



Precision Camshafts Limited

(100% EOU Division)

Works : D-5,D-6,7,7-1, M I D C, Chincholi, Solapur 413 255.



Sec/May/SE/N&B/08/2017

Date: 29th May, 2017

BSE Limited,

Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400001
(CODE:539636)

**The National Stock Exchange of India
Limited**

Exchange Plaza, Bandra kurla Complex,
Bandra (E) Mumbai 400051
(CODE: PRECAM)

Dear Sirs,

Sub:- Submission of Investors Presentation under regulation 30 (1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

We would like to submit the Investors Presentation for the Forth quarter and year ended 31st March, 2017 for your information and record.

You are kindly requested to take the same on record.

Thanking you,

Yours Truly

For **Precision Camshafts Limited**


Swapneel S Kuber
Company Secretary &
Compliance Officer





INVESTOR PRESENTATION May 2017

PRECISION CAMSHAFTS LIMITED



DISCLAIMER



This presentation and the following discussion may contain “forward looking statements” by Precision Camshafts Limited (“Precision Camshafts” or “PCL” or the “Company”) that are not historical in nature. These forward looking statements, which may include statements relating to future results of operations, financial condition, business prospects, plans and objectives are based on the current beliefs, assumptions, expectations, estimates and projections of the management of PCL about the business, industry and markets in which PCL operates.

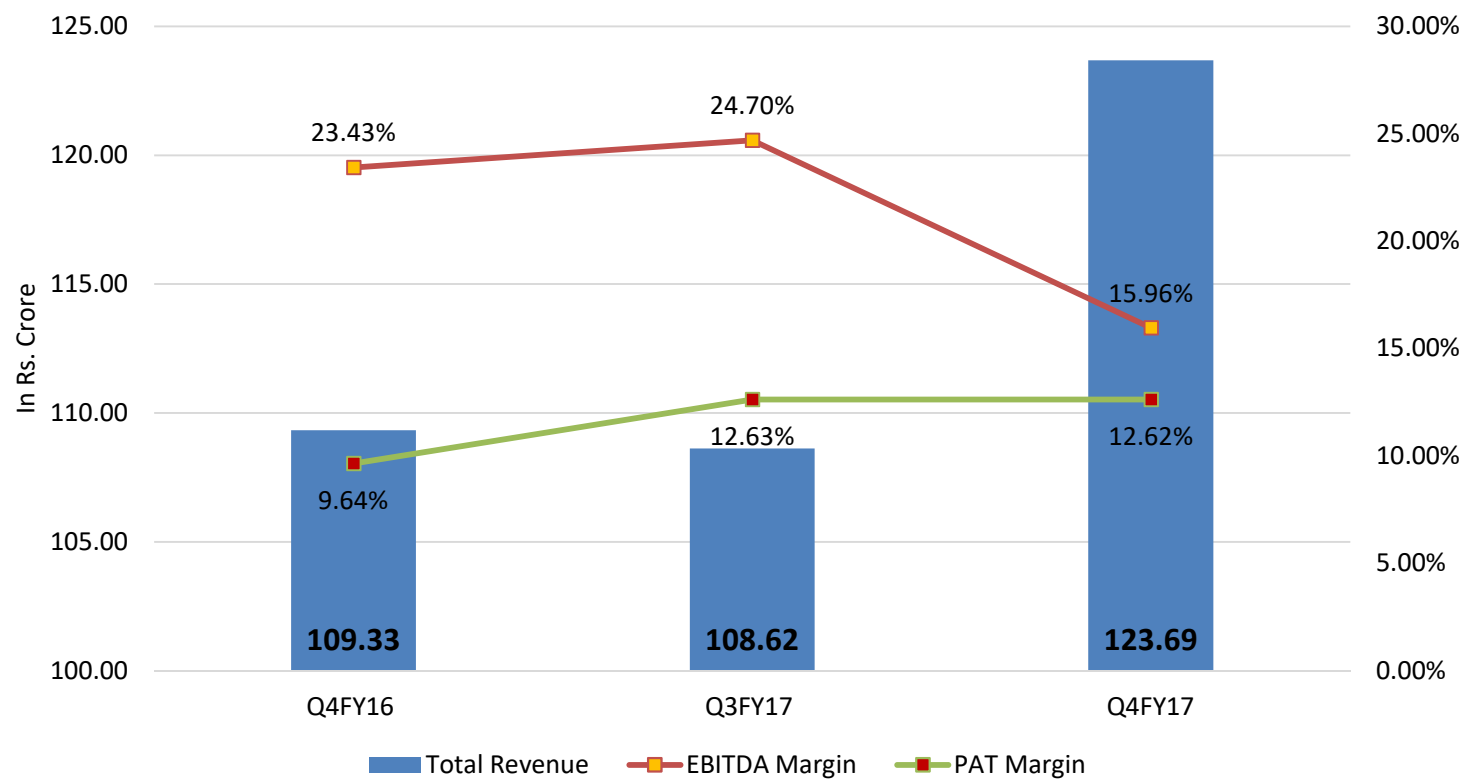
These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors, some of which are beyond PCL’s control and difficult to predict, that could cause actual results, performance or achievements to differ materially from those in the forward looking statements.

Such statements are not and should not be construed as a representation of future performance or achievements of PCL. In particular, such statements should not be regarded as a projection of future performance of PCL. It should be noted that the actual performance or achievements of PCL may vary significantly from such statements.

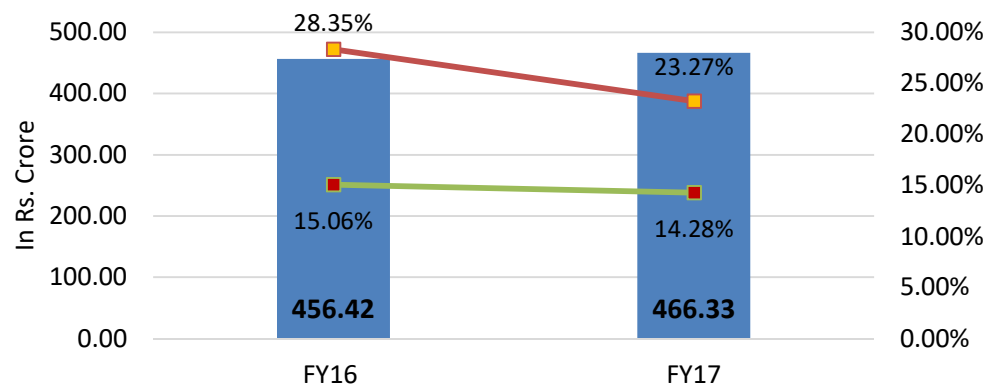
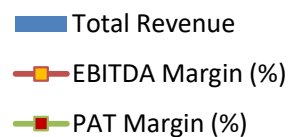
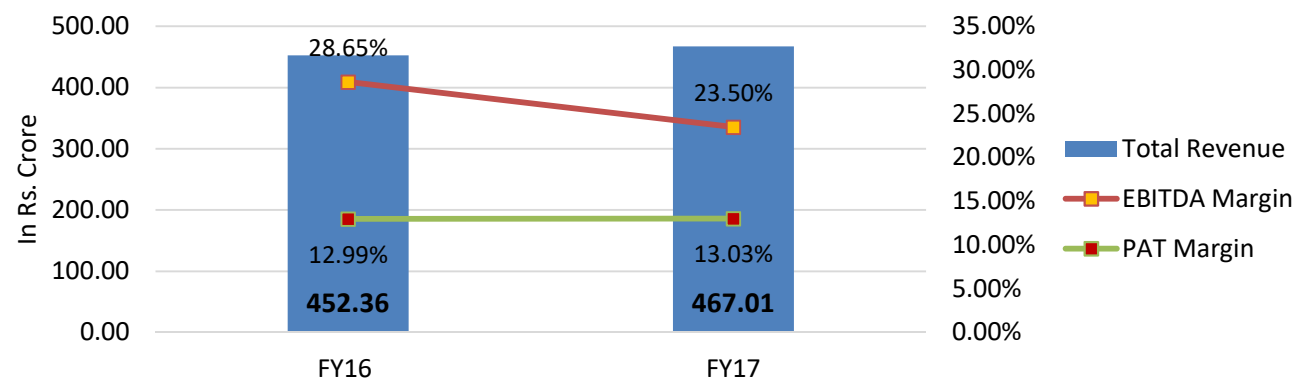


- ☐ **Q4 & FY17 RESULT ANALYSIS**
- ☐ **COMPANY OVERVIEW**
- ☐ **SHAREHOLDING STRUCTURE**

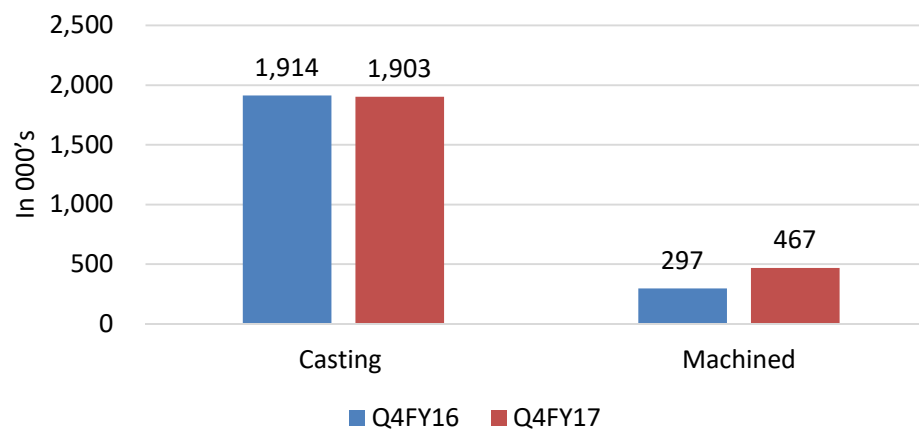
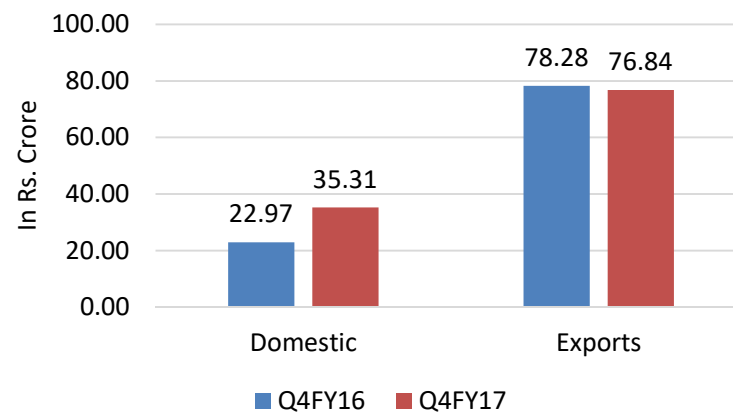
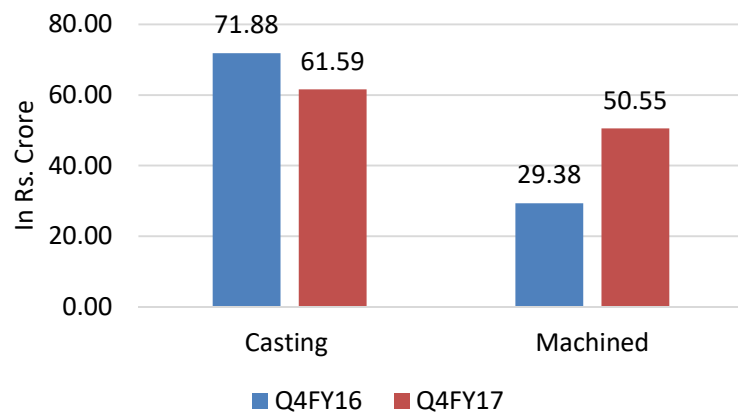
Quarterly Result Highlights (Standalone)



FY17 Result Highlights (Standalone & Consolidated)

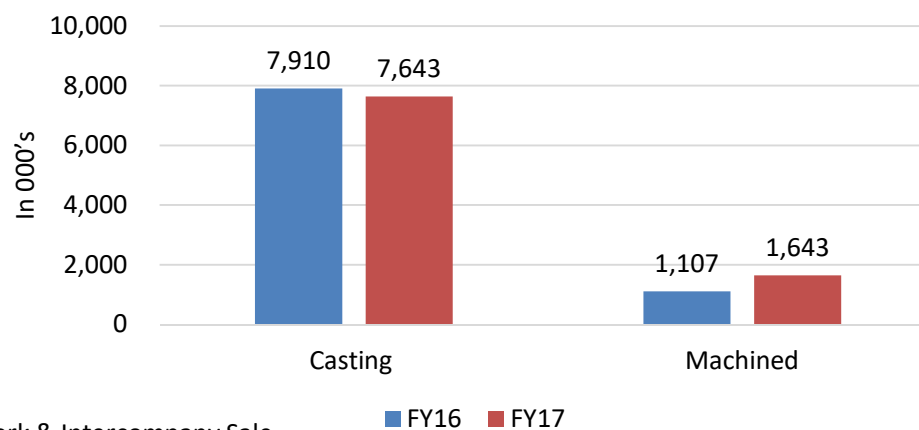
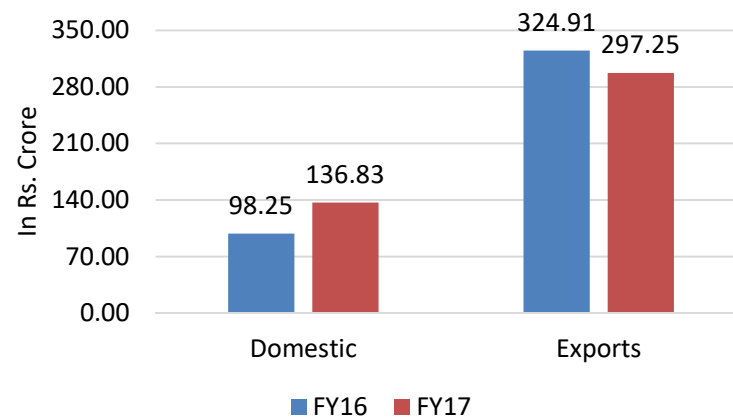
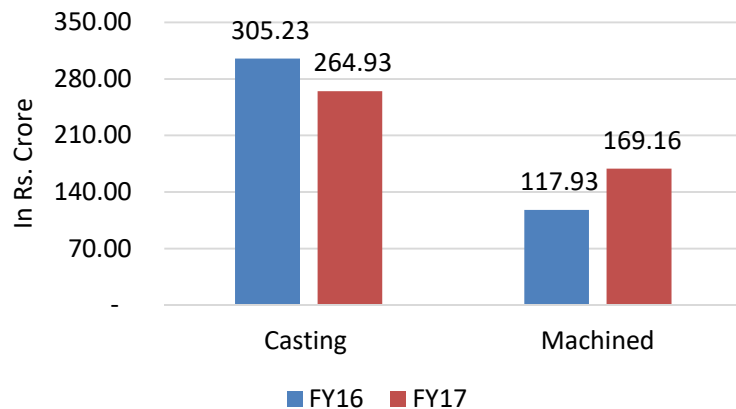


Quarterly Revenue & Volume Break-up (Standalone)



Data Excluding Excise Duty, Rejection, Jobwork & Intercompany Sale

Yearly Revenue & Volume Break-up (Standalone)



Data Excluding Excise Duty, Rejection, Jobwork & Intercompany Sale

Q4FY17 RESULT ANALYSIS

RESULT HIGHLIGHTS



Q4FY17 Total Revenues increased by 13.13% to Rs. 123.69 crore

- Domestic revenues increased by 53.70% and export revenues decreased by 1.85%
- Share of domestic vs. exports was 31:69 in Q4FY17 compared to 23:77 in Q4FY16
- Sales of casting camshafts declined by 14.31% YoY, however there was 72.09% increase in sales of machined camshafts
- As per new IND AS requirements, Equity method of consolidation is followed where only bottom line is added in case of consolidation of JVs. Consolidation of subsidiary continue to be line-by-line.

Q4FY17 EBITDA declined by 22.95% to Rs. 19.74 crores. EBITDA margins declined from 23.43% to 15.96%.

EMPLOYEE EXPENSES:

- Additional VRS compensation given to employees Rs. 3.7 crores as the Company is moving towards atomization
- Increase in technical operators in machine shop which has led to increase in employee expense by Rs. 1.80 crores
- Regular increments given to staff and workers of Rs. 1 crores

OTHER EXPENSES

- China has devalued its currency , as a result of which our investment in wholly owned subsidiary (PCL Shanghai) has been eroded by Rs. 1.10 crores for which we have made a provision in Q4 FY 2016-17.
- Additional foreign currency restatement loss of Rs. 1.22 crores booked in last quarter
- In Q4FY16, CSR expenditure was not incurred as per the provisions of the Companies Act. During the year, the Company has fulfilled the provisions and incurred expenditure of Rs. 1.46 crores. Hence the cost of other expenses has been increased.
- We have established office in Europe for increase in business and appointed agents for the same due to which commission cost has been increased by Rs. 40 lakhs and also travelling cost has been increased by Rs. 45 lakhs.
- Power cost has been increased Rs. 1.50 crores as there is a revision in tariff by MSEDCL.

- **Q4FY17 PAT grew by 48.10% to Rs. 15.61 crore. PAT margins improved by 298 bps from 9.64% to 12.62%.**

Despite of decrease in EBITDA margin, the Company is able to retain its PAT margin due to decrease in-

FINANCE COST:

There is decrease in the finance cost due to repayment of ECB loan and we have availed working capital at low cost of borrowings.

TAX EXPENSES:

- There is a decrease in tax expense as deferred tax working has been changed due to new Indian Accounting Standard (IND AS) implemented with effect from April 2016.
- Earlier years, capitalized exchange difference was not considered for deferred tax working. After introduction of new IND AS requirements, the same has now been considered as temporary difference. This has reduced the tax expense in FY 2016-17 by Rs. 2.56 crores. This will further continue until exchange difference nullifies.
- Additional depreciation benefit on account of installation of fixed assets above Rs. 25 crores during the year 2016-17 has been claimed (under section 32 AC of Income Tax Act). Hence the tax liability has been reduced.

Q4 & FY17 RESULT HIGHLIGHTS

STANDALONE P&L STATEMENT



Particulars (In Rs Crore)	Q4FY17	Q4FY16	Y-o-Y %	Q3FY17	Q-o-Q %	FY17	FY16	Y-o-Y %
Revenue from Operations	123.69	109.33	13.13%	108.62	13.87%	467.01	452.36	3.24%
Other Income	0.89	1.19	-25.21%	5.52	-83.88%	9.17	12.41	-26.11%
Total Revenues	124.58	110.52	12.72%	114.14	9.15%	476.18	464.77	2.45%
COGS	39.07	31.93	22.36%	30.97	26.15%	137.75	130.77	5.34%
Gross Profit	84.62	77.40	9.33%	77.65	8.98%	329.26	321.59	2.39%
Gross Margin	68.41%	70.79%	-238 bps	71.49%	-299 bps	70.50%	71.09%	-59 bps
Employee Expenses	18.01	14.7	22.52%	16.65	8.17%	63.14	56.73	11.30%
Other Expenses	28.16	22.39	25.77%	21.79	29.23%	92.66	82.95	11.71%
Power and Fuel expenses	13	11.56	12.46%	11.71	11.02%	48.88	48.07	1.69%
Excise Duty on Sale of Goods	6.59	4.33	52.19%	6.18	6.63%	24.03	16.63	44.50%
EBITDA	19.74	25.62	-22.95%	26.83	-26.43%	109.73	129.61	-15.34%
EBITDA Margin %	15.96%	23.43%	-747 bps	24.70%	-874 bps	23.50%	28.65%	-515 bps
Depreciation	9.31	9.33	-0.21%	9.32	-0.11%	37.36	39	-4.21%
Finance Cost	1.24	2.3	-46.09%	1.71	-27.49%	7.13	9.06	-21.30%
Finance Income	6.73	3.58	87.99%	4.65	44.73%	22.18	9.12	143.20%
PBT	15.92	17.57	-9.39%	20.45	-22.15%	87.42	90.67	-3.58%
Tax Expense	0.31	7.02	-95.58%	6.74	-95.40%	26.56	31.92	-16.79%
PAT	15.61	10.54	48.10%	13.72	13.78%	60.85	58.75	3.57%
PAT Margin %	12.62%	9.64%	298 bps	12.63%	-1 bps	13.03%	12.99%	4 bps
EPS In Rs. (Basic)	1.65	1.17	41.03%	1.45	13.79%	6.42	7.01	-8.42%

COMPANY OVERVIEW

MARQUEE CUSTOMERS AND GLOBAL FOOTPRINT



MARQUEE CUSTOMERS



GEOGRAPHICAL FOOTPRINT



- Geographies in which customers are serviced by PCL

MARKETING NETWORK

4 continents serviced through various agencies –

- KorConsulting LLC - North America, Europe and UK
- Huppert Engineering - South America
- T&G Auto-tec - South Korea

COMPANY OVERVIEW

CAPACITY EXPANSION – ADDITION OF NEW MACHINE SHOP



CAPACITY EXPANSION: ADDITION OF MACHINE SHOP

- New machine shop for ductile / assembled / chilled cast iron camshafts at EOU division in Solapur
- Proposed capacity – 2.0 mn units / year
- Total capex – Rs 2,302 mn
- Capacity addition to take place in phases over FY18 subject to the orders received from customers
- This will help PCL expand its product offerings for existing customers, as well as target new customers
- PCL has already received orders from Ford Motors and Toyota for ductile camshafts
- PCL is also setting up a plant in Brazil for machining of camshafts to General Motors 6 mn over the life of program.



DISCLOSURE OF MATERIAL EVENTS

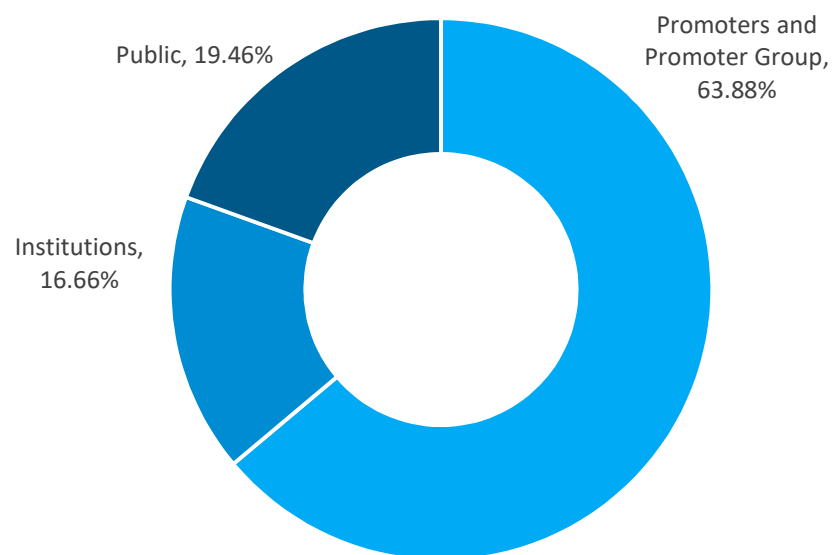


- We are pleased to inform that the Company has won a global contract from Ford for the delivery of circa 8 million camshafts over the life of the program, which is expected to commence supplies from 2018 - 19.
- The aggregate value of this program over its life time is estimated to be 550 crores in terms of Indian currency.
- The camshafts are to be supplied to their facilities in Spain and China.

SHAREHOLDING STRUCTURE



% Shareholding – 31st March 2017



Source: BSE

Key Institutional Investors – As on 31st March 2017

SBI MF	7.17%
IDFC MF	3.60%
ICICI PRUDENTIAL MF	1.54%
Canara ROBECO MF	1.21%
HDFC MF	1.11%

Source: Thomson Reuters



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