



Precision Camshafts Limited

(100% EOU Division)

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



Sec/June/SE/N&B/02

Date: 20th June, 2016

BSE Limited,

Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400001

**The National Stock Exchange of India
Limited**

Exchange Plaza, Bandra kurla Complex,
Bandra (E) Mumbai 400051

Dear Sirs,

Sub:- Press Release

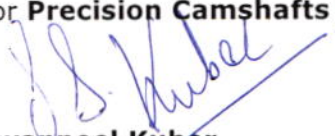
Please find attached herewith press release, titled "**Precision Camshafts' margin accelerates, leads auto ancillaries**" which is being released to the press from our end.

You are kindly requested to take the same on record.

Thanking you,

Yours Truly

For **Precision Camshafts Limited**


Swapneel Kuber
Company Secretary &
Compliance Officer





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Press Release

Precision Camshafts' margin accelerates, leads auto ancillaries

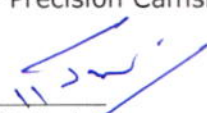
Post-IPO, Precision Camshafts Ltd (PCL), a global leader in camshafts, has achieved impressive profit margin in fiscal 2016 despite a setback in sales. The Solapur-based critical auto engine component (camshaft) manufacturer's standalone operating margin has surged to 25% in Q4-FY16 from 21.3% in Q4-FY15. For the whole year the company's standalone OPM accelerated to 26.8% from 23.8% in the previous year.

On a consolidated basis, FY16 operating margin has soared to 28% (from 23.5%) which is incidentally the highest among auto ancillary majors. With the help of a much improved margin, PCL could post an impressive 38.2% growth at the bottom line despite a 10.5% deceleration in the company's top line. Export-dominated PCL's operating revenue was affected in FY16 partly on account of weakening Euro and largely due to slow down in China and Russia. The company logged Rs 465 cr consolidated sales in FY16 as against Rs 516 cr in FY15.

Notwithstanding the revenue contraction, PCL could post impressive growth in profits. The significant improvement in the company's operating profitability was principally attributed to lower raw material prices and employee costs. The prices of company's raw materials viz. pig iron, resin coated sand and metal alloys eased during the year which brought down the overall material cost about 19%. There was a drop in employee cost over the previous year mainly because of the management's decision not to pay remuneration to the executive directors over & above 10%. Also, employee cost was impacted by an increase in ESOP compensation and decrease in gratuity expense.

The company's consolidated gross profit (EBDT) stood at Rs 140 cr in FY16 (Rs 124 cr in FY15). After providing Rs 42.71 cr (Rs 41.22 cr) for depreciation and Rs 33.16 (Rs 36.52 cr) for tax, the company achieved a net profit of Rs 64.16 cr – an increase of over 38%. On the enlarged post-IPO equity capital, EPS works out to Rs. 6.77 as compared to Rs 5.67 in the previous year. Keeping in view of the company's expansion project under implementation, the management has treated the interim dividend of Re 1 paid in March 2016 as final for the year. Commendably, the company paid full dividend to all shareholders though the IPO investors were eligible for only two months pro-rata.

For Precision Camshafts Limited


R. R. Joshi
Director & CFO

