



# PRICOL

JULY 29, 2016

SECTOR AUTO ANCILLARY AND  
COMPONENTS  
RECOMMENDATION

Buy @ 110 , Target 130

Report By: Vikash Kandoi – [vikash@dynamiclevels.com](mailto:vikash@dynamiclevels.com)



RPM Meter



Fuel Gauge



Elec. Temp. Gauge





## Prical Ltd: On its way to achieving Rs. 3000 crore revenue by 2020

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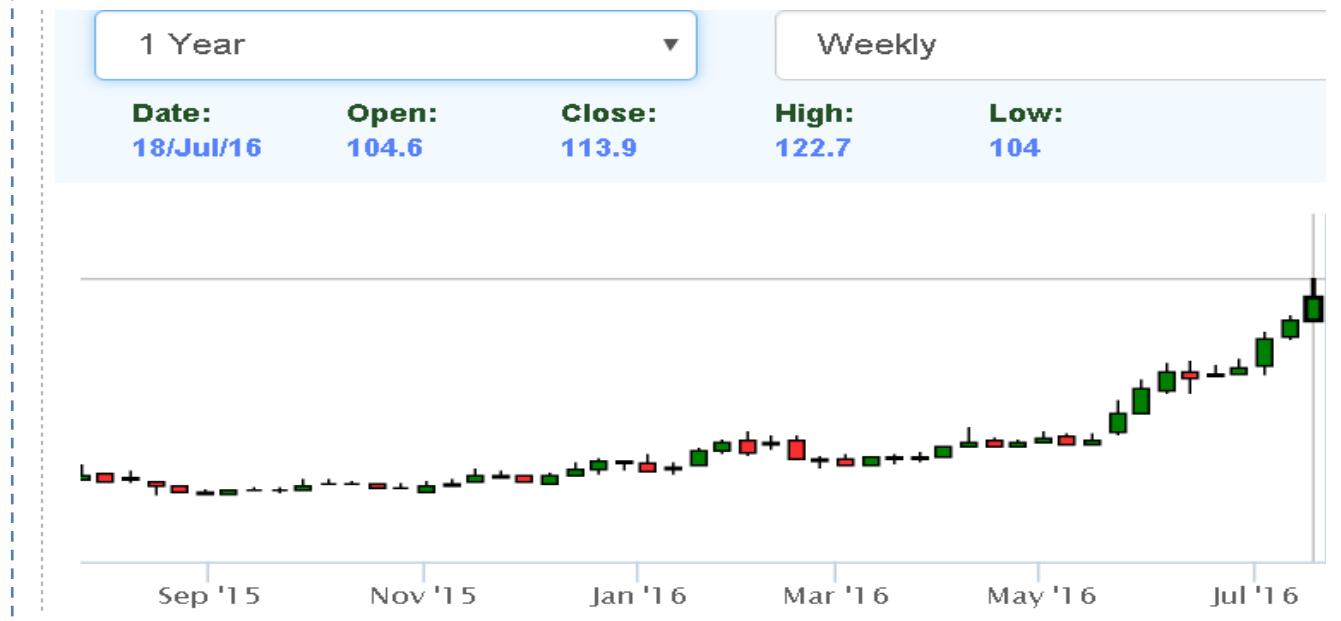
## Company's Overview and Stock Price

**Pricol Limited** is an automotive components and precision engineered products manufacturer headquartered in Coimbatore, India. It manufactures automotive components for motorcycles, scooters, cars, trucks, buses, tractors and Off-road vehicles used in the construction and Industrial segment. Pricol also manufacture sintered components and products for fleet management solutions.

Pricol Limited has three manufacturing plants in Coimbatore, one in Manesar, one in Pune and one in Rudrapur, Apart from India the company has each manufacturing unit in Jakarta, Indonesia and Sao Paulo, Brazil and business offices in Tokyo, Singapore, Cologne - Germany and Detroit – USA.

EXCHANGE SYMBOL	PRICOL
Current Price * (Rs.)	96.85
Face Value (Rs.)	1
52 Week High (Rs.)	101.60 (18-Jul-16)
52 Week Low (Rs.)	28.55 (08-Sep-15)
Life Time high (Rs.)	101.60 (18-Jul-16)
Life Time low (Rs.)	3.60 (25-Aug-98)
Average Daily Movement	3.55
Average Volume	1511683
1 Month Return (%)	19.68
P/E Ratio (x)	21.67
Book Value	28.81
Market Cap	936.59 (Cr)
% of Promoter pledged	7.23

This is a 1 year weekly chart of Pricol showing huge momentum





## Product overview

### Two Wheelers

- Auto Decompression Units
- Auto Fuel Cocks
- Chain Tensioners
- Fuel Level Sensors
- Fuel Feed Pumps
- Instrument Clusters
- Oil Pumps
- Oil Level Switches
- Speed Sensors
- Vehicle Security System

### Four Wheelers

- Analog Clocks
- Brake Light Switches
- Cigarette Lighters
- EGR Valves
- Fuel Level Sensors
- Instrument Clusters
- Map Sensors
- Oil Pumps
- Power Sockets
- Speed Sensors
- Temperature Sensors
- Top Dash Tachometers
- Vacuum Switching Valves
- Vehicle Convenience & Security Systems
- Idle Speed Control Valves
- Windshield Washer Systems

### Tractors, Construction & Industrial

- Neutral Safety Switches
- Vacuum Switches
- Gauges
- Brake Light Switches
- Charge Pumps
- Cigarette Lighters
- EGR Valves
- Fuel Level Sensors
- Hour Meters

- Instrument Clusters
- Low Oil Pressure Switches
- Neutral Safety Switches
- Oil Pumps
- Pressure Relief Valve
- Power Sockets
- Pressure Sensors
- Speed Sensors
- Temperature Switches
- Temperature Sensors
- Warning Indicators

### Commercial Vehicles

- Vacuum Switches
- Road Speed Limiter(Speed Governor)
- Gauges
- Vehicle Tracking System
- Hydraulic Cab Tilt System
- Centralized Lubrication System
- Digital Tachograph
- Brake Light Switches
- Fuel Level Sensors
- Instrument Clusters
- Oil Pumps
- Pressure Relief Valve
- Pressure Sensors
- Speed Sensors

### Fleet Management Solutions

- Digital Fare Meters
- Road Speed Warning System
- Vehicle Monitoring System
- Journey Risk Management
- Centralized Lubrication System
- Road Speed Limiter(Speed Governor)
- Vehicle Tracking System

### Sintered Components

- Gears
- Gerotors
- Hubs
- Valve Plates



- Oil-less Bearings
- Gear Shifter parts
- Pistons
- Slack Adjuster Parts

## Material

- Ferrous Carbon based Alloys
- Nickel Carbon based Alloys
- Weight: 1.5 grams/cc
- Size : upto 100mm dia.

## Density

- 6.8~7.2 grams/cc
- 7.2~7.4 grams/cc (by warm compaction)

## Options

- Multi-level compaction, upto 3 levels
- Warm compaction, upto 7.4 grams/cc max.

## Other Operations

- Steam treatment for rust prevention
- Projection welding
- Secondary machining

## Domestic Customers

### Two Wheelers

- Yamaha
- Honda
- Hero Motors
- Suzuki Motors
- Bajaj
- TVS Motors
- Mahindra 2 Wheelers
- Royal Enfield

### Four Wheelers

- Toyoto
- Honda
- Maruti Suzuki
- Tata

- Mahindra
- Reva
- Renault Nissan
- Hindustan Motors
- General Motors

## Commercial Vehicles

- Ashok Leyland
- Piaggio
- Volvo
- Tata
- Eicher
- Force Motors
- Swaraj Mazda
- Mahindra Navistar
- Daimler

## Tractors

- SAME
- Escorts
- John Deere
- Eicher
- New Holland
- Force Motors
- TAFE
- Sonalika
- Mahindra
- Swaraj Mazda

## Fleet Management

- Ashok Leyland
- Mahindra

## Construction Equipment

- Telcon Constructive Solutions
- Terex
- LT
- JCB
- BEML
- CAT
- TATRA



## Industrial

- Ashok Leyland
- Mahindra
- Kirloskar
- Cummins

## Railways

- SIEMENS
- Indian Railways
- Integral Coach Factory
- EDM

## Tier-1

- Denso
- Lear Corporation
- Vistean
- UCAL
- Delphi

## International Customers

## Two Wheelers

- Harley Davidson
- Honda
- JAWA
- Piaggio
- Triumph
- Moto Guzzi
- Victory Motocycles
- Derbi
- Suzuki
- Yamaha
- Benelli
- Motari Minarelli

## Four Wheelers

- Suzuki
- KIA

## Commercial Vehicles

- Volvo
- BMC
- Navistar
- Pierce
- Oshkosh
- Askam

## Tractors

- SAME
- John Deere
- AGCO
- Massey Ferguson
- Simplicity

## Construction Equipment

- TEREX
- JCB
- Turner

## Off-road Vehicles

- Arctic Cat
- Polaris

## Industrial Application

- Parker
- Teksan Generator
- Lister Petter
- Sab Wabco

## Marine

- Costruzioni Motori Diesel
- Vetus
- Marine Diesel



## Industry Outlook

### Introduction

The Indian auto industry is one of the largest in the world. The industry accounts for 7.1 per cent of the country's Gross Domestic Product (GDP). As of FY 2014-15, around 31 per cent of small cars sold globally are manufactured in India.

The Two Wheelers segment with 81 per cent market share is the leader of the Indian Automobile market owing to a growing middle class and a young population. Moreover, the growing interest of the companies in exploring the rural markets further aided the growth of the sector. The overall Passenger Vehicle (PV) segment has 13 per cent market share.

India is also a prominent auto exporter and has strong export growth expectations for the near future. In April-January 2016, exports of Commercial Vehicles registered a growth of 18.36 per cent over April-January 2015. In addition, several initiatives by the Government of India and the major automobile players in the Indian market are expected to make India a leader in the Two Wheeler (2W) and Four Wheeler (4W) market in the world by 2020.

### Market Size

Sales of passenger vehicles increased by 11.04 per cent to 242,060 units in April 2016 driven by demand for utility vehicles\*. While sales of passenger cars went up by 1.87 per cent to 162,566 units in April 2016, those of utility vehicles grew by 43 per cent to 62,170 units. Sales of commercial vehicles maintained its momentum on back of replacement demand and grew by 17.36 per cent to 53,835 units.

The two-wheeler industry also performed well. While sales of scooters increased by 35.86 per cent to 468,368 units, the demand for motorcycles shot up by a strong 16.24 per cent to 1,024,926 units.

### Investments

In order to keep up with the growing demand, several auto makers have started investing heavily in various segments of the industry during the last few months. The industry has attracted Foreign Direct Investment (FDI) worth US\$ 14.32 billion during the period April 2000 to December 2015, according to data released by Department of Industrial Policy and Promotion (DIPP).

Some of the major investments and developments in the automobile sector in India are as follows:

MV Agusta, the Italy-based premium motorcycle manufacturer, has entered India through an exclusive partnership with Pune-based Kinetic group with the launch of three luxury bikes, which will be sold through the 'Motoroyale' chain in Pune.

Sweden-based electric vehicle maker Clean Motion plans to invest US\$ 10 million in India over the next three years in order to expand operations including setting up of an assembly unit for its Zbee three-wheelers in the country.

Isuzu Motors, the Japan-based utility vehicle manufacturer, has inaugurated its greenfield manufacturing unit in SriCity, Andhra Pradesh, at a cost of fcRs 3,000 crore (US\$ 450.94 million).

Japanese two-wheeler manufacturer Honda Motorcycle and Scooter India (HMSI) has opened its fourth and world's largest scooter plant in Gujarat, set up to initially produce 600,000 scooters per annum to be scaled up to 1.2 million scooters per annum by mid-2016.

American car maker Ford has unveiled its iconic Ford Mustang in India and will make its debut in second quarter of FY2016 within the price band of Rs 45 lakh (US\$ 66,146) and Rs 50 lakh (US\$ 73,496) in the Indian market.

Nissan Motor Co. Ltd is in discussion with Government of India to bring electric and hybrid technologies to India as the government plans to reduce air pollution caused by vehicles.



Global auto major Ford plans to manufacture in India two families of engines by 2017, a 2.2 litre diesel engine codenamed Panther, and a 1.2 litre petrol engine codenamed Dragon, which are expected to power 270,000 Ford vehicles globally.

The world's largest air bag suppliers Autoliv Inc, Takata Corp, TRW Automotive Inc and Toyoda Gosei Co are setting up plants and increasing capacity in India.

General Motors plans to invest US\$ 1 billion in India by 2020, mainly to increase the capacity at the Talegaon plant in Maharashtra from 130,000 units a year to 220,000 by 2025.

US-based car maker Chrysler has planned to invest Rs 3,500 crore (US\$ 513.5 million) in Maharashtra, to manufacture Jeep Grand Cherokee model.

Mercedes Benz has decided to manufacture the GLA entry SUV in India. The company has doubled its India assembly capacity to 20,000 units per annum.

Germany-based luxury car maker Bayerische Motoren Werke AG's (BMW) local unit has announced to procure components from seven India-based auto parts makers.

Mahindra Two Wheelers Limited (MTWL) acquired 51 per cent shares in France-based Peugeot Motorcycles (PMTC).

#### Government Initiatives

The Government of India encourages foreign investment in the automobile sector and allows 100 per cent FDI under the automatic route.

Some of the major initiatives taken by the Government of India are: Mr Nitin Gadkari, Minister of Road Transport, Highways & Shipping has announced plans to set up a separate independent Department for Transport, comprising of experts from the automobile sector to resolve issues such as those related to fuel technology, motor body specifications and fuel emissions, apart from exports.

Government of India aims to make automobiles manufacturing the main driver of 'Make in India' initiative, as it expects passenger vehicles market to triple to 9.4 million units by 2026, as highlighted in the Auto Mission Plan (AMP) 2016-26.

In the Union budget of 2015-16, the Government has announced to provide credit of Rs 850,000 crore (US\$ 124.71 billion) to farmers, which is expected to boost the tractors segment sales.

The Government plans to promote eco-friendly cars in the country i.e. CNG based vehicle, hybrid vehicle, and electric vehicle and also made mandatory of 5 per cent ethanol blending in petrol.

The government has formulated a Scheme for Faster Adoption and Manufacturing of Electric and Hybrid Vehicles in India, under the National Electric Mobility Mission 2020 to encourage the progressive induction of reliable, affordable and efficient electric and hybrid vehicles in the country.

The Automobile Mission Plan (AMP) for the period 2006–2016, designed by the government is aimed at accelerating and sustaining growth in this sector. Also, the well-established Regulatory Framework under the Ministry of Shipping, Road Transport and Highways, plays a part in providing a boost to this sector.

Road Ahead

India's automotive industry is one of the most competitive in the world. It does not cover 100 per cent of technology or components required to make a car but it is giving a good 97 per cent, as highlighted by Mr Vicent Cobee, Corporate Vice-President, Nissan Motor's Datsun.

Leading auto maker Maruti Suzuki expects Indian passenger car market to reach four million units by 2020, up from 1.97 million units in 2014-15.



## Company Financials

In Cr	Mar'16	Dec'15	Sep'15	Jun'15	Mar'15	Mar'16
	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly	Annual
Net Sales/Income from operations	332.11	297.20	233.68	217.46	217.79	1080.45
Other Operating Income	10.74	10.85	11.83	12.64	11.38	46.06
Total Income From Operations	342.85	308.05	245.50	230.10	229.17	1126.51
Increase/Decrease in Stocks	-4.47	4.97	-2.06	-0.57	4.11	-2.13
Consumption of Raw Materials	200.75	190.01	155.93	145.62	145.81	692.31
Purchase of Traded Goods	11.92	12.43	12.42	12.63	11.35	49.39
Employees Cost	47.71	37.75	37.36	35.68	41.99	158.50
Depreciation	11.33	7.36	7.67	7.81	6.73	34.17
Other Expenses	40.09	30.28	29.81	24.81	34.09	121.78
<b>Total Expenditure</b>	<b>307.33</b>	<b>282.80</b>	<b>241.13</b>	<b>225.97</b>	<b>244.08</b>	<b>1054.03</b>
Operating Profit	35.52	25.25	4.38	4.13	-14.90	72.48
Other Income	1.53	3.24	1.70	0.52	0.77	7.00
P/L Before Int., Excpt. Items & Tax	37.05	28.50	6.08	4.65	-14.13	79.48
Interest	1.47	2.91	2.58	2.36	2.39	9.31
P/L Before Exceptional Items & Tax	35.58	25.59	3.50	2.30	-16.52	70.17
Exceptional Item	--	-6.82	--	--	11.35	-10.02
P/L Before Tax	35.58	18.78	3.50	2.30	-5.18	60.15
Tax	13.51	2.06	0.72	0.66	-2.78	16.95
PAT	22.07	16.71	2.78	1.64	-2.40	43.20
Equity Share Capital	9.48	9.48	9.48	9.48	9.48	9.48
Reserves	--	--	--	--	--	289.85
Equity Dividend Rate (%)	--	--	--	--	--	100.00
EPS (Rs.) [After Extraordinary items]	2.33	1.76	0.29	0.17	-0.25	4.56

- Company's has shown continuous growth in revenue with an average of 15% in last 3 quarter
- Company's operating profit jumped by 40.67% from Rs. 25.25 crs in Q3 FY 16 to 35.52 crs in Q4 FY16
- Company has very less debt and does not incur huge interest outgo.
- Net profit has jumped by 32.08% from 16.71 crs in Q3 FY16 to 22.07 crs in Q4 FY16.
- Operating profit margin during the year was 6.70%; however an improvement in same is seen in last 2 quarters.
- Net profit margin during the year was 4.00%, however an improvement in same is seen in last 2 quarters.



## Balance Sheet

In Cr	Mar'16	Mar'15	Mar'14	Mar'13
	Annual	Annual	Annual	Annual
<b>EQUITIES AND LIABILITIES</b>				
<b>SHAREHOLDERS FUNDS</b>				
Equity Share Capital	9.48	9.48	9.45	9
Total Share Capital	9.48	9.48	9.45	9
Reserves and Surplus	256.8	262.39	333.05	271.19
Total Reserves and Surplus	256.8	262.39	333.05	271.19
Money Received Against Share Warrants	0	0	0	2.03
<b>Total Share holders' Funds</b>	<b>266.28</b>	<b>271.87</b>	<b>342.5</b>	<b>282.22</b>
<b>NON-CURRENT LIABILITIES</b>				
Long Term Borrowings	39.17	22.5	11.71	3.66
Deferred Tax Liabilities [Net]	2.9	0	9.23	3.67
Other Long Term Liabilities	8.22	7.99	0	0
Long Term Provisions	25.2	14.44	8.29	5.38
<b>Total Non-Current Liabilities</b>	<b>75.5</b>	<b>44.93</b>	<b>29.23</b>	<b>12.71</b>
<b>CURRENT LIABILITIES</b>				
Short Term Borrowings	38.46	54.99	54.4	61.95
Trade Payables	282.08	257.16	228.4	191.7
Other Current Liabilities	108.6	104.68	50.59	107.12
Short Term Provisions	16.93	6.59	7.06	9.12
Total Current Liabilities	446.06	423.42	340.45	369.88
<b>Total Capital And Liabilities</b>	<b>787.84</b>	<b>740.22</b>	<b>712.18</b>	<b>664.81</b>
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Tangible Assets	264.07	249.52	236.73	229.03
Intangible Assets	12.52	15.25	39.51	18.99
Capital Work-In-Progress	11.37	15.62	3.65	2.66
Fixed Assets	287.96	280.39	279.89	250.68
Non-Current Investments	0	1.66	0.72	0.72
Deferred Tax Assets [Net]	0	6.27	0	0
Long Term Loans And Advances	11.89	6.32	4.22	6.22
Other Non-Current Assets	17.29	30	65.98	61.17
<b>Total Non-Current Assets</b>	<b>317.14</b>	<b>324.65</b>	<b>350.81</b>	<b>318.79</b>
<b>CURRENT ASSETS</b>				
Current Investments	2.21	2.2	1.66	1.62
Inventories	142.12	138.82	126.3	129.87
Trade Receivables	259.06	223.3	184.98	180.65
Cash And Cash Equivalents	26.94	12.66	17.24	11.43
Short Term Loans And Advances	39.84	37.54	29.35	21.5
Other Current Assets	0.54	1.04	1.84	0.94
<b>Total Current Assets</b>	<b>470.7</b>	<b>415.56</b>	<b>361.36</b>	<b>346.02</b>
<b>Total Assets</b>	<b>787.84</b>	<b>740.22</b>	<b>712.18</b>	<b>664.81</b>



## Cash Flow

Particulars	Mar-16 Annual	Mar-15 Annual	Mar-14 Annual	Mar-13 Annual	Mar-12 Annual
Net Profit/Loss Before Extraordinary Items And Tax	<b>60.15</b>	<b>22.53</b>	<b>83.88</b>	<b>13.67</b>	<b>66.32</b>
Net Cash Flow From Operating Activities	115.40	30.16	58.94	59.58	89.83
Net Cash Used In Investing Activities	-92.00	-31.72	4.67	-31.76	47.71
Net Cash Used From Financing Activities	-23.69	2.95	-62.04	-94.07	-78.38
Foreign Exchange Gains / Losses	0.00	0.00	0.00	0.00	0.00
Adjustments on Amalgamation / Merger / Demerger / Others	-4.80	-2.41	-1.88	-0.81	-13.14
<b>Net Inc/Dec In Cash And Cash Equivalents</b>	<b>-5.09</b>	<b>-1.02</b>	<b>-0.31</b>	<b>-67.07</b>	<b>46.01</b>
Cash And Cash Equivalents Begin of Year	6.76	3.78	2.21	68.47	9.31
Cash And Cash Equivalents End Of Year	<b>1.67</b>	<b>2.76</b>	<b>1.90</b>	<b>1.40</b>	<b>55.32</b>

Company has made huge investment during March 2016 on vision to become one of the leading automotive solutions provider in the world by establishing two green field project.

## Key Financial Ratio

Per Share Ratios	Mar'16	Mar'15	Mar'14	Mar'13
Basic EPS (Rs.)	4.56	-1.90	7.16	1.75
Diluted EPS (Rs.)	4.56	-1.90	7.16	1.67
Cash EPS (Rs.)	8.16	1.82	10.33	5.30
Book Value [InclRevalReserve]/Share (Rs.)	31.57	28.22	33.95	28.51
Dividend / Share(Rs.)	0.00	0.00	0.80	0.40
Revenue from Operations/Share (Rs.)	118.83	100.18	94.30	97.10
PBT/Share (Rs.)	6.35	-2.38	8.88	1.52
Net Profit/Share (Rs.)	4.56	-1.90	7.09	1.75
Profitability Ratios				
PBT Margin (%)	5.33	-2.37	9.41	1.56
Net Profit Margin (%)	3.83	-1.89	7.51	1.80
Return on Capital Employed (%)	12.88	-5.99	20.00	5.95
Return on Assets (%)	6.78	-3.21	11.49	2.76
Total Debt/Equity (X)	0.11	0.20	0.14	0.20
Asset Turnover Ratio (%)	176.85	169.83	152.91	153.56
Liquidity Ratios				
Current Ratio (X)	1.10	1.14	1.11	0.93
Quick Ratio (X)	0.72	0.72	0.72	0.58
Inventory Turnover Ratio (X)	9.73	8.77	9.23	8.23
Dividend Payout Ratio (NP) (%)	0.00	0.00	11.28	22.87
Cash Earnings Retention Ratio (%)	0.00	100.00	92.26	92.46
Valuation Ratios				
Enterprise Value (Cr.)	434.98	334.97	293.42	184.85
EV/EBITDA (X)	3.83	13.25	4.23	2.98
MarketCap/Net Operating Revenue (X)	0.36	0.30	0.28	0.16
Price/BV (X)	1.36	1.08	0.79	0.53
Price/Net Operating Revenue	0.36	0.30	0.28	0.16



## Peer Comparison

Peer Comparison on Market Liquidity and Volume

INSTRUMENT	Price	Avg. Volume	Market Cap (Rs. in Cr)
BANCO PRODUCTS	170.00	283995	1234
FIEM INDUSTRIES	1035.00	35047	1228
GABRIEL INDIA	103.45	731333	1465
HINDUSTAN COMPOSITES	1355.65	1359	663
IGARASHI	672.00	86111	2038
INDIA NIPPON	420.00	3354	473
MUNJAL AUTO	84.95	86739	418
<b>PRICOL</b>	<b>114.85</b>	<b>2052681</b>	<b>1080</b>
SHARDA MOTOR	1040.00	2997	599
SSWL	510.00	47399	798
SUBROS	96.00	137571	575
SUNDRAM FASTENERS	200.00	161189	4163

Pricol has good average volume and market capitalization this give liquidity to the share price of stock.

Peer Comparison on Investment and Valuations

INSTRUMENT	Price	% FII Holding	P/E Ratio (X)
BANCO PRODUCTS	170.00	0.04	13.70
FIEM INDUSTRIES	1035.00	8.49	21.53
GABRIEL INDIA	103.45	11.16	19.47
HINDUSTAN COMPOSITES	1355.65	0.00	16.70
IGARASHI	672.00	0.85	32.04
INDIA NIPPON	420.00	0.08	18.87
MUNJAL AUTO	84.95	0.00	20.85
<b>PRICOL</b>	<b>114.85</b>	<b>0.06</b>	<b>24.98</b>
SHARDA MOTOR	1040.00	0.00	17.55
SSWL	510.00	0.18	13.01
SUBROS	96.00	0.01	24.01
SUNDRAM FASTENERS	200.00	2.18	19.76

Pricol is trading at par with the industry PE ratio but with its better future prospects on expansion plan further growth in profitability is expected.



**Peer Comparison on leverage Position**

INSTRUMENT	Price	% Pledged	Debt Equity Ratio (X)	Int. Coverage Ratio (X)
BANCO PRODUCTS	170.00	0.00	0.03	18.51
FIEM INDUSTRIES	1035.00	0.00	0.38	8.60
GABRIEL INDIA	103.45	0.00	0.02	53.07
HINDUSTAN COMPOSITES	1355.65	0.00	0.01	228.01
IGARASHI	672.00	0.00	0.08	24.23
INDIA NIPPON	420.00	0.00	0.00	290.77
MUNJAL AUTO	84.95	0.00	0.29	8.43
<b>PRICOL</b>	<b>114.85</b>	<b>7.23</b>	<b>0.29</b>	<b>5.28</b>
SHARDA MOTOR	1040.00	0.00	0.72	7.50
SSWL	510.00	5.48	1.41	3.10
SUBROS	96.00	0.00	0.89	3.71
SUNDRAM FASTENERS	200.00	0.00	0.61	6.22

Company has moderate debt to equity ratio; however promoter pledge of 7.23% is a concern.

**Peer Comparison as per Quarterly Profitability**

INSTRUMENT	Price	PAT JUN' 16	PAT MAR' 16	PAT DEC' 15	PAT JUN' 15
BANCO PRODUCTS	170.00	NA	21.57	15.45	27.93
FIEM INDUSTRIES	1035.00	NA	19.45	15.67	9.52
GABRIEL INDIA	103.45	NA	20.93	17.56	17.46
HINDUSTAN COMPOSITES	1355.65	NA	37.06	6.66	5.74
IGARASHI	672.00	NA	18.55	14.73	15.62
INDIA NIPPON	420.00	NA	5.51	8.12	4.48
MUNJAL AUTO	84.95	NA	6.37	5.26	4.55
<b>PRICOL</b>	<b>114.85</b>	NA	<b>22.07</b>	<b>16.71</b>	<b>1.64</b>
SHARDA MOTOR	1040.00	NA	8.40	10.81	5.19
SSWL	510.00	18.60	18.49	15.51	12.15
SUBROS	96.00	NA	7.85	6.01	4.01
SUNDRAM FASTENERS	200.00	NA	75.39	41.75	42.29

**Peer Comparison on Performance**

INSTRUMENT	1M	3M	6M	1Y	% Chg Post Budget
PRICOL	39.75	127.12	137.54	222.21	155.10
FIEM INDUSTRIES	10.59	25.60	38.89	61.30	48.12
SSWL	14.63	22.84	45.42	57.41	76.93
BANCO PRODUCTS	20.04	29.94	34.87	42.15	86.89
GABRIEL INDIA	8.97	12.71	17.11	21.86	33.25
SUNDRAM FASTENERS	7.34	21.27	27.23	14.51	44.39
SUBROS	6.62	8.68	3.01	9.24	23.22
HINDUSTAN COMPOSITES	20.24	48.94	24.25	7.63	39.94
INDIA NIPPON	6.34	-0.33	4.59	1.01	23.16
IGARASHI	0.74	8.87	14.12	0.82	68.55
SHARDA MOTOR	22.07	13.16	14.70	0.00	33.17
MUNJAL AUTO	3.34	3.92	7.18	-16.28	23.32

Pricol is a top performing stocks in its sector, the share price of the company has given huge return to its shareholders.



## Shareholding Pattern & Management

Shareholding Pattern	Jun-16	Mar-16	Dec-15	Sep-15	Jun-15
<b>Promoter and Promoter Group (%)</b>	40.72	40.45	40.21	40.21	40.21
Indian	26.39	40.45	40.21	40.21	40.21
Foreign	14.33	NIL	NIL	NIL	NIL
<b>Institutions (%)</b>	5.99	6.12	3.55	3.58	3.75
FII	0.06	NIL	NIL	0.05	0.26
DII	5.93	6.12	3.55	3.52	3.49
<b>NonInstitutions (%)</b>	53.29	53.43	56.24	56.21	56.04
Bodies Corporate	NIL	NIL	NIL	16.37	16.34
Others	53.29	53.43	56.24	39.85	39.70
<b>Custodians</b>	NIL	NIL	NIL	NIL	NIL
<b>Total no. of shares (cr.)</b>	9.48	9.48	9.48	9.48	9.48

DII has been increasing its position in the company which is a good sign.

### COMPANY PROFILE OF PRICOL, NSE, INDIA

Date of Incorporation	06-Mar-1972
Date of Listing	20-Jul-1995
<b>Management</b>	
Name	Designation
Vijay Mohan	Chairman
C R Swaminathan	Director
D Sarath Chandran	Director
G Soundararajan	Director
K Murali Mohan	Director
R Vidhya Shankar	Director
Suresh Jagannathan	Director
Vikram Mohan	Managing Director
Vanitha Mohan	Vice Chairman

### Registered Office Address

CPM Towers,109, Race Course,641018,Coimbatore,Tamil Nadu,India

### Website

<http://www.pricol.com>



## Investment Rationale

- Pricol on the back of robust revenue growth led by strong order book expects good momentum in FY17 and the years to come.
- Company is targeting a revenue growth of 20-25 percentage in next few years
- Company has a vision to hit its revenue at Rs 3000 crore by 2020
- Company has exited from its non -core product in order to focus on key products
- Company has restructured their cost to increase the profitability
- Company's goal is to get to about Rs 3,000 crore by the year 2020 of which about Rs 800-1,000 crore would come through the inorganic route and the rest through the organic route.
- Pricol is spreading geographically in the two-wheeler space. The company is primarily restricted to manufacturing in India and the Association of South East Asian Nations (ASEAN) region and now looking at expanding their geographies.
- Pricol has eight manufacturing units located in India, Sao Paulo and Jakarta. It is planning to establish greenfield projects in Vietnam and Mexico. The feasibility study for establishing Vietnam plant was on and the plant would be ready by 2017. The plant in Mexico would come up after a detailed study of the market conditions.
- Pricol plans to become one of the leading automotive solutions provider in the world by establishing two greenfield projects and making overseas acquisitions for which it will set apart Rs.500 crore
- Rs.300 crore would be met through internal accruals and the balance through debt. The company is not going to put money in real estate as they are planning to operate on asset-light model. The company will approach industrial park developers who can offer them custom-built building as infrastructure. They will put the money into more productive assets like machinery

**We recommend BUY in Pricol Ltd @110 with the target of 130 because Pricol plans to become one of the leading automotive solutions provider in the world by establishing two greenfield projects and making overseas acquisitions for which it will set apart Rs.500 crore**



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