PRICOL LIMITED *(Formerly Pricol Pune Limited)*
Passion to Excel

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Coimbatore 641018, India

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pricol.com

CIN: L34200TZ2011PLC022194

CUSTOMERS EMPLOYEES SHAREHOLDERS SUPPLIERS

PL/SEC/TGT/2017-18/200
Thursday, August 24, 2017

Corporate Relationship Department **BSE Limited** 1st Floor, New Trading Ring Rotunda Building, P J Towers, Dalal Street, Fort Mumbai 400 001	The Manager Listing Department **National Stock Exchange of India Limited** "Exchange Plaza', C-1, Block G Bandra-Kurla Complex, Bandra (E), Mumbai – 400051
Scrip Code : 540293	**Scrip Code : PRICOLLTD**

Dear Sir,

Sub: 6th Annual General Meeting – (1) AGM Proceedings
(2) Presentation made at the Meeting

We wish to inform you that the 6th Annual General Meeting of the Company held on August 23, 2016 at Chamber Hall, Chamber Towers, 8/732, Avinashi Road, Coimbatore-641 018 and the business(es) mentioned in the notice of the 6th AGM dated 30th May 2017 were transacted.

In this regard we are enclosing the following:

1) **Proceedings of AGM** as required under **Regulation 30**, Part-A of Schedule-III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2) **Presentation** made at the Annual General Meeting

We request you to kindly take the same on record and acknowledge receipt.

Thanking you,

Yours faithfully,
For Pricol Limited

T.G.Thamizhanban
Company Secretary
ICSI M.No: F7897

Encl: as above

ISO14001
OHSAS18001
BUREAU VERITAS
Certification

ISO/TS16949
BUREAU VERITAS
Certification

Proceedings of the 6th Annual General Meeting of Pricol Limited held on Wednesday, the 23rd August 2017 at 4.30 p.m. at Chamber Hall, Chamber Towers, 8/732, Avinashi Road, Coimbatore – 641 018, Tamilnadu.

Meeting started at 4.30 p.m.
Meeting ended at 6.30 p.m.

PRESENT
DIRECTORS

Mr.Vijay Mohan, Chairman

Mrs.Vanitha Mohan, Vice Chairman

Mr.Vikram Mohan, Managing Director

Mr.K.Murali Mohan, Chairman – Audit Committee &
Nomination and Remuneration Committee

COMPANY SECRETARY

Mr.T.G.Thamizhanban

CHIEF FINANCIAL OFFICER

Mr.S.Shrinivasan,

STATUTORY AUDITOR

Mr.C.S.Sathyanarayanan, Partner, Haribhakti & Co.LLP

SECRETARIAL AUDITOR & SCRUTINISER

Mr.P.Eswaramoorthy, Proprietor, P.Eswaramoorthy and Company

Mr.Vijay Mohan, Chairman of the Stakeholders Relationship Committee and Mr.K.Murali Mohan, Chairman of the Audit Committee & Nomination and Remuneration Committee were present at the meeting.

The following Registers / documents as required under Companies Act, 2013 were kept open for inspection of members at the commencement of Annual General Meeting and remained open and accessible during the continuance of the meeting to the persons having right to attend the meeting.

a) Register of Directors & Key Managerial Personnel and their Shareholding (U/S.170)
b) Register of Contracts or Arrangements in which directors are interested (U/S 189)
c) Statutory Auditors Report for the year ended 31st March 2017
d) Secretarial Auditors Report for the year ended 31st March 2017

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Mr.Vijay Mohan chaired the Meeting.

The requisite quorum being present as required under Section 103 of the Companies Act,2013, the Chairman declared the meeting as properly constituted and called the meeting to order.

Chairman welcomed the members to the 6th Annual General Meeting of the Company.

Chairman explained that Mr.C.R.Swaminathan, Mr.Suresh Jagannathan, Mr.G.Soundararajan, Mr.R.Vidhyashankar and Mrs.Sriya Chari Directors of the Company were unable to attend the meeting.

Chairman informed that with the permission of the Members present at the meeting, since the following had been already circulated were taken as read.

a) the 6th Annual General Meeting Notice, Directors' Report along with the Annexures thereto, the Annual Financial Statements, the Consolidated Financial Statements for the financial year ended 31st March 2017

b) the Unqualified Statutory Auditor's Report for the financial year ended 31st March 2017 and

c) the Unqualified Secretarial Auditor's Report for the financial year ended 31st March 2017.

Mr.C.S.Sathyanarayanan, Partner, Haribhakti & Co., Statutory Auditors highlighted the salient points of the Auditors Report for the year ended 31st March 2017. He informed that there was no qualification or adverse remark in the Auditors Report (Standalone & Consolidated).

Chairman informed that there was no qualification or adverse remark in the Secretarial Auditors Report for the financial year ended 31st March 2017.

Mr.Vikram Mohan, Managing Director made a presentation on Financial Performance – FY 2016-17, New Business Wins, Company Outlook FY 2017-18, Commissioned greenfield plant in Pune, PMP Acquisition, Oxygen Sensor – Technology Agreement with Kerdea, PT Pricol Surya Indonesia, Pricol Do Brazil and Vision of the Company.

Chairman invited queries, from the members. The Chairman, Managing Director, Audit Committee Chairman, the Auditor and Executives present replied to the queries.

AGM Resolutions

Chairman informed that pursuant to the provisions of Section 108 of the Companies Act, 2013 read with the Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2016, the Company had provided the E-voting facility to the Members of the Company in respect of the 6th Annual General Meeting resolutions. The remote evoting commenced on 19th August 2017 (9.00 a.m) and ended on 22nd August 2017 (5.00 pm).

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He further informed that for the members who attended the meeting and who had not already cast their vote through E-voting, facility to vote through ballot paper had been arranged. He informed that Secretarial Auditor, Mr.P.Eswaramoorthy was appointed as Scrutiniser, to scrutinise the E-Voting and Ballot Process at AGM.

Chairman informed the members present at the meeting and who had not already cast their vote through e-voting, cast their vote through ballot paper and deposited it in the ballot box.

Item No	Details of the Agenda	Type of Resolution
1	Consider and adopt Audited Financial Statements, Reports of the Board of Directors and Auditor	Ordinary
2	Consider payment of Dividend for the financial year 2016-17	Ordinary
3	Re-appointment of Mr.Vikram Mohan (DIN: 00089968), who retires by rotation, as a Director	Ordinary
4	Ratification of appointment of Statutory Auditor and fixing their remuneration	Ordinary
5	Amendment of Article 8 of the Articles of Association	Special
6	Ratification of Remuneration to Cost Auditor	Ordinary

Chairman informed the members that the Scrutiniser shall submit a consolidated scrutiniser's report (E-Voting & Ballot) on or before 25th August 2017. The results along with the scrutiniser's report shall be placed on the Company's website, notice board of the Company and communicated to the Stock Exchanges.

The requisite quorum was present throughout the AGM proceedings.

The meeting concluded.

for pricol limited

T.G. Thamizhanban
Company Secretary
ICSI Membership No. F7897

Annual General Meeting

23-August-2017

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Welcome to Pricol Limited's 6th Annual General Meeting

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Agenda

- Financial Performance – FY 2016-17
- New Business Wins
- Company Outlook – FY 2017-18
- Commissioned greenfield plant in Pune
- PMP Acquisition
- Oxygen Sensor – Technology Agreement with Kerdea
- PT Pricol Surya Indonesia
- Pricol Do Brazil
- Vision

Annual Financial Performance – FY 2016-17

Standalone:

- Pricol Limited's standalone bottomline grew by 41 % in FY 2016-17.
- An outcome of constant efforts towards productivity improvement and cost saving.
- Have retained our standalone total revenue at INR 12,684.27 Million in FY 2016-17, despite market fluctuations.
- Profit before tax grew by 48% y-o-y and stood at INR 629.72 Million.

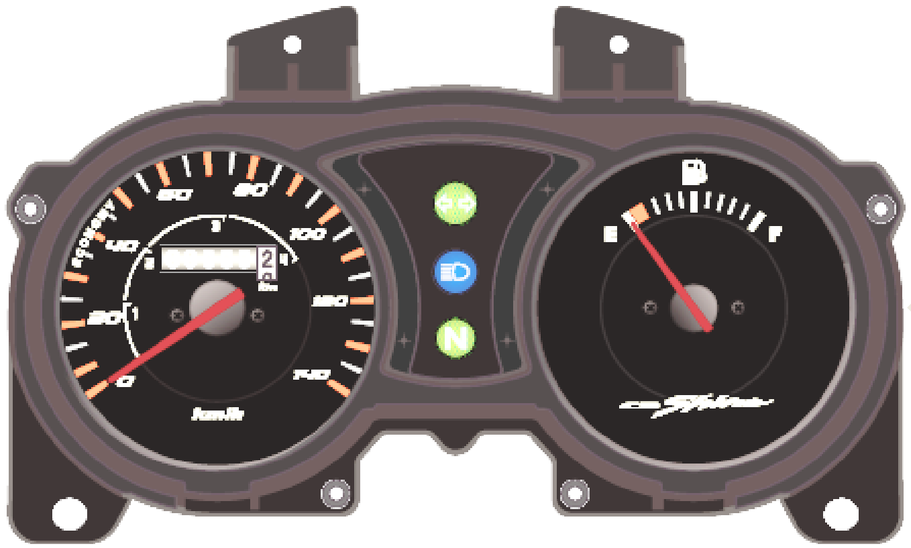
Revenue Variance – FY 2016 VS FY 2017

₹ in Million

Product Groups	2015-16	2016-17	% Change	Remarks
Driver Information System	5352	5096	-5%	410 Mn- Pricol Pune - Sales drop due to sale of Renault Business to Visteon. Excluding such fall, Pricol Sales have grown by 3%
Switches & Sensors	1652	1329	-19.6%	Conscious choice to restrict sales for FLS and Speed Sensors due to lower margins. Drop in volumes in across Vehicle Segments & Customers. We are realigning our Sensors strategy and will witness a growth in FY 17-18
Pumps & Mechanical Products	2919	3180	9%	
Asset Management Solutions & Telematics	204	257	26%	
Auto Accessories & Others	309	298	-4%	Reduction in sales of Xenos Products during the year
Subtotal	**10436**	**10160**	**-3%**	
Speed Limiting Devices	1586	1987	25%	Business of SLD commenced only from Oct 2015 for FY 15-16
Total Sales	**12022**	**12147**	**1%**	

Note: For comparative purposes, the combined figures (unaudited) of erstwhile Pricol Limited and erstwhile Pricol Pune have been considered.

Some New Business Wins



Product	: Instrument Cluster
Customer/Model	: Honda Shine
Approx. Revenue Per Annum	: INR 41.6 Mn
Start of Production	: Feb - 17

Product	: Instrument Cluster
Customer/Model	: KTM - Austria
Approx. Revenue Per Annum	: INR 25 Mn
Start of Production	: June - 17

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Some New Business Wins

Product	: Instrument Cluster
Customer/Model	: TVS – Jupiter Classic
Approx. Revenue Per Annum	: INR 103 Mn
Start of Production	: July – 17

Product	: Instrument Cluster
Customer/Model	: Hero – Super Splendor
Approx. Revenue Per Annum	: INR 29.7 Mn
Start of Production	: Nov - 17

Some New Business Wins

Product : TFT Instrument Cluster
Customer/Model : JCB
Approx. Revenue Per Annum : INR 33.75 Mn
Start of Production : Feb - 18

Product : Digital Instrument Cluster
Customer/Model : CNH - Turkey
Approx. Revenue Per Annum : INR 76.91 Mn
Start of Production : Nov - 17

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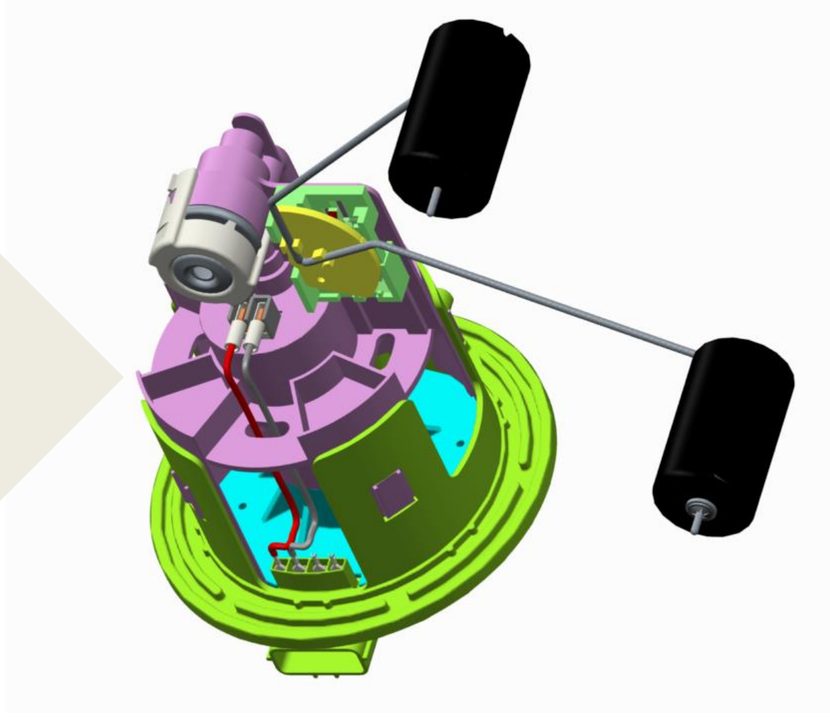
Some New Business Wins

Product : Fuel Pump Module
Customer/Model : Hero Motors
Approx. Revenue Per Annum : INR 25 Mn
(INR 125 MN from FY 19)
Start of Production : Nov - 17

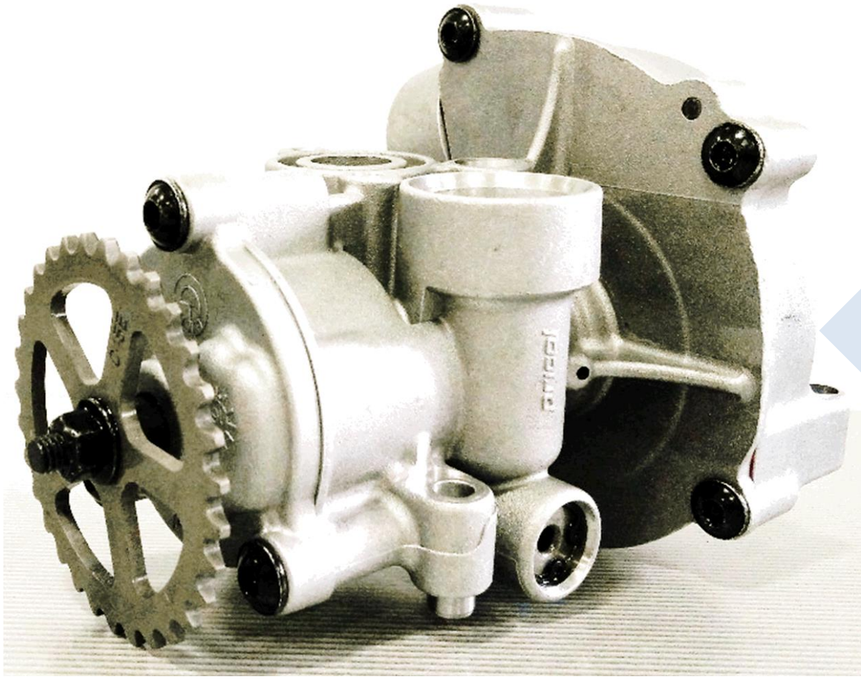


Product : Aftermarket Telematics
Customer/Model : Ziqitza Health Care
Approx. Revenue Per Annum : INR 19.6 Mn
Start of Production : April - 2017

Some New Business Wins

Global business from CAT for Heavy Duty Water Pumps

Product : Heavy Duty Water Pump
Customer/Model : CAT
Approx. Revenue Per Annum : INR 205 Mn (FY 19)
Start of Production : Q2 - 2019

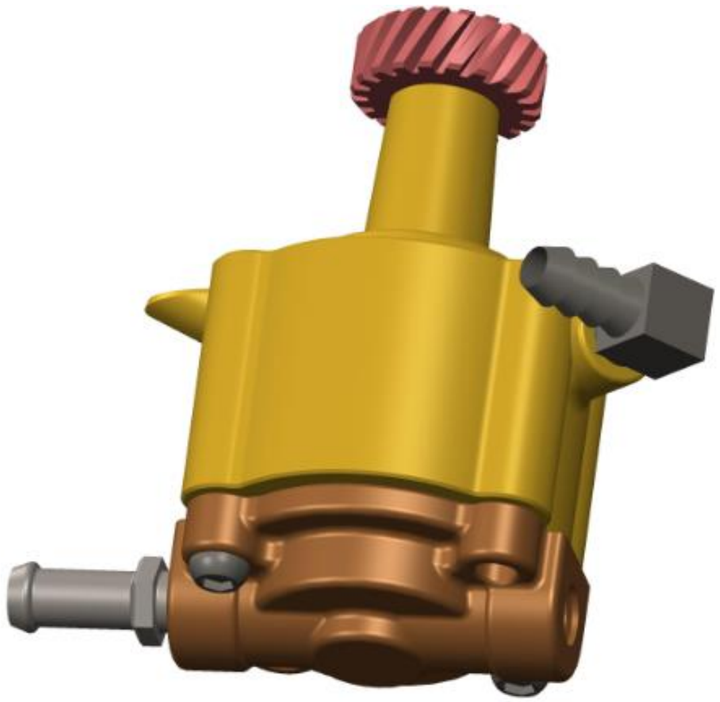


Global business for Oil Pumps for BMW Germany

Product : Oil Pump
Customer/Model : BMW
Approx. Revenue Per Annum : INR 20.48 Mn(FY 19)
Start of Production : May 2018

Some New Business Wins

Product	: Oil Pumps
Customer/Model	: Harley Davidson US
Approx. Revenue Per Annum	: INR 28.28 Mn (FY 19)
Start of Production	: April - 2018



Company Outlook for FY 2017-18

REVENUE BREAKUP – BUSINESS SEGMENT-WISE (STANDALONE)

₹ in Million

Segment	2016-17	2017-18	% Change (FY17- FY18)	
	Actual	Plan	Pricol	Market
2W & 3W	6369	8020	26%	10-12%
4W	1005	934	-7%	8-10%
CV	638	818	28%	Negative Growth
ORV	712	716	1%	Negative Growth
Tractor	542	761	40%	9-10%

Note: Pricol Growth is estimated on Value, Market growth rate is estimated on volume terms.
Note : Not including SLD, Components, Tools, Aftermarket, SCMS, Telematics.
CV Sales for FY 2016-17 are reduced by the SLD Sales for comparison purposes.
Negative in 4W primarily because of Denso.

Company Outlook for FY 2017-18

- For comparison purposes, revenues are expected to grow at 20% this year (higher than the market) excluding Speed Limiting Device revenues.
- Even after including last year's Speed Limiting Device revenues, Pricol is expected to grow at 2 % compared to previous year.

REVENUE BREAKUP – PRODUCT GROUP-WISE (STANDALONE) (FY17-18)

₹ in Million

Product Group	2016-17 (Actuals)	2017-18 (Plan)	% Change
Driver Information System	5096	6053	19%
Switches & Sensors	1329	1729	30%
Pumps & Mechanical Products	3180	3775	19%
Asset Management Solution & Telematics	257	400	56%
Auto Accessories & Others	298	228	-23%
Subtotal	**10160**	**12185**	**20%**
Speed Limiting Device	1987	246	-88%
Total Sales	**12147**	**12431**	**2%**

Company Outlook for FY 2017-18 – Key Business Highlights

- Several factors supporting revenue growth across products verticals.
- Increase share of business from key customers like TVS, Royal Enfield and Yamaha etc. supported by 2W market growing at 10% – INR 238 Million.
- New products in pipeline which will contribute INR 1701 Million across all product verticals.
- Contribution from Telematics Business : INR 400 Million.

Key Investments – FY 17-18

Planned CAPEX : **INR 1000 Million.**

- Manufacturing facilities in Sricity in Andhra Pradesh and Hosur in Tamil Nadu : **INR 300 Million**.
- Machinery for Expansion and Automation : **INR 700 Million**.

Brother Machining Centers

Makino Machining Centers

Surface Mounting Device Machines

Key Investments (Die Casting Shop)

Aluminium Die Casting Machines

Key Investments (Sintered Components Plant)

Sinter and Hardening Furnace

Powder Compacting Press

Roof-top Solar Panels – Plant 3

- Installed 1 MW roof-top solar panels at Plant 3 which will fulfil 20% the daily power requirement.

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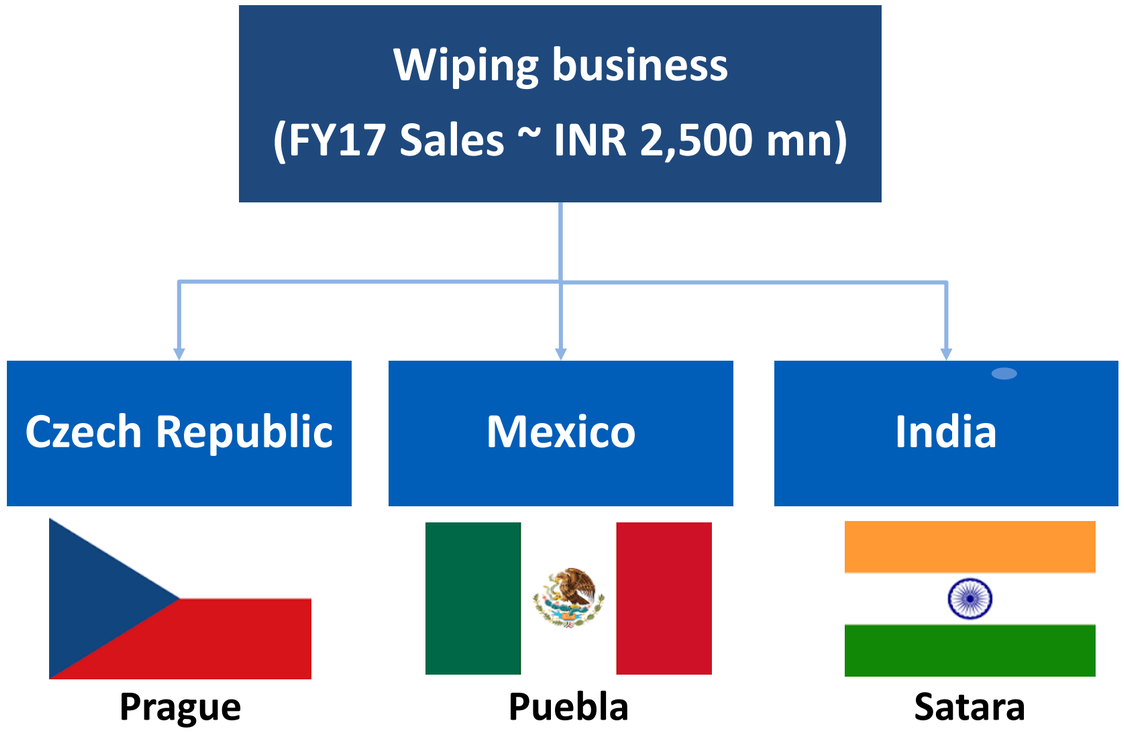
Commissioned Greenfield Plant in Pune

- High-efficiency plant built across 5.8 Acres with a built up area of 2.18 Acres in Phulgaon.
- The state-of-the-art manufacturing plant aims to generate an annual revenue of INR 2200 Million in the next 2 years, up from the current annual revenue of INR 1200 Million.
- Installed 350 KW roof-top solar panels which fulfils 40% of the daily power requirement.

PMP Acquisition

PMP PAL : A Leading Global Manufacturer of Automotive Wiping Systems

- With a track record of over 90 years, PMP PAL International s.r.o. ("PMP PAL") designs and manufactures wiping systems, heavy duty wipers, front wiper sets etc. at its state-of-the-art manufacturing facility in Prague.
- Set-up in 2014, India growth would be driven by cost effective solutions to high volume models in the Indian market. India Wiping division has been able to win marquee accounts such as Renault Kwid, Renault XBB, Nissan I2 and Maruti Alto.
- Set-up in 2015, Mexico has commenced production and serves global leaders such as VW and Skoda to build presence in Mexico.



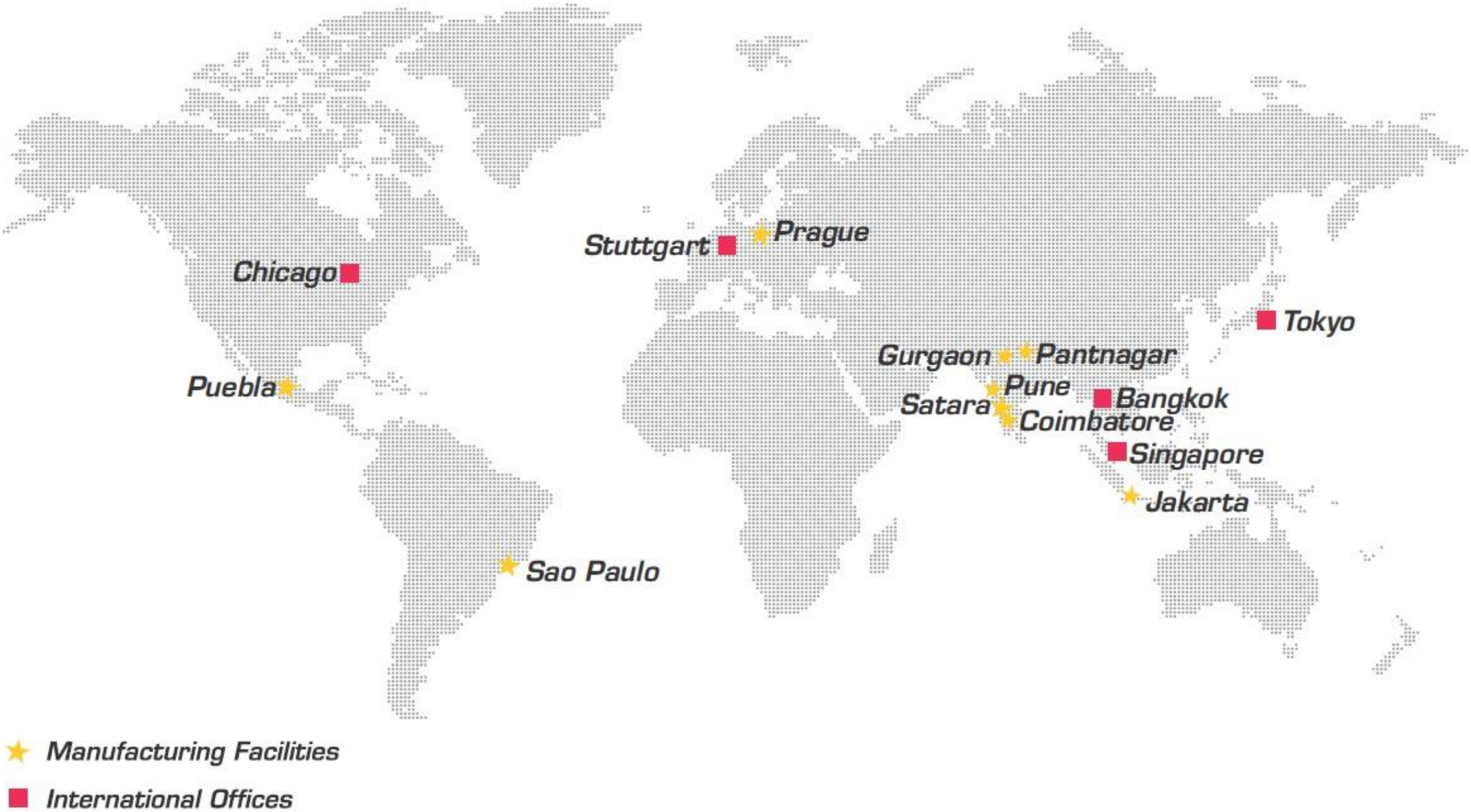
KEY CUSTOMERS:

PMP Acquisition : The Rationale

Key Investment Highlights

- Revenue visibility with a confirmed order book and steady EBITDA margins
- Low Cost Manufacturing footprint in East Europe (Czech Republic) and Greenfield plant in Mexico
- Inroads into the 4W segment and diversify the combined revenue profile and get sizable access to a marquee customer base including VW, Fiat, Renault and Maruti
- Strong focus on R&D and Quality. In process of developing technologically advanced 4pole motor; which will add revenues and market share in future
- Established platform to capitalize on the growth of Global Wiper Systems Market better leveraged by Pricol
- Financially stable CZ operations able to self-sustain its growth and support acquisition

Global Presence – Post PMP Acquisition



Oxygen Sensor – Technology Agreement with Kerdea

- Signed an Exclusive licensing agreement with Kerdea Technologies for Oxygen (O_2) Sensor expanding sensor portfolio be ready for the upcoming Bharat Standard (BS)-VI Emission Regulations.
- Post the rollout of BS-VI norms by 2020, Pricol is expecting to add over **USD 60 to 70 Million** to its top line with products developed with Kerdea's technology.

PT Pricol Surya Indonesia (FY 2016-17)

- Indonesia Revenue witnessed a turn around and grew by **8.08%** in IDR and **8.74%** in INR from negative growth last year.
- Achieved sales of **IDR 186,339 Million (INR 922.378 Million)** as against the previous year of IDR 172,406 Million (INR 848.236 Million).
- Achieved a Profit before Tax of IDR 1,986 Million (INR 9.829 Million) as against the loss of IDR 5,679 Million (INR 27.941 Million) of previous year.
- The cost control measures initiated by the Company has paid off well and resulted in turning around.
- This has been due to a reduction in Material Cost from ~73% to 67% of Revenue and Employee cost from 18.7% to 15% of Revenue.

PT Pricol Surya Indonesia – Financial Snapshot

₹ in Million

Particulars	FY 2016-17	FY 2015-16
Revenue	907.47	871.49
Material Cost	606.82	634.81
Employee Cost	135.36	163.28
Operational Cost	107.65	75.12
EBITDA	**57.64**	**(1.72)**
EBITDA Margin (%)	*6.4%*	*-0.2%*
PBT Before Exceptions	**16.63**	**(65.84)**
PBT Margin (%)	*1.8%*	*-7.6%*

Note:

- PTPS Indonesia has witnessed a turnaround this year, with profitable PBT of 1.8%.
- This has been due to a reduction in Material Cost from ~73% to 67% of Revenue and Employee cost to 15% of Revenue.

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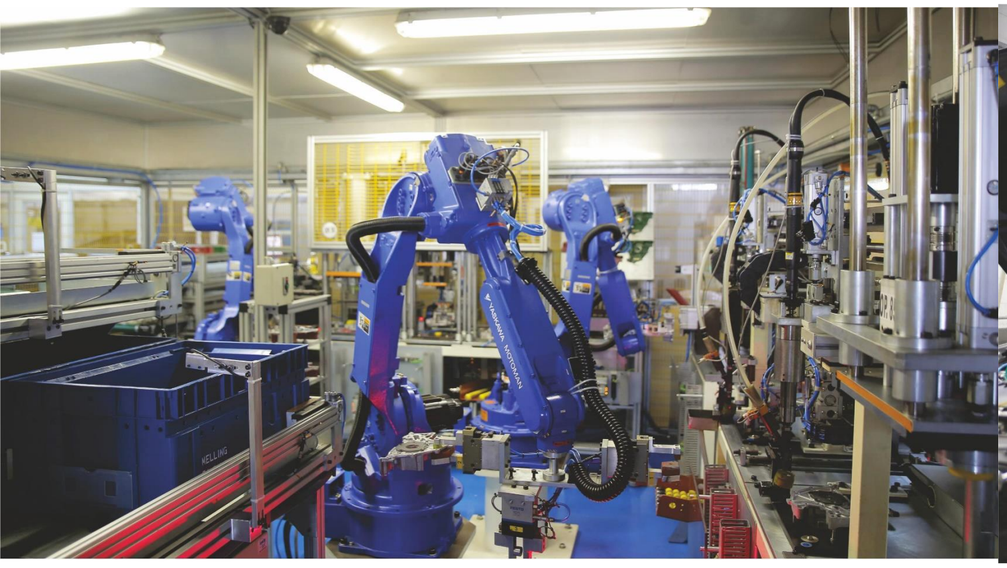
Pricol do Brasil

- In 2016, Brazil Economy shrunk by 3.6% and Automotive sales witnessed a negative growth of 20.5%.

- During the year, Pricol do Brasil has increased its market share with key customers and thereby contained the negative growth at 8.86% (~13% in 2015-16).

- We closed FY 2016-17 with a loss of BRL 22.22 Million (INR 435.6 Mn) [FY 15-16 BRL 24.36 Million (INR 459.7 Mn)].



Pricol do Brasil – Way forward

- Pricol is in the process of restructuring its operations by shifting its factory to a new location with an Investment of **USD 7 Million** (Employee Severance - USD 5 million and Relocation expenses - USD 2 Million) to reduce employee cost and operational fixed cost. The new factory will be fully operational from Dec 2017.
- Major customers VW, GM and Fiat are supporting the restructuring process by extending price increases, stock build up, reduced payment terms and faster Production part approval process (PPAP).
- Pricol will also invest in new assembly lines and machines to better align to OEM's new programs such as **GM's CSS Prime Project** which will yield revenues from FY 2020 onwards.

GENERAL MOTORS

Project : **CSS Prime**
Annual Revenue: **USD 15 Mn**
Pricol Investment: **USD 1.6 Mn**
Start of Production: **October 2019**
Tenure of Project: **12 years**

Pricol Do Brazil - Customer-wise revenue and operational P&L forecast

₹ in Million

Particulars	2016-17 (A)	2017-18 (F)	2018-19 (F)	2019-20 (F)	2020-21 (F)
Revenue	**1289**	**1419**	**1554**	**1912**	**2452**
-GM	386	359	371	729	1258
-VW	359	415	549	631	658
-Fiat	309	367	355	260	229
-Others	235	278	279	292	307
Material Cost	**714**	**678**	**845**	**1046**	**1311**
% of Revenue	55.4%	47.8%	54.4%	54.7%	53.5%
Employee Cost	**583**	**471**	**362**	**382**	**446**
% of Revenue	45.2%	33.2%	23.3%	20.0%	18.2%
EBITDA	**-329**	**39**	**110**	**166**	**268**
% of Revenue	-25.5%	2.8%	7.1%	8.7%	10.9%

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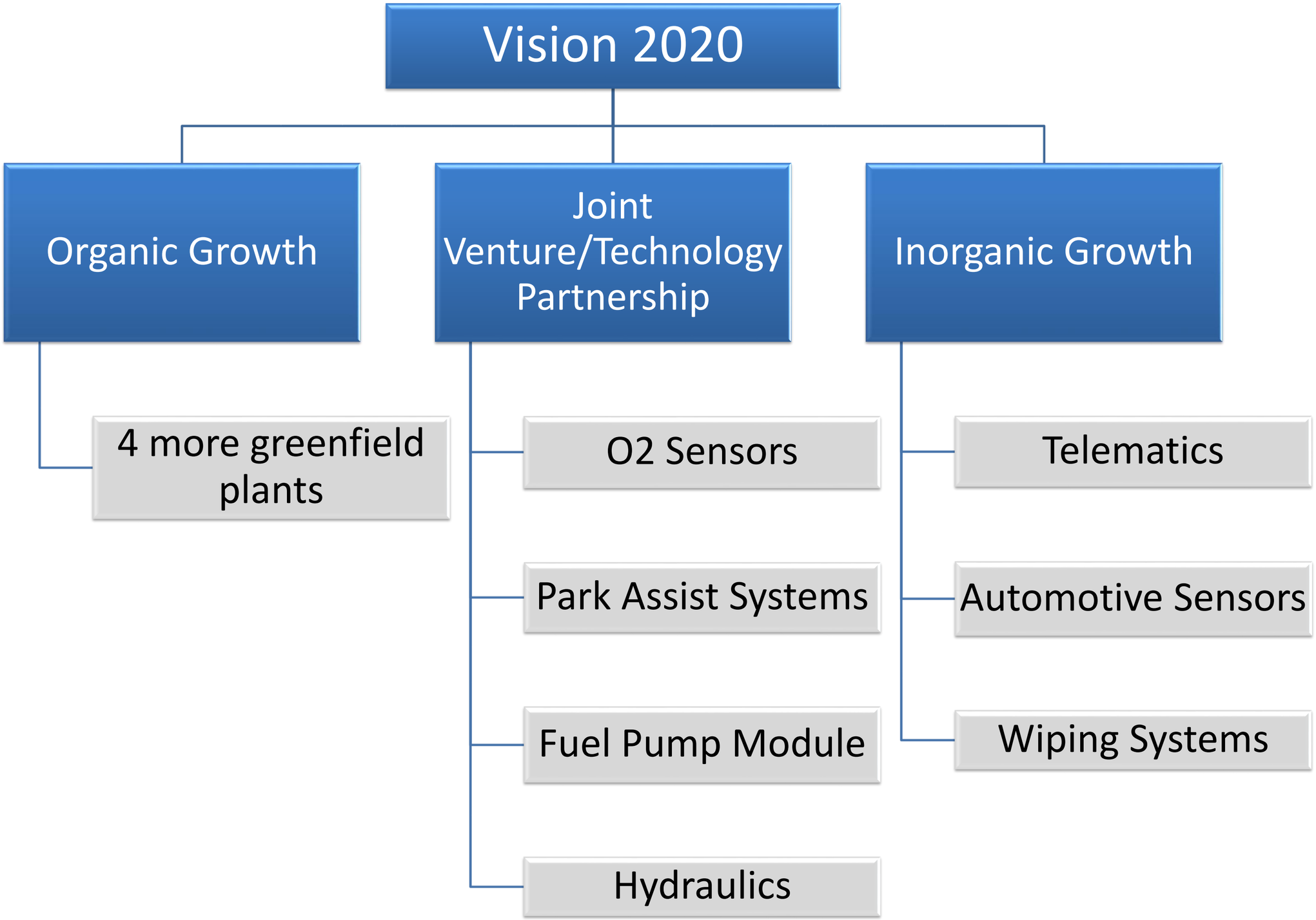
Pricol Limited : Vision 2020



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SUSTAINABLE

DYNAMIC

EVOLVING