision making. In order to ensure that the Board of the Company has appropriate balance of skills, experience and diversity of perspectives that are imperative for the execution of its business strategy, the Company considers a number of factors, including but not limited to skills, industry experience, background, race and gender.

9. CHIEF EXECUTIVE OFFICER (CEO), CHIEF FINANCIAL OFFICER (CFO) AND COMPLIANCE OFFICER

Shri Arvind Kapur, Chairman & Managing Director is Chief Executive Officer. Shri Rakesh Kumar Sharma is Chief Financial Officer w.e.f. 04th August, 2017. Shri B.M. Jhamb, Company Secretary is Compliance Officer.

10. CODE OF CONDUCT

The Company has adopted a Code of Conduct for its Board Members and Senior Management. The Code of Conduct has also been posted on the website of the Company at <http://www.ricoauto.com/investor-relation.html>. The code has been circulated to all the Directors and Senior Management.

The Declaration by the Chief Executive Officer (CEO) of the Company concerning compliance with the Code of Conduct for Board Members and Senior Management is given below:

I hereby confirm that:

As provided under Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has obtained from all the Board Members and Senior Management personnel, affirmation that they have complied with the Code of Conduct for Board Members and Senior Management in respect of the financial year ended 31st March, 2017.

Place : Delhi
Date : 26th May, 2017

Arvind Kapur
Chairman, CEO &
Managing Director
(DIN : 00096308)

11. COMPLIANCE CERTIFICATE TO THE BOARD PURSUANT TO REGULATION 17(8) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

This is to certify that:

- a) We have reviewed the Financial Statements and the Cash Flow Statement for the year ended 31st March, 2017 and that to the best of our knowledge and belief:
 - i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) These financial statements and other financial information included in the report, present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- b) To the best of our knowledge and belief, no transactions entered into by the Company during the financial year ended 31st March, 2017 are fraudulent, illegal or violative of the Company's code of conduct.
- c) We are responsible for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Company's Auditors and the Audit Committee that there are no deficiencies in the design or operation of internal controls.
- d) We have indicated to the Auditors and the Audit Committee:
 - i) that there has not been any significant changes in internal control over financial reporting during the year under report;
 - ii) that there has not been any significant changes in accounting policies during the year which required disclosure in the notes to the financial statements; and
 - iii) that we are not aware of any instances during the year under report of any fraud with involvement therein, of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Place : Delhi
Date : 26th May, 2017

Rakesh Kumar Sharma
Vice President (Finance & Accounts)

Arvind Kapur
Chairman, CEO &
Managing Director
(DIN : 00096308)

GENERAL SHAREHOLDERS' INFORMATION

1. **Annual General Meeting**
 - Date and Time : 22nd September, 2017 at 12.00 Noon
 - Venue : 38 KM Stone, Delhi-Jaipur Highway, Gurugram - 122001 (Haryana) India
2. **Financial Calendar**
 - Financial Year : 1st April to 31st March

For the year 2016-17, Results were announced on

 - First quarter ended June 30, 2016 : July 29, 2016
 - Second quarter and half year ended September 30, 2016 : November 09, 2016
 - Third quarter ended December 31, 2016 : February 03, 2017
 - Fourth quarter and year ended March 31, 2017 : May 26, 2017

For the year 2017-18, Results will be announced on (Tentative)

 - First quarter ended June 30, 2017 (announced) : August 04, 2017
 - Second quarter and half year ending September 30, 2017 : December, 2017
 - Third quarter ending December 31, 2017 : February, 2018
 - Fourth quarter and year ending March 31, 2018 : May, 2018
3. **Dates of Book Closure** : 16th September, 2017 to 22nd September, 2017 (both days inclusive).
4. **Dividend Payment Date** : Dividend @ ₹0.75 per share would be paid within 30 days of declaration by the shareholders in the Annual General Meeting.
5. **Registered Office** : 38 KM Stone, Delhi-Jaipur Highway, Gurugram – 122001 (Haryana) India
6. **Registrar and Transfer Agent** : M/s. MCS Share Transfer Agent Limited
(Common for Physical Transfer as well as Dematerialisation of Shares) F-65, Okhla Industrial Area Phase I, New Delhi – 110 020
7. **Plant Locations**

<p>Dharuhera Plant 69 KM Stone, Delhi-Jaipur Highway Dharuhera, Distt. Rewari – 123110 (Haryana) India</p> <p>Gurugram Plant 38 KM Stone, Delhi-Jaipur Highway Gurugram – 122001 (Haryana) India</p> <p>Haridwar Plant Plot No.1, Industrial Park IV, Village Begumpur, Distt. Haridwar – 249403 (Uttarakhand) India</p> <p>Sanand Plant Plot No.D2, Tata Motors Vendor Park, Village Sanand, P.O. Viroch Nagar, Ahmedabad – 382170 (Gujarat) India</p> <p>Chennai Plant Plot No.A9, SIPCOT Industrial Growth Centre, Oragadam, Chennai – 602105 (Tamilnadu) India</p> <p>Bawal Plant Plot No.23, Sector-5, HSIIDC, Phase-II, IMT Bawal – 123501, Distt. Rewari (Haryana) India</p>	<p>Bawal Plant : Rico Jinfei Wheels Limited Plot No.22, HSIIDC Phase-II, IMT Bawal – 123501 Distt. Rewari (Haryana) India</p> <p>Bawal Plant : Rasa Autocom Limited Plot No.21, HSIIDC Phase-II, IMT Bawal – 123501 Distt. Rewari (Haryana) India</p> <p>Manesar Plant : Rico Aluminium & Ferrous Auto Components Ltd. Plot No.84, Sector – 8, IMT Manesar, Gurugram – 122050 (Haryana) India</p> <p>Manesar Plant : Rico Jinfei Wheels Limited Plot No.397, Sector-8, IMT Manesar, Gurugram – 122050 (Haryana) India</p> <p>Manesar Plant : Magna Rico Powertrain Private Limited Plot No.11, Sector-8, IMT Manesar, Gurugram – 122050 (Haryana) India</p> <p>Pathredi Plant : (Under Construction) Plot No.SP3 – 800 & 801, Industrial Area Pathredi, Distt. Alwar – 301019 (Rajasthan) India</p>
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8. Share Transfer System

Physical

The transfer, transmission, remat, split of share certificate and issue of duplicate share certificate are approved by the Share Transfer Committee. This Committee normally meets as and when required to complete the transfer related works within the stipulated period. The shares are transferred and returned within a period of 15 days from the date of receipt, provided that the documents are in order in all respects. The Company obtains from a Company Secretary in Practice half-yearly certificate to the effect that all Share certificates have been issued within thirty days of the date of lodgement of the transfer, sub-division, consolidation and renewal as required under Regulation 40(9) of the Listing Regulations and files copy of the said certificate with Stock Exchanges.

Demat

Requests for dematerialisation of shares are processed and confirmation is given to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) directly by the Registrar and Share Transfer Agent. The Annual Custody Fees for the Financial Year 2017-18 have been paid to the Depositories.

9. Listing on Stock Exchanges

The Company's shares are listed on the following Stock Exchanges and the Annual Listing Fees for the Financial Year 2017-18 have been paid to the Exchanges:

Name & Address of Stock Exchanges	Stock Codes/Scrp Code	ISIN Number for NSDL/CDSL (Dematerialised Shares)
BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai - 400001	520008	INE209B01025
National Stock Exchange of India Limited Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai - 400051	RICOAUTO	

10. Dematerialisation of Shares and Liquidity

Trading in Equity Shares of the Company is permitted only in dematerialised form w.e.f. 28th August, 2000 for all investors. The ISIN Number of both NSDL and CDSL is INE209B01025. The Equity Shares of the Company are regularly traded on BSE Limited and National Stock Exchange of India Limited.

Break-up of Shares in Physical and Demat segment as on 31st March, 2017

Segment	No. of Shareholders	% of Shareholders	No. of shares	% of Shareholding
Physical	1165	2.28	701641	0.52
Demat	49874	97.72	134583359	99.48
Total	51039	100.00	135285000	100.00

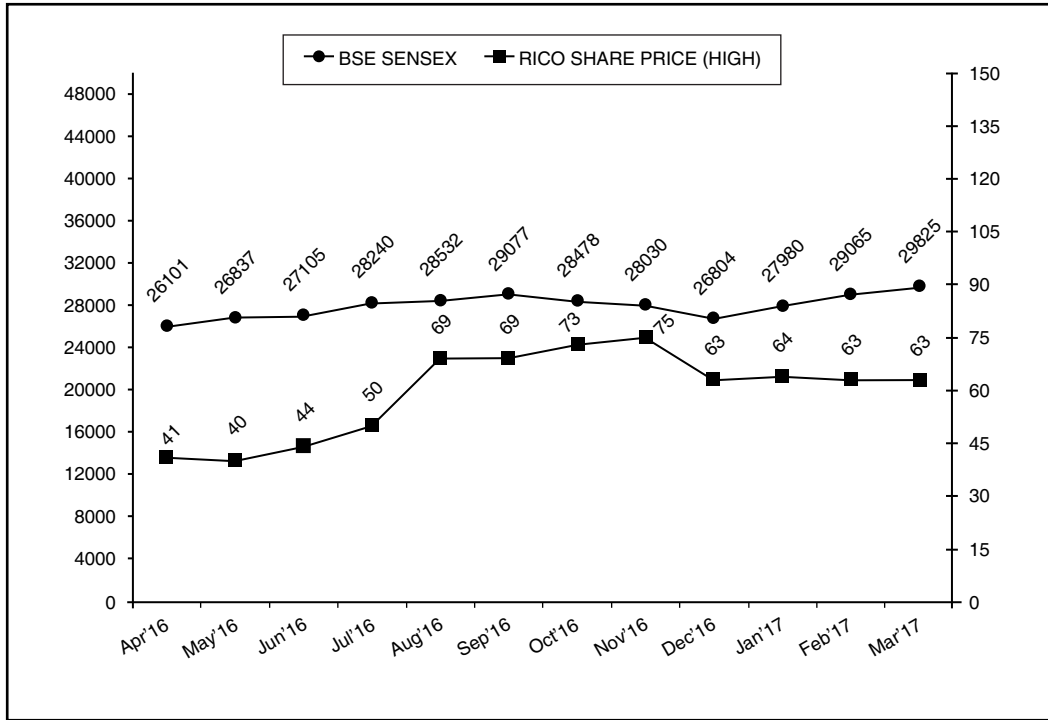
11. Stock Market Data

The closing price as on 31st March, 2017 of the Equity Shares at BSE and NSE is ₹56.40 & ₹56.65 respectively. Monthly high & low price and volume of Shares of ₹1/- each traded at BSE and NSE for 2016-17 are as under:

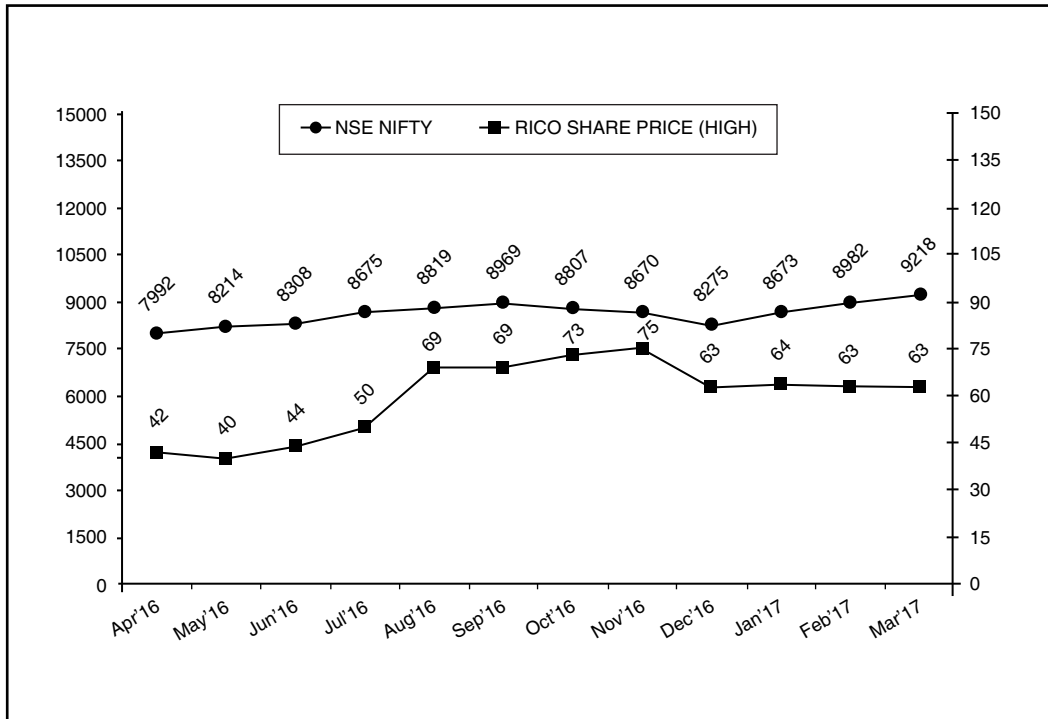
Month/Year	Bombay Stock Exchange (BSE)			National Stock Exchange (NSE)		
	High (₹)	Low (₹)	Volume of Shares Traded	High (₹)	Low (₹)	Volume of Shares Traded
April, 2016	41.10	33.75	2442177	41.50	33.70	7437940
May, 2016	39.70	33.90	1743474	39.65	33.55	5507142
June, 2016	43.60	34.00	3937117	43.70	34.15	12478540
July, 2016	49.60	40.20	4441567	49.75	40.25	14644096
August, 2016	68.70	49.20	14875623	68.70	49.10	52890315
September, 2016	69.40	58.50	5874662	69.35	58.70	21656775
October, 2016	73.30	62.55	5582425	73.45	63.00	18379388
November, 2016	75.25	55.30	4798172	75.35	55.20	18586426
December, 2016	62.90	53.10	1051847	62.80	53.05	4875400
January, 2017	63.65	54.10	1973663	63.70	54.05	8662012
February, 2017	63.25	54.40	1575642	63.20	54.80	6369194
March, 2017	62.55	54.10	2371715	62.50	54.00	9451685

12. Stock Performance of Rico Auto Industries Limited Vs. Stock Exchange indices

INDEX COMPARISON - RICO SHARE PRICE VS. BSE SENSEX (HIGH)



INDEX COMPARISON - RICO SHARE PRICE VS. NSE NIFTY (HIGH)



13. Distribution of Shareholding as on 31st March, 2017

No. of Equity Shares held	No. of Shareholders	Percent of Shareholders	No. of Shares	Percent of Shareholding
1 - 5000	49663	97.30	22294546	16.48
5001 - 10000	730	1.43	5490055	4.06
10001 - 20000	315	0.62	4629984	3.42
20001 - 30000	102	0.20	2508254	1.85
30001 - 40000	55	0.11	1957018	1.45
40001 - 50000	37	0.07	1702188	1.26
50001 - 100000	63	0.12	4630384	3.42
100001 & above	74	0.15	92072571	68.06
Total	51039	100.00	135285000	100.00

14. Shareholding Pattern as on 31st March, 2017

Category of Shareholders	No. of Shares (Demat Mode)	No. of Shares (Physical Mode)	Total No. of shares	Percent of Shareholding
Promoter and Promoter Group	67779978	–	67779978	50.10
Mutual Funds/UTI	7871264	–	7871264	5.82
Financial Institutions/ Banks	69473	–	69473	0.05
Foreign Institutional Investors	102000	–	102000	0.08
Bodies Corporate	6427097	40000	6467097	4.78
NRI	3024535	–	3024535	2.24
Co-operative Societies	–	–	–	–
Trusts & Foundations	5520	–	5520	0.00
Indian Public	49303492	661641	49965133	36.93
Total	134583359	701641	135285000	100.00

15. Unclaimed Shares Suspense Account

In terms of Schedule V of the Listing Regulations, the Company reports the following details in respect of equity shares lying in the suspense account in dematerialized form. This account is being held by the Company on behalf of the shareholders entitled for these shares. Shareholders who have not yet claimed their shares are requested to immediately approach the Company to enable us to release the said shares to the rightful owner either in physical form or demat mode.

The details of equity shares lying in the Unclaimed Suspense Account being maintained with ICICI Bank are as under:

Sl.No.	Particulars	No. of Shareholders	No. of Equity Shares
1.	Aggregate number of Shareholders and the outstanding shares in the Suspense Account lying at the beginning of the year (01.04.2016)	6537	1466360
2.	Number of Shareholders who approached the Company for transfer of Shares from Suspense Account during the year	26*	72020
3.	Number of Shareholders to whom Shares were transferred from Suspense Account during the year	26*	72020
4.	Aggregate number of Shareholders and the outstanding Shares in the Suspense Account lying at the end of the year (31.03.2017)	6513	1394340

*Total 26 shareholders approached the Company for transfer of shares during the year 2016-17, out of above 2 Shareholders have not claimed their full shareholding.

The voting rights on the shares in the Unclaimed Suspense Account as on 31st March, 2017 shall remain frozen till the rightful owners of such shares claim the shares.

16. Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion Date and likely impact on Equity

The Company has not issued any GDRs/ADRs/Warrants or any Convertible Instruments.

17. Unclaimed Dividends

Pursuant to the provisions of Sections 124 & 125 of the Companies Act, 2013 the amount of dividend which remains unpaid/unclaimed for a period of 7 years is transferred to the "Investor Education and Protection Fund" (IEPF), constituted by the Central Government and member(s) would not be able to claim any amount of dividend so transferred to IEPF. As such, member(s) who have not yet encashed their dividend warrant(s) is/are requested in their own interest to write to the Company for claiming outstanding dividend declared by the Company. The amount of unpaid or unclaimed dividend relating to the financial year ended 31st March, 1995 to 31st March, 2009 have already been transferred to the Investor Education and Protection Fund (IEPF).

Date of Transferring Unclaimed Dividend to the Central Government

Year	Rate of Dividend (percent)	Date of Declaration	Due date for transfer to IEPF
2010	Final – 15	30/09/2010	30/10/2017
2011	Final – 20	30/09/2011	30/10/2018
2012	Final – 15	29/09/2012	29/10/2019
2013	Final – 15	30/09/2013	30/10/2020
2014	Final – 10	30/09/2014	30/10/2021
2015	Interim – 100	14/02/2015	14/03/2022
2015	Final – 200	29/09/2015	29/10/2022
2016	Interim – 50	10/03/2016	10/04/2023
2016	Final – 10	23/09/2016	23/10/2023

Unclaimed Dividend as on 31st March, 2017

Year	Rate of Dividend (percent)	No. of Warrants issued	Amount of Dividend (₹)	Amount of Unclaimed Dividend (₹)	Unclaimed Dividend (percent)
2010	Final – 15	50925	19328250.00	288831.60	1.49
2011	Final – 20	54441	27057000.00	406105.60	1.50
2012	Final – 15	52225	20292750.00	324029.25	1.60
2013	Final – 15	42173	20292750.00	410609.55	2.02
2014	Final – 10	37426	13528500.00	280347.20	2.07
2015	Interim – 100	38399	135285000.00	2274154.00	1.68
2015	Final – 200	40315	270570000.00	4073752.00	1.51
2016	Interim – 50	48718	67642500.00	1296769.50	1.92
2016	Final – 10	46216	13528500.00	274056.70	2.03

18. National Electronic Clearing Service (NECS) Facility

The Company, with respect to payment of dividend, provides the facility of NECS to Shareholders wherever the facility is available, as permitted by the Reserve Bank of India.

Shareholders holding shares in the physical form who now wish to avail the NECS Facility, may authorize the Company by sending their NECS Mandate, in the prescribed form to the Company, in case the same has not been furnished earlier. The NECS Mandate Form can be obtained from the Corporate Office of the Company.

19. Nomination Facility

Shareholders holding shares in physical form and desirous of making/changing nomination in respect of their shareholding in the Company, may submit the prescribed form to the Company. Members holding shares in dematerialized mode may contact their Depository Participant (DP) for availing this facility.

20. MCA's Green Initiative for Paperless Communications

The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government, members who have not registered their e-mail IDs, so far, are requested to register their e-mail IDs, in respect of electronic holdings with concerned Depository Participants. Members who hold shares in physical form are requested to register the same with the Company's Registrar and Share Transfer Agent, M/s. MCS Share Transfer Agent Limited, New Delhi.

21. SEBI Complaints Redress System (SCORES)

The Company processes the Investors' complaints received by it through a computerized complaints redressal system. The salient features of this system are computerized database of all the inward receipts and action taken on them, online submission of Action Taken Reports (ATRs) along with supporting documents electronically in SCORES. The investors can view online the current status of their complaints submitted through SEBI Complaints Redress System (SCORES).

22. Subsidiary Companies

The Company has four wholly owned subsidiaries, one subsidiary company and three step down subsidiaries. None of the subsidiaries is listed on any Stock Exchange. The Audit Committee and the Board reviews the financial statements, the minutes of the Board Meetings and all significant transactions and arrangements of the subsidiary companies.

During the year, Rico Aluminium and Ferrous Auto Components Limited and Rico Investments Limited have become material subsidiaries of the Company. Shri Satish Sekhri and Shri Amarjit Chopra, Independent Directors of the Company have been appointed on the Board of these material subsidiaries respectively.

23. Web link for various Policies of the Company

The following Policies are available on the website of the Company i.e. <http://www.ricoauto.com/investor-relation.html>:

1. Corporate Social Responsibility Policy
2. Vigil Mechanism Policy
3. Policy for determining Material Subsidiaries
4. Related Party Transactions Policy
5. Remuneration Policy
6. Policy on determination of materiality of the events/information
7. Policy on Preservation of Records
8. Archival Policy on Preservation of Documents of the Company

24. Investors/Shareholders Correspondence

- | | |
|--|---|
| i) Transfer/dematerialisation of Shares and any other queries relating to Shares | : M/s. MCS Share Transfer Agent Limited
F-65, Okhla Industrial Area, Phase I
New Delhi – 110020, India
Tel : (011)41406149 Fax : (011)41709881
E-mail : helpdeskdelhi@mcsregistrars.com / admin@mcsregistrars.com |
| ii) Any queries relating to the Financial Statements of the Company | : Shri Rakesh Kumar Sharma, Chief Financial Officer
Rico Auto Industries Limited
38 KM Stone, Delhi-Jaipur Highway
Gurugram – 122001 (Haryana) India
Tel : (91)(0124)2824226
E-mail : rakeshsharma@ricoauto.in |
| iii) Payment of dividend on Shares and any other queries relating to Annual Report | : Shri B.M. Jhamb, Company Secretary
Rico Auto Industries Limited
38 KM Stone, Delhi-Jaipur Highway
Gurugram – 122001 (Haryana) India
Tel : (91)(0124) 2824221, 2824000
Fax: (91)(0124) 2824200
E-mail : bmjhamb@ricoauto.in / cs@ricoauto.in |

On behalf of the Board of Directors

Arvind Kapur
Chairman, CEO &
Managing Director
(DIN: 00096308)

Place : Delhi
Date : 4th August, 2017

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE**To the Members of
Rico Auto Industries Limited**

We have examined the compliance of conditions of Corporate Governance by Rico Auto Industries Limited for the year ended 31st March, 2017, as per the relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as referred in Regulation 15(2) of the Listing Regulations.

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Regulations of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Regulations of the Corporate Governance as stipulated in the above mentioned Listing Agreement/Listing Regulations, as applicable.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

for **K.K. Sachdeva & Associates**
Company Secretaries

K. K. Sachdeva
Proprietor
FCS No. 7153, CP No. 4721

Place : Delhi
Date : 4th August, 2017

ANNEXURE TO DIRECTORS' REPORT

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2017

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Rico Auto Industries Limited
38 K M Stone Delhi-Jaipur Highway
Gurugram – 122001
Haryana

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Rico Auto Industries Limited (CIN: L34300HR1983PLC023187)** (hereinafter called "the Company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; and
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not Applicable to the Company during the Audit period);
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not Applicable to the Company during the Audit period);
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable to the Company during the Audit period);
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable to the Company during the Audit period); and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not Applicable to the Company during the Audit period).
 - i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- vi) We further report that having regard to compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company:
 - i) The Factories Act, 1948;
 - ii) The Petroleum Act, 1934 and the rules made thereunder;
 - iii) The Environment Protection Act, 1986 and the rules made thereunder;
 - iv) The Water (Prevention and Control of Pollution) Act, 1974 and the rules made thereunder; and
 - v) The Air (Prevention and Control of Pollution) Act, 1981 and the rules made thereunder.

We further report that the compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated laws.

We have also examined compliance with the applicable clauses of the following:

- i) Secretarial Standards (SS) with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India.
- ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, Agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions at Board and Committee Meetings were carried out through unanimous consent as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has passed the following resolutions through Postal Ballot on 1st February, 2017:

- i) Special resolution for effecting change in the situation of Registered office of the Company within the state of Haryana; and
- ii) Resolution passed by Public shareholders for approval of Scheme of Amalgamation of Uttarakhand Automotives Limited with Rico Auto Industries Limited.

for K.K. Sachdeva & Associates
Company Secretaries

K.K. Sachdeva
Proprietor

FCS No. 7153, CP No. 4721

Place : Delhi
Date : 4th August, 2017

ANNEXURE TO DIRECTORS' REPORT

REMUNERATION POLICY

1. Preamble

This policy shall be called "Policy on Remuneration" (hereinafter referred to as "**Remuneration Policy**").

The Remuneration Policy of the Company is designed to keep pace with the business environment and market linked positioning and to attract, motivate, improve productivity and retain manpower, by creating a congenial work environment, encouraging initiatives, personal growth and team work, and inculcating a sense of belonging and involvement, besides offering appropriate remuneration packages.

The Company has constituted a Nomination and Remuneration Committee ("**Committee**"), which determines and recommends to the Board the remuneration payable to Directors, Key Managerial Personnel (KMP), Senior Management and other Employees. The existing remuneration structure of the Company consists of a fixed component and a variable component linked to the long term vision, medium term goals and annual business plans. The Nomination and Remuneration Committee of the Company also reviews and recommends the quantum and payment of annual salary and commission and other employment conditions of the Directors, Key Managerial Personnel (KMP), Senior Management and other Employees. The Committee takes into consideration the best remuneration practices being followed in the industry while fixing appropriate remuneration packages.

2. Definitions

2.1 "**Act**" means the Companies Act, 2013 and rules made thereunder.

2.2 "**Board of Directors**" or the "**Board**" shall mean the Board of Directors of the Company, as constituted from time to time.

2.3 "**Company**" means Rico Auto Industries Limited.

2.4 "**Key Managerial Personnel**", shall have the meaning as defined under the Act and includes

- i) Managing Director or Chief Executive Officer or Manager and in their absence, a Whole-Time Director;
- ii) Company Secretary; and
- iii) Chief Financial Officer

2.5 "**Other Employees**" means, all the employees other than the Directors, KMPs and the Senior Management Personnel.

2.6 "**Senior Management**" means personnel of the Company who are members of its core management team other than the Board of Directors. It comprises of all members of the management who are one level below the Executive Directors and include the functional heads.

All the words and expressions used in this Policy, unless defined hereinafter, shall have meaning respectively assigned to them under the listing agreement and in the absence of its definition or explanation therein, as per the Act and the rules, notifications and circulars made/issued thereunder, as amended, from time to time.

3. Key Principles of the Policy

While designing compensation for Directors, Key Managerial Personnel and Senior Management, the following set of principles act as guiding factors:

- a) Aligning key executive and board remuneration with the longer term interests of the Company and its shareholders;
- b) Minimize complexity and ensure transparency;
- c) Link to long term strategy as well as annual business performance of the Company;
- d) Promotes a culture of meritocracy and is linked to key performance and business drivers; and
- e) Reflective of line expertise, market competitiveness so as to attract the best talent.

4. Remuneration to Executive Directors

4.1 The remuneration to Executive Directors is recommended by the Nomination and Remuneration Committee and approved by the Board, subject to the subsequent approval by the shareholders at the general meeting and such other authorities, as the case may be.

4.2 At the Board Meeting, only the Non-Executive and Independent Directors participate in approving the remuneration of the Executive Directors. The remuneration is arrived by considering various factors such as qualification, experience, expertise, prevailing remuneration in the industry and the financial position of the Company. The elements of the remuneration and limits are pursuant to the Section 197 and Schedule V of the Act and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (erstwhile Clause 49 of the Listing Agreement) entered into with the stock exchange(s) where the equity shares of the Company are listed.

5. Remuneration Structure for Executive Directors

5.1 The remuneration structure for the Executive Directors would include the following components:

5.1.1 Basic Salary

- a) Provides for a fixed, per month, base level remuneration to reflect the scale and dynamics of business to be competitive in the external market.
- b) Will be subject to an annual increase as per recommendations of the Nomination and Remuneration Committee and approval of the Board of Directors.

5.1.2 Commission

- a) Executive Directors will be allowed remuneration, by way of commission which is in addition to the basic salary, perquisites and any other allowances, benefits and amenities;
- b) Subject to the condition that the amount of commission shall not exceed the overall limits of 5% of net profit of the Company in a particular financial year in the manner referred in Section 197 & 198 of the Act; and
- c) The amount of commission shall be paid subject to recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors.

5.1.3 Perquisites and Allowances

Perquisites and Allowances would also form a part of the remuneration structure.

5.1.4 Contribution to Provident and Other funds:

In addition to the above, the remuneration would also include:

- a) Contribution to Provident and Superannuation Funds; and
- b) Gratuity.

5.1.5 Minimum Remuneration

If in any financial year during the tenure of the Executive Directors, the Company has no profits or its profits are inadequate, they shall be entitled to, by way of basic salary, perquisites, allowances, not exceeding the ceiling limit specified under Schedule V of the Act or such other limits as prescribed by the Government from time to time as minimum remuneration, subject to necessary approval, if any.

5.1.6 Remuneration to Non-Executive and Independent Directors

The Non-Executive and Independent Directors would be paid remuneration by way of sitting fees for attending meetings of Board or Committee thereof and profit related commission as approved by the Board and Shareholders. The amount of such sitting fees and commission shall be subject to ceiling/limits as provided under the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.

6. Remuneration for Key Managerial Personnel, Senior Management and other Employees

i) Key Managerial Personnel (KMP) and Senior Management

The Remuneration shall be paid to Senior Management Personnel and KMPs shall be based on the remuneration policy of the Company and the experience, qualification and expertise of the related personnel and shall be decided by the Chairman, CEO & Managing Director (for KMPs other than those who are at the WTD/Board level) of the Company as per the internal process in consonance with the limits, if any, prescribed under the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.

The compensation for the Key Managerial Personnel and the Senior Management at the Company would be guided by the external competitiveness and internal parity through annual benchmarking surveys.

ii) Other Employees

The power to decide structure of remuneration for other employees has been designed in the Remuneration Policy and implementation of the same is to be ensured by Chairman, CEO & Managing Director of the Company or any other personnel that the Chairman, CEO & Managing Director may deem fit to delegate.

7. Grade Structure

Employees are assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the Company. Individual remuneration is determined within the appropriate grade and is based on following:

- An individual's experience, skill, competencies and knowledge relevant to the job; and
- An individual's performance and potential contribution to the Company.

8. Disclosure

The Policy shall be disclosed as required under the Companies Act, 2013 and in the Listing Agreement.

9. Amendments to the Policy and Policy Review

- 9.1 This Policy is framed pursuant to the provisions of the Act. In case of any subsequent changes in the provisions of the Act and rules thereunder or any other regulations which makes any of the provisions in the Policy inconsistent with the Act or regulations, then the provisions of the Act or regulations would prevail over this Policy and the provisions in this Policy would be modified in due course to make it consistent with applicable provisions of the law.
- 9.2 Any changes or modification on the Policy as recommended by the Nomination and Remuneration Committee would be placed before the Board of Directors of the Company for their approval.
- 9.3 The Board of Directors of the Company may, subject to the applicable law, is entitled to amend, modify, suspend or rescind this Policy, at any time.
- 9.4 Any ambiguities, interpretative issues, difficulties will be resolved by the Board of Directors of the Company in line with the broad intent of this Policy read with the applicable provisions of the Act, Rules and Regulations made thereunder and the Listing Agreement.

ANNEXURE TO DIRECTORS' REPORT

THE ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES (2016-17)

1. **A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken**

The Company endeavors to integrate social and environment concerns in its business operations. The Company demonstrates an increased commitment at all levels in the organization to operate business in an economically, socially and environmentally sustainable manner.

2. **Members of the Committee**

The Committee consists of four members namely:

- | | | | |
|------|--------------------|---|----------|
| i) | Shri Rajeev Kapoor | – | Chairman |
| ii) | Dr. Ashok Seth | – | Member |
| iii) | Shri Arun Kapur | – | Member |
| iv) | Shri Rakesh Kapur | – | Member |

3. **Average Net Profit/(Net Loss) of the Company for last three financial years**

Rs. (8.85) crores (on the basis of financial years 2013-14, 2014-15 and 2015-16).

4. **Prescribed CSR Expenditure**

Two percent of the amount as in item 3 above : Nil

5. **Details of CSR Expenditure spent during the financial year 2016-17**

- i) Total Amount to be spent for the financial year : Nil #
 ii) Amount unspent : Nil
 iii) The manner in which the amount spent during the financial year is detailed below:

Sl. No.	CSR Project or activity identified	Sector in which the project is covered	Project or Program (1) Local Area or other (2) Specify the state and the district where the projects or program was undertaken)	Amount Outlay (Budgeted)	Amount spent on the projects	Cumulative Expenditure upto the reporting period	Amount spent direct or through implementing agency
1.	Nil	Nil	Nil	Nil	Nil	Nil	Nil

6. **Details of Implementing Agency**

The Company has not appointed any implementing agency.

7. **Reasons for not spending the amount**

The amount as per computation works out to be Nil. Therefore, the Company is not required to spend the money on CSR Activities under the applicable provisions of the Companies Act, 2013.

8. **The CSR Committee confirms that the implementation and monitoring of CSR policy is in compliance with CSR objectives and policy of the Company.**

#The Company although, has on voluntary basis spent ₹ 0.48 crore towards the CSR activities/projects as specified in CSR policy of the Company.

Arvind Kapur
 Chairman, CEO &
 Managing Director
 (DIN: 00096308)

Rajeev Kapoor
 Chairman – CSR Committee
 (DIN: 02051466)

Place : Delhi
 Date : 4th August, 2017

ANNEXURE TO DIRECTORS' REPORT

FORM NO. MGT – 9
EXTRACT OF ANNUAL RETURN
AS ON FINANCIAL YEAR ENDED 31ST MARCH, 2017
Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of
the Companies (Management & Administration) Rules, 2014

I. REGISTRATION & OTHER DETAILS

- i) CIN : L34300HR1983PLC023187
- ii) Registration Date : 07/03/1983
- iii) Name of the Company : Rico Auto Industries Limited
- iv) Category/Sub-category of the Company : Company Limited by Shares/Non-Govt. Company
- v) Address of the Registered Office & Contact Details : 38 K.M. Stone, Delhi-Jaipur Highway
Gurugram – 122001, Haryana
Phone: 0124 2824221 Fax: 0124 2824200
Email: cs@ricoauto.in, Website: www.ricoauto.in
- vi) Whether Listed Company : Yes
BSE Limited (BSE) and National Stock Exchange of India Limited (NSE)
- vii) Name, Address & Contact Details of the Registrar & Transfer Agent, if any. : MCS Share Transfer Agent Limited
F-65, 1st Floor, Okhla Industrial Area, Phase-I,
New Delhi – 110020
Phone: 011-41406149 Fax: 011-41709881

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company are as under:

SI. No.	Name & Description of main products/services	NIC Code of the product/services	% to total turnover of the Company
1.	Clutch	29301	10.25
2.	Housing	29301	15.70
3.	Case Differential	29301	10.18

III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

SI. No.	Name & Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of Shares Held	Applicable Section
1.	Uttarakhand Automotives Limited 38 K.M. Stone, Delhi-Jaipur Highway, Gurugram – 122001, Haryana	U29253HR2007PLC036910	Subsidiary	100	Section 2(87)
2.	AAN Engineering Industries Limited 38 K.M. Stone, Delhi-Jaipur Highway, Gurugram – 122001, Haryana	U28112HR2010PLC039941	Subsidiary	100	Section 2(87)
3.	Rico Investments Limited 38 K.M. Stone, Delhi – Jaipur Highway, Gurugram – 122001, Haryana	U65923HR2015PLC054211	Subsidiary	96.05 (Both Equity & Preference)	Section 2(87)
4.	Rico Auto Industries Inc., USA 6338, Sashabaw Road, Clarkston, Michigan 48346 USA	Foreign Company Registration No. : 510411449	Subsidiary	100	Section 2(87)
5.	Rico Auto Industries (UK) Limited Unit 1, Lewis House, 99 Victoria Road, London – NW106DJ, UK	Foreign Company Registration No. : 04975219 (England and Wales)	Subsidiary	100	Section 2(87)
6.	Rasa Autocom Limited C/o. Rico Auto Industries Limited 38 K.M. Stone, Delhi – Jaipur Highway, Gurugram – 122001, Haryana	U74120HR2007PLC037192	Step-down Subsidiary	100	Section 2(87)
7.	Rico Jinfei Wheels Limited C/o. Rico Auto Industries Limited 38 K.M. Stone, Delhi – Jaipur Highway, Gurugram – 122001, Haryana	U34200HR2007PLC037021	Step-down Subsidiary	93.49	Section 2(87)
8.	Rico Aluminium and Ferrous Auto Components Limited 38 K.M. Stone, Delhi – Jaipur Highway, Gurugram – 122001, Haryana	U34300HR2008PLC037956	Step-down Subsidiary	100	Section 2(87)
9.	Magna Rico Powertrain Private Limited 38 K.M. Stone, Delhi – Jaipur Highway, Gurugram – 122001, Haryana	U29110HR2008PTC037708	Joint Venture	50	Section 2(6)

IV. SHAREHOLDING PATTERN (Equity Share Capital Break-up as % of Total Equity)

i) Category-wise Shareholding:

	Category of Shareholders	No. of Shares held at the beginning of the year (1 st April, 2016)				No. of Shares held at the end of the year (31 st March, 2017)				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	PROMOTERS									
1.	Indian	27501188	0	27501188	20.328	27501188	0	27501188	20.328	0.000
	a) Individual/HUF	0	0	0	0.000	0	0	0	0.000	0.000
	b) Central Govt. or State Govt.	0	0	0	0.000	0	0	0	0.000	0.000
	c) Bodies Corporate	40199790	0	40199790	29.715	40199790	0	40199790	29.715	0.000
	d) Banks/FI	0	0	0	0.000	0	0	0	0.000	0.000
	e) Any other (specify)	0	0	0	0.000	0	0	0	0.000	0.000
	Sub Total (A)(1)	67700978	0	67700978	50.043	67700978	0	67700978	50.043	0.000
2.	Foreign									
	a) NRI - Individuals	79000	0	79000	0.058	79000	0	79000	0.058	0.000
	b) Other Individuals	0	0	0	0.000	0	0	0	0.000	0.000
	c) Bodies Corporate	0	0	0	0.000	0	0	0	0.000	0.000
	d) Banks/FI	0	0	0	0.000	0	0	0	0.000	0.000
	e) Any other (specify)	0	0	0	0.000	0	0	0	0.000	0.000
	Sub Total (A)(2)	79000	0	79000	0.058	79000	0	79000	0.058	0.000
	Total Shareholding of Promoters (A)=(A)(1)+(A)(2)	67779978	0	67779978	50.102	67779978	0	67779978	50.102	0.000
B.	PUBLIC SHAREHOLDING									
1.	Institutions									
	a) Mutual Funds	4891350	0	4891350	3.616	7871264	0	7871264	5.818	2.203
	b) Banks/FI	151249	0	151249	0.112	69473	0	69473	0.051	-0.060
	c) Central Govt.	0	0	0	0.000	0	0	0	0.000	0.000
	d) State Govt.	0	0	0	0.000	0	0	0	0.000	0.000
	e) Venture Capital Fund	0	0	0	0.000	0	0	0	0.000	0.000
	f) Insurance Companies	0	0	0	0.000	0	0	0	0.000	0.000
	g) FIs	0	0	0	0.000	102000	0	102000	0.000	0.075
	h) Foreign Venture Capital Funds	0	0	0	0.000	0	0	0	0.000	0.000
	i) Others (specify)	0	0	0	0.000	0	0	0	0.000	0.000
	Sub Total (B)(1)	5042599	0	5042599	3.727	8042737	0	8042737	5.945	2.218
2.	Non-Institutions									
	a) Bodies Corporate									
	i) Indian	8790205	40000	8830205	6.527	6427097	40000	6467097	4.780	-1.747
	ii) Overseas	0	0	0	0.000	0	0	0	0.000	0.000
	b) Individuals									
	i) Individual shareholders holding nominal share capital upto ₹1 lakh	38004428	684221	38688649	28.598	36585072	661641	37246713	27.532	-1.066
	ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	12569016	0	12569016	9.291	12718420	0	12718420	9.401	0.110
	c) Others (specify)									
	i) Non Resident Individual	2359553	0	2359553	1.744	3024535	0	3024535	2.236	0.492
	ii) Trust & Foundations	2000	0	2000	0.001	5520	0	5520	0.004	0.003
	iii) Cooperative Societies	13000	0	13000	0.010	0	0	0	0.000	-0.010
	Sub Total (B)(2)	61738202	724221	62462423	46.171	58760644	701641	59462285	43.953	-2.218
	Total Public Shareholding (B)=(B)(1)+(B)(2)	66780801	724221	67505022	49.898	66803381	701641	67505022	49.898	0.000
C.	SHARES HELD BY CUSTODIAN FOR GDRs & ADRs	0	0	0	0.000	0	0	0	0.000	0.000
	Grand Total (A+B+C)	134560779	724221	135285000	100.000	134583359	701641	135285000	100.000	0.000

ii) Shareholding of Promoters:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (1 st April, 2016)			Shareholding at the end of the year (31 st March, 2017)			% change in Shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares pledged encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of Shares pledged encumbered to total Shares	
1.	ARVIND KAPUR	12652460	9.352	0.000	12652460	9.352	0.000	0.000
2.	ARUN KAPUR	8651160	6.395	0.000	8651160	6.395	0.000	0.000
3.	RAKESH KAPUR	2398720	1.773	0.000	2398720	1.773	0.000	0.000
4.	SHALINI KAPUR	1366148	1.010	0.000	1366148	1.010	0.000	0.000
5.	UPASNA KAPUR	966920	0.715	0.000	966920	0.715	0.000	0.000
6.	RITU KAPUR	723140	0.535	0.000	723140	0.535	0.000	0.000
7.	NYLA KAPUR	354040	0.262	0.000	354040	0.262	0.000	0.000
8.	SAMARTH KAPUR	194800	0.144	0.000	194800	0.144	0.000	0.000
9.	SHIVANI KAPUR	189800	0.140	0.000	189800	0.140	0.000	0.000
10.	ROMILLA BAHL	79000	0.058	0.000	79000	0.058	0.000	0.000
11.	PROMILA SIKKA	4000	0.003	0.000	4000	0.003	0.000	0.000
12.	KAPSONS ASSOCIATES INVESTMENTS PVT. LTD.	38917050	28.767	0.000	20838321	15.403	0.000	-13.363
13.	RICO CASTINGS LIMITED	1256100	0.928	0.000	0	0.000	0.000	-0.928
14.	HIGAIN INVESTMENTS PVT. LTD.	26640	0.020	0.000	7570628	5.596	0.000	5.576
15.	MERAKI MANUFACTURING AND FINVEST ADVISORS PVT. LTD.	0	0.000	0.000	11790841	8.716	0.000	8.716
	TOTAL	67779978	50.102	0.000	67779978	50.102	0.000	0.000

iii) Change in Promoters' Shareholding:

Sl. No.	Shareholder's Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01/04/2016 to 31/03/2017)	
		No. of Shares at the beginning (01/04/2016)/end of the year (31/03/2017)	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
1.	KAPSONS ASSOCIATES INVESTMENTS PVT. LTD.	38917050	28.767	01.04.2016		Transfer(Gift)		
				27.03.2017	-6287888		32629162	24.119
		20838321	15.403	30.03.2017	-11790841		20838321	15.403
2.	RICO CASTINGS LIMITED	1256100	0.928	01.04.2016		Transfer(Gift)		
				27.03.2017	-1256100		0	0.000
		0	0.000	31.03.2017			0	0.000
3.	HIGAIN INVESTMENTS PVT. LTD.	26640	0.020	01.04.2016		Transfer(Gift)		
				27.03.2017	1256100		1282740	0.948
		7570628	5.596	31.03.2017	6287888		7570628	5.596
4.	MERAKI MANUFACTURING AND FINVEST ADVISORS PVT. LTD.	0	0.000	01.04.2016		Transfer(Gift)		
				30.03.2017	11790841		11790841	8.716
		11790841	8.716	31.03.2017			11790841	8.716

iv) Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters & holders of GDRs & ADRs):

Sl. No.	Shareholder's Name	Shareholding		Date	Increase/Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01/04/2016 to 31/03/2017)	
		No. of Shares at the beginning (01/04/2016)/end of the year (31/03/2017)	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
1.	RELIANCE CAPITAL TRUSTEE CO. LTD.- A/C. RELIANCE REGULAR SAVINGS FUND- BALANCED OPTION	2923127	2.161	01.04.2016				
		3702677	2.737	18.11.2016 31.03.2017	55000 724550	Transfer Transfer	2978127 3702677 3702677	2.201 2.737 2.737
2.	MUKUL AGRAWAL	1412268	1.044	01.04.2016				
		1700000	1.257	05.08.2016 31.03.2017	287732	Transfer	1700000 1700000	1.257 1.257
3.	ZAFAR AHMADULLAH	1250000	0.924	01.04.2016				
		724097	0.535	04.11.2016 11.11.2016 31.03.2017	-488363 -37540	Transfer Transfer	761637 724097 724097	0.563 0.535 0.535
4.	PANNA BANKIM	1236037	0.914	01.04.2016				
		1236037	0.914	31.03.2017	0	Nil movement during the year	1236037	0.914
5.	TARUN SURESH JAIN	0	0.000	01.04.2016				
				26.08.2016	350000	Transfer	350000	0.259
				02.09.2016	50000	Transfer	400000	0.296
				16.09.2016	25000	Transfer	425000	0.314
				07.10.2016	100000	Transfer	525000	0.388
				14.10.2016	350000	Transfer	875000	0.647
				04.11.2016	100000	Transfer	975000	0.721
				11.11.2016	25000	Transfer	1000000	0.739
				03.03.2017	60000	Transfer	1060000	0.784
				10.03.2017 31.03.2017	25000	Transfer	1085000 1085000	0.802 0.802
6.	PRINCIPAL TRUSTEE COMPANY PVT. LTD.- A/C. PRINCIPAL MUTUAL FUND- PRINCIPAL GROWTH FUND	0	0	01.04.2016				
				04.11.2016	252338	Transfer	252338	0.187
				11.11.2016	404400	Transfer	656738	0.485
				18.11.2016	235752	Transfer	892490	0.660
				25.11.2016	77494	Transfer	969984	0.717
				31.12.2016	56380	Transfer	1026364	0.759
				10.02.2017	40007	Transfer	1066371	0.788
				31.03.2017			1066371	0.788
7.	L&T MUTUAL FUND TRUSTEE LIMITED- L&T EMERGING BUSINESSES FUND	0	0	01.04.2016				
				12.08.2016	572718	Transfer	572718	0.423
				26.08.2016	80582	Transfer	653300	0.483
				07.10.2016	50000	Transfer	703300	0.520
				21.10.2016	50000	Transfer	753300	0.557
				28.10.2016	88600	Transfer	841900	0.622
				31.12.2016	25000	Transfer	866900	0.641
				03.02.2017	86800	Transfer	953700	0.705
				31.03.2017			953700	0.705
		8.	SANKARA NARAYANAN SANGAMESWARAN	0	0	01.04.2016		
				19.08.2016	495350	Transfer	495350	0.366
				26.08.2016	100000	Transfer	595350	0.440
				14.10.2016	180000	Transfer	775350	0.573
				28.10.2016 31.03.2017	143325	Transfer	918675 918675	0.679 0.679
9.	RELIANCE CAPITAL TRUSTEE CO. LTD.-A/C. RELIANCE RETIREMENT FUND- WEALTH CREATION	860000	0.636	01.04.2016				
		860000	0.636	31.03.2017	0	Nil movement during the year	860000	0.636
10.	PRINCIPAL TRUSTEE COMPANY PVT LTD.- A/C. PRINCIPAL MUTUAL FUND- PRINCIPAL TAX SAVING FUND	0	0	01.04.2016				
				04.11.2016	174970	Transfer	174970	0.129
				11.11.2016	280392	Transfer	455362	0.337
				18.11.2016	161672	Transfer	617034	0.456
				25.11.2016	50098	Transfer	667132	0.493
				31.12.2016	36452	Transfer	703584	0.520
				10.02.2017	28563	Transfer	732147	0.541
				31.03.2017			732147	0.541

Sl. No.	Shareholder's Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01/04/2016 to 31/03/2017)	
		No. of Shares at the beginning (01/04/2016)/end of the year (31/03/2017)	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
11.	VANAJA SUNDAR IYER	1025935	0.758	01.04.2016				
				20.05.2016	-21894	Transfer	1004041	0.742
				27.05.2016	-177684	Transfer	826357	0.611
				03.06.2016	-139035	Transfer	687322	0.508
				17.06.2017	-87322	Transfer	600000	0.444
				08.07.2016	-14682	Transfer	585318	0.433
				29.07.2016	-16511	Transfer	568807	0.420
				21.10.2016	-568807	Transfer	0	0.000
		31.03.2017			0	0.000		
12.	RELIANCE CAPITAL TRUSTEE CO. LTD.- A/C. RELIANCE EQUITY SAVINGS FUND	724550	0.536	01.04.2016				
				24.03.2017	-724550	Transfer	0	0.000
		0	0	31.03.2017			0	0.000

v) Shareholding of Directors and Key Managerial Personnel (KMP):

Sl. No.	Name of the Directors and KMP	Shareholding at the beginning of the year (01/04/2016)		Cumulative Shareholding during the year (01/04/2016 to 31/03/2017)	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	Shri Arvind Kapur, Chairman, CEO & MD				
	At the beginning of the year	12652460	9.352	12652460	9.352
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc.)	N.A.	N.A.	N.A.	N.A.
	At the end of the year	12652460	9.352	12652460	9.352
2.	Shri Arun Kapur, Joint Managing Director				
	At the beginning of the year	8651160	6.395	8651160	6.395
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc.)	N.A.	N.A.	N.A.	N.A.
	At the end of the year	8651160	6.395	8651160	6.395
3.	Shri Rakesh Kapur, Director				
	At the beginning of the year	2398720	1.773	2398720	1.773
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc.)	N.A.	N.A.	N.A.	N.A.
	At the end of the year	2398720	1.773	2398720	1.773
4.	Smt. Upasna Kapur, Director				
	At the beginning of the year	966920	0.715	966920	0.715
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc.)	N.A.	N.A.	N.A.	N.A.
	At the end of the year	966920	0.715	966920	0.715
5.	Dr. Ashok Seth, Director				
	At the beginning of the year	25000	0.018	25000	0.018
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc.)	N.A.	N.A.	N.A.	N.A.
	At the end of the year	25000	0.018	25000	0.018
6.	Shri Satish Sekhri, Director				
	At the beginning of the year	1900	0.001	1900	0.001
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc.)	N.A.	N.A.	N.A.	N.A.
	At the end of the year	1900	0.001	1900	0.001

Sl. No.	Name of the Directors and KMP	Shareholding at the beginning of the year (01/04/2016)		Cumulative Shareholding during the year (01/04/2016 to 31/03/2017)	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
7.	Shri B.M. Jhamb, Company Secretary				
	At the beginning of the year	20	0.000	20	0.000
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc.)	N.A.	N.A.	N.A.	N.A.
	At the end of the year	20	0.000	20	0.000

Note: Shri Kanwal Monga, Shri Amarjit Chopra, Shri Rajeev Kapoor & Shri Vinod Kumar Nagar, Directors of the Company and Shri Sanjay Syal, Chief Financial Officer (upto 07/02/2017) did not hold any shares of the Company during the financial year 2016-17.

V) INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

(Amount in ₹)

Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial year				
i) Principal Amount	2235678495.00	—	—	2235678495.00
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	3782772.00	—	—	3782772.00
Total (i+ii+iii)	2239461267.00	—	—	2239461267.00
Change in Indebtedness during the Financial Year				
Additions	746380724.00	—	—	746380724.00
Reduction	673898346.00	—	—	673898346.00
Net Change	72482378.00	—	—	72482378.00
Indebtedness at the end of the Financial Year				
i) Principal Amount	2308160874.00	—	—	2308160874.00
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	3623403.00	—	—	3623403.00
Total (i+ii+iii)	2311784277.00	—	—	2311784277.00

VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration payable/paid to Managing Director, Whole-time Director and/or Manager:

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of the MD/JMD		Total Amount
		Shri Arvind Kapur Chairman, CEO & Managing Director	Shri Arun Kapur Joint Managing Director	
1.	Gross Salary			
	a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961	12705468.00	5188096.00	17893564.00
	b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	4730696.00	1434476.00	6165172.00
	c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	—	—	—
2.	Stock Option	—	—	—
3.	Sweat Equity	—	—	—
4.	Commission	11757789.00	2122428.00	13880217.00
	— As % of profit	2.01	0.36	2.37
	— Others (specify)	—	—	—
5.	Others	—	—	—
	Total (A)	29193953.00	8745000.00	37938953.00
	Ceiling as per the Act	5% of net profit	5% of net profit	10% of net profit

B. Remuneration payable/paid to other Directors:

(Amount in ₹)

Sl. No.	Particulars	Particulars of Remuneration			Total Amount
		Fee for attending Board/ Committee Meetings (a)	Commission (b)	Others, please specify (c)	
1.	Independent Directors				
	i) Shri Kanwal Monga	175000.00	728750.00	–	903750.00
	ii) Shri Amarjit Chopra	550000.00	728750.00	–	1278750.00
	iii) Dr. Ashok Seth	75000.00	728750.00	–	803750.00
	iv) Shri Satish Sekhri	510000.00	728750.00	–	1238750.00
	v) Shri Rajeev Kapoor	575000.00	728750.00	–	1303750.00
	vi) Shri Vinod Kumar Nagar	570000.00	728750.00	–	1298750.00
	Total (1)	2455000.00	4372500.00	–	6827500.00
2.	Non-Executive Directors				
	i) Shri Rakesh Kapur	235000.00	728750.00	–	963750.00
	ii) Smt. Upasna Kapur	150000.00	728750.00	–	878750.00
	Total (2)	385000.00	1457500.00	–	1842500.00
	Total (B)=(1+2)				8670000.00
	Total Managerial Remuneration (A+B)				46608953.00
	Overall Ceiling as per the Act	The above remuneration is within 11 percent on the net profits calculated as per Section 198 of the Companies Act, 2013.			

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Shri Sanjay Syal Chief Financial Officer (upto 07/02/2017)	Shri B.M. Jhamb Company Secretary	
1.	Gross Salary			
	a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961	4608706.00	3745120.00	8353826.00
	b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	365940.00	1758215.00	2124155.00
	c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	–	–	–
2.	Stock Option	–	–	–
3.	Sweat Equity	–	–	–
4.	Commission	–	–	–
	– As % of profit	–	–	–
	– Others specify	–	–	–
5.	Others	–	–	–
	Total (C)	4974646.00	5503335.00	10477981.00

VII) PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

There were no penalties/punishment/compounding of offences for breach of any section of the Companies Act,2013 against the Company or its Directors or other Officers during the financial year 2016-17.

On behalf of the Board of Directors

Place : Delhi
Date : 4th August, 2017

Arvind Kapur
Chairman, CEO &
Managing Director
(DIN: 00096308)

ANNEXURE TO DIRECTORS' REPORT

Details pertaining to Remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

1. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17:

Sl.No.	Name of Directors	Ratio to Median Remuneration
Non-Executive Independent Directors		
i)	Shri Kanwal Monga	2.10
ii)	Shri Amarjit Chopra	2.97
iii)	Dr. Ashok Seth	1.87
iv)	Shri Satish Sekhri	2.88
v)	Shri Rajeev Kapoor	3.03
vi)	Shri Vinod Kumar Nagar	3.02
Non-Executive Directors		
vii)	Shri Rakesh Kapur	2.24
viii)	Smt. Upasna Kapur	2.04
Executive Director		
ix)	Shri Arun Kapur, Joint Managing Director	20.31
x)	Shri Arvind Kapur, Chairman, CEO & Managing Director	67.79

2. The percentage of increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year 2016-17:

Sl.No.	Name of Directors/KMP and Designation	Remuneration		%age increase/ (decrease) in Remuneration
		2016-17 (Amount in ₹)	2015-16 (Amount in ₹)	
Non-Executive Independent Directors				
i)	Shri Kanwal Monga	903750.00	702996.00	28.56
ii)	Shri Amarjit Chopra	1278750.00	1147996.00	11.39
iii)	Dr. Ashok Seth	803750.00	652996.00	23.09
iv)	Shri Satish Sekhri	1238750.00	1127996.00	9.82
v)	Shri Rajeev Kapoor	1303750.00	957996.00	36.09
vi)	Shri Vinod Kumar Nagar	1298750.00	1142996.00	13.63
Non-Executive Directors				
vii)	Shri Rakesh Kapur	963750.00	802996.00	20.02
viii)	Smt. Upasna Kapur	878750.00	564028.00	55.80
Executive Director				
ix)	Shri Arun Kapur, Joint Managing Director	8745000.00	6165425.00	41.84
x)	Shri Arvind Kapur, Chairman, CEO & Managing Director	29193953.00	20551390.00	42.05
Key Managerial Personnel				
xi)	Shri Sanjay Syal, Chief Financial Officer	4974646.00	5165568.00	N.A.*
xii)	Shri B.M. Jhamb, Company Secretary	5503335.00	3595338.00	53.07

*Shri Sanjay Syal, CFO resigned w.e.f. 7th February, 2017, hence the same is not comparable.

3. The percentage of increase in the median remuneration of employees in the financial year 2016-17: 10.5%

4. The number of permanent employees on the roll of Company: 1419

5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average increase in cost of employees other than managerial personnel in 2016-17 was 13.5%. Percentage increase in the managerial remuneration for the year 2016-17 was 34.1%.

6. Affirmation that the remuneration is as per the Remuneration Policy of the Company:

It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

On behalf of the Board of Directors

Arvind Kapur
Chairman, CEO &
Managing Director
(DIN: 00096308)

Place : Delhi
Date : 4th August, 2017

ANNEXURE TO DIRECTORS' REPORT

FORM NO. AOC – 2

[Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub section (1) of Section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

1. Details of Contracts or Arrangements or Transactions not at arm's length basis :

There were no contracts or arrangements or transactions entered into during the year ended 31st March, 2017 which were not on arm's length basis.

Sl. No.	Particulars	Details
a.	Name(s) of the related party & nature of relationship	N.A.
b.	Nature of contracts/arrangements/transactions	N.A.
c.	Duration of the contracts/arrangements/transactions	N.A.
d.	Salient terms of the contracts or arrangements or transactions including the value, if any	N.A.
e.	Justification for entering into such contracts or arrangements or transactions	N.A.
f.	Date of approval by the Board	N.A.
g.	Amount paid as advances, if any	N.A.
h.	Date on which the special resolution was passed in General Meeting as required under first proviso to Section 188	N.A.

2. Details of Material Contracts or Arrangements or Transactions at arm's length basis:

Sl. No.	Particulars	Details
a.	Name(s) of the related party & nature of relationship	Rico Aluminium and Ferrous Auto Components Limited (Step-down Subsidiary)
b.	Nature of contracts/arrangements/transactions	Sale, Purchase or Supply of products, goods or materials or availing or rendering of services and leasing of property (movable or immovable)
c.	Duration of the contracts/arrangements/transactions	Ongoing transactions
d.	Salient terms of the contracts or arrangements or transactions including the value, if any	Purchase of Goods - ₹228.84 crores Sale of Goods - ₹21.54 crores Sale of Assets - ₹3.18 crores Availing or rendering of Services - ₹5.57 crores Rent Income - ₹9.01crores Purchase of Assets - ₹0.04 crore Rent Expenses - ₹0.47 crore Interest Income - ₹0.10 crore Job Work Expenses - ₹46.07 crores Recovery of Expenses - ₹51.54 crores
e.	Date of approval by the Board/Date of approval by the Shareholders	29 th July, 2016/23 rd September, 2016
f.	Amount paid as advances, if any	N.A.

Definition of the term 'Material Contracts or Arrangements or Transactions' is taken as per Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

On behalf of the Board of Directors

Place : Delhi
Date : 4th August, 2017

Arvind Kapur
Chairman, CEO &
Managing Director
(DIN: 00096308)

INDEPENDENT AUDITORS' REPORT

To the Members of
Rico Auto Industries Limited

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of Rico Auto Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements, that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act; safeguarding the assets of the Company; preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. Further to our comments in annexure A, as required by Section 143(3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the standalone financial statements dealt with by this report are in agreement with the books of account;
 - d. in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
 - e. on the basis of the written representations received from the directors as on March 31, 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164(2) of the Act;
 - f. we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated May 26, 2017 as per annexure B expressed unqualified opinion; and
 - g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. as detailed in Note 33 to the standalone financial statements, the Company has disclosed the impact of pending litigations on its standalone financial position;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. the Company as detailed in Note 54 to the standalone financial statements, has made requisite disclosures in these standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to

December 30, 2016. Based on the audit procedures performed and taking into consideration the information and explanations given to us, in our opinion, these are in accordance with the books of the account maintained by the Company.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per **Ashish Gupta**

Place : Delhi
Date : May 26, 2017

Partner
Membership No.: 504662

Annexure A

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties (which are included under the head 'fixed assets') are held in the name of the Company.
- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit and stocks lying with third parties. For stocks lying with third parties at the year-end, written confirmations have been obtained by the management. No material discrepancies were noticed on the aforesaid verification.

- (iii) The Company has granted long term unsecured loans to companies covered in the register maintained under Section 189 of the Act; and with respect to the same:
- (a) in our opinion the terms and conditions of grant of such loans are not, prima facie, prejudicial to the Company's interest;
- (b) the schedule of repayment of principal and interest has been stipulated, however the same is not due for repayment currently; and
- (c) there is no overdue amount in respect of loans granted to such companies.
- (iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees, and security.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under subsection (1) of Section 148 of the Act in respect of the Company's products and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) The dues outstanding in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in crores)	Amount Paid Under Protest (₹ in crores)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Errors and mismatch of challans in returns filed to Income Tax Department	0.02	Nil	Assessment year 2009-10, 2010-11, 2011-12	Assessing Officer, Income Tax
Haryana VAT Act, 2003	Disallowance of certain expenses	0.04	Nil	Financial year 2007-08	Haryana Sales Tax Tribunal
Haryana VAT Act, 2003	Disallowance of input credit on purchase of furnace oil	0.22	Nil	Financial year 2007-08	Haryana Sales Tax Tribunal
Central Excise Act, 1944	Demand on excise duty on removal of dies under rule 67/95 of Central Excise without payment of duty	2.96	Nil	Financial year 2002-03 to 2006-07	Custom Excise & Service Tax Appellate Tribunal
Finance Act, 1994	Claim of cenvat on construction & other repair & maintenance service	2.36	Nil	Financial year 2005-06 to 2010-11	Custom Excise & Service Tax Appellate Tribunal
Finance Act, 1994	Denial of credit taken on outward freight services	0.27	Nil	Financial year 2005-06 to 2006-07	Commissioner of Central Excise (Appeals)

Central Excise Act, 1944	Deposit of inadmissible cenvat credit availed on the capital goods destroyed in fire	1.69	Nil	Financial year 2012-13	Commissioner of Central Excise (Appeals)
Haryana Local Area Development Tax Act, 2000	Applicability of local area development tax on items purchased	0.01	Nil	Financial year 2001-02 to 2003-04	Joint Commissioner (Appeal)
Haryana Electricity Reforms Act, 1997	Demand for short assessment for sanction of extended load of electricity	5.60	3.60	Financial year 2005-06 to 2011-12	Hon'ble High Court, Punjab and Haryana

- (viii) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution or government during the year. The Company did not have any outstanding debentures during the year.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the Company has applied the term loans for the purpose for which the loans were obtained.
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) Managerial remuneration has been paid and provided by the company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) Based on management representation, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Walker Chandio & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per **Ashish Gupta**
Partner

Place : Delhi
Date : May 26, 2017

Membership No.: 504662

Annexure B

Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. In conjunction with our audit of the standalone financial statements of Rico Auto Industries Limited ("the Company") as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting (IFCoFR) of the Company of as that date.

Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's IFCoFR includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the

company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that IFCoFR may become inadequate because of

changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on internal control over financial reporting criteria established by the Company considering the essential components of internal control in the Guidance Note issued by ICAI.

For Walker Chandiook & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Place : Delhi
Date : May 26, 2017

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

BALANCE SHEET AS AT MARCH 31, 2017

	Notes	As at March 31, 2017 (₹ in Crores)	As at March 31, 2016 (₹ in Crores)
I. EQUITY AND LIABILITIES			
1. SHAREHOLDERS' FUNDS			
a) Share capital	3	13.53	13.53
b) Reserves and surplus	4	488.85	445.01
		<u>502.38</u>	<u>458.54</u>
2. NON-CURRENT LIABILITIES			
a) Long term borrowings	5	67.34	91.45
b) Deferred tax liabilities (net)	6	12.38	11.45
c) Other long-term liabilities	7	1.35	1.19
d) Long term provisions	8	12.54	8.00
		<u>93.61</u>	<u>112.09</u>
3. CURRENT LIABILITIES			
a) Short term borrowings	9	109.91	83.73
b) Trade payables	10		
Payable to micro enterprises and small enterprises		9.18	6.50
Other payable		80.13	85.78
c) Other current liabilities	11	75.67	70.57
d) Short-term provisions	12	3.79	2.92
		<u>278.68</u>	<u>249.50</u>
TOTAL		<u>874.67</u>	<u>820.13</u>
II. ASSETS			
1. NON-CURRENT ASSETS			
a) Fixed assets			
i) Tangible assets	13	323.68	291.01
ii) Intangible assets	13	—	—
iii) Capital work-in-progress		34.87	52.26
b) Non current investments	14	136.87	136.87
c) Long term loans and advances	15	79.34	80.29
d) Other non current assets	16	0.04	0.22
		<u>574.80</u>	<u>560.65</u>
2. CURRENT ASSETS			
a) Current investments	17	2.00	2.00
b) Inventories	18	45.76	48.76
c) Trade receivables	19	192.24	149.95
d) Cash and bank balances	20	2.68	4.06
e) Short-term loans and advances	21	48.81	51.32
f) Other current assets	22	8.38	3.39
		<u>299.87</u>	<u>259.48</u>
TOTAL		<u>874.67</u>	<u>820.13</u>

The accompanying notes (1 to 55) are an integral part of the financial statements.
This is the Balance Sheet referred to in our report of even date.

For **Walker Chandiook & Co LLP**
Chartered Accountants

per **Ashish Gupta**
Partner

Rakesh Kumar Sharma
Vice President
(Finance & Accounts)

For and on behalf of the Board of Directors of
Rico Auto Industries Limited

Amarjit Chopra
Director
(DIN:00043355)

Arvind Kapur
Chairman, CEO
& Managing Director
(DIN: 00096308)

Place : Delhi
Date : 26th May, 2017

B.M Jhamb
Company Secretary

Satish Sekhri
Director
(DIN:00211478)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

	Notes	Year ended March 31, 2017 (₹ in Crores)	Year ended March 31, 2016 (₹ in Crores)
REVENUE:			
Revenue from Operations (Gross)	23	1,020.20	971.63
Less : Excise Duty		65.75	64.13
Revenue from Operations (Net)		954.45	907.50
Other Income	24	15.85	18.42
Total Revenue		970.30	925.92
EXPENSES:			
Cost of Raw Material and Components Consumed	25	605.73	572.09
Purchase of Traded Goods		18.77	19.59
Change in Inventories of Finished Goods and Work in Progress	26	1.75	3.55
Employee Benefits Expense	27	94.44	86.22
Finance Costs	28	16.23	19.70
Depreciation and Amortisation	13	35.53	35.39
Other Expenses	29	143.45	150.95
Prior Period Items (net)	30	0.09	0.40
Total Expenses		915.99	887.89
Profit before exceptional items and tax		54.31	38.03
Exceptional Items	31	0.66	2.85
Profit Before Tax		53.65	35.18
Tax Expenses:			
Current Tax		11.45	7.63
Deferred Tax		0.93	(0.06)
MAT Credit Entitlement		(0.99)	(1.18)
Tax Earlier Year		(0.33)	1.72
Income Tax Expense		11.06	8.11
Profit for the year		42.59	27.07
Basic and diluted earning per equity share			
[nominal value of share : March 31, 2017 : ₹ 1/- (March 31, 2016 : ₹ 1/-)]	32	3.15	2.00

The accompanying notes (1 to 55) are an integral part of the financial statements.
This is the Statement of Profit and Loss referred to in our report of even date.

For **Walker Chandik & Co LLP**
Chartered Accountants

per **Ashish Gupta**
Partner

Place : Delhi
Date : 26th May, 2017

Rakesh Kumar Sharma
Vice President
(Finance & Accounts)

B.M Jhamb
Company Secretary

For and on behalf of the Board of Directors of
Rico Auto Industries Limited

Amarjit Chopra
Director
(DIN:00043355)

Satish Sekhri
Director
(DIN:00211478)

Arvind Kapur
Chairman, CEO
& Managing Director
(DIN: 00096308)

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

Particulars	Year ended March 31, 2017 (₹ in Crores)	Year ended March 31, 2016 (₹ in Crores)
A. Cash flow from operating activities		
Net profit before tax	53.65	35.18
Adjustments for:		
Depreciation and amortisation	35.53	35.39
Provision for doubtful debts	0.46	0.64
Profit on sale of mutual fund	—	(1.40)
Profit on sale of assets	(0.16)	(0.41)
Exchange rate fluctuation (net)	0.88	2.21
Finance cost	16.23	19.70
Interest income	(3.94)	(4.12)
Amount recoverables written off	—	8.75
Operating profit before working capital changes	102.65	95.94
Adjustments for:		
(Increase) in trade and other receivables	(48.04)	(4.24)
Decrease/(Increase) in inventories	3.00	(3.33)
Increase/(Decrease) in trade and other payables	1.90	(35.29)
	59.51	53.08
Less: Direct taxes paid (net of refunds)	(5.03)	(7.88)
Net cash generated from operating activities	A 54.48	45.20
B. Cash flow from investing activities		
Purchase of fixed assets/ addition to capital work in progress	(55.20)	(55.80)
Proceeds from sale of fixed assets	3.27	5.43
Movement in capital advance	1.57	2.95
Purchase of investments	—	(68.50)
Sale of investments	—	87.90
Investment in bank deposits	(0.08)	(1.31)
Interest received	3.95	4.11
Net cash used in investing activities	B (46.48)	(25.22)
C. Cash flow from financing activities		
Proceeds from long term borrowings	33.36	105.28
Repayment of long term borrowings	(51.05)	(91.41)
Proceeds from short term borrowings, net	26.18	28.33
Dividend paid (including corporate dividend tax)	(1.63)	(40.62)
Interest paid	(16.25)	(19.99)
Net cash used in financing activities	C (9.39)	(18.41)
Net (Decrease)/Increase in cash and cash equivalents	A+B+C (1.40)	1.57
Cash and cash equivalents at the beginning of the year	1.77	0.20
Cash and cash equivalents at the close of the year	0.37	1.77
Bank deposits with maturity of more than 3 months and less than 12 months	1.35	1.09
Balance in unpaid dividend account	0.96	1.20
Balance with bank not considered as cash and cash equivalent	2.31	2.29
Cash and bank balances (Refer note 20)	2.68	4.06

Note:

1. Figures in brackets indicate cash outflow.
This is the Cash Flow Statement referred to in our report of even date.

For Walker Chandio & Co LLP
Chartered Accountants

per Ashish Gupta
Partner

Rakesh Kumar Sharma
Vice President
(Finance & Accounts)

For and on behalf of the Board of Directors of
Rico Auto Industries Limited

Amarjit Chopra
Director
(DIN:00043355)

Arvind Kapur
Chairman, CEO
& Managing Director
(DIN: 00096308)

Place : Delhi
Date : 26th May, 2017

B.M Jhamb
Company Secretary

Satish Sekhri
Director
(DIN:00211478)

Summary of significant accounting policies and other explanatory Notes for the year ended March 31, 2017

Note 1 – CORPORATE INFORMATION

Rico Auto Industries Limited was incorporated in India on March 7, 1983. Rico supplies a broad range of high-precision fully machined aluminum and ferrous components and assemblies to Original Equipment Manufacturers across the globe. Its integrated services include design, development, tooling, casting, machining, assembly and research and development across aluminium and ferrous products. The Company is in the business of manufacturing and sale of auto components for two wheelers and four wheelers.

Note 2 – SIGNIFICANT ACCOUNTING POLICIES

i) **Basis of preparation**

The financial statements have been prepared on going concern basis under the historical cost basis, in accordance with the generally accepted accounting principles in India and in compliance with schedule III of the Companies Act, 2013 and the applicable accounting standards as specified under section 133 of Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Companies Act, 2013. The accounting policies have been consistently applied by the Company.

ii) **Use of estimates**

The preparation of financial statements in conformity with the principles generally accepted in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Any revision to accounting estimates is recognised in the current and future periods.

iii) **Revenue recognition**

a. **Revenue from sale of goods**

Revenue from sale of goods is recognised upon transfer of significant risks and rewards incident to ownership and when no significant uncertainty exists regarding realisation of the sale consideration. Sales are recorded net of sales returns, rebates, trade discounts and price differences and are inclusive of excise duty.

b. **Revenue from sale of services**

Service income comprising technical and other support services fee is recognised as per the terms of the agreement. Revenue in respect of time and material contracts are recognised based on time spent in accordance with the contractual terms.

c. **Duty draw back and export incentive**

Export benefit entitlements are recognised in the Statement of Profit and Loss when the right to receive benefit is established in respect of the exports made and the realisability is reasonable.

d. **Interest income**

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

e. **Dividend income**

Dividend on investments is recognised when the right to receive dividend is established.

iv) **Fixed assets and intangibles:**

a. **Tangible assets**

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes all expenses, direct and indirect, specifically attributable to its acquisition and bringing it to its working condition for its intended use.

Incidental expenditure pending allocation and attributable to the acquisition of fixed assets is allocated/capitalised with the related fixed assets.

b. **Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Initial recognition of intangible assets is carried at cost less accumulated amortisation and accumulated impairment losses, if any.

c. **Capital work in progress:**

Capital work-in-progress represents Assets under construction and are carried at cost.

v) **Depreciation and amortisation:**

Depreciation on building and plant and machinery is provided on the straight-line method, computed on the basis of useful life, on a pro-rata basis from the date the asset is ready to put to use subject to transitional provisions of Schedule II. However, for certain categories of plant and machinery depreciation is provided using straight line method over a period of 20 years based on the technical estimate and history of usage.

Depreciation on other fixed assets is provided on written down value method, computed on the basis of useful life prescribed in Schedule II to the Companies Act, 2013, on a pro-rata basis from the date the asset is ready to put to use subject to transitional provisions of Schedule II.

Depreciation on dies and moulds is provided based on useful life of the items ascertained on a technical estimate by the management.

Summary of significant accounting policies and other explanatory Notes for the year ended March 31, 2017 (Contd.)

Intangible assets are being amortised on written down value method over the useful life of 5-10 years, as estimated by the management to be the economic life of the assets over which economic benefits are expected to flow.

Asset	Method
Land	99
Plant & Machinery	20
Building	30-60
Furniture & Fixtures	10
Office equipment	5
Computers	3-8
Vehicles	8

vi) Investments:

Long term investment (investments other than current investment) are stated at cost of acquisition inclusive of expenditure incidental to acquisition. A provision for diminution is made to recognise a decline, other than temporary in the value of long term investments.

Investments that are held for trading are classified as current investment and are stated at lower of cost and market value determined on an individual basis.

vii) Inventories:

Inventories are valued as follows:

a. Raw materials, stores and spares

Lower of cost or net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis.

Stores and spares having useful life of more than twelve months are capitalised as tangible assets under "Fixed Asset" and are depreciated prospectively over their remaining useful lives in accordance with Accounting Standards 10 (Revised).

b. Work in progress

Work in progress is valued at lower of cost or net realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity and actual stage of production.

c. Finished goods

Finished goods are valued at lower of cost or net realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity. Cost of finished goods includes excise duty.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion to make the sale.

viii) Employee benefits:

Wages, salaries, bonuses, paid annual leave and sick leave are accrued in the year in which the associated services are rendered by employees of the Company. The Company also provides benefit of compensated absences under which un-availed leaves are allowed to be accumulated and can be availed in future.

The Company has three post-employment benefit plans in operation viz. Gratuity, Provident Fund and Employee State Insurance scheme.

a. Provident fund and Employee State Insurance scheme

Provident fund benefit and Employee State Insurance benefit are defined contribution plans under which the Company pays fixed contributions into funds established under Employee Provident Fund and Miscellaneous Provision Act, 1952 and Employee State Insurance Act, 1948 respectively. The Company has no legal or constructive obligations to pay further contributions after payment of the fixed contribution. The contributions recognised in respect of defined contribution plans are expensed as they accrue. Liabilities and assets may be recognised if underpayment or prepayment has occurred and are included in current liabilities or current assets, respectively, as they are normally of a short term nature.

b. Gratuity

Gratuity is in the nature of defined benefit plan. The liability recognised in the balance sheet in respect of gratuity is the present value of the defined benefit obligation as at the balance sheet date less the fair value of plan assets. Gratuity Fund is administered through Life Insurance Corporation of India. The defined benefit obligation is calculated at the balance sheet date on the basis of actuarial valuation by an independent actuary using projected unit credit method. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recorded in the Statement of Profit and Loss in the year in which such gains or losses arise.

Summary of significant accounting policies and other explanatory Notes for the year ended March 31, 2017 (Contd.)

c. *Compensated absences*

The Company also provides benefit of compensated absences to its employees which are in the nature of long term benefit plan. The compensated absences comprises of vesting as well as non-vesting benefit. Liability in respect of compensated absences becoming due and expected to be availed within one year from the balance sheet date is recognised on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefits expected to be availed by the employees. Liability in respect of compensated absences becoming due and expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method as on the reporting date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recorded in the Statement of Profit and Loss in the year in which such gains or losses arise. Leave encashment fund is administered through Life Insurance Corporation of India and IndiaFirst Life Insurance Company Limited.

ix) **Research and Development expenses:**

Revenue expenditure on research is expensed off under the respective heads of account in the year in which it is incurred.

Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalised, if the cost can be reliably measured, the product or process is technically and commercially feasible and the Company has sufficient resources to complete the development and to use and sell the asset. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads that are directly attributable to preparing the asset for its intended use. Development expenditure that does not meet any of the aforementioned conditions is recognised in the Statement of Profit and Loss as an expense as incurred.

Fixed assets used for research and development are depreciated in accordance with the Company's policy on fixed assets as stated above.

x) **Borrowings costs:**

Borrowing costs directly attributable to acquisition, construction or erection of fixed assets, which necessarily take a substantial period of time to be ready for the intended use are capitalised. Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended use are complete.

Other borrowing costs are recognised as an expense in the Statement of Profit and Loss in the year in which they are incurred.

xi) **Foreign currency transactions:**

a) *Initial recognition*

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount, the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

b) *Subsequent recognition*

Foreign currency monetary assets and liabilities are reported using the closing rate as at the reporting date.

Non-monetary items, which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

c) *Exchange differences*

Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year or reported in previous financial statements, are recognised as income or expense in the year in which they arise, except for exchange differences arising on foreign currency monetary items.

Exchange differences arising on long term foreign currency monetary items in so far as it relates to the acquisition of depreciable capital assets are added to the cost of such assets.

Exchange difference arising on long term foreign currency monetary items not related to the acquisition of depreciable capital assets are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortised through the Statement of Profit and Loss over the remaining term of the loan.

xii) **Derivative instruments**

Derivative instruments, other than forward contracts where an underlying asset or liability exists, are marked to market at the reporting date and if such mark to market results in exchange loss, such exchange loss is recognised in the statement of profit and loss immediately. Any gain is ignored and not recognised in the financial statements in accordance with the principles of prudence enunciated in Accounting Standard 1- Disclosure of Accounting Policies.

In case of forward contracts where an underlying asset or liability exists, the difference between the forward rate and the exchange rate at the inception of the contract is recognised as income or expense over the life of the contract.

Summary of significant accounting policies and other explanatory Notes for the year ended March 31, 2017 (Contd.)

xiii) Taxation

Tax expense comprises current tax and deferred tax.

a) Current tax

Provision for current income tax is made on the assessable income at the tax rate applicable to the relevant assessment year.

b) Deferred tax

Deferred income taxes are recognised for the future tax consequences attributable to timing differences between the financial statement determination of income and their recognition for tax purposes. The effect on deferred tax assets and liabilities of change in tax rates is recognised in income using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. However, in the case of brought forward tax losses and tax depreciation, deferred tax assets are recognised only when there is virtual certainty supported by convincing evidence that such assets will be realised.

c) Minimum Alternate Tax

Minimum Alternative Tax credit ("MAT credit") is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India the said asset is created by way of a credit to the profit and loss account and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

xiv) Leases

a) Operating leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

b) Finance leases

Assets acquired on lease where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalised at the inception of the lease at the lower of fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period. The resultant interest cost is charged to the Statement of Profit and Loss on accrual basis.

xv) Provisions and contingencies

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may but probably will not require an outflow of resources. Disclosure is also made in respect of a present obligation that probably requires an outflow of resources, where it is not possible to make a reliable estimate of the related outflow. Where there is a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

xvi) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average numbers of equity shares outstanding during the period are adjusted for events of bonus issue and share split.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares, except where results would be anti-dilutive.

xvii) Impairment of assets

The Company on an annual basis makes an assessment of any indicator that may lead to impairment of assets. If any such indication exists, the Company estimates the recoverable amount of the assets. If such recoverable amount is less than the carrying amount, then the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is charged to the Statement of Profit and Loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

Summary of significant accounting policies and other explanatory Notes for the year ended March 31, 2017 (Contd.)

	As at March 31, 2017 (₹ in Crores)		As at March 31, 2016 (₹ in Crores)	
Note 3 - SHARE CAPITAL				
a) AUTHORISED				
250,000,000 equity shares of ₹ 1/- each		25.00		25.00
(Previous year 250,000,000 equity shares of ₹ 1/- each)				
5,000,000 redeemable preference shares of ₹ 10/- each		5.00		5.00
(previous year 5,000,000 redeemable preference shares of ₹ 10/- each)				
		<u>30.00</u>		<u>30.00</u>
b) ISSUED, SUBSCRIBED AND PAID-UP				
135,285,000 equity shares of ₹ 1/- each fully paid up		13.53		13.53
(Previous year 135,285,000 equity shares of ₹ 1/- each)				
		<u>13.53</u>		<u>13.53</u>
c) Reconciliation of number of equity shares outstanding				
	No of shares	Amount	No of shares	Amount
At the beginning of the year	13,52,85,000	13.53	13,52,85,000	13.53
Movement during the year	—	—	—	—
Outstanding at the end of the year	13,52,85,000	13.53	13,52,85,000	13.53
d) Description of the rights, preferences and restrictions attached to each class of shares				
Equity shares : The Company has only one class of equity shares having a face value of ₹ 1/- per share. All the existing equity shares rank pari passu in all respects including but not limited to entitlement for dividend, bonus issue and rights issue. These equity shares are listed on the National Stock Exchange of India Limited and BSE Limited.				
In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after settling of all liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.				
e) Details of shareholders holding more than 5% equity shares in the Company				
Name of shareholder	% of holding	Number of shares	% of holding	Number of shares
Kapsons Associates Investments Private Limited	15.40	2,08,38,321	28.77	3,89,17,050
Arvind Kapur	9.35	1,26,52,460	9.35	1,26,52,460
Arun Kapur	6.39	86,51,160	6.39	86,51,160
Meraki Manufacturing and Finvest Advisors Private Limited	8.72	1,17,90,841	—	—
Higain Investments Private Limited	5.60	75,70,628	0.02	26,640
The above information is furnished as per the shareholders register as on March 31, 2017				
f) The Company has not issued bonus shares, equity shares for consideration other than cash and also no shares have been bought back during the period of five years immediately preceding the reporting period.				

Summary of significant accounting policies and other explanatory Notes for the year ended March 31, 2017 (Contd.)

	As at March 31, 2017 (₹ in Crores)	As at March 31, 2016 (₹ in Crores)
Note 4 - RESERVES AND SURPLUS		
CAPITAL RESERVE		
Opening balance*	0.00	0.00
Add : Additions during the year	—	—
Less : Utilised/ transferred during the year	—	—
Closing balance*	<u>0.00</u>	<u>0.00</u>
CAPITAL REDEMPTION RESERVE		
Opening balance	2.00	2.00
Add : Additions during the year	—	—
Less : Utilised/ transferred during the year	—	—
Closing balance	<u>2.00</u>	<u>2.00</u>
SECURITIES PREMIUM ACCOUNT		
Opening balance	145.04	145.04
Add : Additions during the year	—	—
Less : Utilised/ transferred during the year	—	—
Closing balance	<u>145.04</u>	<u>145.04</u>
STATE CAPITAL SUBSIDY		
Opening balance	0.20	0.20
Add : Additions during the year	—	—
Less : Utilised/ transferred during the year	—	—
Closing balance	<u>0.20</u>	<u>0.20</u>
FOREIGN CURRENCY MONETARY ITEM TRANSLATION DIFFERENCE ACCOUNT		
Opening balance	(1.25)	—
Add : Exchange differences accumulated during the year	0.68	(1.46)
Less : Exchange differences amortised during the year	(0.57)	(0.21)
Closing balance*	<u>0.00</u>	<u>(1.25)</u>
GENERAL RESERVE		
As per last Balance Sheet	79.54	79.54
Add: Transferred from Statement of Profit and Loss	—	—
	<u>79.54</u>	<u>79.54</u>
STATEMENT OF PROFIT AND LOSS		
As per last Balance Sheet	219.48	202.19
Add : Profit transferred from Statement of Profit and Loss	42.59	27.07
Less : Proposed dividend on equity shares [#]	—	1.35
Less : Corporate dividend tax [#]	—	0.28
Less : Interim dividend on equity shares	—	6.77
Less : Interim dividend tax	—	1.38
Net Surplus as Per Statement of Profit and Loss	<u>262.07</u>	<u>219.48</u>
	488.85	445.01

* Amount has been rounded off to zero

[#] In relation to the year ended March 31, 2017, Board of directors proposed a dividend of ₹10.14 crores (₹0.75 per equity share of ₹1/- each) at their meeting held on May 26, 2017. Pursuant to Amendment in AS-4 'Contingencies and Events occurring after balance Sheet date through Companies (Accounting Standards) Amendment Rules, 2016, the Company is required to recognise dividend at the time the same is declared (not proposed). Since the dividend will be declared after the balance sheet date, no effect has been given in the books of accounts.

Summary of significant accounting policies and other explanatory Notes for the year ended March 31, 2017 (Contd.)

	As at March 31, 2017 (₹ in Crores)	As at March 31, 2016 (₹ in Crores)
Note 5 - LONG TERM BORROWINGS		
SECURED		
Term loans		
From bank		
Foreign currency loans	88.00	107.93
Rupee loans	28.16	30.05
Vehicle loans		
From financial institution	4.19	1.59
From banks	0.55	0.27
	<u>120.90</u>	<u>139.84</u>
Less: Current maturities of long term secured borrowings (refer note 11)	53.56	48.39
Total	<u>67.34</u>	<u>91.45</u>
A. Secured loan		
1. Foreign currency term loan from Export Import bank of India carries interest @ 6 months Libor+5.00% p.a. (previous year 6 months Libor + 5.00% p.a.) and is repayable in 20 equal quarterly installments after moratorium of 8 quarters. The term loan is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future) and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram.	1.94	4.63
2. Rupee term loan from Export Import bank of India carries interest @ Base rate + 2.00% p.a. Based on current spread, the current interest rate ranges from 11.45% p.a. to 11.70% p.a. (previous year 11.70% p.a. to 12.25% p.a.) and the loan is repayable in 20 equal quarterly installments after a moratorium of 8 quarters. The term loan is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future) and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram.	3.16	10.05
3. Rupee term loan from Syndicate Bank carries rate interest ranging from 12.10% p.a. to 12.20% p.a. (previous year 12.20% p.a to 12.75% p.a.) and is repayable in 14 equal quarterly installments after a moratorium of 6 quarters. The term loan is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future) and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram. Additionally loan is, secured by land & buildings at Plot No.23, Sector 5, HSIIDC Phase II, GC Bawal (Haryana) and land & buildings at Plot No.01 & 02, Industrial Park 4, Begumpur, Haridwar, Uttrakhand. The loan is also secured by way of personal guarantee of Managing Director and Joint Managing Director of the Company. This loan has been fully repaid on September 30, 2016.	—	20.00
4. Foreign currency term loan from Yes Bank Limited carries interest @ 3 months Libor+ 3.75% p.a. (previous year 3 months Libor+ 3.75% p.a.) and is repayable in 14 equal quarterly installments after moratorium of 4 quarters. The term loan is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future) and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram.	20.35	26.46
5. Foreign currency term loan from Yes Bank Limited carries interest @ 6 months Libor+ 3.85 % p.a. (previous year 6 months Libor+ 3.85% p.a.) and is repayable in 14 equal quarterly instalments after moratorium of 4 quarters. The term loan is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future) and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram.	3.82	4.96

Summary of significant accounting policies and other explanatory Notes for the year ended March 31, 2017 (Contd.)

	As at March 31, 2017 (₹ in Crores)	As at March 31, 2016 (₹ in Crores)
6. Foreign currency term loan from Kotak Mahindra Limited carries interest @ 6 months Libor+ 3.50% to 3.80 % p.a. (previous year 6 months Libor+ 3.80% p.a.) and is repayable in 16 equal quarterly installments after moratorium of 4 quarters. The term loan is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future) and mortgage by way of deposit of title deeds of the certain immovable properties of the Company situated at Dharuhera and Gurugram. This is additionally secured by personal guarantee of Managing Director and Joint Managing Director of the Company.	17.00	19.84
7. Rupee term loan from Kotak Mahindra Bank Limited carries interest @ 9.75% to 10.50% p.a. and is repayable in 3 equal quarterly installments starting December 2018. The term loan is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future) and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram. This is additionally secured by personal guarantee of Managing Director and Joint Managing Director of the Company.	20.00	—
8. Foreign currency term loan from RBL Bank Limited carries interest @ 3 months Libor+ 3.85 % p.a. (previous year 3 months Libor+ 3.85% p.a.) and is repayable in 14 equal quarterly instalments after moratorium of 4 quarters. The term loan is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future) and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram.	22.43	33.10
9. Rupee term loan from RBL Bank Limited carries interest @ 10 % p.a. and is repayable in 14 equal quarterly installments starting June 2017. The term loan is secured by first pari passu charge (unless specifically charged) of all movable fixed assets (unless specifically charged) of the Company (both present and future) and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram.	5.00	—
10. Vehicle loans are secured by hypothecation of vehicles financed and are repayable in equal monthly instalments ranging from 35-60 months carrying interest @ 8.15% p.a. to 11.05% p.a. (Previous year 9.15% p.a. to 10.25% p.a.).	4.74	1.86
11. Buyer's credit facility from State Bank of India (earlier State Bank of Patiala) is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future) and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurgaon and is repayable at 12 months carrying interest @ Libor + 0.35% to 1.25% (Previous year Libor + 0.84%)	8.15	6.62
12. Buyer's credit facility from Indusind Bank Limited (Taken over from Axis Bank Limited) are secured by exclusive charge on immovable properties (land & building) of the Company situated at Chennai and machinery imported under this facility and are repayable at 12 months carrying interest @ Libor + 0.20% to 0.25% (Previous year Libor + 0.39%).	14.31	12.32
Aggregate amount of loans guaranteed by Directors are ₹ 37.00 crores.		
	120.90	139.84

Summary of significant accounting policies and other explanatory Notes for the year ended March 31, 2017 (Contd.)

	As at March 31, 2017 (₹ in Crores)	As at March 31, 2016 (₹ in Crores)
Note 6 - DEFERRED TAX LIABILITIES (NET)		
Deferred tax liability arising on account of :		
Depreciation	18.47	16.26
Foreign currency monetary item translation difference account*	0.00	0.43
Less :		
Deferred tax asset arising on account of :		
Employee benefits	5.93	5.02
Provision for doubtful debts	0.16	0.22
	<u>12.38</u>	<u>11.45</u>
* Amounts have been rounded of to zero		
Note 7 - OTHER LONG TERM LIABILITIES		
Security deposits	1.35	1.19
	<u>1.35</u>	<u>1.19</u>
Note 8 - LONG TERM PROVISIONS		
Provision for gratuity (refer note 36)	9.64	7.33
Provision for compensated absences	2.90	0.67
	<u>12.54</u>	<u>8.00</u>
Note 9 - SHORT TERM BORROWINGS		
SECURED		
Working capital loans from banks		
Foreign currency loans	72.97	74.58
Rupee loans	36.94	9.15
	<u>109.91</u>	<u>83.73</u>
Security Details		
1. Working capital loans/facilities are secured against first pari-passu charge on all the current assets of the Company including all types of stocks and book debts / receivables (both present and future).	36.94	9.15
2. Packing credit facility from Kotak Mahindra Bank Limited is secured against first pari-passu charge on all the current assets of the Company (both present and future).	43.73	38.50
3. Packing credit facility from Yes Bank Limited is secured against first pari passu charge on the entire current assets of the Company in the form of stock of raw materials, packaging materials, stock in process, finished goods, stores, consumables and receivables.	19.49	21.53
4. This packing credit facility from IDBI Bank Limited is secured against first pari passu charge on the entire current assets of the Company in the form of stock of raw materials, packaging materials, stock in process, finished goods, stores, consumables and receivables.	9.75	14.55
	<u>109.91</u>	<u>83.73</u>
Note 10 - TRADE PAYABLES		
Payable to micro enterprises and small enterprises (refer note 34)	9.18	6.50
Others payables		
Acceptances	12.90	11.11
Other than acceptances	66.18	68.29
Due to related parties (refer note 45)	1.05	6.38
	<u>80.13</u>	<u>85.78</u>

Summary of significant accounting policies and other explanatory Notes for the year ended March 31, 2017 (Contd.)

	As at March 31, 2017 (₹ in Crores)	As at March 31, 2016 (₹ in Crores)
Note 11 – OTHER CURRENT LIABILITIES		
Current maturities of long-term debts (Refer note 5 for security and re-payment details)		
SECURED		
Foreign currency loans	48.02	40.98
Rupee loans	5.54	7.41
Interest accrued but not due on borrowings	0.36	0.38
Unclaimed dividends	0.96	1.20
Statutory liabilities	3.22	2.50
Payable for capital purchases	2.27	3.54
Employee benefit payable	9.02	8.32
Security deposits	1.95	1.55
Advances from customers	4.33	4.61
Other liabilities*	0.00	0.08
	<u>75.67</u>	<u>70.57</u>
*Amount has been rounded off to zero		
Note 12 – SHORT TERM PROVISIONS		
Provision for gratuity (refer note 36)	—	1.18
Provision for compensated absences	—	0.11
Provision for income tax (net of advance tax of ₹ 7.66 Crore (previous year nil))	3.79	—
Provision for dividend	—	1.35
Provision for tax on dividend	—	0.28
	<u>3.79</u>	<u>2.92</u>

Summary of significant accounting policies and other explanatory Notes for the year ended March 31, 2017 (Contd.)

Note 13 – FIXED ASSETS

(₹ In Crores)

Particulars	GROSS BLOCK						DEPRECIATION/IMPAIRMENT				NET BLOCK	
	As at April 01, 2016	Additions during the year	Disposals during the year	Other Adjustments Exchange Differences	Other Adjustments Borrowing Costs	As at March 31, 2017	As at April 01, 2016	Charge for the Year	Adjustment upon deletion	As at March 31, 2017*	As at March 31, 2017	As at March 31, 2016
TANGIBLE ASSETS												
LAND												
(a) Freehold	16.41	—	—	—	—	16.41	—	—	—	—	16.41	16.41
(b) Leasehold	19.49	0.03	—	—	—	19.52	1.07	0.19	—	1.26	18.26	18.42
BUILDINGS	106.16	13.42	—	—	—	119.58	34.11	3.17	—	37.28	82.30	72.05
FURNITURE & FIXTURES	3.75	0.01	—	—	—	3.76	3.44	0.05	—	3.49	0.27	0.31
PLANT AND MACHINERY	462.55	48.80	8.66	(0.86)	—	501.83	299.60	26.14	5.71	320.03	181.80	162.95
DIES AND MOULDS	45.53	4.28	6.24	—	—	43.57	31.25	3.49	6.26	28.48	15.09	14.28
OFFICE EQUIPMENT	17.34	0.86	0.01	—	—	18.19	15.84	0.40	0.01	16.23	1.96	1.50
VEHICLES	11.62	4.77	0.78	—	—	15.61	6.53	2.09	0.60	8.02	7.59	5.09
	682.85	72.17	15.69	(0.86)	—	738.47	391.84	35.53	12.58	414.79	323.68	291.01
INTANGIBLE ASSETS												
COMPUTER SOFTWARES	9.50	—	—	—	—	9.50	9.50	—	—	9.50	—	—
	9.50	—	—	—	—	9.50	9.50	—	—	9.50	—	—
CURRENT YEAR												
TOTAL	692.36	72.17	15.69	(0.86)	—	747.97	401.34	35.53	12.58	424.28	323.68	291.01
PREVIOUS YEAR												
TOTAL	669.32	30.78	9.20	1.24	0.21	692.35	370.13	35.39	4.18	401.34	291.01	299.19

Summary of significant accounting policies and other explanatory Notes for the year ended March 31, 2017 (Contd.)

	As at March 31, 2017 (₹ in Crores)	As at March 31, 2016 (₹ in Crores)
Note 14 - NON CURRENT INVESTMENTS		
Long term investment (at cost) - unquoted		
Investments in subsidiaries		
Rico Auto Industries Inc. (USA) 2,500 equity shares of US\$ 10 each (previous year 2,500 equity shares of US\$ 10 each)	0.12	0.12
Rico Auto Industries (UK) Ltd. (U.K.) 20,000 equity share of GBP 1 each (previous year 20,000 equity share of GBP 1 each)	0.17	0.17
Uttarakhand Automotive Limited 410,000 equity shares of ₹ 10 each (previous year 410,000 equity shares of ₹ 10 each)	0.41	0.41
AAN Engineering Industries Limited 50,000 equity shares of ₹ 10 each (previous year 50,000 equity shares of ₹ 10 each)	0.05	0.05
Rico Investments Limited 46,000,000 equity shares of ₹ 10 each (previous year 46,000,000 equity shares of ₹ 10 each)	46.00	46.00
44,000,000 12% Redeemable Compulsorily Convertible Non Cumulative Preference Shares of ₹ 10 each (previous year 44,000,000 12% Redeemable Compulsorily Convertible Non Cumulative Preference Shares of ₹ 10 each)	44.00	44.00
25,000,000 10.25% Compulsorily Convertible Debentures (CCDs) at ₹ 10 each (previous year 25,000,000 10.25% Compulsorily Convertible Debentures (CCDs) at ₹ 10 each)	25.00	25.00
	<u>115.75</u>	<u>115.75</u>
Investment in joint venture		
Magna Rico Powertrain Private Limited 21,120,000 equity Shares of ₹ 10 each (previous year 21,120,000 equity shares of ₹ 10 each)	21.12	21.12
	<u>21.12</u>	<u>21.12</u>
Total value of unquoted investments	<u>136.87</u>	<u>136.87</u>
Note 15 - LONG TERM LOANS AND ADVANCES		
a) Capital advances:		
Unsecured, considered good [Includes advances of ₹ 9.72 crores (previous year ₹ 9.72 crores) to related parties, refer Note 45]	10.20	11.77
b) Security deposits:		
Unsecured, considered good	5.73	5.55
c) Loans and advances to related parties:		
Unsecured, considered good (refer note 45)	53.39	51.57
d) Loans and advances to employees:		
Unsecured, considered good	0.24	—
e) Advance income tax [net of provisions of ₹ nil (previous year ₹ 7.64 crores)]	7.30	9.61
f) Minimum alternate tax entitlement	2.43	1.44
g) Prepaid expenses	0.05	0.35
h) Others*	—	0.00
	<u>79.34</u>	<u>80.29</u>

* Amounts have been rounded off to zero

Summary of significant accounting policies and other explanatory Notes for the year ended March 31, 2017 (Contd.)

	As at March 31, 2017 (₹ in Crores)	As at March 31, 2016 (₹ in Crores)
Note 16 – OTHER NON CURRENT ASSETS		
Bank deposits with maturity of more than 12 months (refer note 20)	0.04	0.22
	<u>0.04</u>	<u>0.22</u>
Note 17 – CURRENT INVESTMENTS (QUOTED)		
1,983,832 units of BOI Axa Corporate credit Spectrum Fund- Direct growth @ NAV of ₹ 12.29 per unit (previous year 1,983,832 units of BOI Axa Corporate credit Spectrum Fund- Direct growth @ NAV of ₹ 10.08 per unit)	2.00	2.00
	<u>2.00</u>	<u>2.00</u>
Aggregate Market Value (NAV)	2.44	2.19
Note 18 – INVENTORIES		
(valued at lower of cost or net realisable value)		
Stores and spares	21.65	23.16
Raw material and components	10.88	10.67
Goods-in-transit - components	1.20	1.15
Work-in-progress	12.03	13.78
	<u>45.76</u>	<u>48.76</u>
Note 19 – TRADE RECEIVABLES		
Outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	8.36	8.91
Unsecured, considered doubtful	0.46	0.64
	<u>8.82</u>	<u>9.55</u>
Less : Provision for doubtful receivables	(0.46)	(0.64)
	<u>8.36</u>	<u>8.91</u>
Other debts		
Unsecured, considered good	183.88	141.04
	<u>192.24</u>	<u>149.95</u>
Note 20 – CASH AND BANK BALANCES		
Cash and cash equivalents		
Cash on hand	0.10	0.33
Balances with banks		
In current accounts	0.27	1.44
Other bank balances		
In dividend accounts	0.96	1.20
Bank deposits with maturity of more than 3 months and less than 12 months*	1.35	1.09
Bank deposits with maturity of more than 12 months*	0.04	0.22
Less : Bank deposits with maturity of more than 12 months*	(0.04)	(0.22)
* Pledged with bank for issuing letter of credit	<u>2.68</u>	<u>4.06</u>
Note 21 – SHORT TERM LOANS AND ADVANCES		
(Unsecured considered good)		
Inter corporate deposits	—	6.75
Loans and advances to employees	0.74	0.95
Advance to suppliers	8.36	3.14
Prepaid expenses	3.22	2.33
Balance with statutory/ government authorities on account of:		
Service tax	2.15	1.38
Excise duty	21.06	25.56
Sales tax	6.68	5.68
Others	6.60	5.53
	<u>48.81</u>	<u>51.32</u>

Summary of significant accounting policies and other explanatory Notes for the year ended March 31, 2017 (Contd.)

	As at March 31, 2017 (₹ in Crores)	As at March 31, 2016 (₹ in Crores)
Note 22 - OTHER CURRENT ASSETS		
Export incentive receivable	6.44	1.30
Unbilled revenue*	0.27	0.00
Accrued interest	0.79	1.79
Others	0.88	0.30
	<u>8.38</u>	<u>3.39</u>
* Amount in previous year has been rounded off to zero		
	Year ended March 31, 2017 (₹ in Crores)	Year ended March 31, 2016 (₹ in Crores)
Note 23 - REVENUE FROM OPERATIONS		
Sale of products (refer note 23(a) below)	982.73	946.06
Job work charges	0.45	0.18
Other operating revenues		
Scrap sales	11.36	10.77
Duty draw back and other export incentives	20.27	7.08
Support services	4.85	4.85
Others	0.54	2.69
	<u>1,020.20</u>	<u>971.63</u>
Note 23 (a) - Detail of major products sold		
Auto parts - aluminium	681.04	638.71
Auto parts - ferrous	274.46	284.84
Dies and moulds	27.23	22.51
	<u>982.73</u>	<u>946.06</u>
Note 24 - OTHER INCOME		
Interest income	3.94	4.12
Exchange rate fluctuation (net)	2.53	3.79
Rental income from operating lease	8.03	7.96
Profit on sale of mutual fund	—	1.40
Insurance claim received	0.97	0.36
Miscellaneous income	0.38	0.79
	<u>15.85</u>	<u>18.42</u>
Note 25 - COST OF RAW MATERIALS AND COMPONENTS CONSUMED		
Raw material and components		
Opening stock	10.67	7.97
Add : Purchases during the year	605.94	574.79
Less : Closing stock (refer note 25(b))	10.88	10.67
Raw material and components consumed (refer note 25(a))	<u>605.73</u>	<u>572.09</u>
Note 25 (a) - Detail of major components of raw material consumption are as follows:		
Aluminium alloy	327.62	218.43
Other materials and components	278.11	353.66
	<u>605.73</u>	<u>572.09</u>
Note 25 (b) - Detail of closing stock of raw materials and components are as follows:		
Aluminium alloy	4.78	4.05
Other materials and components	6.10	6.62
	<u>10.88</u>	<u>10.67</u>

Summary of significant accounting policies and other explanatory Notes for the year ended March 31, 2017 (Contd.)

	Year ended March 31, 2017 (₹ in Crores)	Year ended March 31, 2016 (₹ in Crores)
Note 26 – CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS		
(a) Work-in-progress		
Opening stock	13.78	11.34
Closing stock	12.03	13.78
	<u>1.75</u>	<u>(2.44)</u>
(b) Finished goods		
Opening stock	—	5.99
Closing stock	—	—
	<u>—</u>	<u>5.99</u>
Total	<u>1.75</u>	<u>3.55</u>
Note 27 – EMPLOYEE BENEFITS EXPENSE		
Salaries, wages and bonus	80.04	74.90
Contribution to provident and other funds (refer note 36)	10.17	7.22
Staff welfare expenses	4.23	4.10
	<u>94.44</u>	<u>86.22</u>
Note 28 – FINANCE COSTS		
Interest expenses on :		
Borrowings	13.96	14.25
Trade payables	0.02	0.11
Other borrowing costs	2.25	2.44
Exchange differences to the extent considered as an adjustment to borrowing cost	—	2.90
	<u>16.23</u>	<u>19.70</u>
Note 29 – OTHER EXPENSES		
Consumption of stores and spares	32.71	31.80
Power and fuel	31.77	36.94
Sub contracting expenses	31.24	26.41
Rent (refer note 44)	2.20	1.07
Repairs		
To buildings	0.73	0.98
To machinery	3.13	2.20
To others	3.31	2.70
Insurance	2.75	2.24
Rates and taxes	0.70	0.86
Directors' sitting fees	0.30	0.34
Traveling and conveyance	3.08	2.88
Legal and professional (refer note 29(a))	4.72	3.68
Vehicle running and maintenance expenses	2.69	2.55
Freight and forwarding	18.18	20.91
Line rejection and re-work charges	0.62	2.67
Provision for doubtful debts	0.46	0.64
Balance written off	—	8.75
Miscellaneous expenses	4.86	3.33
	<u>143.45</u>	<u>150.95</u>

Summary of significant accounting policies and other explanatory Notes for the year ended March 31, 2017 (Contd.)

	As at March 31, 2017 (₹ in Crores)	As at March 31, 2016 (₹ in Crores)
Note 29(a) - Payment to the auditors comprises :		
Statutory audit (including limited reviews)	0.47	0.47
Certification	0.03	0.02
Out of pocket expenses	0.04	0.03
	<u>0.54</u>	<u>0.52</u>
Note 30 - PRIOR PERIOD ITEMS (NET)		
Interest expense	0.28	0.01
Others	(0.19)	0.39
	<u>0.09</u>	<u>0.40</u>
Note 31 - EXCEPTIONAL ITEMS		
Voluntary retirement scheme (Refer note 51)	0.66	2.85
	<u>0.66</u>	<u>2.85</u>
Note 32- EARNING PER SHARE		
Profit after tax (A)(₹)	42.59	27.07
Weighted average number of equity shares (basic/diluted) (B)	13,52,85,000	13,52,85,000
Nominal value of equity share(₹)	1.00	1.00
Earnings per share (A/B) (₹)	<u>3.15</u>	<u>2.00</u>

Summary of significant accounting policies and other explanatory Notes for the year ended March 31, 2017 (Contd.)

Note 33 - CONTINGENT LIABILITIES

l) Demand against the Company not acknowledged as liability

Particulars	As at March 31, 2017 (₹ in Crores)	As at March 31, 2016 (₹ in Crores)
i) Income tax (TDS)	0.02	0.07
ii) Sales tax and Value added tax	0.26	0.26
iii) Excise and service tax	7.28	11.70
iv) Others	5.61	5.61

Income tax cases

- a. Income tax department has raised demand for ₹ 0.02 crores (previous year ₹ 0.07 crores). This is on account of filing of incorrect particulars regarding challans deposited as compared to deposited for the year up to 2011-12. The liability has reduced after correct submission of particulars in revised challans.

Sales tax cases

- a. A demand was raised under Haryana VAT Act 2003 for denial of input credit availed on purchase of furnace oil. The demand was confirmed by Joint Commissioner (Range) for ₹ 0.04 crores (previous year ₹ 0.04 crores). An appeal was filed with Haryana Sales Tax Tribunal on February 23, 2013. The Tribunal had remanded the case back to Joint Commissioner, Gurgaon. The Joint Commissioner has passed an adverse order against the Company. The Company has again appealed against the order of Joint Commissioner with the Haryana Sales Tax Tribunal.
- b. A demand was raised under Haryana VAT Act 2003 for denial of input credit availed on purchase of furnace oil. The order passed by the Deputy Excise and Taxation Commissioner, Rewari for ₹ 0.22 crores (previous year ₹ 0.22 crores). The Tribunal had remanded the case back to Assessing Authority. The Assessing Authority has passed an adverse order against the Company. The Company has again appealed against the order of the Assessing Authority.

Excise and service tax cases

- a. A show cause notice was issued by the Commissioner on removal of dies for job work without payment of duty. Commissioner passed the order on September 15, 2008 demanding excise duty of ₹ 0.75 crores, penalty of equal amount, interest at the applicable rate and a fine in lieu of confiscation of ₹ 0.10 crores on the dies released provisionally. Further, Company has also furnished a bond of ₹ 0.42 crores and a bank guarantee of ₹ 0.004 crores. A stay application was filed before the CESTAT. Total amount involved is ₹ 2.96 crores (previous year ₹ 2.84 crores). Current year movement represents interest.
- b. A show cause notice was received from the Joint Commissioner of Central Excise towards cenvat credit availed on custom house agent and courier export related services during previous years 2004-05 to 2007-08. The Commissioner has confirmed the demand against which the Company filed an appeal before CESTAT. CESTAT ordered pre deposition of ₹ 0.24 crores. The amount involved was ₹ 1.55 crores. During the year, the Company has received an order from CESTAT in its favour.
- c. A show cause notice was received from Additional Commissioner of Central Excise on avilment of cenvat on construction and other repair and maintenance service during previous years 2005-06 to 2010-11. Commissioner of Central Excise confirmed the demand against which the Company filed an appeal before the CESTAT on June 29, 2012. CESTAT has granted an unconditional stay on February 19, 2013. Matter is pending for final decision before the Tribunal. Amount involved is ₹ 2.36 crores (previous year ₹ 2.27 crores). Current year movement represents interest.
- d. Department has issued a show cause notice dated January 17, 2011 in respect of claim of cenvat on insurance, catering, tent house and taxi & travels for the period 2010-11. Joint commissioner has confirmed the demand against reply filed. An appeal was filed before the commissioner of central excise (appeals) Delhi-III, Gurgaon on January 31, 2012. Commissioner (Appeals) in its order dated January 21, 2013 decided the appeal in favour of Company on May 7, 2013. The department has filed an appeal before Tribunal against said order. The amount involved was ₹ 0.45 crores. During the year, the Company has received an order from CESTAT in its favour.
- e. Department has issued a show cause notice received from Joint Commissioner of Central Excise dated October 08, 2008 in respect of claim of cenvat on insurance, catering, tent house and taxi & travels for the period 2004-05 to 2007-08. Demand was confirmed by Additional Commissioner, against reply filed. Appeal filed before the Commissioner of central excise (appeals) Delhi-III, Gurgaon on March 21, 2014. The amount involved was ₹ 1.37 crores. During the year, the Company has received an order from CESTAT in its favour.
- f. Department has issued a show cause notice dated April 17, 2009 in respect of claim of cenvat on insurance, catering, tent house and taxi & travels for the period 2008-09. On January 30, 2014, Additional Commissioner has confirmed the demand against the reply filed. Appeal filed before the Commissioner of central excise (appeals) Delhi-III, Gurgaon on March 21, 2014. The amount involved was ₹ 0.20 crores. During the year, the Company has received an order from CESTAT in its favour.

Summary of significant accounting policies and other explanatory Notes for the year ended March 31, 2017 (Contd.)

- g. Department has issued a show cause notice dated February 18, 2010 in respect of claim of cenvat on insurance, catering, tent house and taxi & travels for the period February, 2009 to December, 2010. On January 30, 2014, Additional Commissioner has confirmed the demand against the reply filed. Appeal filed before the commissioner of central excise (appeals) Delhi-III, Gurgaon on March 21, 2014. The amount involved was ₹ 0.31 crores. During the year, the Company has received an order from CESTAT in its favour.
- h. Department has issued a show cause notice dated December 27, 2011 in respect of claim of cenvat on insurance, catering, tent house and taxi & travels for the period January 2011 to November 2011. On January 30, 2014, Additional Commissioner has confirmed the demand against the reply filed. Appeal filed before the commissioner of central excise (appeals) Delhi-III, Gurgaon on March 21, 2014. The amount involved was ₹ 0.02 crores. During the year, the Company has received an order from CESTAT in its favour.
- i. Department has issued a show cause notice dated December 31, 2012 in respect of claim of cenvat on insurance, catering, tent house and taxi & travels for the period December 2011 to November 2012. On January 30, 2014, Additional Commissioner has confirmed the demand against the reply filed. Appeal filed before the commissioner of central excise (appeals) Delhi-III, Gurgaon on March 21, 2014. The amount involved was ₹ 0.79 Crores. During the year, the Company has received an order from CESTAT in its favour.
- j. A show cause notice has been received from the Additional Commissioner of Central Excise towards Cenvat availed on outward freight during 2005-06 and 2006-07. The Joint Commissioner confirmed the demand against which the Company appealed before CESTAT. The Tribunal remanded back the case to the Commissioner (Appeals) and it is pending before it. Amount involved is ₹ 0.27 Crores (previous year ₹ 0.26 crores). Current year movement represents interest.
- k. A show cause notice has been received from commissioner of central excise to deposit inadmissible cenvat credit availed on the capital goods destroyed in fire. The demand has been confirmed by Additional Commissioner against which the Company appealed before the Commissioner (Appeals) of Central Excise. Amount involved is ₹ 1.69 crore (Previous year ₹ 1.64 Crores). Current year movement represents interest.

Others

- a. Dakshin Haryana Bijli Vitran Nigam (DHBVN) had demanded ₹ 5.60 crores (previous year ₹ 5.60 crores) for overdrawing power as compared to approved load limit. DHBVN filed a writ petition before Honorable High Court of Punjab and Haryana which was dismissed on account of non-prosecution on February 15, 2016. DHBVN filed an appeal before double judge bench and the next hearing was scheduled on November 23, 2016. Further, the next hearing date was set on August 21, 2017. The Company has deposited ₹ 3.60 crores during the financial year 2011-12 which is disclosed in Note 21 –“Short term loans and advances” under sub head “Others”.
- b. A demand was raised under Haryana Local Area Development Tax Act, 2000 for tax on central purchase of certain items. An appeal was filed before with Joint Commissioner (Appeal) and the amount involved is ₹ 0.01 crores (Previous year ₹ 0.01 crores).

II) Guarantees

- a) On behalf of subsidiary companies:

The Company has given corporate guarantees to the bankers for the loan taken by following step down subsidiary company:

Name of the step down subsidiary	Year ended March 31, 2017 (₹ in Crores)	Year ended March 31, 2016 (₹ in Crores)
i) Rasa Autocom Limited	—	5.00

The outstanding amount as on March 31, 2017 of the above mentioned loan as per the books of accounts of Rasa Autocom Limited is Nil (previous year ₹ 0.54 crores).

III) Others

Surety bonds executed in favour of the President of India, under Export Promotion Capital Goods Scheme (EPCG) for importing capital goods at concessional rate of custom duty, amounting to ₹ 4.66 crores (previous year ₹ 4.66 crores). Amount of custom duty involved is ₹ 4.28 crores (previous year ₹ 4.28 crores)

Summary of significant accounting policies and other explanatory Notes for the year ended March 31, 2017 (Contd.)

Note 34 - DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES

(₹ in Crores)

Particulars	As at March 31, 2017		As at March 31, 2016	
	Principal	Interest	Principal	Interest
1. The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	9.18	0.01	6.50	0.01
2. The amount of interest paid by the buyer in terms of section 16 of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	—	—	—	—
3. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act;	—	—	—	—
4. The amount of interest accrued and remaining unpaid at the end of each accounting year; and	—	0.01	—	0.01
5. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act.	—	—	—	—

Particulars	Year ended March 31, 2017 (₹ in Crores)	Year ended March 31, 2016 (₹ in Crores)
Note 35 - COMMITMENTS		
Estimated amount of contracts remaining to be executed on account of capital commitments [net of advances ₹ 4.54 crores (previous year ₹ 2.05 crores)]	19.42	2.52
Note 36 - EMPLOYMENT BENEFITS		
A. Provident fund and other funds:		
Employer's contribution to provident fund	4.21	3.67
Employer's contribution to ESI	0.17	0.10
B. Defined benefit plan - Gratuity		
I) Change in defined benefit obligation		
a) Present value of obligation as at beginning of the year.	15.63	14.55
b) Current service cost	1.29	1.19
c) Interest cost	1.25	1.10
d) Benefits paid	(1.15)	(1.51)
e) Actuarial gain	1.24	0.30
Present value of obligation as at end of the year	18.26	15.63
II) Change in fair value of plan assets		
a) Fair Value of assets at the beginning of the year	7.12	7.99
b) Expected return on plan assets	0.66	0.67
c) Employers contributions	2.22	0.00
d) Benefits paid	(1.15)	(1.51)
e) Actuarial loss	(0.22)	(0.03)
Fair value of plan assets as at end of the year	8.63	7.12

Summary of significant accounting policies and other explanatory Notes for the year ended March 31, 2017 (Contd.)

Particulars	Year ended March 31, 2017 (₹ in Crores)	Year ended March 31, 2016 (₹ in Crores)
III) The amounts to be recognised in Balance Sheet		
a) Present value of obligation as at the end of the period	18.26	15.63
b) Fair value of plan assets as at the end of the period	8.62	7.12
Net liability recognised in Balance Sheet	9.64	8.51
- Non current	9.64	7.33
- Current	—	1.18
IV) Expense recognised in the Statement of Profit and Loss		
a) Current service cost	1.29	1.19
b) Interest cost	1.25	1.10
c) Net actuarial loss recognised	1.46	0.33
d) Expected return on planned assets	(0.66)	(0.67)
Expenses recognised in the Statement of Profit and Loss	3.34	1.95

V) Amounts for the current and previous years are as follows:

(₹ in Crores)

Particulars	Year ended				
	March 31, 2013	March 31, 2014	March 31, 2015	March 31, 2016	March 31, 2017
1. Defined benefit obligation at the end of the period	(13.01)	(14.67)	(14.55)	(15.63)	(18.26)
2. Plan assets at the end of the period	4.90	4.49	7.99	7.12	8.62
3. Funded assets	(8.11)	(10.18)	(6.57)	(8.51)	(9.64)
4. Experience loss adjustments on plan liabilities	(0.96)	(0.30)	(2.58)	(0.30)	(1.54)
5. Experience gain/(loss) adjustments on plan assets	0.01	(0.02)	(0.15)	(0.03)	(0.22)
6. Actuarial gain/(loss) due to change in actuarial assumptions	(0.68)	0.05	(1.78)	—	(1.24)

VI) Assumptions used to determine the benefit obligations:

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Discount rate	7.40%	8.00%
Rate of increase in compensation levels	6.25%	7.00%
Expected return on planned assets	8.00%	9.25%

The Company expects to contribute ₹ 10.98 crore to gratuity fund in the next financial year.

C. Other long term benefit plans

Other long term benefit plans represents the compensated absences provided to the employees of the Company.

i) Actuarial valuation has been done with the following assumptions:

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Discount rate	7.40%	8.00%
Rate of increase in compensation levels	6.25%	7.00%
Expected rate of return on planned assets	8.00%	9.25%

Summary of significant accounting policies and other explanatory Notes for the year ended March 31, 2017 (Contd.)

Note 37 – EXPENDITURE ON RESEARCH AND DEVELOPMENT:

(₹ in Crores)

Particulars	Year ended	
	March 31, 2017	March 31, 2016
Capital expenditure	3.05	0.25
Employee benefits expense	5.82	4.86
Revenue expenditure other than depreciation	2.30	1.68
Depreciation on research and development assets	0.45	0.45

Note 38 – COMPOSITION OF IMPORTED AND INDIGENOUS RAW MATERIAL (INCLUDING COMPONENTS AND SPARES)

(₹ in Crores)

Particulars	Year ended March 31, 2017		Year ended March 31, 2016	
	Value	Percentage to total consumption	Value	Percentage to total consumption
1. ALUMINUM ALLOY				
-Indigenous	327.57	51.38%	218.41	36.17%
-Imported	0.05	0.01%	0.02	0.00%
2. OTHER MATERIALS AND COMPONENTS				
-Indigenous	274.92	43.12%	351.14	58.15%
-Imported	3.19	0.50%	2.52	0.42%
3. STORES AND SPARE PARTS				
-Indigenous	29.56	4.64%	29.53	4.89%
-Imported	2.25	0.35%	2.27	0.37%

(₹ in Crores)

Particulars	Year ended	
	March 31, 2017	March 31, 2016
Note 39 – CIF VALUE OF IMPORTS		
Capital goods	1.70	22.69
Raw materials	1.13	0.10
Components	1.81	2.47
Stores and spares	2.83	3.00
Note 40 – EXPENDITURE IN FOREIGN CURRENCY		
Travelling expenses	0.55	0.50
Professional charges	1.70	—
Others	0.20	0.23
Note 41 – EARNINGS IN FOREIGN CURRENCY		
F.O.B value of export	231.45	224.06
Others	12.75	13.44

Note 42 – DETAILS OF UN-HEDGED FOREIGN CURRENCY EXPOSURE OUTSTANDING ON MARCH 31, 2017

The foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below as on each Balance Sheet date:

Trade receivables	70.61	62.06
Trade payables	1.03	4.43
Loans (secured)		
Buyer's credit facility	22.46	18.94
Term loan	65.54	88.99
Packing credit facility	72.97	74.58

Summary of significant accounting policies and other explanatory Notes for the year ended March 31, 2017 (Contd.)

Note 43 – INFORMATION PURSUANT TO REGULATION 34(3), READ WITH SCHEDULE V (PART A) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:

(₹ in Crores)

Loans and advances in the nature of loans to subsidiaries		As at		Maximum balance during the year ended	
Name of entity	Status	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Rasa Autocom Limited	Step down Subsidiary	17.13	17.13	17.33	35.30
Rico Jinfei Wheels Limited	Step down Subsidiary	33.50	32.14	33.64	33.16
Rico Aluminium and Ferrous Auto components Limited	Step down Subsidiary	—	—	—	0.01
AAN Engineering Industries Limited	Subsidiary	2.38	1.92	3.54	1.92
Rico Investments Limited	Subsidiary	0.01	0.00*	0.01	0.17

*Amounts have been rounded off to Zero

Note 44 – The Company's operating lease payments pertains to premises taken on lease for operating activities. Aggregate rental expenses under operating leases amounted to ₹ 2.20 crores (previous year ₹ 1.07 crores) for the year, has been charged to the statement of profit and loss.

The future minimum operating lease payments in respect of premises taken on lease are as follow:

(₹ in Crores)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Minimum lease payments		
Due within one year	0.32	0.19
Due for period more than one but less than five years	1.33	1.32
Due for period more than five years	15.89	16.13
Total minimum lease payment	17.54	17.64

Note 45 – RELATED PARTY DISCLOSURES

A. Related parties where control exists

Name of related parties	Description of relationship
Rico Auto Industries Inc. (USA)	Subsidiary
Rico Auto Industries (UK) Limited	Subsidiary
Uttarakhand Automotives Limited	Subsidiary
AAN Engineering Industries Limited	Subsidiary
Rico Investments Limited*	Subsidiary
Rico Aluminium and Ferrous Auto components Limited (formerly known as RAA Autocom Limited)	Step down Subsidiary
Rasa Autocom Limited	Step down Subsidiary
Rico Jinfei Wheels Limited	Step down Subsidiary
Magna Rico Powertrain Private Limited	Joint Venture
Kapsons Associates Investments Private Limited	Entity in which KMP exercise significant influence
Higain Investments Private Limited	Entity in which KMP exercise significant influence
Magpie Properties Private Limited	Entity in which KMP exercise significant influence
Octan Media Limited	Entity in which KMP exercise significant influence
ASN Properties Private Limited	Entity in which KMP exercise significant influence
Rico Castings Limited	Entity in which KMP exercise significant influence
T.K. Precision Private Limited	Entity in which KMP exercise significant influence
Kapros Engineering Industries Limited	Entity in which KMP exercise significant influence
Haridwar Estates Private Limited	Entity in which KMP exercise significant influence

Summary of significant accounting policies and other explanatory Notes for the year ended March 31, 2017 (Contd.)

* A Subsidiary Company namely Rico Investments Limited has been incorporated on January 7, 2015. Rico Investments Limited is a Core Investment Company (CIC), incorporated for the purpose of acquiring and holding strategic Investments in the Group Companies of Rico Auto Industries Limited. The Company holds investment in three subsidiaries, namely Rasa Autocom Limited, Rico Jinfei Wheels Limited and Rico Aluminium and Ferrous Auto components Limited (formerly known as RAA Autocom Limited).

B. Key management personnel

Details of key managerial personnel are as under:

- i) Shri Arvind Kapur – Chairman, CEO & Managing Director
 - ii) Shri Arun Kapur – Joint Managing Director
 - iii) Shri Sanjay Syal – Chief Financial Officer (upto February 7, 2017)*
 - iv) Shri B.M.Jhamb – Company Secretary*
- * as per the Companies Act, 2013

C. Transactions with related parties:

(₹ in Crores)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
A. Step down subsidiary/Subsidiary		
1. Rasa Autocom Limited		
Transactions during the year		
Purchase of goods	7.29	38.90
Sale of goods	0.27	0.95
Sale of assets	0.02	1.76
Job work income	—	0.06
Job work expenses	15.75	2.10
Loan received back	—	17.63
Reimbursement of expenses	3.83	3.98
Advance given	4.87	—
Balance outstanding		
Balance recoverable	3.23	—
Loans	17.13	17.13
Guarantees given	—	5.00
2. Rico Jinfei Wheels Limited		
Transactions during the year		
Purchase of goods	1.43	0.02
Sale of goods	1.33	0.57
Job work income	0.01	—
Job work expense*	—	0.00
Recovery of expense	0.04	0.21
Loan given	1.50	1.15
Loan received back	—	1.37
Balance outstanding		
Balance recoverable, net	3.01	2.79
Loans	33.50	32.14
3. Rico Aluminium and Ferrous Auto components Limited (formerly known as RAA Autocom Limited)		
Transactions during the year		
Purchase of goods	228.84	296.07
Sale of goods or materials	21.54	22.22
Sale of assets	3.18	—
Administration, finance, production support services	5.57	5.49
Rent income	9.01	8.95
Purchase of assets	0.04	—
Rent expense	0.47	—

Summary of significant accounting policies and other explanatory Notes for the year ended March 31, 2017 (Contd.)

(₹ in Crores)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Loan received back	—	0.01
Interest income	0.10	0.27
Job work expenses	46.07	9.68
Recovery of expenses	51.54	48.91
Balance outstanding		
Balance payable	—	5.42
Balance Recoverable	12.46	—
4. Rico Auto Industries Inc, USA		
Transactions during the year		
Sale of goods	143.79	146.68
Reimbursement of expenses	0.23	2.54
Balance outstanding		
Balance recoverable	39.04	43.51
5. Rico Auto Industries (UK) Limited, UK		
Transactions during the year		
Sale of goods	52.32	40.92
Reimbursement of expenses	0.71	—
Recovery of expenses	—	1.04
Balance outstanding		
Balance recoverable	18.72	9.93
6. AAN Engineering Industries Limited		
Transactions during the year		
Rent income	0.03	0.03
Loan given	2.85	1.44
Loan received back	2.39	0.14
Purchase of goods*	0.00	—
Sale of goods	0.15	—
Job work expense	—	0.08
Purchase of assets	0.22	—
Recovery of expenses	0.84	0.06
Balance outstanding		
Balance recoverable	0.23	0.45
Loans	2.38	1.92
7. Uttarakhand Automotives Limited		
Transactions during the year		
Advance	—	0.38
Purchase of land	—	4.60
Provision written off	—	8.67
Balance outstanding		
Advance	0.38	0.38
8. Rico Investments Limited		
Transactions during the year		
Rent income	0.01	0.00*
Purchase of debentures	—	25.00
Interest on debentures	2.56	2.13

Summary of significant accounting policies and other explanatory Notes for the year ended March 31, 2017 (Contd.)

(₹ in Crores)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Balance outstanding		
Interest receivable	0.02	0.64
B. Joint venture		
1. Magna Rico Powertrain Private Limited		
Transactions during the year		
Job work income	0.00*	0.00*
Sale of goods	5.01	6.70
Miscellaneous income	0.21	0.09
Balance outstanding		
Balance recoverable	1.72	2.56
C. Entity in which KMP exercise significant influence		
1. Rico Casting Limited		
Transactions during the year		
Purchase of goods	11.14	7.80
Sale of goods	7.40	4.92
Purchase of assets	0.05	—
Job work expense	0.01	0.02
Job work income	—	0.07
Reimbursement of expense	0.00*	9.08
Balance outstanding		
Balance recoverable, net	—	0.36
Balance payable, net	0.18	—
2. Kapbros Engineering Industries Limited		
Transactions during the year		
Purchase of goods	0.09	0.31
Sale of goods	0.19	0.51
Purchase of assets	—	4.27
Sale of assets	0.04	0.12
Job work expense	—	0.43
Recovery of expenses	0.04	0.41
Balance outstanding		
Balance recoverable, net	0.24	—
Balance payable, net	—	0.02
3. Kapsons Associates Investments Private Limited		
Transactions during the year		
Rent expense	0.75	0.69
Balance outstanding		
Security deposit	0.18	0.18
4. Magpie Properties Private Limited		
Transactions during the year		
Loan repaid	—	0.70
Interest expense	—	0.21
5. Haridwar Estates Private Limited		
Balance outstanding		
Capital advance	9.72	9.72

Summary of significant accounting policies and other explanatory Notes for the year ended March 31, 2017 (Contd.)

(₹ in Crores)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
6. T.K. Precision Private Limited		
Transactions during the year		
Purchase of goods	3.62	4.25
Recovery of expenses	—	0.01
Balance outstanding		
Balance payable	0.87	0.94
D. Key management persons		
Remuneration paid to key management personnel		
Shri Arvind Kapur	2.92	2.06
Shri Arun Kapur	0.87	0.62
Shri B.M. Jhamb	0.42	0.36
Shri Sanjay Syal [#]	0.50	0.52

*Amounts have been rounded off to zero

[#]Resigned with effect from February 7, 2017

Note 1: In respect of personal guarantee given by Promoters-Directors refer Note 5 - Long term borrowings and Note 9 - Short term borrowings.

2: The above transactions are in the ordinary course of business.

Note 46 - INVESTMENTS IN JOINT VENTURE

S. No.	Joint venture	Location	Principal Activities	Ownership Interest
1.	Magna Rico Powertrain Private Limited (Magna)	India	Manufacture and sale of auto components	50%

The Company's share of the assets, liabilities, income and expenditure of the joint ventures (under jointly controlled entities) are as follows:

(₹ in Crores)

Particulars	Magna	
	March 31, 2017	March 31, 2016
Liabilities		
Reserves and surplus	(0.87)	(4.89)
Non-current liabilities	0.23	0.15
Current liabilities	12.68	10.04
Assets		
Non-current assets	16.58	9.65
Current assets	16.58	16.78
Income	44.03	34.23
Expenses	39.58	34.97
Profit/(loss) after tax	4.02	(0.76)

The Company's share of the contingent liability and capital commitment of the joint ventures (under jointly controlled entities) are as follows:

(₹ in Crores)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Contingent Liability		
Export obligation to be undertaken by the Company under EPCG Licence	0.03	0.19
Capital commitment	0.95	0.07

Note 47 -Segment information as required under AS-17 "Segment Reporting", has been provided in the consolidated financial statements of the Company and therefore no separate disclosure on segment information is given in these standalone financial statements

Summary of significant accounting policies and other explanatory Notes for the year ended March 31, 2017 (Contd.)

Note 48 – In accordance with Accounting Standard 11 “The effects of Changes in Foreign Exchange Rates”, the Company has chosen to avail the option to capitalise exchange differences arising on long term foreign currency monetary items to the cost of the relevant fixed assets and amortising it over the remaining useful life of the fixed assets. Amount remaining to be amortised is as under:

Particulars	(₹ in Crores)	
	Year ended March 31, 2017	Year ended March 31, 2016
Un-amortised exchange differences	3.44	8.01

Note 49 – As per the transfer pricing norms applicable in India, the Company is required to use certain specified methods in computing arm's length price of transactions between the associated enterprises and maintain prescribed information and documents related to such transactions. The appropriate method to be adopted will depend on the nature of the transactions/class of transactions, class of associated persons, functions performed and other factors, which have been prescribed. The Company is in the process of conducting a transfer pricing study for the current financial period. However, in the opinion of the management the same would not have a material impact on these financial statements. Accordingly, these financial statements do not include any adjustments for the transfer pricing implications, if any.

Note 50 – 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 January 30, 2017 has been filed with the Hon'ble High Court of Punjab and Haryana at Chandigarh. Consequent to the 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 July 11, 2017.

Note 51 – Exceptional items for the current year and previous year include expenditure incurred pursuant to Voluntary Retirement Scheme of the Company amounting to ₹ 0.66 crores and ₹ 2.85 crores respectively.

Note 52 – CORPORATE SOCIAL RESPONSIBILITY

As per Section 135 of the Companies Act, 2013, a CSR committee has been formed by the Company. The areas of CSR activities are promoting education among children. The funds were primarily allocated and utilised for the activities that are specified in Schedule VII of the Companies Act, 2013.

a) Gross amount required to be spent by the Company during the year is Nil.

b) Amount spent during the year on:

S. No.	Particulars	(₹ in Crores)		
		In Cash	Yet to be paid in Cash	Total
i)	Construction/acquisition of any asset	—	—	—
ii)	On purposes other than (i) above	0.48	—	0.48

Note 53 – Prior period tax represents net impact of write back of excess provisions of earlier years amounting to ₹0.52 Crores and additional provision created for demand pertaining to earlier years which has been received during the year amounting to ₹ 0.19 Crores.

Note 54 – Disclosure on Specified Bank Notes (SBNs)

Disclosure in respect of Specified Bank Notes (SBN) as specified by Ministry of Corporate Affairs (MCA) vide notification no. G.S.R. 308(e) dated March 30, 2017 is given below:

Particulars	(Amount in ₹)		
	SBNs*	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	550,000	933,965	1,483,965
(+) Permitted receipts	—	1,764,498	1,764,498
(-) Permitted payments	—	1,253,327	1,253,327
(-) Amount deposited in Banks	550,000	—	550,000
Closing cash in hand as on December 30, 2016	—	1,445,136	1,445,136

Note 55 – Previous year's amounts have been regrouped/ reclassified, wherever considered necessary to make them comparable with those of the current year.

This is the summary of significant accounting policies and other explanatory information referred to in our report of even date.

For **Walker Chandiook & Co LLP**
Chartered Accountants

per **Ashish Gupta**
Partner

Rakesh Kumar Sharma
Vice President
(Finance & Accounts)

For and on behalf of the Board of Directors of
Rico Auto Industries Limited

Amarjit Chopra
Director
(DIN:00043355)

Place : Delhi
Date : 26th May, 2017

B.M Jhamb
Company Secretary

Satish Sekhri
Director
(DIN:00211478)

Arvind Kapur
Chairman, CEO
& Managing Director
(DIN: 00096308)

ANNEXURE TO DIRECTORS' REPORT

FORM NO. AOC - 1

(Pursuant to first provision to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the Financial Statement of Subsidiaries/Associate Companies/Joint Ventures

Part "A": Subsidiaries

(₹ in Crores)

Name of the Subsidiary	Rico Investments Limited	Uttrakhand Automotives Limited	AAN Engineering Industries Limited	Rico Auto Industries Inc. USA	Rico Auto Industries (U.K.) Limited	Rico Aluminium and Ferrous Auto Components Ltd.	Rico Jinfei Wheels Limited	Rasa Autocom Limited
Sl. No.	1	2	3	4	5	6	7	8
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01.04.2016 to 31.03.2017	01.04.2016 to 31.03.2017	01.04.2016 to 31.03.2017	01.04.2016 to 31.03.2017	01.04.2016 to 31.03.2017	01.04.2016 to 31.03.2017	01.04.2016 to 31.03.2017	01.04.2016 to 31.03.2017
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR	INR	INR	USD (Exchange Rate 66.9747)	GBP (Exchange Rate 80.63)	INR	INR	INR
Share Capital	93.70	0.41	0.05	0.12	0.17	46.05	38.00	41.00
Reserves & Surplus	2.53	(0.35)	(0.88)	21.19	4.96	0.83	(30.89)	(20.79)
Total Assets	122.07	2.21	2.79	62.77	25.97	100.92	56.81	45.79
Total Liabilities	25.84	2.15	3.62	41.39	20.84	54.03	49.71	25.58
Investments	73.50					3.50		
Turnover (Net of Excise)			3.69	151.83	52.25	245.52	77.76	26.15
Profit before taxation	1.73	(0.00)	0.30	2.52	0.39	0.47	(0.06)	4.44
Provision for taxation	0.58		0.11	0.94	0.08	0.21		
Profit after taxation	1.15	(0.00)	0.19	1.58	0.31	0.26	(0.06)	4.44
Proposed Dividend								
% of shareholding	96.05	100.00	100.00	100.00	100.00			

Notes: Name of Subsidiaries which are yet to commence operations: Uttarakhand Automotives Limited is in the process of being amalgamated with the Company subject to approvals.

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(₹ in Crores)

Sl. No.	Name of Directors	Magna Rico Powertrain Pvt. Ltd.
1.	Latest Audited Balance Sheet Date	31.03.2017
2.	Shares of Joint Venture held by the Company on the year end <ul style="list-style-type: none"> No. of Shares Amount of Investment in Joint Venture Extend of Holding% 	21120000 21.12 50
3.	Description of how there is significant influence	Joint Venture
4.	Reason why the Joint Venture is not consolidated	Consolidated
5.	Net worth attributable to shareholding as per latest Audited Balance Sheet	20.25
6.	Profit for the year <ul style="list-style-type: none"> i) Considered in Consolidation ii) Not Considered in Consolidation 	8.90 4.45 4.45

Notes: Name of Associates or Joint Ventures which have been liquidated or sold during the year - N.A.

For and on behalf of the Board of Directors of
Rico Auto Industries Limited

Rakesh Kumar Sharma
Vice President
(Finance & Accounts)

Amarjit Chopra
Director
(DIN:00043355)

Arvind Kapur
Chairman, CEO
& Managing Director
(DIN: 00096308)

Satish Sekhri
Director
(DIN:00211478)

B.M Jhamb
Company Secretary

Place : Delhi
Date : 26th May, 2017

CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 2016-17

INDEPENDENT AUDITORS' REPORT

To the Members of
Rico Auto Industries Limited

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of Rico Auto Industries Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its jointly controlled entity, which comprise the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ('the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group and its jointly controlled entity in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). The Holding Company's Board of Directors and the respective Board of Directors/management of the subsidiaries included in the Group and its jointly controlled entity are responsible for the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. Further, in terms of the provisions of the Act, the respective Board of Directors/management of the companies included in the Group, and its jointly controlled entity covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the directors of the Holding Company, as aforesaid.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

4. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these consolidated financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

7. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 9 of the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on these consolidated financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries and jointly controlled entity, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its jointly controlled entity as at March 31, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matter

9. We did not audit the financial statements of five subsidiaries and one jointly controlled entity, whose financial statements reflect total assets of ₹284.52 Crores and net assets of ₹167.72 Crores as at March 31, 2017, total revenues of ₹353.17 Crores and net cash inflows amounting to ₹4.77 Crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entity, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and jointly controlled entity, is based solely on the reports of the other auditors.

Further, of these subsidiaries and jointly controlled entity, one subsidiary is located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in its country and which has been audited by other auditor under generally accepted auditing standards applicable in its country. The Holding Company's management has converted the financial statements of such subsidiary located outside India from accounting principles generally accepted in its country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India is based on the report of other auditor and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

10. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries and jointly controlled entity, we report, to the extent applicable, that:
- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
 - c. The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
 - d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
 - e. On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies, and jointly controlled entity covered under the Act, none of the directors of the Group companies and its jointly controlled entity covered under the Act, are disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, and its subsidiary companies and jointly controlled entity covered under the Act and the operating effectiveness of such controls, refer to our separate report in 'Annexure A';
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and jointly controlled entity:
 - i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its jointly controlled entity as detailed in Note 35 to the consolidated financial statements;
 - ii) The Group and its jointly controlled entity did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies and jointly controlled entity covered under the Act;

- iv) These consolidated financial statements have made requisite disclosures as to holdings as well as dealings in specified bank notes during the period from November 8, 2016 to December 30, 2016 by the Holding Company, and its subsidiary companies and jointly controlled entity covered under the Act. Based on the audit procedures performed and taking into consideration the information and explanations given to us and on consideration of the reports of the other auditors on separate financial statements and other financial information, in our opinion, these disclosures are in accordance with the books of account maintained by the respective companies.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per **Ashish Gupta**

Partner

Membership No.: 504662

Place : Delhi

Date : May 26, 2017

Annexure A

Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. In conjunction with our audit of the consolidated financial statements of the Rico Auto Industries Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its jointly controlled entity as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting (IFCoFR) of the Holding Company, its subsidiary companies and its jointly controlled entity, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, its subsidiary companies and its jointly controlled entity, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of the Company's assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the IFCoFR of the Holding Company, its subsidiary companies and its jointly controlled entity as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India (ICAI) and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and

perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the IFCoFR of the Holding Company, its subsidiary companies and its jointly controlled entity as aforesaid.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's IFCoFR includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of

controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Holding Company, its subsidiary companies and its jointly controlled entity, which are companies incorporated in India, have, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on internal control over financial reporting criteria established by the Company considering the essential components of internal control in the Guidance Note issued by ICAI.

Other Matters

9. We did not audit the IFCoFR insofar as it relates to four subsidiary companies and one jointly controlled entity, which are companies incorporated in India, whose financial statements reflect total assets of ₹ 258.54 Crores as at March 31, 2017, total revenues of ₹300.92 Crores and net cash flows amounting to ₹4.17 Crores for the year ended on that date. Our report on the adequacy and operating effectiveness of the IFCoFR for the Holding Company, its subsidiary companies and its jointly controlled entity, which are companies incorporated in India, under Section 143(3)(i) of the Act insofar as it relates to the aforesaid subsidiaries and its jointly controlled entity, which are companies incorporated in India, is solely based on the corresponding reports of the auditors of such companies. Our opinion is not modified in respect of the above matter with respect to our reliance on the work done by and the reports of the other auditors.

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

per **Ashish Gupta**

Partner

Membership No.: 504662

Place : Delhi

Date : May 26, 2017

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2017

	Notes	As at March 31, 2017 (₹ in Crores)	As at March 31, 2016 (₹ in Crores)
I. EQUITY AND LIABILITIES			
1. SHAREHOLDERS' FUNDS			
a) Share capital	6	13.53	13.53
b) Reserves and surplus	7	505.10	457.05
		<u>518.63</u>	<u>470.58</u>
Minority interest		4.35	3.92
2. NON-CURRENT LIABILITIES			
a) Long term borrowings	8	67.75	91.74
b) Deferred tax liabilities (net)	9	13.05	11.88
c) Other long-term liabilities	10	1.55	1.39
d) Long term provisions	11	20.77	14.84
		<u>103.12</u>	<u>119.85</u>
3. CURRENT LIABILITIES			
a) Short term borrowings	12	114.51	85.71
b) Trade payables	13		
Payable to micro enterprises and small enterprises		9.73	7.63
Other payable		129.13	122.03
c) Other current liabilities	14	87.64	89.19
d) Short-term provisions	15	5.31	3.36
		<u>346.32</u>	<u>307.92</u>
TOTAL		<u><u>972.42</u></u>	<u><u>902.27</u></u>
II. ASSETS			
1. NON-CURRENT ASSETS			
a) Fixed assets			
i) Tangible assets	16	433.66	387.97
ii) Intangible assets	16	0.53	0.09
iii) Capital work-in-progress		44.72	70.01
b) Long term loans and advances	17	110.35	88.94
c) Other non current assets	18	0.15	0.27
		<u>589.41</u>	<u>547.28</u>
2. CURRAENT ASSETS			
a) Current investment	19	5.50	5.50
b) Inventories	20	112.12	120.25
c) Trade receivables	21	173.92	142.91
d) Cash and bank balances	22	9.27	6.52
e) Short-term loans and advances	23	72.70	75.58
f) Other current assets	24	9.50	4.23
		<u>383.01</u>	<u>354.99</u>
TOTAL		<u><u>972.42</u></u>	<u><u>902.27</u></u>

The accompanying notes (1 to 48) are an integral part of the consolidated financial statements.

This is the Consolidated Balance Sheet referred to in our report of even date.

For Walker Chandio & Co LLP
Chartered Accountants

per Ashish Gupta
Partner

Rakesh Kumar Sharma
Vice President
(Finance & Accounts)

Place : Delhi
Date : 26th May, 2017

B.M Jhamb
Company Secretary

For and on behalf of the Board of Directors of
Rico Auto Industries Limited

Amarjit Chopra
Director
(DIN:00043355)

Satish Sekhri
Director
(DIN:00211478)

Arvind Kapur
Chairman, CEO
& Managing Director
(DIN: 00096308)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

	Notes	Year ended March 31, 2017 (₹ in Crores)	Year ended March 31, 2016 (₹ in Crores)
REVENUE:			
Revenue from Operations (Gross)	25	1,156.40	1,079.98
Less : Excise Duty		77.22	73.02
Revenue from Operations (Net)		1,079.18	1,006.96
Other Income	26	12.97	14.20
Total Revenue		1,092.15	1,021.16
EXPENSES:			
Cost of Raw Material and Components Consumed	27	548.04	484.38
Purchase of Traded Goods		3.89	8.23
Change in Inventories of Finished Goods and Work in Progress	28	(4.94)	0.37
Employee Benefits Expenses	29	140.91	131.47
Finance Costs	30	16.94	20.28
Depreciation and Amortisation	16	47.71	46.73
Other Expenses	31	276.10	283.14
Prior Period Items (net)	32	0.16	0.80
Total Expenses		1,028.81	975.40
Profit before exceptional items and tax		63.34	45.76
Exceptional Items	33	1.36	4.59
Profit Before Tax (A)		61.98	41.17
Profit Before Tax		61.98	41.17
Tax Expenses:			
Current Tax		13.98	12.73
MAT Credit Entitlement		(1.43)	(3.21)
Deferred Tax		1.17	0.25
Tax Earlier Year (refer note 47)		(0.33)	1.70
Tax Expense		13.39	11.47
Net Profit for the Year		48.59	29.70
Minority Interest		0.43	0.26
Profit Attributable to Owners of the Company		48.16	29.44
Basic and diluted earning per equity share [nominal value of share : March 31, 2017 : ₹ 1/- (March 31, 2016 : ₹ 1/-)]	34	3.56	2.18

The accompanying notes (1 to 48) are an integral part of the consolidated financial statements.
This is the Consolidated Statement of Profit and Loss referred to in our report of even date.

For **Walker Chandio & Co LLP**
Chartered Accountants

per **Ashish Gupta**
Partner

Place : Delhi
Date : 26th May, 2017

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Vice President
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(DIN: 00096308)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

Particulars		Year ended March 31, 2017 (₹ in Crores)	Year ended March 31, 2016 (₹ in Crores)
A. Cash flow from operating activities			
Net profit before tax		61.98	41.17
Adjustments for:			
Depreciation and amortisation		47.71	46.73
Provision for doubtful debts		(0.16)	0.63
Profit on sale of current investments		—	(1.40)
Profit on sale of assets		(0.73)	(0.41)
Exchange rate fluctuation (net)		0.85	2.23
Finance cost		16.94	20.28
Interest income		(8.28)	(7.28)
Dividend Income		—	(0.01)
Balances written off		—	8.75
Operating profit before working capital changes		118.31	110.69
Adjustments for:			
(Increase) in trade and other receivables		(47.28)	(42.27)
Decrease/(Increase) in inventories		8.13	(11.65)
Increase/(Decrease) in trade and other payables		6.13	(8.95)
		85.29	47.82
Less: Direct taxes paid (net of refunds)		(6.53)	(12.68)
Net cash generated from operating activities	A	78.76	35.14
B. Cash flow from investing activities			
Purchase of fixed assets/ addition to capital work in progress		(70.29)	(72.44)
Proceeds from sale of fixed assets		2.43	3.94
Movement in capital advance		(7.27)	3.10
Purchase of mutual funds		—	(49.00)
Proceeds from sale of mutual funds		0.00	93.40
Movement in restricted cash		(0.20)	(0.01)
Interest received		8.87	7.31
Dividend received		—	0.01
Net cash used in investing activities	B	(66.46)	(13.69)
C. Cash flow from financing activities			
Proceeds from long term borrowings		105.28	105.28
Repayment of long term borrowings		(123.73)	(92.91)
Proceeds from short term borrowings, net		28.77	27.26
Dividend paid (including corporate dividend tax)		(1.63)	(40.62)
Interest paid		(16.95)	(20.88)
Net cash used in financing activities	C	(8.26)	(21.87)
Net increase / (decrease) in cash and cash equivalents	A+B+C	4.04	(0.42)
Exchange difference		(1.36)	1.17
Cash and cash equivalents at the beginning of the year		3.60	2.85
Cash and cash equivalents at the close of the year		6.28	3.60

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017 (Contd.)

Particulars	Year ended March 31, 2017 (₹ in Crores)	Year ended March 31, 2016 (₹ in Crores)
Note: Cash and cash equivalents includes		
Cash and Cheques in hand	0.34	0.34
In current accounts	2.77	2.49
Deposites with original maturity in less than three months	3.17	0.76
Cash and bank balances	6.28	3.60
Bank deposits with maturity of more than 3 months and less than 12 months	2.03	1.72
Balance in unpaid dividend account	0.96	1.20
Balance with bank not considered as cash and cash equivalent	2.99	2.92
Cash and bank balances (Refer note 22)	9.27	6.53

Note:

1. Figures in brackets indicate cash outflow.

This is the Consolidated Cash Flow Statement referred to in our report of even date.

For **Walker Chandniok & Co LLP**
Chartered Accountants

per **Ashish Gupta**
Partner

Place : Delhi
Date : 26th May, 2017

Rakesh Kumar Sharma
Vice President
(Finance & Accounts)

B.M Jhamb
Company Secretary

For and on behalf of the Board of Directors of
Rico Auto Industries Limited

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(DIN: 00096308)

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2017

Note 1 - NATURE OF OPERATIONS

Rico Auto Industries Limited ("the Parent Company" or "the Parent" or "the Company"), a public limited company, together with its subsidiaries and joint ventures (hereinafter collectively referred to as "the Group") is engaged in the business of manufacturing and sale of auto components for two wheelers and four wheelers.

The Parent Company's shares are listed on the National Stock Exchange Limited and BSE Limited in India.

Note 2 - BASIS OF PREPARATION

The Consolidated financial statements have been prepared on going concern basis under the historical cost basis, in accordance with the generally accepted accounting principles in India and in compliance with schedule III of the Companies Act, 2013 and the applicable accounting standards as specified under section 133 of Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). All assets and liabilities have been classified as current or non-current as per the Parent Company's operating cycle and other criteria set out in the Companies Act, 2013. The accounting policies have been consistently applied by the Group.

Note 3 - CONSOLIDATION PROCEDURE

The Consolidated financial statements are prepared in accordance with Accounting Standard (AS-21) "Consolidated Financial Statements" and Accounting Standard 27 (AS-27) 'Financial Reporting of Interests in Joint Ventures (as applicable) notified under The Companies Act, 2013 ("the Act"). The financial statements of the Parent and its subsidiaries are combined on a line by line basis by adding together sums of like nature, comprising assets, liabilities, income and expenses and after eliminating intra-group balances/ transactions. Financial interest in joint ventures has been accounted for under the proportionate consolidation method.

The excess/deficit of cost to the Parent Company of its investment over its portion of net assets in the consolidated entities at the respective dates on which the investment in such entities was made is recognised in the financial statements as goodwill/capital reserve. The Parent Company's portion of net assets in such entities is determined on the basis of book values of assets and liabilities as per the financial statements of the entities as on the date of investment.

The financial statements of foreign subsidiaries are prepared by them on the basis of generally accepted accounting principles, local laws and regulations as prevalent in their respective countries and such financial statements are considered for consolidation.

For the purpose of preparation of the Consolidated financial statements the foreign currency assets, liabilities, income and expenditure are translated as per Accounting Standard (AS-11) on "Accounting for the Effects of Changes in Foreign Exchange Rates", notified under the Act. Exchange differences arising are recognised in the statement of profit and loss or in the 'Foreign Currency Translation Reserve' classified under the head Reserves and Surplus as applicable, as per the above mentioned Accounting Standard.

List of Subsidiaries and Joint Venture considered for consolidation is as follows:

S.No.	Name of the Company	Nature of Relationship	Country of Incorporation	Extent of Holding/ Voting Power (%)	
				As at March 31, 2017	As at March 31, 2016
1.	Rico Auto Industries Inc. (USA)	Subsidiary	USA	100%	100%
2.	Rico Auto Industries (UK) Limited	Subsidiary	UK	100%	100%
3.	Uttarakhand Automotives Limited	Subsidiary	India	100%	100%
4.	AAN Engineering Industries Limited	Subsidiary	India	100%	100%
5.	Rico Investments Limited	Subsidiary	India	92.56%	92.56%
6.	Rico Aluminium and Ferrous Auto Components Limited (formerly Raa Autocom Limited)	Step down subsidiary	India	92.56%	92.56%
7.	Rasa Autocom Limited	Step down subsidiary	India	92.56%	92.56%
8.	Rico Jinfei Wheels Limited	Step down subsidiary	India	86.53%	86.53%
9.	Magna Rico Powertrain Private Limited	Joint Venture	India	50%	50%

Note 4 - USE OF ESTIMATES

The preparation of consolidated financial statements in conformity with the principles generally accepted in India requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent liabilities on the date of consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2017 (Contd.)

Note 5 – SIGNIFICANT ACCOUNTING POLICIES

i) Revenue recognition

a. Revenue from sale of goods

Revenue from sale of goods is recognised upon transfer of significant risks and rewards incident to ownership and when no significant uncertainty exists regarding realisation of the sale consideration. Sales are recorded net of sales returns, rebates, trade discounts and price differences and are inclusive of excise duty.

b. Revenue from sale of services

Service income comprising technical and other support services fee is recognised as per the terms of the agreement. Revenue in respect of time and material contracts are recognised based on time spent in accordance with the contractual terms.

c. Duty draw back and export incentive

Export benefit entitlements are recognised in the Statement of Profit and Loss when the right to receive benefit is established in respect of the exports made and the realisability is reasonable.

d. Interest income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

e. Dividend income

Dividend on investments is recognised when the right to receive dividend is established.

ii) Fixed assets and intangibles:

a. Tangible assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes all expenses, direct and indirect, specifically attributable to its acquisition and bringing it to its working condition for its intended use.

Incidental expenditure pending allocation and attributable to the acquisition of fixed assets is allocated/capitalised with the related fixed assets.

b. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Initial recognition of intangible assets is carried out at cost less accumulated amortisation and accumulated impairment losses, if any.

c. Capital work in progress:

Capital work-in-progress represents Assets under construction and are carried at cost.

iii) Depreciation and amortisation:

The useful life of fixed assets has been reassessed and depreciation has been recorded in accordance with Schedule II to the Companies Act, 2013 except in case of plant and machinery where the Company has retained the useful life which is higher than the useful life as provided in schedule II of the Companies Act, 2013 based on the technical estimate and history of usage.

Description	Period	Method
Building (Road)	5-60 years	Straight line method
Plant and machinery	10-20 years	Straight line method
Furniture and fixtures	10 years	Written down value method
Office equipment	5 years	Written down value method
Vehicles	8 years	Written down value method

Depreciation on dies and Moulds is provided based on useful life of the items ascertained on a technical estimate by the management.

Depreciation on fixed assets acquired/disposed off during the year is recorded on a pro-rata basis with reference to the date of acquisition/disposal.

The cost of leasehold land is being amortised over the period of the lease.

Intangible assets are being amortised over the useful life, not exceeding 10 years, as estimated by management to be the economic life of the asset over which economic benefits are expected to flow.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2017 (Contd.)

iv) Inventories:

Inventories are valued as follows:

a. Raw materials, stores and spares

Lower of cost or net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis. Stores and spares having useful life of more than twelve months are capitalised as tangible assets under "Fixed Asset" and are depreciated prospectively over their remaining useful lives in accordance with Accounting Standards 10 (Revised).

b. Work in progress

Work in progress is valued at lower of cost or net realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity and actual stage of production.

c. Finished goods

Finished goods are valued at lower of cost or net realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity. Cost of finished goods includes excise duty.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion to make the sale.

v) Investments:

Long term investment (investments other than current investment) are stated at cost of acquisition inclusive of expenditure incidental to acquisition. A provision for diminution is made to recognise a decline, other than temporary in the value of long term investments.

Investments that are held for trading are classified as current investment and are stated at lower of cost and market value determined on an individual basis.

vi) Employee benefits:

Wages, salaries, bonuses, paid annual leave and sick leave are accrued in the year in which the associated services are rendered by employees of the Group. The Group also provides benefit of compensated absences under which un-availed leaves are allowed to be accumulated and can be availed in future.

The Group has three post-employment benefit plans in operation viz. Gratuity, Provident Fund and Employee State Insurance scheme.

a. Provident fund and Employee State Insurance scheme

Provident fund benefit and Employee State Insurance benefit are defined contribution plans under which the Group pays fixed contributions into funds established under Employee Provident Fund and Miscellaneous Provision Act, 1952 and Employee State Insurance Act, 1948 respectively. The Group has no legal or constructive obligations to pay further contributions after payment of the fixed contribution. The contributions recognised in respect of defined contribution plans are expensed as they accrue. Liabilities and assets may be recognised if underpayment or prepayment has occurred and are included in current liabilities or current assets, respectively, as they are normally of a short term nature.

b. Gratuity

Gratuity in the nature of defined benefit plan. The liability recognised in the balance sheet in respect of gratuity is the present value of the defined benefit obligation as at the balance sheet date less the fair value of plan assets. The defined benefit obligation is calculated at the balance sheet date on the basis of actuarial valuation by an independent actuary using projected unit credit method. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recorded in the statement of profit and loss in the year in which such gains or losses arise.

c. Compensated absences

The Group also provides benefit of compensated absences to its employees which are in the nature of long term benefit plan. The compensated absences comprises of vesting as well as non-vesting benefit. Liability in respect of compensated absences becoming due and expected to be availed within one year from the balance sheet date is recognised on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefits expected to be availed by the employees. Liability in respect of compensated absences becoming due and expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method as on the reporting date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recorded in the statement of profit and loss in the year in which such gains or losses arise.

vii) Research and Development expenses:

Revenue expenditure on research is expensed off under the respective heads of account in the year in which it is incurred.

Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalised, if the cost can be reliably measured, the product or process is technically and commercially feasible and the Group has sufficient resources to complete the development and to use and sell the asset. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads that are

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2017 (Contd.)

directly attributable to preparing the asset for its intended use. Development expenditure that does not meet any of the aforementioned conditions is recognised in the Statement of Profit and Loss as an expense as incurred.

Fixed assets used for research and development are depreciated in accordance with the Group's policy on fixed assets as stated above.

viii) Borrowings costs:

Borrowing costs directly attributable to acquisition, construction or erection of property, plant and equipment, which necessarily take a substantial period of time to be ready for the intended use are capitalised. Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended use are complete.

Other borrowing costs are recognised as an expense in the statement of profit and loss in the year in which they are incurred.

ix) Foreign currency transactions:

a. Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount, the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

b. Subsequent recognition

Foreign currency monetary assets and liabilities are reported using the closing rate as at the reporting date.

Non-monetary items, which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

c. Exchange differences

Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year or reported in previous financial statements, are recognised as income or expense in the year in which they arise, except for exchange differences arising on foreign currency monetary items.

Exchange differences arising on long term foreign currency monetary items in so far as it relates to the acquisition of depreciable capital assets are added to the cost of such assets.

Exchange difference arising on long term foreign currency monetary items not related to the acquisition of depreciable capital assets are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortised through the Statement of Profit and Loss over the remaining term of the loan.

d. Foreign Currency Translation

i) Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii) Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

iii) Exchange differences

The Company accounts for exchange differences arising on translation / settlement of foreign currency monetary items as below:

Exchange differences arising on a monetary item that, in substance, forms part of the Company's net investment in a non-integral foreign operation is accumulated in the foreign currency translation reserve until the disposal of the net investment. On the disposal of such net investment, the cumulative amount of the exchange differences which have been deferred and which relate to that investment is recognized as income or as expenses in the same period in which the gain or loss on disposal is recognized.

x) Derivative instruments

Derivative instruments, other than forward contracts where an underlying asset or liability exists, are marked to market at the reporting date and if such mark to market results in exchange loss, such exchange loss is recognised in the statement of profit and loss immediately. Any gain is ignored and not recognised in the financial statements in accordance with the principles of prudence enunciated in Accounting Standard 1- Disclosure of Accounting Policies.

In case of forward contracts where an underlying asset or liability exists, the difference between the forward rate and the exchange rate at the inception of the contract is recognised as income or expense over the life of the contract.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2017 (Contd.)

xi) Taxation

Tax expense comprises current tax and deferred tax.

a) Current tax

Provision for current income tax is made on the assessable income at the tax rate applicable to the relevant assessment year.

b) Deferred tax

Deferred income taxes are recognised for the future tax consequences attributable to timing differences between the financial statement determination of income and their recognition for tax purposes. The effect on deferred tax assets and liabilities of change in tax rates is recognised in income using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. However, in the case of brought forward tax losses and tax depreciation, deferred tax assets are recognised only when there is virtual certainty supported by convincing evidence that such assets will be realised.

Minimum Alternative Tax credit ("MAT credit") is recognised as an asset only when and to the extent there is convincing evidence that the Group entities will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India the said asset is created by way of a credit to the profit and loss account and shown as MAT credit entitlement. The Group entities reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Group entities will pay normal income tax during the specified period.

xii) Leases

a) Operating leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

b) Finance leases

Assets acquired on lease where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalised at the inception of the lease at the lower of fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period. The resultant interest cost is charged to the Statement of Profit and Loss on accrual basis.

xiii) Provisions and contingencies

The Group creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may but probably will not require an outflow of resources. Disclosure is also made in respect of a present obligation that probably requires an outflow of resources, where it is not possible to make a reliable estimate of the related outflow. Where there is a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

xiv) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average numbers of equity shares outstanding during the period are adjusted for events of bonus issue and share split.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares, except where results would be anti-dilutive.

xv) Impairment of assets

The Group on an annual basis makes an assessment of any indicator that may lead to impairment of assets. If any such indication exists, the Group estimates the recoverable amount of the assets. If such recoverable amount is less than the carrying amount, then the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is charged to the Statement of Profit and Loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2017 (Contd.)

	As at March 31, 2017 (₹ in Crores)		As at March 31, 2016 (₹ in Crores)	
Note 6 - SHARE CAPITAL				
a) AUTHORIZED				
250,000,000 equity shares of ₹ 1/- each		25.00		25.00
(Previous year 250,000,000 equity shares of ₹ 1/- each)				
5,000,000 redeemable preference shares of ₹ 10/- each		5.00		5.00
(Previous year 5,000,000 shares of ₹ 10/- each)				
		<u>30.00</u>		<u>30.00</u>
b) ISSUED, SUBSCRIBED AND PAID-UP				
135,285,000 equity shares of ₹ 1/- each fully paid up		13.53		13.53
(Previous year 135,285,000 equity shares of ₹ 1/- each)				
		<u>13.53</u>		<u>13.53</u>
c) Reconciliation of number of equity shares outstanding				
	No of shares	Amount	No of shares	Amount
At the beginning of the year	13,52,85,000	13.53	13,52,85,000	13.53
Movement during the year	—	—	—	—
Outstanding at the end of the year	13,52,85,000	13.53	13,52,85,000	13.53
d) Description of the rights, preferences and restrictions attached to each class of shares				
The Company has only one class of equity shares having a face value of ₹1 per share. All the existing equity shares rank pari passu in all respects including but not limited to entitlement for dividend, bonus issue and rights issue. These equity shares are listed on the National Stock Exchange of India Limited and Bombay Stock Exchange Limited.				
In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after settling of all liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.				
e) Details of shareholders holding more than 5% equity shares in the Company				
Name of shareholder	% of holding	Number of shares	% of holding	Number of shares
Kapsons Associates Investments Private Limited	15.40	2,08,38,321	28.77	3,89,17,050
Arvind Kapur	9.35	1,26,52,460	9.35	1,26,52,460
Arun Kapur	6.39	86,51,160	6.39	86,51,160
Meraki Manufacturing and Finvest Advisors Private Limited	8.72	1,17,90,841	—	—
Higain Investments Private Limited	5.60	75,70,628	0.02	26,640
The above information is furnished as per the shareholders register as on March 31, 2017				
f) The Company has not issued bonus shares, equity shares for consideration other than cash and also no shares have been bought back during the period of five years immediately preceding the reporting period.				

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2017 (Contd.)

	As at March 31, 2017 (₹ in Crores)	As at March 31, 2016 (₹ in Crores)
Note 7 - RESERVES AND SURPLUS		
Capital reserve		
Opening balance*	0.00	0.00
Add : Additions during the year	—	—
Less : Utilised/ transferred during the year	—	—
Closing balance*	<u>0.00</u>	<u>0.00</u>
State capital subsidy		
Opening balance	0.20	0.20
Add : Additions during the year	—	—
Less : Utilised/ transferred during the year	—	—
Closing balance	<u>0.20</u>	<u>0.20</u>
Securities premium account		
Opening balance	145.04	145.04
Add : Additions during the year	—	—
Less : Utilised/ transferred during the year	—	—
Closing balance	<u>145.04</u>	<u>145.04</u>
Capital redemption reserve		
Opening balance	2.00	2.00
Add : Additions during the year	—	—
Less : Utilised/ transferred during the year	—	—
Closing balance	<u>2.00</u>	<u>2.00</u>
Foreign currency monetary item translation difference account		
Opening balance	(1.25)	—
Add : Additions during the year	0.68	(1.46)
Less : Utilised/ transferred during the year	(0.57)	(0.21)
Closing balance*	<u>0.00</u>	<u>(1.25)</u>
Foreign currency translation reserve		
Opening balance	1.89	0.72
Add : Additions during the year	(1.36)	1.17
Less : Utilised/ transferred during the year	—	—
Closing balance	<u>0.53</u>	<u>1.89</u>
General reserve		
As per last Balance Sheet	99.70	99.70
Add: Transferred from Statement of Profit and Loss	—	—
	<u>99.70</u>	<u>99.70</u>
Statement of Profit and Loss		
As per last Balance Sheet	209.47	189.81
Add : Profit transferred from Statement of Profit and Loss	48.16	29.44
Less : Proposed dividend on equity shares [#]	—	1.35
Less : Corporate dividend tax	—	0.28
Less : Interim dividend	—	6.77
Less : Interim dividend tax	—	1.38
Net Surplus as per Statement of Profit and Loss	<u>257.63</u>	<u>209.47</u>
	<u>505.10</u>	<u>457.05</u>

* Amount has been rounded off to zero

[#] In relation to the year ended March 31, 2017, Board of directors proposed a dividend of ₹10.14 crores (₹0.75 per equity share of ₹1/- each) at their meeting held on May 26, 2017. Pursuant to Amendment in AS-4 'Contingencies and Events occurring after balance Sheet date through Companies (Accounting Standards) Amendment Rules, 2016, the Company is required to recognise dividend at the time the same is declared (not proposed). Since the dividend will be declared after the balance sheet date, no effect has been given in the books of accounts.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2017 (Contd.)

	As at March 31, 2017 (₹ in Crores)	As at March 31, 2016 (₹ in Crores)
Note 8 - LONG TERM BORROWINGS		
SECURED		
Term loans		
From bank		
Foreign currency loans	88.00	107.93
Rupee loans	28.16	30.05
Vehicle loans		
From financial institution	4.69	1.59
From banks	0.55	0.27
	<u>121.40</u>	<u>139.84</u>
Less: Current maturities of long term secured borrowings (refer note 14)	53.65	48.38
Total	<u>67.75</u>	<u>91.46</u>
UNSECURED		
From Companies		
Rupee loans	0.29	1.45
	<u>0.29</u>	<u>1.45</u>
Less: Current maturities of long term unsecured borrowings (refer note 14)	0.29	1.17
Total	<u>—</u>	<u>0.28</u>
Grand Total	<u>67.75</u>	<u>91.74</u>
A. Secured loan		
1 Foreign currency term loan from Export Import bank of India carries interest @ 6 months Libor+5.00% p.a. (previous year 6 months Libor + 5.00% p.a.) and is repayable in 20 equal quarterly installments after moratorium of 8 quarters. The term loan is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future) and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram.	1.94	4.63
2 Rupee term loan from Export Import bank of India carries interest @ Base rate + 2.00% p.a. Based on current spread, the current interest rate ranges from 11.45% p.a. to 11.70% p.a. (previous year 11.70% p.a. to 12.25% p.a.) and the loan is repayable in 20 equal quarterly installments after a moratorium of 8 quarters. The term loan is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future) and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram.	3.16	10.05
3 Rupee term loan from Syndicate Bank carries interest rate ranging from 12.10% p.a. to 12.20% p.a. (previous year 12.20% p.a. to 12.75% p.a.) and is repayable in 14 equal quarterly installments after a moratorium of 6 quarters. The term loan is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future) and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram. Additionally loan is, secured by land & buildings at Plot No.23, Sector 5, HSII DC Phase II, GC Bawal (Haryana) and land & buildings at Plot No.01 & 02, Industrial Park 4, Begumpur, Haridwar, Uttarakhand. The loan is also secured by way of personal guarantee of Managing Director and Joint Managing Director of the Company. This loan has been fully repaid on September 30, 2016.	—	20.00
4 Foreign currency term loan from Yes Bank Limited carries interest @ 3 months Libor+ 3.75% p.a. (previous year 3 months Libor+ 3.75% p.a.) and is repayable in 14 equal quarterly installments after moratorium of 4 quarters. The term loan is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future) and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram.	20.35	26.46

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2017 (Contd.)

	As at March 31, 2017 (₹ in Crores)	As at March 31, 2016 (₹ in Crores)
5 Foreign currency term loan from Yes Bank Limited carries interest @ 6 months Libor+ 3.85 % p.a. (previous year 6 months Libor+ 3.85% p.a.) and is repayable in 14 equal quarterly instalments after moratorium of 4 quarters. The term loan is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future) and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram.	3.82	4.96
6 Foreign currency term loan from Kotak Mahindra Limited carries interest @ 6 months Libor+ 3.50% to 3.80 % p.a. (previous year 6 months Libor+ 3.80% p.a.) and is repayable in 16 equal quarterly installments after moratorium of 4 quarters. The term loan is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future) and mortgage by way of deposit of title deeds of the certain immovable properties of the Company situated at Dharuhera and Gurugram. This is additionally secured by personal guarantee of Managing Director and Joint Managing Director of the Company.	17.00	19.84
7 Rupee term loan from Kotak Mahindra Bank Limited carries interest @ 9.75% to 10.50% p.a. and is repayable in 3 equal quarterly installments starting December 2018. The term loan is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future) and mortgage by way of deposit of certain title deeds of immovable properties of the Company situated at Dharuhera and Gurugram. This is additionally secured by personal guarantee of Managing Director and Joint Managing Director of the Company.	20.00	—
8 Foreign currency term loan from RBL Bank Limited carries interest @ 3 months Libor+ 3.85 % p.a. (previous year 3 months Libor+ 3.85% p.a.) and is repayable in 14 equal quarterly instalments after moratorium of 4 quarters. The term loan is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future) and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurugram.	22.43	33.10
9 Rupee term loan from RBL Bank Limited carries interest @10% p.a. and is repayable in 14 equal quarterly installments starting June 2017. The term loan is secured by first pari passu charge (unless specifically charged) of all movable fixed assets (unless specifically charged) of the Company (both present and future) and mortgage by way of deposit of certain title deeds of immovable properties of the Company situated at Dharuhera and Gurugram.	5.00	—
10 Vehicle loans are secured by hypothecation of vehicles financed and are repayable in equal monthly instalments ranging from 35-60 months carrying interest @ 8.15% p.a. to 11.05% p.a. (Previous year 9.15% p.a. to 10.25% p.a.).	5.24	1.86
11 Buyer's credit facility from State Bank of India (earlier State Bank of Patiala) is secured by first pari passu charge (unless specifically charged) of all movable fixed assets of the Company (both present and future) and mortgage by way of deposit of title deeds of certain immovable properties of the Company situated at Dharuhera and Gurgaon and is repayable at 12 months carrying interest @ Libor + 0.35% to 1.25% (Previous year Libor + 0.84%)	8.15	6.62
12 Buyer's credit facility from Indusind Bank Limited (Taken over from Axis Bank Limited) are secured by exclusive charge on immovable properties (land & building) of the Company situated at Chennai and machinery imported under this facility and are repayable at 12 months carrying interest @ Libor + 0.20% to 0.25% (Previous year Libor + 0.39%).	14.31	12.32
	121.40	139.84

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2017 (Contd.)

	As at March 31, 2017 (₹ in Crores)	As at March 31, 2016 (₹ in Crores)
B. Unsecured loans		
1. Rupee term loan is taken from Tata Capital Limited as a part of facilitation agreement which carries interest @ 10.50% p.a.(previous year 13.50%) and was repayable in 60 equal monthly installments after a moratorium of 12 months and is secured by personal guarantee of Managing Director of the Company.	0.29	1.45
Aggregate amount of loans guaranteed by Directors are ₹ 37.29 crores	<u>0.29</u>	<u>1.45</u>
Note 9 - DEFERRED TAX LIABILITIES (NET)		
Deferred tax liability arising on account of :		
Depreciation	20.33	16.69
Foreign currency monetary item translation difference account*	0.00	0.43
Others	0.07	—
Less :		
Deferred tax asset arising on account of :		
Employee benefits	6.69	5.02
Provision for doubtful debts	0.16	0.22
Others	0.50	—
	<u>13.05</u>	<u>11.88</u>
* Amount has been rounded off to zero		
Note 10 - OTHER LONG TERM LIABILITIES		
Security deposits	1.55	1.39
	<u>1.55</u>	<u>1.39</u>
Note 11 - LONG TERM PROVISIONS		
Provision for gratuity (refer note 38)	16.07	12.63
Provision for compensated absences	4.63	2.21
Other provisions	0.07	—
	<u>20.77</u>	<u>14.84</u>
Note 12 - SHORT TERM BORROWINGS		
SECURED		
Working capital loans		
From banks		
Foreign currency loans	72.97	74.59
Rupee loans	41.54	11.12
	<u>114.51</u>	<u>85.71</u>
Security Details		
1. Working capital loans/facilities are secured against first pari-passu charge on all the current assets of the Company including all types of stocks and book debts / receivables (both present and future).	36.94	9.15
2. Packing credit facility from Kotak Mahindra Bank Limited is secured against first pari-passu charge on all the current assets of the Company (both present and future)	43.74	38.50
3. Packing credit facility from Yes Bank Limited is secured against first pari passu charge on the entire current assets of the Company in the form of stock of raw materials, packaging materials, stock in process, finished goods, stores, consumables and receivables.	19.49	21.53
4. Working capital loan from bank carries interest @ base rate+3.5 % p.a. and is repayable on demand. This facility is secured by exclusive first pari-passu charge by hypothecation of current assets of the Company and further secured by second charge on all the movable and immovable assets of the Company.	—	0.74

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2017 (Contd.)

	As at March 31, 2017 (₹ in Crores)	As at March 31, 2016 (₹ in Crores)
5. Working capital limit is taken from Axis bank limited and is secured by exclusive charge by way of hypothecation of current assets, both present and future, and second charge on movable fixed assets, both present and future and immovable properties of the subsidiary company, namely, Rico Jinfei Wheels Limited, viz. Land admeasuring 20475 sq. mtrs., situated at Plot No. 22, Sector 5, Phase II, G.C Bawal, Haryana.	4.60	1.24
6. This packing credit facility from IDBI Bank Limited is secured against first pari passu charge on the entire current assets of the Company in the form of stock of raw materials, packaging materials, stock in process, finished goods, stores, consumables and receivables.	9.74	14.55
	<u>114.51</u>	<u>85.71</u>
Note 13 – TRADE PAYABLES		
Payable to micro enterprises and small enterprises (refer note 36)	9.73	7.63
Others payable		
Acceptances	12.96	12.26
Other than acceptances	114.60	108.80
Due to related parties (refer note 43)	1.57	0.97
	<u>129.13</u>	<u>122.03</u>
Note 14 – OTHER CURRENT LIABILITIES		
Current maturities of long-term debts (Refer note 8 for security and re-payment details)		
SECURED		
Foreign currency loans	48.02	40.98
Rupee loans	5.63	7.40
UNSECURED		
Rupee loans	0.29	1.17
Interest accrued but not due on borrowings	0.37	0.38
Unclaimed dividends	0.96	1.20
Statutory liabilities	5.01	4.23
Payable for capital purchases	3.60	4.29
Employee benefits payable	14.68	13.54
Security deposits	2.14	1.97
Book overdraft	0.26	—
Advances from customers	6.52	9.67
Other liabilities	0.16	4.36
	<u>87.64</u>	<u>89.19</u>
Note 15 – SHORT TERM PROVISIONS		
Provision for gratuity (refer note 38)	0.26	1.36
Provision for compensated absences	0.24	0.28
Provision for income tax (net of advance tax of ₹ 7.71 crores)	4.76	—
Provision for dividend	—	1.35
Provision for tax on dividend	—	0.28
Other provisions	0.05	0.09
	<u>5.31</u>	<u>3.36</u>

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2017 (Contd.)

Note 16 – FIXED ASSETS

	GROSS BLOCK						DEPRECIATION / IMPAIRMENT				NET BLOCK	
	As at April 01, 2016	Additions/ Adjustments during the year	Disposals/ Adjustments during the year	Other Adjustments Exchange Differences	Borrowing Cost	As at March 31, 2017	As at April 01, 2016	Charge for the Year	Additional Depreciation Adjustment	Adjustment upon deletion	As at March 31, 2017	As at March 31, 2016
TANGIBLE ASSETS												
LAND												
(a) Freehold	24.66	0.99	—	—	—	25.65	0.01	—	(0.00)	0.01	25.64	24.65
(b) Leasehold	19.50	0.03	—	—	—	19.53	1.08	0.19	0.02	1.25	18.28	18.42
BUILDINGS	119.59	13.42	—	—	—	133.01	35.60	3.57	—	39.17	93.84	83.99
FURNITURE & FIXTURES	5.48	0.16	—	—	—	5.64	4.53	0.22	—	4.75	0.89	0.95
PLANT & EQUIPMENT	721.06	70.33	3.09	(0.86)	—	787.44	483.63	37.23	1.56	519.30	268.14	237.43
DIES & PATTERNS	64.18	4.28	6.24	—	—	62.22	48.75	3.49	6.29	45.95	16.27	15.43
OFFICE EQUIPMENT	19.12	1.05	0.01	(0.01)	—	20.15	17.50	0.56	—	18.06	2.09	1.62
VEHICLES	12.44	5.49	0.90	—	—	17.03	6.96	2.24	0.68	8.52	8.51	5.48
	986.03	95.75	10.24	(0.87)	—	1,070.67	598.05	47.50	8.55	637.01	433.66	387.97
INTANGIBLE ASSETS												
COMPUTER SOFTWARE	10.62	0.02	—	—	—	10.64	10.54	0.05	—	10.59	0.05	0.08
DESIGN AND DRAWINGS	—	0.64	—	—	—	0.64	—	0.16	—	0.16	0.48	—
	10.62	0.66	—	—	—	11.28	10.54	0.21	—	10.75	0.53	0.08
TOTAL	996.65	96.41	10.24	(0.87)	—	1,081.95	608.59	47.71	8.55	647.76	434.19	388.05
PREVIOUS YEAR FIGURES	962.64	37.90	5.32	1.25	0.21	996.65	563.64	46.73	0.04	608.60	388.06	399.00

includes accumulated losses recognised in financial year 2014-15 are as below:

Particulars	(₹ in crores)
Furniture & Fixtures	0.25
Plant & Equipment	154.31
Dies & Patterns	15.61
Office Equipment	0.67
Vehicles	0.20
	171.04

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2017 (Contd.)

	As at March 31, 2017 (₹ in Crores)	As at March 31, 2016 (₹ in Crores)
Note 17 – LONG TERM LOANS AND ADVANCES		
(Unsecured, considered good, unless stated otherwise)		
Capital advances:		
Considered good	19.33	12.06
Considered doubtful	—	—
Less : Provision for doubtful advances	—	—
(include advances of ₹ 17.72 crores (PY ₹ 9.72 crores) to related parties, refer note 43)		
Security deposits	11.17	6.05
Loan to related parties (refer note 43)	59.70	59.31
Loans and advances to employees	0.23	—
Advance income tax (net of provisions of ₹ 1.57 crores)	8.01	7.56
Minimum alternate tax entitlement	5.04	3.61
Prepaid expenses	0.09	0.35
Balance with statutory/ government authorities on account of:		
Service tax	5.67	—
Excise duty	0.91	—
Sales tax	0.20	—
Others*	—	0.00
	<u>110.35</u>	<u>88.94</u>
* Amount has been rounded off to zero		
Note 18 – OTHER NON CURRENT ASSETS		
Bank deposits with maturity of more than 12 months (refer note 22)	<u>0.15</u>	<u>0.27</u>
	<u>0.15</u>	<u>0.27</u>
Note 19 – CURRENT INVESTMENTS (QUOTED)		
1,983,832 units of BOI Axa Corporate credit Spectrum Fund- Direct growth @ NAV of ₹12.29 per unit (previous year 1,983,832 units of BOI Axa Corporate credit Spectrum Fund-Direct growth @ NAV of ₹ 10.08 per unit)	2.00	2.00
1,137,631 units of SBI saving fund - daily growth @ NAV of ₹ 25.95 per unit (previous year 1,137,631 units of SBI saving fund - daily growth @ NAV of ₹ 21.99 per unit)	2.50	2.50
459,460 units of SBI saving fund - regular growth @ NAV of ₹ 25.34 per unit (previous year 459,460 units of SBI saving fund - regular growth @ NAV of ₹ 21.76 per unit)	1.00	1.00
	<u>5.50</u>	<u>5.50</u>
Aggregate market value (NAV)	6.55	5.99
Note 20 – INVENTORIES		
(valued at lower of cost or net realisable value)		
Raw material and components	15.21	15.93
Stores and spares	33.85	37.03
Tooling Stock	0.13	0.39
Work-in-progress	19.32	22.01
Finished goods	27.85	19.96
Goods-in-transit - components	15.76	24.93
	<u>112.12</u>	<u>120.25</u>

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2017 (Contd.)

	As at March 31, 2017 (₹ in Crores)	As at March 31, 2016 (₹ in Crores)
Note 21 – TRADE RECEIVABLES		
Outstanding for a period exceeding six months from the date after which it becomes due		
Unsecured, considered good	9.05	9.05
Unsecured, considered doubtful	0.72	0.72
	<u>9.77</u>	<u>9.77</u>
Less: Provision for doubtful receivables	(0.72)	(0.72)
	<u>9.05</u>	<u>9.05</u>
OTHER RECEIVABLES	<u>164.87</u>	<u>133.85</u>
Unsecured, considered good	<u>173.92</u>	<u>142.91</u>
Note 22 – CASH AND BANK BALANCES		
Cash and cash equivalents		
Cash on hand	0.12	0.35
Cheques in hand	0.22	—
Balances with banks		
In current accounts	2.77	2.49
Deposits with original maturity of less than three months	3.17	0.76
	<u>6.28</u>	<u>3.60</u>
Other bank balances		
In dividend accounts	0.96	1.20
Bank deposits with maturity of more than 3 months and less than 12 months*	2.03	1.72
Bank deposits with maturity of more than 12 months*	0.15	0.27
	<u>9.42</u>	<u>6.79</u>
Less : Bank deposits with maturity of more than 12 months (Refer note 18)*	0.15	0.27
	<u>9.27</u>	<u>6.52</u>
*Pledged with bank for issuing letter of credit.		
Note 23 – SHORT TERM LOANS AND ADVANCES		
Inter corporate deposits (refer note 43)	1.90	6.75
Loans and advance to employees	1.13	1.30
Advance to suppliers	17.62	7.56
Prepaid expenses	4.16	3.02
Balance with statutory/ government authorities on account of:		
Service tax	2.66	2.42
Excise duty	31.50	39.85
Sales tax	6.80	6.26
Others	6.93	8.42
	<u>72.70</u>	<u>75.58</u>
Note 24 – OTHER CURRENT ASSETS		
Export incentive receivable	6.44	1.54
Unbilled revenue*	0.27	0.00
Accrued interest	1.19	1.79
Others	1.60	0.90
	<u>9.50</u>	<u>4.23</u>

* Amount in previous year has been rounded off to zero

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2017 (Contd.)

	As at March 31, 2017 (₹ in Crores)	As at March 31, 2016 (₹ in Crores)
Note 25 – REVENUE FROM OPERATIONS		
Sale of products	1,117.84	1,054.94
Job work charges	0.63	0.25
	<u>1,118.47</u>	<u>1,055.19</u>
Other operating revenues		
Scrap sales	16.86	13.89
Duty draw back and other export incentives	20.41	7.31
Miscellaneous sales	0.66	3.59
	<u>1,156.40</u>	<u>1,079.98</u>
Note 26 – OTHER INCOME		
Interest income	8.28	7.28
Exchange rate fluctuation (net)	2.19	3.67
Rental income from operating lease	0.16	0.10
Profit on sale of mutual fund	—	1.40
Miscellaneous income	2.34	1.76
	<u>12.97</u>	<u>14.20</u>
Note 27 – COST OF RAW MATERIALS AND COMPONENTS CONSUMED		
Raw material and components		
Opening stock	15.93	58.07
Add : Purchases during the year	547.32	442.24
Less : Closing stock	15.21	15.93
Raw Material and components consumed	<u>548.04</u>	<u>484.38</u>
Note 28 – CHANGE IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS		
(a) Work-in-progress		
Opening stock	22.01	19.98
Closing stock	19.32	22.01
	<u>2.69</u>	<u>(2.03)</u>
(b) Finished goods		
Opening stock	19.96	21.53
Closing stock	27.85	19.96
	<u>(7.89)</u>	<u>1.57</u>
(c) Tooling Stock		
Opening stock	0.39	1.22
Closing stock	0.13	0.39
	<u>0.26</u>	<u>0.83</u>
	<u>(4.94)</u>	<u>0.37</u>
Note 29 – EMPLOYEE BENEFIT EXPENSES		
Salaries, wages and bonus	120.32	114.74
Contribution to provident and other funds	14.42	10.96
Staff welfare expenses	6.17	5.77
	<u>140.91</u>	<u>131.47</u>

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2017 (Contd.)

	As at March 31, 2017 (₹ in Crores)	As at March 31, 2016 (₹ in Crores)
Note 30 - FINANCE COST		
Interest expenses on :		
(i) Borrowings	14.38	14.63
(ii) Trade payables	0.02	0.11
Other borrowing costs	2.54	2.64
Exchange differences to the extent considered as an adjustment to borrowing cost	—	2.90
	<u>16.94</u>	<u>20.28</u>
Note 31 - OTHER EXPENSES		
Consumption of stores and spare parts	60.97	61.14
Power and fuel	94.78	101.76
Sub contracting expenses	51.95	43.11
Rent	6.20	5.07
Repairs		
- Buildings	0.95	1.31
- Machinery	5.12	4.24
- Others	4.24	3.26
Insurance	4.12	3.66
Rates and taxes	1.05	1.37
Directors' sitting fees	0.36	0.34
Travelling and conveyance	3.67	3.58
Legal and professional (refer note 31(a))	7.29	5.78
Vehicle running and maintenance	3.40	3.28
Balances written off	—	8.75
Freight and forwarding	23.27	25.67
Line rejection and re-work charges	1.11	3.56
Miscellaneous expenses	7.62	7.26
	<u>276.10</u>	<u>283.14</u>
Note 31(a) - Payment to the auditors comprises :		
Statutory audit (including limited reviews)	0.89	0.81
Others	0.02	0.03
Out of pocket expenses	0.09	0.04
	<u>1.00</u>	<u>0.88</u>
Note 32 - PRIOR PERIOD ITEMS (NET)		
Interest expense	0.28	—
Job work expense	0.02	—
Others	(0.14)	0.80
	<u>0.16</u>	<u>0.80</u>
Note 33 - EXCEPTIONAL ITEMS		
Voluntary Retirement Scheme (Refer note 45)	1.36	4.59
	<u>1.36</u>	<u>4.59</u>
Note 34 - EARNINGS PER SHARE		
Profit after tax (A)(₹)	48.16	29.44
Weighted average number of Equity shares (basic and diluted) (B)	13,52,85,000	13,52,85,000
Nominal value of Equity share (₹)	1.00	1.00
Earnings per share (basic and diluted) (A/B)	<u>3.56</u>	<u>2.18</u>

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2017 (Contd.)

Note 35 - CONTINGENT LIABILITIES

- l) Demand against the Company not acknowledged as liability

Particulars	As at March 31, 2017 (₹ in Crores)	As at March 31, 2016 (₹ in Crores)
i) Income tax (TDS)	0.02	0.07
ii) Sales tax and Value added tax	0.26	0.26
iii) Excise and service tax	7.28	11.70
iv) Others	5.92	9.92

Income tax cases

- a. Income tax department has raised demand for ₹ 0.02 crores (previous year ₹ 0.07 crores). This is on account of filing of incorrect particulars regarding challans deposited as compared to actual challans deposited for the year up to 2011-12. The liability has reduced after correct submission of particulars in revised challans.

Sales tax cases

- a. A demand was raised under Haryana VAT Act 2003 for denial of input credit availed on purchase of furnace oil. The demand was confirmed by Joint Commissioner (Range) for ₹ 0.04 crores (previous year ₹ 0.04 crores). An appeal was filed with Haryana Sales Tax Tribunal on February 23, 2013. The Tribunal had remanded the case back to Joint Commissioner, Gurugram. The Joint Commissioner has passed an adverse order against the Company. The Company has again appealed against the order of Joint Commissioner with the Haryana Sales Tax Tribunal.
- b. A demand was raised under Haryana VAT Act 2003 for denial of input credit availed on purchase of furnace oil. The order passed by the Deputy Excise and Taxation Commissioner, Rewari for ₹ 0.22 crores (previous year ₹ 0.22 crores). The Commissioner has passed an adverse order against the Company. The Tribunal had remanded the case back to Assessing Authority. The Company has again appealed against the order of the Assessing Authority.

Excise and service tax cases

- a. A show cause notice was issued by the Commissioner on removal of dies for job work without payment of duty. Commissioner passed the order on September 15, 2008 demanding excise duty of ₹ 0.75 crores, penalty of equal amount, interest at the applicable rate and a fine in lieu of confiscation of ₹ 0.10 crores on the dies released provisionally. Further, Company has also furnished a bond of ₹ 0.42 crores and a bank guarantee of ₹ 0.004 crores. A stay application was filed before the CESTAT. Total amount involved is ₹ 2.96 crores (previous year ₹ 2.84 crores). Current year movement represents interest.
- b. A show cause notice was received from the Joint Commissioner of Central Excise towards cenvat credit availed on custom house agent and courier export related services during previous years 2004-05 to 2007-08. The Commissioner has confirmed the demand against which the Company filed an appeal before CESTAT. CESTAT ordered pre deposition of ₹ 0.24 crores. The amount involved was ₹ 1.55 crores. During the year, the Company has received an order from CESTAT in its favour.
- c. A show cause notice was received from Additional Commissioner of Central Excise on availment of cenvat on construction and other repair and maintenance service during previous years 2005-06 to 2010-11. Commissioner of Central Excise confirmed the demand against which the Company filed an appeal before the CESTAT on June 29, 2012. CESTAT has granted an unconditional stay on February 19, 2013. Matter is pending for final decision before the Tribunal. Amount involved is ₹ 2.36 crores (previous year ₹ 2.27 crores). Current year movement represents interest.
- d. Department has issued a show cause notice dated January 17, 2011 in respect of claim of cenvat on insurance, catering, tent house and taxi & travels for the period 2010-11. Joint commissioner has confirmed the demand against reply filed. An appeal was filed before the commissioner of central excise (appeals) Delhi-III, Gurugram on January 31, 2012. Commissioner (Appeals) in its order dated January 21, 2013 decided the appeal in favour of Company on May 7, 2013. The department has filed an appeal before Tribunal against said order. The amount involved was ₹ 0.45 crores. During the year, the Company has received an order from CESTAT in its favour.
- e. Department has issued a show cause notice received from Joint Commissioner of Central Excise dated October 08, 2008 in respect of claim of cenvat on insurance, catering, tent house and taxi & travels for the period 2004-05 to 2007-08. Demand was confirmed by Additional Commissioner, against reply filed. Appeal filed before the Commissioner of central excise (appeals) Delhi-III, Gurugram on March 21, 2014. The amount involved was ₹ 1.37 crores. During the year, the Company has received an order from CESTAT in its favour.
- f. Department has issued a show cause notice dated April 17, 2009 in respect of claim of cenvat on insurance, catering, tent house and taxi & travels for the period 2008-09. On January 30, 2014 Additional Commissioner has confirmed the demand against the reply filed. Appeal filed before the commissioner of central excise (appeals) Delhi-III, Gurugram on March 21, 2014. The amount involved was ₹ 0.20 crores. During the year, the Company has received an order from CESTAT in its favour.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2017 (Contd.)

- g. Department has issued a show cause notice dated February 18, 2010 in respect of claim of cenvat on insurance, catering, tent house and taxi & travels for the period February, 2009 to December, 2010. On January 30, 2014 Additional Commissioner has confirmed the demand against the reply filed. Appeal filed before the commissioner of central excise (appeals) Delhi-III, Gurugram on March 21, 2014. The amount involved was ₹ 0.31 crores. During the year, the Company has received an order from CESTAT in its favour.
- h. Department has issued a show cause notice dated December 27, 2011 in respect of claim of cenvat on insurance, catering, tent house and taxi & travels for the period January 2011 to November 2011. On January 30, 2014, Additional Commissioner has confirmed the demand against the reply filed. Appeal filed before the commissioner of central excise (appeals) Delhi-III, Gurugram on March 21, 2014. The amount involved was ₹ 0.02 crores. During the year, the Company has received an order from CESTAT in its favour.
- i. Department has issued a show cause notice dated December 31, 2012 in respect of claim of cenvat on insurance, catering, tent house and taxi & travels for the period December 2011 to November 2012. On January 30, 2014, Additional Commissioner has confirmed the demand against the reply filed. Appeal filed before the commissioner of central excise (appeals) Delhi-III, Gurugram on March 21, 2014. The amount involved was ₹ 0.79 Crores. During the year, the Company has received an order from CESTAT in its favour..
- j. A show cause notice has been received from the Additional Commissioner of Central Excise towards Cenvat availed on outward freight during 2005-06 and 2006-07. The Joint Commissioner confirmed the demand against which the Company appealed before CESTAT. The Tribunal remanded back the case to the Commissioner (Appeals) and it is pending before it. Amount involved is ₹ 0.27 Crores (previous year ₹ 0.26 crores). Current year movement represents interest.
- k. A show cause notice has been received from commissioner of central excise to deposit inadmissible cenvat credit availed on the capital goods destroyed in fire. The demand has been confirmed by Additional Commissioner against which the Company appealed before the Commissioner (Appeals) of Central Excise. Amount involved is ₹ 1.69 crore (Previous year ₹ 1.64 Crores). Current year movement represents interest.

Others

- a. Dakshin Haryana Bijli Vitran Nigam (DHBVN) had demanded ₹ 5.60 crores (previous year ₹ 5.60 crores) for overdrawing power as compared to approved load limit. DHBVN filed a writ petition before Honorable High Court of Punjab and Haryana, which was dismissed on account of non-prosecution on February 15, 2016. DHBVN filed an appeal before double judge bench and the next hearing was scheduled on November 23, 2016. Further, the next hearing date was set on May 10, 2017. The Company has deposited ₹ 3.60 crores during the financial year 2011-12, which is disclosed in Note 23 –“Short term loans and advances” under sub head “Others”.
- b. A demand was raised under Haryana Local Area Development Tax Act, 2000 for tax on central purchase of certain items. An appeal was filed before with Joint Commissioner (Appeal) and the amount involved is ₹ 0.01 crores (Previous year ₹ 0.01 crores).
- c. Guarantees issued by bank to a customer of AAN Engineering Industries Limited, a subsidiary company amounting to ₹ 0.31 crores. (previous year ₹ 0.33 crores).

II) Others

Surety bonds executed in favour of the President of India, under Export Promotion Capital Goods Scheme (EPCG) for importing capital goods at concessional rate of custom duty, amounting to ₹ 4.66 crores (previous year ₹ 4.66 crores). Amount of custom duty included is ₹ 4.28 crores (previous year ₹ 4.28 crores)

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2017 (Contd.)

Note 36 – DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES

(₹ in Crores)

Particulars	As at March 31, 2017		As at March 31, 2016	
	Principal	Interest	Principal	Interest
1. The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	9.73	0.01	7.63	0.01
2. The amount of interest paid by the buyer in terms of section 16 of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	—	—	—	—
3. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act;	—	—	—	—
4. The amount of interest accrued and remaining unpaid at the end of each accounting year; and	—	0.01	—	0.01
5. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act.	—	—	—	—

Note 37 – COMMITMENTS

Particulars	Year ended March 31, 2017 (₹ in Crores)	Year ended March 31, 2016 (₹ in Crores)
Estimated amount of contracts remaining to be executed on account of capital commitments [net of advance ₹ 4.70 crores (previous year ₹ 2.15 crores)]	22.08	2.97

Note 38 – EMPLOYMENT BENEFITS

A. Provident fund and other funds:

Employer's contribution to provident fund	6.14	5.38
Employer's contribution to ESI	0.35	0.24

B. Defined benefit plan

I) Change in defined benefit obligation

a) Present value of obligation as at beginning of the year.	21.11	19.55
b) Current service cost	1.91	1.72
c) Interest cost	1.69	1.48
d) Benefits paid	(1.44)	(2.13)
e) Actuarial gain	1.69	0.37
Present value of obligation as at end of the year	24.96	20.99

II) Change in fair value of plan assets

a) Fair Value of assets at the beginning of the year	7.12	7.99
b) Expected return on plan assets	0.66	0.67
c) Contributions made	2.22	—
d) Benefits paid	(1.15)	(1.51)
e) Actuarial loss	(0.22)	(0.03)
Fair value of plan assets as at end of the year	8.63	7.12

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2017 (Contd.)

Particulars	Year ended March 31, 2017 (₹ in Crores)	Year ended March 31, 2016 (₹ in Crores)
III) The amounts to be recognised in Balance Sheet		
a) Present value of obligation as at the end of the period	24.95	21.11
b) Fair value of plan assets as at the end of the period	8.63	7.12
Net liability recognised in Balance Sheet	16.33	13.99
- Non Current	16.07	12.63
- Current	0.26	1.36
IV) Expense recognised in the Statement of Profit and Loss		
a) Current service cost	1.91	1.72
b) Interest cost	1.69	1.48
c) Net actuarial loss recognised	1.91	0.41
d) Expected return on planned assets	(0.66)	(0.67)
e) Expenses recognised in the Statement of Profit and Loss	4.85	2.94
V) Assumptions used to determine the benefit obligations:		
Discount rate	7.37% to 8.00%	8.00%
Rate of increase in compensation levels	5.50% to 10.00%	5.50 to 10.00%
Expected return on planned assets	9.25%	9.25%
C. Other long-term benefit plans		
Other long-term benefit plans represents the compensated absences provided to the employees of the group. These plans have been calculated using projected unit credit method in accordance with Accounting Standard 15 Employee benefit.		
I) Actuarial valuation has been performed using following assumptions:		
Discount rate	7.37% to 8.00%	8.00%
Rate of increase in compensation levels	5.50% to 10.00%	5.50 to 10.00%
Expected return on planned assets	9.25%	9.25%

Note 39 – DETAILS OF UN-HEDGED FOREIGN CURRENCY EXPOSURE OUTSTANDING ON MARCH 31, 2017:

The foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below as on each Balance Sheet date:

Particulars	Year ended March 31, 2017 (₹ in Crores)	Year ended March 31, 2016 (₹ in Crores)
Trade receivables	71.48	62.15
Trade payables	2.11	5.66
Cash	0.01	—
Loans (secured)		
Buyer's credit facility	22.46	18.94
Term loan	65.54	88.99
Packing credit facility	72.97	74.58

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2017 (Contd.)

Note 40 – SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED

- a. As the Group's business activity falls within a single primary business segment viz. "manufacturing and sale of auto components for two wheelers and four wheelers", hence the Group has only one primary reportable business segment.
- b. Secondary segment: Geographical

(₹ in Crores)

Particulars	India	UK	USA	Total
Year ended March 31, 2017				
Revenue from external customers (gross)	952.32	52.25	151.83	1156.40
Carrying amount of segment assets	870.58	25.90	62.60	959.08
Capital expenditure*	69.60	—	—	69.60
Year ended March 31, 2016				
Revenue from external customers (gross)	894.09	40.91	144.98	1,079.98
Carrying amount of segment assets	807.04	16.25	69.31	892.60
Capital expenditure*	68.97	—	—	68.97

*Capital Expenditure includes movement of CWIP.

Note 41 – The Group's operating lease payments are due on premises and certain other items taken on lease for operating activities. Aggregate rental expenses under operating leases amounted to ₹ 6.20 crores (previous year ₹ 5.07 crores) for the year has been charged to the statement of profit and loss.

The future minimum operating lease payments in respect of premises taken on lease are as follow:

Particulars	As at March 31, 2017 (₹ in Crores)	As at March 31, 2016 (₹ in Crores)
Minimum lease payments		
Due within one year	0.75	1.59
Due for period more than one but less than five years	2.09	2.58
Due for period more than five years	15.89	16.13
Total minimum lease payment	17.63	20.30

Note 42 – In accordance with Accounting Standard 11 "The effects of Changes in Foreign Exchange Rates", the Company had chosen to avail the option to capitalise exchange differences arising on long term foreign currency monetary items to the cost of the relevant fixed assets and amortising it over the remaining useful life of the fixed assets. Amount remaining to be amortised is as under:

Particulars	As at March 31, 2017 (₹ in Crores)	As at March 31, 2016 (₹ in Crores)
Un-amortised exchange differences	3.44	8.01

Note 43 – RELATED PARTIES

A) Name of related parties

Name of related parties	Description of relationship
Magna Rico Powertrain Private Limited	Joint Venture
Kapsons Associates Investments Private Limited	Entity in which KMP exercise significant influence
Higain Investments Private Limited	Entity in which KMP exercise significant influence
Magpie Properties Private Limited	Entity in which KMP exercise significant influence
Octan Media Limited	Entity in which KMP exercise significant influence
ASN Properties Private Limited	Entity in which KMP exercise significant influence
Rico Castings Limited	Entity in which KMP exercise significant influence
T.K. Precision Private Limited	Entity in which KMP exercise significant influence
Kapbros Engineering Industries Limited	Entity in which KMP exercise significant influence
Haridwar Estates Private Limited	Entity in which KMP exercise significant influence

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2017 (Contd.)

B) Key managerial personnel

Details of key managerial personnel are as under:

- i) Shri Arvind Kapur – Chairman, CEO & Managing Director
- ii) Shri Arun Kapur – Joint Managing Director
- iii) Shri Sanjay Syal – Chief Financial Officer (upto February 7, 2017)*
- iv) Shri B.M Jhamb – Company Secretary*

* as per the Companies Act, 2013

C) Amount for the Current and Previous years are as follows:

	As at March 31, 2017 (₹ in Crores)	As at March 31, 2016 (₹ in Crores)
A. JOINT VENTURES		
1. Magna Rico Powertrain Private Limited		
Transactions during the year		
Miscellaneous Income	0.21	0.09
Sale of goods	5.01	6.70
Job work income	—	0.00*
Balance outstanding		
Balance recoverable	1.72	2.56
B. ENTITY IN WHICH KMP EXERCISE SIGNIFICANT INFLUENCE		
1. Rico Castings Limited		
Transactions during the year		
Purchase of goods	11.14	7.93
Sale of goods	7.40	4.92
Purchase of assets	0.05	—
Job work expense	0.59	0.47
Administration, finance, production, support services	6.47	7.25
Rent paid	1.80	1.66
Loan given	—	13.00
Capital Advance	3.10	—
Security Deposit	4.90	—
Loan received back	—	2.59
Interest income	2.47	2.42
Job work income	—	0.07
Balance outstanding		
Balance recoverable	4.90	1.87
Balance payable	0.18	—
Loan given	36.20	35.91
Capital Advance Receivable	3.10	—
Security Deposit	4.90	—

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2017 (Contd.)

	As at March 31, 2017 (₹ in Crores)	As at March 31, 2016 (₹ in Crores)
2. Kapbros Engineering Industries Limited		
Transactions during the year		
Purchase of goods	0.09	0.32
Sale of goods	0.19	0.53
Purchase of assets	—	5.35
Sale of assets	0.04	0.12
Job work expense	1.59	25.31
Reimbursement of Expenses	0.04	—
Interest	—	0.56
Loan received back	—	6.00
Balance outstanding		
Balance recoverable	0.24	3.54
Balance payable	0.52	0.03
3. Kapsons Associates Investments Private Limited		
Transactions during the year		
Loan given	0.10	24.70
Inter-corporate deposit	1.90	—
Loan received back	—	1.30
Interest accrued	2.22	1.89
Rent paid	0.75	0.69
Balance outstanding		
Security deposit given	0.18	0.18
Inter-corporate deposit	1.90	—
Loan recoverable	23.50	23.40
Interest Income	0.01	—
4. Magpie Properties Private Limited		
Transactions during the year		
Loan Repaid	—	0.70
Interest Expense	—	0.21
Balance outstanding		
Loan taken	—	—
5. Haridwar Estates Private Limited		
Balance outstanding		
Capital advance	9.72	9.72
6. TK Precision Private Limited		
Transactions during the year		
Purchase of goods	3.62	4.25
Reimbursement of Expenses	—	—
Balance outstanding		
Balance payable	0.87	0.94

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2017 (Contd.)

	As at March 31, 2017 (₹ in Crores)	As at March 31, 2016 (₹ in Crores)
C) KEY MANAGERIAL PERSONS		
Remuneration paid to key managerial personnel		
Shri Arvind Kapur	2.92	2.06
Shri Arun Kapur	0.87	0.62
Shri Sanjay Syal [#]	0.50	0.52
Shri B.M. Jhamb	0.42	0.36

* Amounts has been rounded off to zero

[#] Resigned with effect from February 7, 2017

Note 1: In respect of personal guarantee given by Promoters-Directors refer Note 5 - Long term borrowings and Note 9 - Short term borrowings.

Note 2: The above transactions are in the ordinary course of business.

Note 44 – Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013:

Name of the Entity	Net Assets (Total Assets - Total Liabilities)		Share in Profit and Loss	
	As % Consolidated Net Assets	Amount (₹ in crores)	As % Consolidated Net Profit	Amount (₹ in crores)
(₹ in crores)				
Parent				
Rico Auto Industries Limited	96.06%	502.39	87.64%	42.60
Subsidiaries				
Indian				
1. Uttarakhand Automotives Limited	0.01%	0.06	(0.01%)	(0.00)
2. AAN Engineering Industries Limited	(0.16%)	(0.83)	0.40%	0.19
3. Rico Investments Limited	18.40%	96.23	1.50%	0.73
4. Rico Jinfei Wheels Limited	1.36%	7.11	(0.13%)	(0.06)
5. RASA Autocom Limited	3.86%	20.21	9.14%	4.44
6. Rico Aluminium and Ferrous Auto Components Limited (formerly known as RAA Autocom Limited)	8.96%	46.88	0.54%	0.26
Subsidiaries				
Foreign				
1. Rico Auto Industries Inc., (USA)	4.08%	21.31	3.25%	1.58
2. Rico Auto Industries (UK) Limited, (UK)	0.98%	5.14	0.64%	0.31
Minority Interest				
Indian				
1. Rico Investments Limited (including its subsidiaries)	0.83%	4.36	0.87%	0.43
Joint Ventures				
Indian				
1. Magna Rico Powertrain Private Limited	3.87%	20.25	8.27%	4.02
Add/(Less): Effect of Intercompany adjustments/ eliminations	(38.25%)	(200.13)	(12.11%)	(5.91)
Total	100%	522.98	100%	48.59

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2017 (Contd.)

Note 45 – Exceptional items for the current year include expenditure incurred pursuant to Voluntary Retirement Scheme of the Company amounting ₹ 1.36 crores (previous year ₹ 4.59 crores).

Note 46 – DISCLOSURE ON SPECIFIED BANK NOTES (SBNs)

Disclosure in respect of Specified Bank Notes (SBN) as specified by Ministry of Corporate Affairs (MCA) vide notification no. G.S.R. 308(e) dated March 30, 2017 is given below:

Particulars	SBNs*	Other Denomination Notes	Total
Closing cash in hand as on November 8, 2016	812,500	1,061,378	1,837,878
(+) Permitted receipts	—	2,187,988	2,187,988
(-) Permitted payments	—	1,697,254	1,697,254
(-) Amount deposited in Banks	812,500	—	812,500
Closing cash in hand as on December 30, 2016	—	1,552,112	1,552,112

* Includes total amount of Cash In Hand.

Note 47 – Prior period tax for the year ended March 31, 2017 represents net impact of write back of excess provisions of earlier years amounting to ₹ 0.52 crores and additional provision created for demand pertaining to earlier year's which has been received during the year amounting to ₹ 0.19 crores.

Note 48 – Previous year's amounts have been regrouped/reclassified, wherever considered necessary to make them comparable with those of the current year.

This is the summary of significant accounting policies and other explanatory information referred to in our report of even date.

For **Walker Chandio & Co LLP**
Chartered Accountants

per **Ashish Gupta**
Partner

Rakesh Kumar Sharma
Vice President
(Finance & Accounts)

For and on behalf of the Board of Directors of
Rico Auto Industries Limited

Amarjit Chopra
Director
(DIN:00043355)

Place : Delhi
Date : 26th May, 2017

B.M Jhamb
Company Secretary

Satish Sekhri
Director
(DIN:00211478)

Arvind Kapur
Chairman, CEO
& Managing Director
(DIN: 00096308)

Concept to Completion



R&D – Design Development, Validation & Testing



Engineering CAD CAM CAE



Manufacturing – Dies & Tooling



**Manufacturing – Special Purpose Machines with
CNC Controls**



Casting – Aluminium & Ferrous



Manufacturing & Process Engineering



Machining & Assembly



Logistics Management



Account & Program Management

RICO

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