



PRICOL LIMITED (Formerly Pricol Pune Limited)

Passion to Excel

109, Race Course,
Coimbatore 641018, India

☎ +91 422 4336000

☎ +91 422 4336299

✉ city@pricol.co.in

🌐 pricol.com

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Thursday, 13th July, 2017

👤 CUSTOMERS 👤 EMPLOYEES 👤 SHAREHOLDERS 👤 SUPPLIERS

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: Press Release

Please find attached herewith the press release regarding "Acquisition of 100% of the wiping systems business of Ashok Piramal group's PMP Auto Components Pvt. Ltd".

Kindly take the same on record and upload it on your respective websites.

Thanking you

Yours faithfully,
For Pricol limited

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

Encl. As above



PRESS RELEASE - 100% Acquisition of the wiping systems business of PMP Auto Components Pvt. Ltd.

Automotive components manufacturer Pricol Ltd has signed binding agreements to acquire 100% of the wiping systems business of Ashok Piramal group's PMP Auto Components Pvt. Ltd. The acquisition would be undertaken by Pricol Limited through its wholly owned subsidiaries. The transaction will be funded by a combination of internal accruals and external debt. The transaction would be EPS accretive to the shareholders of Pricol and the profitability is expected to further improve upon integration of the business with Pricol.

PMP had acquired this business in 2008 from Magna and is presently running manufacturing facilities in Czech Republic, Mexico and India. The business is supplying wiper motors to global automotive customers including VW, Fiat, John Deere, Skoda, Audi, Seat and has a turnover of around Rs. 250Cr currently with a confirmed order book and revenue visibility of more than Rs. 450Cr in FY 2020.

The acquisition will help Pricol diversify its product offerings and provide access to manufacturing facilities in Europe and North America, where it currently does not have a footprint, helping it cement its status as a global supplier. Additionally, with this acquisition, Pricol will increase its presence with Passenger vehicles customers diversifying revenue streams and opening up multiple cross selling opportunities.

Pricol also expects to realize substantial synergies within the first couple of years to further boost the financial performance of the business. Pricol's focus as an auto component supplier and experience in low cost production and sourcing can be leveraged by the target businesses for realizing cost savings in sourcing raw materials and reducing manufacturing overheads. Joint R&D is also expected to reduce product development costs.

Vikram Mohan, the Managing Director of Pricol, said: *"This acquisition ties in well with our long term strategy of driving growth and achieving product diversification. We believe that wiping systems is a growing product segment which would be largely immune to the ever changing technological trends in the automotive sector and the eventual move to electric vehicles. With manufacturing presence in Czech Republic and Mexico, this acquisition fits in perfectly with our ongoing plans to establish presence in these regions. We are also very excited about the potential of this business in the Indian market and confident of extracting synergies"*

Harsh Piramal, the Managing Director of PMP Auto Components Pvt. Ltd., said: *"PMP has decided to divest this business as part of its strategic portfolio reallocation where this business has been determined as non-core. We are happy that an automotive focused group like Pricol is taking over this business and hope that they will take it to further heights"*

The transaction is subject to customary closing conditions and the parties to the transaction are bound by standard confidentiality obligations.

BMR Advisors acted as transaction and fund raising advisor to Pricol. PWC was the transaction advisor to the shareholders of PMP.

