

Date: 10th July, 2020

SEC/JUL/SE/N&B/2020

National Stock Exchange of India Limited, "Exchange Plaza" 5 th Floor, Plot No. C-1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400051	BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001
NSE Scrip Code - PRECAM	BSE Scrip Code - 539636

Subject:- Submission of Revised Annual Report 2019-20.

Dear Sir/Madam,

This is to inform that, pursuant to Regulation 34(1)(b) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and in continuation of our intimation dated the 8th July 2020 regarding Notice of the 28th Annual General Meeting (AGM), Annual Report 2019-20, Intimation of Record Date & Book Closure for AGM, we hereby submit to you for dissemination and updation on the stock exchange website, the Revised Annual Report of the Company for the Financial Year 2019-20.

We further wish to state that the previous Annual Report contained minor typographical and formatting errors which are being revised in this Revised Annual Report and there was no mala-fide intension.

We further wish to state that the Revised Annual Report will also be disseminated on the RTA's and the Company's website www.pclindia.in

The above is for your information and record. You are requested to please acknowledge the same.

Thanking you,

For Precision Camshafts Limited


Mayuri Kulkarni

Company Secretary & Compliance Officer

**Precision Camshafts Limited**

Solapur : D5 MIDC, Chincholi, Solapur, India – 413255

Solapur : E102 MIDC, Akkalkot Road, Solapur, India – 413006

Pune : 501/502, Kanchanban "B", Sunit Capital, Senapati Bapat Rd, Pune, India - 411016



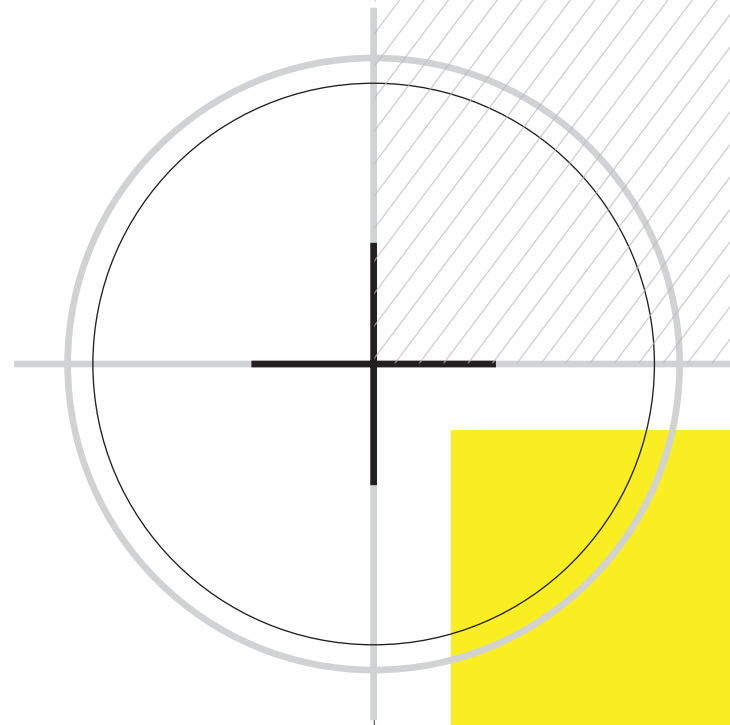
PRECISION CAMSHAFTS LIMITED

ANNUAL REPORT 2019-2020



A MOVEMENT CALLED PRECISION!





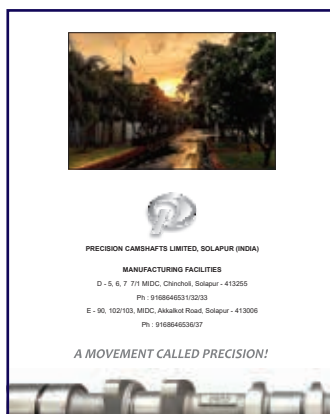
Front cover

The subtle camshaft right at the bottom signifies the vision with which the Company began its journey while persistently growing business, and constantly moving towards new goals with like-minded customers. The symbol of target stands for accuracy and achievements of the Company's futuristic goals. The four companies are in a focused alliance with only one target in sight and mind – that of a futuristic vehicular movement with newer source of energy – a common global aim.

Back cover

A Company rooted in the soil of Solapur is rising higher with all its partners and associates – aiming for the sky as its limit.

A MOVEMENT CALLED PRECISION!



Cover page : Concept and Design
by Sheil B Sadwelkar



Welcome

to the 28th Annual report of Precision Camshafts Limited

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Scan to download

Please find our online version at
<https://pclindia.in/index.php/annual-report/>

Investor information

CIN	L24231PN1992PLC067126
BSE Code	539636
NSE Symbol	PRECAM
Dividend Declared	₹ 0.95 per share
AGM Date	30 th July, 2020
AGM Mode	Video conferencing

Disclaimer

This document contains statements about expected future events and financials of Precision Camshafts Limited, which are forward looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions, and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results, and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis of this Annual Report.

PCL at a Glance

OUR EDGE

6 major performance indicators

1
Leadership position in the camshaft industry

2
Strong global presence

3
Strategic acquisitions

4
Well-seasoned in the space

5
Solid manufacturing capacity

6
Delivering excellence

KNOW US

Incorporated in 1992

India's leading camshaft manufacturer using all manufacturing technologies for camshafts under one roof – Chilled Cast Iron, Ductile Iron, Hybrid and Assembled camshafts

Eight facilities in all comprising four foundries and four machine shops, located at two different locations of Solapur, Maharashtra

Produces 150 variants of camshafts, majorly catering passenger vehicles

Decades-rich experience and long-term relationship with some of the major OEMs



1 Leadership position in the camshaft industry

~70%

Indian market share

~9%

Global market share

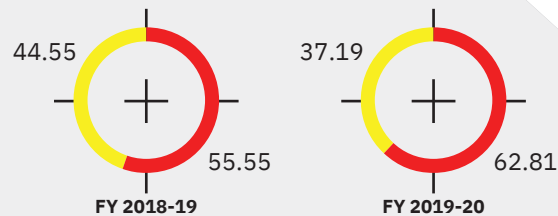
2 Strong global presence

62.81%

Export presence

Region-wise revenue breakdown (%)

● Export ● Domestic



3 Strategic acquisitions

Three strategic acquisitions in the last three years

 MEMCO ENGINEERING PVT. LTD Nashik, India (2017)	100% Stakes acquired	 MFT performance erfahrung Germany (2018)	76% Stakes acquired	 FUTURE INSIDE Netherlands (2018)	51% Stakes acquired
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4 Well-seasoned in the space

25+

Years' experience in automotive industry

10+

Years relationship with most of the clients

5 Solid manufacturing capacity

FY 2019-20	Units	Capacity	Actual production	Utilisation (%)
Camshaft castings	Four foundries	9 million	7.9 million	88.17
Machined camshafts	Four machine shops	3.29 million	2.68 million	81.69

6 Delivering excellence (Y-o-Y growth on standalone basis)

₹ **464.06** Crores
Total income

5.33% Y-o-Y growth

₹ **72.05** Crores
PAT

67.91% Y-o-Y growth

115.13
EBITDA

24.8%
EBITDA margin

15.5%
PAT margin

0.04
Debt to equity

Value Creation through Integration of the Group Companies

(Consolidated basis)

Inputs

Value enablers

MANUFACTURING CAPITAL

Total no of plants: 5

Plant locations:

Germany
Netherlands



India
Solapur
Nashik

FINANCIAL CAPITAL

Sources of fund

- ⊕ Total equity capital: ₹ 94.98 Crores
- ⊕ Cash flow from operating activities: ₹ 85.65 Crores

HUMAN CAPITAL

2,084

Total employees



Training & development

INTELLECTUAL CAPITAL

- ⊕ Experienced and strong management team across the Group
- ⊕ Strategic alliance with different technical partners

NATURAL CAPITAL

- ⊕ Zero emission solutions at EMOSS
- ⊕ Installation of LED lightning, solar panel, and natural air ventilation system

SOCIAL & RELATIONSHIP CAPITAL

- ⊕ Total CSR spent: ₹ 1.47 Crores on wide range of activities
- ⊕ Contribution to exchequer: ₹ 9.84 Crores
- ⊕ Investor calls and quarterly release of investor presentation
- ⊕ Adherence to regulatory norms



Our Values

We operate on the principle of 'C.R.E.A.T.E' – Customer Focus, Respect, Excellence, Agility, Teamwork, Entrepreneurship – an acronym for an exemplary set of principles, perceptible in every interaction and interface with PCL employees.



Our Vision

To become a solution provider of automotive components, systems, and services to OEMs across the globe with strategic focus on electric mobility.

Value created



Our DNA

The Precision DNA is a work culture rooted in sharp customer focus, transparency in operations, a sense of ownership, keen attention to details, conservative financial approach and high level of discipline and upkeep.



Our Mission

To gain larger market share, ensure profitable growth, embrace change, and drive continuous improvement in operations, product quality, technology, sustainability, employee development and community enhancement.

Strong products offering:

- ✦ Wide camshaft variants
- ✦ Precision automotive components
- ✦ Non-automotive components
- ✦ Electric mobility solutions

- ✦ Total income: ₹ 767.68 Crores, 7.7% Y-o-Y increase
- ✦ EBITDA: ₹ 129.50 Crores
- ✦ PAT: ₹ 25.63 Crores, 262.53% Y-o-Y increase
- ✦ ROCE: 5.6%

- ✦ Motivated and enthused employees
- ✦ Productive working environment

- ✦ Strong order book

- ✦ Cost optimisation
- ✦ Savings in electricity
- ✦ Carbon emission reduction

- ✦ Contribution to Sustainable Development Goals (SDG)
- ✦ Strong governance and business reputation
- ✦ Strong stakeholder engagement

Marquee Clients

MEMCO
ENGINEERING PVT. LTD



MFT
performance erfahren

Automotive Customers



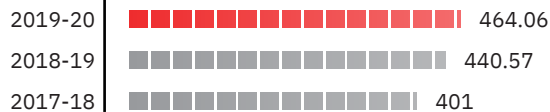
E-Mobility Customers



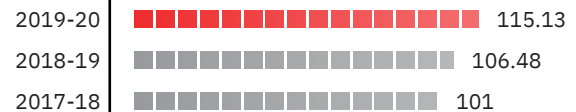
Financial Highlights

(Standalone basis)

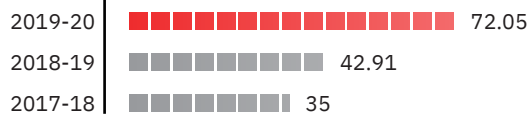
Total Income (₹ Crores)



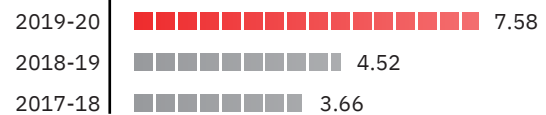
EBITDA (₹ Crores)



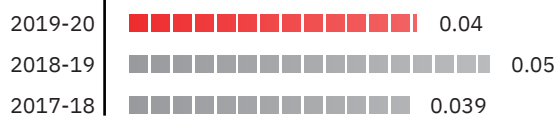
PAT (₹ Crores)



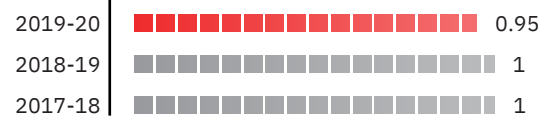
EPS (₹)



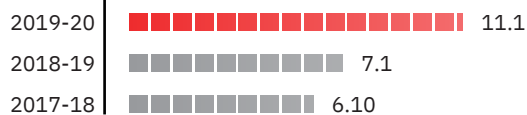
Debt/Equity



DPS (₹)



ROE (%)



EBITDA: Earnings before Interest, Taxes, Depreciation and Amortization

PAT: Profit After Tax

EPS: Earning per share

DPS: Dividend Per Share

ROE: Return on Equity

Power of Consolidation

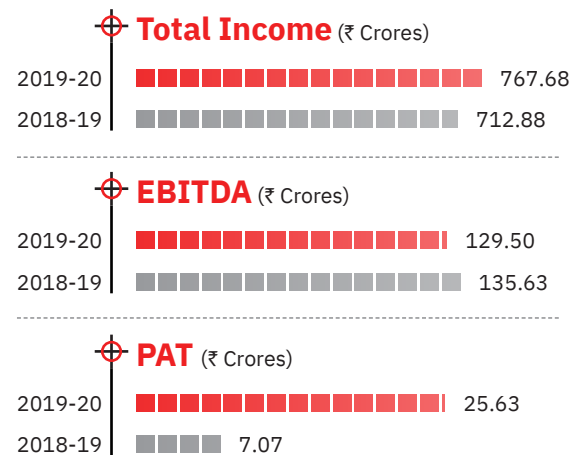
**CONSOLIDATION IS VITAL FOR EVOLUTION AND GROWTH.
IT IS THE PROCESS FOR PROGRESS.**

Overcoming the slowdown blues in domestic automobile and auto component industry

The domestic automobile production decreased to ~26.36 Lakhs in FY 2019-20 from ~30.91 Lakhs, in the previous year. As a result, the domestic auto component industry suffered a revenue decline of 10% to ₹ 1.79 Lakhs Crores in H1 FY 2019-20 from the previous year. Even the H2 FY 2019-20, which was expected to be smooth, continued with the downside trend. Reason being, subdued vehicle demand, liquidity crunch, lack of clarity on regulation and lastly COVID-19 outbreak in the 2nd half of March FY 2019-20.

But we...

Remained insulated which is reflected in our stellar consolidated performance



Through our...

Acquisitions in the last three years

MEMCO
ENGINEERING PVT. LTD



MFT
performance erfahren



FUTURE INSIDE
EMOSS



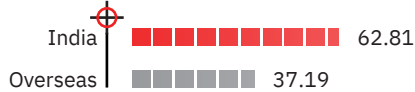
Stay ahead of the curve



Scalability

Acquisitions have helped us capitalise on the infrastructure of the acquired companies. Besides, other intangible factors like technology, experience, know-how and market access, are also helping us scale up fast around the globe.

Geographical revenue break up (%)



Resilient

Our entry into the wide range of automotive and non-automotive component products, adds depth to our profile. We are meeting the demands of the e-vehicles segment through end-to-end electric mobility solutions provided at EMOSS. Each entity is helping us strengthen our client diversification base. With this, we are building our resilience to overcome any future roadblocks.

~50
Clients served



Cross-sell

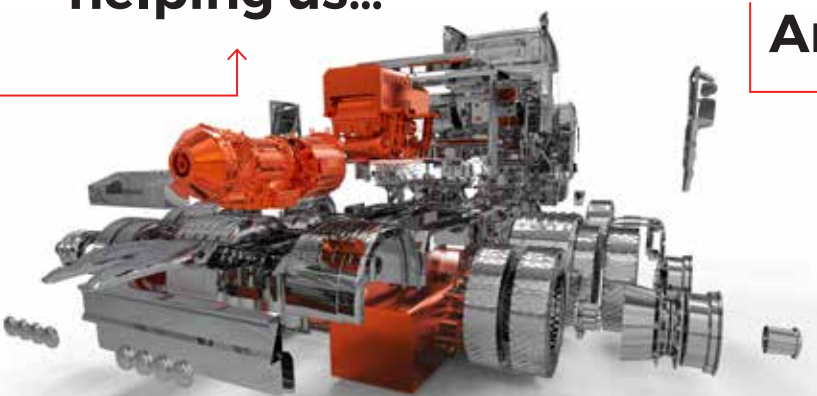
We enjoy a strong product portfolio and diverse client base across the Group. This allows us to cross-sell our products through packaged deal and earn more revenue from the existing clients.



Strategic location

European automotive market is one of the biggest in the world. This is simply proven by the automobile sales in the region, which grew by 1.2% in 2019, at a time when other regions were facing the dip (*Source: Economic Times, January 2020*). This augured well for our acquired companies: MFT and EMOSS, located in Germany and Netherlands, respectively.

Which are helping us...



And...

Create a positive future for the Group

By optimising cost and focusing on the high margin products in each of the entity with the aim of increasing the EBITDA margins.

Chairman's Message



Dear Shareholders,

Passion to rise

We commenced our journey in the early 90's with a niche product, 'Camshaft'. The finesse and precision required to manufacture this product made us stand out in the market. At the same time, it assured longevity in the operating landscape. This went on for the next 25 years and with the help of our engineers and strategic alliance, we kept on strengthening our camshafts offerings, meeting the dynamic needs of our growing clientele. Then came the year 2018 when we made three acquisitions to reinforce our business model. This set us well on the path of movement to overcome any disruption in the industry, which was then going through swift changes. Despite industrial and overall economic challenges, our consolidated synergy was well proven and reflected in our performance during the fiscal year.

Macro trend

The year 2019-20 marked another downswing in the Indian economy with GDP growth rate slashing to 4.2% as compared to 6.1% a year earlier. The decline in GDP growth rate was underpinned by number of factors such as growing unemployment rate, farmers indebtedness and rising cost of living, affecting the overall demand. This slow pace was passed down to supply side of the market when trade volumes and investment started to contract, leading to low manufacturing capacity utilisation. In view of these pressures, the Government announced a slew of measures such as increasing the Minimum Support Price (MSP) for farmers and reducing the Corporate, GST, and income tax rate cuts, with the hope of reviving the consumer sentiments to push business activities. Before, we could see the positive impact of these actions going into next fiscal year, the COVID-19-induced lockdown suspended economic activity. In response, the Government and RBI announced combination of measures like fiscal stimulus, reforms, and monetary policy support to bring some relief.

Industry scenario

In the year gone by, domestic automobile industry faced a series of challenges such as liquidity crunch, rising costs of vehicles, and regulatory changes, among others. The festive season brought in some breather, supported by discounts and schemes. But the euphoria for enquiries and sales, seen in the previous years, was missing. All these factors caused a severe drop in the sales across all the vehicles' segments. The repercussion of this was felt across the domestic auto component industry orders. But the auto component manufacturers, with strong presence in international market, managed to offset the slowdown in domestic industry to some extent. However, the lockdown caused by the COVID-19 outbreak in the month of March 2020, led to shutdown of factories and disruption of supply chain. With time, as operations resume around the world, more and more companies will look to decentralise their source of raw material. This could open doors of opportunities for India to attract more numbers of OEMs supported by the favourable business policies and cost advantages.

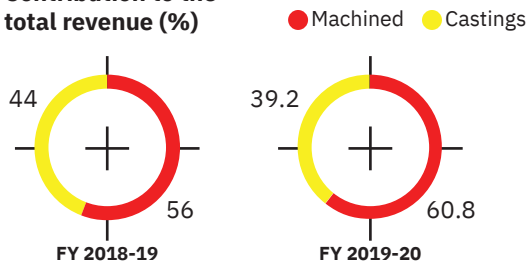
Budget 2020

A ₹ 1,000-Crores scheme for mid-sized auto and auto component makers to push exports, R&D and technology upgradation, augurs well for our business.

Leader in the Camshaft business

We are the leading supplier of camshafts in India with strong market share of ~70%. Even in international market, about 1 out of every 10 camshafts, required for global passenger vehicles, are supplied by us. We continue to grow our business in the international market which keep us hedged against the depreciating rupee and subdued domestic demand. With export presence in more than 20 countries, we cater ~50 customers. Further, to improve our bottom-line numbers, slowly and gradually, we are moving towards high margin machined camshafts as it offers better realisation than camshaft castings. We achieved 88.17% capacity utilisation in our foundries and 81.69% capacity utilisation for our machine shops. Going forward, with strong orders from Ford, General Motors and other customers in North America and South America, we are hopeful of utilising maximum capacity at our machining plant.

Contribution to the total revenue (%)



How are we consolidating?

Financial support: Our investment into the Group companies has set the momentum for all the acquired companies. By effectively utilising the capital, our Group companies have already started showing better performances.

Strengthening of leadership team: We are deeply engaged in strengthening the Management of all our Group companies and are increasing our team bandwidth for the same. The right addition of skills is further adding value in setting the direction right.

Thriving on innovation: Amid the dramatic change in the industry, we are using our passion across the Group to innovate and focus on products/business, suiting the customer needs. Like for instance, at MEMCO, we are focusing on the non-automotive business, while at EMOSS, the attention is on the kit model. This is helping us in the customer development.

Financial performance

I am delighted to share with you our financial performance for the FY 2019-20. It was an exceptional year for us where we outdid the industry performance. Below are the highlights of the same:

- ✦ Total income increased 5.33% from ₹ 440.57 Crores in the preceding year to ₹ 464.06 Crores in FY 2019-20
- ✦ Export business contributed ~62.81% towards the total revenue, while the domestic business contributed for the rest
- ✦ EBITDA increased 12% from ₹ 106.48 Crores in FY 2018-19 to ₹ 115.13 Crores in FY 2019-20

- ✦ Profit after Tax (PAT) grew 67.91% from ₹ 42.91 Crores in FY 2018-19 to ₹ 72.05 Crores in FY 2019-20

The outcome of the consolidation was visible in the satisfactory performance of three group companies:

- ✦ MEMCO's revenues decreased by 13.61% from ₹ 47.26 Crores in FY 2018-19 to ₹ 40.83 Crores in FY 2019-20
- ✦ MFT revenues increased by 6% from ₹ 159.41 Crores in FY 2018-19 to ₹ 169.47 Crores in FY 2019-20
- ✦ EMOSS revenues increased by 35% from ₹ 71.71 Crores in FY 2018-19 to ₹ 97.06 Crores in FY 2019-20

Strategic imperatives going ahead

We are focussing on further strategic imperatives to continue the momentum across the Group. This includes:

- ✦ PCL: We are working on the captive power consumption part while planning to expand our machining facility by incurring Capex in the next 2-3 years
- ✦ MEMCO: We are concentrating on sale of high margins components and cost rationalisation
- ✦ MFT: We are aiming to improve efficiency while keeping a check on the repeated raw material, labour, and interest costs
- ✦ EMOSS: We are looking forward to strengthen our market share by bringing the e-mobility localised solution to India

Outlook

The world is going through COVID-19 crisis. Each country is finding its own model to adjust to the new normal. Parallely, amidst the gloom, automotive dealers are emphasising on digital touchpoints to consult and sell the cars. Given the situation, online sales are likely to gain traction as the world moves towards personal mobility to avoid getting infected while travelling through public transport. The recovery will happen gradually with easing of interest seen over the last couple of years. The under penetration of vehicles in India signifies a great potential of the sector.

Before I conclude, I would like to take this opportunity to put forward that we as a team stand together during this challenging phase of COVID-19. We look to fully cooperate with the public authorities in these trying times while continuously looking to communicate with our clients, suppliers, shareholders and our employees across our offices and sites.

Further, I wish to thank all my colleagues, Board Members, Management, regulatory authorities and the stakeholders for their continued support as we pursue these endeavours going forward.

Your Sincerely,

Yatin S. Shah

Chairman & Managing Director

Social Imperatives

Community development has been one of our key focus areas even before it became a statutory requirement. We aligned our expertise with the communities' requirements and identified key pressing areas for developing our CSR programmes. Our intervention areas comprise promoting healthcare, education, sustainability, and social issues, among others, to help drive the community impact.



Healthcare



Education



Sustainability



Social issues



Contributing to the Sustainable Development Goals adopted by all UN Member States in 2015, as a part of the 2030 Agenda for Sustainable Development



Healthcare has always been our key priority. Keeping this in mind, we provided comprehensive sexuality education to adolescent children from 40 schools and also provided sanitary napkins to school going girls to resolve the menstrual hygiene issue. We also played our part in the development of the health infrastructure at the General Hospital, Solapur, by upgrading the General Surgery Operation Theatre complex with necessary equipment. Moving on, looking at the growing need of ventilators amid the COVID-19 pandemic, we recently provided ventilators to Shri Markandeya Solapur Sahakari Rugnalaya & Research Center.

3

Total villages covered

5

Total projects covered

7,730

Total people benefited

₹ 31,90,224

Amount spent on CSR

For any country to develop and prosper, education plays a key role. This has always made us take keen interest in encouraging education. For this, we have provided interactive e-learning facilities at 130 schools, 90% of which are from the rural areas. Interactive e-learning was added to 30 class rooms during this year.

We conducted workshops to bring out innovators in school children and vocational courses to make them self sufficient. This year we introduced Indian classical music to school children by organising concerts at schools which were highly appreciated by the children.

19

Total villages covered

10

Total projects covered

7,692

Total people benefited

₹ 61,74,340

Amount spent on CSR

Environmental sustainability is the need of the hour. We have adopted a holistic approach in the areas we operate in terms of sustainability. As a step towards greener planet, we installed solar panels at 10 new schools and 30 new classrooms. Moreover, we provided necessary equipment required in excavation of canals at Narotewadi, North Solapur. Additionally, we also helped 6 villages, falling under drought-prone areas, with water management.

17

Total villages covered

5

Total projects covered

2,38,550

Total people benefited

₹ 30,24,063

Amount spent on CSR

We empowered women, provided funds for the specially-abled children and played a small role in eradicating hunger.

11

Total villages covered

6

Total projects covered

18,282

Total people benefited

₹ 23,70,500

Amount spent on CSR



Team Precision

Mr. Vedant Pujari

Mr. Vaibhav Mahajani

Mr. Ravindra Joshi

Mr. Karan Shah

Mr. Yatin Shah



Mr. Pramod Mehendale

Mr. Sarvesh Joshi

Dr. Suhasini Shah

Mrs. Savani Laddha



Corporate Information

Board Of Directors

Mr. Yatin S. Shah

Chairman and Managing Director

Mr. Karan Y. Shah

Whole-Time Director – Business Development

Mr. Ravindra R. Joshi

Whole-Time Director and Chief Financial Officer

Dr. Suhasini Y. Shah

Non- Executive Non-Independent Woman Director

Mr. Sarvesh N. Joshi

Independent Director

Mr. Pramod H. Mehendale

Independent Director

Mr. Vedant V. Pujari

Independent Director

Mr. Vaibhav S. Mahajani

Independent Director

Mrs. Savani A. Laddha

Independent Director

Company Secretary & Compliance Officer

CS Mayuri Ishan Kulkarni

(w.e.f 23rd March, 2019)

Statutory Auditors

M/s. MSKA & Associates
Chartered Accountants, Pune
Firm No: 105047W

Secretarial Auditors

M/s J.B. Bhavé & Co.,
Practicing Company Secretaries, Pune

Registrar & Transfer Agent

Link Intime India Private Limited, Pune

Bankers

Bank of India
Bank of Baroda
Citibank N.A.

Registered Office

E - 102/103, M. I. D. C.,
Akkalkot Road, Solapur 413006, Maharashtra, India
Tel: + 91 91686465/31/32/33/36/37 Fax: (0217) 2653398
E-mail: cs@pclindia.in / info@pclindia.in
Website: www.pclindia.in

Corporate Office

Office No. 501/502, 5th Floor, Kanchanban “B”, Sunit Capital,
CST No 967 , FP No.397 , Senapati Bapat Road,Pune – 411016
Maharashtra, India
Phone: 020-25673050

Factories

1. E 90, M.I.D.C., Akkalkot Road, Solapur - 413006, Maharashtra
2. E 102/103, M.I.D.C., Akkalkot Road, Solapur - 413006, Maharashtra, India
3. D 5, MIDC Chincholi, Solapur - 413255 (EOU Division), Maharashtra, India
4. D 6, D 7, D 7-1 M.I.D.C., Chincholi, Solapur - 413255 (EOU Division), Maharashtra, India

Board Committees

Audit Committee

Pramod Mehendale – Chairman (Independent Director)

Ravindra Joshi – Whole-time Director & CFO

Sarvesh Joshi – Independent Director

Vaibhav Mahajani – Independent Director

Savani Laddha – Independent Director

Nomination Remuneration Committee

Vedant Pujari – Chairman (Independent Director)

Sarvesh Joshi – Independent Director

Pramod Mehendale – Independent Director

Vaibhav Mahajani – Independent Director

CSR Committee

Yatin Shah – Chairman (Managing Director)

Dr. Suhasini Shah – Non-Executive Non-Independent Director

Vedant Pujari – Independent Director

Vaibhav Mahajani – Independent Director

Stakeholder Relationship Committee

Vedant Pujari – Chairman (Independent Director)

Dr. Suhasini Shah – Non-Executive Non-Independent Director

Pramod Mehendale – Independent Director

Vaibhav Mahajani – Independent Director

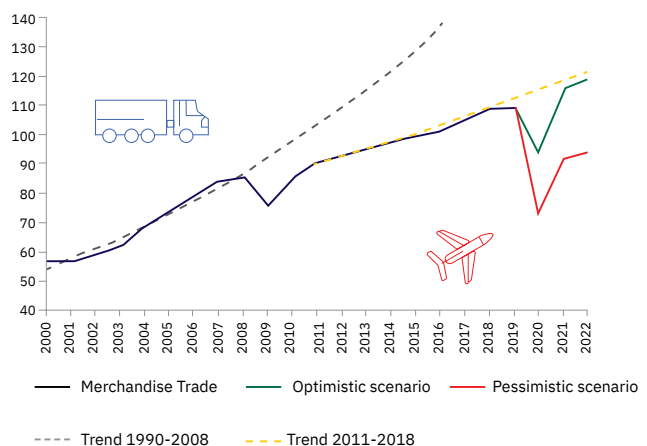
Management Discussion and Analysis

Global Economy

The past few years have witnessed an increasing number of world leaders favouring protectionism. The prime reason behind this was encouraging employment to local people, and reducing trade and external deficit. However, what protectionism did was: elevated trade tensions, caused social unrest and started a geopolitical war. The smooth flow of people, products, and services took a reverse route, causing a sluggish global economic growth of 2.9% in 2019. Despite this, the market sentiments were found to be positive owing to the indicators like accommodative monetary policy, crude oil prices in a steady range and US-China's friendly trade talk. A gradual recovery, riding on the back of aforementioned sentiments, was anticipated in 2020. But Covid-19 had other plans. The deadly Coronavirus outbreak severely impacted the supply chain, forcing corporates to re-think about their strategies. These uncertain times brought about a change of working remotely. A technological shift is being experienced with a growing number of people adopting e-commerce and video conferencing for communication. Going forward, a rising number of companies and countries are anticipated to seek greater safety in international diversification. This will help them hedge against the dangers and risks of single-source supply partners – making working together more vital than being self-sufficient.



World merchandise trade volume, 2000-2022



Indian Economy

India's GDP has grown six times from ~USD 459 billion in 1999 to touching ~USD 3 trillion mark in 2019, over the last two decades. Today, our economy is fifth largest in the world. But dark clouds have been looming all over the economy since FY 2018-19. During this period, demand started to contract, ultimately leading to low industry capacity utilisation. The downside risk was quite imminent with more and more economists questioning whether the slowdown was cyclical or structural. And to prevent the economy from freezing, the Government announced slew of measures such as GST and income tax rate cuts and increasing minimum support prices (MSP) for farmers to strengthen the demand side. RBI too walked in at different times to cut rates with the expectation that moratorium benefit will get passed down to end-users. On the contrary side, endeavours were also taken to bring alleviation on the supply front by easing business regulations, reducing corporate tax and injecting liquidity into banks. There were expectations of signs of recovery into the next fiscal year until Covid-19 broke out. The pandemic caused economy deterioration with restrictions on daily activities making lockdown and social distancing our new normal. This challenging situation was acknowledged by the Government when it announced a stimulus package of 10% of GDP, which majorly included liquidity measures and credit guarantees to directly support the growth.

Automobile Industry

Since the 2008 financial crisis, the global automobile industry has come a long way. Today it provides employment to 1 out of 7 people in the world. Over this last decade, the shareholders valuation of the global automotive suppliers doubled to USD 510 billion. The recent trend of autonomous driving and electric-powered vehicles have forced automobile manufacturers to alter their business model. On top of that, trade war and environmental concerns have added to the muted demand of the automobile sales, which has been little bleak since 2018. Amid this backdrop, OEMs appeared well to cope up with the changing phase in the industry. They were seen designing and developing new car models, syncing it with the future trends. As the primary product morphs in an unorthodox way, there is high probability that innovation will spur growth in the industry. Despite pressure on sales, R&D expenditure soared mainly on the back of regulations. Unfortunately, Covid-19 outbreak

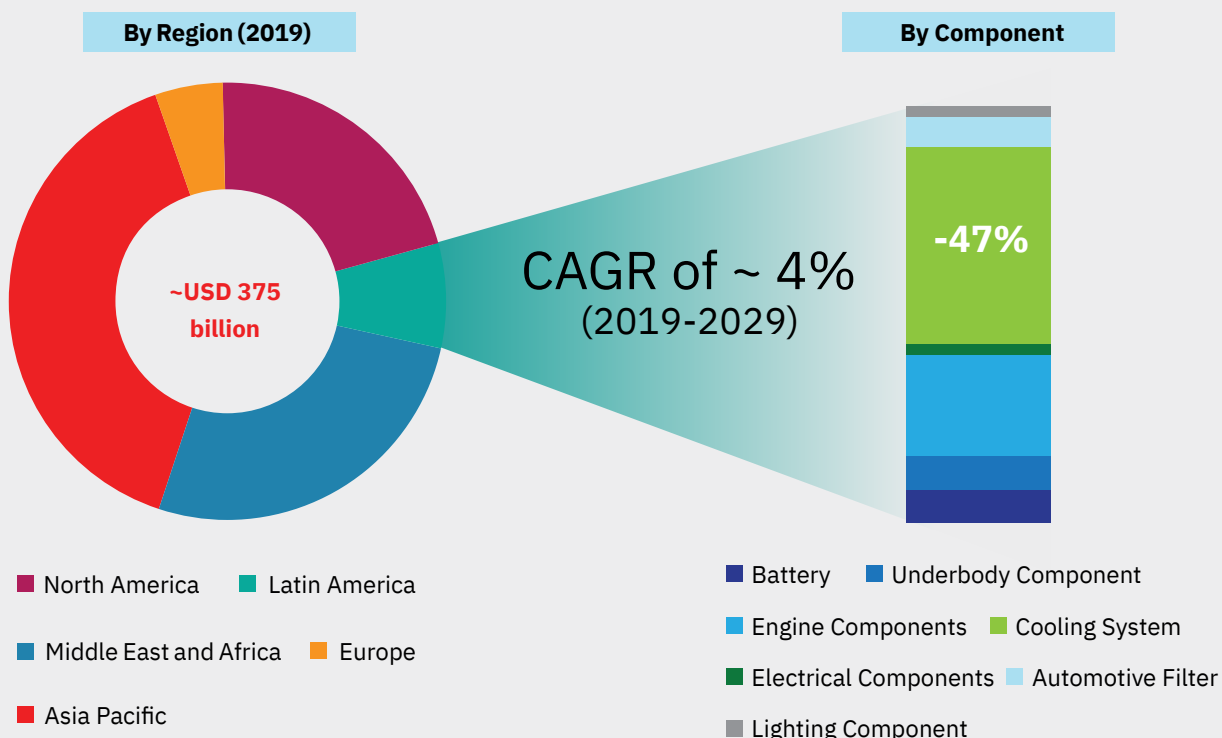
triggered a severe pressure on an industry already coping with a downshift. At this point in time, major manufacturers were seen running the operations with minimal staff to keep their people safe. Further, to stay resilient in these trying times, many OEMs also launched online sales channels to digitally connect with consumers, revealing new ways of doing business.

Auto Component Industry

Wide array of products, consolidation and active expansion activities together make the auto component sector very lucrative for investors. And, with the introduction of modern technologies almost every single day, the operating environment is playing out in the favour of players embracing the innovation. The advantage of low-cost manufacturing has made OEMs to source auto components from Asian countries such as China and India. This, along with the devaluation of the rupee, is going to help India's auto component suppliers with higher exposure to export market. Already, the domestic auto component supplies 1/4th of the production to overseas market. And, given the backlash against China post Covid-19 outbreak, it may well prove out to be positive for countries like India, Taiwan, or Indonesia in the years to come.



Global Auto Parts Manufacturing Market



(Source: Persistence Market Research)

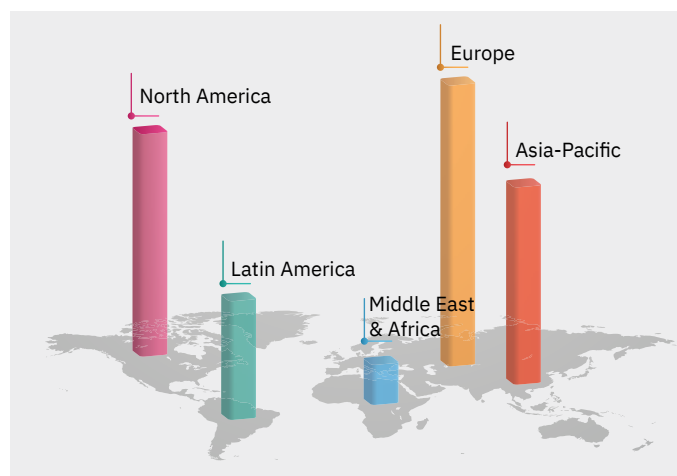
Camshaft Industry

The Camshaft is a very concentrated market with most of the market share coming from a few specific players. Over the past decade, strictly implemented emission standards have led to the modification of outdated engines. Hence, giving rise to advanced engines' requirement. Responding to this, the camshaft manufacturers embedded modernisation with major impetus on lowering the weight of camshafts. Region-wise, Asia-Pacific is turning out to be the world's fastest-growing market for vehicle camshaft owing to significant rise in the number of commercial vehicles. In near term, the Covid-19 outbreak has severely impacted the operations in the camshaft industry. However, by 2027, the global Camshaft market is expected to reach the market valuation of USD 27 billion witnessing a ~3% CAGR (Source: Transparency Market Research).

<10-25%

India's manufacturing costs as compared to Europe and Latin America

Camshaft Market by Region



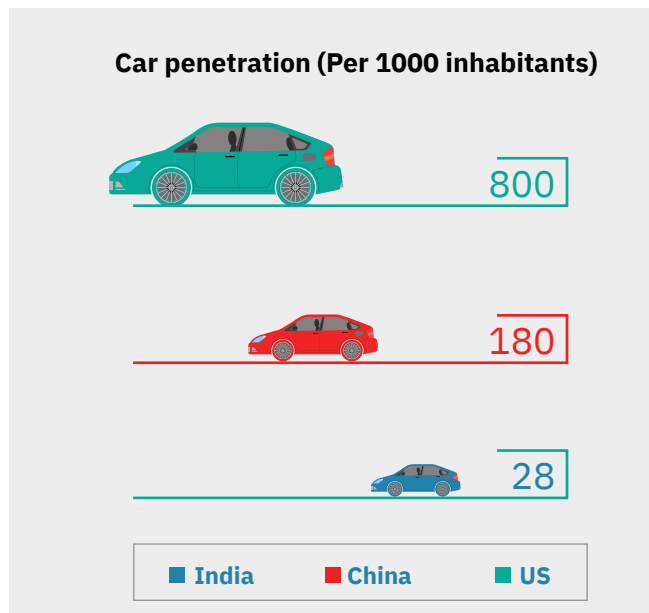
(Source: Transparency Market Research)

Opportunities

Growth of auto-component industry is inter-linked to demand of automotive industry. Therefore, success factor of the Original Equipment Manufacturers (OEMs) plays a vital role in opening doors of opportunities for automotive components makers.

Rise in personal mobility

In the near-term, Covid-19 is likely to cause consumers to switch up from public transport to personal mobility. The social distancing norms and the concern associated with the spread of the virus are steering consumers to purchase personal vehicles. Hence introducing first-time buyers.



Source: <https://www.livemint.com/industry/manufacturing/6-ways-to-reignite-india-s-auto-industry-11571157981126.html> Livemint, December 2019)

Lower level of penetration

Lower level of vehicle penetration in India as compared to other countries, signifies the enormous growth potential present here. The young demographic and urbanisation are going to shift that paradigm, improving the overall domestic automotive ecosystem.

Deep localisation

Indian auto-component makers are placing huge emphasis on research and development (R&D), which is adding to its competitiveness on a global scale. And, with time, increasing number of automobile makers in India are preferring localisation owing to the cost advantage, depreciating rupee,

and faster inventory turnaround time. Adding to these, the Covid-19 pandemic has also pushed the country towards self-sufficiency, which is deepening localisation.

Collaboration with foreign companies

Apart from just developing technologies in-house, auto component makers, through their strategic alliance and acquisitions, are gaining access to new technology and new markets, both domestically and internationally.

BS-VI norms

The BS-VI emission standard is on the same level as world's most stringent norms such as 'Euro VI'. Domestic auto-component industry conformity to BS-VI will help discover new overseas market, catering the needs of foreign clients.

Threats

Weakening consumer sentiments

Job losses and increasing household debt have impacted the sales of vehicles. Moreover, the rise in vehicle acquisition cost owing to the regulatory changes, rising raw material prices and high insurance cost is deterring buyers.

Discretionary nature of the business

At the time of economic slowdown, the decisions to purchase automobile can be delayed owing to discretionary nature of the business.





Company Overview

For long, Precision Camshaft Limited has been the pioneer and market leader in production of wide variants of camshafts. The Company has been constantly strengthening its product offering by investing in R&D capabilities. This excellence of innovation has helped PCL to improve its premier position across the world, making it the preferred partner for many world class automotive OEMs. In the past few years, PCL has strengthened its value proposition through three strategic acquisitions. Now, having consolidated its position, the Company is passionately growing strength to strength and elevating the performance bar each year.

Performance Review

Business review

PCL

Products	Contribution to the revenue (%)		Reason for machined camshaft growth
	FY 2019-20	FY 2018-19	
Casting camshaft	39.2	44	✦ The high margin machined camshaft business offers potential 2.5 times higher realisation as compared to camshaft casting Making, the Company focus on ramping its machined camshaft capacity.
Machined camshaft	60.8	56	

Group Companies

Subsidiaries	Products & services	Total income (₹ in Crores)		Reason for the growth
		FY 2019-20	FY 2018-19	
MFT	Auto components	169.47	159.41	✦ Wide array of product range in sync with the market trends
MEMCO	Auto components	40.83	47.26	
EMOSS	Electric mobility solution	97.06	71.71	✦ A strong customer base created through collaborated efforts, wherein, cross-selling capabilities are used to increase volumes

Financial Overview: Consolidated and Standalone (₹ in Crores)

Financial Results	Standalone for the year ended 31 st March		Consolidated for the year ended 31 st March	
	2020	2019	2020	2019
Revenue from Operations	442.89	423.69	746.23	695.21
Other Income	21.17	16.88	21.45	17.67
Revenue from Operations and Other Income	464.06	440.57	767.68	712.88
Earnings before Interest, Tax, and Depreciation & Amortisation				
(EBITDA)	115.13	106.48	129.50	135.63
Profit for the year	72.05	42.91	25.63	7.07
EPS (Basic) (In ₹)	7.59	4.52	3.68	1.21
EPS (Diluted) (In ₹)	7.58	4.52	3.68	1.21

Standalone

The revenue from the Company's operations registered an increase of 4.53%, mainly on the back of growing realisation of high margin products and exports. Profit after Tax (PAT) increased by 67.91% to 72.05 Crores as compared to 42.91 Crores in the previous year, owing to the cost rationalisation.

Consolidated

PAT showed a significant growth increasing by 262.53% from ₹ 7.07 Crores in FY 2018-19 to ₹ 25.63 Crores in FY 2019-20. The overall improvement in the performance is the result of operational excellence, synergy benefits and products addition done.

Significant Changes in Financial Ratios

Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios

Financial ratio names	Standalone		Change %	Reason for change
	FY 2019-20	FY 2018-19		
Current Ratio	3.78	2.91	30%	During the current year, the Company has settled to receive compensation for cancellation of order and sunk costs from a customer amounting to ₹ 1,867.66 Lakhs. This has resulted into increase in overall margin earned by the Company.
Net Profit Margin (%) or sector-specific equivalent ratios, as applicable.	15.72	9.94	58%	During the current year, the Company has settled to receive compensation for cancellation of order and sunk costs from a customer amounting to ₹ 1,867.66 Lakhs. This has resulted into increase in overall margin earned by the Company.
Return on Net Worth(%)	11.09	7.13	56%	During the current year, the Company has settled to receive compensation for cancellation of order and sunk costs from a customer amounting to ₹ 1,867.66 Lakhs. This has resulted into increase in overall margin earned by the Company.

Financial ratio names	Consolidated		Change %	Reason for change
	FY 2019-20	FY 2018-19		
Net Profit Margin (%) or sector-specific equivalent ratios, as applicable.	3.36	1.00	234%	During the current year, the Company has settled to receive compensation for cancellation of order and sunk costs from a customer amounting to ₹ 1,867.66 Lakhs. This has resulted into increase in overall margin earned by the Company.
Return on Net Worth	3.94	1.09	260%	During the current year, the Company has settled to receive compensation for cancellation of order and sunk costs from a customer amounting to ₹ 1,867.66 Lakhs. This has resulted into increase in overall margin earned by the Company.

Risk Management

Risk management controls are integrated into all levels of our business and across all operations. The Company continuously monitors and manages its business exposure to risks. It seeks to ensure that risks are appropriately mitigated in order to deliver the Company's strategy.

Risk	Impact	Mitigation
Regulatory environment risk	Inability to adapt to the changing regulatory landscape may adversely impact sustainability.	Carefully monitor the regulatory environment and based on the results, implement appropriate changes that help stay ahead of the curve.
Supplier risk	Failure from suppliers' end to deliver raw materials on time owing to financial failure or production issues could disrupt operations.	Reputable suppliers with relevant experience and proven track record.
Attracting and retaining high-caliber employees	Failure to recruit and/or retain employees with appropriate skills could affect target achievements.	Continuous engagement with employees through activities and effective training in discipline helps ensure a strong, two-way and transparent communication across all hierarchy levels of organisation.
Appropriateness of product	Failure to design and build a desirable product for customers at appropriate price may undermine the ability to fulfil business objectives.	Production processes adhere to stringent quality standards, assuring efficiency to clients.
Safety and health risk	Health and safety or environmental breaches can result in incidents affecting employees.	In-house team undertakes health and safety checks and observations at all operational units, preventing accidents and injuries.



Human Resource Management

The Company's strong cohesive team is critical to its success. Irrespective of position or title, the Company's people are recognised for their excellent work. Everyone is inspired, motivated and supported to deliver. Moreover, the Company's flat hierarchical structure ensures agility, fast decision-making and constant innovation. Entrepreneurial flair remains a vital component of the Company's cultural DNA. This empowers the people to feel and behave like long-term owners of the business. The Company's good working relationship with its employees has resulted in its stellar performance. Besides, training and development of workers is a steady process at PCL. To enhance their skills, the Company undertakes various training programs (Technical Training at Site & On-the-Job Training) as well as programs for social awareness about workplace safety. Moreover, diversity and inclusion at every department is the top priority. For this, the Company provides equal opportunity to all employees, irrespective of race, colour, religion, gender, marital status, age, national origin or disability. As on 31st March, 2020, the Company's employee strength stood at 2,078.

Internal Control System

The Company works under the environment of SAP. This helps gain control of every stage of the manufacturing process. The Company has appointed Internal Auditors who cover all the aspects that could financially impact its operations. The Company has also set up adequate controlling systems to curb production wastage and inculcate processing efficiency.



Cautionary Statement

This document contains statements about expected future events, financial and operating results of Precision Camshafts Limited, which are forward looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of Precision Camshafts Limited's Annual Report, FY 2019-20.

Board's Report

To

The Members of

PRECISION CAMSHAFTS LIMITED

Your Directors are pleased to present the **TWENTY EIGHTH ANNUAL REPORT** and the Audited Standalone and Consolidated Financial Statements for the year ended 31st March, 2020.

1. FINANCIAL RESULTS

The Company's financial performance for the year under review along with previous year's figures is given hereunder:

(₹ in Lakhs)

Financial Results	Standalone		Consolidated	
	For the Year ended 31 st March, 2020	For the Year ended 31 st March, 2019	For the Year ended 31 st March, 2020	For the Year ended 31 st March, 2019
Total Revenue (I)	45,836.37	43,154.07	76,365.48	70,472.76
Total Expenses (II)	34,324.12	32,506.40	63,415.25	56,910.18
Earnings before interest, tax, depreciation and amortisation (EBITDA)	11,512.75	10,647.67	12,950.23	13,562.58
Profit Before Tax & Exceptional Items	66,97.48	65,71.45	3,801.96	5,672.07
Exceptional items	18,67.66	0.00	(215.63)	(2,734.59)
Profit before tax	8,565.14	6,571.45	3,586.33	2,937.48
Total Tax Expenses	1,359.82	2,280.16	984.47	2,117.05
Profit for the year	7,205.32	4,291.30	2,563.33	707.39
EPS (Basic)	7.59	4.52	3.68	1.21
EPS (Diluted)	7.58	4.52	3.68	1.21

The above-mentioned figures are extracted from financial statements prepared in accordance with the Indian accounting Standards (IND AS).

2. COMPANY'S FINANCIAL PERFORMANCE

During the Financial Year under review, on Standalone basis, your Company registered a total revenue of ₹ 45,836.37 Lakhs as against ₹ 43,154.07 Lakhs in the previous year. The profit after tax for the year stood at ₹ 7,205.32 Lakhs as against ₹ 4,291.29 Lakhs in the previous year. Your Company reported increase in top-line by 6.22 % over the previous year.

On Consolidated basis, total revenue was ₹ 76,365.48 Lakhs as against ₹ 70,472.76 Lakhs in the previous year. The profit after tax for the year stood at ₹ 2,563.33 Lakhs as against ₹ 707.39 Lakhs in the previous year. Your Company reported increase in top-line by approx 8.36 % over the previous year.

During the period ended 31st March, 2019, the Directors of the Company confirmed their intention to sell the shares of investment in its Joint Ventures, Ningbo Shenglong PCL Camshafts Co. Ltd. and PCL Shenglong (Huzhou) Specialised Casting Co. Ltd., collectively referred to as the "Disposal Group" as a result, the Company had classified the "Disposal Group" as held for sale in accordance with Ind AS 105 – Non Current Assets held for sale and discontinued operations. The sale is completed for above mentioned entities and the proceeds are realised on 18th June, 2020.

There was no change in the nature of the Business of Company or any of its subsidiary Companies.

Board's Report (Contd)

3. TRANSFER TO RESERVES

The closing balance of the retained earnings of the holding Company for FY 2019-20, after all appropriation and adjustments was ₹ 33,229.62 Lakhs

4. DIVIDEND

The Board of Directors has declared Interim Dividend of ₹ 0.95/- (9.5%) per Equity Share of Face Value of ₹ 10/- each in the board meeting held on the 5th March, 2020. Interim Dividend Payment was paid online on 26th March, 2020

Based on Company's performance and Due to Covid 19 pandemic, the Directors recommend Interim Dividend as Final Dividend for the Financial year ended 31st March 2020.

In accordance with Regulation 43A of the SEBI (LODR) Regulations 2015 the Company has formulated a Dividend Distribution Policy. The Dividend Distribution Policy of the Company is also hosted on the website of the Company and can be viewed at www.pclindia.in.

5. SHARE CAPITAL

During the year under review, your Company has not allotted any Equity Shares under the exercise of stock options under Precision Camshafts Limited Employee Stock Option Scheme 2015 ("PCL ESOS 2015"). Therefore there was no change in the Capital Structure of the Company. Consequently, the issued, subscribed and paid-up equity share capital of the Company is ₹ 9498.58 Lakhs divided into 9,49,85,835 Equity Shares of ₹ 10/- each.

6. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Changes in the Composition of Board of Directors of the Company:

As per Regulation 17(1)(a) of SEBI (LODR) Regulations, 2015, the Board of Directors of the top 1,000 listed entities shall have at least one Independent Woman Director by April 1, 2020. Mrs. Savani A. Laddha (DIN: 03258295) was appointed as Independent Woman Director (Additional Director) w.e.f. 10th February 2020 in compliance with SEBI (LODR) Regulations, 2015,

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel (KMP) of your Company as on 31st March, 2020 are as mentioned below:-

Mr. Yatin S. Shah	Chairman and Managing Director
Mr. Ravindra R. Joshi	Whole-time Director and Chief Financial Officer
Mr. Karan Y. Shah	Whole-time Director – Business Development
Mrs. Mayuri I. Kulkarni	Company Secretary & Compliance Officer

As on 31st March, 2020 Non- Executive Directors on the Board are as mentioned below: -

Dr. Suhasini Y. Shah	Non- Executive Non-Independent Woman Director
Mr. Sarvesh N. Joshi	Independent Director
Mr. Pramod H. Mehendale	Independent Director
Mr. Vedant V. Pujari	Independent Director
Mr. Vaibhav S. Mahajani	Independent Director
Mrs. Savani A. Laddha	Independent Woman Director

7. DECLARATION FROM INDEPENDENT DIRECTORS

Board's Report (Contd)

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criterion of Independence as prescribed under Section 149 (6) of the Companies Act, 2013 and Regulation 16 of SEBI (LODR) Regulations, 2015.

The Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV to the Act as well as the Code of Conduct for Directors and Senior Management Personnel.

During the year, Independent Directors of the Company had no pecuniary relationship or transactions with the Company, other than commission and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board of Director and its Committees. The details of remunerations and/or other benefits of the Independent Directors are mentioned in the Corporate Governance Report.

8. BOARD MEETINGS

The Board meets at regular intervals to discuss and decide on Company / business policy and strategy apart from other Board business. The notice of Board meeting is given well in advance to all the Directors. The Agenda of the Board / Committee meetings is set by the Company Secretary in consultation with the Chairman and Managing Director and Chief Financial Officer of the Company. The Agenda for the Board and Committee meetings covers items set out as per the regulations in SEBI (LODR) Regulation, 2015 and companies Act, 2013 to the extent it is relevant and applicable. The Agenda for the Board and Committee meetings include detailed notes on the items to be discussed at the meeting to enable the Directors to take an informed decision.

During the year, 5 (Five) Board Meetings were convened and held on 27th May 2019, 13th August 2019, 5th November 2019, 10th February 2020 and 5th March 2020.

The maximum interval between any two meetings was well within the maximum allowed gap of 120 days.

9. MEETING OF INDEPENDENT DIRECTORS

In compliance with the provisions of Schedule IV of the Companies Act, 2013 and Regulation 25(3) of SEBI (LODR) regulation 2020, a meeting of Independent Directors was held on 10th February, 2020 to review the performance as per Regulation 25(4) of SEBI (LODR) regulation 2015 and Schedule IV of the Companies Act, 2013.

The Independent Directors of the Company at their meeting held on 10th February, 2020 expressed satisfaction on the quality, quantity and timeliness of flow of information between the Company Management and the Board. All other Independent Directors were present at the meeting.

Note: Mrs. Savani Arvind Laddha, was appointed at the Board Meeting held on 10th February, 2020 Board Meeting, after Independent Director Meeting was held at the same Day hence she was not entitled to attend Independent Directors Meeting.

10. CONTRIBUTION OF INDEPENDENT DIRECTORS TO THE GROWTH OF THE COMPANY

The Board of Directors of the Company strategically comprises of Independent Directors from different domains which adds value to the Company. Every Independent Director with his expertise and integrity has earned a vast experience and reputation in the industry. Our Independent Directors are experts in Finance, Company Laws, Information Technology, Commercial Laws and Audit. These domains are integral part of every business and therefore the collective expertise of these board members ensure that we are up to the mark with the global leaders in terms of ethics, corporate governance, best industry practices, transparency and technology.

The online proficiency self-assessment test of Independent Directors conducted by Indian Institute of Corporate Affairs

Board's Report (Contd)

ensures that the skills and knowledge is appropriate and beneficial to the Company. Few of our Independent Directors have successfully passed the test. Others are yet to appear for the test since the time limit for the online proficiency self-assessment test is one year from the date of inclusion of name in Independent Director Databank.

11. SUBSIDIARIES AND ACQUISITIONS

The Company has 2 (Two) subsidiaries, 2 (Two) step down subsidiaries as on 31st March, 2020.

(a) PCL (INTERNATIONAL) HOLDINGS B.V. ("PCL Netherlands") – Wholly Owned Subsidiary

PCL (International) Holdings B.V. is a Wholly Owned Subsidiary of the Company in Netherlands. The existing customer base of the Company is predominantly located in Europe to facilitate and coordinate between company and customers, PCL (International) Holdings B.V. was formed. Other objective of having PCL (International) Holding B.V. is to monitor the performance and reporting of subsidiaries centrally.

(b) MEMCO ENGINEERING PRIVATE LIMITED ("MEMCO") – Wholly Owned Subsidiary

MEMCO Engineering Private Limited is a Wholly Owned Subsidiary of the Company. It is engaged in the business of manufacturing fuel injection components for conventional CRDi diesel engines, brake components, high pressure diesel injector connectors for naval ships and high precision instrumentation components. MEMCO enjoys long term relationships with marquee global customers like Bosch, Delphi, Endress Hauser and Giro. For the financial year ended 31st March, 2020 the revenue from operations stood at ₹ 4,071 Lakhs as against ₹ 4,722 Lakhs for previous year. The profit after tax stood at ₹ 160 Lakhs as against ₹ 347 Lakhs for previous year.

(c) MFT MOTOREN UND FAHRZEUGTECHNIK GMBH ("MFT") – Step Down Subsidiary

Your Company through its Wholly Owned Subsidiary, [PCL (International) Holdings B.V. Netherlands ("PCL, Netherlands")] acquired 76% Shares in M/s MFT Motoren und Fahrzeugtechnik GmbH, Germany ("MFT") on 23rd March, 2018 for ₹ 2,500 Lakhs (EUR 31,26,018). Further, the Board at its Board Meeting held on 5th March, 2020 has approved the fund infusion in PCL, Netherlands to acquire the balance 24% of MFT. Post acquisition MFT shall become the Wholly Owned Step-Down Subsidiary of PCL (Precision Camshafts Limited).

MFT is engaged in the business of manufacturing Balancer Shafts (i.e. Fully Machined, hardened and balanced vertical and horizontal Balancer shafts), Camshafts, Bearing Caps, Engine Brackets and Prismatic Components (i.e. brake and chassis components, machining of all casting materials). MFT enjoys long term relationship with marquee global customers like Volkswagen, Audi, Opel, Westphalia, Hatz, Suzuki etc.

(d) EMOSS MOBILE SYSTEMS B.V. ("EMOSS") – Step Down Subsidiary

Your Company through its Wholly Owned Subsidiary PCL (International) Holdings B.V. acquired 51% Shares of EMOSS Mobile Systems B.V., Netherlands ("EMOSS") on 18th May, 2018 for "EUR 7,358,000 (Circa ` 5,878.37 Lakhs)".

Further, the Board at its Board Meeting held on 23rd June, 2020 has approved the fund infusion in PCL, Netherlands to acquire the balance 49 % of EMOSS. Post acquisition MFT shall become the Wholly Owned Step-Down Subsidiary.

EMOSS is a one-of-a-kind business that designs, develops, produces and supplies complete electric powertrains for trucks, busses, military vehicles and heavy equipment. EMOSS business model includes conversion of diesel trucks into ready to use electric trucks. The company also manufactures "ready to assemble modular kits" which are assembled onto the chassis. EMOSS provides an end to end solution to its customers which includes research and development, engineering, production, testing, certification, delivery and post-sale service. EMOSS also provides real time power management and tracking via an integrated cockpit setup. The trucks powered with Electric Drivelines can carry

Board's Report (Contd)

a maximum payload of 50 tons with a mobility of up to 350 km which may be extended beyond 500 km with long range extenders developed by EMOSS. Acquisition has paved access to electrical mobility markets such as Europe, North America, Australia and New Zealand. EMOSS enjoys customer base of Heineken, Meyer & Meyer, TEDI, etc.

Soon, your Company envisages to launch EV in India using EMOSS Technology on Trial Basis.

The Company has formulated a policy for determining "material" subsidiaries and such policy is also hosted on the website of the Company and can be viewed at www.pclindia.in.

Further a statement containing salient features of the financial statements of subsidiaries in the prescribed format AOC-1 is appended as **Annexure-A** to this Report. The statement also provides details of performance, financial position of each of its subsidiaries.

12. DISINVESTMENT/ LIQUIDATION IN JOINT VENTURES, SUBSIDIARIES AND STEP-DOWN SUBSIDIARIES

(a) Disinvestment from NINGBO SHENGLONG PCL CAMSHAFTS CO. LTD. "SLPCL"

Precision Camshafts Limited ("PCL India"), as a part of its global expansion and assured business of CFMA China had entered into joint venture agreement dated 11th February, 2012 with Ningbo Shenglong Powertrain Co. Ltd. ("Shenglong") to set up machining facility. During the same time, ZMM Technology Ltd ("ZMM") was introduced into the JV and the capital contribution was restructured as Shenglong (75%), PCL India (22.5%) and ZMM (2.5%). The Company served customers like Geely and CFMA China.

SLPCL supplied Fox, Sigma and GTDI type camshafts to CFMA China. These specific types of camshafts have been phased out from the China market and gradually it has impacted our business. It had started giving negative impact on PCL India Consolidated Balance Sheet due to losses incurred in the Joint venture.

It was a strategic business decision to exit from the aforesaid Joint Venture Company and china market. The sale is completed for above mentioned entity and the proceeds are realised on 18th June, 2020.

As on 31st March, 2020 Company has exited from aforesaid associate Company by selling entire stake in the Company.

(b) Disinvestment From PCL SHENGLONG (HUZHOU) SPECIALISED CASTING CO. LTD (PCLSL)

In 2013, PCL India entered into joint venture agreement with Ningbo Shenglong Powertrain Co. Ltd. ("Shenglong") and ZMM Technology Ltd ("ZMM") to set up foundry for manufacturing camshafts. The Company supplied camshaft castings to Ningbo Shenglong PCL Camshafts Co. Ltd.

PCLSL is solely dependent on orders of SLPCL and therefore the cascading effect of slowdown of business of SLPCL has adversely impacted PCLSL. The operating expenses of the plant were on a higher side and adversely affecting the cash flows.

It had started giving negative impact on PCL India Consolidated Balance Sheet due to losses incurred in Joint Venture.

It was a strategic business decision to exit from the aforesaid Joint Venture company and china market. The sale is completed for above mentioned entity and the proceeds are realised on 18th June, 2020.

As on 31st March, 2020 Company has exited from aforesaid associate Company by selling entire stake in the Company

(c) Liquidation PCL (SHANGHAI) CO. LTD

PCL (Shanghai) Co. Ltd., a wholly owned subsidiary was incorporated in February 2011 with the purpose of expanding business to the growing OEM base in China. For the first few years, PCL (Shanghai) was able to onboard new clients and Ford Motor Company was one of its major customers. The company was supplying camshaft castings, to Ford in China.

Over the last few years, the particular camshafts got phased out in China which impacted the operations of PCL (Shanghai)

Board's Report (Contd)

along with its profitability. Coupled with the phase out of these Camshafts, the overall auto industry faced challenging times in China making it unsustainable for the company to continue with its operations.

As a results the Board, by means of the Circular Resolution No. 1/2019-20 dated April, 2019 had passed resolution to initiate liquidation proceedings of PCL (Shanghai) Co. Ltd, a wholly owned subsidiary, which was completed on the 24th day of December 2019.

(d) Liquidation of PCL BRASIL AUTOMOTIVE LTDA

In 2018, PCL Brasil Automotive LTDA was incorporated as a wholly owned subsidiary of PCL (International) Holding B.V. Netherlands. PCL Brasil Automotive LTDA is step down subsidiary of PCL India.

PCL Brasil Automotive LTDA has not commenced any business, since its incorporation due to the Economic Conditions, Labor Factor, Complex Tax Structure due to which it is not viable to have business in Brasil.

As on 31st March, 2020 PCL BRASIL AUTOMOTIVE LTDA stands liquidated.

13. CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements are prepared in accordance with the Companies Act, 2013 and applicable Indian Accounting Standards. The performance of the Company on consolidated basis is discussed at length in the Management Discussion and Analysis.

14. CREDIT RATING

Credit ratings on standalone basis is:-

Facilities	Amount (₹ Crores)	Previous Rating	Rating action
Long-term Bank Facilities	2.05	CARE A; STABLE	Reaffirmed
Short-term Bank Facilities	79.50	CARE A1	Reaffirmed
Long-term/ Short term Bank Facilities	10.00	CARE A; Stable/ CARE A1	Reaffirmed
Total Facilities	91.55		

15. UTILISATION OF IPO PROCEEDS

The proceeds of the IPO have been used for setting up of machine shop for machining of camshafts and offer related expenses and general corporate purposes of ₹ 240 Cr. There is **no deviation in use of proceeds from objects stated in the offer documents**. The summary of utilisation of IPO proceeds as on 31st March, 2020 is stated in Note No. 41 of Notes to Accounts.

Since Company has utilised IPO Proceed, Last Statement of Deviation is submitted to Stock Exchange on 7th June, 2019, the same statement is also posted on the website of the Company.

16. STATEMENT ON FORMAL ANNUAL EVALUATION OF THE PERFORMANCE OF THE BOARD, ITS COMMITTEES AND DIRECTORS

The Board of Directors has carried out an annual evaluation of its own performance, board committees and individual directors, pursuant to the provisions of the Companies Act, 2013 and Regulation 19 read with Schedule II, Part D of the SEBI (LODR) Regulations, 2015.

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of Board processes, information and functioning, etc.

Board's Report (Contd)

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc.

A structured questionnaire was prepared after taking into consideration the various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance, disclosures to Stakeholder at various aspects. The Board of Directors expressed their satisfaction with the evaluation process.

17. PCL ESOS 2015 – INFORMATION REGARDING ALLOTMENTS DURING THE YEAR

During the year under review, in terms of PCL ESOS 2015, the Company has not allotted any Equity Shares on exercise of vested options. During the year under review, no fresh grant was made by the Company.

The disclosures in compliance with Section 62 of the Companies Act, 2013 read with Rule 12 of Companies (Share Capital and Debentures) Rules, 2014, and SEBI (Share Based Employee Benefits) Regulations, 2014 are as follows:

Total No. of Shares covered by ESOS Scheme approved by the Shareholders	6,00,000 (Six Lakhs) Equity Shares		
Grant	I	II	Total
Options granted	Nil	Nil	Nil
Options vested	Nil	Nil	Nil
Options exercised	Nil	Nil	Nil
The total number of shares arising as a result of exercise of option	Nil	Nil	Nil
Options forfeited	Nil	Nil	Nil
Options lapsed	3,350	43,650	47,000
Extinguishment or modification of options	Nil	Nil	Nil
The exercise price	₹ 10/-	₹ 10/-	₹ 10/-
Pricing formula	As per the ESOS Scheme approved by the members of the Company.		
Variation of terms of options	NA	NA	NA
Money realised by exercise of options	Nil	Nil	Nil
Total number of options in force (PCL ESOS 2015)	21,090		
Employee wise details of options granted to:			
- Key Managerial Personnel & Senior Managerial Personnel	NA	NA	NA
- Any other employee who receives a grant of options in any one year of option amounting to 5% or more of options granted during that year	NA	NA	NA
Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	NA	NA	NA
Issued Capital (excluding outstanding warrants and conversions of the Company at the time of grant. (Only in case of Listed Companies)	NA	NA	NA
Diluted EPS calculated in accordance with International Accounting Standard (IAS) 33	NA	NA	NA

Board's Report (Contd)

18. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

- a) The Company has given loans of € 60,50,197 (₹ 4,961.16 Lakhs) to Loan to PCL (International) Holdings B.V. (100% Subsidiary)
- b) The Company had given Corporate Guarantee of ₹ 14,900 Lakhs to Bank of Baroda, London in respect of Term Loan given by Bank of Baroda to its Wholly Owned Subsidiary Company PCL (International) Holdings, B.V. Netherlands for strategic acquisitions in FY 2017-18. During the year PCL (International) Holdings B.V. has requested Bank of Baroda London to cancel the limits sanctioned for Brazil Project and accordingly, the sanctioned limits were reduced by € 4.71 Mn. PCL (International) Holding B.V., in FY 2019-20, repaid part of the Term Loan. Because of the two reasons, the amount of Corporate Guarantee reduced to ₹ 6,197.09 Lakhs as at 31st March, 2020 (₹ 14,900 Lakhs in FY 2018-19). Please refer Note No. 33 of notes forming part of the financial statements to the Standalone Financial Statements.
- c) Company has increased its equity shareholding by ₹ 373.69 Lakhs in PCL (International) Holding B V (100% Subsidiary) during the year to the total equity of ₹ 3,471.34 Lakhs (€ 43,24,800) through infusion of Funds, Board resolution for same was passed on 8th December, 2017 & 5th March, 2020.
- d) The Company has given Corporate Guarantee of 20 Crores to Citi Bank NA for Credit Facilities availed by Memco Engineering Private Limited, during the year.
- e) Please refer Note No. 5 of notes forming part of the financial statements to the Standalone Financial Statements for investments under Section 186 of the Companies Act, 2013.

19. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All contracts/ arrangements/ transactions entered by the Company during the Current financial year 19-20 with related parties were on an arm's length basis and were in the ordinary course of business. Such transactions form part of the notes to the financial statements provided in this Annual Report. (Please refer Note No. 34 to the Standalone Financial Statements.) The details of material transactions entered with related parties during the year 2019-20 in Form AOC-2 are enclosed herewith as **Annexure B**

20. STATEMENT ON RISK MANAGEMENT POLICY

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to the Company. The Company's future growth is linked with general economic conditions prevailing in the market. Management has taken appropriate measures for identification of risk elements related to the Industry, in which the Company is engaged, and is always trying to reduce the impact of such risks. The Company has also formulated Risk Management Policy and Risk Management Systems are evaluated by the Audit Committee.

The Company has adopted a Risk Management Policy in accordance with the provisions of the Act and Regulation 21 of the SEBI (LODR) Regulation 2015. Risk Management Policy is hosted on website of the Company (www.pclindia.in).

COVID-19 is an unforeseen risk faced by all the industries of the Country, Company has been impacted due to Covid-19, Management has taken necessary steps for resuming operations of the Company with safety of its employees and abiding by Government Directives.

21. EXTRACT OF ANNUAL RETURN

Pursuant to Section 92(3) of the Act and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the Extract of Annual Return in the prescribed form i.e. Form MGT-9 is annexed herewith as **Annexure C**, which forms part of this Report and also hosted on website of the Company (www.pclindia.in)

Board's Report (Contd)

22. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information pertaining to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in **Annexure D** and is attached to this report.

23. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company's guiding principle for CSR is to build its relationship with stakeholders and the community at large, and to contribute to their long term social good and welfare. Your company, as a matter of duty, has been carrying out the CSR activities since long even when there were no statutory requirements in this regard.

In compliance of Section 135 of the Companies Act, 2013, your Company has constituted a Corporate Social Responsibility (CSR) Committee comprising of:

Mr. Yatin S. Shah	Chairman
Dr. Suhasini Y. Shah	Member
Mr. Vedant V. Pujari	Member
Mr. Vaibhav Mahajani	Member

Detailed Annual Report on CSR Activities during the year is given as **Annexure E** and CSR Policy is also disclosed on the website of the Company (www.pclindia.in).

Company has paid ₹ 50 Lakhs towards Prime Minister Cares Fund for COVID-19 in April, 2020.

24. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has adopted a Whistle Blower Policy (Vigil Mechanism) to provide a formal mechanism to the Directors and employees to report their concerns about unethical behavior, actual or suspected fraud, irregularities or violation of the Company's Code of Conduct. The Policy provides for adequate safeguards against victimisation of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee.

The detailed policy on Vigil mechanism is also disclosed on the website of the Company (www.pclindia.in). The Vigil Mechanism is overseen by the Audit Committee and provides a mechanism for Directors and Employees of the Company to report to the Chairman of the Audit Committee or Chairman of the Company. During the year, there have been no complaints alleging child labour, forced labour, involuntary labour and discriminatory employment.

25. PARTICULARS OF EMPLOYEES

Disclosures with respect to the Remuneration of Directors, KMPs and employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in **Annexure F** to this Report.

There were no employee(s) in receipt of remuneration of ₹ 1.02 Crores or more per annum or in receipt of remuneration of ₹ 8.50 Lakhs per month, under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, except employees mentioned in Annexure F of the Annual Report. Industrial relations continued to be cordial during the year.

26. INTERNAL COMPLAINTS COMMITTEE (ANTI- SEXUAL HARASSMENT POLICY)

The Company has in place a policy for prevention of sexual harassment at workplace. This inter alia provides a mechanism for the resolution, settlement or prosecution of acts or instances of Sexual Harassment at work and ensures that all employees

Board's Report (Contd)

are treated with respect and dignity. The Company has also complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The composition of the Internal Complaints Committee is as follows

Internal Complaints Committee at MIDC Chincholi, Solapur

Sr. No.	Internal Complaints Committee	Name of Members	Designation
1	Presiding Officer	Dr. Suhasini Shah	Non- Executive Director
2	Member	Mrs. Aarohi Deosthali	Finance Manager
3	Member	Mrs. Maithili Deshmukh	Manager – R & D
4	Member	Mr. Rajkumar Kashid	HR- General Manager
5	Member	Mr. Sanjeev Malvadkar	HR- Senior Manager
6	External Member	Dr. Sanjeevani Kelkar	-

Internal Complaints Committee at Pune – Corporate Office

Sr. No.	Internal Complaints Committee	Name of Members	Designation
1	Presiding Officer	Dr. Suhasini Shah	Non- Executive Director
2	Member	Mrs. Aarohi Deosthali	Finance Manager
3	Member	Mrs. Mayuri Kulkarni	Company Secretary & Compliance Officer
4	Member	Mr. Rajkumar Kashid	HR- General Manager
5	Member	Mr. Sanjeev Malvadkar	HR- Senior Manager
6	External Member	Dr. Sanjeevani Kelkar	-

During the year under review no complaint was reported to the Committee in connection with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

PoSH Policy is available on website of the Company (www.pclindia.in).

27. DEPOSITS

The Company has not accepted any deposits during the year under review.

28. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

During the year, there were no significant and material orders passed by regulators or courts or tribunals impacting the going concern status and Company's operations in future.

29. COMMISSION OR REMUNERATION FROM SUBSIDIARY

Mr. Karan Y. Shah, Whole –time Director of the Company has received Remuneration from Wholly Owned Subsidiary MEMCO Engineering Private Limited ₹ 30,00,000/- p.a.

30. AUDITORS

(a) STATUTORY AUDITORS

The Board of Directors of the Company at its Board Meeting held on 13th August, 2019 recommended to appoint M/s MSKA & Associates, Chartered Accountants (Firm Reg. No: 105047W) as Statutory Auditors of the Company after taking note of consent letter of the M/s MSKA & Associates to act as Statutory Auditors. Considering the Compliance requirements and expansion of Business in Europe, Board was of the view that it would be convenient to appoint Auditors with Global

Board's Report (Contd)

Presence. It is recommend to appoint M/s MSKA & Associates, Chartered Accountants (Firm Reg No: 105047W) one of the Renowned Audit Firms as Statutory Auditors.

The recommendation for the appointment of Statutory Auditor was approved in the Annual General Meeting held for the Financial Year 2018-19 held on 25th September, 2019 for holding office till the FY 2023-24.

(b) SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s J. B. Bhawe & Co. Company Secretaries, Pune, to undertake Secretarial Audit of the Company for Financial Year 2019-2020. The Report of the Secretarial Audit for Financial Year 2019-2020 in MR-3 is annexed herewith as an **Annexure I** to the Annual Report.

(c) COST AUDITORS

The Board of Directors, on the recommendation of Audit Committee, had appointed M/s. S. V. Vhatte and Associates, Cost Accountants, Solapur, [Firm Registration No.: 100280] as Cost Auditors to audit the cost accounts of the Company for the Financial Year 2019-20. As required under the Companies Act, 2013, a resolution seeking Members' approval for the remuneration payable to the Cost Auditors forms part of the notice convening the 28th Annual General Meeting. The Cost Audit report for the Financial Year 2019-20 will be filed with the Ministry of Corporate Affairs on or before the due date. The Company pursuant to the provisions of Section 148 of the Companies Act, 2013 and applicable rules made thereunder, makes and maintains cost records.

(d) INTERNAL AUDITORS

The Company had appointed M/s M. P. Chitale & Co., Chartered Accountants, as Internal Auditor of the Company for FY 19-20 in the Board meeting held on the 7th February, 2019. The scope and authority of the Internal Auditor is as per the terms of reference approved by Audit Committee. The Internal Auditors monitors and evaluates the efficiency and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies of the Company. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

31. REPORT ON MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report as required under SEBI (LODR) Regulations, 2018 forms part of this Annual Report.

32. CORPORATE GOVERNANCE REPORT

Report on Corporate Governance is about maximising shareholder value legally, ethically and sustainably. Corporate Governance Report is set out in this Annual Report as **Annexure G**

A certificate from M/s J. B. Bhawe & Co. Practicing Company Secretaries, Pune, regarding compliance with conditions of corporate governance as required under SEBI (LODR) Regulations, 2018 also forms part of this Annual Report as **Annexure H**

A certificate from M/s J. B. Bhawe & Co. Practicing Company Secretaries, Pune regarding compliance with Sub Regulation 10(i) of Regulation 34(3) of Schedule V of SEBI (LODR) Regulations, 2018 also forms part of this Annual Report as **Annexure J**

33. ANNUAL SECRETARIAL COMPLIANCE REPORT

Pursuant to SEBI Circular CIR/CFD1/27/2019 dated 8th February, 2019 all listed entities shall, additionally, on annual basis, submit a report to the stock exchange(s) on compliance of all applicable SEBI Regulations and circulars/ guidelines issued

Board's Report (Contd)

thereunder within 60 days of end of financial year. Such report shall be submitted by Company Secretary in practice to the Company in the prescribed format.

The Company has received such report from M/s J.B. Bhawe & Co., Practicing Company Secretaries, Pune for the financial year ended 31st March 2020 and it has been submitted to the stock exchange(s) within the stipulated time as per SEBI Relaxation.

34. DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board of Directors hereby submits its Responsibility Statement:—

1. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
3. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. the Directors had prepared the annual accounts on a going concern basis;
5. the Directors had laid down internal financial controls to be followed by the Company and such internal controls are adequate and were operating effectively; and
6. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

35. MATERIAL CHANGES AFTER CLOSE OF FINANCIAL YEAR

OUTBREAK OF COVID-19

In the last month of FY 2019-20, the COVID-19 pandemic developed rapidly into a global crisis, forcing governments to enforce lock-downs of all economic activity. For the Company, the focus immediately shifted to ensuring the health and well-being of all employees, and on minimising disruption to services for all our customers globally.

The Company consistently taking all proactive steps, precautionary and pre-emptive measures at their corporate offices at Pune District and manufacturing plants at Solapur District to ensure safety of all employees since February 2020 due to COVID - 19 outbreak in Maharashtra. The Company has also been closely monitoring all advisories from the Central and State Government followed by respective District Collectors.

Hon'ble Prime Minister had ordered National Lock Down since 25th March, 2020. All the offices and manufacturing plants of the Company had suspended their operations to contain the spread of COVID - 19 based on Government directives. All employees were requested to continue working from home wherever possible. This was being done to ensure safety and well-being of all our employees. The Company has kept its operations closed as during the lockdown period and the closure period was dependent on the Government policy.

In accordance with the permission/guidelines issued by the Central/State Government and Local Authorities, the manufacturing operations of plants situated at Solapur resumed with effect from 17th May, 2020 in phased manner.

Board's Report (Contd)

Initially Business team with limited number of members had returned to work in order to manage production cycle of the Company with less number of workers at foundry and workshops. The same has been in line with latest guidelines issued by the Government of India.

Also Human Resource department with limited number of members has returned to work in order to manage all essential activities including but not limited to sanitization of Company's office and plants and to manage and administer all other arrangements suitable for employees and workers during this period.

The Finance Department of the Company also with limited strength has resumed office at Solapur facility for carrying out accounting and statutory audit work. However, majority team members of finance team and corporate secretarial team members continue working from home.

Further, the Company has taken all the necessary steps as recommended/stated in the guidelines/advisories issued by the Central/State Government and Local Authorities for prevention and containment of COVID-19

Due to COVID-19 Business and Financials of the Company had also been impacted, Management is trying its best to cope up with Business and Financial Losses and get back into operations as soon as possible, and various steps are being taken by the Management Team.

36. STATEMENT CONTAINING THE SALIENT FEATURES OF THE FINANCIAL STATEMENTS OF SUBSIDIARIES / ASSOCIATE COMPANIES / JOINT VENTURES

The details of Subsidiary, Joint Ventures and Associate Companies is given in Form AOC - 1 as **Annexure A**

There has not been any material change in the nature of the business of the Subsidiary and Joint Ventures. As required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013, the consolidated financials of your Company and Subsidiary and Joint Ventures are provided in this annual report.

37. CODE OF CONDUCT FOR BOARD AND SENIOR MANAGEMENT

The Company has adopted the Code of Conduct for the Directors and Senior Management and the same is available on the Company's website www.pclindia.in. All Directors and Senior Management personnel have affirmed their compliance with the said Code. A declaration pursuant to the Regulation 26 (3) read with part D of the Schedule V of the SEBI LODR, 2015 signed by Managing Director to this effect is annexed as a part of Directors' Report as **Annexure M**

38. COMMITTEES OF BOARD

Details of all the Committees along with their charters, compositions and meetings held during the year are provided in the report on Corporate Governance which forms part of this Annual Report and shall also be available on the website of the Company (www.pclindia.in).

39. COMPANY'S POLICY ON DIRECTORS', KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT PERSONNEL APPOINTMENT AND REMUNERATION

The Board has, on the recommendation of the Nomination and Remuneration Committee, framed a policy for selection and appointment of Directors, Key Managerial Personnel, Senior Management and their remuneration. The Company pays remuneration by way of salary, perquisites, allowances, commission and retirement benefits to its **Executive Directors**. The remuneration to the Executive Director(s) is in accordance with the provisions of the Companies Act, 2013 and Rules made thereunder and is within the ceiling limits as provided thereunder and approved by the shareholders.

Board's Report (Contd)

The Company's policy of remuneration of the **senior management** is structured to attract and retain the talent and is in turn dependent on following key parameters:

1. Complexities and criticality of the jobs
2. Profile of the employee in terms of his / her qualification and experience
3. General trends in the industry and market for a similar talent
4. Incorporation of an element of motivation by way of remuneration linked to specific performances wherever applicable.

As a policy of the Company, the **Non-Executive Directors** are paid commission as a percentage of profit based on the performance evaluation for that financial year under review.

40. INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls with reference to the financial statements. The Audit Committee periodically reviews the internal control systems with the Management, Internal Auditors and Statutory Auditors test the adequacy of internal audit functions. During the year under review, these controls were tested and the observations of the Auditors were addressed by the Company after taking necessary steps to strengthen the financial controls and improve the systems. Statutory Auditors have also certified adequacy of internal financial controls systems over financial reporting based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control, as stated in the Guidance Note on Audit of Internal Financial Controls over financial reporting issued by the Institute of Chartered Accountants of India.

41. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE STATUTORY AUDITORS, SECRETARIAL AUDITORS AND COST AUDITORS IN THEIR REPORTS

There were no qualifications, reservations or adverse remarks made by the Statutory Auditors in the Audit Report on the Standalone and Consolidated Financial Statements for the year ended 31st March, 2020.

The Reports of Secretarial Auditors and Cost Auditors for the year ended 31st March, 2020 are also unmodified.

42. DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SECTION 143(12) OF THE COMPANIES ACT, 2013 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT

During the year under review, no instances of frauds were reported by the Statutory Auditors of the Company.

43. BUSINESS RESPONSIBILITY REPORT

A detailed Business Responsibility Report in terms of the provisions of Regulation 34 of the Listing Regulations is available as a separate section in the Annual Report.

44. COMPLIANCE OF APPLICABLE SECRETARIAL STANDARDS

The Company is in compliance of applicable secretarial standards issued by the Institute of Company Secretaries of India from time to time.

Board's Report (Contd)

45. INVESTOR EDUCATION AND PROTECTION FUND

In accordance with the provisions of Sections 124 and 125 of the Act and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividends of a company which remain unpaid or unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account shall be transferred by the Company to the Investor Education and Protection Fund ("IEPF"). In terms of the foregoing provisions of the Act, no dividend amount or shares were required to be transferred to the IEPF by the Company during the year ended 31st March, 2020.

46. CAUTIONARY STATEMENTS

Statements in this report, particularly those which relate to Management Discussion and Analysis, describing the Company's objectives, estimates and expectations may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ materially from those either expressed or implied.

47. ACKNOWLEDGEMENTS

The Directors would like to place on record their deep appreciation to employees/ workers at all levels for their hard work, dedication and commitment. The Board places on record its appreciation for the support and co-operation your Company has been receiving from its Shareholders, Customers, Business Associates, Bankers, Suppliers and all other stakeholders for their continued support and their confidence in its management.

The Directors also thank the Government of India, Governments of various states in India, for their co-operation.

The Directors regret the loss of life due to COVID-19 pandemic and are deeply grateful and have immense respect for every person who risked their life and safety to fight this pandemic.

For and on behalf of the Board of Directors of Precision Camshafts Limited

Yatin S. Shah
Chairman and Managing Director
DIN. 00318140

Place : Solapur
Date : 23rd June, 2020

Ravindra R. Joshi
Whole-time Director and CFO
DIN. 03338134

Place : Solapur
Date : 23rd June, 2020

Annexure A

Statement containing the salient features of the Financial Statements of Subsidiaries / Associate Companies / Joint Ventures

Pursuant to Section 129(3) of the Companies Act 2013, read with Rules of the Companies (Accounts) Rules 2014

Form No. AOC-1

Part A – Subsidiary Companies of Precision Camshafts Limited

(₹ in Lakhs)

Particulars	Name of Subsidiaries	
	PCL (International) Holding B.V., (Consolidated Basis)	MEMCO Engineering Private Limited
The date since when subsidiary was acquired	Not applicable	10 th October, 2017
Reporting period for the subsidiary concerned, if Different from the holding company's reporting period	1 st April, 2019 to 31 st March, 2020	1 st April, 2019 to 31 st March, 2020
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries i.e. 31 st March, 2020	Euro Closing Rate 1 Euro = ₹ 82.21/- Average Rate 1 Euro = ₹ 78.65/-	Not applicable
Share Capital	3,470.91	300.00
Reserves and Surplus	(130.82)	1,710.10
Total Assets	33,950.43	3,590.23
Total Liabilities (excluding share capital, reserves and surplus)	30610.34	1,580.13
Investments	NIL	4,15.54
Turnover	26,275.68	4,070.57
Profit/(Loss) before Tax	(4,936.79)	248.394
Provision for tax	266.36	88.4398
Profit after Tax	(4,670.43)	159.95
Proposed Dividend	-	-
% of Shareholding	100	100

Note:

- The company, through its 100% subsidiary PCL (International) Holding B.V., Netherlands has formed a subsidiary in 2018 in the name of PCL Brasil Automotive LTDA, in Brazil making it a step-down subsidiary company and not consolidated in the financial statements of the Company. The PCL Brasil Automotive LTDA PCL has not commenced any business, since its incorporation due to the Economic Conditions, Labor Factor, Complex Tax Structure due to which it is not viable to have business in Brazil. As on 31st March, 2020 PCL BRASIL AUTOMOTIVE LTDA stands liquidated.
- PCL (SHANGHAI) CO. LTD is liquidated on 24th December, 2019, as explained in Board of Directors point 12

Annexure A (Contd)

Part B – Associates and Joint Venture Companies of Precision Camshafts Limited

(₹ in Lakhs)

Particulars	Names of Joint Ventures	
	Ningbo Shenglong PCL Camshafts Co. Limited	PCL Shenglong (Huzhou) Specialised Casting Co. Limited
1. Latest audited Balance Sheet Date	31 st December, 2019	31 st December, 2019
2. Shares of Associate/Joint Ventures held by the company on the year end		
a) Amount of Investment in Associates/Joint Venture	202.13	1,101.22
b) Extend of Holding%	22.50%	40.00%
3. Description of how there is significant Influence	Equity Holding	Equity Holding
4. Reason why the associate/joint venture is not consolidated	Not applicable	Not applicable
5. Net worth attributable to shareholding as per latest audited Balance Sheet*	Both the Joint Ventures collectively referred to as “Disposal Group” have been classified as assets held for sale as per IND AS 105 – Non Current Assets held for sale and Discontinued Operations. Refer Note No. 41 of Consolidated Financial Statements	
6. Profit/(Loss) for the year		
a) Considered in Consolidation		
b) Not Considered in Consolidation		

For and on behalf of the Board of Directors of Precision Camshafts Limited

Yatin S. Shah
Chairman and Managing Director
DIN - 00318140

Place : Solapur
Date : 23rd June, 2020

Ravindra R. Joshi
Whole-time Director and CFO
DIN - 03338134

Place : Solapur
Date : 23rd June, 2020

Annexure B

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis

The Company has not entered in any transaction during the FY 2019-20 which are not at arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis

a. Name of Related Party and Nature of Relationship	PCL (SHANGHAI) CO. LIMITED, China A Subsidiary Company
b. Nature of contracts/ arrangements/ transactions	Sale of Scrap
c. Duration of contracts/ arrangements/ transactions	Ongoing contract
d. Salient terms of the contracts or arrangements or transactions including the value, if any	The transactions are entered into in the ordinary course of business. Sale of Scarp for ₹ 2.16 Lakhs during the year.
e. Date of approval by the Board/ Members, if any	13 th August, 2019
f. Amount paid as advance, if any	Nil

a. Name of Related Party and Nature of Relationship	Cams Technology Limited Enterprise owned by KMP/ Common Directors
b. Nature of contracts/ arrangements/ transactions	Job Work - Service Provider
c. Duration of contracts/ arrangements/ transactions	Ongoing contract
d. Salient terms of the contracts or arrangements or transactions including the value, if any	The transactions are entered into in the ordinary course of business. Availed job work services of ₹ 51.09 Lakhs.
e. Date of approval by the Board/ Members, if any	13 th August, 2019
f. Amount paid as advance, if any	Nil

a. Name of Related Party and Nature of Relationship	Chitale Clinic Private Limited Enterprise owned by KMP
b. Nature of contracts/ arrangements/ transactions	Medical Treatment - Service Provider
c. Duration of contracts/ arrangements/ transactions	Ongoing contract
d. Salient terms of the contracts or arrangements or transactions including the value, if any	The transactions are entered into in the ordinary course of business. Availed medical services for employees of ₹ 0.23 Lakhs.
e. Date of approval by the Board/ Members, if any	13 th August, 2019
f. Amount paid as advance, if any	Nil

For and on behalf of the Board of Directors of Precision Camshafts Limited

Yatin S. Shah
Chairman and Managing Director
DIN- 00318140

Place : Solapur
Date : 23rd June, 2020

Annexure C

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the Financial Year ended on 31st March, 2020

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION & OTHER DETAILS:

1	CIN	L24231PN1992PLC067126
2	Registration Date	08 th June 1992
3	Name of the Company	Precision Camshafts Limited
4	Category/ Sub Category of the Company	Co. Ltd. by shares Indian Non-Government Company
5	Address of the Registered office & contact details	E 102/103, MIDC Akkalkot Road, Solapur 413006 Maharashtra, India Phone: +91 9168646536/37
6	Whether listed company	Yes, Listed on BSE and NSE
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Private Limited Block No 202, 2 nd floor, Akshay Complex Near Ganesh Temple, Off Dhole -Patil Road, Pune 411 001, Maharashtra, India. Tel. No. 91-020-26161629, 020-26160084 Email: pune@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the Company shall be stated)

SN	Name and Description of main products/ services	NIC code of the product/ Service	% to total turnover of the Company
1	Manufacture of parts for motor vehicle	2930	100

Annexure C (Contd)

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SN	Name of the Company	Address of the Companies	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares	Applicable Section
1	PCL (International) Holding B. V. Netherlands	Prinses Margrietplantsoen 33, 2595AM, The Hague, The Netherlands	--	Wholly owned Subsidiary Company	100%	2(87)
2	MEMCO Engineering Private Limited	Plot No. F-05, MIDC, Satpur, Nashik 422 007, Maharashtra, India	U29199MH2006PTC162658	Wholly owned Subsidiary Company	100 %	2(87)

IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholder	No. of Shares held at the beginning of the year 2019				No. of Shares held at the end of the year 2020				% of Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	4,82,60,540	-	4,82,60,540	50.81	4,85,82,678	-	4,85,82,678	51.15	0.34
b) Central Government	-	-	-	-	-	-	-	-	-
c) State Government.	-	-	-	-	-	-	-	-	-
d) Bodies Corporates	1,25,14,860	-	1,25,14,860	13.18	1,35,07,685	-	1,35,07,685	14.22	1.05
e) Banks / Financial Institutions	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	0.00	-
Sub Total (A) (1)	6,07,75,400	-	6,07,75,400	63.98	6,20,90,363	-	6,20,90,363	65.37	1.38
2) Foreign									
a) NRI- Individuals	2,000	-	2,000	0.00	2,000	-	2,000	0.00	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Body Corporate	-	-	-	-	-	-	-	-	-
d) Any Other	-	-	-	-	-	-	-	-	-
Sub Total (A) (2)	2,000	-	2,000	-	2,000	-	2,000	-	-
TOTAL (A)	6,07,77,400	-	6,07,77,400	63.98	6,20,92,363	-	6,20,92,363	65.37	1.38
B. Public Shareholding									
1) Institutions									
a) Mutual funds	82,36,559	-	82,36,559	8.67	66,30,105	-	66,30,105	6.98	(1.69)
b) Banks/ FI	1,145	-	1,145	-	1,040	-	1,040	-	(0.0001)
c) Central Government	-	-	-	-	-	-	-	-	-
d) State Government(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	7,48,886	-	7,48,886	0.79	0.79
g) FIIs	-	-	-	-	-	-	-	-	-

Annexure C (Contd)

Category of Shareholder	No. of Shares held at the beginning of the year 2019				No. of Shares held at the end of the year 2020				% of Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
h) Foreign Venture Capital funds	-	-	-	-	-	-	-	-	-
i) Others (Foreign Portfolio Investor)	8,36,622	-	8,36,622	0.88	8,36,622	-	8,36,622	0.88	-
Sub- Total (B) (1)	90,74,326	-	90,74,326	9.55	82,16,653	-	82,16,653	8.65	(0.90)
2) Non- Institutions									
a) Bodies Corporates									
(i) Indian	38,83,843	-	38,83,843	4.08	6,64,883	-	6,64,883	0.70	(3.39)
(ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
(i) Individuals holding nominal share capital up to ₹ 1 Lakh	59,87,843	22	59,87,865	6.30	63,13,814	22	63,13,836	6.65	0.34
(ii) Individual holding nominal share capital in excess of ₹ 1 Lakh	1,43,70,635	-	1,43,70,635	15.13	1,55,94,693	-	1,55,94,693	16.4	1.29
c) c) Others (Foreign Portfolio Investor (Individual)	350	-	350	-	350	-	350	-	-
Others (NBFC reg with RBI)	4,110	-	4,110	-	1,000	-	1,000	-	(0.0032)
Non Resident Indians	1,86,511	-	1,86,511	0.19	13,49,153	-	13,49,153	1.42	1.22
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	83,489	-	83,489	0.08	50,930	-	50,930	0.05	(0.03)
Trusts	-	-	-	-	-	-	-	-	-
HUF	6,17,306	-	6,17,306	0.65	7,01,974	-	7,01,974	0.74	0.09
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	2,51,34,087	22	2,51,34,087	26.46	2,46,76,797	22	2,46,76,819	25.98	(0.48)
Total Public (B)=(B)(1)+(B)(2)	34,208,413	22	3,42,08,435	36.01	3,28,93,450	22	3,28,93,472	34.63	(0.14)
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	9,49,85,813	22	9,49,85,835	100.00	9,49,85,813	22	9,49,85,835	100.00	-

Annexure C (Contd)

(ii) Shareholding of Promoter

SN	Shareholders name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in shareholding during the year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged/encumbered to total shares	
1	Mr. Yatin S. Shah	3,75,60,000	39.54	0	3,77,88,717	39.78	0	0.24
2	Dr. Suhasini Y. Shah	1,04,05,540	10.95	0	1,04,86,461	11.04	0	(0.08)
3	Mrs. Manjiri V. Chitale	2,92,000	0.31	0	2,92,000	0.3074	0	0.00
4	Mr. Karan Y. Shah	2000	0.0021	0	14,500	0.0153	0	0.0132
5	Ms. Tanvi Yatin Shah	2000	0.0021	0	2000	0.0021	0	0.00
6	Mrs. Mayura K. Shah	1000	0.0011	0	1000	0.0011	0	0.00
7	Cams Technology Limited	1,25,14,860	13.17	0	1,35,07,685	14.22	0	1.0452
	Total	6,07,77,400	63.98		6,20,92,363	64.37	0	1.3843

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sr No.	Name & type of Transaction	Shareholding at the beginning of the year – 2019		Transactions during the year		Cumulative Shareholding at the end of the year -2020	
		No. of shares held	% of total shares of the company	Date of transaction	No. of shares	No. of shares held	% of total shares of the company
1	Yatin Subhash Shah	3,75,60,000	39.5427			2,47,31,200	39.5427
	Transfer			4 Oct 2019	1,00,000	3,76,60,000	39.6480
	Transfer			15 Nov 2019	9,600	3,76,69,600	39.6581
	Transfer			22 Nov 2019	70,716	3,77,40,316	39.7326
	Transfer			27 Dec 2019	8,903	3,77,49,219	39.7419
	Transfer			31 Dec 2019	4,498	3,77,53,717	39.7467
	Transfer			03 Jan 2020	35,000	3,77,88,717	39.7835
	At the end of the year					3,77,88,717	39.7835
2	Cams Technology Limited	1,25,14,860	13.1755			1,25,14,860	13.1755
	Transfer			22 Nov 2019	2,22,352	1,27,37,212	13.4096
	Transfer			29 Nov 2019	4,49,950	1,31,87,162	13.8833
	Transfer			06 Dec 2019	1,97,500	1,33,84,662	14.0912
				13 Dec 2019	1,23,023	1,35,07,685	14.2207
	At the end of the year					1,35,07,685	14.2207
3	Suhasini Yatin Shah	1,04,05,540	10.9548			1,04,05,540	10.9548
	Transfer			15 Nov 2019	9,684	1,04,15,224	10.9650
	Transfer			22 Nov 2019	10,000	1,04,25,224	10.9756
	Transfer			29 Nov 2019	30,000	1,04,55,224	11.0071
	Transfer			27 Dec 2019	10,000	1,04,65,224	11.0177
	Transfer			31 Dec 2019	6,237	1,04,71,461	11.0242
	Transfer			03 Jan 2020	15,000	1,04,86,461	11.0400
	At the end of the year					1,04,86,461	11.0400

Annexure C (Contd)

Sr No.	Name & type of Transaction	Shareholding at the beginning of the year – 2019		Transactions during the year		Cumulative Shareholding at the end of the year -2020	
		No. of shares held	% of total shares of the company	Date of transaction	No. of shares	No. of shares held	% of total shares of the company
4	Manjiri Vinayak Chitale	2,92,000	0.3074			2,92,000	0.3074
	At the end of the year					2,92,000	0.3074
5	Tanvi Yatin Shah	2,000	0.0021			2,000	0.0021
	At the end of the year					2,000	0.0021
6	Karan Yatin Shah	2,000	0.0021			2,000	0.0021
	Transfer			31 Mar 2020	12,500	14,500	0.0153
	At the end of the year					14,500	0.0153
7	Mayura Karan Shah	1,000	0.0011				
	At the end of the year					1,000	0.0011

% of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.

(iv) Shareholding pattern of top ten shareholders (other than Directors, Promoters & Holders of GDRs and ADRs)

Sr No.	Name & type of Transaction	Shareholding at the beginning of the year		Transactions during the year		Cumulative Shareholding at the end of the year	
		No. of shares held	% of total shares of the company	Date of transaction	No. of shares	No. of shares held	% of total shares of the company
1	Jayant Vasudeo Aradhye	82,02,000	8.6350			82,02,000	8.6350
	At the end of the year					82,02,000	8.6350
2	SBI Magnum Global Fund	66,99,999	7.0537			66,99,999	7.0537
	Transfer			22 Nov 2019	(11,77,319)	55,22,680	5.8142
	Transfer			29 Nov 2019	(4,96,984)	50,25,696	5.2910
	Transfer			06 Dec 2019	(1,15,000)	49,10,696	5.1699
	Transfer			13 Dec 2019	(41,700)	48,68,996	5.1260
	Transfer			07 Feb 2020	(120)	48,68,876	5.1259
	Transfer			14 Feb 2020	(1,44,492)	47,24,384	4.9738
	At the end of the year					47,24,384	4.9738
3	Maneesh Jayant Aradhye	16,35,800	1.7222			16,35,800	1.7222
	At the end of the year					16,35,800	1.7222
4	ICICI Prudential Midcap Fund	9,06,560	0.9544			9,06,560	0.9544
	Transfer			22 Nov 2019	9,99,161	19,05,721	2.0063
	At the end of the year					19,05,721	2.0063
5	Nihar Nilekani	0	0.00			0	0.00
	Transfer			17 May 2019	20,000	20,000	0.0211
	Transfer			24 May 2019	89,205	1,09,205	0.1150
	Transfer			31 May 2019	16,405	1,25,610	0.1322
	Transfer			07 Jun 2019	1,52,137	2,77,747	0.2924
	Transfer			14 Jun 2019	45,630	3,23,377	0.3404
	Transfer			21 Jun 2019	86,000	4,09,377	0.4310
	Transfer			29 Jun 2019	3,08,000	7,17,377	0.7552
	Transfer			05 Jul 2019	1,91,000	9,08,377	0.9563
	At the end of the year					9,08,377	0.9563

Annexure C (Contd)

Sr No.	Name & type of Transaction	Shareholding at the beginning of the year		Transactions during the year		Cumulative Shareholding at the end of the year	
		No. of shares held	% of total shares of the company	Date of transaction	No. of shares	No. of shares held	% of total shares of the company
6	Janhavi Nilekani	8,50,000	0.8949			8,50,000	0.8949
	At the end of the year					8,50,000	0.8949
7	Sunita Jayant Aradhye	8,17,000	0.8601			8,17,000	0.8601
	At the end of the year					8,17,000	0.8601
8	ICICI Prudential Life Insurance Co. Ltd.	27,63,124	2.9090			27,63,124	2.9090
	Transfer			05 Apr 2019	(5,744)	27,57,380	2.9029
	Transfer			17 May 2019	(69,091)	26,88,289	2.8302
	Transfer			31 May 2019	(18,528)	26,69,761	2.8107
	Transfer			05 Jul 2019	(5,134)	26,64,627	2.8053
	Transfer			06 Sep 2019	(514)	26,64,113	2.8047
	Transfer			20 Sep 2019	(4,42,273)	22,21,840	2.3391
	Transfer			27 Sep 2019	(4,88,244)	17,33,596	1.8251
	Transfer			30 Sep 2019	(11,140)	17,22,456	1.8134
	Transfer			04 Oct 2019	(61,311)	16,61,145	1.7488
	Transfer			11 Oct 2019	(2,01,843)	14,59,302	1.5363
	Transfer			18 Oct 2019	(1,05,855)	13,53,447	1.4249
	Transfer			25 Oct 2019	(55,053)	12,98,394	1.3669
	Transfer			01 Nov 2019	(22,379)	12,76,015	1.3434
	Transfer			08 Nov 2019	(3,69,295)	9,06,720	0.9546
	Transfer			15 Nov 2019	(50,752)	8,55,968	0.9012
	Transfer			22 Nov 2019	(1,07,082)	7,48,886	0.7884
	At the end of the year					7,48,886	0.7884
9	Kuwait Investment Authority Fund 225	7,24,597	0.7628			7,24,597	0.7628
	At the end of the year					7,24,597	0.7628
10	Rama Manish Aradhye	6,96,000	0.7327			6,96,000	0.7327
	At the end of the year					6,96,000	0.7327

Annexure C (Contd)

Sr No.	Name of the Director/KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year)	
		No. of shares)	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Mr. Yatin S. Shah (Chairman and Managing Director)				
	At the beginning of the year	3,75,60,000	39.54	3,75,60,000	39.54
	Market purchase	1,00,000	0.10	3,76,60,000	39.65
	Market purchase	9,600	0.01	3,76,69,600	39.66
	Market purchase	70,716	0.07	3,77,40,316	39.73
	Market purchase	8,903	0.01	3,77,49,219	39.75
	Market purchase	4,498	0.00	3,77,53,717	39.75
	Market purchase	35,000	0.04	3,77,88,717	39.78
	At the end of the year	3,77,88,717	39.78	3,77,88,717	39.78
2	Dr. Suhasini Y. Shah (Promoter Non- Executive Director)				
	At the beginning of the year	1,04,05,540	10.96	1,04,05,540	10.96
	Market purchase	9,684	0.01	1,04,15,224	10.97
	Market purchase	10,000	0.01	1,04,25,224	10.98
	Market purchase	30,000	0.03	1,04,55,224	11.01
	Market purchase	10,000	0.01	1,04,65,224	11.02
	Market purchase	6,237	0.01	1,04,71,461	11.02
	Market purchase	15,000	0.02	1,04,86,461	11.04
	At the end of the year	1,04,86,461	11.04	1,04,86,461	11.04
3	Mr. Karan Yatin S. Shah (Whole-time Director-Business Development)				
	At the beginning of the year	2,000	0.00	2,000	0.00
	Market purchase	14,500	0.02	14,500	0.02
	At the end of the year	14,500	0.02	14,500	0.02
4	Mr. Ravindra R. Joshi (Whole-time Director and Chief Financial Officer)				
	At the beginning of the year	1,120	0.00	1,120	0.00
	Market purchase	16,200	0.02	17,320	0.02
	At the end of the year	17,320	0.02	17,320	0.02
5	Mr. Pramod Mehendale (Independent Director)				
	At the beginning of the year	80	0.00	80	0.00
	At the end of the year	80	0.00	80	0.00
6	Mr. Sarvesh N. Joshi (Independent Director)				
	At the beginning of the year	0.00	0.00	0.00	0.00
	At the end of the year	0.00	0.00	0.00	0.00
7	Mr. Vedant Pujari (Independent Director)				
	At the beginning of the year	0.00	0.00	0.00	0.00
	At the end of the year	0.00	0.00	0.00	0.00

Annexure C (Contd)

Sr No.	Name of the Director/KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year)	
		No. of shares)	% of total shares of the Company	No. of shares	% of total shares of the Company
8	Mr. Vaibhav Mahajani (Independent Director)				
	At the beginning of the year	50	0.00	50	0.00
	Market Purchase	500	0.00	550	0.00
	At the end of the year	550	0.00	550	0.00
9	Mrs. Savani A. Laddha (Independent Director)				
	At the beginning of the year	0.00	0.00	0.00	0.00
	At the end of the year	0.00	0.00	0.00	0.00
10	Mayuri I. Kulkarni (Company Secretary & Compliance Officer)				
	At the beginning of the year	0.00	0.00	0.00	0.00
	At the end of the year	0.00	0.00	0.00	0.00

- Note: The percentile change in shareholding without any change in number of shares is due to increase in Paid up Share Capital during the year on account of exercise of ESOPs

V. Indebtedness

(₹ in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2,721.55	-	-	2,721.55
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	2,721.55	-	-	2,721.55
Change in Indebtedness during the financial year				
* Addition	-	-	-	-
* Reduction	437.38	-	-	437.38
Net Change				
Indebtedness at the end of the financial year	437.38	-	-	437.38
i) Principal Amount	2,284.17	-	-	2,284.17
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	2,284.17	-	-	2,284.17

Annexure C (Contd)

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

(₹ in Lakhs)

Sr No.	Particulars of Remuneration Name	Name of MD/WTD/ Manager			Total Amount (₹)
		Mr. Yatin Shah	Mr. Ravindra Joshi	Mr. Karan Shah	
	Designation	Chairman and Managing Director	Whole-time Director and Chief Financial Officer	Whole-time Director	
1	Gross salary				-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	304.39	274.74	41.42	620.56
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify	39.86	34.06	2.88	76.80
	Retirement benefits (Provident Fund and Super Annuation)				
	Total (A)	344.25	308.81	44.30	697.36
	Ceiling as per Act (10%)	-	-	-	854.72

B. Remuneration to other Directors

(₹ in Lakhs)

Sr No.	Particulars of Remuneration Name	Name of Directors						Total Amount (₹)
		Dr. Suhasini Shah	Sarvesh Joshi	Pramod Mehendale	Vedant Pujari	Vaibhav Mahajani	Savani Laddha	
1	Independent Directors							
	(a) Fee for attending board committee meetings	-	-	-	-	-	-	-
	(b) Commission	-	5.00	5.00	5.00	5.00	0.50	20.50
	(c) Others, please specify	-	-	-	-	-	-	-
	Total (1)	-	5.00	5.00	5.00	5.00	0.50	20.50
2	Other Non-Executive Directors							
	Fee for attending board committee meetings	-	-	-	-	-	-	-
	Commission	5.00	-	-	-	-	-	5.00
	Others, please specify	-	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-	-
	Total (B)=(1+2)	5.00	5.00	5.00	5.00	5.00	0.50	25.50
	Total Managerial Remuneration (A+B)							722.86
	Overall Ceiling as per the Act							940.00

Annexure C (Contd)

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTd

(₹ in Lakhs)

Sr No.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount (₹)
	Name		Mr. Ravindra Joshi	Mrs. Mayuri I. Kulkarni	
	Designation	CEO	CFO*	CS	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			7.47	7.47
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission				
	- as % of profit				
	- others, specify				
5	Others, please specify Retirement Benefits (Provident Fund and Super Annuation)			0.33	0.33
	Total	-	-	7.80	7.80

*Note- please refer table remuneration to Managing Director, Whole-time Directors and/or Manager

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. Company					
Penalty	NA	-	-	-	-
Punishment	NA	-	-	-	-
Compounding	NA	-	-	-	-
B. Directors					
Penalty	NA	-	-	-	-
Punishment	NA	-	-	-	-
Compounding	NA	-	-	-	-
C. Other Officers in Default					
Penalty	NA	-	-	-	-
Punishment	NA	-	-	-	-
Compounding	NA	-	-	-	-

Annexure D

A) CONSERVATION OF ENERGY:

1. Persistent efforts have been taken to save energy, which include:

- a. Auto Power Factor unit which was installed has resulted in achieving unity in power factor throughout the year.
- b. Maximum demand was monitored in order to avoid demand penalty.
- c. High Energy Efficient IE1 to IE2 standard implemented from FY 2018 onwards for all new equipment ordered by PCL.
- d. Efficient LED lighting systems are installed at all units of the Company more particularly on internal streets and at all machine shop (M1/M2/M3)
- e. Energy efficient & Variable Frequency Drive Air compressors are used in Machine shop 3.
- f. Machine shop 3 has implemented Energy saving water cooled oil chillers for all grinding machines.
- g. Initial work and feasibility study has been completed for Roof Top mounted Solar Energy Generation for internal use. This project is be likely to go live in FY 2020-21
- h. Natural air ventilation system has been installed on all manufacturing sheds. Apart from saving in energy, a human working comfort has been achieved.
- i. Planted more trees & increased greenery around the factory sheds to reduce carbon footprint.
- j. Converted HT Line to LT Line at PCL unit 2 Foundry Division (E 90 MIDC Akkalkot Road, Solapur), to reduce Power cost by 90 % as this facility is currently in idle condition and will be used in future.

B) TECHNOLOGY ABSORPTION AND RESEARCH & DEVELOPMENT :

1. Efforts made in technology absorption and development of products

No new technology introduced / absorbed in Foundry or in Machine shop in FY 2019-20

2. Research and Development (R&D) and benefits derived thereon

Specific areas in which R&D carried out by the Company.

1. Assembled Camshafts are being developed for a European esteemed customer.
2. These are being developed with the help of Technology providers from Germany.
3. The development process is very lengthy and would take close to 18 months.

Benefits derived as result of the above R&D

1. Know how for development of a new product required for high performance engines.
2. Development using new technologies.
3. New Business opportunity.
4. Addition of esteemed customers

Annexure D (Contd)

C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

1. Total Foreign Exchange Used and earned: (₹ Lakhs)

Earnings 29,355

Outgo 3,576

**For and on behalf of the Board of Directors of
Precision Camshafts Limited**

**Yatin S. Shah
(Chairman & Managing Director)
(DIN - 00318140)**

Place : Solapur

Date : 23rd June, 2020

Annexure E

The Annual Report on CSR Activities

[Pursuant to clause (o) of sub-section (3) of section 134 and section 135 of the Companies Act, 2013 and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs

PCL is proud to be a Socially Responsible Corporate Citizen. The Company would like to scale up the CSR activities through initiatives aimed at value creation in the society and in the community in which it operates through their services, conduct and initiatives by protecting environment, improving health, hygiene and helping in education and skill development on a sustained basis for the society as a whole.

Weblink: www.pclindia.in

2. Composition of CSR Committee.

Sr. No	Name of the Member	Category
1.	Mr. Yatin S. Shah	Chairman of the CSR Committee. Managing Director & Chairman
2.	Dr. Suhasini Y. Shah	Member
3.	Mr. Vedant V. Pujari	Member
4.	Mr. Vaibhav S. Mahajani	Member

3. Average net profit of the Company for last three financial years:

Sr. No.	Financial Year	Amount of Profit (₹) in Lakhs
1	FY 2016-17	8,434.06
2	FY 2017-18	4,829.56
3	FY 2018-19	6,556.33
	Total	1,9819.95
	Average Net Profits	6,606.65

4. Prescribed CSR Expenditure (2 % of the amount as in item 3 above) ₹ 132.13 Lakhs

5. Details of CSR spent during the financial year.

(a) Total amount to be spent for the financial year: ₹ 147.59 Lakhs

(b) Amount unspent, if any: **NIL**

Annexure E (Contd)

(c) Manner in which the amount spent during the financial year is detailed below.

(₹ In Lakhs)

1	2	3	4	5	6	7	8
Sr. No.	CSR project or activity identified	Sector in which the project is covered	Project or programs (1) Local area or other (2) Specify the state and district where project or program was undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through Implementing agency
1	Adolescent education program for school going students - through FPAI	Healthcare	Solapur City, North Solapur, South Solapur tahsils.	9.00	9.00	9.00	through Implementing agency
2	Sanitary Napkins provided to school going girls supplied by Jeevan Jyoti Jeur, Tq. Akkalkot	Healthcare	Akkalkot, Dist - Solapur, Maharashtra	2.00	2.00	2.00	through Implementing agency
3	Shree Markendey Solapur Sahkari Rugnalaya - Providing Ventilator Servo-S	Healthcare	Solapur, Maharashtra	10.08	8.96	8.96	Direct
4	Civil Hospital, Solapur - Surgical OT upgradation project. Infrastructure and equipments provided.	Healthcare	Solapur, Maharashtra	3.40	3.87	3.87	Direct
5	Civil Hospital - to provide Bariatric Table upgradation.	Healthcare	Solapur, Maharashtra	7.00	8.26	8.26	Direct
6	"Avishkar" Child innovation program through SIR Foundation	Education	Solapur, Maharashtra	5.00	5.00	5.00	Direct
7	BC Girls Hostel Vocational Training - Nursing & OT Assistant courses	Education	Solapur, Maharashtra	5.00	5.00	5.00	Direct
8	Upkeep of Sonamata High School, Ramwadi	Education	Solapur City, North Solapur, South Solapur, Madha & Barshi tahsils.	5.00	5.00	5.00	through Implementing agency
9	Purva Seema Vikas Pratishthan Manipur - for educational project working in Noerth East Area	Education	Manipur, North East	2.00	2.00	2.00	through Implementing agency

Annexure E (Contd)

1	2	3	4	5	6	7	8
Sr. No.	CSR project or activity identified	Sector in which the project is covered	Project or programs (1) Local area or other (2) Specify the state and district where project or program was undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through Implementing agency
10	Dr. VMGMC Research Society - UGCON - medical educational conference.	Education	Pune, Maharashtra	0.50	0.50	0.50	Direct
11	Seva Sahyog Foundation-Vidyarthi Vikas Yojana, Mumbai	Education	Mumbai, Maharashtra	5	5	5	Direct
12	Vivekanand Bahuuddeshiya Samajik Sanstha	Education	Solapur, Maharashtra	0.50	0.50	0.50	Direct
14	Baithak @ Schools through BAITHAK FOUNDATION - MUSICAL programs	Education	Solapur City	3.5	3.5	3.5	Direct
15	Interactive Flat Pannels For New 30 Classrooms	Education	Ramwadi. Dist - Solapur, Maharashtra	35	35.24	35.24	Direct
16	Solar Panel Installation in Additional new 10 Schools	Sustainability	Chincholi, Dist - Solapur, Maharashtra	5.00	3.92	3.92	through Implementing agency
17	Drip Irrigation to Akkalkot MIDC, Police Station	Sustainability	Akkalkot, Solapur, Maharashtra	0.25	0.25	0.25	Direct
18	Pani foundation project at North Solapur Tq. (Kondi, Ranmasale, Kalman, Wadala, Wangi)	Sustainability	Pune Maharashtra	10	6.93	6.93	Direct
19	Canal Excavation at Narotewadi, North Solapur	Sustainability	Solapur City, North Solapur, South Solapur, Madha & Barshi tahsils.	5.00	6.07	6.07	through Implementing agency
20	Solar Panel Installation in Additional new 30 Classrooms	Sustainability	Solapur	13.086	13.086	13.086	through Implementing agency
21	Hunger Eradication - Paradhi Vikas Pratishthan, Mohol	Social Issues	Modnimb, Dist - Solapur, Maharashtra	6.00	4.29	4.29	Direct

Annexure E (Contd)

1	2	3	4	5	6	7	8
Sr. No.	CSR project or activity identified	Sector in which the project is covered	Project or programs (1) Local area or other (2) Specify the state and district where project or program was undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through Implementing agency
22	Bharatmara Paradhi Vikas Pratishthan - Facility providing (Kitchen & Storage)	Social Issues	Solapur, Maharashtra	0.85	0.85	0.85	Direct
23	V-Excell school for special children	Social Issues	Solapur, Maharashtra	7.00	7.00	7.00	Direct
24	Mata Balak Utkarsh Pratishthan, Sangola	Social Issues	Solapur, Maharashtra	5.35	5.35	5.35	Direct
25	Precision Foundation Social Work Recognition Awards	Social Issues	Solapur, Maharashtra	5.00	5.00	5.00	Direct
26	Bhagwat Charitable Trust	Social Issues	Solapur, Maharashtra	1.00	1.00	1.00	Direct
	TOTAL EXPENSES			151.51	147.59	147.59	

(d) In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.

Not applicable

(e) A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company

The CSR Committee hereby confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

For and on behalf of the Board of Directors of Precision Camshafts Limited

Yatin S. Shah
(Chairman & Managing Director)
(DIN - 00318140)

Place : Solapur
Date : 23rd June, 2020

Annexure F

Disclosures as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1) The ratio of the remuneration of each Director to the median remuneration of the employees of the company for the Financial Year

Sr. No.	Name of the Director	Designation	Ratio of Remuneration of each Director to Median Remuneration of Employees
1	Mr. Yatin S. Shah	Chairman & Managing Director	163.92
2	Dr. Suhasini Y. Shah	Non-Executive Director	2.96
3	Mr. Karan Y. Shah	Whole-time Director – Business Development	22.31
4	Mr. Ravindra R. Joshi	Whole-time Director & CFO	147.95
5	Mr. Sarvesh N. Joshi	Independent Director	2.96
6	Mr. Pramod H. Mehendale	Independent Director	2.96
7	Mr. Vedant V. Pujari	Independent Director	2.96
8	Mr. Vaibhav S. Mahajani	Independent Director	2.96
9	Mrs. Savani A. Laddha	Independent Director	0.27

* The remuneration includes wages, salary to on roll employees and Directors and variable pay to Executive Directors.

2) The percentage increase / (decrease) in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year

Sr. No.	Name of the Director	Designation	Percentage increase / (decrease) in Remuneration during FY 2019-20
1	Mr. Yatin S. Shah	Chairman & Managing Director	0.00
2	Mr. Ravindra R. Joshi	Whole-time Director & CFO	9.14
3	Mr. Karan Y. Shah	Whole-time Director Business Development	146.62
4	Mrs. Mayuri Ishan Kulkarni	Company Secretary & Compliance Officer	4,153.59

Note:

- Mr. Karan Y. Shah was appointed on 13th August 2018 (7.5 months in FY 2018-19) and hence % increase is substantial.
- Mrs. Mayuri I. Kulkarni joined with effect from 23rd March 2019 (9 days in FY 2018-19) and hence % increase is substantial.

3)	The percentage increase in the median remuneration of employees in the financial year	During Financial Year 2019-20, the percentage increase in remuneration of employees as compared to previous year was approximately 6.39
4)	The number of permanent employees on the rolls of company as at 31 st March, 2020	1,298 (including Whole-time Directors)

Annexure F (Contd)

5) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	There has been decrease in average remuneration of the employees other than managerial personnel by 2.93% and average managerial remuneration has increased by 59.89%
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*The remuneration includes wages, salary to on-roll employees and directors and variable pay to executive directors.

6) Affirmation that the remuneration is as per the remuneration policy of the company.	Yes
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**For and on behalf of the Board of Directors of
Precision Camshafts Limited**

Yatin S. Shah
(Chairman & Managing Director)
(DIN - 00318140)

Place : Solapur

Date : 23rd June, 2020

Annexure F (Contd)

Information as per Rule 5(2) of Chapter XIII, Companies (Appointment and Remuneration of Key Managerial Personnel) Rules 2014

Employee Name	Designation	Education	Age	Experience	Date of joining	Gross Remuneration	No. of Equity Share held	Relative of Director/ Manager	Previous employment and Designation
Yatin Shah	Chairman & Managing Director	B.com, MBA	58	33	8 th June, 1992	304.39	37,788,717	Spouse of Dr. Suhasini Shah and Father of Mr. Karan Shah	Chetan Foundries, CEO
Ravindra Joshi	Whole-time Director & CFO	B.com, DBM	55	32	11 th May, 2000	274.74	17,320	NA	Chetan Foundries, Manager Finance

*The above gross remuneration includes variable pay to executive directors but does not includes Provident Fund and Superannuation Contribution of the employer

For and on behalf of the Board of Directors of Precision Camshafts Limited

Yatin S. Shah
(Chairman & Managing Director)

-

Place : Solapur
Date : 23rd June, 2020

Annexure G

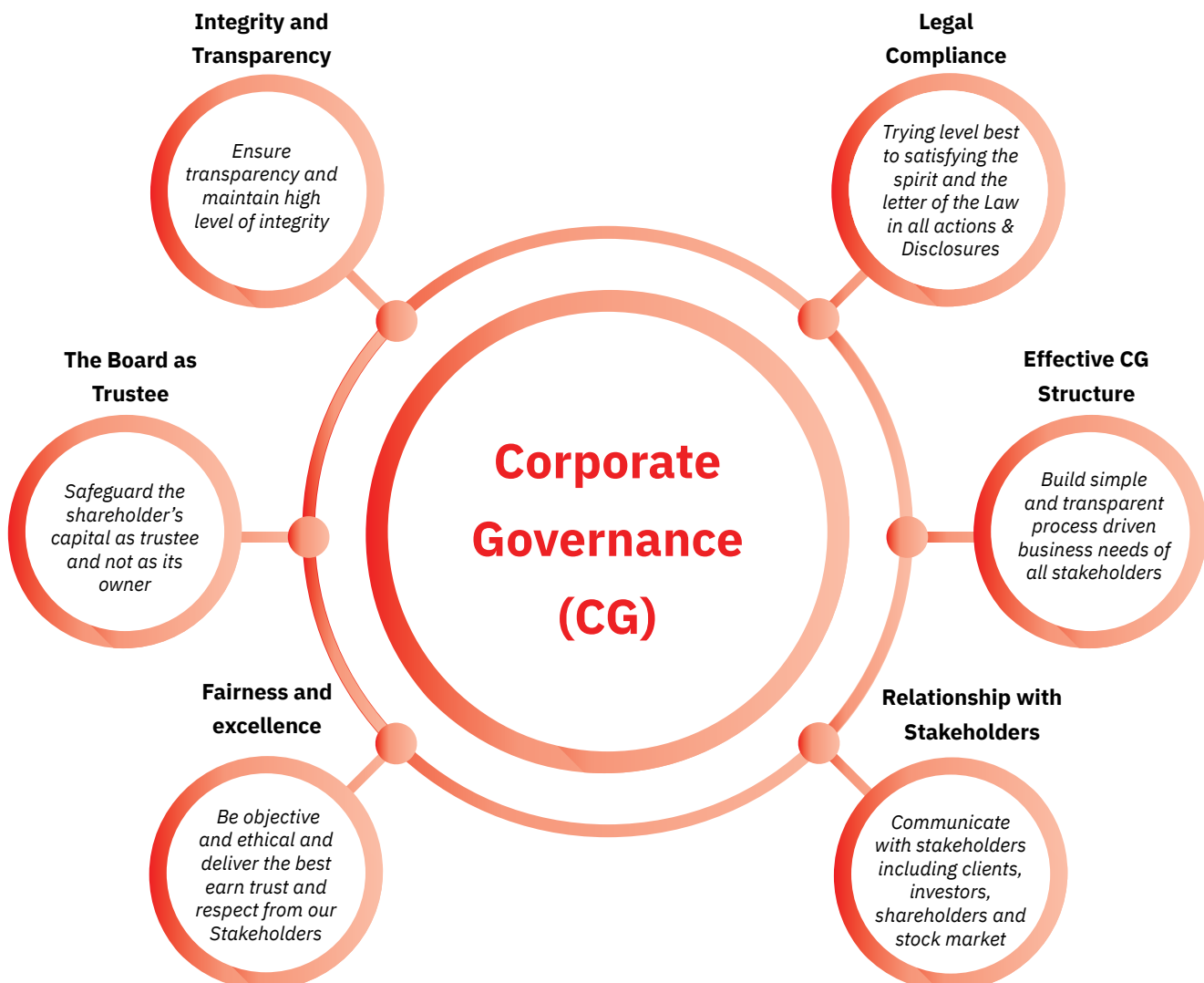
REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy on Code of Governance

Our Corporate

Effective Corporate Governance practices constitute the strong foundation on which successful commercial enterprises are built to last. Our Corporate Governance is reflection of our value system encompassing our culture, policies and relationship, with our stakeholders, Integrity, accountability and transparency are key to our Corporate Governance practices to ensure that we gain and retain the trust of our stakeholders at all times.

Your Company takes Corporate Governance as a critical tool to enhance trust of its Customers, Employees, Investors, Government, Stock Markets and the Community at large and achieve its goal of maximising value for its Stakeholders.



Annexure G (Contd)

We believe that an active, well-informed and independent board is necessary to ensure the highest standard of Corporate Governance practice. At PCL, the Board is at the core Corporate Governance practices. The Board oversee the management's functions and protects the long-term interests of our stakeholders.

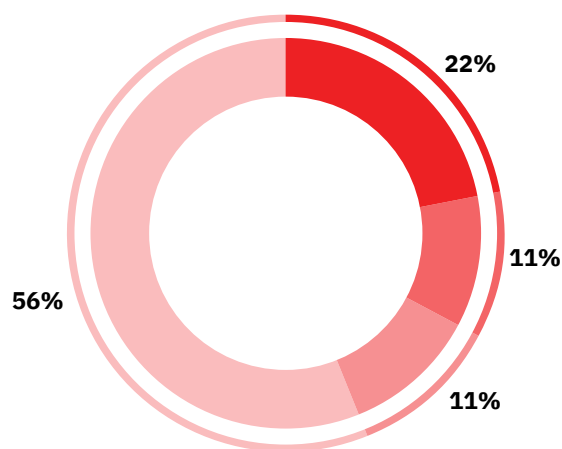
Company believes that compliances with the requirements of the applicable regulations, including the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (herein after known as SEBI LODR) and SEBI (ICDR) Regulations form the part and parcel of sound Corporate Governance. The Company's Corporate Governance framework is based on an effective Independent Board, separation of our Board's supervisory role from the executive management team and constitution of the committees of our Board, as required under law. Our Board is constituted in compliance with the provisions of the Companies Act and the SEBI LODR, as applicable. The management presents before the Board of Directors all the Reports/ Intimations filed to Stock Exchange between the Board meetings. Our Board functions either directly, or through various committees constituted to oversee specific operational areas. Our Company also urges its Board Members and top management to abide by the Code of Corporate Governance.

2. Board of Directors

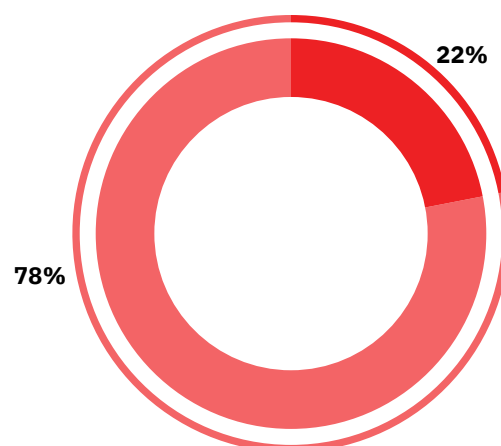
a) Composition and category of directors

We believe that our Board needs to have appropriate mix of Executive, Non-Executive and Independent Directors to maintain its independence, and separate its functions of governance and management.

As on 31st March, 2020 our Board comprises of 9 (Nine) Directors. The Chairman of the Board of Directors is an Executive Director. Out of 9 (Nine) Directors, there are 2 (Two) Promoter Executive Directors, 1 (One) Promoter Non-Executive Woman Director, 1 (One) Non-Promoter Executive Director, 4 (Four) Independent Non-Executive Directors and 1 (One) Woman Independent Non-Executive Director.



■ Executive Promoter Director
 ■ Non-Promoter Executive Director
 ■ Non-Executive Promoter Director
 ■ Independent Director



■ Women ■ Men

Annexure G (Contd)

All the Independent Directors have confirmed that they meet the 'independence' criteria as mentioned under Regulation 16(1) (b) of the SEBI LODR and Section 149(6) of the Companies Act, 2013 ("Act") and the Rules framed thereunder.

All the Directors have made necessary disclosures regarding their directorships and other interests as required under Section 184 of the Companies Act, 2013 and on the Committee positions held by them in other companies. The Company is in compliance of Companies Act 2013 and Regulation 17A of SEBI LODR, i.e. None of the Directors on the Company's Board hold the office of Director in more than 20 (Twenty) Companies, including not more than 8 (Eight) listed public companies. The Company is in compliance of Regulation 26 of the SEBI LODR, i.e. none of the Directors are members in more than 10 (Ten) Committees or act as Chairperson of more than 5 (Five) committees, the committees being, Audit Committee and Stakeholders' Relationship Committee across all public limited companies, whether listed or not in which he/she is a Director. All the Directors except Independent Directors and Managing Director are liable to retire by rotation.

The required information, including information as enumerated in Regulation 17(7) read together with Part A of Schedule II of the SEBI LODR is made available to the Board of Directors, for discussions and consideration at Board Meetings. The Board reviews compliance of all the applicable laws on a quarterly basis, as also steps taken to remediate instances of non-compliance, if any.

Pursuant to Regulation 27(2) of the SEBI LODR, the Company submits a quarterly compliance report on Corporate Governance to the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE), within 15 days from the close of every quarter.

The Managing Director (MD) and the Chief Financial Officer (CFO) have certified to the Board on inter alia, the accuracy of the financial statements and adequacy of internal controls for financial reporting, in accordance with Regulation 17(8) read together with Part B of Schedule II of the SEBI LODR, for the Financial Year ended 31st March, 2020

b) Attendance of each Directors at the meeting of the Board of Directors, the last Annual General Meeting, details of membership of Directors in other Companies Boards and their Committees is set out below:-

Sr. No.	Name of Director	Director Identification Number	Category	No. of Board Meeting entitled to attend and attended during FY 2019-20		Whether attended last AGM held on 25 th September, 2019	No of Directorship in other Public Companies as on 31 st March, 2020	Number of Committee Positions held in Other Public Companies	
				Held	Attended			Chairman	Member
1	Mr. Yatin S. Shah Chairman & Managing Director	00318140	Promoter - Executive Director	5	4	Yes	2	NIL	NIL
2	Dr. Suhasini Y. Shah Non-Executive Director	02168705	Promoter Non-Executive Woman Director	5	4	Yes	2	NIL	NIL
3	Mr. Ravindra R. Joshi Whole-time Director & CFO	03338134	Non Promoter - Executive Director	5	5	Yes	2	Nil	Nil
4	Mr. Karan Y. Shah Whole-time Director – Business Development	07985441	Promoter - Executive Director	5	5	No	1	NIL	NIL
5	Mr. Pramod H. Mehendale	00026884	Independent Director	5	5	Yes	Nil	Nil	Nil
6	Mr. Sarvesh N. Joshi	03264981	Independent Director	5	5	No	Nil	Nil	Nil

Annexure G (Contd)

Sr. No.	Name of Director	Director Identification Number	Category	No. of Board Meeting entitled to attend and attended during FY 2019-20		Whether attended last AGM held on 25 th September, 2019	No of Directorship in other Public Companies as on 31 st March, 2020	Number of Committee Positions held in Other Public Companies	
				Held	Attended			Chairman	Member
7	Mr. Vedant V. Pujari	07032764	Independent Director	5	4	Yes	Nil	Nil	Nil
8	Mr. Vaibhav S. Mahajani	00304851	Independent Director	5	5	Yes	Nil	Nil	Nil
9	Mrs. Savani Arvind Laddha**	03258295	Independent Director	1	1	NA	Nil	Nil	Nil

*Pursuant to Regulation 26 (1) (b) of SEBI LODR, Membership/Chairmanship of only **Audit Committees and Stakeholder Relationship Committee** of all Public Limited companies whether listed or not have been considered.

Pursuant to Regulation 17(1)(a), the Board of directors of the top 1,000 listed entities shall have at least one independent woman director by 1st April, 2020, Mrs. Savani Arvind Laddha was appointed as an Additional Director on the Board on the 10th February, 2020 **designated as Independent Woman Director w.e.f. 10th February, 2020 based on the recommendation the Nomination and Remuneration Committee.

Note:

- None of the Board of Directors of the Company is a Director of any other listed entity.
- The Companies mentioned herein are Public Limited Companies and Deemed Public Companies, whether listed or not, and does not include other companies including Private Limited Companies, Foreign Companies and Companies under section 8 of the Companies Act, 2013.

c) Number of Board Meetings

5 (Five) Board Meetings were held during the FY 2019-20. The dates are 27th May, 2019, 13th August, 2019, 5th November, 2019, 10th February, 2020, and 5th March, 2020.

d) Disclosure of relationships between Directors inter-se

Sr. No.	Name of Director	Relationship
1	Mr. Yatin S. Shah	Spouse of Dr. Suhasini Shah, Father of Mr. Karan Y. Shah
2	Dr. Suhasini Y. Shah	Spouse of Mr. Yatin S. Shah, Mother of Mr. Karan Y. Shah
3	Mr. Karan Y. Shah	Son of Mr. Yatin S. Shah and Dr. Suhasini Y. Shah
4	Mr. Ravindra R. Joshi	No relationship with other Directors of the Company
5	Mr. Pramod H. Mehendale	No relationship with other Directors of the Company
6	Mr. Sarvesh N. Joshi	No relationship with other Directors of the Company
7	Mr. Vedant V Pujari	No relationship with other Directors of the Company
6	Mr. Vaibhav S. Mahajani	No relationship with other Directors of the Company
9	Mrs. Savani A. Laddha	No relationship with other Directors of the Company

Annexure G (Contd)

e) Number of shares and convertible instruments held by Non- Executive Directors as on 31st March, 2020

Sr. No.	Name of Director	No. shares held
1	Dr. Suhasini Y. Shah	1,04,86,461 Equity Shares
2	Mr. Pramod H. Mehendale	80 Equity Shares
6	Mr. Sarvesh N. Joshi	Nil
5	Mr. Vedant V. Pujari	Nil
3	Mr. Vaibhav S. Mahajani	550 Equity Shares
6	Mrs. Savani A. Laddha	Nil

f) Web link where details of familiarisation programme imparted to independent directors is disclosed.

<https://pclindia.in/wp-content/uploads/2020/04/Familiarisation-programmes-imparted-to-independent-directors-for-the-financial-year-2019-20.pdf>

g) Skills/ Expertise / Competencies of the Board required in the context of the business

The PCL Board comprises qualified member who bring in the required skills, competence and expertise that allow them to make effective contributions to the Board and its committees.

Board of Directors has, based on the recommendations of the Nomination and Remuneration Committee ('NRC'), identified the following core skills/ expertise/ competencies of Directors as required in the context of business of the Company for its effective functioning:

Core skills/ expertise/ competence	Description
Leadership	Extended leadership experiences resulting in a practical understanding of organisation process, strategic planning, and risk management. Demonstrate strengths in developing talent, sustainable growth., planning successions, taking adequate steps to inculcate leadership qualities in senior and experienced human resource available with the Company and driving change and long –term growth.
Financial	Leadership of management of the finance function of an enterprises and group companies , resulting in proficiency in complex financial management, Capital reporting process, or experiences in actively supervising a principal financial officer, principal accounting officer, controller, auditors, or person performing similar functions
Gender, ethnics, national, or other diversity	Representation of gender, ethinc, geographical, cultural, or other perspective, that expand the Board's understanding of the needs and viewpoints of our customers, partner, employees, governments, and other stakeholders worldwide. With acquisition of MEMCO Engineering Private Limited, MFT Motoren und Fahrzeugtechnik GmbH, and EMOSS Systems B.V., the Company has diversified its portfolio into automobile and non-automobile components and electric drivetrains.

Annexure G (Contd)

Core skills/ expertise/ competence	Description
Global Business	Experiences in driving business success in market around the world, with an understanding of diverse business environment, economics conditions, cultures, and regulatory frameworks, and a broad perspective on global market opportunities. The Company has significantly embarked its global presence with customer base spread across Europe, North America, South America and Asia.
Industry experience	The vast experience in manufacturing of camshafts and is well versed with the current industrial scenario, changing trends and technology.
Technology, R & D, IT	A significant background in technology resulting in anticipate technological trends, generate disruptive innovation, IT new technologies for protecting company's data from cyber attack. The Company is actively involved in research and development on a continuous basis. Development of camshafts is focused on specific requirement of the clients.
Board Services and Governance	To develop insights about maintaining board and management accountability, protecting shareholders interests and observing appropriate governance practice.
Sales and Marketing	Experiences in developing strategies to grow sales and market share, build brand awareness and equity and enhance reputation, adheres to best industry practices and has zero defect policy in place to ensure that the customer gets the best quality.

In the below table, the specific areas of focus or expertise of individual Board Members have been highlighted, however the absence of mark against the member's name does not necessarily mean the member does not possess the corresponding qualification or skills.

Director	Area of Expertise							
	Leadership	Financial	Gender, ethnics, national, or other diversity	Global Business	Industry experience	Technology, R & D, IT	Board Services and Governance	Sales and Marketing
Mr. Yatin S. Shah	√	√	√	√	√	√	√	√
Dr. Suhasini Y. Shah	√	√	√	√	√	-	√	√
Mr. Ravindra R. Joshi	√	√	√	√	√	√	√	√
Mr. Karan Y. Shah	√	√	√	√	√	√	√	√
Mr. Pramod H. Mehendale	√	√	√	√	-	-	√	-
Mr. Sarvesh N. Joshi	√	√	√	√	-	-	√	-
Mr. Vedant V. Pujari	√	√	√	√	-	-	√	-
Mr. Vaibhav S. Mahajani	√	√	√	√	-	√	√	-
Mrs. Savani A. Laddha	√	√	√	-	-	-	√	-

Annexure G (Contd)

Selection of New Directors:

The Board is responsible for the selection of new Directors. The Board delegates the screening process to the Nomination and Remuneration Committee, which consists exclusively of independent directors. The Committee, based on defined criteria, makes recommendation to the Board on induction of new Directors.

3. Audit Committee

(a) Brief description of terms of reference:

The Audit Committee functions according to its Charter that defines its composition, authority, responsibility and reporting functions in accordance with Section 177 of the Act, Regulation 18(3) read with Part C of Schedule II of the SEBI LODR as mentioned below:-

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company
3. Approval of payment to Statutory Auditors for any services rendered by statutory auditors
4. Reviewing with the management, annual financial statements and auditors report thereon before submission to the Board for approval, with reference particular reference to:-
 - (i) Matters required to be included in the Directors Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies, Act, 2013;
 - (ii) Changes, if any, in accounting policies and practices and reasons for the same;
 - (iii) Major accounting entries involving estimates based on the exercise of judgement by management
 - (iv) Significant adjustments made in the financial statements arising out of audit findings
 - (v) Compliance with listing and other legal requirements relating to financial statements
 - (vi) Disclosures of any related party transactions and
 - (vii) modified opinion in the draft audit report (if any)
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing with the management statement of uses/application of funds raised through an issue (public issue, rights issue (if any), preferential issue (if any) etc.) the statement of funds utilised for purposes other than those stated in offer document/prospectus/ notice and the report submitted by the monitoring agency the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Reviewing and monitoring auditors independence and performance and effectiveness of audit process;
8. Approval of any subsequent modification of transactions of the Company with related parties
9. Scrutiny of inter-corporate loans and investments
10. Valuation of undertakings or assets of the Company, wherever it is necessary
11. Evaluation of internal financial controls and risk management systems
12. Reviewing with the management performance of statutory auditors, internal auditors and adequacy of internal control systems

Annexure G (Contd)

13. Reviewing the adequacy of internal audit function, if any, including the structure of internal audit department, staffing, seniority of the official heading the department, reporting structure coverage and frequency of internal audit
14. Discussion with the internal auditors of any significant findings and follow-up thereon
15. Reviewing the findings of any internal investigation by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern
17. Looking into the reasons for substantial defaults in the payment of depositors, debenture holders, shareholders (in case of payment of declared dividends) and creditors
18. Reviewing the functioning of the whistleblower mechanism
19. Approval of appointment of CFO after accessing the qualifications, experience and background etc., of the candidate
20. Reviewing the utilisation of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 Crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing.
21. Review of Management Discussion and analysis of financial condition and results of operations.
22. Review of Statement of significant related party transactions (as defined by the audit Committee) submitted by the Management
23. Review of Management letter/letters of internal control weaknesses issued by the statutory auditors
24. Review of Internal Audit reports relating to internal control weaknesses
25. Review of appointment, removal and terms of remuneration of the Chief Internal Auditor
26. Carrying out any other function as is mentioned in terms of reference of the Audit Committee

(b) Composition, name of members and chairperson;

The Audit Committee of the Company is constituted in compliance with the provisions of Regulation 18 of the SEBI LODR and the provisions of Section 177 of the Companies Act, 2013. All members of the Committee are financially literate, having the relevant accounting and financial management expertise.

The composition of the Audit Committee are as under:-

1. **Mr. Pramod H. Mehendale, Independent Director (Chairman);**
2. Mr. Ravindra R. Joshi, Whole-time Director & Chief Financial Officer (Member);
3. Mr. Sarvesh N. Joshi, Independent Director (Member);
4. Mr. Vaibhav S. Mahajani, Independent Director (Member); and
5. Mrs. Savani A. Laddha, Independent Director (Member)

(c) Meetings and attendance during the year.

The Committee met 5 (Five) times during the year. The meetings were held on 27th May 2019, 13th August, 2019, 5th November, 2019, 10th February, 2020 and 5th March, 2020. Requisite quorum was present at the above Meetings.

Annexure G (Contd)

The details of the meetings attended by its members during the FY 2019-20 are as under:-

Sr. No.	Name of member	Category	No. of Meetings held during FY 2019-20	
			held and entitled to attend	Attended
1	Mr. Pramod H. Mehendale	Chairman	5	5
2	Mr. Ravindra R. Joshi	Member	5	5
3	Mr. Sarvesh N. Joshi	Member	5	5
4	Mr. Vaibhav S. Mahajani	Member	5	5
5	Mrs. Savani A. Laddha	Member	1	1

In addition to the members of Audit Committee, Executives of Finance and Accounts, Representatives of Statutory Auditors, Internal Auditors, Secretarial Auditors attended the Audit Committee Meeting by Invitation, as and when required to provide necessary inputs to the Committee. The Company Secretary acted as the Secretary to the Audit Committee.

All the recommendations of the Audit Committee have been accepted by the Board of Directors.

Pursuant to Regulation 18(1) (d) of SEBI LODR, Mr. Pramod H. Mehendale, Chairman of the Audit Committee was present at the 27th Annual General Meeting of the Company held on 25th September 2019.

4. Nomination and Remuneration Committee

(a) Brief description of terms of reference:

The Nomination and Remuneration Committee functions according to its Charter that defines its composition, authority, responsibility and reporting functions in accordance with Section 178 of the Act, Regulation 19(4) read with Part D Para A of Schedule II of the SEBI LODR, 2015 as mentioned below:-

1. Formulation of criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Director a policy relating to remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of performance of Independent Directors on the Board and of the Board of directors;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
5. Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of independent director;
6. Recommend to the Board, all remuneration, in whatever form, payable to senior management;
7. Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or Overseas, including:
 - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation 1992 or
 - The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2013

Annexure G (Contd)

8. Performing any other activities as may be delegated by the Board of Directors and/or any statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee.

(b) Composition, name of members and chairperson;

The Nomination and Remuneration Committee has been constituted by the Board in compliance with the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI LODR.

1. Mr. Vedant V. Pujari, Independent Director (Chairman);

2. Mr. Pramod H. Mehendale, Independent Director (Member)
3. Mr. Sarvesh N. Joshi, Independent Director (Member); and
4. Mr. Vaibhav S. Mahajani, Independent Director (Member)

(c) Meetings and attendance during the year;

The Committee met 4 (Four) times during the year. The meetings were on 27th May 2019, 13th August, 2019, 5th November, 2019 and 10th February, 2020. Requisite quorum was present at the above Meetings.

The details of the meetings attended by its members during the financial year ended 31st March, 2020 are as under:-

Sr. No.	Name of member	Category	No. of Meetings held during FY 2019-20	
			Held	Attended
1	Mr. Vedant V. Pujari	Chairman	4	4
2	Mr. Pramod H. Mehendale	Member	4	4
3	Mr. Sarvesh N. Joshi	Member	4	4
4	Mr Vaibhav Mahajani	Member	4	4

All the recommendations of the Nomination and Remuneration Committee have been accepted by the Board of Directors.

Pursuant to Regulation 19 (3) of SEBI LODR, Mr. Vedant V. Pujari, Chairman of the Nomination and Remuneration was present at the 27th Annual General Meeting of the Company held on 25th September, 2019.

(d) Performance evaluation criteria for independent directors

Pursuant to the provisions of the Companies Act, 2013 and the applicable provisions of the SEBI LODR, the Annual Performance Evaluation was carried out for the financial year 2019 - 20.

The performance evaluation criterion for independent Directors is determined by the nomination and remuneration committee. An indicative list of factors that may be evaluated include participation and contribution by director, commitment effective deployment of knowledge, effective management of relationship with stakeholders, integrity and maintenance of confidentiality and independence of behavior and judgement.

5. Remuneration of Directors

Remuneration policy of the Company is formulated to create best performance culture. It helps the Company to retain, motivate and attract the talent and contribute towards the growth of the Company.

The Company does not pay sitting fees to the Directors for attending the meetings. The commission on profits is payable to Non-Executive Directors on the basis of time and contribution. The shareholders of the Company had approved payment of commission on profits to Non –Executive Directors for a sum not exceeding 1% of the annual net profits of the Company for period of 3 Years (1st April, 2017 to 31st March, 2020) in accordance with the provisions the Companies Act, 2013 at 25th Annual General Meeting. The Board of Directors is authorised to decide the quantum within the limits.

Annexure G (Contd)

(a) All pecuniary relationship or transactions of the Non-Executive Directors

Sr. No	Name of Director	Commission relating to FY 2019-20 (paid in FY 2020-21)	Relationship
1	Dr. Suhasini Y. Shah – PD	5,00,000	1. There is no pecuniary relationship with the Company and have not entered into any transaction with the Company except payment of Commission for the Financial year and reimbursement of expenses.
2	Mr. Sarvesh N. Joshi – ID	5,00,000	
3	Mr. Pramod H. Mehendale – ID	5,00,000	
4	Mr. Vedant V. Pujari – ID	5,00,000	
5	Mr. Vaibhav S. Mahajani – ID	5,00,000	
6	*Mrs. Savani A Laddha – ID	50,000	2. Dr. Suhasini Y. Shah is spouse of Mr. Yatin S. Shah and Mother of Mr. Karan Y. Shah

*Mrs. Savani A. Laddha is appointed as Non-Executive Independent Director on 10th February, 2020

Note:- ID – Independent Director, PD – Promoter Director

(b) All pecuniary relationship or transactions of the Executive Directors

Given below are details pertaining to certain terms of appointment and payment of Managerial Remuneration to the Managing Director, Whole-time Directors and Chief Financial Officer for FY 2019-20:

(Amount in Lakhs)

Sr. No	Name of Director	Basic Salary (₹)	Benefits, Perquisites and Allowances (₹)	Retirement benefits (₹)	Total (₹)
1	Mr. Yatin S. Shah Chairman and Managing Director	159.42	144.97	39.86	344.25
2	Mr. Ravindra R. Joshi Whole-time Director and Chief Financial Officer	113.55	161.20	34.06	308.81
3	Mr. Karan Y. Shah Whole-time Director – Business Development	9.60	31.82	2.88	44.30

Note:

The Company does not have any service contracts with its Directors nor any severance fees is payable to the Directors.

Stock Options are not given to the Directors during the year.

6. Stakeholders' Relationship Committee

(a) Brief description of terms of reference;

The Stakeholders' Relationship Committee functions in accordance with Section 178 of the Act and Regulation 20 read with Part D of Schedule II of the SEBI Listing Regulations. The suitably revised terms of reference enumerated in the Committee Charter, after incorporating therein the regulatory changes mandated under the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, are as follows:-

Annexure G (Contd)

- i. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- ii. Review of measures taken for effective exercise of voting rights by shareholders.
- iii. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- iv. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.
- v. Carry out any other function contained in the equity listing agreement as and when amended from time to time.

(b) Composition;

The Stakeholders' Relationship Committee functions in accordance with Section 178 of the Companies Act, 2013 and Regulation 20 read with Part D of Schedule II of the SEBI LODR.

1. Mr. Vedant V. Pujari - Non-Executive, Independent Director (Chairman);

2. Dr. Suhasini Y. Shah, Non-Executive, Promoter Woman Director (Member);
3. Mr. Pramod H. Mehendale - Non-Executive, Independent Director (Member); and
4. Mr. Vaibhav S. Mahajani - Non-Executive, Independent Director (Member)

(c) Meetings and attendance during the year;

The Committee met 4 (Four) times during the year. The meetings were held on 27th May 2019, 13th August 2019, 5th November, 2019 and 10th February, 2020. Requisite quorum was present at the above Meetings.

The details of the meetings attended by its members during the FY 2019-20 are as under:-

Sr. No.	Name of member	Category	No. of Meeting held during FY 2019-20	
			Held	Attended
1	Mr. Vedant V. Pujari	Chairman	4	4
2	Dr. Suhasini Y. Shah	Member	4	4
3	Mr. Pramod H. Mehendale	Member	4	4
4	Mr. Vaibhav Mahajani	Member	4	4

(d) Name and Designation of Compliance Officer;

Mrs. Mayuri I. Kulkarni – Company Secretary & Compliance Officer w.e.f. 23rd March, 2019.

(e) Details of complaints received and attended to during the FY 2019-20 are given below:

Sr. No.	Opening Balance as on April 1, 2019	Received during the year	Resolved during the year	Not Resolved during the year	Closing Balance- pending as on 31 st March, 2020
1	0	1	1	0	0

Complaint was for non receipt of Dividend in October - December quarter same was resolved in same quarter.

Annexure G (Contd)

7. Corporate Social Responsibility Committee

(a) Terms of Reference;

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy which will indicate the activities to be undertaken by the Company in accordance with Schedule VII of the Companies Act, 2013 amended from time to time.
- Recommending the amount of expenditure to be incurred on CSR activities.
- Monitor implementation and adherence to the CSR Policy of the Company from time to time
- Such other activities as the Board of Directors determine as they may deem fit in line with CSR Policy.

The Board has adopted the CSR Policy as formulated and recommended by the Committee.

The CSR Policy is available on the website of the Company at www.pclindia.in

The Annual Report on CSR activities for the FY 2019-20 forms part of the Board's Report.

(b) Composition;

The Corporate Social Responsibility (CSR) Committee has been constituted by the Board in compliance with the requirements of Section 135 of the Companies Act, 2013.

The Corporate Social Responsibility Committee comprised of following members:

- Mr. Yatin S. Shah- Managing Director, (Chairman)**
- Dr. Suhasini Y. Shah- Non –Executive, Promoter Woman Director (Member);
- Mr. Vedant Pujari- Non-Executive, Independent Director (Member); and
- Mr. Vaibhav S. Mahajani- Non-Executive, Independent Director (Member)

(c) Meetings and attendance during the year;

The Committee met 4 (Four) times during the year. The meetings were on 27th May, 2019, 13th August, 2019, 5th November, 2019 and 10th February, 2020. Requisite quorum was present at the above Meetings.

The details of the meetings attended by its members during the FY 2019-20 are as under:-

Sr. No.	Name of member	Category	No. of Meetings held during FY 2019-20	
			Held	Attended
1	Mr. Yatin S. Shah	Chairman	4	4
2	Dr. Suhasini Y. Shah	Member	4	4
3	Mr. Vedant Pujari	Member	4	4
4	Mr. Vaibhav Mahajani	Member	4	4

Annexure G (Contd)

8. General Body Meetings:

(a) Details of last 3 (Three) Annual General Meetings of the Company and the Special Resolutions passed thereat are as under;

Sr. No	Financial Year	Date	Time	Venue	Special Resolutions passed at the AGM
1	2018-19	25 th September, 2019	03:00 PM	Hotel Balaji Sarovar Premiere, Aasara Chowk, Hotgi Road, Solapur – 413224, Maharashtra, India	Appoint Mr. Ravindra R. Joshi as Whole-time Director (DIN: 03338134) & Chief Financial Officer (CFO) for further term of 5 (five) years from 1st April, 2019 to 31 st March, 2024
2	2017-18	26 th September, 2018	03.00 P.M	D-5, Chincholi M.I.D.C., Solapur -413225, Maharashtra, India	Re-appointment of Mr. Sarvesh N.Joshi -Independent Director
3	2016-17	27 th September, 2017	03.00 P.M	D-5, M.I.D.C Chincholi, Solapur – 413225, Maharashtra, India	1) Re-Appointment of Mr. Vaibhav S. Mahajani-Independent Director 2) Approval of Payment by the Members for Service of Documents

- Whether any special resolution passed last year through postal ballot – NO, details of voting pattern; **NA**
- Person who conducted the postal ballot exercise; **NA**
- Whether any special resolution is proposed to be conducted through postal ballot; **NA**
- Procedure for postal ballot. **NA**

9. Means of communication:

The Quarterly, Half Yearly and Annual Results are regularly submitted to the Stock Exchanges in accordance with the SEBI LODR and are generally published in the Business Standard (English) and Tarun Bharat (Marathi). The official news releases, including on the quarterly and annual results and presentations made to institutional investors and analysts are submitted to Stock Exchanges and also posted on Company's website (www.pclindia.in). The Company's website contains a dedicated section **"Investors"** where information for shareholders is available.

The Annual Report, Quarterly Results, Shareholding Pattern, Quarterly Compliances, Press Releases, Intimation/Outcome of Board Meetings and other relevant information of the Company are posted through BSE Listing Centre and NSE Electronic Application Processing System (NEAPS) portals for investor information. The Annual Report which includes inter alia, the Director's Report, the Report on Corporate Governance, Business Responsibility Report, the Management Discussion and Analysis, Notice of AGM is the another channel of communication to the Shareholders.

Annexure G (Contd)

10. General Shareholder Information:

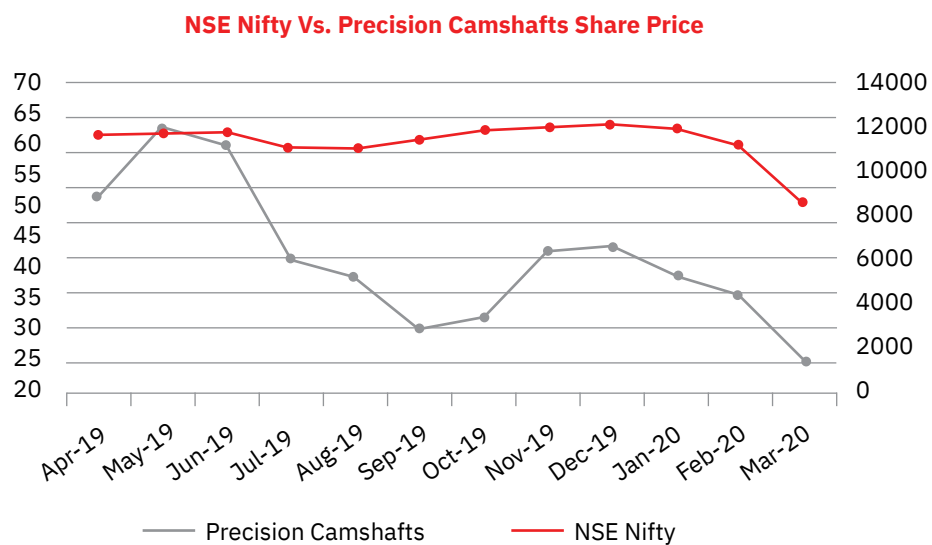
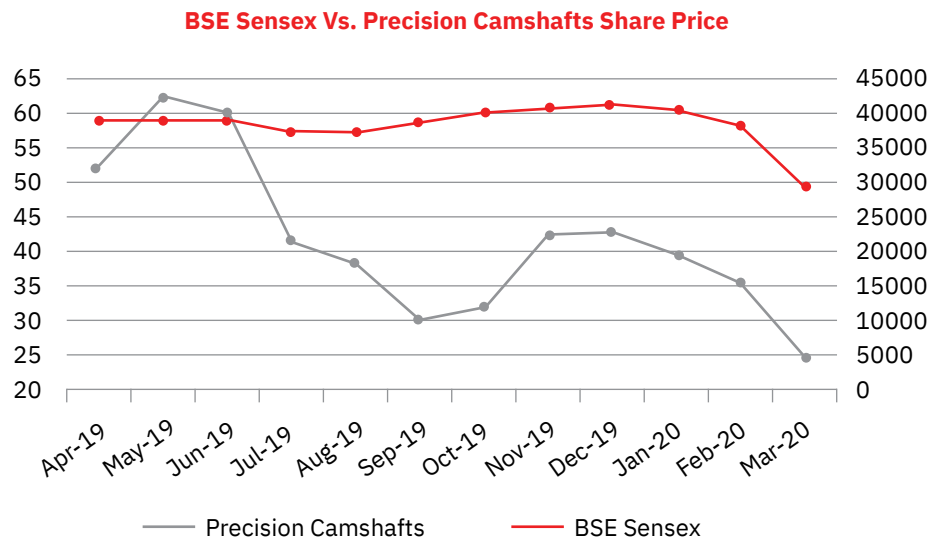
I.	Annual General Meeting – Date , Time and Venue	Thursday, 30 th July, 2020 at 3.30 p.m.	
II.	Video Conference, If Yes, Link	Yes https://instameet.linkintime.co.in	
III.	Financial year	01 st April, 2019 to 31 st March, 2020	
IV.	Cut off for E - Voting and Divided (if any)	22 nd July, 2020 (Wednesday)	
V.	Dates of Book Closure	23 rd July, 2020 (Thursday) to 30 th July, 2020 (Thursday)	
VI.	The name and address of each stock exchange(s) at which the listed entity's securities are listed	BSE Ltd. Phiroze Jeejeebhoy Towers Dalal Street, Mumbai- 400001, Maharashtra, India Phones: (022) 22721233/4, 91-22-66545695 Fax: (022) 22721919	National Stock Exchange of India Ltd., Exchange Plaza, Bandra-kurla Complex, Bandra(E), Mumbai-400051 Maharashtra, India Tel No: (022) 26598100 - 8114 Fax No: (022) 26598120
VII.	Stock Code	539636	PRECAM
VIII.	ISIN	INE484I01029	
IX.	Confirmation about payment of annual listing fee to each of such stock exchange(s);	The Company has paid Listing Fees for the FY 2019 - 20 to each of the Stock Exchanges, where the equity shares of the Company are listed.	

b. Market price data- high, low during each month in last financial year;

Month	BSE		NSE	
	High Price	Low Price	High Price	Low Price
Apr - 19	64.30	51.95	63.45	51.45
May -19	66.00	45.00	64.90	47.00
Jun -19	67.00	58.80	66.95	58.60
Jul - 19	61.55	39.90	61.95	40.00
Aug -19	43.50	37.05	45.00	36.70
Sep -19	41.55	27.25	42.95	27.10
Oct - 19	33.00	23.70	33.50	23.65
Nov- 19	44.50	27.90	44.60	28.25
Dec - 19	45.00	35.20	44.40	35.00
Jan - 20	44.20	38.30	44.50	38.00
Feb – 20	43.35	34.55	43.05	34.40
Mar - 20	37.35	21.70	37.35	21.70

Annexure G (Contd)

c. Performance in comparison to broad-based indices such as BSE Sensex and NSE Nifty



Annexure G (Contd)

d. In case the securities are suspended from trading, the Directors' report shall explain there as on thereof; NA

e. Registrar to an issue and share transfer agents

Link Intime India Private Limited

Block No 202, Akshay Complex, 2nd floor, Near Ganesh Temple, Off Dhole Patil Road, Pune 411 001, Maharashtra, India.

Tel: - +91 20 2616 0084, 2616 1629 Fax: - +91 20 2616 3503

Contact Person: Mr. Sandip Pawar, pune@linkintime.co.in, website: www.linkintime.co.in

f. Share transfer system;

Effective 1st April, 2019, SEBI has amended Regulation 40 of the Listing Regulations, which deals with transfer or transmission or transposition of securities. According to this amendment, the requests for the transfer of listed securities shall not be processed unless the securities are held in dematerialised form with a Depository. Therefore, for any transfer, the securities shall mandatorily be required to be in demat form.

Share transfers, dividend payments and all other investor related activities are attended to and processed at the Office of the Company's Registrar and Share Transfer Agent. For lodgment of transfer deeds and any other documents or for any grievances/complaints, kindly contact M/s Link Intime India Private Limited at the above mentioned address which are open from 10:00 AM to 5:00 PM between Monday to Friday (except on bank holidays).

g. Distribution of shareholding;

No. of Shares	Shareholders		Equity shares held	
	No. of shareholders	% to Total	No. of shares	% to Total
1-500	34,154	93.95	35,06,771	3.6919
501-1000	1,038	2.85	8,33,195	0.8772
1001-2000	555	1.53	8,44,619	0.8892
2001-3000	188	0.52	4,81,992	0.5074
3001-4000	100	0.28	3,57,776	0.3767
4001-5000	77	0.21	3,64,401	0.3836
5001-10000	119	0.33	8,56,313	0.9015
10001- above	123	0.34	8,77,40,768	92.3725
Total	36,354	100	9,49,85,835	100

h. Dematerialisation of shares and liquidity: As on 31st of March, 2020, except 22 shares all the shares were under the demat mode.

i. Outstanding global depository receipts or American depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity: NA

j. Foreign exchange risk and hedging activities: Appropriate disclosure is given in Note of the Notes to the Standalone Financial Statements

Annexure G (Contd)

k. Plant locations and Address for correspondence

1) E 90, M. I. D. C., Akkalkot Road, Solapur - 413006	Address for correspondence Precision Camshafts Limited 501-502, Kanchanban, "B" Wing, Sunit Capital, CTS No. 967, FP No. 397, Senapati Bapat Road, Pune – 411016, Maharashtra, India Tel. No. 020 - 25673050
2) E 102/103, M. I. D. C., Akkalkot Road, Solapur - 413 006	
3) D-5, M. I. D. C., Chincholi, Solapur - 413255	
4) D-6, D-7, D-7/1 M. I. D. C., Chincholi, Solapur - 413255	

l. List of all credit ratings obtained by the Company during the financial year and revisions thereto, if any

Facilities	Amount (₹ Crores)	Previous Rating	Rating action
Long-term Bank Facilities	2.05	CARE A; STABLE	Reaffirmed
Short-term Bank Facilities	79.50	CARE A1	Reaffirmed
Long-term/ Short term Bank Facilities	10.00	CARE A; Stable/ CARE A1	Reaffirmed
Total Facilities	91.55		

You can also refer point 7 of Board Report

11. Other Disclosures:

- There have been no materially significant related party transactions that may have potential conflict with the interests of the Company at large.
- During the last three years, there were no instances of non-compliance by the Company and no penalty or strictures were imposed on the Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to the capital markets.
- The Company has laid down a Whistle Blower Policy, which includes Vigil Mechanism with detailed process for raising concerns by any of the employees, customers, vendors & investors, addressing the concerns and reporting to the Audit Committee/Board. The Company affirms that no personnel had been denied access to the Audit Committee under Whistle Blower Policy.
- The Company has complied with all the mandatory requirements under SEBI (LODR) Regulations, 2015, Company is also complying with non mandatory requirement as mentioned in point no. 14 of CG Report.
- The policy for determining Material Subsidiaries formulated by the Board of Directors is disclosed on the Company's website.
http://modulecheck.com/pclweb/wp-content/uploads/2020/02/Policy_for_determining_Material_Subsidiaries.pdf
- The policy for transactions with related party formulated by the Board of Directors is disclosed on the Company's website. http://modulecheck.com/pclweb/wp-content/uploads/2020/02/Policy_on_Related_Party_Transactions.pdf
- Disclosure of commodity price risks and commodity hedging activities: **NA**

Annexure G (Contd)

- h. The Company has not raised funds through preferential allotment or qualified institutions placement as specified under Regulation 32(7A).
- i. The Company has obtained a certificate from Mr. Jayavant Bhawe of M/s J. B. Bhawe & Co., Practicing Company Secretary that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.
- j. The Board of Directors has accepted all recommendations of all committees of the board which is mandatorily required, in the FY 2019-20.
- k. Brief details of the fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part, are given below:

Sr. No.	Particulars	Amount
1	Precision Camshafts Limited	
	Audit Fees FY 2019-20	28,50,000
	Re-imbursement of expenses	46,000
	Basic	28,96,000
	Total	28,96,000

- l. The Company has implemented policy for Prevention of Sexual Harassment of Women at Workplace.
 - a. Number of complaints filed during the year. NIL
 - b. Number of complaints disposed of during the year. NIL
 - c. Number of complaints pending as on end of financial year. NIL

12. Non-compliance of any requirement of corporate governance report of sub-paras (2) to (10) above, with reasons thereof shall be disclosed. - NA

13. The Company has complied with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46.

14. The corporate governance report shall also disclose the extent to which the discretionary requirements as specified in Part E of Schedule II have been adopted.

- a) After Declaration of quarterly/half-yearly Financials Results, the Company has been actively presenting quarterly, half-yearly Presentation on financials of the Company and major events of the Company to shareholders by submitting presentation to Stock Exchanges and hosting the same on website of the Company.

Company has also been arranging for Earnings Calls after Declaration of quarterly/half-yearly Financials Results to update shareholders on Financial Results and major events of the Company.
- b) The Company has moved towards a regime of financial statements with unmodified audit opinion.

Annexure G (Contd)

- c) The internal auditor reports directly to the Audit Committee.

Declaration regarding compliance with the Company's Code of Conduct

I confirm that the Company has in respect of the Financial Year ended 31st March, 2020 received from the Board of Directors and Senior Management a declaration of compliance with the Code of Conduct for Directors and Senior Management.

**For and on behalf of the Board of Directors of
Precision Camshafts Limited**

**Yatin S. Shah
(Chairman & Managing Director)
(DIN - 00318140)**

Place : Solapur
Date : 23rd June, 2020

Annexure H

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE BY COMPANY SECRETARY IN WHOLE-TIME PRACTICE

To

The Members of PRECISION CAMSHAFTS LIMITED

I have examined the compliance of conditions of Corporate Governance by **PRECISION CAMSHAFTS LIMITED**, for the year ended on March 31, 2020, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to Listing Agreement of the said Company with stock exchanges.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For J B Bhavé & Co.
Company Secretaries**

**Jayavant Bhavé
Proprietor
FCS: 4266 CP: 3068
UDIN: F004266B000363471
PR.NO: 486/2016**

Place : Pune

Date : 23rd June, 2020

Annexure I

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE YEAR ENDED 31st MARCH, 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

Members,

PRECISION CAMSHAFTS LIMITED

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **PRECISION CAMSHAFTS LIMITED**. (Hereinafter called “the Company”).

Secretarial Audit was conducted for the period 1st April, 2019 to 31st March, 2020 in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances of the Company and expressing my opinion thereon.

Based on my verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives, the explanations and clarifications given to us and representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities And Exchange Board of India warranted due to spread of the COVID-19 pandemic, during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, for the year ended 31st March, 2020 during the audit period (“Audit Period”), complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and legal compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the year ended 31st March, 2020 according to the provisions of the following list of laws and regulations:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’) :-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **[Not applicable as the Company has not issued any further share capital during the period under review]**
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and Securities And Exchange Board Of India (Share Based Employee Benefits) Regulations, 2014; **[Not Applicable as Company has not issued any ESOP during the period under review]**

Annexure I (Contd)

- e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **[Not applicable as there was no reportable event during the period under review]**
 - f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **[Not applicable as the Company has not issued and listed any debt securities during the period under review]**
 - g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **[Not applicable as there was no reportable event during the period under review]**
- (vi) I further report that having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof the company has complied with the following laws applicable to the Company:
- a) Factories Act, 1948
 - b) The Minimum Wages Act, 1948,
 - c) Payment of Wages Act, 1936
 - d) Payment of Gratuity Act, 1972
 - e) Employees' provident Fund & Miscellaneous provisions Act, 1952
 - f) Employees' Compensation Act, 1923
 - g) Employees' State Insurance Act, 1948
 - h) Contract labour (regulation & Abolition) Act, 1970
 - i) Payment of Bonus Act, 1965
 - j) Equal remuneration Act, 1976
 - k) Industrial employment (Standing orders) Act, 1946

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) SEBI (Listing Obligation and Disclosures Requirements) Regulation, 2015

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that:-

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda are sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items

Annexure I (Contd)

before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the Company had following events which had bearing the Company's affair in pursuance of the above referred Laws, rules, regulations, guidelines, etc.

1. The Board of Directors of the company had approved to initiate the process of liquidation of PCL (Shanghai) Co. Ltd, a wholly owned subsidiary of the company vide circular resolution dated 27th April, 2019.
2. The company has received an order from the Office of the Registrar of Companies Pune under section 206 (1) of the Companies Act 2013 for furnishing records or documents for verification in respect of IPO, financial statements, reports and documents annexed thereto, prospectus and other documents filed by the company from time to time. The company has accordingly furnished the necessary records, information and documents to the said office from time to time.
3. Mr. Ravindra R. Joshi was appointed as Whole time Director & CFO of the Company for a further term of 5 years from April 1, 2019 to March 31, 2024; with the approval of shareholders by way of a Special Resolution in the 27th Annual General Meeting held on September 25, 2019.
4. M/s P G Bhagwat, Chartered Accountants, Statutory Auditors of the Company resigned effective September 18, 2019. M/s MSKA & Associates, Chartered Accountants (member firm of BDO International) were appointed as Statutory Auditors for a term of five years from FY 2019-20 to FY 2023-24 with approval of shareholders in the 27th Annual General Meeting held on September 25, 2019.
5. Mr. Yatin S Shah, Dr. Suhasini Y Shah, Cams Technology Limited and Mr. Karan Y. Shah, promoters of the company have acquired shares from open market in compliance with The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
6. The Board has appointed Mrs. Savani Laddha as woman independent director in the Meeting held on 10th February, 2020

For J B Bhawe & Co.
Company Secretaries

Jayavant B.
Proprietor
FCS: 4266
CP: 3068
UDIN: F004266B000363460
PR.NO: 486/2016

Place : Pune
Date : 23rd June, 2020

**Annexure to the Secretarial Audit Report of Precision Camshafts Limited
for the year ended 31st March, 2020**

Auditors' Responsibility

My Report of even date is to be read along with this letter.

In accordance with the ICSI Auditing Standards (CSA1 to CSA4) -

- Maintenance of secretarial record is the responsibility of the Management of the Company. My responsibility as the Auditor is to express the opinion on the compliance with the applicable laws and maintenance of Records based on Secretarial Audit conducted by me.
- The Secretarial Audit needs to be conducted in accordance with applicable Auditing Standards. These Standards require that the Auditor should comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of Records.
- I am also responsible to perform procedures to identify, assess and respond to the risks of material misstatement or non-compliance arising from the Company's failure appropriately to account for or disclose an event or transaction. However, due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some Misstatements or material non-compliances may not be detected, even though the audit was properly planned and performed in accordance with the Standards.

Accordingly, I wish to state as under-

1. The Secretarial Audit for the Financial Year 2019-2020 has been conducted as per the applicable Auditing Standards.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the secretarial records. I believe that the process and practices that I followed provide a reasonable basis for my opinion that the statements prepared, documents or Records maintained by the Company are free from misstatement.
3. My responsibility is limited to only express my opinion on the basis of evidences collected, information received and Records maintained by the Company or given by the Management. I have not verified the correctness and appropriateness of the financial records and books of accounts maintained by the Company.
4. Wherever required, I have obtained the Management Representation about compliance of laws, rules and regulations and happening of events, etc.
5. The Compliance of the provisions of the Corporate Laws, other applicable laws, rules, regulations and standards is the responsibility of the management. My examination is limited to verification of procedure on test basis.
6. Due to COVID-19 pandemic and subsequent lockdown declared by the Central, State and Local governments, physical verification of documents/ registers/ papers was not possible and hence, we have relied on the scanned copies / emails/ digitally accessible data, information, registers, documents and papers provided by the Company for carrying out the Secretarial Audit and to that extent our verification of documents and records might have been impacted.
7. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For J. B. Bhawe & Co.
Company Secretaries**

**Jayavant Bhawe
Proprietor
FCS: 4266 CP: 3068
UDIN: F004266B000363460
PR.NO: 486/2016**

Place : Pune

Date : 23rd June, 2020

Annexure J

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To

The Company Secretary

PRECISION CAMSHAFTS LIMITED

E 102/103 MIDC AKKALKOT, ROAD SOLAPUR MH 413006

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **PRECISION CAMSHAFTS LIMITED** having CIN: **L24231PN1992PLC067126** and having registered office at E 102/103 MIDC Akkalkot, Road Solapur Mh 413006 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Following are the directors of the Company as on date of the Certificate.

Sr. No.	Name	Designation	DIN
1	Mr. Yatin Subhash Shah	Managing Director & Chairman	00318140
2	Dr. Suhasini Yatin Shah	Non-Executive - Non Independent Director	02168705
3	Mr. Ravindra Rangnath Joshi	Whole Time Director and Chief Financial Officer	03338134
4	Mr. Karan Yatin Shah	Whole Time Director (Business Development)	07985441
5	Mr. Pramod Harishchandra Mehendale	Non-Executive - Independent Director	00026884
7	Mr. Sarvesh Nandlal Joshi	Non-Executive - Independent Director	03264981
8	Mr. Vedant Pujari Vijay	Non-Executive - Independent Director	07032764
6	Mr. Vaibhav Shashikant Mahajani	Non-Executive - Independent Director	00304851
9	Mrs.Savani Arvind Laddha	Non-Executive - Independent Director	03258295

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is specifically being issued in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company

For J B Bhave & Co.
Company Secretaries

Jayavant Bhave
Proprietor
FCS: 4266 CP: 3068
UDIN: F004266B000363482
PR.NO: 486/2016

Place : Pune

Date : 23rd June, 2020

Annexure K

**ANNUAL SECRETARIAL COMPLIANCE REPORT OF
PRECISION CAMSHAFTS LIMITED
FOR THE YEAR ENDED 31st MARCH, 2020**

I have examined:

- a) All the documents and records made available to us and explanation provided by the officers of **M/S. Precision Camshafts Limited (“the listed entity”)**,
- b) The filings/ submissions made by the listed entity to the stock exchanges where the securities of the Company are listed, **(BSE & NSE)**
- c) Website of the listed entity (**www.pclindia.in**)
- d) Any other document/ filing, as may be relevant, which has been relied upon to make this certification,

For the year ended 31st March 2020 (“Review Period”) in respect of compliance with the provisions of:

- a) The Securities and Exchange Board of India Act, 1992 (“SEBI Act”) and the Regulations, circulars, guidelines issued there under; and
- b) The Securities Contracts (Regulation) Act, 1956 (“SCRA”), rules made there under and the Regulations, circulars, guidelines issued there under by the Securities and Exchange Board of India (“SEBI”);

The specific Regulations, whose provisions and the circulars/ guidelines issued there under, have been examined, include:-

- a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; [Not applicable as the Company has not issued any further share capital during the period under review]
- c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; [Not applicable as there was no reportable event during the period under review]
- e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; [Not Applicable as the Company has not issued any ESOP during the period under review]
- f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; [Not applicable as there was no reportable event during the period under review]
- g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; [Not applicable as the Company has not issued and listed any Non-Convertible and Redeemable Preference Shares the period under review]
- h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and circulars/ guidelines issued there under;

And based on the above examination, I hereby report that, during the Review Period:

Annexure K (Contd)

- a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued there under, except in respect of matters specified below:-

Sr. No.	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
	NIL	NIL	NIL

- 1 b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued there under insofar as it appears from my/our examination of those records.
- c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued there under:

Sr. No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
	NIL	NIL	NIL	NIL

- d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended... (The years are to be mentioned)	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
	NIL	NIL	NIL	NIL

For J B Bhavé & Co.
Company Secretaries

Jayavant Bhavé
Proprietor
FCS: 4266 CP: 3068
UDIN: F004266B000296129
PR.NO: 486/2016

Place : Pune
 Date : 2nd June, 2020

**Annexure to the Annual Secretarial Compliance Report [ASCR]
of Precision Camshafts Limited for the year ended 31st March, 2020**

Auditors' Responsibility

In accordance with the ICSI Auditing Standards (CSA1 to CSA4), the undersigned wish to state as under-

My responsibility as the Auditor is to express the opinion on the compliance with the applicable laws and maintenance of Records based on ASCR Audit conducted by me.

The ASCR Audit needs to be conducted in accordance with applicable Auditing Standards. These Standards require that the Auditor should comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of Records.

I am also responsible to perform procedures to identify, assess and respond to the risks of material misstatement or non-compliance arising from the Company's failure appropriately to account for or disclose an event or transaction. However, due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some Misstatements or material non-compliances may not be detected, even though the audit was properly planned and performed in accordance with the Standards.

Accordingly, in my opinion,

1. The ASCR Audit for the financial year 2019-2020 has been conducted as per the applicable Auditing Standards.
2. I have obtained reasonable assurance that the statements prepared, documents or Records maintained by the Company are free from misstatement.
3. My responsibility is limited to only express my opinion on the basis of evidences collected, information received and Records maintained by the Company or given by the Management.
4. The Company has followed applicable laws, act, rules or regulations in maintaining their Records, documents, statements and has complied with applicable laws or rules while performing any corporate action
5. Due to COVID-19 pandemic and subsequent lockdown declared by the Central, State and Local governments, physical verification of documents/ registers/ papers was not possible and hence, we have relied on the scanned copies / emails/ digitally accessible data, information, registers, documents and papers provided by the Company for carrying out the Audit and to that extent our verification of documents and records might have been impacted.

**For J B Bhavé & Co.
Company Secretaries**

**Jayavant Bhavé
Proprietor
FCS: 4266 CP: 3068
UDIN: F004266B000296129
PR.NO: 486/2016**

Place : Pune

Date : 2nd June, 2020

Annexure L

To,

Board of Directors,

Precision Camshafts Limited

E-102/103, MIDC, Akkalkot Road,

Solapur – 413006.

CERTIFICATE PURSUANT TO REGULATION 17(8) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

We, the undersigned in our respective capacity as Chairman & Managing Director and Chief Financial Officer of Precision Camshafts Limited ("Company"), to the best of our knowledge and belief certify that:-

- (a) We have reviewed the financial statements and the cash flow statements for the year ended 31st March, 2020 and to the best of our knowledge and belief:
 1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 2. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) there are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2020 which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept the responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and Audit Committee –
 1. There are no changes in internal controls over financial reporting during the year, as company has good internal controls, if any in future, same will be indicated.
 2. There are no changes in accounting policies during the year, hence, same is not disclosed in the notes to the financial statements and
 3. There are no instances of significant fraud of which we are aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**For and on behalf of the Board of Directors of
Precision Camshafts Limited**

Yatin S. Shah
Chairman and Managing Director
DIN. 00318140

Ravindra R. Joshi
Whole-time Director and CFO
DIN. 03338134

Place : Solapur
Date : 23rd June, 2020

Place : Solapur
Date : 23rd June, 2020

Annexure M

DECLARATION FOR COMPLIANCE WITH CODE OF CONDUCT

Pursuant to the regulation 26 (3) read with part D of the Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 I hereby declare that all Board members and senior management personnel have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management for the Financial Year ended 31st March, 2020.

For Precision Camshafts Limited

Yatin S. Shah
Chairman and Managing Director

Place : Solapur

Date : 23rd June, 2020

Business Responsibility Report

[As per Regulation 34(2) (f) of SEBI LODR]

SECTION A: GENERAL INFORMATION OF THE COMPANY

1. Corporate Identity Number (CIN) of the Company	L24231PN1992PLC067126
2. Name of the Company	Precision Camshafts Limited
3. Registered address	E 102/103 MIDC Akkalkot Road, Solapur – 413006, Maharashtra, India
4. Website	www.pclindia.in
5. E-mail id	cs@pclindia.in
6. Financial Year reported	2019-2020
7. Sector(s) that the Company is engaged in (industrial activity code-wise)	2930 (Manufacture of parts for motor vehicle, NIC Code of the Product/Services)
8. List three key products/services that the Company manufactures/provides (as in balance sheet)	Manufacturing of Chilled Cast Iron Camshafts, Ductile Iron Camshafts, Hybrid Camshafts,
9. Total number of locations where business activity is undertaken by the Company	
a) Number of International Locations (Provide details of major 5)	3 (Through Subsidiaries)
b) Number of National Locations	4 (3 of Precision Camshafts Limited and 1 through Subsidiaries)
10. Markets served by the Company – Local/State/ National/International	All over India, Asia, Europe, North America, South America and New Zealand (includes markets served by Precision Camshafts Limited and its subsidiaries)

SECTION B: FINANCIAL DETAILS OF THE COMPANY (Standalone)

Sr. No.	Particulars	2019-20 (₹ in Lakhs)
1.	Paid up Capital (₹)	9,498.58350
2.	Total Turnover (₹)	44,288.83
3.	Total profit after taxes (₹)	7,205.32
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	₹ 1.47 Crores has been spent during FY 2019-20 which is 2% of average profits of previous three years of the Company.
5.	List of activities in which expenditure in 4 (CSR) above has been incurred	Healthcare Education Sustainability Social Issues

Business Responsibility Report (Contd)

SECTION C: OTHER DETAILS

Sr. No.	Particulars	2019-20 (₹ in Lakhs)
1.	Does the Company have any Subsidiary Company/ Companies?	Yes
2.	Do the Subsidiary Company/Companies participate in the Business Responsibility Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	No, Business Responsibilities initiatives of the Company are limited to its own operations Not Applicable
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No, Business Responsibilities initiatives of the Company are limited to its own operations Not Applicable

SECTION D: BUSINESS RESPONSIBILITY INFORMATION

1. Details of Director/Directors responsible for BR

- a. Details of the Director/Director responsible for implementation of the BR policy/policies

Sr No.	Particulars	Details
1.	DIN	07985441
2.	Name	Karan Yatin Shah
3.	Designation	Whole-time Director-Business Development

- b. Details of the BR head

Sr No.	Particulars	Details
1.	DIN Number (if applicable)	00318140
2.	Name	Yatin Subhash Shah
3.	Designation	Chairman & Managing Director
4.	Telephone Number	9168646531
5.	e-mail ID	yatin.shah@pclindia.in

Business Responsibility Report (Contd)

2. Principle-wise (as per NVGs) Business Responsibility Policy/policies

List of Principles

Principle 1 Businesses should conduct and govern themselves with Ethics, Transparency and Accountability	Principle 2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle	Principle 3 Businesses should promote the wellbeing of all employees
Principle 4 Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.	Principle 5 Businesses should respect and promote human rights	Principle 6 Business should respect, protect, and make efforts to restore the environment
Principle 7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner	Principle 8 Businesses should support inclusive growth and equitable development	Principle 9 Businesses should engage with and provide value to their customers and consumers in a responsible manner

a. Details of compliance (Reply in Y/N)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	Do you have a policy/ policies for...	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national / international standards? If yes, specify? (50 words)	-----								
4.	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Yes								
5.	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Yes (Official of the Company oversee implementation of Policy)								
6.	Indicate the link for the policy to be viewed online?	Restricted to employees of the Company POSH Policy is available on website of the Company http://www.pclindia.in								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policies are communicated to key internal stakeholders and it is an ongoing process								
8.	Does the company have in-house structure to implement the policy/policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

Business Responsibility Report (Contd)

- b. If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No.	Questions	P	P	P	P	P	P	P	P	P
		1	2	3	4	5	6	7	8	9
1.	The company has not understood the Principles	Not Applicable								
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)									

3. Governance related to BR

- a. Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

With effect from December 26, 2019, As per Regulation 34 (2) (f) of SEBI (LODR) Regulations 2015, Business Responsibility Report has been made mandatory for the top 1,000 listed entities based on market capitalisation.

Our Company being one of the top 1,000 listed entities in the country, Business Responsibility Report shall form part of the Annual Report of the Company for the FY 2019-20.

This Business Responsibility Performance is reviewed Annually by the management along with the Managing Director of the Company.

- b. Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Business Responsibility Report forms the part of Annual Report and also available on the Website of the Company (www.pclindia.in).

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/ Joint Ventures/ Suppliers/Contractors/NGOs /Others?

The Corporate Principles and Code of Conduct cover the Company and are applicable to all the employees of the Company. Further the code of conduct policy is also issued to every new employee joining the Company. The Company has Code of Conduct policies for Directors as well as for employees of the Company that completely cover all issues relating to ethics, bribery and corruption.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

The Company received 9 requests and 1 complaint during the year under review from the shareholders of the Company through RTA. These requests were addressed by the RTA of the Company within appropriate time and disclosed on a quarterly basis through Statement of Investment Grievance to the Stock exchanges and website of the Company.

Business Responsibility Report (Contd)

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

We manufacture camshafts for Euro VI engines for passenger cars like Maruti Suzuki, Hyundai, Toyota, Fiat, Ford etc.. which have incorporated environmental concerns by reducing emission, resulting in reduced air pollution.

PCL products are used in several hybrid technology vehicles where the emissions are significantly lower. The company has also focused on Gasoline (Petrol) engines instead of Diesel.

PCL's acquisition of Dutch electric powertrain manufacturer EMOSS has allowed the company to foray into clean energy vehicles.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):

- Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain? **Not Applicable**
- Reduction during usage by consumers (energy, water) has been achieved since the previous year? **Not Applicable**

3. Does the Company have procedures in place for sustainable sourcing (including transportation)?

a. If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company's manufacturing locations are located at Solapur and having suppliers in close vicinity supplying Raw Material required for manufacturing process of Camshafts and nearly 60% of Supplier base is located within a 30 kilometers radius of the plants.

All imports/exports are carried through Nava-Sheva Ports, where the Company uses Road Transportation for dispatch of material up to the port. Hence, resources and energy used in their transportation is marginal.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

Yes

a. If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The criteria for selection of goods and services is quality, reliability and price, Company gives preference to small organisations, particularly promoted by entrepreneurs mostly from Solapur District. For consumable and operational services, the Company prefers to connect with local vendors to supply the necessary manpower and other requirements.

5. Does the Company have a mechanism to recycle products and waste?

Yes

If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Reclamation of used sand

Remelting of runners risers and rejected camshafts

Use of ETP water for gardening

Green cover to reduce carbon footprint

Business Responsibility Report (Contd)

Company implement work safety measures and standards to ensure healthy and safe working conditions, equipment and systems of work for all the employees, contractors, visitors and customers at our power projects. Company intend to reduce waste and other harmful pollutants by careful use of materials, energy and other resources by maximising recycling opportunities.

Principle 3: Businesses should promote the wellbeing of all employees

1. Please indicate the Total number of employees.: 2078
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis.: 958
3. Please indicate the Number of permanent women employees. 16
4. Please indicate the Number of permanent employees with disabilities - No
5. Do you have an employee association that is recognised by management. No
6. What percentage of your permanent employees is members of this recognised employee association? NA
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No.	Category	No of Complaints filed during the financial year	No of complaints pending as on end of the financial year
1.	Child labour/forced labour/involuntary labour	Nil	NA
2.	Sexual harassment	Nil	NA
3.	Discriminatory employment	Nil	NA

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

Sr No.	Particulars	Safety Training	%	Skill Upgrading Training	%	Total Employee
a.	Permanent Employees	255	12.27	630	30.318	2,078
b.	Permanent Women Employees	12	75	15	93.75	16
c.	Casual/Temporary/Contractual Employees	401	41.86	456	47.60	958
d.	Employees with Disabilities	NA	0	NA	0	NA

Business Responsibility Report (Contd)

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

1. Has the Company mapped its internal and external stakeholders? Yes/No

- Yes

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders

Yes

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders. If so, provide details thereof, in about 50 words or so. – Not Applicable

Company has taken initiatives in specific areas of social development in Solapur and Osmanabad District that would include primary and secondary education, skill development, vocational training, health and hygiene, sustainability, environment and ecological protection, charter building by opportunities in Sports and Cultural activities. Company continuously strives to achieve total inclusiveness by encouraging people from all sections of the community irrespective of caste, creed or religion to benefit from our CSR initiatives which are also focused around communities that reside in the proximity of our Company's various manufacturing locations in the country. For specific details, please refer to Report on Corporate Social Responsibility

Principle 5: Businesses should respect and promote human rights.

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

Yes, policies on Human Rights including the Code of Ethical Business Conduct, Anti-Sexual Harassment and the Whistleblower policies along with the group Business Responsibility policy cover all aspects on Human Rights for the Company and also extend to all stakeholders of the Company. The Company's commitment to follow the basic principles of human rights is reflected in the checks and balances within the HR processes. The commitment to human rights is embedded in the 'PCL Code of Conduct', adopted by the Company. All employees, including security personnel, are sensitised to human rights as part of their orientation programme.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

No complaints of this nature were received in this financial year.

Principle 6: Business should respect, protect, and make efforts to restore the environment.

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

No, all policies relating to Environmental protection applies to all levels of the management of the Company only.

2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc. – Yes

To minimise the environmental impacts of its products, the Company is continuously using new production methods. All the products of the Company used in the vehicles are to reduce the consumption of the fuel which allows user of the vehicle to minimise the pollution for the respective vehicles.

Business Responsibility Report (Contd)

3. Does the Company identify and assess potential environmental risks? Y/N

The Company is in process to conduct impact assessment at organisation level as well as site level to identify all environmental impacts from our operations and potential environmental risk, if any.

Yes, the Company regularly reviews its environmental risks and undertakes initiatives to mitigate them.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

The Company is in process of taking efforts to mitigate the impact of the environmental risk and no Environmental Compliance report is required to be filed.

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

Yes, Company has undertaken initiatives on clean technology, energy efficiency, renewable energy.

Covered under Annexure- D of Board's Report which forms a part of the Annual Report.

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes. All emissions/waste generated are within permissible limits given by the CPCB/SPCB for the financial year being reported.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

No show cause/legal notices were received from CPCB/SPCB during the financial year under review.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

- (a) Maratha Chamber of Commerce Industries & Agriculture (MCCIA).
- (b) Automotive Component Manufacturers Association of India (ACMA).

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No;

Yes

if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

Our Company is closely working with the above associations for advancement of public good and society as whole.

Principle 8: Businesses should support inclusive growth and equitable development.

1. Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

Yes, the Company has formulated a well – defined CSR Policy which focuses on Health, Education, Women Empowerment, Sustainable Development, and Social Reforms.

Business Responsibility Report (Contd)

- 2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organisation?**

The Programmes undertaken through own Public Charitable Trust called “Precision Foundation”.

- 3. Have you done any impact assessment of your initiative? – Yes**

- 4. What is your company’s direct contribution to community development projects- Amount in ₹ and the details of the projects undertaken.**

The Company has spent an amount of approx. ₹ 1.47 crore on CSR activities to promote Healthcare, Education, Sustainability, Social Development

- 5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

Yes, the Company has taken steps to ensure that the Community Development initiatives benefit the Community. Projects undertaken by the Company under CSR activity out of the felt needs of the communities.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

- 1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.** Nil
- 2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information)**

NA – As Camshafts manufactured by the Company are assembled in the engine of the Car, hence there is no concept of product label.

- 3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.** Nil

- 4. Did your company carry out any consumer survey/consumer satisfaction trends?**

The Company carries out customer satisfaction survey at a frequency of every 6 months.

Independent Auditor's Report

To the Members of **Precision Camshafts Limited**

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Precision Camshafts Limited ("the Company"), which comprise the balance sheet as at March 31, 2020, and the statement of Profit and Loss, statement of changes in equity and statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in

our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditors' Report (Contd.)

Sr. No.	Key Audit Matter	How the Key Audit Matter was addressed in our audit
1	<p>Provision for credit loss for accounts receivables Refer Note 8 of Financial statement.</p> <p>Trade receivables as on March 31, 2020 amounts to Rs. 11247.49 lakhs against which provision of Rs. Nil was made towards expected credit loss in the books of account.</p> <p>We have identified provisioning for credit loss as a key audit matter as the calculation of credit loss provision is a complex area and requires management to make significant assumptions on customer payment behaviour and estimating the level and timing of expected future cash flows.</p>	<p>Our audit procedures in respect of this area include but are not limited to:</p> <ol style="list-style-type: none"> 1. Obtained understating of the Company's policy on assessment of impairment of trade receivables, including design and implementation of controls, validation of management review controls. We have verified the operating effectiveness of these controls. 2. Requested for and obtained independent balance confirmations from the Company's customers on sample basis. 3. Verified subsequent receipts after the year-end on sample basis. 4. Verified aging of trade receivables for sample of customer transactions. 5. Evaluated management comments and recovery plans for trade receivables outstanding for more than 180 days 6. Assessed the trade receivables impairment methodology applied in the current year and compared the Company's provisioning rates against historical collection data.
2	<p>Provision for Impairment of Investment in subsidiaries Refer Note 5 of Financial statement with respect to the disclosures of Investment in subsidiaries. On March 31, 2020, Investment in subsidiaries amounts to Rs. 7978.12 Lakhs against which provision of Rs. Nil was made towards impairment in the books of account.</p> <p>We have considered this as a key audit matter due to the fact that processes and methodologies for assessing and determining the recoverable amount of each investments are based on complex assumptions, that by their nature imply the use of the management's judgment, in particular with reference to identification of impairment indicators, forecast of future cash flows relating to the period covered by the Company's strategic business plan, normalized cash flows assumed as a basis for terminal value, as well as the long-term growth rates and discount rates applied to such forecasted cash flows.</p>	<p>Our audit procedures in respect of this area include but are not limited to:</p> <ol style="list-style-type: none"> 1. Obtained understating of the Company's policy on assessment of impairment of investments in shares and the assumption used by the management, including design and implementation of controls, validation of management review controls. 2. Verified the operating effectiveness of the controls. 3. Obtained and read the valuation report provided by the Company's independent valuation experts, and assessed the expert's competence, capability and objectivity 4. Evaluated management's methodology, assumptions and estimates used in the calculations 5. Verified completeness, arithmetical accuracy and validity of the data used in the calculations

Independent Auditors' Report (Contd.)

3	Assessment of Covid-19 Impact
<p>The World Health Organization announced a global health emergency because of a new strain of coronavirus ("COVID-19") and classified its outbreak as a pandemic on March 11, 2020. On March 24, 2020, the Indian government announced a strict 21-day lockdown across the country to contain the spread of the virus, which was further extended till May 31, 2020. This pandemic and response are creating disruption in global supply chain and adversely impacting most of the industries which has resulted in global slowdown.</p> <p>The management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at and for the year ended March 31, 2020 and has concluded that there is no impact which is required to be recognised in the financial statements.</p> <p>The full extent and duration of the impact of COVID-19 is currently unknown and involves a significant amount of judgement including the duration and spread of the pandemic and any new information that may emerge concerning the severity of the virus, its spread to other regions and the actions to contain the virus or treat its impact, among others. Hence, we have ascertained the assessment of the impact of Covid-19 as a Key Audit Matter.</p>	<p>Our audit procedures in respect of this area include but are not limited to:</p> <ol style="list-style-type: none"> 1. Verified the design and operating effectiveness of key controls (including application controls) over revenue recognition and provisions relating to expenses and impairment. 2. Verified the selected sample to assess its correct classification and provision amount as per company policy. 3. Obtained management assessment of COVID -19 and verified the impact of COVID -19 is appropriately considered in the cash flow projections 4. Obtained Cash Flow Projections from the management to assess need for impairment and evaluated with following procedures: Verified the management estimates as considered in the cash flow projections and Discounted Cash Flow ("DCF") working Verified the arithmetic accuracy of the DCF valuation Compared the carrying value of PPE to DCF valuation to test impairment of PPE Performed Sensitivity Analysis on the DCF valuation 5. Obtain management assessment of going concern procedures and validated the same to verify the current ratio and base data considered in the assessment 6. Performed alternate procedures wherever required. Example: Performed stock count by appointing third Party CA Firm, etc.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report including Annexures to the Director's Report in the Annual Report of the Company but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears

to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of

Independent Auditors' Report (Contd.)

the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Standalone Financial Statements.

Other Matter

(a) The standalone Ind AS financial statements of the Company for the year ended March 31, 2019, were audited by another auditor whose report dated 27 May 2019 expressed an unmodified opinion on those statements.

(b) We have not attended the physical inventory verification at locations as it was impracticable under current lock down restrictions imposed by the government. We relied on alternate audit procedures such as performing inventory count by appointing third-party Chartered Accountant, verifying roll back procedures, etc. to obtain comfort over the existence and condition of inventory at the locations

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

Independent Auditors' Report (Contd.)

- (f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 33 (b) to the standalone financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 13 to the standalone financial statements;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company
3. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Nitin Manohar Jumani
Partner
Membership No. 111700
UDIN: 20111700AAAABL3933

Place: Pune
Date: June 23, 2020

Annexure A to the Independent Auditor's Report on even date on the Standalone Financial Statements of Precision Camshafts Limited

Auditor's Responsibilities for the Audit of the Financial Statements

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ❖ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ❖ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- ❖ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ❖ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- ❖ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Nitin Manohar Jumani
Partner
Membership No. 111700
UDIN: 20111700AAAABL3933

Place: Pune
Date: June 23, 2020

Annexure B Independent Auditors' Report of even date on the Standalone Financial Statements of Precision Camshafts Limited for the year ended March 31, 2020

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

- i. (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets (Property, Plant and Equipment).
- (b) All the fixed assets (Property, Plant and Equipment) have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- ii. (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- iii. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on verification between the physical stock and the book records.
- iv. The Company has granted unsecured loans to its wholly owned subsidiary company covered in the register maintained under section 189 of the Act.

No.	Name	Opening Balance (₹ in Lakhs)	Closing Balance (₹ in Lakhs)	Maximum Outstanding (₹ in Lakhs)
1.	PCL International Holding B V	3,092.33	4,961.16	4,961.16

- (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the rate of interest and other terms and conditions on which the loans have been granted to its wholly owned subsidiary listed in the register maintained under Section 189 of the Act are not, prima facie, prejudicial to the interest of the Company.
- (b) In case of the loans granted to its wholly owned subsidiary listed in the register maintained under section 189 of the Act, schedule of repayment of principal and payment of interest have been stipulated. The principal amount is not due for repayment. However, the wholly owned subsidiary has not been regular in the payment of interest to the company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the details of amount overdue for more than ninety days are as follows:

No. of Cases	Principal amount overdue	Interest overdue	Total overdue	Remarks (specify whether reasonable steps have been taken by the Company for recovery of principal amount and interest)
1	-	1,29,65,956	1,29,65,956	The overdue interest is receivable from wholly owned subsidiary and based on discussion with the management the company is in the process of collecting the interest amount.

- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, in respect of loans, investments, guarantees and security made.
- v. In our opinion and according to the information and explanations given to us, there are no amounts outstanding which are in the nature of deposits as on March 31, 2020 and the Company has not accepted any deposits during the year.
- vi. We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company pursuant as specified by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete

Annexure B Independent Auditors' Report of even date on the Standalone Financial Statements of Precision Camshafts Limited for the year ended March 31, 2020 (Contd.)

- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the information and explanation given to us and examination of records of the Company, the outstanding dues of income-tax, goods and service tax, customs duty, cess and any other statutory dues on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount ₹ in Lakhs	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Central Excise Act, 1994	Excise Duty	20.76	2006-07	Commissioner of Central Excise	
Goods and Service Tax Acts	GST	83.95	2012-14	Directorate General of Goods and Service Tax Intelligence	
Collector of Stamps, Solapur	Stamp Duty	31.79	2007-2008	Controlling Revenue Authority, Pune	
Employee Provident Funds and Miscellaneous Provision Act, 1952	Provident Fund	24.23	2003-2006	Hon'ble High Court of Judicature Appellate	The Company has deposited ₹ 12.12 Lakhs under protest
Income Tax Act, 1961	Income Tax on ESOP expenses and other disallowances	1,428.71	2013-14	CIT (Appeals)	Company has paid ₹ 200 Lakhs under protest and has adjusted refund due of ₹ 39.60 lakhs with respect to FY 2006-2007 against this Demand

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to the financial institution, bank or debenture holders.
- ix. In our opinion, according to the information explanation provided to us, money raised by way of initial public offer or further public offer (including debt instruments) were applied for the purpose for which they were raised, though idle funds which were not required for immediate utilization have been kept in current account amounting to ₹ 194.08 Lakhs as on March 31, 2020. According to information and explanations given by the management, the Company has not raised any money by way of term loans.
- x. During the course of our audit, examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees.

Annexure B Independent Auditors' Report of even date on the Standalone Financial Statements of Precision Camshafts Limited for the year ended March 31, 2020 (Contd.)

- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions stated in paragraph 3 (xiv) of the Order are not applicable to the Company.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.
- xvi. In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph clause 3 (xvi) of the Order are not applicable to the Company.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Nitin Manohar Jumani
Partner
Membership No. 111700
UDIN: 20111700AAAABL3933

Place: Pune
Date: June 23, 2020

Annexure C to the Independent Auditor's Report of even date on the Standalone Financial Statements of Precision Camshafts Limited

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of Precision Camshafts Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential

components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted

Annexure C to the Independent Auditor's Report on even date on the Standalone Financial Statements of Precision Camshafts Limited (Contd.)

our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial Controls with Reference to Standalone Financial Statements

A Company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with

generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2020, based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For MSKA & Associates

Chartered Accountants
ICAI Firm Registration No. 105047W

Nitin Manohar Jumani

Partner
Membership No. 111700
UDIN: 20111700AAAABL3933

Place: Pune
Date: June 23, 2020

Standalone Balance Sheet as at 31st March, 2020

(All amounts in Rupees in Lakhs unless otherwise stated)

Particulars	Notes	As at 31 st March, 2020	As at 31 st March, 2019
ASSETS			
I. Non-current assets			
(a) Property, plant and equipment	3	24,465.63	27,936.20
(b) Capital work-in-progress	3	836.28	802.19
(c) Intangible assets	4	15.28	12.62
(d) Financial assets			
(i) Investments	5A	7,979.42	7,235.05
(ii) Loans	5B	5,179.87	3,309.78
(iii) Other financial assets	5C	200.78	447.15
(e) Other non-current assets	6	828.61	460.71
Total non-current assets		39,505.87	40,203.70
II. Current assets			
(a) Inventories	7	4,412.97	3,518.56
(b) Financial assets			
(i) Investments	5A	12,621.11	9,990.34
(ii) Trade receivables	8	11,247.49	9,972.92
(iii) Cash and cash equivalents	9	2,402.78	1,327.74
(iv) Bank balance other than (iii) above	9	2,870.63	6,478.08
(v) Loans	5B	-	-
(vi) Others financial assets	5C	817.87	603.98
(c) Other current assets	6	1,083.17	855.01
(d) Assets classified as held for sale	6A	1,003.35	1,003.35
Total current assets		36,459.37	33,749.98
Total Assets		75,965.24	73,953.68
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	10	9,498.58	9,498.58
(b) Other equity			
Securities premium	11	21,762.20	21,785.93
General reserve	11	472.21	472.21
Share based payments	11	24.75	79.13
Retained earnings	11	33,229.62	28,358.73
Total Equity Attributable to the equity shareholders of The Company		64,987.36	60,194.58
LIABILITIES			
I. Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	12	-	-
(b) Deferred tax liabilities (net)	27	340.05	1,557.20
(c) Provisions	16	997.17	614.83
Total non-current liabilities		1,337.22	2,172.03
II. Current liabilities			
(a) Financial liabilities			
(i) Borrowings	12	2,284.17	2,721.55
(ii) Trade and other payables	14		
- Dues of Micro & Small Enterprises		930.06	1,305.72
- Others		4,778.44	5,239.21
(iii) Other financial liabilities	13	1,089.94	1,741.81
(b) Other current liabilities	15	129.55	135.95
(c) Provisions	16	77.19	57.84
(d) Current tax liabilities (net)	17	351.31	385.00
Total current liabilities		9,640.66	11,587.07
Total Liabilities		10,977.88	13,759.10
Total Equity and Liabilities		75,965.24	73,953.68
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the financial statements			
As per our report attached of even date			

For MSKA & Associates
Chartered Accountants
Firm Regn. Number: 105047W

**For and on behalf of the Board of Directors of
Precision Camshafts Limited**

Nitin M. Jumani
Partner
Membership Number: 111700

Yatin S. Shah
Managing Director
DIN: 00318140

Ravindra R. Joshi
Whole-time Director
DIN: 03338134

Mayuri I. Kulkarni
Company Secretary
M. No. A32237

Place: Pune
Date: 23rd June, 2020

Place: Solapur
Date: 23rd June, 2020

Place: Solapur
Date: 23rd June, 2020

Place: Pune
Date: 23rd June, 2020

Statement of Profit & Loss for the Year ended 31st March, 2020

(All amounts in Rupees in Lakhs unless otherwise stated)

Particulars	Notes	As at 31 st March, 2020	As at 31 st March, 2019
Income			
Revenue from operations	18	44,288.83	42,369.17
Other income	19	1,548.04	784.90
Total Revenue (I)		45,836.87	43,154.07
Expenses			
Cost of raw materials and components consumed	20	12,984.01	13,388.71
Excise duty on sale of goods		-	-
(Increase) / decrease in inventories of finished goods, work-in-progress	21	(680.00)	(908.01)
Employee benefits expense	22	5,997.74	5,064.48
Other Expenses	23	16,022.37	14,961.22
Total expenses (II)		34,324.12	32,506.40
Earnings before interest, tax, depreciation and amortisation (EBITDA) (I) - (II)		11,512.75	10,647.67
Finance costs	24	295.91	283.46
Finance income	25	(569.41)	(902.65)
Depreciation and amortisation expense	26	5,088.77	4,695.41
Profit before tax and Exceptional Items		6,697.48	6,571.45
Exceptional items	44	1,867.66	-
Profit before tax		8,565.14	6,571.45
Tax expense			
Current tax	27	2,546.98	2,069.32
Adjustment of tax relating to earlier years	27	-	(162.71)
Deferred tax	27	(1,187.16)	373.55
Total tax expense		1,359.82	2,280.16
Profit for the year (A)		7,205.32	4,291.29
Other comprehensive income			
A. Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains on defined benefit plans	28	(213.44)	59.25
Income tax effect		53.72	(20.70)
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		(159.72)	38.55
Total other comprehensive income for the year, net of tax (B)		(159.72)	38.55
Total comprehensive income for the year, net of tax (A+B)		7,045.60	4,329.84
Profit for the year attributable to equity share holders of The Company		7,205.32	4,291.29
Total Comprehensive Income for the year attributable to equity share holders of the Company		7,045.60	4,329.84
Earning per share [nominal value per share ₹ 10/- (31 st March, 2019: ₹ 10/-)]	29		
Basic, computed on the basis of profit attributable to equity share holders of the Company		7.59	4.52
Diluted, computed on the basis of profit attributable to equity share holders of the Company		7.58	4.52
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the financial statements.			

As per our report attached of even date

For MSKA & Associates
Chartered Accountants
Firm Regn. Number: 105047W

Nitin M. Jumani
Partner
Membership Number: 111700

Place: Pune
Date: 23rd June, 2020

**For and on behalf of the Board of Directors of
Precision Camshafts Limited**

Yatin S. Shah
Managing Director
DIN: 00318140

Place: Solapur
Date: 23rd June, 2020

Ravindra R. Joshi
Whole-time Director
DIN: 03338134

Place: Solapur
Date: 23rd June, 2020

Mayuri I. Kulkarni
Company Secretary
M. No. A32237

Place: Pune
Date: 23rd June, 2020

Standalone Statement of **Changes in Equity** for the year ended 31st March, 2020

(All amounts in Rupees in Lakhs unless otherwise stated)

A Equity Share Capital

Equity shares of ₹ 10 each issued, subscribed and fully paid (Refer Note10)	Number	Amount
At 1st April, 2018	9,48,76,635	9,487.66
Issued during the year -Employee Share Option Scheme	1,09,200	10.92
At 31st March, 2019	9,49,85,835	9,498.58
Issued during the year -Employee Share Option Scheme	-	-
At 31st March, 2020	9,49,85,835	9,498.58

B Other Equity

Attributable to the owners of the Company (Refer Note 11)

Particulars	Reserve and surplus				Total Equity
	Securities premium	General reserve	Retained earnings	Share based payments	
As at 1st April, 2018	21,671.58	472.21	25,173.99	206.38	47,524.16
Profit for the year			4,291.29		4,291.29
Other comprehensive income for the year			38.55		38.55
Total comprehensive income for the year	-	-	4,329.84	-	4,329.84
Securities premium ESOP exercised	128.15				128.15
Deferred tax charge on share issue expenses	(13.79)				(13.79)
Share based payments (Refer Note 32)				0.89	0.89
Transferred to securities premium on account of exercise of stock options				(128.15)	(128.15)
Final dividend for the year ended 31 st March, 2018			(949.86)		(949.86)
Tax on final dividend for the year ended 31 st March, 2018			(195.25)		(195.25)
As at 31st March, 2019	21,785.93	472.21	28,358.73	79.13	50,696.00
As at 1st April, 2019	21,785.93	472.21	28,358.73	79.13	50,696.00
Profit for the year			7,205.32		7,205.32
Other comprehensive income for the year			(159.72)		(159.72)
Total comprehensive income for the year	-	-	7,045.60	-	7,045.60
Securities premium ESOP exercised	-				-
Deferred tax charge on share issue expenses	(23.73)				(23.73)
Share based payments (Refer Note 32)					-
Transferred to securities premium on account of exercise of stock options					-
Transferred from ESOS Reserve against Lapsed Options			54.37	(54.37)	-
Final dividend for the year ended 31 st March, 2019			(949.86)		(949.86)
Tax on final dividend for the year ended 31 st March, 2019			(195.25)		(195.25)
Interim & Final dividend for the year ended 31 st March, 2020			(902.37)		(902.37)
Tax on Interim & Final dividend for the year ended 31 st March, 2020			(181.62)		(181.62)
As at 31st March, 2020	21,762.20	472.21	33,229.62	24.75	55,488.78

The accompanying notes are an integral part of the financial statements.
As per our report attached of even date

For MSKA & Associates
Chartered Accountants
Firm Regn. Number: 105047W

For and on behalf of the Board of Directors of Precision Camshafts Limited

Nitin M. Jumani
Partner
Membership Number: 111700

Yatin S. Shah
Managing Director
DIN: 00318140

Ravindra R. Joshi
Whole-time Director
DIN: 03338134

Mayuri I. Kulkarni
Company Secretary
M. No. A32237

Place: Pune
Date: 23rd June, 2020

Place: Solapur
Date: 23rd June, 2020

Place: Solapur
Date: 23rd June, 2020

Place: Pune
Date: 23rd June, 2020

Statement of **Standalone Cash Flows** for the Year ended 31st March, 2020

(All amounts in Rupees in Lakhs unless otherwise stated)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
A. Cash flow from operating activities		
Profit before tax	8,565.14	6,571.45
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and impairment of property, plant and equipment	5,077.39	4,676.04
Amortisation and impairment of intangible assets	11.38	19.37
Share-based payment expense	-	0.89
Net foreign exchange differences (unrealised)	(624.71)	286.11
Deposit written off	-	1.17
Bad debt	-	259.95
Sundry creditors written back	(14.20)	(1.36)
Impairment loss on assets held for sale	-	300.00
Provision for doubtful debts written back	-	(2.96)
Excess provision of interest on income tax written back	-	(83.43)
Net Loss / (Gain) on disposal of property, plant and equipment	(7.89)	24.67
Mutual fund fair value gain	(140.82)	(513.31)
Finance income (including fair value change in financial instruments)	(531.79)	(875.23)
Interest on Preference share	(37.62)	(27.43)
Finance costs (including fair value change in financial instruments)	184.62	164.67
Operating Profit before working capital changes	12,481.50	10,800.60
Working capital adjustments:		
Increase/(decrease) in provisions, gratuity and government grants	188.26	41.03
(Increase) / decrease in other Non Financial assets	(573.09)	253.53
(Increase)/ decrease in other Financial assets	(193.19)	(170.09)
(Increase)/ decrease in Long term loans and advances	(1.26)	(28.14)
(Increase)/ decrease in short term loans and advances	1.17	1.00
Increase/ (decrease) in other Current Liabilities	(6.40)	(25.01)
Increase/ (decrease) in other Financial Liabilities	(103.27)	131.55
(Increase)/ decrease in trade and other receivables and prepayments	(792.05)	(2,132.43)
(Increase)/ decrease in inventories	(894.41)	(818.92)
Increase/ (decrease) in trade and other payables	(839.58)	208.00
Cash generated from operations	9,267.68	8,261.12
Income tax paid	(2,577.02)	(1,907.98)
Net cash flows from operating activities (A)	6,690.66	6,353.14
B. Cash flow from investing activities		
Proceeds from sale of property, plant and equipment	59.85	32.04
Purchase of property, plant and equipment	(2,360.28)	(8,157.22)
Investment in mutual fund	(4,945.90)	(4,782.60)
Investment in Subsidiaries (Equity and Debt)	(1,942.15)	(4,755.83)
Proceeds from sale of mutual fund	2,459.29	6,369.03
Proceeds from maturity of Fixed Deposit	3,496.92	7,740.51
Interest received (finance income)	447.66	1,093.76
Dividend Received	21.25	1.45
Net cash flows used in investing activities (B)	(2,763.36)	(2,458.86)

Statement of **Standalone Cash Flows** for the Year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
C. Cash Flow from financing activities		
Proceeds from exercise of share options	-	10.92
Interest paid	(184.62)	(189.98)
Repayment of borrowings	-	(2,587.61)
Repayment/Proceeds of short term borrowings (net)	(437.39)	523.47
Final dividend paid on shares	(949.86)	(949.86)
Tax on final dividend paid	(195.25)	(195.24)
Interim Dividend paid on shares	(902.37)	-
Tax on Interim dividend paid	(181.62)	-
Net cash flows used in financing activities	(2,851.11)	(3,388.30)
Net increase in cash and cash equivalents	1,076.19	505.98
Net foreign exchange difference	(1.15)	-
Cash and cash equivalents at the beginning of the year	1,327.74	821.76
Cash and cash equivalents as at year end	2,402.78	1,327.74
Components of cash and cash equivalents:		
Balances with banks:		
On current accounts	440.38	1,275.45
Deposit with original maturity of less than 3 months	1,959.01	50.26
Cash in hand	3.39	2.03
Cash and cash equivalents at year end	2,402.78	1,327.74

The accompanying notes are an integral part of the financial statements.

As per our report attached of even date

For MSKA & Associates
Chartered Accountants
Firm Regn. Number: 105047W

Nitin M. Jumani
Partner
Membership Number: 111700

Place: Pune
Date: 23rd June, 2020

**For and on behalf of the Board of Directors of
Precision Camshafts Limited**

Yatin S. Shah
Managing Director
DIN: 00318140

Place: Solapur
Date: 23rd June, 2020

Ravindra R. Joshi
Whole-time Director
DIN: 03338134

Place: Solapur
Date: 23rd June, 2020

Mayuri I. Kulkarni
Company Secretary
M. No. A32237

Place: Pune
Date: 23rd June, 2020

Notes to the Standalone Financial Statements for the year ended 31st March, 2020

(All amounts in Rupees in Lakhs unless otherwise stated)

Note 1. Corporate Information

The financial statements comprise of financial statements of Precision Camshafts Limited ('The Company') for the year ended 31st March, 2020. Precision Camshafts Limited is a Public Limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The shares of The Company are listed in two stock exchanges in India. The Company is primarily engaged in the manufacture and sale of camshaft castings and machined camshafts to the Auto industry and the Railways. The Company has its office registered at E 102/103 MIDC Akkalkot road Solapur, Maharashtra, India, 413006. The financial statements were authorised for issue in accordance with the resolution of the Board of Directors of The Company on 23rd June 2020.

Note 2. Significant accounting policies

2.1 Basis of preparation

The financial statements of The Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended thereafter. ("the Rules") The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- ❖ Derivative financial instruments,
- ❖ Certain financial assets and liabilities measured at fair value (refer accounting policy Note 'P' of summary of significant accounting policies regarding financial instruments).
- ❖ Share based payment transaction
- ❖ Assets classified as held for sale

The financial statements are presented in INR and all values are rounded to Rupees in Lakhs, except when otherwise indicated.

Disclosure of EBITDA

Ind AS compliant Schedule III allows line items, sub-line items and sub-totals to be presented as an addition or substitution on the face of the financial statements when such presentation is relevant to an understanding of the Company's financial position or performance or to cater to industry/sector-specific disclosure requirements. For example, a Company may present EBITDA as a separate line item on the face of the statement of profit and loss.

Measurement of EBITDA

The Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, The Company does not include depreciation and amortization expense, finance income, finance costs and tax expense.

2.2 Summary of significant accounting policies

a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- ❖ Expected to be realised or intended to be sold or consumed in normal operating cycle
- ❖ Held primarily for the purpose of Trading
- ❖ Expected to be realised within twelve months after the reporting period, or

Notes to the Standalone Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

- ❖ Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- ❖ It is expected to be settled in normal operating cycle
- ❖ It is Held primarily for the purpose of Trading
- ❖ It is due to be settled within twelve months after the reporting period, or
- ❖ There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

b) Foreign currencies

The Company 's financial statements are presented in INR which is The Company 's presentation currency and functional currency of The Company.

i) Initial recognition

Foreign currency transactions are recorded in the functional currency, by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction.

ii) Conversion

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in statement of profit and loss.

Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.(i.e., translation differences on items whose fair value gain or loss is recognised in OCI as profit or loss respectively).

The Company has continued the accounting policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items (paragraph 46A of AS 11 under previous GAAP) recognised in the previous GAAP financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period.

c) Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

Notes to the Standalone Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

- ❖ In the principal market for the asset or liability, or
- ❖ In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by The Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, The Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, The Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

Disclosures for valuation methods, significant estimates and assumptions (Refer Note39)

Quantitative disclosures of fair value measurement hierarchy (Refer Note37)

Financial instruments (including those carried at amortised cost) (Refer Note5, 8, 9, 12, 13, 14, 25, 36)

d) Revenue recognition

The Company is a leading manufacturer and supplier of automobile camshafts - for passenger vehicles, tractors, LCVs, locomotive engines, railways. Majority of the camshafts are sold to OEMs. Effective 1st April, 2018, The Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised.

Camshafts are developed according to the requirements of customer. There are three types of contracts entered into by the customers with company.

- **Tooling contract:** for development of pattern used in manufacturing of camshafts.
- **Purchase contract:** for purchase of camshafts.
- **Job work contract:** for machining of camshafts.

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(All amounts in Rupees in Lakhs unless otherwise stated)

For purchase contracts, The Company has identified a single performance obligation i.e. supply of camshaft, which gets completed at point in time. The Company recognises revenue relating to it on transfer of control based on delivery terms. For job work contracts, The Company has identified a single performance obligation i.e. completion of job work, which gets completed at point in time. The Company recognises revenue relating to it on transfer of control. For tooling contracts, The Company has enforceable right to payment for tools developed when the tool is approved by the customer and accordingly the revenue from tooling is recognised at a point in time post approval by the customer.

Goods and Service Tax (GST applicable from 1st July 2017)* is not received by The Company on its own account. Accordingly, it is excluded from revenue. *Goods and Service Tax was introduced from 1st July 2017. Indirect taxes like excise duty, service tax and sales tax/VAT have been subsumed into the new Act.

Interest

Interest income is recorded using the effective interest rate (EIR).

EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, The Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

Dividends

Dividend is recognised when The Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

Export Incentives

Export incentives under various schemes notified by government are accounted for in the year of exports as grant related to income and is recognised as other operating income in the profit or loss if the entitlements can be estimated with reasonable accuracy and conditions precedent to claim are fulfilled.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

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(All amounts in Rupees in Lakhs unless otherwise stated)

- ❖ When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- ❖ In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

f) Property, plant and equipment

The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognised in the previous GAAP financial statements as at the date of transition to Ind AS; measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments in accordance with the relevant Ind AS, since there is no change in functional currency.

Property, plant and equipment; and capital work in progress, are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria is met. When significant parts of plant and equipment are required to be replaced at intervals, The Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria is satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

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(All amounts in Rupees in Lakhs unless otherwise stated)

Depreciation on fixed assets is calculated on a straight-line basis based on the useful lives estimated by the management.

Description of asset group	Useful lives as per management's estimate
Buildings	30 - 60 years
Internal roads	5 - 10 years
Plant & equipment	3 - 7.5 years
Office equipment	5 years
Furniture & fixture	5 years
Vehicles	8 years
Computers	3 years

Cost of leasehold land is amortised over the period of lease i.e, 80 years to 99 years.

The Company believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

g) Intangible assets

The Company has elected to continue with the carrying value for all of its intangible assets as recognised in the previous GAAP financial statements as at the date of transition to Ind AS, measured as per the previous Indian GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments in accordance with the relevant Ind AS, since there is no change in functional currency.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred. The useful lives of intangible assets are assessed as either finite or indefinite. The useful life of the computer software has been assessed at 2 years.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. Computer Software is amortized over a period of two years on a straight line basis from the date the asset is available to The Company for its use.

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(All amounts in Rupees in Lakhs unless otherwise stated)

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

h) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

i) Leases

Effective 1st April, 2019, The Company adopted IND AS 116 “Leases” under the modified retrospective approach without restatement of comparatives. The Company elected to apply the practical expedient to not reassess whether a contract is or contains a lease at the date of initial application. Contracts entered into before the transition date that were not identified as leases under IND AS 17 were not reassessed. The definition of a lease under IND AS 116 was applied only to contracts entered into or changed on or after 1st April, 2019.

As a lessee, The Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under IND AS 116, The Company recognises right-of-use assets and lease liabilities for most leases.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- ❖ Leases of low value assets; and
- ❖ Leases with a duration of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless this is not readily determinable, in which case the entities incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- ❖ amounts expected to be payable under any residual value guarantee;
- ❖ the exercise price of any purchase option granted in favour of The Company if it is reasonably certain to assess option;
- ❖ any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- ❖ lease payments made at or before commencement of the lease;

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(All amounts in Rupees in Lakhs unless otherwise stated)

- ❖ initial direct costs incurred; and
- ❖ the amount of any provision recognised where The Company is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When The Company revises its estimate of the term of any lease, it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

j) Inventories

Inventories are valued at lower of their cost and net realisable value.

Cost of inventories have been computed to include all cost of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

Raw materials are valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories is not written down below cost of the finished product in which they will be incorporated are expected to be sold at or above cost. Cost of raw material is determined on a weighted average basis.

Finished goods and semi finished goods: Finished goods are valued at lower of cost and net realisable value cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

k) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, The Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations

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generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss in those expense categories consistent with the function of the impaired assets.

For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, The Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the CGU level, as appropriate and when circumstances indicate that the carrying value may be impaired.

l) Provisions

Provisions are recognised when The Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When The Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

m) Retirement and other employee benefits

a) Short term employee benefits

The distinction between short term and long term employee benefits is based on expected timing of settlement rather than the employee's entitlement benefits. All employee benefits payable within twelve months of rendering the service are classified as short term benefits. Such benefits include salaries, wages, bonus, short term compensated absences, awards, ex-gratia, performance pay, etc. and are recognised in the period in which the employee renders the related service.

b) Post Employment benefits

Retirement benefit in the form of provident fund and superannuation is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund and superannuation scheme. The Company recognises contribution payable to the scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

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(All amounts in Rupees in Lakhs unless otherwise stated)

The Company operates a defined benefit gratuity plan, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- I The date of the plan amendment or curtailment, and
- II The date that The Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- I Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- II Net interest expense or income

Accumulated leave, which is expected to be utilised within the next 12 months, is treated as a short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as a long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method as at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

n) Share-based payments

Employees of The Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made, using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and The Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of The Company's best estimate of the number

Notes to the Standalone Financial Statements for the year ended 31st March, 2020 (Contd.)

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of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

o) Investments in subsidiaries, Joint Ventures and Associates:

Investments in subsidiaries, Joint Ventures and Associates are measured at cost as per Ind AS 27 –Separate Financial Statements.

p) Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

- ❖ Debt instruments at amortised cost
- ❖ Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- ❖ Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to The Company . After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account

Notes to the Standalone Financial Statements for the year ended 31st March, 2020 (Contd.)

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any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to loans, trade receivables and other financial assets. For more information on receivables, Refer Note5A, 5B, 5C and 8.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, The Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has designated certain investments at FVTPL. (Refer Note5)

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the P&L.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, The Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If The Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, The Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the P&L.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from The Company's balance sheet) when:

- ❖ The rights to receive cash flows from the asset have expired, or
- ❖ The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangements and either (a) The Company has transferred substantially all the risks and rewards of the asset, or (b) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When The Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, The Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, The Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that The Company has retained.

Impairment of financial assets

In accordance with Ind AS 109, The Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

Notes to the Standalone Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

- i) Financial assets that are debt instruments, and are measured at amortised cost e.g. deposits, loans, trade receivables, bank balance and other financial assets.
- ii) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115;
- iii) Loan commitments which are not measured as at FVTPL.

The Company follows 'simplified approach' for recognition of impairment loss allowance on

❖ Trade receivables.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, The Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on twelve-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The twelve-month ECL is a portion of the lifetime ECL which results from default events that are possible within twelve months after the reporting date.

ECL is the difference between all contractual cash flows that are due to The Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the statement of profit and loss. The balance sheet presentation for

- ❖ ECL on financial assets measured at amortised cost is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, The Company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, The Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss; loans and borrowings; payables as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings and derivative financial instruments.

Notes to the Standalone Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR (effective interest rate) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

q) Assets classified as held for sale

The Company classifies non-current assets and Disposal Group as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and Disposal Group classified as held for sale are measured at the lower of their carrying amount and the fair value less costs to sell (except for financial instruments, which are measured at fair value). The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or Disposal Group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the plan for sale will be made or that the plan will be withdrawn. Management must be committed to the sale expected within one year from the date of classification. Assets and liabilities classified as held for sale are presented separately as current items in the Balance Sheet.

r) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the financial statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of The Company's cash management.

s) Cash dividend

The Company recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of The Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Notes to the Standalone Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

t) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

u) Segment reporting

Operating segments are reporting in a manner consistent with the internal reporting to the chief operating decision maker (CODM). The board of directors of the Group assess the financial performance and position of the group and makes strategic decisions. The Board of Directors, which are identified as a CODM, consists of chief executive officer, chief financial officer and all other executive directors.

The Group is engaged in manufacturing of auto components (camshafts.& others) Based on similarity of activities/products, risk and reward structure, organisation structure and internal reporting systems, The Company has structured its operations into a single operating segment ; however based on the geographic distribution of activities, the CODM has identified India and outside India as two reportable geographical segments. Refer Note34 for segment information presented.

v) Earnings per share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the parent company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements, if any, in equity shares issued during the year and excluding treasury shares.

Diluted EPS adjusts the figures used in the determination of basic EPS to consider:

- ❖ The after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- ❖ The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

w) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group.

A contingent liability can arise for obligations that are possible, but it is yet to be confirmed whether there is present obligation that could lead to an outflow of resources embodying economic benefits.

The Group does not recognise a contingent liability but only makes disclosures for the same in the financial statements when the company has:

- ❖ a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; or
- ❖ present obligation arising from past events, when no reliable estimate is possible; or
- ❖ a possible obligation arising from past events where the probability of outflow of resources is not remote.

Contingent liabilities are reviewed at each Balance Sheet date.

Notes to the Standalone Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

3 | Property, plant and equipment

Particulars	Leasehold land	Buildings	Plant and machinery	Office equipment	Furniture and fixtures	Vehicles	Capital work in progress	Total
At Cost								
At 1st April, 2018	354.12	8,775.14	25,199.86	248.50	211.40	349.86	857.38	35,996.28
Additions	-	-	8,364.87	19.02	4.77	8.30	-	8,396.96
Disposals	-	-	(96.57)	(0.03)	-	(98.84)	-	(195.44)
Capitalised during the year	-	-	-	-	-	-	(55.19)	(55.19)
Other Adjustment								
- Exchange Differences	-	20.00	65.20	-	-	-	-	85.20
At 31st March, 2019	354.12	8,795.15	33,533.36	267.49	216.17	259.32	802.19	44,227.79
Additions	-	-	1,568.45	17.64	2.07	70.66	1,692.40	3,351.22
Disposals	-	(28.03)	(95.24)	(16.36)	-	(51.39)	-	(191.02)
Capitalised during the year	-	-	-	-	-	-	(1,658.31)	(1,688.31)
Other Adjustment	-	-	-	-	-	-	-	-
- Exchange Differences	-	-	-	-	-	-	-	-
At 31st March, 2020	354.12	8,767.11	35,006.57	268.77	218.24	278.59	836.28	45,729.68
Depreciation/ amortisation								
At 1st April, 2018	11.28	902.91	9,676.19	151.56	114.36	95.81	-	10,952.11
Charge for the year	4.09	351.31	4,196.49	49.88	29.75	44.52	-	4,676.04
Disposals	-	-	(94.32)	(0.02)	-	(44.41)	-	(138.75)
At 31st March, 2019	15.37	1,254.22	13,778.36	201.42	144.11	95.92	-	15,489.40
Charge for the year	4.09	351.42	4,626.61	35.23	26.55	33.49	-	5,077.39
Disposals	-	(1.18)	(89.71)	(16.03)	-	(32.10)	-	(139.02)
At 31st March, 2020	19.46	1,604.46	18,315.26	220.62	170.66	97.31	-	20,427.77
Net book value								
At 31st March, 2020	334.66	7,162.65	16,691.31	48.15	47.58	181.28	836.28	25,301.91
At 31st March, 2019	338.75	7,540.92	19,755.00	66.07	72.06	163.40	802.19	28,738.39

Exchange Differences on borrowing costs

Company has continued the policy of capitalising exchange differences arising from translation of long-term foreign currency monetary items as per exemption available under Ind AS 101- First time Adoption of Indian Accounting Standards.

Asset under construction

Capital work-in-progress (CWIP) comprises cost of assets that are not yet installed and ready for their intended use at the balance sheet date. Capital work-in-progress as at 31st March, 2020 comprises expenditure for the plant and machinery in the course of construction. Balance of CWIP as at 31st March, 2020 amounts to ₹ 836.28 Lakhs (31st March, 2019: ₹ 802.19 Lakhs)

Property, plant and equipment

The entire block of property, plant and equipment comprising of immovable assets with a carrying amount of ₹ 7,497.31 Lakhs (31st March, 2019: ₹ 7,879.68 Lakhs) and movable assets with a carrying amount of ₹ 16,968.32 Lakhs (31st March, 2019: ₹ 20,056.53 Lakhs)

Notes to the Standalone Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

4 | Intangible assets

Particulars	Computer software
At Cost	
At 1st April, 2018	89.91
Additions	12.28
Disposals	-
At 31st March, 2019	102.19
Additions	14.04
Disposals	-
At 31st March, 2020	116.23
Depreciation/ amortisation	
At 1st April, 2018	70.20
Charge for the year	19.37
Disposals	-
At 31st March, 2019	89.57
Charge for the year	11.38
Disposals	-
At 31st March, 2020	100.95
Net book value	
At 31st March, 2020	15.28
At 31st March, 2019	12.62

5 | Financial Assets

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
5A) Investments		
(i) At cost		
Investments in Equity Instruments		
Investment in subsidiary		
> PCL (Shanghai) Co. Ltd. USD 0 (31 st March, 2019: USD 230,000) (100%) (Impaired fully in FY 2016-17)	-	-
> PCL (International) Holding B.V. EUR 43,24,800 as paid up capital (100%)	3,471.34	3,097.66
> Memco Engineering Pvt. Ltd. 3,00,000 Equity Shares of ₹ 100 each fully paid-up (100%)	4,065.35	4,065.35
Deemed investments in Subsidiary		
Memco Engineering Pvt. Ltd. (6% Cumulative Compulsorily Convertible Pref Shares of ₹ 100 each)	441.43	70.74
	7,978.12	7,233.75

Notes to the Standalone Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
(ii) At fair value through Profit or Loss (FVTPL)		
a) Investments in Equity Instruments		
> Shares of Laxmi Co-op. Bank Ltd.	1.25	1.25
5000 Equity shares of ₹ 25 each fully paid-up (31 st March, 2019: 5,000 equity shares)		
> Shares of Solapur Janata Sahakari Bank Ltd.	0.05	0.05
500 Equity shares of ₹ 10 each fully paid-up (31 st March, 2019: 500 equity shares)		
b) Investments in Mutual Funds		
Quoted Mutual Funds		
HDFC Corporate Bond Fund Collection A/C	423.34	-
ICICI Prudential Mutual Fund Collection	1,616.19	647.22
ICICI Prudential Mutual Fund Collection A/C	502.08	-
BOI Axa Short Term Income Fund Account	-	325.17
Reliance Banking & PSU Debt Fund-Growth Plan	634.15	574.15
Reliance Corporate Bond Fund-Growth Plan	-	224.65
Reliance Arbitrage Advantage Fund	335.08	109.24
Reliance Short Term Fund	156.65	144.04
Reliance Arbitrage Fund - Monthly Dividend	-	206.44
Franklin India Low duration Fund	-	366.92
BSL Short Term Fund-Growth	377.47	580.17
BSL Treasury Optimiser Plan-Growth	-	343.22
Aditya Birla Sun Life Corporate Bond Fund	738.47	-
Axis Liquid Fund-Daily Dividend	-	154.79
Axis Short Term Fund-Growth	478.44	573.22
Axis Equity Fund Collection A/C	192.69	-
Axis Fixed Term Plan - Series 93	100.41	156.99
IDFC Corporate Bond Fund Regular Plan-Growth	626.44	228.21
IDFC Super Saver income Fund-Short Term	-	345.94
Tata Liquid Fund Regular Plan-Daily Dividend	-	22.31
Tata Short Term Bond Fund Reg Plan-Growth	611.31	535.97
Tata Balance Fund	98.51	154.90
Kotak Low Duration Fund Std. Growth(Regular Plan)	1,679.08	584.44
Kotak banking & PSU Debt fund-Growth(Regular plan)	-	231.74
Kotak Income Opp. Fund-Growth(Regular Plan)	-	342.20
Kotak Equity Arbitrage	700.18	198.77
Kotak Balanced Advantage Fund A/C	1,182.19	1,761.97
Kotak Banking And PSU Debt Fund	100.00	-
BNP Paribas Dividend Yield Fund	151.16	250.81
BNP Paribas Overnight Fund	50.28	-

Notes to the Standalone Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
SBI Ultra Short Term Fund	103.53	53.66
SBI Balance Fund	96.18	160.91
Baroda Pioneer Credit Opportunities Fund	304.88	306.19
Edelweiss Equity Saving Fund	130.32	131.07
Principal Emerging Bluechip Fund	26.33	97.75
Principal Cash Management Fund	50.21	-
Motilal Oswal Most Ultra Short Term Bond Fund	51.49	-
Motilal Oswal Most Focused Multicap 35 Fund	22.59	98.75
Canara Robeco Force Collection A/C	67.21	78.53
IDFC Mutual Fund Collection Account	500.00	-
Axis Credit Risk Fund	114.24	-
Kotak Overnight Fund	400.00	-
Total Investments at FVTPL	12,622.41	9,991.64
Non-current	7,979.42	7,235.05
Current	12,621.11	9,990.34
	20,600.52	17,225.39

Aggregate book value of quoted investments	12,621.11	9,990.34
Aggregate market value of quoted investments (Refer Note 36)	12,621.11	9,990.34
Aggregate book value of unquoted investments	7,979.42	7,235.05

During the previous year, the Directors of The Company decided to shut down its wholly owned subsidiary in China i.e. PCL (Shanghai) Co. Ltd. Consequently, it has been reported as discontinued operation in the Consolidated Ind AS financial statements in accordance with Ind AS 105. In Standalone Ind AS financial statements of The Company, this investment had been fully impaired in FY 2016-17. The subsidiary was liquidated on 24th December, 2019 and accordingly all the legal formalities have been complied with.

The Company has acquired 95% Equity shares of Memco Engineering Pvt. Ltd. (Memco), Nashik on 10th October, 2017 for ₹ 3,804.35 Lakhs. The enterprise value of Memco is negotiated based on a future EBITA multiple. Remaining 5% of the Equity shares have been acquired on 29th March, 2019 for ₹ 261 Lakhs.

The entire funding for the above has been done through internally generated profits of The Company.

The Company has made equity investment in its wholly owned subsidiary PCL (International) Holding B.V. ("PCL NL") since 6th May, 2017. The equity investment is made solely for the purpose of acquiring the step down subsidiaries i.e. MFT and EMOSS by PCL NL.

The Company had invested in 6% Cumulative Non-Convertible Redeemable Preference Shares amounting to ₹ 420 Lakhs and had accordingly accounted for it as Compound Financial Instruments. The equity portion representing the difference between the coupon rate and the market rate of interest was represented as deemed investment in equity and the remaining portion i.e. value of investment less the deemed investment in equity was presented under other financial assets being redeemable preference shares.

Notes to the Standalone Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

In the current year, the 6% Cumulative Non-Convertible Redeemable Preference Shares were converted to 6% Compulsorily Convertible Preference Share and accordingly the carrying value of other financial assets is reclassified to deemed investment in equity being Compulsory Convertible Preference Shares.

5B) Loans

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
(a) Security Deposits	218.71	217.45
(b) Loan to PCL (International) Holding B V (100% Subsidiary)	4,961.16	3,092.33
Total Loans	5,179.87	3,309.78
Non-current	5,179.87	3,309.78
Current	-	-
	5,179.87	3,309.78
Break-up for Loan details:		
- Unsecured, considered good	5,179.87	3,309.78
- Doubtful	-	-
- Which have significant increase in credit risk	-	-
- Credit impaired	-	-
Total	5,179.87	3,309.78

Loans include A) security deposit with electricity department; which generates, interest at the rate of 9% to 10.05% for The Company

B) Loan given to PCL NL; which generate interest at the rate of 1.5% to 4% for The Company

5C) Other Financial Assets

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
(i) Derivative instruments		
Foreign-exchange forward contracts	-	64.09
(ii) Others		
(a) Bank deposits with more than 12 months maturity	200.78	88.89
(b) Interest accrued on Fixed deposits	7.82	34.37
(c) Interest accrued Others (Mainly includes interest on loan given to PCL NL & on Security Deposit)	188.32	83.36
(d) Income accrued on Export incentives	596.53	403.33
(e) Dividend receivable on Preference Shares of Memco Engineering Pvt. Ltd.	25.20	18.82
(f) Preference Shares of Memco Engineering Pvt. Ltd.*	-	358.27
(4,20,000) Cumulative Non-Convertible Redeemable Preference Shares at 6% of ₹ 100 each)		
* During this year Preference Shares are compulsorily convertible, Hence classified as Equity investment		
Total Other Financial Assets	1,018.65	1,051.13
Non-current	200.78	447.15
Current	817.87	603.98
	1,018.65	1,051.13

Notes to the Standalone Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Break-up for security details:		
- Secured, considered good	-	-
- Unsecured, considered good	1,018.65	1,051.13
- Doubtful	-	-
Total	1,018.65	1,051.13
Total Financial assets	26,799.05	21,586.30
Total Non-current	13,360.07	10,991.98
Total Current	13,438.98	10,594.32
	26,799.05	21,586.30

Break up of financial assets carried at amortised cost

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Loans	5,179.87	3,309.78
Trade receivables (Refer Note 8)	11,247.49	9,972.92
Cash and Cash equivalents (Refer Note 9)	2,402.78	1,327.74
Other Bank balances (Refer Note 9)	2,870.63	6,478.08
Other financial assets	1,018.65	987.04
Total financial assets carried at amortised cost	22,719.42	22,075.56

6 | Other Assets

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Capital advances	231.18	204.57
Prepaid expense	131.65	135.63
Advance for purchase of materials	83.52	26.00
Income tax deposited with tax authorities (Under Protest)	225.26	228.90
Other Advances	12.12	12.12
(Amount deposited under protest against the claim made under Employees Provident Funds and Miscellaneous Provisions Act, 1952)		
Balances with statutory/government authorities	1,228.05	708.50
Total other assets	1,911.78	1,315.72
Non-current	828.61	460.71
Current	1,083.17	855.01
	1,911.78	1,315.72

Notes to the Standalone Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

Note 6A: Assets classified as held for sale

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Disposal Group	1,003.35	1,003.35
Total other assets	1,003.35	1,003.35

During the period ended 31st March, 2019, the Directors of The Company confirmed their intention to sell the shares of investment in its joint ventures, Ningbo Shenglong PCL Camshafts Co. Ltd. & PCL Shenglong (Huzhou) Specialized Casting Co. Ltd. collectively referred to as the "Disposal Group". As a result The Company had classified the disposal group as held for sale in accordance with Ind AS 105. Subsequently the disposal group is accounted for at fair value less cost to sale as per Ind AS 105. Management estimated fair value of disposal group is ₹ 1,003.35 Lakhs resulting into net loss on fair value measurement of ₹ 300 Lakhs. There is no change in fair value estimates. The sale is completed for above mentioned entities and the proceeds are realised on 18th June, 2020.

7 | Inventories

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Raw materials and components	295.85	318.17
Stores, spares and packing materials	663.01	426.28
Semi-finished goods	774.77	694.57
Finished goods *	2,679.34	2,079.54
Total inventories at the lower of cost and net realisable value	4,412.97	3,518.56

During the year ended 31st March, 2020 ₹ 14.13 Lakhs (31st March, 2019: ₹ 56.63 Lakhs) was written down as an expense for inventories

*Finished Goods includes Goods in transit ₹ 1,875.52 Lakhs (31st March, 2019: ₹ 1,789.85 Lakhs)

8 | Trade Receivables

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Trade receivables	11,247.49	9,912.40
Receivables from joint venture (Refer Note 34)	-	60.52
Total	11,247.49	9,972.92
Break-up for security details:		
- Unsecured, considered good	11,247.49	9,972.92
- Doubtful	-	-
- Which have significant increase in credit risk	-	-
- Credit impaired	-	-
Total	11,247.49	9,972.92
Impairment allowance (allowance for bad and doubtful debts)		
- Doubtful	-	-
Total Trade receivables	11,247.49	9,972.92

For terms and conditions relating to related party receivables, Refer Note 34.

Trade receivables are non-interest bearing and are generally on terms of 30 to 150 days.

Notes to the Standalone Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

9 | Cash and bank balances

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
	In ₹	In ₹
Cash and cash equivalents		
Balance with Banks		
Current accounts	440.38	1,275.45
Deposits with original maturity of less than three months	1,959.01	50.26
Cash on hand	3.39	2.03
Total cash and cash equivalents	2,402.78	1,327.74
Other bank balances		
Deposits with remaining maturity for less than 12 months	2,866.07	6,474.89
Unclaimed Dividend Accounts	4.56	3.19
Earmarked balance (Refer Note 33a(ii))	-	-
Total	2,870.63	6,478.08
Total cash and bank balances	5,273.42	7,805.82

Cash at banks earns interest at fixed rates based on fixed deposit receipts made by The Company. Fixed deposits are made for varying periods of between 1 month to 48 months, depending on the immediate cash requirements of The Company, and earn interest at the respective short term / long term deposit rates.

Deposits with bank of ₹ 126.08 Lakhs (31st March, 2019: ₹ 126.08 Lakhs) held as lien by banks against bank guarantees.

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Cash and cash equivalents		
Balance with Banks		
Current accounts	440.38	1,275.45
Deposits with original maturity of less than three months	1,959.01	50.26
Cash on hand	3.39	2.03
Total cash and cash equivalents	2,402.78	1,327.74

Notes to the Standalone Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

10 | Share Capital

Authorised Share Capital

Particulars	Equity Shares	
	Number	In ₹
At 1st April, 2018	10,00,00,000	10,000.00
Increase/ (decrease) during the year	-	-
At 31st March, 2019	10,00,00,000	10,000.00
Increase/ (decrease) during the year	-	-
At 31st March, 2020	10,00,00,000	10,000.00

Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share (31st March, 2019: ₹ 10 per share). Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees.

The Board of Directors, in their meeting on 27th May, 2019, proposed a final dividend of ₹ 1 per equity share and the same was approved by the shareholders at the Annual General Meeting held on 25th September, 2019. The amount was recognised as distributions to equity shareholders during the year ended 31st March, 2020 and the total appropriation was ₹ 1,145.10 Lakhs including dividend distribution tax.

The Board of Directors, in their meeting held on 5th March, 2020, declared and paid an interim dividend of ₹ 0.95 per equity share. The amount was recognised as distributions to equity shareholders during the year ended 31st March, 2020 and the total appropriation was ₹ 1,083.98 Lakhs including dividend distribution tax. In the event of liquidation of The Company, the holders of equity shares will be entitled to receive remaining assets of The Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Issued, Subscribed and Fully Paid-Up

Equity Shares of INR 10 each at par value

Particulars	Number	In ₹
At 1st April, 2018	9,48,76,635	9,487.66
Issued during the year under the ESOP scheme	1,09,200	10.92
At 31st March, 2019	9,49,85,835	9,498.58
Issued during the year under the ESOP scheme	-	-
At 31st March, 2020	9,49,85,835	9,498.58

Pursuant to the Initial Public Offering (IPO) on 8th February 2016, equity shares having par value of ₹ 10 per share were allotted at a price of ₹ 186 per equity share comprising of fresh issue of 1,29,03,225 equity shares and offer for sale of 91,50,000 equity shares by selling shareholders. The equity shares of The Company were listed on the BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") with effect from 8th February 2016.

Notes to the Standalone Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

Details of shareholders holding more than 5% shares in The Company

Particulars	31st March, 2020		31st March, 2019	
	No of shares	% holding in the class	No of shares	% holding in the class
Equity shares of ₹ 10 each fully paid				
Yatin Subhash Shah	2,49,59,917	26.28%	2,47,31,200	26.04%
Cams Technology Ltd.	1,35,07,685	14.22%	1,25,14,860	13.18%
Yatin Subhash Shah jointly with Dr. Suhasini Yatin Shah	1,28,28,800	13.51%	1,28,28,800	13.51%
Dr. Suhasini Yatin Shah	1,04,86,461	11.04%	1,04,05,540	10.95%
Jayant Vasudeo Aradhye	82,02,000	8.63%	82,02,000	8.63%
SBI Magnum Balanced Fund	-	-	66,99,999	7.05%
	6,99,84,863	73.68%	7,53,82,399	79.36%

As per records of The Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

11 | Other Equity

a) Securities premium	In ₹
At 1st April, 2018	21,671.58
Add:	
Increase pursuant to premium on issue of shares on account of employee stock option exercised	128.15
Reversal of tax benefit (deferred tax)	(13.79)
At 31st March, 2019	21,785.93
Add:	
Increase pursuant to premium on issue of shares on account of employee stock option exercised	-
Reversal of tax benefit (deferred tax)	(23.73)
At 31st March, 2020	21,762.20
b) General reserve	
At 1st April, 2018	472.21
Increase/ (decrease) during the year	-
At 31st March, 2019	472.21
Increase/ (decrease) during the year	-
At 31st March, 2020	472.21
c) Share based payments	
At 1st April, 2018	206.38
Increase/ (decrease) during the year	
Add: compensation for options granted as per vesting during the year (net)	0.89
Less: transferred to securities premium on account of exercise of stock options	(128.15)
At 31st March, 2019	79.13
Increase/ (decrease) during the year	
Less: transferred to Retained Earnings against Lapsed Options	(54.37)
At 31st March, 2020	24.75

Notes to the Standalone Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

Employees (including senior executives) of The Company receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

In accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the IND AS 102 Share based payments, the cost of equity-settled transactions is measured using the fair value method. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognised in the statement of profit and loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Refer Note 32 for further details of these plans.

d) Retained earnings	In Rs.
At 1st April, 2018	25,173.99
Add: Profit for the year	4,291.30
Add: Other comprehensive income for the year	38.55
Less: Final equity dividend at ₹ 1 per share paid	(949.86)
Less: Tax on final dividend paid	(195.25)
At 31st March, 2019	28,358.73
Add: Profit for the year	7,205.32
Add: Other comprehensive income for the year	(159.72)
Less: Final equity dividend at ₹ 1 per share paid	(949.86)
Less: Tax on final dividend	(195.25)
Less: Interim Dividend at ₹ 0.95 per share	(902.37)
Less: Tax on Interim Dividend paid	(181.62)
Add: transferred from ESOS Reserve against Lapsed Options	54.37
At 31st March, 2020	33,229.62

Nature and purpose of reserves:

Securities premium account

The amount received in excess of face value of the equity shares is recognised in Securities Premium. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as Securities Premium.

General Reserve

The Company has transferred a portion of the net profit of The Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013.

Share-based payments

Share-based payments reserve represents amount of fair value, as on the date of grant, of unvested options and vested options not exercised till date, that have been recognised as expense in the statement of profit and loss till date.

Retained earnings

Retained earnings are the profits that The Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders and any other adjustments.

Notes to the Standalone Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

12 | Borrowings

Particulars	Rate of interest	Maturity	As at 31 st March, 2020	As at 31 st March, 2019
Loan repayable on Demand				
From Bank				
Cash credit from banks (secured)	9.50%	On Demand	35.37	140.57
Packing credit in foreign currency - (Citibank)	5.25%	On Demand	(0.52)	12.45
Packing credit in INR (Secured) - BOI	5.40%	On Demand	1,418.03	1,371.46
Packing credit in INR (Secured)- BOB	8.40%	On Demand	831.29	1,197.07
Total Borrowings			2,284.17	2,721.55
Less: amount clubbed under "Other Financial liabilities"			-	-
Net Borrowings			2,284.17	2,721.55
Aggregate Secured loans			2,284.17	2,721.55

The Company does not have any continuing defaults in repayment of loans and interest during the year and as at the reporting date. Cash credit and packing credit are secured by first pari passu charge by way of hypothecation of current assets including inventories and trade receivables. Further, the facilities are collaterally secured by extension of pari passu charge by way of hypothecation of plant and machinery and equitable mortgage of factory land and building situated at Plot No D5, MIDC Chincholi, Solapur, Unit I situated at Plot No. E-102, 103, Akkalkot Road, MIDC, Solapur and Unit II situated at Plot No. E-90, Akkalkot Road, Solapur. The loan has been secured by the personal guarantee of Directors Mr. Yatin S. Shah and Dr. Suhasini Y. Shah.

13 | Other Financial Liabilities

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Financial liability at FVTPL		
Foreign-exchange forward contracts *	77.87	-
Other financial liabilities at amortised cost		
Unpaid matured deposits and interest accrued thereon	137.30	137.30
Employee benefit liabilities	653.31	757.19
Sundry payables for capital goods purchased	216.90	844.13
Unclaimed Dividend	4.56	3.19
Total	1,089.94	1,741.81
Non-Current	-	-
Current	1,089.94	1,741.81
	1,089.94	1,741.81

* The Company entered into foreign exchange forward contracts with the intention to reduce the foreign exchange risk of expected sales and purchases. These forward contracts are not designated in hedging relationship and hence measured at fair value through profit or loss.

Notes to the Standalone Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

14 | Trade and other payables

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Trade Payables		
Trade payables		
- total outstanding dues of micro enterprises and small enterprises	930.06	1,305.72
- total outstanding dues of creditors other than micro enterprises and small enterprises	4,778.44	5,239.21
Total trade payables	5,708.50	6,544.93
Non-current	-	-
Current	5,708.50	6,544.93
	5,708.50	6,544.93

Terms and conditions of the above financial liabilities:

Trade payables are non-interest bearing and are normally settled on 90 day terms

Trade payables include dues to related parties, Refer Note 34

For explanations on The Company's credit risk management processes, Refer Note 40.

Details of dues to Micro and small as defined under MSMED Act, 2006

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	930.06	1,305.72
Interest due on above	0.40	10.34
ii) The amount of interest paid by the buyer in terms of section 16, of the MSMED Act, 2006.	-	-
The amounts of the payment made to the supplier beyond the appointed day during each accounting year	7,350.44	4,399.74
iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	16.83	126.81
iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	705.14	567.99

Notes to the Standalone Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

Break up of financial liabilities carried at amortised cost

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Borrowings (current) (Refer Note 12)	2,284.17	2,721.55
Trade payables (Refer Note 14)	5,708.50	6,544.93
Other financial liabilities (Refer Note 13)	1,089.94	1,741.81
Total	9,082.61	11,008.29

15 | Other current Liabilities

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Advances from customers	-	12.64
Statutory Dues payable	129.55	123.31
Total	129.55	135.95

16 | Provisions

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Employee benefits obligations:		
Gratuity	538.73	263.28
Compensated absences	442.08	315.84
Provision for Doubtful Capital Advance	93.55	93.55
Total	1,074.36	672.67
Non-current	997.17	614.83
Current	77.19	57.84
	1,074.36	672.67

Also Refer Note 31 for detailed disclosure.

17 | Current tax liabilities (net)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Provision for income tax (net of advance taxes)	351.31	385.00
Total	351.31	385.00

Notes to the Standalone Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

18 Revenue from Operations

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Revenue from contracts with customers		
22.1 Sale of products	42,877.87	40,815.16
22.2 Sale of services	93.76	155.89
Total sale of products and services	42,971.63	40,971.05
Other operating income		
22.3 Tooling income	475.16	676.07
22.4 Scrap sales	58.77	46.60
22.5 Export incentives	783.27	675.45
Total other operating income	1,317.20	1,398.12
	44,288.83	42,369.17

19 Other Income

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
23.6 Trade Payable no longer required written back	14.20	1.36
23.5 Exchange differences (net)	1,296.25	160.14
23.9 Compensation from customer	-	-
Fair value gain on mutual funds at fair value through profit or loss	140.82	513.31
Realised gain on Sale of mutual funds	64.86	20.78
Royalty Income	-	4.26
23.11 Miscellaneous income	31.91	85.05
	1,548.04	784.90

20 Cost of raw material and components consumed

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Inventory at the beginning of the year	318.17	347.89
Add: purchases	12,961.69	13,358.99
	13,279.86	13,706.88
Less: inventory at the end of the year	295.85	318.17
	12,984.01	13,388.71

21 (Increase) / Decrease in Inventories

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Opening stock:		
Finished goods	2,079.54	1,257.00
Semi-finished goods	694.57	609.10
	2,774.11	1,866.10

Notes to the Standalone Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Closing stock:		
Finished goods	2,679.34	2,079.54
Semi-finished goods	774.77	694.57
	3,454.11	2,774.11
	(680.00)	(908.01)

22 Employee benefit expenses

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Salaries, wages, bonus and commission	5,175.35	4,573.90
Employee stock option scheme	-	0.89
Contribution to provident fund and other funds	456.25	323.76
Gratuity & Compensated absences expense (Refer Note 31)	287.15	131.77
Staff welfare expenses	78.99	34.16
	5,997.74	5,064.48

23 Other Expenses

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Consumption of components and spares	3,936.33	3,175.04
Packing materials consumed	587.06	578.86
Power and fuel expenses	6,284.47	5,571.26
Job work expenses	633.03	845.97
Freight outward charges	1,256.74	969.80
Rent	150.25	149.17
Rates and taxes	154.49	111.68
Insurance	52.19	42.14
Repairs and maintenance	-	-
Plant and machinery	333.05	496.86
Building	64.48	48.27
Others	737.75	434.59
Advertisement and sales promotion	14.45	11.83
CSR expenditure (Refer Note below)	147.59	147.93
Donation	38.00	29.25
Sales commission	577.92	547.80
Travelling and conveyance	466.94	418.52
Communication costs	40.68	29.43
Legal and professional fees	208.24	419.81
Auditors' remuneration and expenses	-	-
Statutory audit	28.50	25.00
Out of pocket expenses	0.46	0.24
Bad debts written off	-	259.95

Notes to the Standalone Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Provision for doubtful debts (net of write backs)	-	(2.96)
Loss on fixed assets sold /discarded	24.76	26.13
Loss recognised on the measurement to fair Value less cost to sale on Disposal Group (Refer Note 6A)	-	300.00
Miscellaneous expenses	284.99	324.65
	16,022.37	14,961.22

CSR expenditure

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Gross amount required to be spent during the year	131.12	143.37
Amount spent during the year	147.59	147.93

Payment to Auditors

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
As auditor:		
Audit Fee*	28.50	25.00
Limited review		
Out of pocket expenses	0.46	0.24
Out of above ₹ 7.81 Lakhs has been paid to previous auditors.		
In other capacity		
Certification fees	-	-

* The audit fees for the current year includes Fees of 3.5 Lakhs which pertains to previous auditor.

Audit fees for comparative years relates to previous audit firm.

24 Finance costs

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Interest on borrowings	184.62	163.63
Interest on delay in payment of taxes	40.11	24.74
Bank charges	71.18	94.06
Other finance cost	-	1.03
	295.91	283.46

25 Finance Income

Notes to the Standalone Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Interest income on		
Bank deposits	364.05	751.98
Loan given to Foreign Subsidiary	141.51	64.42
Others	58.14	44.72
Dividend income on investment in Mutual Funds	5.71	41.53
	569.41	902.66

26 Depreciation and Amortisation expense

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Depreciation on Property, Plant & Equipment	5,077.39	4,676.04
Amortisation of intangible assets	11.38	19.37
	5,088.77	4,695.41

44 Exceptional Items.

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Compensation from customer *	1,867.66	-
	1,867.66	-

* During the year ended 31st March, 2020 The Company has settled to receive compensation for cancellation of order and sunk costs from a customer amounting to ₹ 1,867.66 Lakhs. The Company has recognised the stated income as an exceptional item for the year ended 31st March, 2020.

27 Income Tax

The major components of income tax expense for the years ended 31st March, 2020 and 31st March, 2019 are:

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Current income tax:		
Current income tax charge	2,546.98	2,069.32
Adjustments in respect of current income tax of previous year	-	(162.71)
Deferred tax:		
Relating to origination and reversal of temporary differences	(1,187.16)	373.55
Income tax expense reported in the statement of profit or loss	1,359.82	2,280.16

Notes to the Standalone Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

OCI Section

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Net loss/(gain) on remeasurements of defined benefit plans	53.72	(20.70)
Income tax expense charged to OCI	53.72	(20.70)

Reconciliation of closing balance of Deferred tax liability

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Deferred tax liability		
Fixed assets: impact of difference between tax depreciation and depreciation / amortisation for the financial reporting	801.08	1,693.97
Others - Current Investment	137.58	311.07
Others	-	22.40
Gross deferred tax liability	938.66	2,027.44
Deferred tax assets		
Provision for doubtful debts and advances	-	-
Employee related costs allowed for tax purposes on payment basis	251.79	217.51
VRS compensation	89.84	202.36
Share issue expenses adjusted to securities premium account	23.07	46.80
Asset Held for Sale [Capital Loss]	161.22	-
Deduction U/s 80JJAA	28.31	-
Others	44.38	3.57
Gross deferred tax assets	598.61	470.24
Net deferred tax liability	340.05	1,557.20
Deferred tax credit for the year		
Closing deferred tax liability (net)	340.05	1,557.20
Less: opening deferred tax liability (net)	1,557.20	1,149.15
Deferred tax movement for the year	(1,217.15)	408.05
Deferred tax credit recorded in securities premium account (Refer Note 11)	23.73	13.79
Deferred tax (credit) / charge recorded in statement of profit and loss	(1,240.88)	394.26
Deferred tax charge recorded in OCI (Refer Note 28)	53.72	(20.69)
Deferred tax credit recorded in reserves and surplus	-	-
Deferred tax credit for the year	(1,187.16)	373.55

Notes to the Standalone Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31st March, 2019 and 31st March, 2020

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Accounting profit before tax	8,565.14	6,571.45
Accounting profit before income tax	8,565.14	6,571.45
Tax at India's statutory tax rate 25.168% (31st March, 2019 34.608%)	2,155.67	2,296.34
Dividend income accrued in current year exempt from tax	(10.90)	(24.28)
Deduction claimed U/s 80JJAA in Current year & DTA Created on 80JJAA	(44.90)	-
Effect of change in Tax rate From 34.608% to 25.168%	(435.65)	-
DTA Created on Assets Held for sale	(161.22)	-
DTA on Provision for Capital Advances (Last Year not Created)	(23.55)	-
Forward contract loss permanently disallowed	(16.13)	-
On Mutual fund Gain due to indexation benefit & different rate of taxation	(128.61)	-
Excess provision U/s 234B & 234C written back	-	(9.85)
Excess provision reversed, not taken as allowance in previous years	-	(68.78)
Gratuity OCI Gain disallowed in FY 2018-19 reversed in FY 2019-20	-	(15.47)
Adjustment in respect of current income tax of previous year	-	(162.71)
Non-deductible expenses for tax purposes:		
Donation & CSR (Net of Allowance U/s 80G)	16.76	56.80
Interest u/s 234 B & C	10.15	9.28
Disallowance U/s 14A	1.13	2.81
Other items	(2.93)	(3.59)
Impairment loss of investment in Joint Venture	-	104.83
Expenditure on which TDS is not deducted		76.31
Difference in Depreciation & WDV Movement		18.45
Income tax reported in the statement of profit and loss	1,359.82	2,280.16

Reconciliation of deferred tax liabilities (net):

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Opening balance	1,557.20	1,149.15
Tax (income)/expense during the period recognised in profit or loss	(1,187.16)	373.55
Tax (income)/expense during the period recognised in equity	23.73	13.79
Tax (income)/expense during the period recognised in OCI	(53.72)	20.71
Closing Balance as at 31st March, 2020	340.05	1,557.20

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities which relates to income taxes levied by the same tax authority.

Notes to the Standalone Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

Deferred tax

Deferred tax relates to the following

Particulars	Balance Sheet		Profit & Loss	
	31 st March, 2020	31 st March, 2019	31 st March, 2020	31 st March, 2019
Accelerated depreciation for tax purposes	801.08	1,693.97	(892.89)	121.49
Fair valuation for the purpose of Financial Reporting	137.58	311.07	(173.49)	88.82
Voluntary retirement scheme allowed as deduction over period of 5 Years	(89.84)	(202.36)	112.52	31.69
Preliminary expenses incurred on initial public offering, allowed as deduction over period of 5 Years	(23.07)	(46.80)	-	-
Employee benefit expenses allowed on payment basis U/s 43B	(251.79)	(217.51)	(34.28)	95.94
Forward contracts & Others	(19.60)	18.83	(38.43)	55.28
Capital advance - Credit impaired	(23.55)	-	(23.55)	-
Loss on assets held for sale	(161.22)	-	(161.22)	-
Additional deduction U/s 80JJAA	(28.31)	-	(28.31)	-
Unrealised forex loss - to be adjusted from WDV U/s 43A	(1.23)	-	(1.23)	-
Provision for doubtful capital advance	-	-	-	1.04
Amount to be charged in Statement of OCI			53.72	(20.70)
	340.05	1,557.20	(1,187.16)	373.55

28 Components of OCI

During the year ended 31st March, 2020

Particulars	Retained earnings	Total
Re-measurement gains (losses) on defined benefit plans	(213.44)	(213.44)
Income tax effect	53.72	53.72
	(159.72)	(159.72)
During the year ended 31st March, 2019		
Re-measurement gains (losses) on defined benefit plans	59.25	59.25
Income tax effect	(20.70)	(20.70)
	38.55	38.55

29 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profits for the year attributable to equity share holders of The Company by weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity share holders of The Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity Shares into equity shares.

The following reflects the profit and share data used in the basic and diluted EPS computation

Notes to the Standalone Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Profit attributable to Equity shareholders of The Company	7,205.32	4,291.29
Weighted average number of equity shares in calculating basic EPS	9,49,85,835	9,49,53,225
Effect of dilution:	21,090	62,273
Weighted average number of equity shares in calculating diluted EPS	9,50,06,925	9,50,15,498
Earnings per share (basic) (Rupees/share)	7.59	4.52
Earnings per share (diluted) (Rupees/share)	7.58	4.52

30 Dividend distribution made and proposed

During the year ended 31st March, 2020

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Cash dividends on equity shares declared and paid		
Final dividend for the year ended on 31 st March, 2019 : INR 1.00 per share	949.86	949.86
Tax on final dividend	195.25	195.25
Interim dividend for the year ended on 31 st March, 2020 : INR 0.95 per share	902.37	-
Tax on final dividend	181.62	-
	2,229.10	1,145.11

31 Disclosure pursuant to Employee benefits

A. Defined contribution plans:

Amount of ₹ 456.25 Lakhs (31st March, 2019: ₹ 323.76 Lakhs) is recognised as expenses and included in note no. 22 "Employee benefit expense"

B. Defined benefit plans:

The Company has following post employment benefits which are in the nature of defined benefit plans:

(a) Gratuity

The Company has a defined benefit gratuity plan in India (funded). The Company's defined benefit gratuity plan is a final salary plan for India employees, which requires contributions to be made to a separately administered fund. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age.

Plan assets - Gratuity Fund ₹ 564.18 Lakhs

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Net benefit expense 31 st March, 2020 (recognised in statement of profit or loss)		
Current service cost	79.72	79.21

Notes to the Standalone Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

Interest cost on benefit	14.03	17.07
	93.75	96.28

* The amount debited to statement of profit and loss includes gratuity expenses on account of full and final settlement of left employees whose gratuity payments have not been considered for actuarial valuation amounting to ₹ 1.16 Lakhs for the year ended 31st March, 2019 . For the year ended 31st March, 2020 & 31st March, 2019 the amount debited to statement of profit and loss also includes gratuity expenses of ₹ 20 Lakhs & Nil respectively provided for Promoter Director whose gratuity payment is not considered for actuarial valuation.

Notes to the Standalone Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

31st March, 2020 : Changes in defined benefit obligation and plan assets

	01-Apr-19	Gratuity cost charged to statement of profit and loss		Benefit paid	Remeasurement gains/(losses) in other comprehensive income						31-Mar-20	
		Service cost	Net interest expense		Sub-total included in statement of profit and loss (Refer Note 22)	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI		Contributions by employer
Gratuity												
Defined benefit obligation	(719.74)	(79.72)	(54.58)	(134.29)	19.97	-	-	(120.36)	(88.49)	(208.86)	-	(1,042.92)
Fair value of plan assets	497.62	-	40.54	40.54	(19.97)	(4.58)	-	-	-	(4.58)	50.58	564.19
Benefit liability	(222.12)	(79.72)	(14.03)	(93.75)	-	(4.58)	-	(120.36)	(88.49)	(213.44)	50.58	(478.73)

31st March, 2019 : Changes in defined benefit obligation and plan assets

	01-Apr-18		Gratuity cost charged to statement of profit and loss		Benefit paid	Remeasurement gains/(losses) in other comprehensive income						31-Mar-19
	Service cost	Net interest expense	Sub-total included in statement of profit and loss (Refer Note 22)	Return on plan assets (excluding amounts included in net interest expense)		Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	Contributions by employer		
Defined benefit obligation	(691.26)	(79.21)	(51.33)	(130.54)	45.81	-	-	1.82	54.44	56.26	-	(719.74)
Fair value of plan assets	431.73	-	34.26	34.26	(45.81)	2.99	-	-	-	2.99	74.44	497.62
Benefit liability	(259.53)	(79.21)	(17.08)	(96.29)	-	2.99	-	1.82	54.44	59.25	74.44	(222.12)

Notes to the Standalone Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

C. Other long-term employment benefits

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
LIC of India		
Fair Value of total plan assets	564.19	497.62
(%) of total plan assets	100%	100%
Others	-	-

The principal assumptions used in determining above defined benefit obligations for The Company's plans are shown below:

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Discount rate	6.77%	7.70%
Future salary increase	8.00%	8.00%
Expected rate of return on plan assets	8.00%	8.00%
Expected average remaining working lives (in years)	16.50	16.45
Gratuity		
A quantitative sensitivity analysis for significant assumption is as shown below:		
Gratuity		

Effect of defined benefit obligation (Impact)

Particulars	Sensitivity level	As at 31 st March, 2020	As at 31 st March, 2019
Discount rate	1% increase	914.31	636.79
	1% decrease	1,198.79	819.49
Future salary increase	1% increase	1,191.48	814.60
	1% decrease	917.83	639.06

The sensitivity analysis above has been determined based on a method that extrapolates the impact on defined benefit obligations as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Notes to the Standalone Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

Pension, post retirement medical scheme and Long-term award scheme

The followings are the expected future benefit payments for the defined benefit plan:

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Within the next 12 months (next annual reporting period)	37.31	21.91
Between 2 and 5 years	160.44	156.07
Beyond 5 years	289.32	219.52
Total expected payments	487.08	397.51

Weighted average duration of defined plan obligation (based on discounted cash flows)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
	Year	Year
Gratuity	13.51	13.08

The followings are the expected contributions to planned assets for the next year:

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
	In ₹	In ₹
Gratuity	60.00	50.58

32 | Share Based Payments

The Company provides share-based payment schemes to its employees. During the year ended 31st March, 2020, an employee stock option plan (ESOP) was in existence. The relevant details of the scheme and the grant are as below:

On 6th February, 2015, the Board of Directors approved the PCL Employee Stock Option Scheme 2015 (PCL ESOS 2015) for issue of stock options to the employees of The Company. According to the PCL ESOS 2015, the employee selected by the remuneration committee from time to time will be entitled to options. The contractual life (comprising the vesting period and the exercise period) of options granted under PCL ESOS 2015 is 6 years.

The fair value of the share options is estimated at the grant date using Black Scholes pricing model, taking into account the terms and conditions upon which the share options were granted. The exercise price of the share options is the face value i.e. ₹ 10. The contractual term of each option granted is 6 years.

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Expense arising from equity-settled share-based payment transactions	-	0.89
Total expense arising from share-based payment transactions	-	0.89

There were no cancellations or modifications to the awards in 31st March, 2020 or 31st March, 2019.

Notes to the Standalone Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year

Particulars	31 st March, 2020		31 st March, 2019	
	Number	WAEP	Number	WAEP
Outstanding at 1 April	68,090	₹ 10	1,77,290	₹ 10
Granted during the year	-	-	-	-
Forfeited during the year	-	₹ 10	-	₹ 10
Exercised during the year	-	₹ 10	1,09,200	₹ 10
Expired during the year	47,000	-	-	-
Outstanding at 31 st March	21,090	₹ 10	68,090	₹ 10
Exercisable at 31 st March	21,090	₹ 10	68,090	₹ 10

The weighted average share price at the date of exercise of these options was ₹ 10/-

The weighted average remaining contractual life (Vesting & Exercise) for the share options outstanding as at 31st March, 2020 was 11 month (31st March, 2019: 23 month).

The following table lists, the inputs to the models used for the plans:

Dividend yield (%)	0.00%
Expected volatility (%)	56.25%
Risk-free interest rate (%)	7.82%
Expected life of share options (years)	3
Weighted average share price (Rs.)	10
Model used	Black Scholes

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

33 | Commitments and contingencies

a. Commitments

- Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances): At 31st March, 2020, The Company had commitments of ₹ 359.71 Lakhs (31st March, 2019: ₹ 29.05 Lakhs)

Notes to the Standalone Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

b. Contingent liabilities

(i) Claims against The Company not acknowledged as debts (Legal claims)

- a. The Collector of Stamps, Solapur has demanded payment of stamp duty of ₹ 31.79 Lakhs (31st March, 2019: ₹ 31.79 Lakhs) for cancellation and issue of equity shares after amalgamation of Precision Valvetrain Components Limited (PVPL) with The Company in year FY 2007-08. The Company has filed an appeal against demand made by the Collector of Stamps, Solapur with Controlling Revenue Authority, Pune.
- b. The Company is in appeal and the application is pending with “Hon’ble High Court of Judicature Appellate” against the claim made under Employees Provident Funds and Miscellaneous Provisions Act, 1952 for ₹ 24.23 Lakhs (31st March, 2019: ₹ 24.23 Lakhs). The Company has deposited an amount of ₹ 12.12 Lakhs (31st March, 2019: ₹ 12.12 Lakhs) under protest which has been shown under ‘Other Assets’.
- c. The Company has received an order from the Commissioner of Central Excise Pune for the year 2002-03, 2003-04 and 2004-05 demanding excise duty amounting to ₹ 20.76 Lakhs (31st March, 2019: ₹ 20.76 Lakhs) on sales tax retained under sales tax deferral scheme.
- d. The Company has received the Show Cause Notice from The Directorate General of Goods and Service Tax Intelligence, Gurgaon (Haryana) for The cost of drawing/designing/specifications was not included in components at the time of supply to MSIL amounting to ₹ 83.95 Lakhs (31st March, 2019 ₹ 83.95).
- e. The Company has received order from Assessing Officer for demand of income tax amounting to ₹ 1,428.71 Lakhs as on 31st March, 2020 towards disallowance of ESOP expenditures and other disallowances. The Company has filed appeal against the above order with Commissioner of Income Tax (Appeals) and has paid ₹ 200.00 Lakhs under protest and has adjusted refund due of ₹ 39.60 Lakhs with respect to FY 2006-07. In all the cases mentioned above outflow is not probable, and hence not provided by The Company.

(ii) Corporate Guarantees

Company has given corporate guarantee of ₹ 6197.09 Lakhs (approx) on behalf of PCL (International) Holdings B.V. (Netherlands) to the lender bank.

c. Leases

The Company has obtained warehouse under lease as per the lease agreements for various periods which are generally cancellable and renewable by mutual consent on mutually agreed terms. Further, there are no restrictions imposed by lease agreements and there are no subleases.

The Company has elected not to apply the requirement of Ind AS 116 for short term leases or leases for which the underlying asset is of low value, the lease payments associated with these leases are expensed as per the terms of lease agreement.

Effective 1st April, 2019, The Company adopted IND AS 116 “Leases” under the modified retrospective approach without restatement of comparatives and accordingly disclosure is given only for the year ended 31st March, 2020.

Notes to the Standalone Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

34 | Related Party Transactions

A Names of the related party and related party relationship:

a) Related party where control exists

i) Subsidiary

PCL (Shanghai) Co. Ltd. (China) (upto 24-12-2019)

PCL (International) Holding B.V. (Netherlands) (w.e.f. 06-05-2017)

Memco Engineering Pvt. Ltd. (Nashik) (w.e.f. 10-10-2017)

ii) Step down Subsidiary [Subsidiary of PCL (International) Holdings B.V. (Netherlands)]

MFT Motoren Und Fahrzeugtechnik GMBH (Germany) (w.e.f. 22-03-2018)

Emiss Mobile Systems B.V., Netherlands (w.e.f. 17-05-2018)

b) Related parties under 'Ind AS 24- Related Party Disclosures', with whom transactions have taken place during the period

PCL (Shanghai) Co. Ltd. (China)

PCL (International) Holding B.V. (Netherlands)

Memco Engineering Pvt. Ltd. (Nashik)

Chitale Clinic Pvt. Ltd.

Cams Technology Ltd.

Ningbo Shenglong PCL Camshaft Co Ltd., (China).

PCL Shenglong (Huzhou) Specialized Casting Co Ltd., (China).

MFT Motoren Und Fahrzeugtechnik GMBH (Germany)

Precision Foundation & Medical Research Trust

i) Key Managerial Personnel (KMP)

Mr. Yatin S. Shah, Managing Director

Dr. Suhasini Y. Shah, Director (upto 12-08-2018)

Mr. Ravindra R. Joshi, Director

Mr. Karan Y. Shah (w.e.f. 13-08-2018)

Mrs. Mayuri I. Kulkarni (w.e.f. 23-03-2019)

Mr. Mahesh A. Kulkarni (upto 08-12-2018)

Mr. Jayant V. Aradhye (upto 27-05-2018)

Mr. Sarvesh N. Joshi, Independent Director

Mr. Pramod H. Mehendale, Independent Director

Mr. Vedant V. Pujari, Independent Director

Notes to the Standalone Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

Mr. Vaibhav S. Mahajani, Independent Director

Mrs. Savani A. Laddha Independent Director (w.e.f. 10-02-2020)

ii) Relatives of Key Managerial Personnel (RKMP)

Ms. Tanvi Y. Shah, daughter of Mr. Yatin S. Shah

Dr. Manjiri Chitale, mother of Dr. Suhasini Y. Shah

Mrs. Mayura K. Shah, wife of Mr. Karan Y. Shah

iii) Enterprises owned or significantly influenced by Key Managerial Personnel or their relatives:

Chitale Clinic Pvt. Ltd.

Precision Foundation & Medical Research Trust

Mr. Yatin S. Shah (HUF)

Cams Technology Ltd.

iv) Individual having significant influence

Mr. Jayant V. Aradhye

v) Relative of individual having significant influence

Mr. Maneesh Aradhye, son of Mr. Jayant Aradhye

Dr. Sunita Aradhye, wife of Mr. Jayant Aradhye

Mrs. Rama Aradhye, wife of Mr. Maneesh Aradhye

Mr. Vijay Aradhye, brother of Mr. Jayant Aradhye

vi) Joint venture

Ningbo Shenglong PCL Camshaft Co Ltd, (China).

PCL Shenglong (Huzhou) Specialized Casting Co Ltd, (China).

Notes to the Standalone Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

B The transactions with related parties during the period/year and their outstanding balances are as follows:

Sr. No.	Particulars	Key Managerial Personnel		Relatives of Key Managerial Personnel		Entities where KMP / RKMP have significant influence		Individual having significant influence		Relative of individual having significant influence		Subsidiary		Joint venture	
		31 st March, 2020	31 st March, 2019	31 st March, 2020	31 st March, 2019	31 st March, 2020	31 st March, 2019	31 st March, 2020	31 st March, 2019	31 st March, 2020	31 st March, 2019	31 st March, 2020	31 st March, 2019	31 st March, 2020	31 st March, 2019
1	Transactions														
1	Remuneration* (including commission)	730.67	657.29	-	11.22	-	-	-	-	-	-	-	-	-	-
2	Final dividend paid on equity shares	479.72	478.21	2.94	2.94	125.15	125.15	82.02	82.02	33.49	33.49	-	-	-	-
3	Interim dividend paid on equity shares	458.79	-	2.81	-	128.32	-	77.92	-	31.81	-	-	-	-	-
4	Sale of goods (including scrap)	-	-	-	-	-	-	-	-	-	-	2.17	-	-	335.15
5	Tooling income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Royalty Income	-	-	-	-	-	-	-	-	-	-	-	-	-	4.26
7	Loss recognised on the measurement to fair value less cost to sale	-	-	-	-	-	-	-	-	-	-	-	-	-	300.00
8	Donation Paid	-	-	-	-	36.00	27.25	-	-	-	-	-	-	-	-
9	Purchases of goods, material or services	-	-	-	-	51.33	66.62	-	-	-	-	-	174.30	-	-
10	Bad Debts	-	-	-	-	-	-	-	-	-	-	-	145.93	-	-
11	Investment in equity shares	-	-	-	-	-	-	-	-	-	-	373.69	1,144.65	-	-
12	Investment in Preference Share	-	-	-	-	-	-	-	-	-	-	-	320.00	-	-
13	Dividend Received	-	-	-	-	-	-	-	-	-	-	25.20	18.82	-	-
14	Reimbursement of Expenses	-	-	-	-	-	-	-	-	-	-	-	218.37	-	-
15	Loan given to Subsidiaries	-	-	-	-	-	-	-	-	-	-	1,571.70	3,092.33	-	-
16	Interest on Loan given to Subsidiaries	-	-	-	-	-	-	-	-	-	-	141.51	64.43	-	-
	Balances outstanding														
1	Remuneration payable	47.24	239.04	-	-	-	-	-	-	-	-	-	-	-	-
2	Share application money to subsidiary pending allotment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Loan outstanding (including interest payable)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Loans and advances receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Capital advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Deposits taken outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Trade receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	56.69
8	Royalty Income	-	-	-	-	-	-	-	-	-	-	-	-	-	4.26

Notes to the Standalone Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

Sr. No.	Particulars	Key Managerial Personnel	Relatives of Key Managerial Personnel	Entities where KMP / RKMP have significant influence	Individual having significant influence	Relative of individual having significant influence	Subsidiary	Joint venture
		31 st March, 2020	31 st March, 2020	31 st March, 2020	31 st March, 2020	31 st March, 2020	31 st March, 2020	31 st March, 2020
9	Trade and other payables	-	-	19.05	15.52	-	-	-
10	Investment in equity shares	-	-	-	-	-	7,163.01	1,303.35
11	Provision against Investment	-	-	-	-	-	-	300.00
12	Investment in preference shares	-	-	-	-	-	420.00	-
13	Dividend Received	-	-	-	-	-	25.20	-
14	Interest on Loan given to Subsidiaries	-	-	-	-	-	168.50	-
15	Loan given to Subsidiaries	-	-	-	-	-	4,961.16	-

The Company has given corporate guarantee in the previous years on behalf of it's wholly owned subsidiary PCL (International) Holding B.V. (Netherlands) to the lender bank. The outstanding amount of corporate guarantee is ₹ 6,197.09 Lakhs (31st March, 2019 14, 900 Lakhs approx.)

The Company has given corporate guarantee in the previous years of it's wholly owned subsidiary Memco Engineering Pvt. Ltd. to the lender bank. The outstanding amount of corporate guarantee is ₹ 2000 Lakhs (31st March, 2019 ₹ 2000 Lakhs)

* The liabilities for gratuity and leave encashment are provided for The Company as a whole, the remuneration does not include the same.

Notes to the Standalone Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

C Disclosure in respect of related party transaction during the year:

Sr. No.	Particulars	Relationship	31 st March, 2020	31 st March, 2019
1	Remuneration*			
	Mr. Yatin S. Shah	Key Managerial Personnel	344.25	328.31
	Dr. Suhasini Y. Shah	Key Managerial Personnel	-	10.87
	Mr. Ravindra R. Joshi	Key Managerial Personnel	308.81	269.52
	Mr. Karan Y. Shah	Key Managerial Personnel	44.30	18.47
	Mr Mahesh A. Kulkarni	Key Managerial Personnel	-	7.03
	Mrs. Mayuri I. Kulkarni	Key Managerial Personnel	7.80	0.18
	Mr. Sarvesh N. Joshi	Key Managerial Personnel	5.00	5.00
	Mr. Pramod H. Mehendale	Key Managerial Personnel	5.00	5.00
	Mr. Vedant V. Pujari	Key Managerial Personnel	5.00	5.00
	Mr. Vaibhav S. Mahajani	Key Managerial Personnel	5.00	5.00
	Dr. Suhasini Y. Shah	Key Managerial Personnel- Non Executive Director	5.00	2.92
	Mrs. Savani A. Laddha	Key Managerial Personnel	0.50	-
2	Final dividend paid on equity shares			
	Cams Technology Ltd.	Entities where KMP / RKMP have significant influence	125.15	125.15
	Mr. Yatin S. Shah	Key Managerial Personnel	247.31	245.81
	Mr. Jayant V. Aradhye	Key Managerial Personnel / Individual having significant influence	82.02	82.02
	Mr.Yatin Shah jointly held with Dr. Suhasini Y. Shah	Key Managerial Personnel	128.29	128.29
	Dr. Suhasini Y. Shah	Key Managerial Personnel	104.06	104.06
	Mr. Maneesh J. Aradhye	Relative of Individual having significant influence	16.36	16.36
	Dr. Sunita J. Aradhye	Relative of Individual having significant influence	8.17	8.17
	Ms. Rama M. Aradhye	Relative of Individual having significant influence	6.96	6.96
	Mr. Vijay V. Aradhye	Relative of Individual having significant influence	2.00	2.00
	Dr. Manjiri V. Chitale	Relatives of Key Managerial Personnel	2.92	2.92
	Mr. Ravindra R. Joshi	Key Managerial Personnel	0.01	0.01
	Mr. Karan Y. Shah	Key Managerial Personnel	0.02	0.02
	Ms. Tanvi Y. Shah	Relatives of Key Managerial Personnel	0.02	0.02
	Mrs. Mayura K. Shah	Relatives of Key Managerial Personnel	0.01	0.01
	Mr. Pramod H Mehendale	Key Managerial Personnel	0.00	0.00
	Mr. Vaibhav S Mahajani	Key Managerial Personnel	0.00	0.00
	Mr. Kaustubh P. Mehendale	Relatives of Key Managerial Personnel	0.00	0.00
	Interim dividend paid on equity shares			

Notes to the Standalone Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

Sr. No.	Particulars	Relationship	31 st March, 2020	31 st March, 2019
	Cams Technology Ltd.	Entities where KMP / RKMP have significant influence	128.32	-
	Mr. Yatin S. Shah	Key Managerial Personnel	237.12	-
	Mr. Jayant V. Aaradhye	Key Managerial Personnel / Individual having significant influence	77.92	-
	Mr Yatin S. Shah jointly held with Dr. Suhasini Y. Shah	Key Managerial Personnel	121.87	-
	Dr. Suhasini Y. Shah	Key Managerial Personnel	99.62	-
	Mr. Maneesh J. Aradhye	Relative of Individual having significant influence	15.54	-
	Dr. Sunita J. Aradhye	Relative of Individual having significant influence	7.76	-
	Ms. Rama M. Aradhye	Relative of Individual having significant influence	6.61	-
	Mr. Vijay V. Aradhye	Relative of Individual having significant influence	1.90	-
	Dr. Manjiri V. Chitale	Relatives of Key Managerial Personnel	2.77	-
	Mr. Ravindra R. Joshi	Key Managerial Personnel	0.16	-
	Mr. Karan Y. Shah	Key Managerial Personnel	0.02	-
	Ms. Tanvi Y. Shah	Relatives of Key Managerial Personnel	0.02	-
	Mrs. Mayura K. Shah	Relatives of Key Managerial Personnel	0.01	-
	Mr Pramod H. Mehendale	Key Managerial Personnel	0.00	-
	Mr Vaibhav S. Mahajani	Key Managerial Personnel	0.00	-
	Mr. Kaustubh P. Mehendale	Relatives of Key Managerial Personnel	0.00	-
3	Sale of goods			
	Ningbo Shenglong PCL Camshafts Co Ltd.	Joint Venture	-	335.15
4	Royalty Income			
	PCL Shenglong (Huzhou) Specialized Casting Co Ltd.	Joint Venture	-	4.26
5	Loss recognised on the measurement to fair value less cost to sale			
	China Joint Ventures	Joint Venture	-	300.00
6	Donation Paid			
	Precision Foundation & Medical Research Trust	Entities where KMP / RKMP have significant influence	36.00	27.25
7	Purchases of goods, material or services			
	Cams Technology Ltd.	Entities where KMP / RKMP have significant influence	51.09	66.29
	Chitale Clinic Pvt. Ltd.	Entities where KMP / RKMP have significant influence	0.23	0.33
	MFT Motoren Und Fahrzeugtechnik GMBH (Germany)	Step down Subsidiary	-	174.30
8	Bad Debts			
	PCL (Shanghai) Co. Ltd.	Subsidiary	-	145.93
9	Investment in equity shares			
	PCL (International) Holding B.V. (Netherlands)	Subsidiary	373.69	883.65

Notes to the Standalone Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

Sr. No.	Particulars	Relationship	31 st March, 2020	31 st March, 2019
	Memco Engineerin Pvt. Ltd. (Nashik)	Subsidiary	-	261.00
10	Investment in Preference Share			
	Memco Engineering Pvt. Ltd. (Nashik)	Subsidiary	-	320.00
11	Dividend Received			
	Memco Engineering Pvt. Ltd. (Nashik)	Subsidiary	25.20	18.82
12	Reimbursement of Expenses			
	PCL (International) Holding B.V. (Netherlands)	Subsidiary	-	218.37
13	Loan given to Subsidiaries			
	PCL (International) Holding B.V. (Netherlands)	Subsidiary	1,571.70	3,092.33
14	Interest on Loan given to Subsidiaries			
	PCL (International) Holding B.V. (Netherlands)	Subsidiary	141.51	64.43
15	Sale of Scrap			
	PCL (Shanghai) Co. Ltd.		2.17	-
	Balances outstanding			
1	Remuneration payable			
	Mr. Ravindra R. Joshi	Key Managerial Personnel	7.65	79.30
	Mr. Yatin S. Shah	Key Managerial Personnel	11.84	134.95
	Mr. Karan Y. Shah	Key Managerial Personnel	1.61	1.69
	Mrs. Mayuri I. Kulkarni	Key Managerial Personnel	0.63	0.18
	Mr. Sarvesh N. Joshi	Key Managerial Personnel	5.00	5.00
	Mr. Pramod H. Mehendale	Key Managerial Personnel	5.00	5.00
	Mr. Vedant V. Pujari	Key Managerial Personnel	5.00	5.00
	Mr. Vaibhav S. Mahajani	Key Managerial Personnel	5.00	5.00
	Dr. Suhasini Y. Shah	Key Managerial Personnel - Non Executive Director	5.00	2.92
	Mrs. Savani A. Laddha	Key Managerial Personnel	0.50	-
2	Trade receivables			
	Ningbo Shenglong PCL Camshafts Co. Ltd.	Joint venture	-	56.69
3	Royalty Income			
	PCL Shenglong (Huzhou) Specialized Casting Co. Ltd.	Joint venture	-	4.26
4	Trade and other payables			
	Cams Technology Ltd.	Entities where KMP / RKMP have significant influence	19.05	15.52
5	Investment in equity shares			
	PCL (Shanghai) Co. Ltd.	Subsidiary	-	-
	PCL (International) Holding B.V. (Netherlands)	Subsidiary	3,471.34	3,097.66
	Memco Engineering Pvt. Ltd. (Nashik)	Subsidiary	4,065.35	4,065.35
	Ningbo Shenglong PCL Camshaft Co. Ltd.	Joint Venture	202.13	202.13
	PCL Shenglong (Huzhou) Specialized Casting Co. Ltd.	Joint Venture	1,101.22	1,101.22
6	Provision against Investment in joint venture			
	China Joint Ventures	Joint Venture	300.00	300.00
7	Investment in preference shares			
	Memco Engineering Pvt. Ltd. (Nashik)	Subsidiary	420.00	420.00

Notes to the Standalone Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

Sr. No.	Particulars	Relationship	31 st March, 2020	31 st March, 2019
8	Dividend Received			
	Memco Engineering Pvt. Ltd. (Nashik)	Subsidiary	25.20	18.82
9	Interest on Loan given to Subsidiaries			
	PCL (International) Holding B.V. (Netherlands)	Subsidiary	168.50	64.43
10	Loan given to Subsidiaries			
	PCL (International) Holding B.V. (Netherlands)	Subsidiary	4,961.16	3,092.33

* The liabilities for gratuity and leave encashment are provided for the Company as a whole, the remuneration does not include the same.

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.

Compensation of Key Managerial Personnel of The Company

Particulars	31 st March, 2020	31 st March, 2019
Short term employee benefit (Gross salary)	653.54	615.66
Post employment benefits (PF+Superannuation+Gratuity)	77.13	53.73
Total compensation paid to Key Managerial Personnel	730.67	669.39

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period.

35 | Segment information

The Company is engaged in manufacturing of Camshafts. Based on similarity of activities/products, risk and reward structure, organisation structure and internal reporting systems, the Company has structured its operations into a single operating segment; however based on the geographic distribution of activities, the chief operating decision made, identified India and outside India as two reportable geographical segments.

Revenue from Customers	31 st March, 2020	31 st March, 2019
Within India	16,897.24	19,533.03
Outside India		
Asia (other than China)	8,927.83	11,654.99
China	2.17	334.13
Europe	12,199.48	10,430.45
Others	6,262.11	416.57
	27,391.59	22,836.14
Total revenue	44,288.83	42,369.17

The revenue information above is based on the locations of the customers.

Notes to the Standalone Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

Non-current operating assets*	31 st March, 2020	31 st March, 2019
Within India	31,073.37	34,013.72
Outside India		
Investment in subsidiary and joint ventures		
China	-	-
Europe	8,432.50	6,189.98
Capital advances		
Europe	-	-
Others	-	-
	8,432.50	6,189.98
Total	39,505.87	40,203.70

* As defined in paragraph 33 (b) of Ind AS 108 "Operating segments" non-current assets excludes financial instruments, deferred tax assets and post-employment benefit assets.

36 Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Particulars	Carrying Value		Fair Value	
	31 st March, 2020	31 st March, 2019	31 st March, 2020	31 st March, 2019
Financial assets				
Investments at FVTPL	12,622.41	9,991.64	12,622.41	9,991.64
Loans & Advances	5,179.87	3,309.78	5,179.87	3,309.78
Trade Receivable	11,247.49	9,972.92	11,247.49	9,972.92
Cash & cash equivalent	5,273.42	7,805.82	5,273.42	7,805.82
Foreign exchange forward contracts	-	64.09	-	64.09
Other financial assets	1,018.66	987.05	1,018.66	987.05
Assets classified as held for sale	1,003.35	1,003.35	1,003.35	1,003.35
Total	36,345.20	33,134.65	36,345.20	33,134.65
Financial Liabilities				
Borrowings	2,284.17	2,721.55	2,284.17	2,721.55
Trade Payables	5,708.50	6,544.92	5,708.50	6,544.92
Payable for Capital Purchases	216.90	844.14	216.90	844.14
Foreign exchange forward contracts	77.87	-	77.87	-
Other financial liabilities	795.16	897.67	795.16	897.67
	9,082.60	11,008.28	9,082.60	11,008.28

The management assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Notes to the Standalone Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

37 | Fair value hierarchy

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- **Level 1** - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2** - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- **Level 3** - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table provides the fair value measurement hierarchy of The Company's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for Assets as at 31st March, 2020:

Particulars	Fair value measurement using				
	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:					
Investments	31-Mar-20	12,622.41	12,621.11	-	1.30
Foreign exchange forward contracts	31-Mar-20	-	-	-	-
Assets classified as held for sale	31-Mar-20	5,273.42	-	5,273.42	-

Quantitative disclosures fair value measurement hierarchy for Liabilities as at 31st March, 2020:

Particulars	Fair value measurement using				
	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Liabilities measured at fair value:					
Foreign exchange forward contracts	31-Mar-20	77.87	-	77.87	-

Quantitative disclosures fair value measurement hierarchy for Assets as at 31st March, 2019:

Particulars	Fair value measurement using				
	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:					
Investments	31-Mar-19	9,991.64	9,990.34	-	1.30
Foreign exchange forward contracts	31-Mar-19	64.09	-	64.09	-
Assets classified as held for sale	31-Mar-19	7,805.82	-	7,805.82	-

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

Notes to the Standalone Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

- ❖ The fair values of the quoted mutual funds are based on price (i.e. the NAV of the mutual funds) quotations at the reporting date.
- ❖ The fair values of derivative forward contracts is determined using the marked-to-market valuation done by the banks.
- ❖ The fair values of assets held for sale is determined as per agreement between The Company and the buyer.

38 Capital Management

For the purpose of The Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders and borrowings. The primary objective of The Company's capital management is to maximise the shareholder value. The Company manages its capital structure and makes adjustments for compliance with the requirements of the financial covenants. To maintain or adjust the capital structure, The Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company had issued equity shares in the financial year 2015-16 in order to raise funds for the purpose of building an additional machine shop for machining of various types of camshafts. The Company monitors capital using a gearing ratio, which is net debt divided by total capital. The Company's policy is to keep the gearing ratio within 60%. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents, excluding discontinued operations.

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Borrowings other than non convertible preference shares (Refer Note 12)	2,284.17	2,721.55
Less: Cash and cash equivalent (Refer Note 9)	2,402.78	1,327.74
Net debt	(118.61)	1,393.81
Equity	64,987.36	60,194.58
Total Equity	64,987.36	60,194.58
Gearing ratio	(0.18%)	2.32%

In order to achieve this overall objective, The Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

39 Significant accounting judgements, estimates and assumptions

The preparation of The Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of The Company. Such changes are reflected in the assumptions when they occur.

Notes to the Standalone Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

Share-based payments

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an Black Scholes valuation model. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 32.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for the plans, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates. Further details about gratuity obligations are given in Note 31.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 36 and 37 for further disclosures.

Assets classified as held for sale:

Classification of investment in joint ventures as assets held for sale involves judgements of management that sale will be completed within 1 year and other conditions specified in Ind AS 105 - Non-currents Assets. held for sale and discontinued operations are fulfilled. Due to COVID-19 there was procedural delay in closing the Subsidiary and the sale is completed for this joint ventures and the proceeds are realised on 18th June, 2020

Revenue Recognition:

For tooling contracts, The Company has enforceable right to payment for tools developed when the tool is approved by the customer and accordingly the revenue from tooling is recognised at a point in time post approval by the customer.

40 | Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise of short term borrowings; and trade and other payables. The main purpose of these financial liabilities is to finance The Company's operations. The Company's principal financial assets include loans, trade and other receivables, investments in mutual funds and cash and cash equivalents that derive directly from its operations.

Notes to the Standalone Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is The Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, and derivative financial instruments.

The sensitivity analysis in the following sections relate to the position as at 31st March, 2020 and 31st March, 2019.

The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant.

The analysis exclude the impact of movements in market variables on the carrying values of gratuity and other post retirement obligations and provisions.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to The Company's long-term and short-term debt obligations with floating interest rates.

Sensitivity

Year	Increase/ (decrease) in basis points	Effect on profit before tax
31st March, 2020	50	15.22
	(50)	(15.22)
31st March, 2019	50	7.87
	(50)	(7.87)

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to The Company's operating activities (when revenue or expense is denominated in a foreign currency) and borrowings of The Company.

When a derivative is entered into for the purpose of being a hedge, The Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

Notes to the Standalone Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

Foreign currency Exposure

Nature of Exposure	Currency	31 st March, 2020		31 st March, 2019	
		Amount in Curr	Amount in INR	Amount in Curr	Amount in INR
Trade Receivables	USD	110.69	8,285.01	48.00	3,275.75
	EUR	5.43	444.98	28.66	2,188.16
	GBP	4.69	431.90	10.40	922.33
Trade Payables	USD	2.04	154.36	4.92	341.82
	EUR	0.35	29.12	2.83	221.87
	JPY	96.00	67.68	-	-
Loan given to Subsidiaries	USD	-	-	-	-
	EUR	60.50	4,961.16	40.50	3,092.33
	GBP	-	-	-	-
Interest on Loan given to Subsidiaries	USD	-	-	-	-
	EUR	2.06	168.81	0.85	64.43
	GBP	-	-	-	-
Forward Contracts	USD	0.96	71.68	-	-
	EUR	0.11	9.08	-	-
	GBP	(0.03)	(2.89)	-	-
EEFC	USD	0.33	25.06	0.29	20.13
	EUR	0.41	33.66	0.06	4.56
	GBP	-	-	0.01	0.88

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, EUR and GBP exchange rates, with all other variables held constant. The impact on The Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives and embedded derivatives. The impact on The Company's pre-tax equity is due to changes in the fair value of forward exchange contracts designated as cash flow hedges and net investment hedges. The Company's exposure to foreign currency changes for all other currencies is not material.

Sensitivity

Year	Change in USD rate	Effect on profit before tax In ₹
31 st March, 2020	5%	543.92
	(5%)	(543.92)
31 st March, 2019	5%	308.13
	(5%)	(308.13)

Year	Change in EUR rate	Effect on profit before tax In ₹
31 st March, 2020	5%	292.45
	(5%)	(292.45)
31 st March, 2019	5%	181.39
	(5%)	(181.39)

Notes to the Standalone Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

Year	Change in GBP rate	Effect on profit before tax In ₹
31st March, 2020	5%	34.07
	(5%)	(34.07)
31st March, 2019	5%	77.58
	(5%)	(77.58)

Commodity risk

The Company is affected by the price volatility of certain commodities. Its operating activities require the ongoing manufacture of Camshafts and therefore require a continuous supply majorly of Pig iron, MS Scrap and Resin coated sand.

The Company's exposure to the risk of exchange in key raw material prices are mitigated by the fact that the price increases/decreases from the vendors are passed on to the customers based on understanding with the customers. Hence the fluctuation of prices of key raw materials do not materially affect the statement of profit and loss. Also as at 31st March, 2020, there were no open purchase commitments/ pending material purchase order in respect of key raw materials. Accordingly, no sensitivity analysis have been performed by the management.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade receivables

Customer credit risk is managed subject to The Company's established policy, procedures and control relating to customer credit risk management.

Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis for major clients. The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables disclosed in Note 8. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by The Company's treasury department in accordance with The Company's policy. The investment of surplus funds is made in mutual funds and fixed deposits which are approved by the Director. The Company's maximum exposure to credit risk for the components of the balance sheet at 31st March, 2020 and 31st March, 2019 is the carrying amounts as illustrated in Note 9.

Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans.

The Company does not have any long-term borrowings as on balance sheet date.

Notes to the Standalone Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

Particulars	On Demand	< 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year Ended 31st March, 2020						
Non-Current Borrowings	-	-	-	-	-	-
Current Borrowings	2,284.17	-	-	-	-	2,284.17
Other financial liabilities	141.86	636.45	311.63	-	-	1,089.94
Trade payables	-	5,708.50	-	-	-	5,708.50
	2,426.03	6,344.95	311.63	-	-	9,082.61

Particulars	On Demand	< 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year Ended 31st March, 2019						
Non-Current Borrowings	-	-	-	-	-	-
Current Borrowings	2,721.55	-	-	-	-	2,721.55
Other financial liabilities	140.48	1,273.49	327.83	-	-	1,741.80
Trade payables	-	6,544.92	-	-	-	6,544.92
	2,862.03	7,818.41	327.83	-	-	11,008.27

41 | Utilisation of money raised through public issue

During the year ended 31st March, 2016, The Company had raised ₹ 24,000.00 Lakhs through public issue of fresh equity shares (Refer Note 10), mainly with an objective of setting-up a new machining facility of ductile iron and other camshafts at Solapur and for general corporate purposes. The Company had incurred expenses aggregating ₹ 2,387.33 Lakhs towards the initial public offering which included both issue of fresh equity shares as well as offer for sale of equity shares by existing share holders. Out of the same an amount of ₹ 1,028.12 Lakhs has been recovered from existing share holders in regard to offer for sale. Given below are the details of utilisation of proceeds raised through public issue. During the year ended 31st March, 2017, The Company has transferred an amount equivalent to the recovery from selling share holders from IPO account to the normal bank accounts since the same was spent by The Company before such recovery.

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Unutilised amount at the beginning of the year	2,325.39	12,491.76
Amount raised through public issue	-	-
Amounts recovered from existing share holders towards share issue expenses including taxes	-	-
Interest received on fixed deposits matured during the year	-	756.89
Less: amount utilised during the year		
Payment towards share issue expenses	-	8,237.56
Payment towards project expenditure relating to new manufacturing facility	2,131.31	2,685.70
Payment towards general corporate purpose	-	-
Amount partially transferred from recoveries from selling share holders towards IPO expenses	-	-
Excess issue expenses recovered refunded to selling share holders	-	-

Notes to the Standalone Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Unutilised amount at the end of the year	194.08	2,325.39
Cumulative amount utilised is ₹ 24,000.00 Lakhs		

Details of short-term investments made from unutilised portion of public issue raised during the year ended 31st March, 2020

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Balance amount in current account	194.08	411.25
Investment in fixed deposits of banks	-	1,914.15

The Company has setup a building for new machine shop and line of machines for machining of ductile iron camshafts from IPO proceeds. As on 31st March, 2019 The Company has fully utilised money raised from IPO for the purposes it was raised. Unutilised amount of ₹ 2,325.40 Lakhs pertains to interest received on IPO fund as on 1st April, 2019 out of that company has utilised 2131.31 Lakhs towards capital expenditure of machine shop & unutilised amount is ₹ 194.08 Lakhs.

Note 42 :

Disclosure pursuant to Schedule V read with Regulations 34(3) and 53(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

A) Amount of loans / advances in nature of loans outstanding from subsidiaries as at 31st March, 2020:

Name of The Company	Balance as at		Maximum outstanding	
	31 st March, 2020	31 st March, 2019	31 st March, 2020	31 st March, 2019
To Subsidiary Companies				
PCL (International) Holding B.V. (Loan is given for working capital purposes and to advance further to its step down subsidiaries for general corporate purposes; which generate interest at the rate of 1.5% to 4% for The Company)	4,961.16	3,092.33	4,961.16	3,092.33

B) Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount: Nil

C) Investments by the loanee in the shares of parent company and subsidiary company, when The Company has made a loan or advance in the nature of loan as at 31st March, 2020:

Notes to the Standalone Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

Name of The Company	Balance as at		Maximum outstanding	
	31 st March, 2020	31 st March, 2019	31 st March, 2020	31 st March, 2019
To Subsidiary Companies				
MFT Motoren und Fahrzeugtechnik GmbH (MFT)-Germany	2,570.03	2,430.73	2,570.03	2,430.73
EUR 31,26,018.20 converted using (31 st March, 2020 : 82.21 & 31 st March, 2019 77.76)				
Emoss Mobile Systems B.V., Netherlands	6,049.33	5,721.42	6,049.33	5,721.42
EUR 73,57,999.89 converted using (31 st March, 2020 : 82.21 & 31 st March, 2019 77.76)				

43 | COVID-19

The World Health Organization announced a global health emergency because of a new strain of coronavirus ("COVID-19") and classified its outbreak as a pandemic on 11th March, 2020. In response, the Indian government have taken various actions and ensured many precautionary measures which posed significant disruption to business operations and adversely impacting most of the industries which has resulted in global slowdown.

The full extent and duration of the impact of COVID-19 on The Company's operations and financial performance is currently unknown, and depends on future developments that are uncertain and unpredictable, including the duration and spread of the pandemic and any new information that may emerge concerning the severity of the virus, its spread to other regions and the actions to contain the virus or treat its impact, among others.

Any of these outcomes could have a material adverse impact on Company's business, financial condition, results of operations and cash flows.

Management believes that considering The Company's historical profitability performance it has adequate liquidity and business plans to continue to operate the business and mitigate the risks associated with COVID-19 for the next 12 months from the date of this Financial Statements. The Company has taken appropriate steps to ensure that there is least disturbance and The Company has commenced operations in the Foundry and Machine Shop in May 2020."

45 | Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from 1st April, 2020.

46 | Standards issued but not yet effective

Previous year's figures have been regrouped/reclassified to correspond with the current year's classification/disclosure.

The accompanying notes are an integral part of the financial statements.

As per our report attached of even date.

For MSKA & Associates
Chartered Accountants
Firm Regn. Number: 105047W

Nitin M. Jumani
Partner
Membership Number: 111700

Place: Pune
Date: 23rd June, 2020

**For and on behalf of the Board of Directors of
Precision Camshafts Limited**

Yatin S. Shah
Managing Director
DIN: 00318140

Place: Solapur
Date: 23rd June, 2020

Ravindra R. Joshi
Whole-time Director
DIN: 03338134

Place: Solapur
Date: 23rd June, 2020

Mayuri I. Kulkarni
Company Secretary
M. No. A32237

Place: Pune
Date: 23rd June, 2020

Independent Auditor's Report

To the Members of **Precision Camshafts Limited**

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Precision Camshafts Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2020, and the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of reports of other auditors on separate financial statements and on the other financial information of subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of their

consolidated state of affairs of the Group as at March 31, 2020, of consolidated profit, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by Institute of Chartered Accountant of India ("ICAI"), and the relevant provisions of the Act and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditors' Report (Contd.)

Sr. No.	Key Audit Matter	How the Key Audit Matter was addressed in our audit
1	<p>Provision for credit loss for accounts receivables Refer Note 8 of the Consolidated Financial statement.</p> <p>Trade receivables as on March 31, 2020 amounts to ₹ 17,195.32 lakhs against which provision of Rs. Nil was made towards expected credit loss in the books of account.</p> <p>We have identified provisioning for credit loss as a key audit matter as the calculation of credit loss provision is a complex area and requires management to make significant assumptions on customer payment behaviour and estimating the level and timing of expected future cash flows.</p>	<p>Our audit procedures in respect of this area include but are not limited to:</p> <ol style="list-style-type: none"> 1. Obtained understating of the Group's policy on assessment of impairment of trade receivables, including design and implementation of controls, validation of management review controls. We have verified the operating effectiveness of these controls. 2. Requested for and obtained independent balance confirmations from the customers on sample basis. 3. Verified subsequent receipts after the year-end on sample basis. 4. Verified aging of trade receivables for sample of customer transactions. 5. Evaluated management comments and recovery plans for trade receivables outstanding for more than 180 days <p>Assessed the trade receivables impairment methodology applied in the current year and compared the Group's provisioning rates against historical collection data.</p>
2	<p>Assessment of Covid-19 Impact</p> <p>The World Health Organization announced a global health emergency because of a new strain of coronavirus ("COVID-19") and classified its outbreak as a pandemic on March 11, 2020. On March 24, 2020, the Indian government announced a strict 21-day lockdown across the country to contain the spread of the virus, which was further extended till May 31, 2020. This pandemic and response are creating disruption in global supply chain and adversely impacting most of the industries which has resulted in global slowdown.</p> <p>The management has made an assessment of the impact of COVID-19 on the Group's operations, financial performance and position as at and for the year ended March 31, 2020 and has concluded that there is no impact which is required to be recognised in the financial statements.</p>	<p>Our audit procedures in respect of this area include but are not limited to:</p> <ol style="list-style-type: none"> 1. Verified the design and operating effectiveness of key controls (including application controls) over revenue recognition and provisions relating to expenses and impairment. 2. Verified the selected sample to assess its correct classification and provision amount as per Group policy. 3. Obtained management assessment of COVID -19 and verified the impact of COVID -19 is appropriately considered in the cash flow projections 4. Obtained Cash Flow Projections from the management to assess need for impairment and evaluated with following procedures: <p>Verified the management estimates as considered in the cash flow projections and Discounted Cash Flow ('DCF') working</p>

Independent Auditors' Report (Contd.)

Sr. No.	Key Audit Matter	How the Key Audit Matter was addressed in our audit
	The full extent and duration of the impact of COVID-19 is currently unknown and involves a significant amount of judgement including the duration and spread of the pandemic and any new information that may emerge concerning the severity of the virus, its spread to other regions and the actions to contain the virus or treat its impact, among others. Hence, we have ascertained the assessment of the impact of Covid-19 as a Key Audit Matter.	<p>Verified the arithmetic accuracy of the DCF valuation</p> <p>Compared the carrying value of PPE to DCF valuation to test impairment of PPE</p> <p>Performed Sensitivity Analysis on the DCF valuation</p> <p>5. Obtain management assessment of going concern procedures and validated the same to verify the current ratio and base data considered in the assessment</p> <p>6. Performed alternate procedures wherever required. Example: Performed stock count of holding Company by appointing third Party CA Firm, etc.</p>

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the included in the Director's report including Annexures to the Director's Report in the Annual Report but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and

consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Independent Auditors' Report (Contd.)

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing ("SAs") will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Consolidated Financial Statements.

Other Matters

- a. We did not audit the financial statements of 5 (Five) subsidiaries whose financial statements reflect total assets of ₹ 37,543.22 lakhs as at March 31, 2020, total revenues of ₹ 30,346.25 lakhs and net cash out flow amounting to ₹ 658.28 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.
- b. The consolidated Indian Ind AS financial statements of the Company for the year ended March 31, 2019, were audited by another auditor. They had qualified their report dated May 27, 2019 with respect to consolidation of material subsidiary accounts based on management certified financial statements.

- c. We have not attended the physical inventory verification at the Holding Company locations as it was impracticable under current lock down restrictions imposed by the government. We relied on alternate audit procedures such as performing inventory count by appointing a third-party Chartered Accountant, verifying roll back procedures, etc. to obtain comfort over the existence and condition of inventory at the locations

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board

Independent Auditors' Report (Contd.)

of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

- f. With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group— Refer Note 32(b) to the consolidated financial statements.

- ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 13 to the consolidated financial statements.

- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

- 2. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Group to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Nitin Manohar Juman
Partner
Membership No. 111700
UDIN: 20111700AAAABM2445

Place: Pune
Date: June 23, 2020

Annexure A to the Independent Auditor's Report on even date on the Consolidated Financial Statements of Precision Camshafts Limited

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ❖ Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ❖ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- ❖ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ❖ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- ❖ Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- ❖ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For MSKA & Associates

Chartered Accountants

ICAI Firm Registration No. 105047W

Nitin Manohar Jumani

Partner

Membership No. 111700

UDIN: 20111700AAAABM2445

Place: Pune

Date: June 23, 2020

Annexure B Independent Auditors' Report of even date on the Consolidated Financial Statements of Precision Camshafts Limited for the year ended March 31, 2020

[Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Precision Camshafts Limited on the consolidated Financial Statements for the year ended March 31, 2020]

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2020, we have audited the internal financial controls with reference to consolidated financial statements of Precision Camshafts Limited (hereinafter referred to as "the Holding Company") and its subsidiary company, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company and its subsidiary company which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding company and its subsidiary Company, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under section

143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Holding company and its subsidiary Company which are companies incorporated in India.

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted

Annexure B Independent Auditors' Report of even date on the Consolidated Financial Statements of Precision Camshafts Limited for the year ended March 31, 2020 (Contd.)

accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary Company which are companies incorporated in India, have, in all material respects, internal financial controls

with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2020, based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to 1 (One) subsidiary company which is a company incorporated in India, is based on the corresponding reports of the auditors of such company incorporated in India.

For MSKA & Associates

Chartered Accountants
ICAI Firm Registration No. 105047W

Nitin Manohar Juman

Partner
Membership No. 111700
UDIN: 20111700AAAABM2445

Place: Pune
Date: June 23, 2020

Consolidated **Balance Sheet** as at 31st March, 2020

(All amounts in Rupees in Lakhs unless otherwise stated)

Particulars	Notes	As at 31 st March, 2020	As at 31 st March, 2019
ASSETS			
I. Non-current assets			
(a) Property, plant and equipment	3	34,527.98	36,008.16
(b) Capital work-in-progress	3	3,413.99	2,575.18
(c) Goodwill on consolidation	4	1,618.94	3,656.78
(d) Other intangible assets	4	8,254.97	9,322.87
(e) Financial assets			
(i) Investments	5A	7.46	7.46
(ii) Loans	5B	242.74	233.47
(iii) Other financial assets	5C	200.78	188.89
(f) Deferred tax assets (net)	29	166.18	129.85
(g) Other non-current assets	6	840.93	497.18
Total non-current assets		49,273.97	52,619.84
II. Current assets			
(a) Inventories	7	14,093.00	10,573.09
(b) Financial assets			
(i) Investments	5A	13,030.49	9,990.34
(ii) Trade receivables	8	17,195.32	14,150.11
(iii) Cash and cash equivalents	9	2,748.02	2,331.26
(iv) Bank balance other than (iii) above	9	2,892.59	6,599.48
(v) Loans	5B	2.60	2.15
(vi) Others financial assets	5C	1,683.73	3,924.59
(c) Current tax assets (net)			
(d) Other current assets	6	1,389.94	1,937.40
(e) Asset held for sale	6A	1,003.35	1,003.35
Total current assets		54,039.04	50,511.77
Total Assets		1,03,313.01	1,03,131.61
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	10	9,498.58	9,498.58
(b) Other equity			
(i) Securities premium account	11 (A)	21,762.20	21,785.93
(ii) General reserve	11 (B)	472.21	472.21
(iii) Share based payments	11 (C)	24.75	79.13
(iv) Retained earnings	11 (D)	28,470.23	27,328.94
(v) Capital reserve	11 (E)	1,412.02	1,412.02
(vi) Other reserves	11 (F)	171.99	(52.63)
Total Equity attributable to equity holders of Holding company		61,811.98	60,524.18
Non controlling interest		3,217.34	4,149.76
Total equity		65,029.32	64,673.94
LIABILITIES			
I. Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	12	15,171.76	11,468.54
(ii) Other financial liabilities	13	262.48	-
(c) Deferred tax liabilities (net)	29	2,191.63	3,783.83
(d) Provisions	16	1,258.59	854.81
Total non-current liabilities		18,884.46	16,107.18
II. Current liabilities			
(a) Financial liabilities			
(i) Borrowings	12	3,602.29	4,660.88
(ii) Trade payables	14		
- total outstanding dues of micro enterprises and small enterprises		1,013.55	1,391.95
- total outstanding dues of creditors other than micro enterprises and small enterprises		9,218.11	8,154.62
(iii) Other financial liabilities	13	3,244.28	2,929.25
(b) Other current liabilities	15	1,876.02	4,715.78
(c) Provisions	16	93.67	78.44
(d) Current tax liabilities (net)	17	351.31	419.57
Total current liabilities		19,399.23	22,350.49
Total liabilities		38,283.69	38,457.67
Total Equity and Liabilities		1,03,313.01	1,03,131.61
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the Consolidated financial statements			
As per our report attached of even date			

For MSKA & Associates
Chartered Accountants
Firm Regn. Number: 105047W

Nitin M. Jumani
Partner
Membership Number: 111700

Place: Pune
Date: 23rd June, 2020

**For and on behalf of the Board of Directors of
Precision Camshafts Limited**

Yatin S. Shah
Managing Director
DIN: 00318140

Place: Solapur
Date: 23rd June, 2020

Ravindra R. Joshi
Whole-time Director
DIN: 03338134

Place: Solapur
Date: 23rd June, 2020

Mayuri I. Kulkarni
Company Secretary
M. No. A32237

Place: Pune
Date: 23rd June, 2020

Consolidated Statement of Profit & Loss for the Year ended 31st March, 2020

(All amounts in Rupees in Lakhs unless otherwise stated)

Particulars	Notes	As at 31 st March, 2020	As at 31 st March, 2019
Income			
Revenue from operations	18	74,623.30	69,520.81
Other income	19	1,742.18	951.95
Total Revenue (I)		76,365.48	70,472.76
Expenses			
Cost of raw materials and components consumed	21	29,197.16	24,280.31
(Increase) / decrease in inventories of finished goods and work-in-progress	22	(1,382.70)	(1,481.13)
Employee benefits expenses	23	13,545.43	12,150.48
Other expenses	24	22,055.36	21,960.52
Total expenses (II)		63,415.25	56,910.18
Earnings before interest, tax, depreciation and amortisation (EBITDA) (III)= (I) - (II)		12,950.23	13,562.58
Finance costs	25	908.76	871.55
Finance Income	20	(402.67)	(815.40)
Depreciation and amortisation expense	26	8,642.18	7,799.95
Profit before tax and share of profits from joint ventures (IV)		3,801.96	5,706.48
Share of profits/(loss) from joint ventures	41 A		(34.41)
Profit before exceptional items and tax (V)		3,801.96	5,672.07
Exceptional items (VI)	41 B	(215.63)	(2,734.59)
Profit before tax (VII)= (V) - (VI)		3,586.33	2,937.48
Tax expense			
Current tax	29	2,646.20	2,240.93
Adjustment of current tax relating to earlier years		17.23	(161.04)
Deferred tax	29	(1,678.96)	37.16
Total tax expenses		984.47	2,117.05
Profit for the year from continuing operations (VIII)		2,601.86	820.43
Discontinued Operations			
Profit from discontinued operations before tax	42	(29.24)	(103.79)
Tax expenses of discontinued operations			
Deferred Tax		9.29	9.25
Profit from discontinued operations (IX)		(38.53)	(113.04)
Profit for the year (X) = (VIII) + (IX)		2,563.33	707.39
Other comprehensive income			
A. Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains / (losses) on defined benefit plans	27	(240.20)	100.35
Income tax effect		60.45	(32.14)
		(179.75)	68.21
B. Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations	27	225.66	(63.04)
Bargain purchase gain on acquisition		-	-
		225.66	(63.04)
Other comprehensive income for the year, net of tax [ii=A+B]		45.91	5.17
Total comprehensive income for the year, net of tax [i+ii]		2,609.24	712.56
Profit for the year Attributable to:			
Equity holders of the Holding Company		3,495.75	1,152.04
Non Controlling interests		(932.42)	(444.65)
		2,563.33	707.39
Other comprehensive income for the year Attributable to:			
Equity holders of the Holding Company		45.91	5.17
Non Controlling interests		-	-
		45.91	5.17
Total Comprehensive Income for the year Attributable to:			
Equity holders of the Holding Company		3,541.66	1,157.21
Non Controlling interests		(932.42)	(444.65)
		2,609.24	712.56
Total Comprehensive Income for the year Attributable to Equity holders of the Holding Company			
Continuing operations		3,580.19	1,270.25
Discontinuing operations		(38.53)	(113.04)
		3,541.66	1,157.21
Earning per share [nominal value per share Rs.10 (31st March, 2019: Rs.10)] From continuing operation	28		
a) Basic		3.72	1.33
b) Diluted		3.72	1.33
From discontinuing operation			
a) Basic		(0.04)	(0.12)
b) Diluted		(0.04)	(0.12)
From continuing and discontinuing operation			
a) Basic		3.68	1.21
b) Diluted		3.68	1.21
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the Consolidated financial statements
As per our report attached of even date

For MSKA & Associates
Chartered Accountants
Firm Regn. Number: 105047W

**For and on behalf of the Board of Directors of
Precision Camshafts Limited**

Nitin M. Jumani
Partner
Membership Number: 111700

Yatin S. Shah
Managing Director
DIN: 00318140

Ravindra R. Joshi
Whole-time Director
DIN: 03338134

Mayuri I. Kulkarni
Company Secretary
M. No. A32237

Place: Pune
Date: 23rd June, 2020

Place: Solapur
Date: 23rd June, 2020

Place: Solapur
Date: 23rd June, 2020

Place: Pune
Date: 23rd June, 2020

Consolidated Statement of **Changes in Equity** for the year ended 31st March, 2020

(All amounts in Rupees in Lakhs unless otherwise stated)

A Equity Share Capital

Equity shares of ₹ 10 (Refer Note 10) each issued, subscribed and fully paid	Number	Amount
At 1st April, 2018	9,48,76,635	9,487.66
Issued during the year -Employee Share Option Scheme	1,09,200	10.92
At 31st March, 2019	9,49,85,835	9,498.58
Issued during the year -Employee Share Option Scheme	-	-
At 31st March, 2020	9,49,85,835	9,498.58

B Other Equity

Attributable to the equity holders of the Holding Company (Refer Note 11)

Particulars	Reserves and Surplus				Items of OCI		Total equity	Non-controlling interests
	Securities premium account	General Reserve	Retained Earnings	Share based payments	Capital Reserve	Foreign currency translation reserve		
As at 1st April, 2018	21,671.58	472.21	27,123.91	206.38	1,412.02	31.24	50,917.32	4,594.41
Profit for the year	-	-	1,152.04	-	-	-	1,152.04	(444.65)
Increase pursuant to premium on issue of Employee stock option scheme	128.15	-	-	-	-	-	128.15	-
Reversal of tax benefit (deferred tax)	(13.79)	-	-	-	-	-	(13.79)	-
Compensation for options granted as per vesting during the year (net)	-	-	-	17.26	-	-	17.26	-
Transferred to P&L on account of joint venture held for sale	-	-	-	(16.37)	-	-	(16.37)	-
Transferred to securities premium account on exercise of stock options	-	-	-	(128.15)	-	-	(128.15)	-
Liability over NCI portion to be acquired	-	-	129.89	-	-	-	129.89	-
Other comprehensive income for the year, net of tax	-	-	68.21	-	-	-	68.21	-
Exchange differences on translation of foreign operation	-	-	-	-	-	(48.30)	(48.30)	-
FCTR transferred on JV being held for sale	-	-	-	-	-	(35.57)	(35.57)	-
Non controlling interest on acquisition of subsidiary	-	-	-	-	-	-	-	0.00
Total Comprehensive income for the year	114.35	-	1,350.14	(127.25)	-	(83.87)	1,253.37	(444.65)
Final dividend for year ended 31 st March, 2018	-	-	(949.86)	-	-	-	(949.86)	-
Tax on final dividend for the year ended 31 st March, 2018	-	-	(195.25)	-	-	-	(195.25)	-
As at 31st March, 2019	21,785.93	472.21	27,328.94	79.13	1,412.02	(52.63)	51,025.60	4,149.76
Profit for the year	-	-	3,495.75	-	-	-	3,495.75	(932.42)
Reversal of tax benefit (deferred tax)	(23.73)	-	-	-	-	-	(23.73)	-
Transferred from ESOS Reserve against Lapsed Options	-	-	54.37	(54.37)	-	-	-	-
Other comprehensive income for the year, net of tax	-	-	(179.75)	-	-	-	(179.75)	-
Exchange differences on translation of foreign operation	-	-	-	-	-	224.62	224.62	-
Total Comprehensive income for the year	(23.73)	-	3,370.38	(54.37)	-	224.62	3,516.90	(932.42)
Final dividend for year ended 31 st March, 2019	-	-	(949.86)	-	-	-	(949.86)	-
Tax on final dividend for the year ended 31 st March, 2019	-	-	(195.25)	-	-	-	(195.25)	-
Interim Dividend at ₹ 0.95 per share	-	-	(902.37)	-	-	-	(902.37)	-
Tax on interim dividend	-	-	(181.62)	-	-	-	(181.62)	-
As at 31st March, 2020	21,762.20	472.21	28,470.23	24.75	1,412.02	171.99	52,313.40	3,217.34

Summary of significant accounting policies 2

The accompanying notes are an integral part of the Consolidated financial statements.

For MSKA & Associates
Chartered Accountants
Firm Regn. Number: 105047W

Nitin M. Jumani
Partner
Membership Number: 111700

Place: Pune
Date: 23rd June, 2020

For and on behalf of the Board of Directors of Precision Camshafts Limited

Yatin S. Shah
Managing Director
DIN: 00318140

Place: Solapur
Date: 23rd June, 2020

Ravindra R. Joshi
Whole-time Director
DIN: 03338134

Place: Solapur
Date: 23rd June, 2020

Mayuri I. Kulkarni
Company Secretary
M. No. A32237

Place: Pune
Date: 23rd June, 2020

Statement of Consolidated **Cash Flows** for the Year ended 31st March, 2020

(All amounts in Rupees in Lakhs unless otherwise stated)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Cash flows from operating activities (A)		
Profit before tax from continuing operations	3,586.33	2,937.48
Profit before tax from discontinuing operations	(29.24)	(103.79)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and impairment of property, plant and equipment	7,045.16	6,338.34
Amortisation and impairment of intangible assets	1,597.02	1,461.61
Goodwill impaired	2,083.28	0.89
Net foreign exchange differences	(323.19)	336.83
Sundry creditors written back	(14.20)	(1.36)
Bad debt written off	5.56	117.62
Mutual fund fair value gain	(150.20)	(513.31)
liability over non controlling interest	-	43.11
Provision for doubtful debts written off/ (written back)	-	(2.96)
(Profit) / Loss on disposal of property, plant and equipment	(58.86)	21.19
Finance and other income (including fair value change in financial instruments)	(380.64)	(814.71)
Tax income on reversal of provision	-	(2.35)
Finance costs	782.09	748.13
Excess provision of interest on income tax written back	-	(83.43)
Share of profit of joint ventures	-	34.41
Fair Value loss on investment in joint venture held for sale	-	3,485.39
Deferred Tax on investment in joint venture reversed	-	(596.96)
Exchange differences on translation on joint venture	-	(137.47)
ESOS Reserve transferred	-	(16.37)
Operating Profit before working Capital changes	14,143.11	13,252.29
Working capital adjustments:		
Increase / (decrease) in provisions, gratuity and other provisions	175.12	69.85
(Increase) / decrease in other assets	202.53	(184.86)
Decrease / (increase) in other financial assets	2,160.06	(3,520.37)
Decrease / (increase) in long term loans and advances	(9.72)	(27.26)
Decrease / (increase) in short term loans and advances	-	0.70
Decrease in other current liabilities	(2,839.78)	4,331.39
Increase / (Decrease) in other financial liabilities	105.93	(5,072.43)
(Increase) / decrease in trade receivables and prepayments	(2,568.25)	(2,426.95)
(Increase) / decrease in Inventories	(3,519.91)	(1,302.16)
Increase / (decrease) in trade payables	681.92	1,138.50
Cash generated from Operations	8,531.01	6,258.70
Income taxes paid (net of refunds)	(2,714.73)	(2,234.62)
Net cash flows generated from operating activities (A)	5,816.28	4,024.08
Cash flows from investing activities (B)		
Proceeds from sale of property, plant and equipment	284.71	65.32
Purchase of property, plant and equipment	(7,445.99)	(7,432.66)
Purchase of financial instruments	(5,345.90)	(5,041.41)
Proceeds from sale of financial instruments	6,150.95	14,109.54

Statement of Consolidated **Cash Flows** for the Year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Interest received (finance income)	390.95	1,096.34
Dividend Received	6.40	1.45
Acquisition of subsidiary, net of cash acquired	-	(5,996.46)
NCI acquired	-	(153.82)
Net cash flows used in investing activities (B)	(5,958.88)	(3,351.70)
Cash flow from financing activities (C)		
Proceeds from exercise of share options	-	10.92
Interest paid	(537.04)	(771.20)
Repayment of borrowings	(1,576.66)	(2,480.22)
Proceeds of borrowings (net)	4,676.48	3,355.83
Interim dividend paid on shares	(949.86)	-
Tax on interim dividend paid	(195.25)	-
Final dividend paid on shares	(902.37)	(949.86)
Tax on final dividend paid	(181.62)	(195.25)
Net cash flows generated (used) in financing activities (C)	333.70	(1,029.78)
Net increase / (decrease) in cash and cash equivalents	191.10	(357.40)
Net foreign exchange difference	225.66	48.52
Cash and cash equivalents at the beginning of the year	2,331.26	2,640.14
Cash and cash equivalents as at year end	2,748.02	2,331.26

Components of cash and cash equivalents:		
Balances with banks:		
On current accounts	734.53	2,275.84
Deposit with original maturity of less than 3 months	2,009.01	50.26
Cash in hand	4.48	5.16
Other Bank Balances		
Cash and cash equivalents at year end	2,748.02	2,331.26
The accompanying notes are an integral part of the Consolidated financial statements		
As per our report attached of even date		

For MSKA & Associates
Chartered Accountants
Firm Regn. Number: 105047W

Nitin M. Juman
Partner
Membership Number: 111700

Place: Pune
Date: 23rd June, 2020

**For and on behalf of the Board of Directors of
Precision Camshafts Limited**

Yatin S. Shah
Managing Director
DIN: 00318140

Place: Solapur
Date: 23rd June, 2020

Ravindra R. Joshi
Whole-time Director
DIN: 03338134

Place: Solapur
Date: 23rd June, 2020

Mayuri I. Kulkarni
Company Secretary
M. No. A32237

Place: Pune
Date: 23rd June, 2020

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

(All amounts in Rupees in Lakhs unless otherwise stated)

Note 1. Corporate Information

The consolidated financial statements comprise of financial statements of Precision Camshafts Limited (“The Company” or “the Holding Company or “the parent company”) and its subsidiaries (collectively, ‘the Group’) for the year ended 31st March, 2020 Precision Camshafts Limited is a Public Limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The shares of The Company are listed on two stock exchanges in India. The Company is primarily engaged in the manufacture and sale of camshaft castings and machined camshafts to the Auto industry and the Railways. The Company has its office registered at E 102/103 MIDC Akkalkot road Solapur, Maharashtra, 413006.

The Consolidated financial statements were authorised for issue in accordance with the resolution of the Board of Directors of the Company on 23rd June, 2020.

Note 2. Significant accounting policies

2.1 Basis of preparation

The Consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (“the Rules”).

The consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- ❖ Derivative financial instruments,
- ❖ Certain financial assets and liabilities measured at fair value (refer accounting policy Note ‘p’ of summary of significant accounting policies regarding financial instruments),
- ❖ Share based payment transactions
- ❖ Assets classified as held for sale

The consolidated financial statements are presented in INR and all values are rounded to Rupees in Lakhs , except when otherwise indicated.

Disclosure of EBITDA

Ind AS compliant Schedule III allows line items, sub-line items and sub-totals to be presented as an addition or substitution on the face of the financial statements when such presentation is relevant to an understanding of The Company’s financial position or performance or to cater to industry/sector-specific disclosure requirements. For example, a company may present EBITDA as a separate line item on the face of the statement of profit and loss.

The Group has elected to present EBITDA as a separate line item on the face. The Group has not included its share of profit from joint ventures as part of EBITDA. Ind AS 1.82(c) requires ‘share of the profit or loss of associates and joint ventures accounted for using the equity method’ to be presented in a separate line item on the face of the statement profit or loss. However, there is no guidance whether it should form part of EBITDA or not. On absence of the same; the Group has not included its share of profit of an associate and joint venture in EBITDA.

Measurement of EBITDA

The Group has elected to present earnings before interest, tax, depreciation and Amortisation (EBITDA) as a separate line item on the face of the statement of profit and loss. The Group measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the Group does not include depreciation and Amortisation expense, finance income, finance costs, share of profit/ loss from joint ventures and tax expense.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

2.2 Basis of Consolidation

The consolidated financial statements comprise the financial statements of The Company and its subsidiary as at 31st March, 2020. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- ❖ Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- ❖ Exposure, or rights, to variable returns from its involvement with the investee, and
- ❖ The ability to use its power over the investee to affect its returns

The Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31st March.

Consolidation procedure:

- (a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiary.
- (b) Offset (eliminate) the carrying amount of the parent's investment in subsidiary and the parent's portion of equity of subsidiary.
- (c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). However intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests if any, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiary to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2.3 Summary of significant accounting policies

a) Investment in joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The Group's investments in its joint venture are accounted for using the equity method. Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

The statement of profit and loss reflects the Group's share of the results of operations of the joint venture. Any change in OCI of these investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the joint ventures, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interest in the joint venture.

If an entity's share of losses of a joint venture equals or exceeds its interest in the joint venture (which includes any long term interest that, in substance, form part of the Group's net investment in the joint venture), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture. If the joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit of joint ventures is shown on the face of the statement of profit and loss.

The financial statements of the joint ventures are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint ventures. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint ventures is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint ventures and its carrying value, and then recognises the loss as 'Share of profit of joint ventures' in the statement of profit or loss.

Upon loss of joint control over the joint ventures, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint ventures upon loss of joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

b) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- ❖ Expected to be realised or intended to be sold or consumed in normal operating cycle
- ❖ Held Primarily for the Purpose of Trading
- ❖ Expected to be realised within twelve months after the reporting period, or
- ❖ Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- ❖ It is expected to be settled in normal operating cycle
- ❖ It is held Primarily for the purpose of trading
- ❖ It is due to be settled within twelve months after the reporting period, or
- ❖ There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

c) Foreign currencies

The Group's consolidated financial statements are presented in INR which is the Group's presentation currency and the functional currency.

(i) Initial recognition

Foreign currency transactions are recorded in the functional currency, by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction.

(ii) Conversion

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in statement of profit and loss.

Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item. (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively). The Group has continued the accounting policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items (paragraph 46A of AS 11 : The Effects of Changes in Foreign Exchange Rates under previous GAAP) in the consolidated financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the Indian GAAP."

d) Fair value measurement

The Group measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- ❖ In the principal market for the asset or liability, or
- ❖ In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the Consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

Disclosures for valuation methods, significant estimates and assumptions (Refer Note 37)

Quantitative disclosures of fair value measurement hierarchy (Refer Note 36)

Financial instruments (including those carried at amortised cost) (Refer Note 5, 8, 9, 12, 13, 14, 19, 35)

e) Revenue recognition

The Company is a leading manufacturer and supplier of automobile camshafts - for passenger vehicles, tractors, LCVs, locomotive engines, railways. majority of the camshafts are sold to OEMs. Effective 1st April, 2018, The Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised.

Camshafts are developed according to the requirements of customer. There are three types of contracts entered into by the customers with company. • **Tooling contract:** for development of pattern used in manufacturing of camshafts. • **Purchase contract:** for purchase of camshafts. • **Job work contract:** for machining of camshafts.

For purchase contracts, the Group has identified a single performance obligation i.e. supply of camshaft, which gets completed at point in time. The Group recognises revenue relating to it on transfer of control based on delivery terms. For job work contracts, the Group has identified a single performance obligation i.e. completion of job work, which gets completed at point in time. The Company recognises revenue relating to it on transfer of control. For tooling contracts, The Company has identified a single performance obligation i.e. the Company has enforceable right to payment for tools developed when the tool is approved by the customer and accordingly the revenue from tooling is recognised at a point in time post approval by the customer.

Goods and Service Tax (GST applicable from 1st July 2017) and all other applicable taxes is not received by the Group on its own account. Accordingly, it is excluded from revenue.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

Interest

Interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability.

When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the consolidated statement of profit and loss.

Dividends

Dividend is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

Export Incentives

Export incentives under various schemes notified by government are accounted for in the year of exports as grant related to income and is recognised as other operating income in the profit or loss if the entitlements can be estimated with reasonable accuracy and conditions precedent to claim are fulfilled.

f) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- ❖ When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- ❖ In respect of taxable temporary differences associated with investments in subsidiaries and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020 (Contd.)

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- ❖ When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- ❖ In respect of deductible temporary differences associated with investments in subsidiaries and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

g) Property, plant and equipment

The Group has elected to continue with the carrying value for all of its property, plant and equipment as recognised in the previous GAAP Consolidated financial statements as at the date of transition to Ind AS, measured as per the previous Indian GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments in accordance with the relevant Ind AS, since there is no change in functional currency.

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any; and capital work in progress is stated at cost. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

The Group has measured land and buildings of subsidiary Memco Engineering Private Limited (Memco) and step down subsidiary MFT Motoren Und Fahrzeugtechnik GMBH (Germany) (MFT) classified as property, plant and equipment at fair values as required under Ind AS-103 "Business Combination". The Group engaged independent valuation specialists to assess fair value for land and buildings as at 10th October, 2017 for Memco and 31st March, 2018 for MFT. Land and buildings were valued by reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the property as at the date of revaluation.

The Group has measured IP Software, IP Technology Customer Relationships & Residual as Goodwill of step down subsidiary EMOSS Mobile Systems B.V. (EMOSS) classified as Intangibles at fair values as required under Ind AS-103 "Business Combination". The Group engaged independent valuation specialists to assess fair value for land and buildings as at 10th

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020 (Contd.)

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October, 2017 for EMOSS. Land and buildings were valued by reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the property as at the date of revaluation.

Depreciation on fixed assets is calculated on a straight-line basis based on the useful lives estimated by the management.

In case of subsidiary; Memco Engineering Private Limited, the depreciation is on a written down value basis based on the useful lives estimated by the management of subsidiary.

Description of asset group	Useful lives as per management's estimate
Buildings	30 - 60 years
Internal roads	5 - 10 years
Plant & equipment	3 - 15 years
Office equipment	5 years
Furniture & fixture	5 to 10 years
Vehicles	5 - 8 years
Electrical Installation	10 years
Computers	3 - 5 years

Cost of leasehold land is amortised over the period of lease i.e, 80 years to 99 years

The group believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

h) Intangible assets

The Group has elected to continue with the carrying value for all of its intangible assets as recognised in the previous GAAP" consolidated financial statements as at the date of transition to Ind ASs, measured as per the previous Indian GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments in accordance with the relevant Ind AS, since there is no change in functional currency.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles are not capitalised except customer- supplier relationship, technical know how and R & D which are measured at fair value in accordance with Ind AS 103 "Business Combination" and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred. The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets are amortised over its useful life on a straight line basis.

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(All amounts in Rupees in Lakhs unless otherwise stated)

Description of asset group	Useful lives as per management's estimate
Computer Software	2 - 5 years
Development	5 years
Corporate Design & New Homepage	5 years
Customer/Supplier Relationship	10 years
Tech know how	7 years
R&D	3 years

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Consolidated Financial Statement of profit and loss when the asset is derecognised.

i) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

j) Leases

Effective 1st April, 2019, the Group adopted IND AS 116 "Leases" under the modified retrospective approach without restatement of comparatives. The Group elected to apply the practical expedient to not reassess whether a contract is or contains a lease at the date of initial application.

As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under IND AS 116, the Group recognises right-of-use assets and lease liabilities for most leases.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- ❖ Leases of low value assets; and
- ❖ Leases with a duration of 12 months or less

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless this is not readily determinable, in which case the entities incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- ❖ amounts expected to be payable under any residual value guarantee;
- ❖ the exercise price of any purchase option granted in favour of the group if it is reasonable certain to assess option;
- ❖ any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- ❖ lease payments made at or before commencement of the lease;
- ❖ initial direct costs incurred; and
- ❖ the amount of any provision recognised where the group is contractually required to dismantle, remove or restore the leased asset

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the group revises its estimate of the term of any lease, it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

k) Inventories

Inventories are valued at lower of their cost and net realisable value.

Cost of inventories have been computed to include all cost of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

- ❖ Raw materials are valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories is not written down below cost of the finished product in which they will be incorporated are expected to be sold at or above cost. Cost of raw material is determined on a weighted average basis.
- ❖ Finished goods and semi finished goods: Finished goods are valued at lower of cost and net realisable Value. cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on a weighted average basis.

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(All amounts in Rupees in Lakhs unless otherwise stated)

- ❖ Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

l) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the consolidated statement of profit and loss.

For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss.

m) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

n) Retirement and other employee benefits

i) Short term employee benefits

The distinction between short term and long term employee benefits is based on expected timing of settlement rather than the employee's entitlement benefits. All employee benefits payable within twelve months of rendering the service are classified as short term benefits. Such benefits include salaries, wages, bonus, short term compensated absences, awards, ex-gratia, performance pay, etc. and are recognised in the period in which the employee renders the related service.

ii) Post employment benefits

Retirement benefit in the form of provident fund and superannuation is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund and superannuation scheme. The Group recognises contribution payable to the scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Group operates a defined benefit gratuity plan, which requires contributions to be made to a separately administered fund. The subsidiary; Memco Engineering Private Limited, which has been acquired on 10th Oct, 2017 operates gratuity plan which is unfunded. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- I The date of the plan amendment or curtailment, and
- II The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

- I Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- II Net interest expense or income

Accumulated leave, which is expected to be utilised within the next 12 months, is treated as a short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Group treats accumulated leave expected to be carried forward beyond twelve months, as a long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method as at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Group presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020 (Contd.)

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o) Share-based payments

Employees of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made, using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

p) Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus transaction costs attributable to the acquisition of the financial asset, except in the case of financial assets not recorded at fair value through profit or loss.

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Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

- ❖ Debt instruments at amortised cost
- ❖ Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- ❖ Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other financial assets. For more information on receivables, Refer Note 5 and 8.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has designated certain investments at FVTPL. (Refer Note 5).

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the consolidated statement of profit and loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to statement of profit & loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

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(All amounts in Rupees in Lakhs unless otherwise stated)

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated balance sheet) when:

- ❖ The rights to receive cash flows from the asset have expired, or
- ❖ The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) The Company has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- i) Financial assets that are debt instruments, and are measured at amortised cost e.g. loans, deposits, trade receivables, bank balance and other financial assets.
- ii) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115
- iii) Loan commitments which are not measured as at FVTPL

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on twelve-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The twelve-month ECL is a portion of the lifetime ECL which results from default events that are possible within twelve months after the reporting date.

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ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for ECL on

- ❖ Financial assets measured at amortised cost is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans, borrowings and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR (effective interest rate) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

q) Assets classified as held for sale

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets classified as held for sale are measured at the lower of their carrying amount and the fair value less costs to sell (except for financial instruments, which are measured at fair value). The criteria held for sale classification is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the plan for sale will be made or that the plan will be withdrawn. Management must be committed to the sale expected within one year from the date of classification. Assets and liabilities classified as held for sale are presented separately as current items in the Balance Sheet.

r) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the financial statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, are considered to be an integral part of the Group's cash management.

s) Cash dividend

The Company recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of The Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

t) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

u) Segment reporting

Operating segments are reporting in a manner consistent with the internal reporting to the chief operating decision maker (CODM). The Board of Directors of the Group assess the financial performance and position of the group and makes strategic decisions. The Board of Directors, which are identified as a CODM, consists of chief executive officer, chief financial officer and all other executive directors.

The Group is engaged in manufacturing of autocomponents (camshafts & others) Based on similarity of activities/products, risk and reward structure, organisation structure and internal reporting systems, the Company has structured its operations into a single operating segment ; however based on the geographic distribution of activities, the CODM has identified India and outside India as two reportable geographical segments. Refer Note 34 for segment information presented.

v) Earnings per share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the parent company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements, if any, in equity shares issued during the year and excluding treasury shares.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

Diluted EPS adjusts the figures used in the determination of basic EPS to consider :

- ❖ The after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- ❖ The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares

w) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group.

A contingent liability can arise for obligations that are possible, but it is yet to be confirmed whether there is present obligation that could lead to an outflow of resources embodying economic benefits.

The Group does not recognise a contingent liability but only makes disclosures for the same in the financial statements when the company has:

- ❖ a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; or
- ❖ present obligation arising from past events, when no reliable estimate is possible; or
- ❖ a possible obligation arising from past events where the probability of outflow of resources is not remote

Contingent liabilities are reviewed at each Balance Sheet date.

x) Accounting for Business Combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises

- ❖ the fair values of the assets transferred
- ❖ liabilities incurred to the former owners of the acquired business
- ❖ equity interests issued by the group; and
- ❖ fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the

- ❖ consideration transferred;
- ❖ amount of any non-controlling interest in the acquired entity, and
- ❖ acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

3 | Property, plant and equipment

Particulars	Leasehold land	Freehold Land	Buildings	Plants and equipment	Office equipment	Furniture and fixtures	Vehicles	Electrical installation	Computer-hardware	Right of use Asset	Total	Capital work in progress
At Cost												
At 1st April, 2018	941.37	276.90	12,285.47	44,366.91	2,200.29	218.73	371.80	18.97	16.62	-	60,697.06	860.45
Acquisition of subsidiaries (Refer Note 39)	-	-	-	700.78	6.94	-	50.54	-	22.30	-	780.56	-
Additions	-	-	132.08	9,024.59	194.67	6.12	8.30	-	16.46	-	9,382.22	11,096.95
Disposals	-	-	(1.75)	(97.32)	(0.08)	-	(133.83)	-	(0.01)	-	(232.99)	-
Capitalised during year	-	-	-	-	-	-	-	-	-	-	-	(9,382.22)
Other adjustment	-	-	-	-	-	-	-	-	-	-	-	-
- Foreign currency translation reserve	-	-	21.90	93.40	6.29	-	0.71	-	1.33	-	123.63	-
At 31st March, 2019	941.37	276.90	12,437.70	54,088.36	2,408.11	224.85	297.52	18.97	56.70	-	70,750.48	2,575.18
Depreciation and impairment												
At 1st April, 2018	14.75	-	2,477.36	24,017.01	1,720.21	116.98	105.22	8.16	7.49	-	28,467.18	-
Acquisition of subsidiaries (Refer Note 39)	-	-	-	61.86	1.97	-	22.33	-	8.68	-	94.84	-
Charge for the year	11.64	-	528.52	5,488.04	205.70	30.69	55.65	1.52	16.58	-	6,338.34	-
Disposals	-	-	-	(94.39)	(0.02)	-	(63.63)	-	-	-	(158.04)	-
At 31st March, 2019	26.39	-	3,005.88	29,472.52	1,927.86	147.67	119.57	9.68	32.75	-	34,742.32	-
Charge for the year	11.64	-	514.38	6,113.49	226.21	27.51	39.15	1.34	35.96	75.47	7,045.16	-
Disposals	-	-	(1.18)	(742.39)	(30.04)	-	(32.14)	-	-	-	(805.75)	-
At 31st March, 2020	38.03	-	3,519.08	34,843.62	2,124.03	175.18	126.58	11.02	68.71	75.47	40,981.72	-
Net Block												
At 31st March, 2020	903.34	280.62	9,112.39	23,081.25	533.71	52.29	189.88	10.67	0.38	363.44	34,527.98	3,413.99
At 31st March, 2019	914.98	276.90	9,431.82	24,615.84	480.25	77.18	177.95	9.29	23.95	-	36,008.16	2,575.18
Net Book Value												
										As at 31st March, 2020	As at 31st March, 2019	
Plant, property and equipment										34,527.98	36,008.16	
Capital work in progress										3,413.99	2,575.18	

Capitalised Borrowing Cost

The group has continued the policy of capitalising the exchange differences arising from translation of long term foreign currency monetary items as per exemption available under IND AS 101 - first time adoption of Indian Accounting Standards.

Asset under construction

Capital work-in-progress (CWIP) comprises cost of assets that are not yet installed and ready for their intended use as at the balance sheet date. Capital work in progress as at 31st March, 2020 comprises expenditure for the plant and machinery in the course of construction. Balance of CWIP as at 31st March, 2020 amounts to ₹ 3,413.99 Lakhs (31st March, 2019: ₹ 2,575.18 Lakhs).

Property, plant and equipment

The entire block of property, plant and equipment comprising of immovable assets with a carrying amount of ₹ 10,296.35 Lakhs (31st March, 2019: ₹ 10,623.70 Lakhs) and movable assets with a carrying amount of ₹ 24,231.63 Lakhs (31st March, 2019: ₹ 25,384.46 Lakhs) are subject to first charge to secure the Company's foreign currency term loan. Refer Note 12.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

4 Intangible assets

Particulars	Computer software	Corporate Design & New Homepage	Customer Relations	R&D	Technical Knowhow	Development	IP Technology	Total	Goodwill on Consolidation
At Cost									
At 1st April, 2018	324.89	-	653.35	340.00	536.45	-	-	1,854.69	769.10
Acquisition of subsidiary (Refer Note 39)*	11.88	62.21	1,752.40	-	3,504.80	296.74	3,504.80	9,132.83	2,887.68
Additions	80.26	-	-	-	-	171.07	-	251.33	-
Disposals	-	-	-	-	-	-	-	-	-
Foreign currency translation reserve	1.34	2.83	-	-	-	7.01	-	11.18	-
At 31st March, 2019	418.37	65.04	2,405.75	340.00	4,041.25	474.82	3,504.80	11,250.03	3,656.78
Acquisition of subsidiary (Refer Note 39)									
Additions	31.44	-	-	-	-	83.94	-	115.38	-
Disposals								-	
Foreign currency translation reserve	3.54	0.74	79.19	-	154.98	23.13	152.16	413.74	45.44
At 31st March, 2020	453.35	65.78	2,484.94	340.00	4,196.23	581.89	3,656.96	11,779.15	3,702.22
Amortisation and impairment									
At 1st April, 2018	270.58	-	29.35	56.67	33.57	-	-	390.17	-
Acquisition of subsidiary (Refer Note 39)	5.57	29.31				40.50		75.38	
Charge for the year (Refer Note 26)	38.87	12.92	290.93	113.33	527.67	27.16	450.73	1,461.61	-
Disposals	-	-	-	-	-	-	-	-	-
At 31st March, 2019	315.02	42.23	320.28	170.00	561.24	67.66	450.73	1,927.16	-
Charge for the year (Refer Note 26)	18.53	12.58	317.39	113.33	580.70	50.48	504.01	1,597.02	
Disposals								-	
Impairment of Goodwill*									2,083.28
At 31st March, 2020	333.55	54.81	637.67	283.33	1,141.94	118.14	954.74	3,524.18	2,083.28
Net Block									
At 31st March, 2020	119.80	10.97	1,847.27	56.67	3,054.28	463.75	2,702.22	8,254.97	1,618.94
At 31st March, 2019	103.35	22.81	2,085.48	170.00	3,480.01	407.16	3,054.06	9,322.87	3,656.78

*The Company has impaired goodwill on acquisition of Emiss Mobile System B.V. of ₹ 2083.28 Lakhs.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

5 | Financial Assets

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
5A) Investments		
(i) At fair value through Profit or Loss (FVTPL)		
a) Investments in Equity Instruments		
Other investments		
Shares of Laxmi Co-op. Bank Limited	1.25	1.25
5000 Equity shares of ₹ 25 each fully paid-up (31 st March, 2019: 5,000 equity shares)		
Shares of Solapur Janata Sahakari Bank Limited	0.05	0.05
500 Equity shares of ₹ 10 each fully paid-up (31 st March, 2019: 500 equity shares)		
Shares of Thane Janata Bank	4.63	4.63
9259 Equity shares of ₹ 50 each fully paid-up (31 st March, 2019: 9259 equity shares)		
Shares of Janlaxmi Bank	1.30	1.30
5198 Equity shares of ₹ 25 each fully paid-up (31 st March, 2019: 5198 equity shares)		
Shares of Mahila Bank	0.21	0.21
850 Equity shares of ₹ 25 each fully paid-up (31 st March, 2019: 850 equity shares)		
Shares of Godavari Bank	0.01	0.01
10 Equity shares of ₹ 100 each fully paid-up (31 st March, 2019: 10 equity shares)		
Shares of NAMCO Bank	0.01	0.01
28 Equity shares of ₹ 25 each fully paid-up (31 st March, 2019: 28 equity shares)		
b) Investments in Mutual Funds		
Quoted Mutual Funds		
HDFC Corporate Bond Fund Collection A8C	423.34	
ICICI Prudential Mutual Fund Collection 1	1,616.19	647.22
ICICI Prudential Mutual Fund Collection 1Ac	502.08	
BOI Axa Short Term Income Fund Account	0.00	325.17
Reliance Banking & PSU Debt Fund-Growth Plan	634.15	574.15
Reliance Corporate Bond Fund-Growth Plan	-	224.65
Reliance Arbitrage Advantage Fund	335.08	109.24
Reliance Short Term Fund	156.65	144.04
Reliance Arbitrage Fund - Monthly Dividend	-	206.44
Franklin India Low duration Fund	(0.00)	366.92
Franklin India Short Term Income Plan	-	-
BSL Short Term Fund-Growth	377.47	580.17
BSL Treasury Optimizer Plan-Growth	-	343.22
Aditya Birla Sun Life Liquid Fund	-	
Aditya Birla Sun Life Corporate Bond Fund	738.47	
Axis Liquid Fund-Daily Dividend	-	154.79

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Axis Short Term Fund-Growth	478.44	573.22
Axis Equity Fund Collection A/C	192.69	(0.00)
Axis Fixed Term Plan - Series 93	100.41	156.99
IDFC Corporate Bond Fund Regular Plan-Growth	626.44	228.21
IDFC Super Saver Income Fund-Short Term	-	345.94
Tata Liquid Fund Regular Plan-Daily Dividend	-	22.31
Tata Short Term Bond Fund Reg Plan-Growth	611.31	535.97
Tata Balance Fund	98.51	154.90
Kotak Low Duration Fund Std Growth (Regular Plan)	1,679.08	584.44
Kotak Banking & PSU Debt Fund-Growth (Regular plan)	-	231.74
Kotak Income Opportunities Fund-Growth (Regular Plan)	-	342.20
Kotak Equity Arbitrage	700.18	198.77
Kotak Balanced Advantage Fund A/C	1,182.19	1,761.97
Kotak Banking And Psu Debt Fund	100.00	-
BNP Paribas Dividend Yield Fund	151.16	250.81
BNP Paribas Overnight Fund	50.28	-
SBI Ultra Short Term Fund	103.53	53.66
SBI Balance Fund	96.18	160.91
Baroda Pioneer Credit Opportunities Fund	304.88	306.19
Edelweiss Equity Saving Fund	130.32	131.07
Principal Emerging Bluechip Fund	26.33	97.75
Principal Cash Management Fund	50.21	0.00
Motilal Oswal Most Ultra Short Term Bond Fund	51.49	(0.00)
Motilal Oswal Most Focused Multicap 35 Fund	22.59	98.75
Canara Robeco Force Collection A/C	67.21	78.53
IDFC Mutual Fund Collection Account	500.00	-
Axis Credit Risk Fund	114.24	-
KOTAK OVERNIGHT FUND	400.00	-
HDFC Liquid Fund	153.38	-
ICICI Prudential Ultra Short Term Fund	154.01	-
Aditya Birla Sun Life Low Duration Fund	51.03	-
UTI Floater Fund	50.97	-
Total Investments at FVTPL	13,037.95	9,997.80
Non-current	7.46	7.46
Current	13,030.49	9,990.34
	13,037.95	9,997.80
Total Investments	13,037.95	9,997.80
Aggregate book value of quoted investments	13,030.49	9,990.34
Aggregate market value of quoted investments (Refer Note 35)	13,030.49	9,990.34
Aggregate book value of unquoted investments	7.46	7.46
Aggregate amount of impairment in value of investments	-	-

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

5B) Loans

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
(a) Security Deposits	245.34	235.62
Total Loans	245.34	235.62
Non-current	242.74	233.47
Current	2.60	2.15
	245.34	235.62
Break-up for Loan details:		
- Unsecured, considered good	245.34	235.62
- Doubtful	-	-
Total	245.34	235.62

Security Deposits mainly include deposits with State electricity board; which generate interest in the range of 9% to 10.05% for The Company.

5C) Other Financial Assets

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
(i) Derivatives (at FVTPL)		
Foreign-exchange forward contracts	-	64.09
(ii) Others (at amortised cost)		
(a) Bank deposits with more than 12 months maturity	200.78	188.89
(b) Interest accrued on Fixed deposits	14.31	31.03
(c) Income accrued on Export incentives	596.53	403.34
(d) Income accrued on Insurance Claim	-	-
(d) Income accrued on Others	19.82	23.61
(e) Factoring receivable	-	-
(f) Other receivable	44.31	39.35
(g) Amount receivable from Customers	1,008.76	3,363.17
Total other financial assets	1,884.51	4,113.48
Non-current	200.78	188.89
Current	1,683.73	3,924.59
	1,884.51	4,113.48
Break-up for security details:		
- Unsecured, considered good	1,884.51	4,113.48
- Doubtful	-	-
Total	1,884.51	4,113.48
Total Financial assets	15,167.78	14,346.90
Total Non-current	450.98	429.82
Total Current	14,716.80	13,917.08
	15,167.78	14,346.90

Break up of financial assets carried at amortised cost

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Loans	245.34	235.62
Trade receivables (Refer Note 8)	17,195.32	14,150.11
Cash and Cash equivalents (Refer Note 9)	2,748.02	2,331.26
Other Bank balances (Refer Note 9)	2,892.59	6,599.48
Other financial assets	1,884.51	4,049.39
Total financial assets carried at amortised cost	24,965.78	27,365.86

6 | Other Assets

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Capital advances	232.28	216.49
Prepaid expense	294.72	271.63
Advances for purchases of materials	96.84	95.60
Income tax deposited with tax authorities (under protest)	225.26	228.90
Other Advances	12.16	12.12
(Amount deposited under protest against the claim made under Employees Provident Fund and Miscellaneous Provision Act, 1952)		
(Refer Note 32(b))		
Balances with statutory/government authorities	1,277.46	1,031.92
Other receivables	80.93	332.70
Advance tax (net of provision for taxation)	11.22	24.55
Total	2,230.87	3,214.00
Non-current	840.93	497.18
Current	1,389.94	1,937.40
Total	2,230.87	2,434.58

Note 6A: Assets classified as held for sale

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Disposal Group	1,003.35	1,003.35
Total other assets	1,003.35	1,003.35

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

During the period ended 31st March, 2019, the directors of the Company confirmed their intention to sell the shares of investment in its joint ventures, Ningbo Shenglong PCL Camshafts Co. Limited & PCL Shenglong (Huzhou) Specialized Casting Co. Limited collectively referred to as the "Disposal Group". As a result the Company had classified the disposal group as held for sale in accordance with Ind AS 105. Subsequently the disposal group is accounted for at fair value less cost to sale as per Ind AS 105. Management estimated fair value of disposal group is ₹ 1,003.35 Lakhs resulting into net loss on fair value measurement of ₹ 300 Lakhs. There is no change in fair value estimates. The sale is completed for above mentioned entities and the proceeds are realised on 18th June, 2020

7 | Inventories

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Raw materials and components	4,961.44	4,860.35
Stores, spares and packing materials	3,389.83	1,353.71
Semi-finished goods	2,532.37	1,681.86
Finished goods*	3,209.36	2,677.17
Total inventories at the lower of cost and net realisable value	14,093.00	10,573.09

During the year ended 31st March, 2020 ₹ 14.13 Lakhs (31st March, 2019 ₹ 56.63 Lakhs) was written down as an expense for inventories.

*Includes Finished Goods in transit ₹ 1875.52 lacs (31st March, 2019 ₹ 1789.85 lacs)

8 | Trade Receivables

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Trade receivables	17,195.32	14,089.59
Receivables from joint ventures (Refer Note 33)	-	60.52
Total	17,195.32	14,150.11
Break-up for security details:	11,247.49	9,972.92
- Unsecured, considered good	17,195.32	14,150.11
- Doubtful	-	-
- Which have significant increase in credit risk	-	-
- Credit impaired	17,195.32	14,150.11
Total	-	-
Impairment allowance (allowance for bad and doubtful debts)		
- Doubtful	-	-
Total Trade receivables	17,195.32	14,150.11

For terms and conditions relating to related party receivables, Refer Note 33.

Trade receivables are non-interest bearing and are generally on terms of 30 to 150 days.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

9 | Cash and bank balances

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Cash and cash equivalents		
Balance with Banks		
Current accounts	734.53	2,275.84
Deposits with original maturity of less than three months	2,009.01	50.26
Cash on hand	4.48	5.16
Total cash and cash equivalents	2,748.02	2,331.26
Other bank balances		
Deposits with remaining maturity for less than 12 months	2,888.03	6,596.29
Unclaimed Dividend Accounts	4.56	3.19
Total other bank balances	2,892.59	6,599.48
Total cash and bank balances	5,640.61	8,930.74

Cash at banks earns interest at fixed rates based on fixed deposit receipts made by the Group. Fixed deposits are made for varying periods of between 1 month to 48 months, depending on the immediate cash requirements of the Group, and earn interest at the respective short term / long term deposit rates.

Deposits with bank of ₹ 126.08 Lakhs (31st March, 2019: ₹ 126.08 Lakhs) held as lien by banks against bank guarantees.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following:

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Cash and cash equivalents		
Balance with Banks		
Current accounts	734.53	2,275.84
Deposits with original maturity of less than three months	2,009.01	50.26
Cash on hand	4.48	5.16
Total cash and cash equivalents	2,748.02	2,331.26

10 | Share Capital

A) Authorised Share Capital

Particulars	Equity Shares	
	Number	In ₹
At 1st April, 2018	10,00,00,000	10,000.00
Increase/ (decrease) during the year	-	-
At 31st March, 2019	10,00,00,000	10,000.00
Increase/ (decrease) during the year	-	-
At 31st March, 2020	10,00,00,000	10,000.00

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

Terms/rights attached to equity shares

The Holding Company has only one class of equity shares having a par value of ₹ 10 per share (31st March, 2019: ₹ 10 per share). Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

The Board of Directors, in their meeting on 27th May, 2019, proposed a final dividend of ₹ 1 per equity share and the same was approved by the shareholders at the Annual General Meeting held on 25th September, 2019. The amount was recognised as distributions to equity shareholders during the year ended 31st March, 2020 and the total appropriation was ₹ 1,145.10 Lakhs including dividend distribution tax.

The Board of Directors, in their meeting held on 5th March, 2020, declared and paid an interim dividend of ₹ 0.95 per equity share. The amount was recognised as distributions to equity shareholders during the year ended 31st March, 2020 and the total appropriation was ₹ 1,083.98 Lakhs including dividend distribution tax.

B) Issued equity capital

Equity shares of INR 10 each issued, subscribed and fully paid

Particulars	Number	In ₹
At 1st April, 2018	9,48,76,635	9,487.66
Issued during the year under the ESOP scheme	1,09,200	10.92
At 31st March, 2019	9,49,85,835	9,498.58
Issued during the year under the ESOP scheme	-	-
At 31st March, 2020	9,49,85,835	9,498.58

Pursuant to the Initial Public Offering (IPO) on 08th February 2016, equity shares having par value of ₹ 10 per share were allotted at a price of ₹ 186 per equity share comprising of fresh issue of 12,903,225 equity shares and offer for sale of 9,150,000 equity shares by selling shareholders. The equity shares of The Company were listed on the BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") with effect from 08th February 2016.

Details of shareholders holding more than 5% shares in The Company

Particulars	31 st March, 2020		31 st March, 2019	
	No of shares	% holding in the class	No of shares	% holding in the class
Equity shares of ₹ 10 each fully paid				
Mr. Yatin Subhash Shah	2,49,59,917	26.28%	2,47,31,200	26.04%
Cams Technology Limited	1,35,07,685	14.22%	1,25,14,860	13.18%
Mr. Yatin Subhash Shah jointly with Dr. Suhasini Yatin Shah	1,28,28,800	13.51%	1,28,28,800	13.51%
Dr. Suhasini Yatin Shah	1,04,86,461	11.04%	1,04,05,540	10.95%
Jayant Vasudeo Aradhye	82,02,000	8.63%	82,02,000	8.63%
Sbi Magnum Balanced Fund	-	0.00%	66,99,999	7.05%
	6,99,84,863	73.68%	7,53,82,399	79.36%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

11 | Other Equity

a)	Securities premium	Amount
	At 1st April, 2018	21,671.58
	Increase pursuant to premium on issue of shares on account of employee stock option exercised	128.15
	Less: Reversal of tax benefit (deferred tax)	(13.79)
	At 31st March, 2019	21,785.93
	Increase pursuant to premium on issue of shares on account of employee stock option exercised	-
	Less: Reversal of tax benefit (deferred tax)	(23.73)
	At 31st March, 2020	21,762.20
b)	General reserve	
	At 1st April, 2018	472.21
	Increase/ (decrease) during the year	-
	At 31st March, 2019	472.21
	Increase/ (decrease) during the year	-
	At 31st March, 2020	472.21
c)	Share based payments	
	At 1st April, 2018	206.38
	Increase/ (decrease) during the year	
	Add: compensation for options granted as per vesting during the year (net)	17.26
	Less: transferred to securities premium account on exercise of stock options	(128.15)
	Less: transferred to P&L on account of joint venture held for sale	(16.37)
	At 31st March, 2019	79.13
	Increase/ (decrease) during the year	
	Less: transferred to Retained Earnings against Lapsed Options	(54.37)
	At 31st March, 2020	24.75

Employees (including senior executives) of The Company receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

In accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the IND AS 102 Share based payments, the cost of equity-settled transactions is measured using the fair value method. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and The Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognised in the consolidated statement of profit and loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense. Refer to note 31 for further details of these plans.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

d)	Retained earnings	Amount
	At 1st April, 2018	27,123.91
	Add: Profit for the year	1,152.04
	NCI acquired	129.89
	Add: Other comprehensive income for the year	68.21
	Final Dividend 18-19	(949.86)
	Tax on interim dividend	(195.25)
	At 31st March, 2019	27,328.94
	Add: Profit for the year	3,495.75
	Add: Other comprehensive income for the year	(179.75)
	Final Dividend 19-20	(949.86)
	Tax on interim dividend	(195.25)
	Interim Dividend at ₹ 0.95 per share	(902.37)
	Tax on interim dividend	(181.62)
	Add: transferred from ESOS Reserve against Lapsed Options	54.37
	At 31st March, 2020	28,470.23
E)	Capital Reserves	
	At 1st April, 2018	1,412.02
	Add: Movement during the year	-
	At 31st March, 2019	1,412.02
	Add: Movement during the year	-
	At 31st March, 2020	1,412.02
F)	Other Reserves	
	Foreign currency translation reserve	
	At 1st April, 2018	31.24
	Add: FCTR transferred on JV being held for sale	(35.57)
	Add: Exchange differences on translation of foreign operations	(48.30)
	At 31st March, 2019	(52.63)
	Add: FCTR transferred on JV being held for sale	-
	Add: Exchange differences on translation of foreign operations	224.62
	At 31st March, 2020	171.99

Nature and purpose of reserves:

Securities premium account

The amount received in excess of face value of the equity shares is recognised in Securities Premium. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

General reserve

The Company has transferred a portion of the net profit of The Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013.

Share based payments

Share-based payments reserve represents amount of fair value, as on the date of grant, of unvested options and vested options not exercised till date, that have been recognised as expense in the statement of profit and loss till date

Retained earnings

Retained earnings are the profits that The Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders and any other adjustments.

Capital reserve

The Company had recognised excess of the identifiable assets and liabilities acquired over the consideration paid for acquisition of subsidiary referred to as bargain purchase on acquisition in capital reserve.

Foreign currency translation reserve

Exchange differences arising on translation of foreign operations are recognised in other comprehensive income and are accumulated in separate reserve within equity. The cumulative amount is reclassified to profit and loss, when the investment is disposed off.

12 | Financial Liabilities - Borrowings

Particulars	Rate of interest	Maturity	As at 31 st March, 2020	As at 31 st March, 2019
a) Non Current borrowings				
Term Loan				
i. From Bank (secured)				
Foreign currency loan 3	EUROBOR + 190 bps		5,292.62	5,830.19
Foreign currency loan 4	3 to 6% in Euro		5,650.78	2,226.21
Bank II				
Term loan 2- 003	9.75%	Dec-22	14.53	21.90
Term loan 3- 004	9.75%	Jun-22	79.19	136.82
Term loan 4- 005	9.75%	Sep-24	140.83	173.78
Term loan 5- 006	9.75%	Sep-24	15.67	19.30
Term loan 6- 007	9.75%	Sep-24	27.70	34.14
Term loan 7- 008	9.75%	May-22	23.66	42.71
Citi Bank Loan A/C - Loan Initiation-D06LCRR191920001	9.75%	May-25	223.61	-
ii. From financial institution (secured)	3 to 6% in Euro		-	153.54
iii. From Related party (unsecured)	4% in Euro		3,703.17	2,829.95
Total Non Current borrowings			15,171.76	11,468.54
Current maturity of long term loans				

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

Particulars	Rate of interest	Maturity	As at 31 st March, 2020	As at 31 st March, 2019
Foreign currency loan 3 (secured)	EUROBOR + 190 bps		1,028.10	288.45
Foreign currency loan 4 (secured)	3 to 6% in Euro		16.40	322.65
Loan for car (secured)	9.57%	Jul-19	-	2.56
Bank II				
Term loan 2- 003	9.75%	Dec-22	7.13	6.36
Term loan 3- 004	9.75%	Jun-22	56.02	50.04
Term loan 4- 005	9.75%	Sep-24	31.18	27.81
Term loan 5- 006	9.75%	Sep-24	3.44	3.05
Term loan 6- 007	9.75%	Sep-24	6.09	5.42
Term loan 7- 008	9.75%	May-22	18.54	16.58
Citi Bank Loan A/C - Loan Initiation-D06LCRR191920001	9.75%	May-25	11.22	-
ii. From Related party (unsecured)			-	-
			1,178.12	722.92
b) Loan repayable on Demand				
Short term loans			-	-
Cash credit from banks (secured)	11.35%	On Demand	1,353.49	2,079.90
Packing credit in INR (Secured) - BOI	5.40%	On Demand	1,418.03	1,371.46
Packing credit in INR (Secured) - BOB	8.40%	On Demand	831.29	1,197.07
Packing credit in INR (Secured) - Citi Bank	5.25%	On Demand	(0.52)	12.45
Total current Borrowings			4,780.41	5,383.80
Less: amount clubbed under "Other Financial liabilities"			1,178.12	722.92
Net Current Borrowings			3,602.29	4,660.88
Aggregate value of secured loans			16,249.00	14,022.39
Aggregate Unsecured loans			3,703.17	2,829.95

Foreign currency loan 3 (secured) carries interest at the rate of EUROBOR plus 190 bps p.a . The tenure of the loan is 7 years. The loan is secured by pledging of shares of the target companies in favour of Bank of Baroda London Branch & Corporate Guarantee from PCL India.

Foreign currency loan 4 (secured) carries the rate of interest rate from 3 to 6% in Euro p.a. The loan is secured by mortgage on commercial property, equipments, machines & inventories, in Cunewalde, Germany. The loan matures in 5 to 10 years.

From Financials Institutions carries the rate of interest rate from 3 to 6% in Euro p.a. The loan is secured by mortgage on commercial property, equipments, machines & inventories, in Cunewalde, Germany. The loan is also secured by the personal guarantee of Mr Guido Glinski.

Unsecured Loan from related parties carries interest rate from 0.50 % to 3.60% in Euro p.a.

Term loan 2-003:

Term loan 3 of Bank I has been taken over by Bank II,

Term loan 2 of Bank II carries interest at the rate of 9.75% p.a. The tenure of the loan is 51 months. The loan is repayable in 51 monthly instalments commencing from October 2018. The loan is secured by existing and future moveable and immoveable fixed assets of plot no F-5, MIDC, Satpur as collateral security. The loans has been secured by the corporate guarantee of holding company Precision Camshafts Limited.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

Term loan 3-004:

Term loan 4 of Bank I has been taken over by Bank II,

Term loan 3 of Bank II carries interest at the rate of 9.75% p.a. The tenure of the loan is 44 months. The loan is repayable in 44 monthly instalments commencing from November 2018. The loan is secured by existing and future moveable and immoveable fixed assets of plot no F-5, MIDC, Satpur as collateral security. The loans has been secured by the corporate guarantee of holding company Precision Camshafts Limited.

Term loan 4-005:

Term loan 7 of Bank I has been taken over by Bank II,

Term loan 4 of Bank II carries interest at the rate of 9.75% p.a. The tenure of the loan is 72 months. The loan is repayable in 72 monthly instalments commencing from October 2018. The loan is secured by existing and future moveable and immoveable fixed assets of plot no F-5, MIDC, Satpur as collateral security. The loans has been secured by the corporate guarantee of holding company Precision Camshafts Limited.

Term loan 5-006:

Term loan 6 of Bank I has been taken over by Bank II,

Term loan 5 of Bank II carries interest at the rate of 9.75% p.a. The tenure of the loan is 72 months. The loan is repayable in 72 monthly instalments commencing from October 2018. The loan is secured by existing and future moveable and immoveable fixed assets of plot no F-5, MIDC, Satpur as collateral security. The loans has been secured by the corporate guarantee of holding company Precision Camshafts Limited

Term loan 6-007:

Term loan 8 of Bank I has been taken over by Bank II,

Term loan 6 of Bank II carries interest at the rate of 9.75% p.a. The tenure of the loan is 72 months. The loan is repayable in 72 monthly instalments commencing from October 2018. The loan is secured by existing and future moveable and immoveable fixed assets of plot no F-5, MIDC, Satpur as collateral security. The loans has been secured by the corporate guarantee of holding company Precision Camshafts Limited

Term loan 7-008:

Term loan 5 of Bank I has been taken over by Bank II,

Term loan 7 of Bank II carries interest at the rate of 9.75% p.a. The tenure of the loan is 44 months. The loan is repayable in 44 monthly instalments commencing from October 2018. The loan is secured by existing and future moveable and immoveable fixed assets of plot no F-5, MIDC, Satpur as collateral security. The loans has been secured by the corporate guarantee of holding company Precision Camshafts Limited

Citi bank Loan A/C - Loan Initiation-D06LCRR191920001

Term loan from Citi bank carries interest at the rate of 9.75% p.a. The tenure of the loan is 70 Months. The loan is repayable in 20 quarterly instalments commencing from September 2020. The loan is secured by existing and future moveable and immoveable fixed assets of plot no F-5, MIDC, Satpur as collateral security. The loans has been secured by the corporate guarantee of holding company Precision Camshafts Limited.

The Group does not have any continuing defaults in repayment of loans and interest during the year and as at the reporting date.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

Cash credit from banks:

Cash credit of ₹ 35.37 Lakhs, packing credit ₹ 2249.32 Lakhs in INR are secured by first pari passu charge by way of hypothecation of current assets including inventories and trade receivables. Further, the facilities are collaterally secured by extension of pari passu charge by way of hypothecation of plant and machinery and equitable mortgage of factory land and building situated at Plot No. D5, MIDC Chincholi, Solapur, Unit I situated at Plot No. E-102, 103, Akkalkot Road, MIDC, Solapur and Unit II situated at Plot No. E-90, Akkalkot road, Solapur.

Cash credit of ₹ 1318.12 Lakhs is secured by hypothecation of current assets of The Company. Cash credit has also been secured by collateral securities of existing and future moveable and immoveable fixed assets of Köblitzer Str. 702733 Cunewalde, Germany.

The carrying amounts of property, plant and equipment pledged as security for non-current borrowings are disclosed in Note 3. And carrying amount of inventories, trade receivables and fixed deposits are pledged as security for short term borrowings.

Term loan from banks contain certain covenants relating to debt service coverage ratio, total debt gearing ratio, Interest Coverage ratio, Fixed asset coverage ratio. All the ratios mentioned above are within the level stipulated by the banks in its prescribed sanctions. The Company has also satisfied all other debt covenants prescribed in the terms of bank loan.

13 | Other Financial Liabilities

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Financial liability at FVTPL		
Foreign-exchange forward contracts	77.87	-
Other financial liabilities at amortised cost		
Current maturity of long term loans (Refer Note 12)	1,178.12	722.92
Interest accrued but not due on borrowings	240.07	-
Interest accrued and due on borrowings	4.98	
Bank overdrafts	-	-
Unpaid matured deposits and interest accrued thereon	137.30	137.30
Employee benefit liabilities	1,273.59	1,112.77
Sundry payables for capital goods purchased	227.63	851.75
Factoring Payables	-	-
Amount due to selling shareholders	-	-
Unclaimed Dividend	4.56	3.19
Payable towards leasing	357.64	40.06
Other payables	5.00	61.26
Total	3,506.76	2,929.25
Non-Current	262.48	-
Current	3,244.28	2,929.25
	3,506.76	2,929.25

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

14 | Trade payables

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises	1,013.55	1,391.95
- Total outstanding dues of creditors other than micro enterprises and small enterprises	9,218.11	8,154.62
Total trade payables	10,231.66	9,546.57
Non-current	-	-
Current	10,231.66	9,546.57
	10,231.66	9,546.57

Terms and conditions of the above financial liabilities:

Trade payables are non-interest bearing and are normally settled on 90 days term.

For terms and conditions with related parties, Refer to Note 33

Details of dues to Micro, small and medium enterprises as defined under MSMED Act, 2006

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
(i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	1,013.55	1,391.95
Interest due on above	0.46	10.40
(ii) The amount of interest paid by the buyer in terms of section 16, of the MSMED Act, 2006.	Nil	Nil
The amounts of the payment made to the supplier beyond the appointed day during each accounting year.	7,350.44	4,399.74
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	23.24	138.81
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	Nil	Nil
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006	725.51	567.99

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

Break up of financial liabilities carried at amortised cost

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Borrowings (non-current) (Refer Note 12)	15,171.76	11,468.54
Borrowings (current) (Refer Note 12)	3,602.29	4,660.88
Current maturity of long term loans (Refer Note 13)	1,178.12	722.92
Trade payables (Refer Note 14)	10,231.66	9,546.57
Other financial liabilities (Refer Note 13)	2,250.77	2,206.33
Total	32,434.59	28,605.24

15 | Other current liabilities

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Advances from customers	1,505.01	4,407.85
Statutory dues payable	348.30	189.45
Other payables	22.71	118.48
Total	1,876.02	4,715.78

16 | Provisions

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Employee benefits obligations:		
Gratuity	751.16	442.44
Compensated absences	507.55	393.56
Provision for tax on interim dividend on preference shares	-	3.70
Provision for doubtful capital advance	93.55	93.55
Total	1,352.26	933.25
Non-Current	1,258.59	854.81
Current	93.67	78.44
	1,352.26	933.25

Also Refer Note 30 for detailed disclosure of gratuity.

17 | Current tax liabilities (net)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Provision for income tax (net of advance taxes)	351.31	419.57
Total	351.31	419.57

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

18 | Revenue from Operations

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Sale of products	71,404.01	67,207.47
Sale of parts	811.08	155.46
Sale of services	595.22	487.77
Total sale of products and services	72,810.31	67,850.70
Other operating income		
Tooling income	475.16	676.07
Scrap sales	201.18	250.75
Export incentives	783.27	675.45
Other operating income	353.38	67.84
Total other operating income	1,812.99	1,670.11
Total revenue from operations	74,623.30	69,520.81

19 | Other Income

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Fair value gain on financial instruments at fair value through profit or loss	150.20	513.31
Realised gain on sale of mutual funds	64.86	20.78
Exchange differences (net)	1,296.25	160.14
Trade payable no longer required written back	14.20	1.36
Royalty income	-	4.26
VAT refund	-	46.30
Incomes from electricity and energy tax	68.91	44.82
Discount received	-	29.29
Miscellaneous income	121.54	131.69
Profit on fixed assets sold /discarded (net)	26.22	-
Total other income	1,742.18	951.95

20 | Finance Income

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Interest income on financial assets carried at amortised cost		
Bank deposits	374.23	754.73
Others	22.04	18.45
Dividend income on Non current investments designated as FVTPL	0.69	0.69
Dividend income on investments in mutual funds designated as FVTPL	5.71	41.53
Total finance income	402.67	815.40

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

21 Cost of raw materials and components consumed

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Inventory at the beginning of the year	4,860.35	2,820.33
Add: purchases	29,298.25	26,320.33
	34,158.60	29,140.66
Less: inventory at the end of the year	4,961.44	4,860.35
Cost of raw materials and components consumed	29,197.16	24,280.31

22 (Increase) / decrease in inventories

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Opening stock:		
Finished goods	2,677.17	1,509.46
Semi-finished goods	1,681.86	1,368.45
	4,359.03	2,877.90
Closing stock:		
Finished goods	3,209.36	2,677.17
Semi-finished goods	2,532.37	1,681.86
	5,741.73	4,359.03
(Increase)/decrease in inventories	(1,382.70)	(1,481.13)

23 Employee benefit expenses

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Salaries, wages, bonus and commission	11,391.84	10,385.18
Employee stock option scheme	-	0.89
Contribution to Provident Fund and other funds	1,691.36	1,289.20
Gratuity & Compensated absences expense (Refer Note 30)	315.44	177.62
Staff welfare expenses	146.79	297.59
Total employee benefit expenses	13,545.43	12,150.48

24 Other Expenses

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Consumption of components and spares	5,342.62	6,137.78
Packing materials consumed	650.35	647.98
Power and fuel expenses	7,216.45	6,457.83
Job work expenses	1,810.05	1,838.96
Freight outward charges	1,351.71	1,138.80
Rent	281.59	276.41
Rates and taxes	187.26	148.66
Insurance	187.22	137.33

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

Particulars	Year ended 31 st March, 2020	Year ended 31 st March, 2019
Repairs and maintenance		
Plant and machinery	712.32	845.46
Building	76.46	62.05
Others	938.60	556.73
Advertisement and sales promotion	174.56	205.57
Donation	45.87	13.66
CSR expenditure (Refer Note below)	147.59	147.93
Sales commission	577.92	547.80
Travelling and conveyance	638.70	484.17
Communication costs	83.78	101.60
Legal and professional fees	575.13	803.54
Auditors' remuneration and expenses*		
Statutory audit	58.33	40.54
Out of pocket expenses	0.46	0.24
Bad debts written off	5.56	117.62
Provision for doubtful debts (net of reversals)	-	(2.96)
Loss on fixed assets sold /discarded (net)	-	21.19
Fair value loss on contract obligation towards take over of NCI of subsidiary	76.49	43.11
Management fees	196.61	252.27
Miscellaneous expenses	719.73	936.25
Total Other Expenses	22,055.36	21,960.52

CSR expenditure

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Gross amount required to be spent during the year	132.12	143.37
Amount spent during the year in cash	147.59	147.93

* Audit fees for comparative year relates to previous year audit firm

25 Finance costs

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Interest on borrowings	782.09	743.40
Interest on delay in payment of taxes	40.11	25.32
Bank charges	78.60	98.10
Other finance costs	7.96	4.73
Total finance costs	908.76	871.55

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

26 Depreciation and amortisation expense

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Depreciation of property, plant and equipment	7,045.16	6,338.34
Amortisation of intangible assets	1,597.02	1,461.61
Total depreciatin and Amortisation expense	8,642.18	7,799.95

27 Components of Other Comprehensive Income (OCI)

During the year ended 31st March, 2020

Particulars	Foreign currency translation reserve	Retained earnings	Bargain purchase gain acquisition	Total
Re-measurement gains (losses) on defined benefit plans	-	(240.20)	-	(240.20)
Income tax effect	-	60.45	-	60.45
Foreign exchange translation differences	225.66	-	-	225.66
Exchange differences transferred to P&L for held for sale	-	-	-	-
Total	225.66	(179.75)	-	45.91

During the year ended 31st March, 2019

Particulars	Foreign currency translation reserve	Retained earnings	Bargain purchase gain acquisition	Total
Re-measurement gains (losses) on defined benefit plans	-	100.35	-	100.35
Income tax effect	-	(32.14)	-	(32.14)
Foreign exchange translation differences	(63.04)	-	-	(63.04)
Total	(63.04)	68.21	-	5.17

28 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profits for the year attributable to equity shareholders of the Holding Company by weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity shareholders of the Holding Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the profit and share data used in the basic and diluted EPS computation:

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Profit from continuing operations	3,534.29	1,265.08
Profit from discontinued operations	(38.53)	(113.04)
Profit attributable to equity shareholders of Holding Company for basic EPS	3,495.75	1,152.04
Profit attributable to equity shareholders of Holding company for diluted EPS	3,495.75	1,152.04
Weighted average number of equity shares in calculating basic EPS	9,49,85,835	9,49,53,225
Effect of dilution on account of options outstanding under ESOP Scheme:	21,090	62,273
Weighted average number of equity shares in calculating diluted EPS	9,50,06,925	9,50,15,497
Earnings per share from continuing operations (basic) (Rupees/share)	3.72	1.33
Earnings per share from continuing operations (diluted) (Rupees/share)	3.72	1.33
Earnings per share from discontinued operations (basic) (Rupees/share)	(0.04)	(0.12)
Earnings per share from discontinued operations (diluted) (Rupees/share)	(0.04)	(0.12)
Earnings per share from continuing & discontinued operations (basic) (Rupees/share)	3.68	1.21
Earnings per share from continuing & discontinued operations (diluted) (Rupees/share)	3.68	1.21

29 | Income Tax

The major components of income tax expense for the years ended 31st March, 2020 and 31st March, 2019 are:

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Current income tax:		
Current income tax charge	2,646.20	2,240.93
Adjustments in respect of current income tax of previous year	17.23	(161.04)
Deferred tax:		
Relating to origination and reversal of temporary differences (including deferred tax charge of discontinued operations)	(1,669.67)	46.41
Income tax expense reported in the statement of profit or loss	993.76	2,126.30

OCI Section

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Net loss/(gain) on remeasurements of defined benefit plans	(60.45)	32.14
Income tax expense charged to OCI	(60.45)	32.14

Reconciliation of closing balance of deferred tax liability

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
PPE: impact of difference between tax depreciation and depreciation /		
Amortisation for the financial year	2,598.54	3,908.20
Liability due to fair valuation of mutual fund	137.58	311.07
Others	8.40	29.94
Gross deferred tax liability	2,744.52	4,249.21
Deferred tax assets		

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Employee related costs allowed for tax purposes on payment basis	338.98	307.67
VRS compensation	89.84	202.36
Share issue expenses adjusted to securities premium account	23.07	46.80
Asset Held for Sale [Capital Loss]	161.22	
Deduction U/s 80JJAA	28.31	
Others	77.65	38.40
Gross deferred tax assets	719.07	595.23
Net deferred tax liability	2,025.45	3,653.98

Deferred tax assets are not offset with above deferred tax liability since the Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities (deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority)

Deferred Tax Credit for the year	As at 31 st March, 2020	As at 31 st March, 2019
Closing deferred tax liability (net)	2,025.45	3,653.98
Less: opening deferred tax liability (net)	3,653.98	2,434.72
Deferred tax movement for the year (a)	(1,628.53)	1,219.26
Deferred tax credit recorded in securities premium account (b) (Refer Note 11)	23.73	(13.79)
Deferred tax credit recorded in exceptional item (Refer Note 41B)	-	596.96
Deferred tax (credit) / charge for the year (c = a-b)	(1,652.26)	1,223.80
Deferred tax charge considered in OCI (d)	60.45	(32.14)
Deferred tax charge/ (credit) on share of profit in Joint venture (e)	9.29	9.25
Deferred taxes acquired in business combinations (f)	-	19.98
Foreign Exchange gain/loss	(87.15)	-
Deferred Tax recognised through reserves on PPA allocation	-	(1,743.88)
Deferred tax credit for the year to be charged to statement of profit or loss (c+d+e+f)	(1,669.67)	73.97

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31st March, 2020 and 31st March, 2019

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Accounting profit before tax	3,557.09	2,833.69
Accounting profit before income tax	3,557.09	2,833.69
At India's statutory tax rate 25.17% (31 st March, 2019 - 34.944%)	895.25	990.20
Incomes not chargeable to tax	-	-
Dividend exempt from tax	(10.90)	(24.28)
Excess provision for interest under section 234B, 234C written back	-	(9.85)
Donation u/s 80G (Allowance)	-	(5.11)
Excess provision reversed, not taken as allowance in prior years	-	(68.78)
Gratuity (OCI) gain disallowed in FY 2017-18 reversed during the year	-	(15.47)
Adjustments in respect of current income tax of previous year	17.23	(162.71)
Deduction claimed U/s 80JJAA in Current year & DTA Created on 80JJAA	(44.90)	-

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Effect of change in Tax rate from 34.608% to 25.168%	(550.22)	-
DTA created on Assets held for sale	(161.22)	-
DTA on Provision for Capital Advances (Last Year not Created)	(23.55)	-
Forward contract loss permanently disallowed	(16.13)	-
On Mutual fund gain due to indexation benefit & different rate of taxation	(128.61)	-
Non-deductible expenses for tax purposes:		
Donations disallowed	16.82	10.40
Interest u/s 234 B & 234 C and penalty	10.15	9.49
Deferred tax on consolidation	-	27.54
Effect of differential tax rate of subsidiary	271.78	113.94
Disallowance under Section 14A	1.13	-
Dividend on redeemable preference shares including DDT	-	8.65
Tax impact due to exceptional item not considered in current tax	-	955.58
Difference on account of other items	-	56.21
Deferred tax not recognised on c/f loss of subsidiary	-	67.94
Expenditure on which TDS not deducted	-	76.31
CSR expenses	-	51.69
Difference in Depreciation and WDV Movement	-	18.45
Other items	(4.06)	-
Deferred tax asset not recognised on carried forward losses	720.99	26.10
At the effective income tax rate of 27.94% (31st March, 2019 - 75.04%)	993.76	2,126.30
Income tax reported in the consolidated statement of profit and loss	993.76	2,126.30

Reconciliation of deferred tax liabilities (net):

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Opening balance as of 1 st April	3,653.98	2,434.72
Tax (income)/expense during the period recognised in profit or loss	(1,669.71)	46.39
Deferred tax credit recorded in exceptional item (Refer Note 41B)	-	(596.96)
Tax (income)/ expense during the period recognised in Equity	23.73	13.79
Tax (income)/expense during the period recognised in OCI	(60.45)	32.14
Tax (income)/expense -others	(9.25)	-
Deferred taxes acquired in business combinations	-	(19.98)
Foreign Exchange Gain/loss	87.15	-
Deferred Tax on PPA Allocation	-	1,743.88
Closing Balance as at 31st March	2,025.45	3,653.98

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

Deferred tax relates to the following

Particulars	Balance Sheet		Consolidated Statement of Profit & Loss	
	31 st March, 2020	31 st March, 2019	31 st March, 2020	31 st March, 2019
Accelerated depreciation for tax purposes	2,598.54	(3,908.20)	(1,398.39)	(784.36)
Fair value of mutual fund	137.58	(311.07)	(173.49)	88.82
Voluntary retirement scheme allowed as deduction over a period of five years	(89.84)	202.37	112.52	31.69
Preliminary expenses incurred on initial public offering, allowed as deduction over a period of five years	(23.07)	46.80	-	-
Employee benefit expenses allowed on payment basis under Sec 43B	(338.98)	307.67	(31.31)	86.04
Forward contracts	(19.60)	(22.40)	(38.43)	58.85
Expenses allowed for tax purposes on 5 years basis	(4.16)	7.29	3.14	3.08
Other	(26.82)	23.56	11.59	(23.56)
Provision for doubtful debts and advances	-	-	-	1.04
Deferred tax credit recorded in exceptional item (Refer Note 41B)	-	-	-	596.96
Amount to be charged in Statement of OCI	-	-	60.45	(32.14)
Deferred tax on grossing of share of profit on JV	-	-	-	-
Capital advance - Credit impaired	(23.55)	-	(23.55)	-
Loss on assets held for sale	(161.22)	-	(161.22)	-
Additional deduction U/s 80JJAA	(28.31)	-	(28.31)	-
Unrealised forex loss - to be adjusted from WDV U/s 43A	(1.23)	-	(1.23)	-
Loan processing fees and other fees	6.11	-	(1.44)	-
Deferred taxes acquired in business combinations	-	-	-	19.98
	2,025.45	(3,653.98)	(1,669.67)	46.41

30 | Disclosure pursuant to Employee benefits

A. Defined contribution plans:

Amount of ₹ 1,664.93 Lakhs (31st March, 2019: ₹ 1,289.20 Lakhs) is recognised as expenses and included in Note No. 23 "Employee benefit expense"

B. Defined benefit plans:

The Company has following post employment benefits which are in the nature of defined benefit plans:

(a) Gratuity

The Holding Company has a defined benefit gratuity plan in India (funded). The Company's defined benefit gratuity plan is a final salary plan for India employees, which requires contributions to be made to a separately administered fund. The gratuity plan governed by the Payment of Gratuity Act, 1972. As per the Payment of Gratuity Act, 1972, an employee who has completed five years of service is entitled to specific benefits. The level of benefits provided depends on the member's length of service and salary at retirement age.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

The Indian Subsidiary has a defined benefit gratuity plan in India and the same is unfunded.

Plan assets - Gratuity Fund of holding company is ₹ 564.18 Lakhs

The following table summarise the components of net benefit expense recognised in the statement of consolidated profit or loss and the funded status and amounts recognised in the consolidated balance sheet for the respective plans.

Net benefit expense 31 st March, 2020 (recognised in profit or loss) *	As at 31 st March, 2020	As at 31 st March, 2019
Current service cost	94.05	95.62
Interest cost on benefit	27.99	32.16
	122.05	127.78

* The amount debited to consolidated statement of profit and loss includes gratuity expenses on account of full and final settlement of left employees whose gratuity payments have not been considered for actuarial valuation amounting to ₹ 1.16 Lakhs for the year ended 31st March, 2019.

For the year ended 31st March, 2020 & 31st March, 2019 the amount debited to statement of Profit and loss also includes gratuity expenses of ₹ 20 Lakhs & Nil respectively provided for Promoter Director whose gratuity payment is not considered for actuarial valuation.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

31 st March, 2020: Changes in defined benefit obligation and plan assets										(In ₹)		
	1 st April, 2019	On acquisition (Refer Note 39)	Cost charged to statement of profit and loss			Benefit paid	Remeasurement gains/(losses) recognised in OCI					31 st March, 2020
			Service cost	Net interest expense	Sub-total included in statement of profit and loss (Refer Note 24)		Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	
Gratuity												
Defined benefit obligation	(898.90)	-	(94.05)	(68.53)	(162.59)	41.76	-	-	(144.14)	(91.48)	(235.62)	(1,255.34)
Fair value of plan assets	497.62	-	-	40.54	40.54	(19.97)	(4.58)	-	-	-	(4.58)	564.19
Benefit liability	(401.28)	-	(94.05)	(27.99)	(122.05)	21.79	(4.58)	-	(144.14)	(91.48)	(240.20)	(691.15)
31 st March, 2019 : Changes in defined benefit obligation and plan assets										(In ₹)		
	1 st April, 2018	On acquisition	Gratuity cost charged to statement of profit and loss			Benefit paid	Remeasurement gains/(losses) recognised in OCI					31 st March, 2019
			Service cost	Net interest expense	Sub-total included in statement of profit and loss (Refer Note 23)		Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	
Gratuity												
Defined benefit obligation	(883.97)	-	(95.62)	(66.42)	(162.04)	49.76	-	-	37.94	59.42	97.36	(898.90)
Fair value of plan assets	431.74	-	-	34.26	34.26	(45.81)	2.99	-	-	-	2.99	497.62
Benefit liability	(452.24)	-	(95.62)	(32.16)	(127.78)	3.95	2.99	-	37.94	59.42	100.35	(401.28)

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

The major categories of plan assets and the fair value of the total plan assets of Gratuity are as follows:

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Type of asset: Group gratuity scheme of LIC of India		
Fair value of total plan assets	564.19	497.62
(%) of total plan assets	100%	100%

The principal assumptions used in determining above defined benefit obligations for the Group's plans are shown below:

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Discount rate	6.77% to 8.86%	7.7% to 7.79%
Future salary increase	8.00%	8.00%
Expected rate of return on plan assets	8.00%	8.00%
Expected average remaining working lives (in years)	16 to 16.50	16 to 16.45

A quantitative sensitivity analysis for significant assumption is as shown below:

Gratuity

Particulars	Sensitivity level	(increase) / decrease in defined benefit obligation (Impact)	
		As at 31 st March, 2020	As at 31 st March, 2019
Discount rate	1% increase	901.03	616.74
	1% decrease	1,213.38	843.57
Future salary increase	1% increase	1,205.83	838.39
	1% decrease	904.62	618.87

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligations as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The followings are the expected future benefit payments for the defined benefit plan :

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Within the next 12 months (next annual reporting period)	45.71	30.81
Between 2 and 5 years	196.37	196.78
Beyond 5 years	868.39	762.12
Total expected payments	1,110.47	989.72

Weighted average duration of defined plan obligation (based on discounted cash flows)

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
	Year	Year
Gratuity	13.51 to 15	13.08 to 14

The followings are the expected contributions to planned assets for the next year:

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
	In ₹	In ₹
Gratuity	60.00	50.58

31 | Share Based Payments

The parent company provides share-based payment schemes to its employees. During the year ended 31st March, 2020, an employee stock option plan (ESOP) was in existence. The relevant details of the scheme and the grant are as below. On 6th February 2015, the Board of Directors approved the PCL Employee Stock Option Scheme 2015 (PCL ESOS 2015) for issue of stock options to the employees of The Company. According to the PCL ESOS 2015, the employee selected by the remuneration committee from time to time will be entitled to options. The contractual life (comprising the vesting period and the exercise period) of options granted under PCL ESOS 2015 is 6 years.

The fair value of the share options is estimated at the grant date using Black Scholes pricing model, taking into account the terms and conditions upon which the share options were granted. The exercise price of the share options is the face value i.e. Rs 10. The contractual term of each option granted is 6 years.

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Expense arising from equity-settled share-based payment transactions	-	0.89
Total expense arising from share-based payment transactions	-	0.89

There were no cancellations or modifications to the awards in 31st March, 2020 or 31st March, 2019.

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year.

Particulars	31 st March, 2020		31 st March, 2019	
	Number	WAEP	Number	WAEP
Outstanding at 1 st April	68,090	₹ 10	1,77,290	₹ 10
Granted during the year	-	-	-	-
Forfeited during the year	-	₹ 10	-	₹ 10
Exercised during the year	-	₹ 10	1,09,200	₹ 10
Expired during the year	47,000	-	-	-
Outstanding at 31st March	21,090	₹ 10	68,090	₹ 10
Exercisable at 31 st March	21,090	₹ 10	68,090	₹ 10

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

The weighted average share price at the date of exercise of these options was ₹ 10

The weighted average remaining contractual life (Vesting & Exercise) for the share options outstanding as at 31st March, 2020 was 11 month (31st March, 2019: 23 month).

The following table lists the inputs to the models used for the plans

Dividend yield (%)	0.00%
Expected volatility (%)	56.25%
Risk-free interest rate (%)	7.82%
Expected life of share options (years)	3
Weighted average share price (₹.)	10
Model used	Black Scholes

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

32 | Commitments and contingencies

a. Commitments

- (i) Estimated amount of contracts remaining to be executed on capital account and material not provided for (net of advances): At 31st March 2020, The Company had commitments of ₹ 778.03 Lakhs (31st March, 2019: ₹ 47.60 Lakhs)

b. Contingent liabilities

(i) Claims against The Company not acknowledged as debts (Legal claims)

- The Collector of Stamps, Solapur has demanded payment of stamp duty of ₹ 31.79 Lakhs (31st March, 2019: ₹ 31.79 Lakhs) for cancellation and issue of equity shares after amalgamation of Precision Valvetrain Components Limited (PVPL) with The Company in year 2007-2008. The Company has filed an appeal against demand made by the Collector of Stamps, Solapur with Controlling Revenue Authority, Pune.
- The Company is in appeal and the application is pending with "Hon'ble High Court of Judicature Appellate" against the claim made under Employees Provident Funds and Miscellaneous Provisions Act, 1952 for ₹ 24.23 Lakhs (31st March, 2019: ₹ 24.23 Lakhs). The Company has deposited an amount of ₹ 12.12 Lakhs (31st March, 2019: ₹ 12.12 Lakhs) under protest which has been shown under 'Other Assets'.
- The Company has received an order from the Commissioner of Central Excise Pune for the year 2002-03, 2003-04 and 2004-05 demanding excise duty amounting to ₹ 20.76 Lakhs (31st March, 2019: ₹ 20.76 Lakhs) on sales tax retained under sales tax deferral scheme.
- The Company has received the Show Cause Notice from The Directorate General of Goods and Service Tax Intelligence, Gurgaon (Haryana) for the cost of drawing/design/specifications was not included in components at the time of supply to MSIL amounting to ₹ 83.95 Lakhs (31st March, 2019: ₹ 83.95 Lakhs).

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

- e. The Company has received order from Assessing Officer for demand of income tax amounting to ₹ 1,428.71 Lakhs (31st March, 2020) towards disallowance of ESOP expenditures and other disallowances. The Company has filed appeal against the above order with Commissioner of Income Tax (Appeals) and has paid ₹ 200.00 Lakhs under protest and has adjusted refund due of ₹ 39.60 Lakhs with respect to FY 2006-07.

In all the cases mentioned above, outflow is not probable, and hence not provided by The Company.

c. Adoption of IND AS 116 “Leases”

The effect of adoption Ind AS 116 as at 1st April 2019 (increase/(decrease)) is, as follows:

Particulars	Amount
Assets	
Right-of-use assets	435.73
Total assets	435.73
Liabilities	
Lease liabilities	435.73
Total liabilities	435.73
Total adjustment on equity:	
Retained earnings	-
Non-controlling interests	-

The Group has lease contracts for vehicles. Before the adoption of Ind AS 116, the Group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. Upon adoption of Ind AS 116, the Group applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. Refer Note 2.3 (j) Leases for the accounting policy beginning 1st April 2019. The standard provides specific transition requirements and practical expedients, which have been applied by the Group.

A) Leases previously classified as finance leases

The Group did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e., the right-of-use assets and lease liabilities equal the lease assets and liabilities recognised under Ind AS 17). The requirements of Ind AS 116 were applied to these leases from 1st April 2019.

B) Leases previously accounted for as operating leases

The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. In some leases, the right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Group also applied the available practical expedients wherein it:

- ❖ Used a single discount rate to a portfolio of leases with reasonably similar characteristics;
- ❖ Relied on its assessment of whether leases are onerous immediately before the date of initial application;
- ❖ Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application;
- ❖ Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application;
- ❖ Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

33 | Related party transactions

A Names of the related party and related party relationship:

a) Related parties under 'Ind AS 24- Related Party Disclosures', with whom transactions have taken place during the period

i) Key management personnel (KMP)

Mr. Yatin S. Shah , Managing Director

Dr. Suhasini Y. Shah, Director (upto 12-08-2018)

Mr. Ravindra R. Joshi, Director

Mr. Jayant V. Aradhye (upto 27-05-2018)

Mr. Sarvesh N. Joshi, Independent Director

Mr. Pramod H. Mehendale, Independent Director

Mr. Vedant V. Pujari, Independent Director

Mr. Vaibhav S. Mahajani, Independent Director

Mr. Rajendra S. Dharkar, Managing Director of subsidiary (upto 31-12-2018)

Mrs. Vinita R. Dharkar, Director of subsidiary (upto 31-12-2018)

Mr. Mahesh A. Kulkarni (upto 08-12-2018)

Mr. Shreyas S. Mokashi (w.e.f. 01-04-2019 to 15-02-2020)

Mr. Abhishek P. Phadke (w.e.f. 16-02-2020)

Mr. Karan Y. Shah (w.e.f. 13-08-2018)

Mrs. Mayuri I. Kulkarni (w.e.f. 23-03-2019)

Ms. Smita Mandem, Director of subsidiary

Ms. Romita Mehta, Director of subsidiary (w.e.f. 01-12-2018)

Mrs. Savani A. Laddha Independent Director (w.e.f. 10-02-2020)

Mr. Edwin Hobbel, Director (Emoss Mobile Systems B.V., Netherlands) (w.e.f. 17-05-2018)

Mr. Guido Glinski, Managing Director MFT Motoren Und Fahrzeugtechnik GMBH (Germany)

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

ii) Relatives of key management personnel (RKMP)

Ms. Tanvi Y. Shah, daughter of Mr. Yatin S. Shah

Dr. Manjiri Chitale, mother of Dr. Suhasini Y. Shah

Ms. Uma N. Diwakar, daughter of Rajendra and Vinita Dharkar

Mrs. Mayura K. Shah, Wife of Mr. Karan Y. Shah

iii) Enterprises owned or significantly influenced by Key Managerial Personnel or their relatives:

Chitale Clinic Pvt. Ltd.

Precision Foundation & Medical Research Trust

Mr. Yatin S. Shah (HUF)

Cams Technology Ltd.

Medical Equipment Manufacturing Company

Rewin Investsmnets B.V. (w.e.f. 17-05-2018)

Kenbri Fire Fighting B.V. (w.e.f. 17-05-2018)

iii) Individual having significant influence

Mr. Jayant V. Aradhye

v) Relative of individual having significant influence

Mr. Maneesh Aradhye, son of Mr. Jayant Aradhye

Dr. Sunita Aradhye, wife of Mr. Jayant Aradhye

Mrs. Rama Aradhye, wife of Mr. Maneesh Aradhye

Mr. Vijay Aradhye, brother of Mr. Jayant Aradhye

vi) Joint venture

Ningbo Shenglong PCL Camshaft Co. Ltd., (China).

PCL Shenglong (Huzhou) Specialized Casting Co. Ltd., (China).

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

B The transactions with related parties during the year and their outstanding balances are as follows:

Sr. No.	Particulars	Key Managerial Personnel		Relatives of Key Managerial Personnel		Entities where KMP / RKMP have significant influence		Joint venture		Individual having significant influence		Relative of individual having significant influence	
		31 st March, 2020	31 st March, 2019	31 st March, 2020	31 st March, 2019	31 st March, 2020	31 st March, 2019	31 st March, 2020	31 st March, 2019	31 st March, 2020	31 st March, 2019	31 st March, 2020	31 st March, 2019
	Transactions												
1	Remuneration* (including commission)	943.47	906.60	-	-	-	-	-	-	-	-	-	-
2	Final Dividend paid on equity shares	479.69	478.19	2.95	2.94	125.15	125.15	-	-	82.02	82.02	33.49	33.49
3	Interim dividend paid on equity shares	458.80	-	2.80	-	128.32	-	-	-	77.92	-	31.81	-
4	Management Fees Paid	-	-	-	-	196.61	252.27	-	-	-	-	-	-
5	Temporary Personnel Cost Paid	-	-	-	-	82.40	84.58	-	-	-	-	-	-
6	Loan Received	-	526.57	-	-	786.46	2,373.90	-	-	-	-	-	-
7	Interest on Loan Taken	15.51	19.79	-	-	118.57	118.97	-	-	-	-	-	-
8	Sale of goods	-	-	-	-	-	-	-	335.15	-	-	-	-
9	Royalty income	-	-	-	-	-	-	-	4.26	-	-	-	-
10	Donation Paid	-	-	-	-	36.00	27.25	-	-	-	-	-	-
11	Purchases of goods, material or services	-	-	-	-	51.33	66.62	-	-	-	-	-	-
	Balances outstanding												
1	Remuneration payable	59.70	251.66	-	-	-	-	-	-	-	-	-	-
2	Trade receivables	-	-	-	-	-	-	-	56.69	-	-	-	-
3	Royalty Income	-	-	-	-	-	-	-	4.26	-	-	-	-
4	Trade payables	-	-	-	-	19.05	15.52	-	-	-	-	-	-
5	Management Fees Payable	-	-	-	-	85.64	-	-	-	-	-	-	-
6	Outstanding Loan Balance	536.27	507.20	-	-	3,239.78	2,286.59	-	-	-	-	-	-
7	Interest on Loan Taken	16.21	19.06	-	-	149.58	154.95	-	-	-	-	-	-
8	Payable for Temporary Personnel	-	-	-	-	35.89	-	-	-	-	-	-	-

*The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to Key Managerial Personnel.

* The liabilities for gratuity and leave encashment are provided for The Company as a whole, the remuneration does not include the same.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

C Disclosure in respect of related party transaction during the year:

Sr. No.	Particulars	Relationship	31 st March, 2020	31 st March, 2019
1	Remuneration*			
	Mr. Yatin S. Shah	Key management personnel	344.25	328.31
	Dr. Suhasini Y. Shah	Key management personnel	30.00	10.87
	Mr. Ravindra R. Joshi	Key management personnel	308.81	269.52
	Mr. Karan Y. Shah	Key management personnel	74.30	29.69
	Mr. Mahesh A. Kulkarni	Key management personnel	-	7.03
	Mrs. Mayuri I. Kulkarni	Key management personnel	7.80	0.18
	Mr. Sarvesh N. Joshi	Key management personnel	5.00	5.00
	Mr. Pramod H. Mehendale	Key management personnel	5.00	5.00
	Mr. Vedant V. Pujari	Key management personnel	5.00	5.00
	Mr. Vaibhav S. Mahajani	Key management personnel	5.00	5.00
	Dr. Suhasini Y. Shah	Key management personnel	5.00	2.92
	Mr. Rajendra S. Dharkar	Key management personnel	-	21.72
	Mrs. Vinita R. Dharkar	Key management personnel	-	21.72
	Mrs. Savani A. Laddha	Key management personnel	0.50	-
	Mr. Guido Glinski	Key management personnel	135.50	179.86
	Ms. Smita Mandem	Key management personnel	9.44	13.32
	Ms. Romita Mehta	Key management personnel	3.77	1.46
	Mr. Shreyas S. Mokashi	Key management personnel	3.47	-
	Mr. Abhishek P. Phadke	Key management personnel	0.62	-
2	Final dividend paid on equity shares			
	Cams Technology Limited	Entities where KMP / RKMP having significant influence	125.15	125.15
	Mr. Yatin S. Shah	Key management personnel	247.31	245.81
	Mr. Jayant V. Aradhye	Individual having significant influence	82.02	82.02
	Mr. Yatin S. Shah Jointly held with Dr. Suhasini Y. Shah	Key management personnel	128.29	128.29
	Dr. Suhasini Y. Shah	Key management personnel	104.06	104.06
	Mr. Maneesh J. Aradhye	Relative of individual having significant influence	16.36	16.36
	Dr. Sunita J. Aradhye	Relative of individual having significant influence	8.17	8.17
	Ms. Rama M. Aradhye	Relative of individual having significant influence	6.96	6.96
	Mr. Vijay V. Aradhye	Relative of individual having significant influence	2.00	2.00
	Dr. Manjiri V. Chitale	Relatives of Key management personnel	2.92	2.92
	Mr. Ravindra R. Joshi	Key management personnel	0.01	0.01
	Mr. Karan Y. Shah	Key management personnel	0.02	0.02
	Ms. Tanvi Y. Shah	Relatives of Key management personnel	0.02	0.02
	Mrs. Mayura K. Shah	Relatives of Key management personnel	0.01	
	Mr. Pramod H. Mehendale	Key management personnel	0.00	0.00

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

Sr. No.	Particulars	Relationship	31 st March, 2020	31 st March, 2019
	Mr. Vaibhav S. Mahajani	Key management personnel	0.00	0.00
	Mr. Kaustubh P. Mehendale	Relatives of Key management personnel	0.00	
3	Interim dividend paid on equity shares			
	Cams Technology Ltd.	Entities where KMP / RKMP have significant influence	128.32	-
	Mr. Yatin S. Shah	Key management personnel	237.12	-
	Mr. Jayant V. Aaradhye	Individual having significant influence	77.92	-
	Mr Yatin S. Shah Jointly held with Dr. Suhasini Y. Shah	Key management personnel	121.87	-
	Dr. Suhasini Y. Shah	Key management personnel	99.62	-
	Maneesh J. Aradhye	Relative of Individual having significant influence	15.54	-
	Dr. Sunita J. Aradhye	Relative of Individual having significant influence	7.76	-
	Ms. Rama M. Aradhye	Relative of Individual having significant influence	6.61	-
	Mr. Vijay V. Aradhye	Relative of Individual having significant influence	1.90	-
	Dr. Manjiri V. Chitale	Relatives of Key management personnel	2.77	-
	Mr. Ravindra R. Joshi	Key management personnel	0.16	-
	Mr. Karan Y. Shah	Key management personnel	0.02	-
	Ms. Tanvi Y. Shah	Relatives of Key management personnel	0.02	-
	Mrs. Mayura K. Shah	Relatives of Key management personnel	0.01	-
	Mr. Pramod H. Mehendale	Key management personnel	0.00	-
	Mr. Vaibhav S. Mahajani	Key management personnel	0.00	-
	Mr. Kaustubh P. Mehendale	Relatives of Key management personnel	0.00	-
4	Management Fees Paid			
	Rewin Investments B.V.	Entities where KMP / RKMP have significant influence	49.15	
	Kenbri Fire Fighting B.V.	Entities where KMP / RKMP have significant influence	147.46	252.27
5	Temporary Personnel Cost Paid			
	Rewin Investments B.V.	Entities where KMP / RKMP have significant influence	20.60	
	Kenbri Fire Fighting B.V.	Entities where KMP / RKMP have significant influence	61.80	84.58
6	Loan Received			
	Rewin Investments B.V. - 49%	Entities where KMP / RKMP have significant influence	786.46	2,373.90
	Mr. Guido Glinski (Germany)	Key management personnel	-	526.57

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

Sr. No.	Particulars	Relationship	31 st March, 2020	31 st March, 2019
7	Interest on Loan			
	Rewin Investments B.V. - 49%	Entities where KMP / RKMP have significant influence	118.57	118.97
	Mr. Guido Glinski (Germany)	Key management personnel	15.51	19.79
8	Sale of goods			
	Ningbo Shenglong PCL Camshafts Co. Ltd.	Joint Venture	-	335.15
9	Royalty Income			
	PCL Shenglong (Huzhou) Specialized Casting Co. Ltd.	Joint Venture	-	4.26
10	Donation Paid			
	Precision Foundation and Medical Research Trust	Entities where KMP / RKMP having significant influence	36.00	27.25
11	Purchases of goods, material or Services			
	Cams Technology Ltd.	Entities where KMP / RKMP having significant influence	51.09	66.29
	Chitale Clinic Pvt. Ltd.	Entities where KMP / RKMP having significant influence	0.23	0.33

Balances outstanding

1	Remuneration payable			
	Mr. Ravindra R. Joshi	Key management personnel	7.65	79.30
	Mr. Yatin S. Shah	Key management personnel	11.84	134.95
	Dr. Suhasini Y. Shah	Key management personnel	2.50	-
	Mr. Karan Y. Shah	Key management personnel	4.11	1.69
	Mrs. Mayuri I. Kulkarni	Key management personnel	0.63	0.18
	Mr. Sarvesh N. Joshi	Key management personnel	5.00	5.00
	Mr. Pramod H. Mehendale	Key management personnel	5.00	5.00
	Mr. Vedant V. Pujari	Key management personnel	5.00	5.00
	Mr. Vaibhav S. Mahajani	Key management personnel	5.00	5.00
	Dr. Suhasini Y. Shah	Key management personnel	5.00	2.92
	Mrs. Savani A. Laddha	Key management personnel	0.50	-
	Mr. Guido Glinski	Key management personnel	7.17	12.61
	Mr. Abhishek P. Phadke	Key management personnel	0.29	-
2	Trade receivables			
	Ningbo Shenglong PCL Camshafts Co. Ltd.	Joint venture	-	56.69
3	Royalty Income			
	PCL Shenglong (Huzhou) Specialized Casting Co. Ltd.	Joint venture	-	4.26
4	Trade and other payables			
	Cams Technology Ltd.	Entities where KMP / RKMP have significant influence	19.05	15.52
5	Management Fees Payable			
	Rewin Investments B.V.	Entities where KMP / RKMP having significant influence	51.38	-
	Kenbri Fire Fighting B.V.	Entities where KMP / RKMP having significant influence	34.26	-

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

Sr. No.	Particulars	Relationship	31 st March, 2020	31 st March, 2019
6	Outstanding Loan Balance			
	Rewin Investments B.V. - 49%	Entities where KMP / RKMP have significant influence	3,239.78	2,286.59
	Mr. Guido Glinski	Key management Personnel	536.27	507.20
7	Interest on Loan given by Shareholder			
	Rewin Investments B.V. - 49%	Entities where KMP / RKMP have significant influence	149.58	154.95
	Mr. Guido Glinski	Key management Personnel	16.21	19.06
8	Payable for Temporary Personnel			
	Rewin Investments B.V.	Entities where KMP / RKMP have significant influence	21.53	-
	Kenbri Fire Fighting B.V.	Entities where KMP / RKMP have significant influence	14.36	-

* The liabilities for gratuity and leave encashment are provided for The Company as a whole, the remuneration does not include the same.

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for or from any related party receivables or payables.

Compensation of Key Managerial Personnel of The Company

Particulars	31 st March, 2020	31 st March, 2019
Short term employee benefits (Gross salary)	862.26	615.66
Post employment benefits (PF+Superannuation+Gratuity)	81.21	290.94
Total compensation paid to Key Management Personnel	943.47	906.60

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period.

34 Segment information

The Group is engaged in manufacturing of Camshafts. Based on similarity of activities/products, risk and reward structure, organisation structure and internal reporting systems, The Company has structured its operations into single operating segment geographic distribution of however based on the activities, the chief operating decision made identified India and outside India as two reportable geographical segments.

Revenue from Customers	31 st March, 2020	31 st March, 2019
Within India	20,967.81	24,254.95
Outside India		
Asia	8,927.83	11,654.99
China	2.17	334.13
Europe	38,463.38	32,860.18
Others	6,262.11	416.56
	53,655.49	45,265.86
Total revenue	74,623.30	69,520.81

The revenue information above is based on the locations of the customers.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

Non-current operating assets*	31 st March, 2020	31 st March, 2019
Within India	39,488.78	34,391.86
Outside India		
Assets at China	-	-
Europe	9,619.01	18,098.13
Others	-	-
	9,619.01	18,098.13
Total	49,107.79	52,489.99

* As defined in paragraph 33 (b) of Ind AS 108 "Operating segments" non current assets excludes financial instruments, deferred tax assets and post-employment benefit assets.

35 | Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's consolidated assets and liabilities, other than those with carrying amounts that are reasonable approximations of fair values:

Particulars	Carrying Value		Fair Value	
	31 st March, 2020	31 st March, 2019	31 st March, 2020	31 st March, 2019
Property, Plant and Equipment				
Acquired Assets through acquisition of subsidiaries (Refer Note 39)				
Land - Memco	568.67	576.23	568.67	576.23
Land - MFT	280.62	276.90	280.62	276.90
Building - Memco	403.14	456.83	403.14	456.83
Building - MFT	1,546.62	1,434.09	1,546.62	1,434.09
Other Intangible Assets				
Acquired Assets through acquisition of subsidiaries (Refer Note 39)				
Customer -Supplier Relationship - Memco	440.25	498.95	440.25	498.95
Customer -Supplier Relationship - MFT	55.91	59.48	55.91	59.48
Technical Know-How - Memco	302.14	369.29	302.14	369.29
Technical Know-How - MFT	49.92	56.65	49.92	56.65
R & D - Memco	56.67	170.00	56.67	170.00
Customer relation - EMOSS	1,351.11	1,527.03	1,351.11	1,527.03
Technical Know how - EMOSS	2,702.22	3,054.07	2,702.22	3,054.07
IP Technology - EMOSS	2,702.22	3,054.07	2,702.22	3,054.07
Financial assets				
Investments at FVTPL	13,037.95	9,997.80	13,037.95	9,997.80
Loans & Advances	245.34	235.62	245.34	235.62
Other financial assets	1,884.52	4,049.39	1,884.52	4,049.39
Cash and cash equivalents	2,748.02	2,331.26	2,748.02	2,331.26
Bank balances	2,892.59	6,599.48	2,892.59	6,599.48
Trade receivables	17,195.32	14,150.11	17,195.32	14,150.11
Foreign exchange forward contracts	-	64.09	-	64.09
Assets classified as held for sale	1,003.35	1,003.35	1,003.35	1,003.35
Total	39,007.09	38,431.10	39,007.09	38,431.10

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

Particulars	Carrying Value		Fair Value	
	31 st March, 2020	31 st March, 2019	31 st March, 2020	31 st March, 2019
Financial liabilities				
Foreign exchange forward contracts	77.87	-	77.87	-
Sundry payables for capital goods purchased	227.63	851.75	227.63	851.75
Borrowings	18,774.04	16,129.42	18,774.04	16,129.42
Other financial liabilities	3,201.25	2,077.50	3,201.25	2,077.50
Trade payables	10,231.66	9,546.58	10,231.66	9,546.58
Total	32,512.45	28,605.25	32,512.45	28,605.25

The Group management assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate to their carrying amounts largely due to the short-term maturities of these instruments.

36 | Fair value hierarchy

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- **Level 1** - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2** - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- **Level 3** - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table provides the fair value measurement hierarchy of The Company's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets as at 31st March, 2020:

Particulars	Fair value measurement using				
	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:					
Acquired Assets through acquisition of subsidiaries (Refer Note 39)					
Land - Memco	31-Mar-20	568.67	-	-	568.67
Land - MFT	31-Mar-20	280.62	-	-	280.62
Building - Memco	31-Mar-20	403.14	-	-	403.14
Building - MFT	31-Mar-20	1,546.62	-	-	1,546.62
Other Intangible Assets					
Acquired assets through acquisition of subsidiaries (Refer Note 39)					
Customer - Supplier Relationship - Memco	31-Mar-20	440.25	-	-	440.25
Customer - Supplier Relationship - MFT	31-Mar-20	55.91	-	-	55.91
Technical Know-How - Memco	31-Mar-20	302.14	-	-	302.14
Technical Know-How - MFT	31-Mar-20	49.92	-	-	49.92
R & D - Memco	31-Mar-20	56.67	-	-	56.67

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

Particulars	Fair value measurement using				
	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Customer relation - EMOSS	31-Mar-20	1,351.11	-	-	1,351.11
Technical Know how - EMOSS	31-Mar-20	2,702.22	-	-	2,702.22
IP Technology - EMOSS	31-Mar-20	2,702.22	-	-	2,702.22
Investments at FVTPL	31-Mar-20	13,037.95	13,030.49	-	7.46
Asset Classified as Held for sale	31-Mar-20	1,003.35	-	1,003.35	-
Liabilities measured at fair value:					
Foreign exchange forward contracts	31-Mar-20	77.87	-	77.87	-

Quantitative disclosures fair value measurement hierarchy for assets as at 31st March, 2019:

	Fair value measurement using				
	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:					
Acquired Assets through acquisition of subsidiaries (Refer Note 39)					
Land - Memco	31-Mar-19	576.23	-	-	576.23
Land - MFT	31-Mar-19	276.90	-	-	276.90
Building - Memco	31-Mar-19	456.83	-	-	456.83
Building - MFT	31-Mar-19	1,434.09	-	-	1,434.09
Other Intangible Assets					
Acquired Assets through acquisition of subsidiaries (Refer Note 39)					
Customer - Supplier Relationship - Memco	31-Mar-19	498.95	-	-	498.95
Customer - Supplier Relationship - MFT	31-Mar-19	59.48	-	-	59.48
Technical Know-How - Memco	31-Mar-19	369.29	-	-	369.29
Technical Know-How - MFT	31-Mar-19	56.65	-	-	56.65
R & D - Memco	31-Mar-19	170.00	-	-	170.00
Customer relation - EMOSS	31-Mar-19	1,527.03	-	-	1,527.03
Technical Know how - EMOSS	31-Mar-19	3,054.07	-	-	3,054.07
IP Technology - EMOSS	31-Mar-19	3,054.07	-	-	3,054.07
Investments at FVTPL	31-Mar-19	9,997.80	9,990.34	-	7.46
Asset Classified as Held for sale	31-Mar-19	1,003.35	-	1,003.35	-
Foreign Exchange Forward Contracts	31-Mar-19	64.09	-	64.09	-

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- ❖ The fair values of the quoted mutual funds are based on price (i.e. the NAV of the mutual funds) quotations at the reporting date.
- ❖ The fair values of derivative forward contracts is determined using the marked-to-market valuation done by the banks.
- ❖ The fair values of Asset held for Sale is determined as per agreement between The Company and the buyer.
- ❖ For explanation on fair value of intangible assets and property, plant and equipment Refer Note 37.

37 | Significant accounting judgements, estimates and assumptions

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Accounting judgements, estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the Consolidated Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Fair value of land and building of subsidiary:

The Group has measured land and buildings of subsidiary Memco Engineering Private Limited (Memco) and step down subsidiary MFT Motoren Und Fahrzeugtechnik GMBH (Germany) (MFT) classified as property, plant and equipment at fair values as required under Ind AS-103 "Business Combination". The Group engaged independent valuation specialists to assess fair value for land and buildings as at 10th October, 2017 for Memco and 31st March, 2018 for MFT. Land and buildings were valued by reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the property as at the date of revaluation.

Fair value of Intangibles:

The Group has recognised Customer relationship, Technical know-how and R & D of Memco Engineering Pvt. Ltd. (Memco) and Customer relationship, Technical know-how of step down subsidiary MFT Motoren Und Fahrzeugtechnik GMBH (Germany) (MFT) classified as other intangible assets at fair values as required under Ind AS-103 "Business Combination". The Group engaged independent valuation specialists to assess fair value for above intangible assets as at 10th October, 2017 for Memco and 31st March, 2018 for MFT. Determination of fair value and useful life requires significant estimations and assumptions. The fair value of intangibles has been valued using valuation techniques (including Market method and Earning method) which include unobservable inputs. Intangible assets are assessed on the basis of their capability of generating above average performance in terms of confidence of customer, margins, and returns.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

Share-based payments:

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an Black Scholes valuation model. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 31.

Defined benefit plans (gratuity benefits):

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for the plans, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity obligations are given in Note 30.

Fair value measurement of financial instruments:

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using other valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 36 and 37 for further disclosures.

Goodwill impairment:

The Group tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of a cash generating unit (CGU) is determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth. These growth rates are consistent with forecasts included in industry reports specific to the industry in which each CGU operates.

Revenue Recognition:

Tooling Contract:-The Company has enforceable right to payment for tools developed when the tool is approved by the customer and accordingly the revenue from tooling is recognised at a point in time post approval by the customer.

Assets classified as held for sale:

Classification of investment in joint ventures as assets held for sale involves judgements of management that sale will be completed within 1 year and other conditions specified in Ind AS 105 - Non-current held for sale and discontinued operations are fulfilled. Due to COVID-19 there was procedural delay in closing the Subsidiary and the sale is completed for this joint ventures and the proceeds are realised on 18th June, 2020

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

38 | Group Information

Information about subsidiary and step down subsidiaries

Name	Country of incorporation	Principal activities	% equity interest	
			31 st March, 2020	31 st March, 2019
PCL (Shanghai) Co. Ltd*	China	Trading of camshafts	0%	100%
PCL (International) Holding B.V.	Netherlands	Finance, marketing and sales	100%	100%
Memco Engineering Pvt. Ltd.	India	Manufacturing of parts of diesel engine, break parts and parts of measuring instruments	100%	100%
MFT Motoren und Fahrzeugtechnik GmbH (Through Wholly owned subsidiary PCL (International) Holding B.V.)	Germany	Manufacturing of camshafts as well as prismatic components	76%	76%
E Moss Mobile Systems B.V., Netherlands (Through Wholly owned subsidiary PCL (International) Holding B.V.)	Netherlands	Designing, developing, producing and supplying complete electric powertrains for trucks, busses, military vehicles and heavy equipment	51%	51%
PCL Brasil Automotive LTDA (Through Wholly owned subsidiary PCL (International) Holding B.V.) #	Brazil	Manufacturing of machined camshafts	0%	100%

* During the previous year, the Directors of The Company decided to shut down its wholly owned subsidiary in China i.e. PCL (Shanghai) Co. Ltd. Consequently it has been reported as discontinued operation in the consolidated Ind AS financial statements in accordance with Ind AS 105. The subsidiary was liquidated on 24th December, 2019 and accordingly all the legal formalities have been complied with.

During the current year, the Directors of The Company decided to shut down its step down wholly owned subsidiary in Brazil i.e. PCL Brasil Automotive LTDA. The subsidiary was liquidated on 20th June, 2019 and accordingly all the legal formalities have been complied with.

39 | Business combinations

Acquisitions

1. Acquisition of Memco Engineering Private Limited:

On 10th October 2017, the Group acquired 95% of the voting shares of Memco Engineering Pvt. Ltd., a non-listed company based in India and specializing in the manufacture and sale of parts of diesel engine, break parts and parts of measuring instruments, in exchange for the cash. The Group acquired Memco Engineering Pvt. Ltd. to further strengthen their industry leadership and diversify into a new product range. The Group has acquired remaining 5% of the voting shares on 29th March 2019 for ₹ 261 Lakhs and making it a wholly owned subsidiary. Subsequently non-controlling interest (NCI) has been derecognised and balance accumulated in NCI is transferred to retained earnings.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

Measurement period

In year of acquisition, the initial accounting for a business combination with respect to Memco Engineering Pvt. Ltd. was incomplete and hence the Group had accounted the business combination on provisional basis. The Group was expecting further facts and information such as purchase price allocation analysis etc. The management has completed the Purchase Price Allocation (PPA) within twelve months from the date of acquisition in previous year and consequently has restated the assets and liabilities including intangibles and resultant goodwill.

Purchase consideration paid for the acquisition of Memco Engineering Private Limited has been allocated as follows:

Assets	Provisional PPA	Final PPA
Property, plant and equipment (Refer Note 3)	2,106.13	2,106.13
Intangible assets (Refer Note 4)		1,397.00
Cash and cash equivalents	2.31	2.31
Bank balances other than Cash and cash equivalents	6.43	6.43
Trade receivables	635.63	635.63
Inventories	396.10	396.10
Loans	13.06	13.06
Investments	6.16	6.16
Other financial assets	18.41	18.41
Deferred tax assets (net)	103.05	103.05
Other non-current assets	58.19	58.19
Other current assets	16.07	16.07
	3,361.54	4,758.54

Liabilities	Provisional PPA	Final PPA
Trade payables	(400.12)	(400.12)
Borrowings	(624.79)	(624.79)
Other financial liabilities	(229.74)	(229.74)
Provisions	(257.64)	(257.64)
Other current liabilities	(51.24)	(51.24)
Deferred Tax Liability on Fair Value of Asset on Acquisition		(620.92)
	(1,563.53)	(2,184.45)
Provisional amount of total identifiable net assets	1,798.01	2,574.09
Non-controlling interests measured at proportionate share	(89.90)	(128.70)
Goodwill arising on acquisition (Refer Note 4)	2,096.25	1,358.97
Purchase consideration transferred	3,804.36	3,804.36

The goodwill of ₹ 1,358.98 Lakhs comprises the value of expected synergies arising from the acquisition. None of the goodwill recognised is expected to be deductible for income tax purposes.

Purchase consideration	Amount
Paid in Cash	3,804.36
Total consideration	3,804.36

Analysis of cash flows on acquisition:	
Net cash acquired with the subsidiary (included in cash flows from investing activities)	2.31
Cash paid	(3,804.36)
Net cash flow on acquisition	(3,802.05)

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

Redemption liability recognised in financial statement for acquisition of 5% non controlling interest:

The Group had agreed for acquisition of remaining 5% interest in Memco Engineering Pvt. Ltd. for cash calculated based on multiple of EBITDA as of 31st March, 2018 adjusted with working capital changes at 30th September, 2018. Based on provisional financial for the period ended 30th September, 2018, the group had derived the liability. As at the acquisition date, the fair value of the redemption liability was estimated to be ₹ 210.77 Lakhs. The fair value was determined using DCF method (discount rate of 6.75%).

During the year, redemption liability finalized at ₹ 261 Lakhs. Difference in fair value and redemption liability is recognised as expense in consolidated statement of profit and loss.

2. Acquisition of MFT Motoren und Fahrzeugtechnik GmbH (through wholly owned subsidiary PCL (International) Holding B.V.):

On 23th March, 2018, Group through its wholly owned subsidiary PCL (International) Holding B.V. (PCL NL) acquired 76% of the voting shares of MFT Motoren und Fahrzeugtechnik GmbH, a company based in Germany and specializing in the manufacture and sale of camshafts in exchange for cash. The PCL NL acquired MFT Motoren und Fahrzeugtechnik GmbH to strengthen Group's niche machining capabilities, diversify into new products and establish a global brand presence. The acquisition considered by the management for the purpose of consolidation was 31st March 2018.

The Group has elected to disclose & recognise non-controlling interests (NCI) separately in the Consolidated Financial Statements. 24% of acquiree's identifiable net assets is measured as NCI. Further, the management as per para 45 of Ind AS 103 "Business Combinations" had consolidated MFT Motoren und Fahrzeugtechnik GmbH with provisional amounts.

Measurement period

In year of acquisition, the initial accounting for a business combination with respect to MFT Motoren und Fahrzeugtechnik GmbH was incomplete and hence the Group has accounted the business combination on provisional basis. The Group was expecting further facts and information such as purchase price allocation analysis etc. The management has completed the Purchase Price Allocation (PPA) within twelve months from the date of acquisition in previous year and consequently has restated the assets and liabilities including intangibles and resultant capital reserve (bargain purchase).

Purchase consideration paid for the acquisition of MFT Motoren und Fahrzeugtechnik GmbH has been allocated as follows:

Assets	Provisional PPA	Final PPA
Property, plant and equipment (Refer Note 3)	4,921.41	6,127.75
Intangible assets	35.87	172.93
Cash and cash equivalents	27.00	27.00
Trade receivables	2,409.79	2,409.79
Inventories	2,558.88	2,558.88
Other financial assets	81.01	81.01
Other current assets	140.29	140.29
	10,174.25	11,517.65

Liabilities	Provisional PPA	Final PPA
Trade payables	(862.18)	(862.18)
Borrowings	(3,239.99)	(3,239.99)
Other financial liabilities	(1,860.12)	(1,860.12)
Provisions	(8.06)	(8.06)
Other current liabilities	(80.04)	(80.04)

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

Liabilities	Provisional PPA	Final PPA
Current tax liabilities (net)	(37.99)	(37.99)
Deferred Tax Liability on Fair Value of Asset on Acquisition	-	(255.28)
	(6,088.38)	(6,343.66)
Amount of total identifiable net assets	4,085.87	5,173.99
Non-controlling interests measured at proportionate share	(980.61)	(1,241.78)
Bargain purchase arising on acquisition (Refer Note 11)	(585.00)	(1,412.02)
Purchase consideration transferred	2,520.26	2,520.19

On basis of the amount of identified assets and liabilities; there arises a bargain purchase gain. The gain of ₹ 1,412.02 Lakhs is currently recognised in other comprehensive income and shown as capital reserve in other equity.

Purchase consideration:	Amount
Paid in Cash	2,044.58
Contingent consideration liability	475.68
Total consideration	2,520.26

Analysis of cash flows on acquisition:	Amount
Net cash acquired with the subsidiary (included in cash flows from investing activities)	27.00
Cash paid	(2,044.58)
Net cash flow on acquisition	(2,017.58)

Contingent consideration:

In year of acquisition, as part of the purchase agreement with the previous owner of MFT Motoren und Fahrzeugtechnik GmbH, there was a component of contingent consideration. There was a requirement to pay additional cash to the previous owner of MFT Motoren und Fahrzeugtechnik GmbH not exceeding Euro 5.90 Lakhs i.e. ₹ 475.69 Lakhs; when the entity receives such compensation amount from a customer with whom an entity has made an agreement for orders.

The consideration was fixed at above amount and the fair value of the contingent consideration was estimated to be the same amount. The fair value was determined using DCF method. Considering the fact that, the deposit rate at Germany was negative and the date of payment of above liability was not determinable; the entire amount of compensation fixed above; was taken as fair value of the contingent consideration. During the previous year, the amount has been finalized at Euro 5.90 Lakhs i.e. ₹ 458.77 Lakhs and the same has been paid.

3. Acquisition of E Moss Mobile Systems B.V.:

On 17th May, 2018 the Group through its 100% subsidiary PCL (International) Holding B.V., Netherlands has acquired 51% shares in E Moss Mobile Systems B.V., a company based in Netherlands and specializing in Designing, developing, producing and supplying complete electric powertrains for trucks, busses, military vehicles and heavy equipment making it a step-down subsidiary company and consolidated the same in the financial statements of Precision Camshafts Limited, India.

The Group has elected to disclose & recognise non-controlling interests (NCI) separately in the Consolidated Financial Statements. 49% of acquiree's identifiable net assets is measured as NCI.

Measurement period:

The management as per para 45 of Ind AS 103 "Business Combinations" has consolidated E Moss Mobile Systems B.V. with provisional amounts. The Company had recognised goodwill of ₹ 5,774.21 Lakhs on provisional basis. The management has completed the Purchase Price Allocation (PPA) as detailed below in the first quarter of financial year 2019-20 and consequently restated the Goodwill.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

Provisional amount of identifiable assets and liabilities of E Moss Mobile Systems B.V. as at the date of acquisition were:

Assets	Provisional Amount	Final PPA
Property, plant and equipment (Refer Note 3)	683.46	683.46
Intangible assets	233.75	9,200.14
Cash and cash equivalents	142.92	142.92
Trade receivables	854.79	854.79
Inventories	3,471.22	3,471.22
Other financial assets	36.28	36.28
Deferred tax assets (net)	28.30	28.30
Other non-current assets	-	-
Other current assets	436.97	436.97
	5,887.69	14,854.08

Liabilities	Provisional Amount	Final PPA
Trade payables	(969.99)	(969.99)
Borrowings	(4,936.46)	(4,936.46)
Other financial liabilities	(2.15)	(2.15)
Other current liabilities	(85.44)	(85.44)
Deferred Tax Liability on Fair Value of Asset on Acquisition	-	(1,808.31)
	(5,994.04)	(7,802.35)
Provisional amount of total identifiable net assets	(106.35)	7,051.73
Non-controlling interests measured at proportionate share	52.11	(3,471.17)
Provisional Goodwill arising on acquisition (Refer Note 4)	5,932.61	2,297.81
Purchase consideration transferred	5,878.37	5,878.37

The goodwill of ₹ 2297.81 Lakhs comprises the value of expected synergies arising from the acquisition. None of the goodwill recognised is expected to be deductible for income tax purposes.

Purchase consideration	Amount
Paid in Cash	5,878.37
Total consideration	5,878.37
Analysis of cash flows on acquisition:	
Net cash acquired with the subsidiary (included in cash flows from investing activities)	142.92
Cash paid	(5,878.37)
Net cash flow on acquisition	(5,735.45)

40 | Material partly-owned subsidiaries

Financial information of subsidiaries that have material non-controlling interests is provided below:

Since the accounting for business combination of E Moss Mobile Systems B.V. is incomplete; the following amounts are provisional and the same may undergo the changes based on the finalization of accounting which will be done before measurement period ends. This might have material impact on the financial statements.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

Proportion of equity interest held by non-controlling interests:

Name	Country of operation	31 st March, 2020	31 st March, 2019
MFT Motoren und Fahrzeugtechnik GmbH (Through Wholly owned subsidiary PCL (International) Holding B.V.)	Germany	24%	24%
Memco Engineering Pvt. Ltd.	India	0%	0%
Emoss Mobile Systems B.V. (Through Wholly owned subsidiary PCL (International) Holding B.V.)	Netherlands	49%	49%

Information regarding non-controlling interest

	31 st March, 2020	31 st March, 2019
	Amount	Amount
Accumulated balances of material non-controlling interest:		
MFT Motoren und Fahrzeugtechnik GmbH (Through Wholly owned subsidiary PCL (International) Holding B.V.)	1,045.47	1,190.18
Memco Engineering Pvt. Ltd.	-	-
Emoss Mobile Systems B.V. (Through Wholly owned subsidiary PCL (International) Holding B.V.)	2,171.87	2,959.58
Profit/(loss) allocated to material non-controlling interest:		
MFT Motoren und Fahrzeugtechnik GmbH (Through Wholly owned subsidiary PCL (International) Holding B.V.)	(144.71)	(13.96)
Memco Engineering Pvt. Ltd. (Post 10 th October, 2017)	-	-
Emoss Mobile Systems B.V. (Through Wholly owned subsidiary PCL (International) Holding B.V.)	(787.71)	(430.69)

The summarised financial information of these subsidiaries are provided below. This information is based on amounts before inter-company eliminations.

Summarised statement of profit and loss for the year ended 31st March, 2020:

Particulars	MFT Motoren und Fahrzeugtechnik GmbH	Memco Engineering Pvt. Ltd.	Emoss Mobile Systems B.V.
Revenue	16,595.74	4,070.57	9,679.94
Other income	351.56	12.78	26.48
Finance income	-	12.39	-
Cost of raw material and components consumed	7,462.40	1,273.90	6,785.94
Depreciation and Amortisation expense	1,300.74	369.85	260.34
Employee benefit expenses	4,332.19	1,148.30	2,050.42
Other expenses	4,105.01	934.24	970.41
Finance costs	293.07	121.06	235.15
Profit before tax	(546.11)	248.39	(595.84)
Income tax	-	88.44	-
Profit for the year:	(546.11)	159.95	(595.84)
Total comprehensive income *	(276.44)	139.93	(631.31)
Profit attributable to non-controlling interests	(131.07)	-	(291.96)

* This includes foreign currency translation balance for EMOSS & MFT, and Gratuity OCI component in Memco.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

Summarised balance sheet as at 31st March, 2019:

Particulars	MFT Motoren und Fahrzeugtechnik GmbH	Memco Engineering Pvt. Ltd.	E Moss Mobile Systems B.V.
Property, plant and equipment and intangible assets including capital work in progress	8,416.56	1,509.64	1,399.56
Non Current financial assets	-	30.19	-
Deferred tax assets	-	137.06	29.12
Other non-current assets	-	12.32	-
Inventories	3,506.28	570.08	5,603.66
Trade receivable and other current financial assets	3,134.50	1,304.54	3,310.34
Other current assets	227.18	26.38	70.89
Borrowings (current and non current)	(8,264.47)	(525.19)	(6,569.60)
Non Current provisions	-	(261.42)	-
Trade payables and other current & non current financial liabilities	(3,357.86)	(756.13)	(2,897.08)
Other current liabilities	(66.27)	(20.92)	(1,659.31)
Current provisions	-	(16.48)	-
Current tax liabilities (net)	-	-	-
Total equity	3,595.92	2,010.10	(712.41)
Attributable to:			
Equity holders of parent	2,761.46	2,010.10	(346.86)
Non-controlling interest	834.46	-	(365.55)

41A Interest in Joint venture

The holding company has a 22.5% interest in Ningbo Shenglong PCL Camshafts Co. Ltd. (SLPCL), a joint venture involved in the manufacture of Camshafts. The Group's interest in SLPCL was accounted for using the equity method in the consolidated financial statements upto September 2018. Subsequently the Group had classified the investment in joint venture as held for sale in accordance with Ind AS 105- Non-current assets held for sale and discontinued operations (Refer Note 6A). Since the Group's interest in joint venture is classified as held for sale, the Group has disclosed the summarised financial information upto 30th September 2018 for the joint ventures in accordance with Ind AS 112, Disclosure of Interests in Other Entities. Due to COVID-19 there was procedural delay in closing the joint venture & and the sale is completed for this joint ventures and the proceeds are realised on 18th June, 2020.

Particulars	30 th September, 2018
Current assets	15,307.18
Non-current assets	13,577.60
Current liabilities	(2,703.96)
Non-current liabilities	(6,230.89)
Equity	19,949.93
Proportion of the Group's Ownership (a)	22.50%
Carrying amount of investment	4,488.73

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

Summarised statement of profit and loss of SLPCL

Particulars	30 th September, 2018
Revenue	5,882.63
Less: Cost of raw materials and components consumed	2,764.07
Less: Depreciation and Amortisation	869.38
Less: Finance Cost (net of finance income)	(165.92)
Less: Employee Benefit	680.23
Less: Other Expenses	1,181.38
Profit before tax	553.49
Income tax expense	55.97
Profit for the year	497.52
Total comprehensive income for the year	497.52
Increment in ESOS reserve	18.77
Total increment in net assets of SLPCL (b)	516.29
Company's share of profit for the year (a*b)	116.17

The holding company has a 40% interest in PCL Shenglong (Huzhou) Specialised Casting Co. Ltd. (PCLSL), a joint venture involved in the manufacture of Camshafts. The Group's interest in PCLSL was accounted for using the equity method in the Consolidated Financial Statements upto September 2018. Subsequently the Group had classified the investment in joint venture as held for sale in accordance with Ind AS 105- Non-current assets held for sale and discontinued operations (Refer Note 6A). Since the Group's interest in joint venture is classified as held for sale, the Group has disclosed the summarised financial information upto 30th September, 2018 for the joint ventures in accordance with Ind AS 112, Disclosure of Interests in Other Entities. Due to COVID-19 there was procedural delay in closing the Joint Venture & and the sale is completed for this joint ventures and the proceeds are realised on 18th June, 2020

Particulars	30 th September, 2018
Current assets	1,021.64
Non-current assets	5,078.58
Current liabilities	(6,201.50)
Non-current liabilities	(52.12)
Equity	(153.40)
Proportion of the Group's Ownership (c)	40.00%
Carrying amount of investment**	-

Summarised statement of profit and loss of PCLSL

Particulars	30 th September, 2018
Revenue	869.68
Less: Cost of raw materials and components consumed	318.67
Less: Depreciation and Amortisation	203.70
Less: Finance Cost	210.44
Less: Employee Benefit	417.13
Less: Other Expenses	241.53
Profit before tax	(521.79)

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

Particulars	30 th September, 2018
Income tax expense	-
Profit for the year (continuing operations)	(521.79)
Total comprehensive income for the year	(521.79)
Increment in ESOS reserve	30.36
Total increment in net assets of PCLSL (d)	(491.43)
Group's share of profit / (loss) for the year (c*d) **	-

**In accordance with Ind AS 28, Investments in Associates and Joint Ventures, the group has absorbed losses of joint venture to the extent of the value of investment.

Loss not absorbed because value investment has been reached at Zero:

Particulars	30 th September, 2018
Group's share in Net worth as on 31-03-2018 (i)	135.10
FCTR reclassified to P&L (ii)	11.70
Max Loss which can be absorbed by the Group (i+ii)	146.80
Group's share of profit / (loss) for the year	(196.57)
Unabsorbed loss	(49.77)

During the previous year, the Directors of The Company confirmed their intention to sell the shares of investment in its joint ventures, Ningbo Shenglong PCL Camshafts Co. Ltd. & PCL Shenglong (Huzhou) Specialized Casting Co. Ltd. collectively referred to as the "Disposal Group". As a result The Company had classified the Disposal Group as held for sale in accordance with Ind AS 105. Consequently, the investment in JVs were accounted for as per equity method (As per Ind AS 28) up to 30th September, 2018 resulting to loss of ₹ 34.41 Lakhs. Subsequently the Disposal Group is accounted for at fair value less cost to sale as per Ind AS 105. Management estimated fair value of Disposal Group is ₹ 1,003.35 Lakhs resulting into net loss on fair value measurement of ₹ 300 Lakhs in standalone and ₹ 3,485.39 Lakhs in Consolidated Financial Statements as at 31st March, 2019. There is no change in fair value estimates. The sale is completed for above mentioned entities and the proceeds are realised on 18th June, 2020.

41B | Exceptional items

Exceptional item for the year ended 31st March, 2019 represents effect of Disposal Group held for sale & for the year ended 31st March, 2020 represents the compensation amount received from customers in the holding company and the impairment of Goodwill arising on consolidation of step down subsidiary i.e. EMOSS Mobile Systems B.V.

Particulars	31 st March, 2020	31 st March, 2019
Fair Value loss on investment in joint venture held for sale	-	(3,485.39)
Deferred Tax on investment in joint venture reversed	-	596.96
Exchange differences on translation on joint venture	-	137.47
ESOS Reserve transferred	-	16.37
Compensation from customer	1,867.65	-
Amortisation of Goodwill on Consolidation	(2,083.28)	-
Net Exceptional items	(215.63)	(2,734.59)

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

42 | Discontinued Operation

During the previous year, the Directors of The Company decided to shut down its wholly owned subsidiary in China i.e. PCL (Shanghai) Co. Ltd. Consequently it has been reported as discontinued operation in the Consolidated Ind AS Financial Statements in accordance with Ind AS 105. In Standalone Ind AS Financial Statements of The Company, this investment had been fully impaired in FY 2016-17. The subsidiary was liquidated on 24th December, 2019 and accordingly all the legal formalities have been complied with.

Financial Performance and net cashflow of discontinued operation

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Revenue	-	217.56
Expense	29.24	321.35
Profit before income Tax	(29.24)	(103.79)
Income Tax Expense	9.29	9.25
Profit after income Tax	(38.53)	(113.04)
Net decrease in cashflow from discontinued operation	(38.53)	41.66

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Cash & cash equivalents	-	53.84
Other current assets	-	3.10
Total Assets	-	56.94
Trade & other payables	-	15.24
Total Liabilities	-	15.24
Net asset	-	41.70

43 | Capital Management

For the purpose of the Group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders and borrowings. The primary objective of the Group's capital management is to maximize the shareholder value. The Group manages its capital structure and makes adjustments for compliance with the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return on capital to shareholders or issue new shares. The Company had issued equity shares in the Financial Year 2015-16 in order to raise funds for building an additional machine shop for Ductile Iron Camshafts.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio within 60%. The Group includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents, excluding discontinued operations.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

Particulars	31 st March, 2020	31 st March, 2019
Borrowings other than non convertible preference shares (Refer Note 12)	19,952.17	16,852.34
Less: cash and cash balances (Refer Note 9)	(2,748.02)	(2,331.26)
Net debt	17,204.15	14,521.08
Equity	61,811.98	60,524.18
Total Equity	61,811.98	60,524.18
Capital and net debt	79,016.13	75,045.25
Gearing ratio	22%	19%

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

44 Dividend distribution made and proposed

Particulars	31 st March, 2020	31 st March, 2019
Cash dividends on equity shares declared and paid		
Final cash dividend for the year ended on 31 st March, 2019 ₹ 1 per share	949.86	949.86
Tax on final dividend	195.25	195.25
Interim dividend for the year ended on 31 st March, 2020 : ₹ 0.95 per share	902.37	-
Tax on interim dividend	181.62	-
	2,229.10	1,145.11

45 Financial risk management objectives and policies

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings; trade and other payables, and other financial liabilities. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include loans, trade and other receivables, investments in mutual funds and cash and cash equivalents that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings and derivative financial instruments.

The sensitivity analysis in the following sections relate to the position as at 31st March, 2020 and 31st March, 2019.

The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post retirement obligations and provisions.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to The Company's long-term and short-term debt obligations with floating interest rates.

Sensitivity

Year	Increase/ (decrease) in basis points	Effect on profit before tax
31st March, 2020	50	103.79
	(50)	(103.79)
31st March, 2019	50	78.88
	(50)	(78.88)

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency) and borrowings of the Group.

When a derivative is entered into for the purpose of being a hedge, the Group negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

Foreign currency exposure

Nature of Exposure	Currency	31 st March, 2020		31 st March, 2019	
		Amount in Curr	Amount in INR	Amount in Curr	Amount in INR
Trade Receivables	USD	110.69	8,285.01	48.00	3,275.75
	EUR	5.43	444.98	28.66	2,188.16
	GBP	4.69	431.90	10.40	922.33
Trade Payables	USD	2.04	154.36	4.92	341.82
	EUR	0.35	29.12	2.83	221.87
	JPY	96.00	67.68	-	-
Loan given to Subsidiaries	USD	-	-	-	-
	EUR	60.50	4,961.16	40.50	3,092.33
	GBP	-	-	-	-
Interest on Loan given to Subsidiaries	USD	-	-	-	-
	EUR	2.06	168.81	0.85	64.43
	GBP	-	-	-	-

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

Nature of Exposure	Currency	31 st March, 2020		31 st March, 2019	
		Amount in Curr	Amount in INR	Amount in Curr	Amount in INR
Forward contracts	USD	0.96	71.68	-	-
	EUR	0.11	9.08	-	-
	GBP	(0.03)	(2.89)	-	-
EEFC	USD	0.33	25.06	0.29	20.13
	EUR	0.41	33.66	0.06	4.56
	GBP	-	-	0.01	0.88

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, EUR and GBP exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities. The impact on the Group's pre-tax equity is due to changes in the fair value of forward exchange contracts designated as cash flow hedges and net investment hedges. There are no hedge transactions and hence no sensitivity impact has been derived on pre tax equity. The Group's exposure to foreign currency changes for all other currencies is not material.

Sensitivity

Year	Change in USD rate	Effect on profit before tax In ₹
31 st March, 2020	5%	543.92
	(5%)	(543.92)
31 st March, 2019	5%	308.13
	(5%)	(308.13)

Year	Change in EUR rate	Effect on profit before tax In ₹
31 st March, 2020	5%	292.45
	(5%)	(292.45)
31 st March, 2019	5%	181.39
	(5%)	(181.39)

Year	Change in GBP rate	Effect on profit before tax In ₹
31 st March, 2020	5%	34.07
	(5%)	(34.07)
31 st March, 2019	5%	77.58
	(5%)	(77.58)

Commodity risk

The Group is affected by the price volatility of certain commodities. Its operating activities require the ongoing manufacture of Camshafts, parts of diesel engine, brake parts and parts of measuring instruments and therefore require a continuous supply majorly of Pig Iron, MS Scrap, Resin coated sand and steel bars.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

The Group's exposure to the risk of exchange in key raw material prices are mitigated by the fact that the price increases/decreases from the vendors are passed on to the customers based on understanding with the customers. Hence the fluctuation of prices of key raw materials do not materially affect the consolidated statement of profit and loss. Also as at 31st March, 2020, there were no open purchase commitments/ pending material purchase order in respect of key raw materials.

Accordingly, no sensitivity analysis have been performed by the management.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade receivables

Customer credit risk is managed subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis for major clients. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 8. The Group does not hold collateral as security. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy.

The investment of surplus funds is made in mutual funds and fixed deposits which are approved by the Director.

The Group's maximum exposure to credit risk for the components of the balance sheet at 31st March, 2020 and 31st March, 2019 is the carrying amounts as illustrated in Note 9.

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

Particulars	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year Ended 31st March, 2020						
Non-Current Borrowings	-	-	-	15,159.65	12.11	15,171.76
Current Borrowings	3,602.29	-	-	-	-	3,602.29
Other financial liabilities	141.86	1,648.54	1,453.89	262.48	-	3,506.77
Trade payables	-	10,231.66	-	-	-	10,231.66
	3,744.15	11,880.20	1,453.89	15,422.13	12.11	32,512.48

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

Particulars	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year Ended 31st March, 2019						
Non-Current Borrowings	-	4.67	-	11,432.95	30.91	11,468.53
Current Borrowings	4,660.88	-	-	-	-	4,660.88
Other financial liabilities	140.48	1,919.44	869.32	-	-	2,929.24
Trade payables	-	9,546.58	-	-	-	9,546.58
	4,801.36	11,470.69	869.32	11,432.95	30.91	28,605.23

46 | Utilisation of money raised through public issue

During the year ended 31st March, 2016, The Company had raised ₹ 24,000.00 Lakhs through public issue of fresh equity shares (Refer Note 10), mainly with an objective of setting-up a new machining facility of Ductile Iron and other Camshafts at Solapur and for general corporate purposes. The Company had incurred expenses aggregating ₹ 2,387.33 Lakhs towards the initial public offering which included both issue of fresh equity shares as well as offer for sale of equity shares by existing share holders. Out of the same an amount of ₹ 1,028.12 Lakhs has been recovered from existing share holders in regard to offer for sale. Given below are the details of utilisation of proceeds raised through public issue. During the year ended 31st March, 2017, The Company has transferred an amount equivalent to the recovery from selling share holders from IPO account to the normal bank accounts since the same was spent by The Company before such recovery.

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Unutilised amount at the beginning of the year	2,325.39	12,491.76
Interest received on fixed deposits matured during the year	-	756.89
Less: amount utilised during the year		
Payment towards project expenditure relating to new manufacturing facility	2,131.31	8,237.56
Amount partially transferred from recoveries from selling share holders towards IPO expenses	-	2,685.70
Unutilised amount at the end of the year	194.08	2,325.39

Cumulative amount utilised is ₹ 24,000.00 Lakhs

Details of short-term investments made from Unutilised portion of public issue raised during the year ended 31st March, 2019

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Balance amount in current account	194.08	411.25
Investment in fixed deposits of banks	-	1,914.15

The Company has setup a building for new machine shop and line of machines for machining of ductile iron camshafts from IPO proceeds. As on 31-03-2019 The Company has fully utilised money raised from IPO for the purposes it was raised. Unutilised amount of ₹ 2,325.40 Lakhs pertains to interest received on IPO fund as on 01-04-2019 out of that company has utilised ₹ 2,131.31 Lakhs towards capital expenditure of machine shop & unutilised amount is ₹ 194.08 Lakhs.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

47 | Disclosure pursuant to Schedule V read with regulations 34(3) and 53(f) of the SEBI(Listing Obligations And Disclosure Requirements) Regulations,2015

A) Name of The Company	Balance as at		Maximum outstanding	
	31 st March, 2020	31 st March, 2019	31 st March, 2020	31 st March, 2019
To Subsidiary Companies				
PCL (International) Holding B.V. (Loan is given for working capital purposes and to advance further to its step down subsidiaries for general corporate purposes; which generate interest at the rate of 1.5% to 4% for The Company)	4,961.16	3,092.33	4,961.16	3,092.33

B) Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount: Nil

C) Investments by the loanee in the shares of parent company and subsidiary company, when The Company has made a loan or advance in the nature of loan as at 31st March, 2020:

Name of The Company	Balance as at		Maximum outstanding	
	31 st March, 2020	31 st March, 2019	31 st March, 2020	31 st March, 2019
To Subsidiary Companies				
MFT Motoren und Fahrzeugtechnik GmbH (MFT)- Germany	2,570.03	2,430.73	2,570.03	2,430.73
EUR 31,26,018.20 converted using (31 st March, 2020 : 82.21 & 31 st March, 2019: 77.76)				
E Moss Mobile Systems B.V., Netherlands	6,049.33	5,721.42	6,049.33	5,721.42
EUR 73,57,999.89 converted using(31 st March, 2020 : 82.21 & 31 st March, 2019: 77.76)				

48 | Additional information required by Schedule III of the Companies Act 2013.

Name of the Entity	Net Assets i.e. total assets minus total liabilities		Share in profit or loss		Share in Other Comprehensive Income (OCI)		Share in Total comprehensive Income (TCI)	
	As % of conso. net assets	Amt	As % of conso. P&L	Amt	As % of conso. OCI	Amt	As % of TCI	Amt
Parent								
Precision Camshafts Limited (including effect of consolidation elimination and adjustment effects)	91.77%	59,679.12	277.46%	7,112.33	(347.87%)	(159.72)	266.46%	6,952.61
Subsidiaries								
Indian:								
1. Memco Engineering Pvt. Ltd.	3.09%	2,010.10	6.24%	159.95	(43.62%)	(20.03)	5.36%	139.93
Foreign:								

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

Name of the Entity	Net Assets i.e. total assets minus total liabilities		Share in profit or loss		Share in Other Comprehensive Income (OCI)		Share in Total comprehensive Income (TCI)	
	As % of conso. net assets	Amt	As % of conso. P&L	Amt	As % of conso. OCI	Amt	As % of TCI	Amt
1. PCL (International) Holding B.V. (Consolidated) (attributable to equity holders of parent)	0.19%	122.75	(145.83%)	(3,738.02)	491.49%	225.66	(134.61%)	(3,512.36)
2. PCL (Shanghai) Co. Ltd. (Refer Note 42)	0.00%	-	(1.50%)	(38.52)	0.00%	-	(1.48%)	(38.52)
Non-controlling Interest in all subsidiaries, associates	4.95%	3,217.34	(36.38%)	(932.42)	0.00%	-	(35.74%)	(932.42)
Total	100.00%	65,029.31	100.00%	2,563.33	100.00%	45.91	100.00%	2,609.24

*The Group's interest in joint ventures was accounted for using the equity method in the Consolidated Financial Statements upto September 2018. Subsequently the Group had classified the investment in joint venture as held for sale in accordance with Ind AS 105- Non-current assets held for sale and discontinued operations (Refer Note 6A). On balance sheet date, Group does not have interest in joint venture or associate which is accounted for using equity method in the Consolidated Financial Statements. Due to COVID-19 there was procedural delay in closing the joint venture & and the sale is completed for this joint ventures and the proceeds are realised on 18th June, 2020.

49 Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1st April, 2020.

50 Impact of COVID 19 Pandemic

The World Health Organization announced a global health emergency because of a new strain of coronavirus ("COVID-19") and classified its outbreak as a pandemic on 11th March, 2020. In response, the Indian government have taken various actions and ensured many precautionary measures which posed significant disruption to business operations and adversely impacting most of the industries which has resulted in global slowdown.

The full extent and duration of the impact of COVID-19 on The Company's operations and financial performance is currently unknown, and depends on future developments that are uncertain and unpredictable, including the duration and spread of the pandemic and any new information that may emerge concerning the severity of the virus, its spread to other regions and the actions to contain the virus or treat its impact, among others.

Any of these outcomes could have a material adverse impact on Company's business, financial condition, results of operations and cash flows.

Management believes that considering The Company's historical profitability performance it has adequate liquidity and business plans to continue to operate the business and mitigate the risks associated with COVID-19 for the next 12 months from the date of this Financial Statements. The Company has taken appropriate steps to ensure that there is least disturbance and The Company has commenced operations in the Foundry and Machine Shop in May 2020.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

51 | Regrouping

The below table represents the difference between the amount reported in the balance sheet as on 31st March, 2019 in the published financial statement of the previous year and the regrouped amounts as reported in the balance sheet for the comparative period as on 31st March, 2019 in the current year's financial statement. The differences are mainly on account of certain re-grouping changes, write back of liability recorded previously on account of call/put option for acquisition of non controlling interest in step down subsidiary MFT Morten und Fahrzeugtechnik GmbH and on account of purchase price allocation in case of step down subsidiary Emoss Mobile Systems B.V. (Emoss) which is completed in current year (i.e. in quarter ended June 2019) within twelve months from the date of acquisition.

Particulars	As at 31 st March, 2019 (As published in the Previous Year)	As at 1 st April, 2019 Regrouped	Difference	Remark
ASSETS				
I. Non-current assets				
(a) Property, plant and equipment	37,594.79	36,008.16	1,586.63	Refer Note 1
(b) Capital work-in-progress	988.55	2,575.18	(1,586.63)	Refer Note 1
(c) Goodwill on consolidation	6,543.31	3,656.78	2,886.53	Refer Note 2
(d) Other intangible assets	1,687.69	9,322.87	(7,635.17)	Refer Note 2
(e) Financial assets				
(i) Investments	7.46	7.46	-	
(ii) Loans	233.47	233.47	-	
(iii) Other financial assets	188.89	188.89	-	
(f) Deferred tax assets (net)	129.85	129.85	-	
(g) Other non-current assets	497.18	497.18	-	
Total non-current assets	47,871.19	52,619.84	(4,748.64)	
II. Current assets				
(a) Inventories	13,156.85	10,573.09	2,583.76	Refer Note 1
(b) Financial assets				
(i) Investments	9,990.34	9,990.34	-	
(ii) Trade receivables	14,190.31	14,150.11	40.19	Refer Note 1
(iii) Cash and cash equivalents	2,331.26	2,331.26	-	
(iv) Bank balances other than (iii) above	6,599.48	6,599.48	-	
(v) Loans	2.15	2.15	-	
(vi) Other financial assets	748.72	3,924.59	(3,175.87)	Refer Note 1
(c) Current tax assets (net)	-	-	-	
(d) Other current assets	2,716.83	1,937.40	779.43	Refer Note 1
(e) Asset held for sale	1,003.35	1,003.35	-	
Total current assets	50,739.29	50,511.77	227.51	
Total Assets	98,610.48	1,03,131.61	(4,521.13)	

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

Particulars	As at 31 st March, 2019 (As published in the Previous Year)	As at 1 st April, 2019 Regrouped	Difference	Remark
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	9,498.58	9,498.58	-	
(b) Other equity				
(i) Securities premium account	21,785.93	21,785.93	-	
(ii) General reserve	472.21	472.21	-	
(iii) Share based payments	79.13	79.13	-	
(iv) Retained earnings	25,256.94	27,328.94	(2,072.00)	
(v) Capital reserve	1,605.99	1,412.02	193.97	Refer Note 2
(vi) Other reserves	(63.17)	(52.63)	(10.54)	Refer Note 2
Total Equity attributable to equity holders of Holding company	58,635.60	60,524.18	(1,888.57)	
Non-controlling interest	1,246.07	4,149.76	(2,903.69)	Refer Note 2
Total equity	59,881.67	64,673.94	(4,792.26)	
Liabilities				
I. Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	10,965.54	11,468.54	(503.00)	Refer Note 1
(ii) Trade and other payables	-	-	-	
(ii) Other financial liabilities	2,837.82	-	2,837.82	Refer Note 1
(b) Deferred tax liabilities (net)	1,557.20	3,783.83	(2,226.63)	Refer Note 2
(c) Provisions	854.81	854.81	-	
(d) Government grants	-	-	-	
(e) Other non-current liabilities	-	-	-	
Total non-current liabilities	16,215.37	16,107.18	108.19	
II. Current liabilities				
(a) Financial liabilities				
(i) Borrowings	7,358.94	4,660.88	2,698.06	Refer Note 1
(ii) Trade payables				
- total outstanding dues of micro enterprises and small enterprises	1,391.95	1,391.95	-	
- total outstanding dues of creditors other than micro enterprises and small enterprises	8,154.62	8,154.62	-	
(iii) Other financial liabilities	4,698.18	2,929.25	1,768.93	Refer Note 1
(b) Other current liabilities	411.74	4,715.78	(4,304.04)	Refer Note 1
(c) Provisions	78.44	78.44	-	
(d) Current tax liabilities (net)	419.57	419.57	-	
Total current liabilities	22,513.44	22,350.49	162.95	
Total liabilities	38,728.81	38,457.67	271.14	
Total Equity and Liabilities	98,610.48	1,03,131.61	(4,521.12)	

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020 (Contd.)

(All amounts in Rupees in Lakhs unless otherwise stated)

Note 1

Amount grouped incorrectly in the previous year now grouped under correct heads.

Note 2

Purchase Price Allocation completed in the current year (in the quarter ended June 2019) in case of step down subsidiary E Moss Mobile Systems B.V. (E Moss) and accordingly restated the Goodwill, recognised Intangibles and deferred tax liability on Intangibles. Further, accounted for amortisation of intangibles recognised and reversal of deferred tax liability from the date of acquisition till 31st March, 2019. Accordingly effect is given to non-controlling interest and retained earnings.

Liability recognised on Call/Put option regarding for acquisition of non-controlling interest in step down subsidiary MFT Motoren und Fahrzeugtechnik GmbH written back and credited to retained earnings.

Further, share in the deferred tax liability on Intangibles and Fair Value changes in Property, Plant and Equipments recognised on PPA allocation in case of MEMCO Engineering Pvt. Ltd. and MFT Motoren und Fahrzeugtechnik GmbH allocated to non-controlling interest.

52 | Previous year comparatives

Previous year's figures have been regrouped/reclassified to correspond with the current year's classification/disclosure.

The accompanying notes are an integral part of the financial statements.

As per our report attached of even date

For MSKA & Associates

Chartered Accountants
Firm Regn. Number: 105047W

Nitin M. Jumani

Partner
Membership Number: 111700

Place: Pune

Date: 23rd June, 2020

For and on behalf of the Board of Directors of Precision Camshafts Limited

Yatin S. Shah

Managing Director
DIN: 00318140

Place: Solapur

Date: 23rd June, 2020

Ravindra R. Joshi

Whole-time Director
DIN: 03338134

Place: Solapur

Date: 23rd June, 2020

Mayuri I. Kulkarni

Company Secretary
M. No. A32237

Place: Pune

Date: 23rd June, 2020

PRECISION CAMSHAFTS LIMITED

CIN: L24231PN1992PLC067126

Regd. Office: E 102/103, M.I.D.C., Akkalkot Road, Solapur - 413006. Maharashtra, India.

Tel.: +91 -9168646536/37 Fax: +91 (217) 2357645

Website: www.pclindia.in E-mail: info@pclindia.in;Date: 23rd June, 2020

Dear Member,

You are cordially invited to attend the 28th Annual General Meeting (AGM) of Precision Camshafts Limited ('the Company') which is scheduled to be held on Thursday, 30th July, 2020 at 3:30 PM through Video Conferencing ("VC")/ Other Audio Visual Means("OAVM").

The Notice of the meeting, containing business to be transacted, along with Explanatory Statement thereon is enclosed herewith.

As per Section 108 of the Companies Act 2013, read with the related Rules and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide its members the facility to cast their vote by electronic means on all resolutions set forth in the Notice before or during the Meeting. The instructions for e-voting are enclosed herewith AGM Notice.

Sincerely,**Mr. Yatin S. Shah****Chairman and Managing Director****(DIN: 00318140)**

Enclosures-

- Notice of the 28th AGM
- Instructions for e-voting
- Instructions for members to attend the AGM through **INSTAMEET** (VC/OAVM)
- Instructions for members to register themselves as **Speakers** during the AGM
- Instructions for members to vote during the AGM through **INSTAMEET**.
- Explanatory Statement as per Section 102 of the Companies Act, 2013

Notice

NOTICE is hereby given that the 28th (Twenty Eighth) Annual General Meeting (AGM) of the Members of Precision Camshafts Limited will be held on Thursday, 30th July, 2020 at 03:30 PM through Video Conferencing (“VC”) /Other Audio Visual Means (“OAVM”) to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt: -
 - (a) the Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2020 including Reports of the Board of Directors and Auditors thereon; and
 - (b) the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2020 including the Reports of the Auditors thereon
2. To consider Interim Dividend of ₹ 0.95/- (Rupees Ninety Five Paise) per equity share of ₹ 10/- each for FY 2019-20 declared by Board at its Board Meeting held on 5th March, 2020 as Final Dividend on equity shares for the FY 2019-20.
3. To appoint a Director in place of Mr. Karan Yatin Shah (DIN: 07985441), who retires by rotation, and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. TO RATIFY THE REMUNERATION OF COST AUDITORS FOR THE FINANCIAL YEAR ENDING 31st MARCH, 2021

To consider and if thought fit, to pass with or without modification(s), the following resolution(s) as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 148 of the Companies Act, 2013, read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and pursuant to the recommendation of the Audit Committee and Board of Directors, the Members of the Company hereby ratify the remuneration of ₹ 1,50,000/- (Rupees One Lac Fifty Thousand) plus taxes thereon, and out-of-pocket expenses incurred in connection with the audit, if any, chargeable extra on actual basis, payable to M/s. S. V. Vhatte & Associates, Cost Accountants (Membership No: 7501, Firm Registration No. 100280) who have been appointed as Cost Auditors by the Board of Directors of the Company, to conduct cost audit of the cost records of the Company for the financial year ending 31st March, 2021.

RESOLVED FURTHER THAT the Board of Directors (including any committee thereof) be and is hereby authorised to do or to authorise any person to do all such acts, deeds, matters and things as may be considered necessary, relevant, usual, customary, proper and/or expedient for giving effect to this resolution and for matters connected therewith or incidental thereto.”

5. TO APPROVE REMUNERATION OF MR. YATIN S. SHAH (DIN: 00318140), CHAIRMAN AND MANAGING DIRECTOR OF THE COMPANY FOR THE REMAINING TERM

To consider and if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013, Rule 8 of the Companies (Appointment and Remuneration) Rules, 2014 (including any statutory modification or re-enactment thereof) read with Schedule- V of the Companies Act, 2013 and Articles of Association of the Company and on recommendation of the Nomination and Remuneration Committee and the Board of the Company, the consent of the Company be and is hereby accorded to pay Mr. Yatin Subhash Shah – Chairman and Managing Director (DIN: 00318140), remuneration upto maximum of ₹ 3,82,50,000/- p.a. (Rupees. Three Crores Eighty Two Lakhs and Fifty Thousand only) for the remaining period of 2 years from 1st April, 2020 to 31st March, 2022; which includes the variable pay and perquisites, with the authority to Board to revise the components of the remuneration within the said maximum amount from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company (including any committee thereof) be and is hereby authorised to revise, amend, alter and/or vary the terms and conditions of the said appointment including remuneration to be paid to him, including in case of absence or inadequacy of profits, in such manner as may be agreed between the Board and Mr. Yatin Subhash Shah as may be deemed fit, but so as not to exceed the limits specified under Schedule V of the Act read with Section 197 and other applicable provisions, if any, of the Act or any statutory modifications or re-enactment thereof.

RESOLVED FURTHER THAT save and except as aforesaid, the special resolution approved and passed by the members at the annual general meeting held on 27th September 2017 shall continue to remain in full force and effect as far as it does not contradict with the instant resolution and approvals granted.

RESOLVED FURTHER THAT all other terms and conditions as per the HR policy of the Company be and are hereby applicable including Earned/Privilege leave, contribution to Provident Fund, Superannuation fund or annuity fund/ Gratuity in terms of applicable provisions of the relevant statutes.

RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorised to severally to do all such acts, deeds, matters and things as may be considered necessary to give effect to this resolution and matters incidental thereto.”

6. TO CONSIDER APPOINTMENT OF MRS. SAVANI ARVIND LADDHA (DIN: 03258295) AS DIRECTOR -DESIGNATED AS INDEPENDENT WOMAN DIRECTOR OF THE COMPANY.

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to provisions of Section 149, 150, 152, 161 of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with Schedule IV of the Companies Act, 2013 and Regulation 17(1) (a) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, as amended from time to time and pursuant to the recommendations of the Nomination and Remuneration Committee and the Board of Directors, consent of the members be and is hereby accorded for appointment of Mrs. Savani Arvind Laddha (DIN: 03258295), Additional Director of the Company and designated as Independent Woman Director with effect from 10th February, 2020 and whose term of office as an additional director expires at the conclusion of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act 2013 signifying his intention to propose Mrs. Savani Arvind Laddha as a candidate for the office of Independent Women Director, be and is hereby appointed as Director of the Company AND THAT Mrs. Savani Arvind Laddha (DIN: 03258295), shall continue to be designated as Independent Woman Director of the Company for the first term of 2 years i.e. upto 9th February, 2022

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts, deeds, matters and things as may be considered necessary, usual, proper or expedient to give effect to the aforesaid resolution.”

7. PAYMENT OF COMMISSION TO NON-EXECUTIVE DIRECTORS

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 197 and any other applicable provisions of the Companies Act, 2013 (hereinafter referred to as the “Act”) and the rules made thereunder read with Regulation 17 of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the members be and is hereby accorded to the payment of commission of a sum not exceeding 1% of the annual net profits of the Company computed in accordance with the provisions of Section 197 read with Section

198 of the Act, to such Directors of the Company (other than Executive Directors) in such proportion and manner as may be directed by the Board of Directors, for a period of three (3) years and such payment shall be made in respect of the profits of the Company for the financial years commencing from 1st April, 2020 to 31st March, 2023.

RESOLVED FURTHER THAT the above remuneration shall be in addition to the reimbursement of expenses for participation in the Board and other meetings.”

By order of the Board of Directors

For **Precision Camshafts Limited**

Mayuri Kulkarni
Company Secretary & Compliance Officer

Date: 23rd June, 2020

Pune

CIN : L24231PN1992PLC067126

Website : www.pclindia.in

E-mail ID : cs@pclindia.in

Registered Office

E 102/103 M.I.D.C
Akkalkot road, Solapur-413006,
Maharashtra, India
Phone: +91 9168646536/37

Corporate Office:

D-5 Chincholi, M.I.D.C, Solapur-413255,
Maharashtra, India
Phone: +91 9168646531/32/33

Pune Office

Office No. 501/502,
Kanchanban “B”, Sunit Capital,
CTS No. 967, FP No. 397,
Senapati Bapat Road Pune 411016
Phone:-020-25673050

Notes:

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated 8th April, 2020, Circular No. 17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, permitted the holding of the Annual General Meeting ("AGM") through VC/ OAVM, without physical presence of the members at common venue. In compliance of SEBI LODR, 2015 and MCA Circulars the AGM of the Company is being held through VC/OAVM. The detailed procedure for participating in the meeting through VC/OAVM is annexed herewith.
2. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 (the "Act"), setting out the material facts for each item of special business mentioned in items 4 to 8 of the Notice is annexed hereto. The relevant details, pursuant to Regulation 26 (4) and 36 (3) of the SEBI LODR and Secretarial Standard on General Meetings issued by the Institute of Companies Secretaries of India, in respect of Director seeking re-appointment at this AGM is annexed herewith.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from **Thursday 23rd July, 2020 to Thursday 30th July, 2020** (both days inclusive).
4. Pursuant to the provisions of the Companies Act, 2013, a Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the Annual General Meeting and hence the Proxy Form and Attendance Slip are not annexed to the Notice.
5. Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.
6. The Company's Registrar and Transfer Agents for its Share Registry work (physical and electronic) are Link Intime India Private Limited. (Block No. 202, Akshay Complex, 2nd floor, near Ganesh Temple, Off Dhole Patil Road, Pune - 411 001.
7. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/ JPG Format) of its Board or governing body Resolution/Authorization etc., authorising its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address at jbbhave@gmail.com and to The Company at cs@pclindia.in.
8. AGM will be convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated 8th April, 2020 and MCA Circular No. 17/2020 dated 13th April, 2020 and MCA Circular No. 20/2020 dated 5th May, 2020.
9. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013. Members can attend and participate in the Annual General Meeting through VC/OAVM only.
10. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated 13th April 2020, the Notice of the AGM along with the Annual Report 2019-20 has been uploaded on the website of the Company at www.pclindia.in. The Notice of the Annual General Meeting along with the Annual Report for the financial year 2019-20 is being sent only by electronic mode to those Members whose email addresses are registered with the Company/Depositories in accordance with the aforesaid MCA Circulars and circular issued by SEBI dated 12th May, 2020. The Notice is also available on the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of Link Intime India Private Limited For members who have not registered their email ids so far, are requested to register their email ids for receiving all communications including Annual Report, Notices from the Company electronically.

11. Members can avail of the nomination facility by filing Form SH-13, as prescribed under Section 72 of the Companies Act, 2013 and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, with the Company.
12. Members are requested to note that The Company's equity shares are under compulsory demat trading for all investors, subject to the provisions of SEBI Circular No.21/99 dated 8th July, 1999. Members are, therefore, requested to dematerialise their shareholding to avoid inconvenience.
13. Members holding shares in dematerialised mode are requested to intimate all changes pertaining to their bank details, ECS mandates, email addresses, nominations, power of attorney, change of address/name etc. to their Depository Participant (DP) only and not to The Company or its Registrar and Transfer Agent. Any such changes effected by the DPs will automatically reflect in The Company's subsequent records.
14. Pursuant to Securities and Exchange Board of India Circular SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018 the members holding shares in physical form are requested to give self- attested PAN Copy and original cancelled cheque indicating bank account details. In case of residents of Sikkim the members holding shares in physical form are requested to give self- attested a valid Identity proof issued by Government.
15. Pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the information about the Directors proposed to be appointed/re-appointed is given in the Annexure I to the Notice.
16. Members desirous of getting any information about the accounts and/or operations of the Company are requested to write to The Company at least seven days before the date of the Meeting to enable the Company to keep the information ready at the Meeting.
17. All the documents referred to in the Notice and Explanatory Statement along with other relevant documents will be made available for inspection by the Members on the website of the Company during the meeting.

18. Registration of email ID and Bank Account details:

In case the shareholder's email ID is already registered with the Company/its Registrar & Share Transfer Agent "RTA"/ Depositories, log in details for e-voting are being sent on the registered email address.

In case the shareholder has not registered his/her/their email address with the Company/its RTA/Depositories and or not updated the Bank Account mandate for receipt of dividend, the following instructions to be followed:

- (i) Kindly log in to the website of our RTA, Link Intime India Private Limited, www.linkintime.co.in under Investor Services > Email/Bank detail Registration - fill in the details and upload the required documents and submit. **OR**

(ii) In the case of Shares held in Demat mode:

The shareholder may please contact the Depository Participant ("DP") and register the email address and bank account details in the demat account as per the process followed and advised by the DP.

19. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated 8th April, 2020, 13th April, 2020 and 5th May, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be

transacted at the AGM. For this purpose, the Company has entered into an agreement with Link Intime India Private Limited for facilitating voting through electronic means, as the authorised agency.

20. Members of the Company holding shares either in physical form or in electronic form as on the cut-off date of **Thursday, 23rd July, 2020** may cast their vote by remote e-Voting. The remote e-Voting period commences on **Monday, 27th July, 2020** at 9.00 a.m. (IST) and ends on **Wednesday, 29th July, 2020** at 5.00 p.m. (IST). The remote e-Voting module shall be disabled by Link Intime India Private Limited for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. The voting rights of the Members (for voting through remote e-Voting before/ during the AGM) shall be in proportion to their share of the paid-up equity share capital of the Company as on the cut-off date of **Thursday, 23rd July, 2020**.
21. CS Jayavant B Bhawe, proprietor of M/s J. B. Bhawe & Co., Company Secretaries, Pune has been appointed as the Scrutinizer to scrutinize the remote e-voting process as well as the e-voting process at the AGM in a fair and transparent manner.
22. The Scrutinizer shall make, not later than 48 hours of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a Director authorised by him in writing, who shall countersign the same. The Chairman or the authorised Director shall declare the result of the voting forthwith.
23. The results declared along with the Scrutinizer's Report shall be displayed at the Registered Office as well as the Corporate Office of the Company and uploaded on the Company's website www.pclindia.in as well as on the website of LI IPL after the same is declared by the Chairman/authorised person. The Results shall also be simultaneously forwarded to the stock exchanges.
24. In case of joint holders, the Members whose name appear first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.

INSTRUCTIONS FOR E-VOTING

1. Open the internet browser and launch the URL: <https://instavote.linkintime.co.in>

Those who are first time users of LI IPL e-voting platform or holding shares in physical mode have to mandatorily generate their own Password, as under:

- ☐ Click on **"Sign Up"** under **'SHARE HOLDER'** tab and register with your following details: -

A. User ID: Enter your User ID

- ❖ Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
- ❖ Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
- ❖ Shareholders/ members holding shares in **physical form shall provide** Event No + Folio Number registered with the Company

B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/Company shall use the sequence number provided to you, if applicable.

C. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP Company - in DD/MM/YYYY format)

D. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company.

- ❖ Shareholders/ members holding shares in **CDSL demat account shall provide either 'C' or 'D', above**
- ❖ Shareholders/ members holding shares in **NSDL demat account shall provide 'D', above**
- ❖ Shareholders/ members holding shares in **physical form** but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above

▶ Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%*), at least one numeral, at least one alphabet and at least one capital letter).

▶ Click “confirm” (Your password is now generated).

NOTE: If Shareholders/ members are holding shares in demat form and have registered on to e-Voting system of LI IPL: <https://instavote.linkintime.co.in> , and/or voted on an earlier event of any company then they can use their existing password to login.

2. Click on 'Login' under '**SHARE HOLDER**' tab.
3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on '**Submit**'.
4. After successful login, you will be able to see the notification for e-voting. Select '**View**' icon.
5. E-voting page will appear.
6. Refer the Resolution description and cast your vote by selecting your desired option '**Favour / Against**' (If you wish to view the entire Resolution details, click on the '**View Resolution**' file link).
7. After selecting the desired option i.e. Favour / Against, click on '**Submit**'. A confirmation box will be displayed. If you wish to confirm your vote, click on '**Yes**', else to change your vote, click on 'No' and accordingly modify your vote.
8. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LI IPL at <https://instavote.linkintime.co.in> and register themselves as '**Custodian / Mutual Fund / Corporate Body**'. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the '**Custodian / Mutual Fund / Corporate Body**' login for the Scrutinizer to verify the same.

If you have forgotten the password:

- o Click on '**Login**' under '**SHARE HOLDER**' tab and further Click '**forgot password?**'
- o Enter **User ID**, select **Mode** and Enter Image Verification (CAPTCHA) Code and Click on '**Submit**'.
- ❖ In case shareholders/ members is having valid email address, Password will be sent to his / her registered e-mail address.
- ❖ Shareholders/ members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.
- ❖ The password should contain minimum 8 characters, at least one special character (@!#\$%*), at least one numeral, at least one alphabet and at least one capital letter.
- ❖ It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in the Notice. During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular “Event”. Shareholders/ members holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.

❖ General Guidelines for shareholders:

- During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular “Event”.
- Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.
- In case the shareholders have any queries or issues regarding e-voting, please refer the Frequently Asked Questions (“FAQs”) and Instavote e-Voting manual available at <https://instavote.linkintime.co.in> under **Help** section or write an email to enotices@linkintime.co.in or Call us :- Tel : 022 - 49186000.

INSTRUCTIONS FOR MEMBERS TO ATTEND THE ANNUAL GENERAL MEETING THROUGH INSTAMEET (VC/OAVM) ARE AS UNDER:

Shareholders/Members are entitled to attend and participate in the Annual General Meeting through VC/OAVM provided by Link Intime by following the below mentioned process.

1. Facility for joining the Annual General Meeting through VC/OAVM shall open 15 minutes before the time scheduled for the Annual General Meeting and shall be kept open till the expiry of 15 minutes after the schedule time on first come first basis.
2. Shareholders/Members with >2% shareholding, Promoters, Institutional Investors, Directors, KMPs, Chairpersons of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Auditors etc. may be allowed to the meeting without restrictions of first come first basis.
3. Shareholders/ Members will be provided with InstaMeet facility wherein Shareholders/ Member shall register their details and attend the Annual General Meeting as under:
 1. Open the internet browser and launch the URL: <https://instameet.linkintime.co.in>

► Select the “**Company**” and “**Event Date**” and register with your following details: -

A. Demat Account No. or Folio No: Enter your 16 digit Demat Account No. or Folio No

- ❖ Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
- ❖ Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
- ❖ Shareholders/ members holding shares in **physical form shall provide Folio Number** registered with the Company

- B. PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable).
- C. Mobile No.:** Enter your mobile number.
- D. Email ID:** Enter your email id, as recorded with your DP/Company.

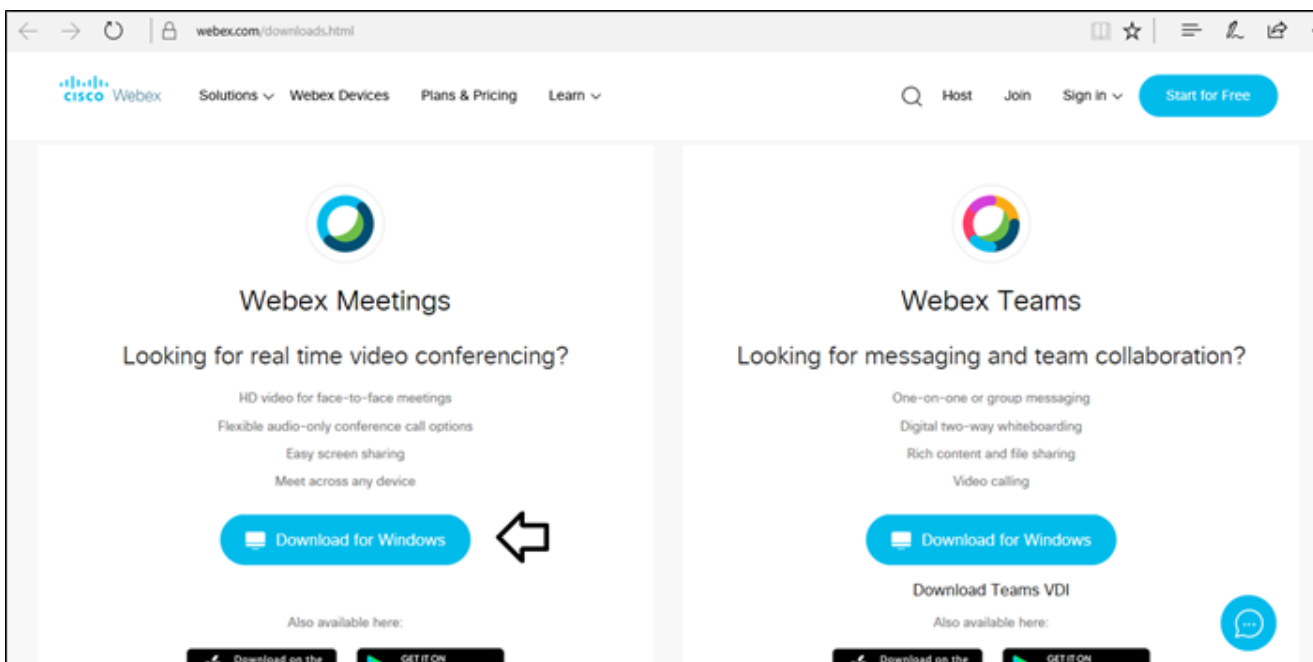
- ☐ Click “Go to Meeting” (You are now registered for InstaMeet and your attendance is marked for the meeting).

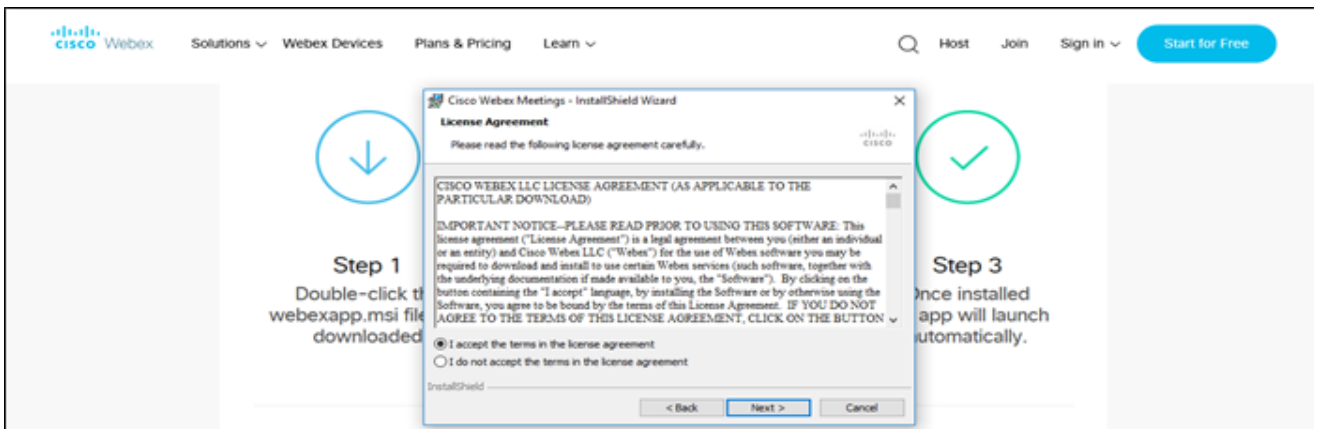
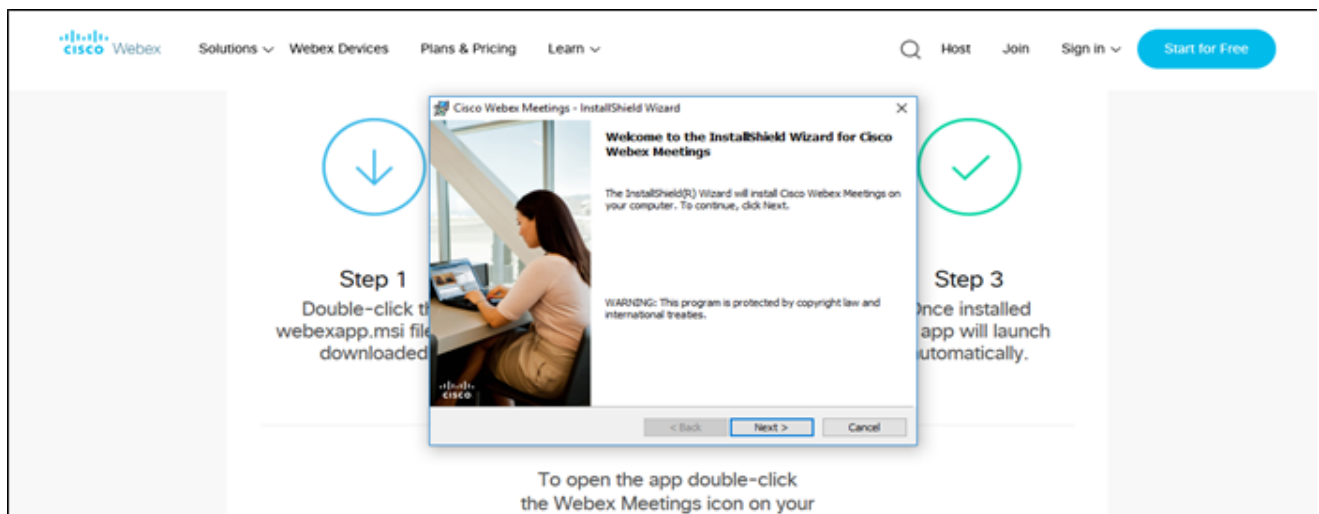
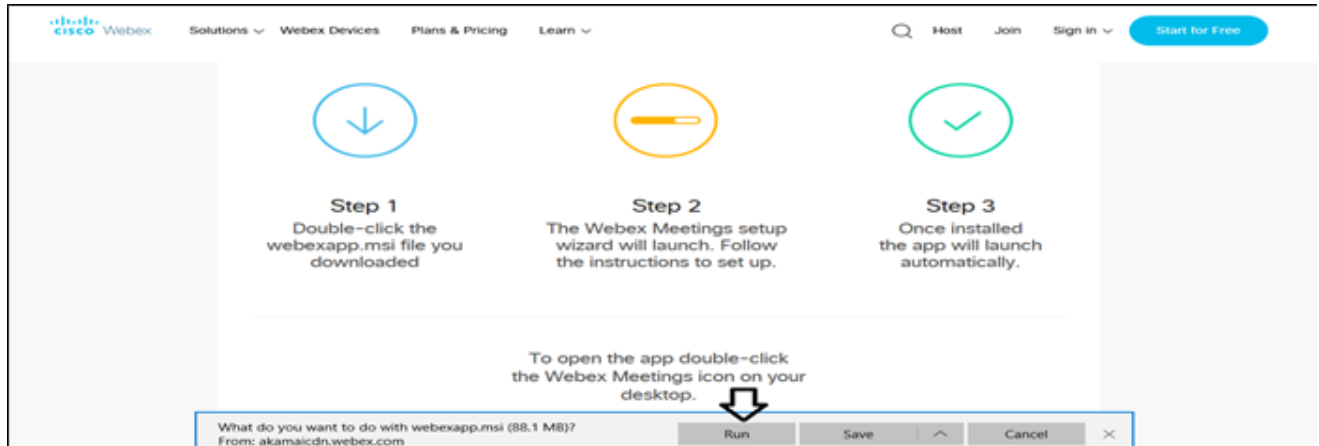
Please refer the instructions (annexure) for the software requirements and kindly ensure to install the same on the device which would be used to attend the meeting. Please read the instructions carefully and participate in the meeting. You may also call upon the InstaMeet Support Desk for any support on the dedicated number provided to you in the instruction/ InstaMEET website.

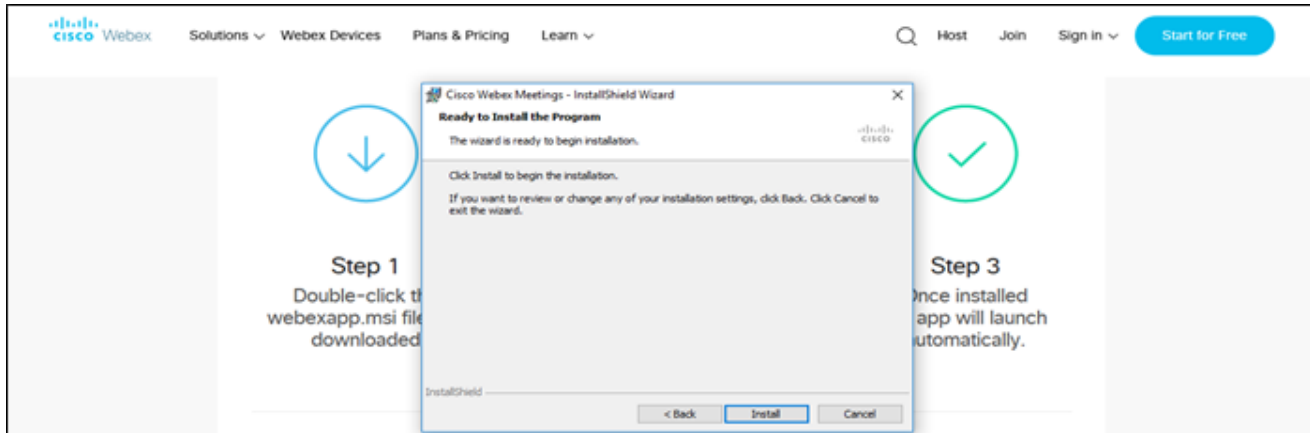
Guidelines to attend the AGM proceedings of Link Intime India Pvt. Ltd.: InstaMEET

For a smooth experience of viewing the AGM proceedings of Link Intime India Pvt. Ltd. InstaMEET, shareholders/ members who are registered as speakers for the event are requested to download and install the Webex application in advance by following the instructions as under:

- a) Please download and install the Webex application by clicking on the link <https://www.webex.com/downloads.html/>







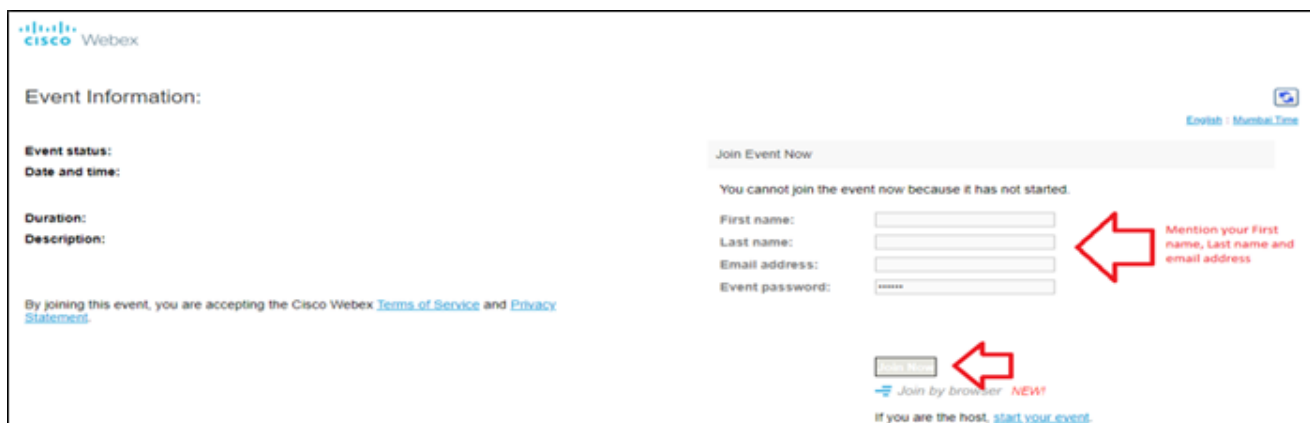
or

b) If you do not want to download and install the Webex application, you may join the meeting by following the process mentioned as under:

Step 1 Enter your First Name, Last Name and Email ID and click on Join Now.

- 1 (A)** If you have already installed the Webex application on your device, join the meeting by clicking on **Join Now**
- 1 (B)** If Webex application is not installed, a new page will appear giving you an option to either Add Webex to chrome or Run a temporary application.

Click on Run a temporary application, an exe file will be downloaded. Click on this exe file to run the application and join the meeting by clicking on **Join Now**



INSTRUCTIONS FOR MEMBERS TO REGISTER THEMSELVES AS SPEAKERS DURING ANNUAL GENERAL MEETING Through INSTAMEET:

1. Shareholders who would like to speak during the meeting must register their request mentioning their name, demat account number/folio number, email id, mobile number **3 days in advance** with the Company at cs@pclindia.in
2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the Company.
3. Shareholders will receive “speaking serial number” once they mark attendance for the meeting.
4. Other shareholder may ask questions to the panellist, via active chat-board during the meeting.
5. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

INSTRUCTIONS FOR MEMBERS TO VOTE DURING THE ANNUAL GENERAL MEETING THROUGH INSTAMEET:

Once the electronic voting is activated by the moderator during the meeting, members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting **“Cast your vote”**
2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on **“Submit”**.
3. After successful login, you will see **“Resolution Description”** and against the same the option **“Favour/ Against”** for voting.
4. Cast your vote by selecting appropriate option i.e. **“Favour/Against”** as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under **“Favour/Against”**.
5. After selecting the appropriate option i.e. **“Favour/Against”** as desired and you have decided to vote, click on **“Save”**. A confirmation box will be displayed. If you wish to confirm your vote, click on **“Confirm”**, else to change your vote, click on **“Back”** and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to instameet@linkintime.co.in or contact on: - Tel: 022-49186175.

EXPLANATORY STATEMENT AS PER SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4

RATIFICATION OF REMUNERATION TO M/S. S. V. VHATTE & ASSOCIATES, COST ACCOUNTANTS AS COST AUDITOR:

The Board of Directors of the Company in their meeting held on June 23, 2020, approved the appointment and remuneration of M/s S. V. Vhatte & Associates, Cost Accountants [Firm Registration No.: 100280] as the Cost Auditors of the Company to conduct the audit of the cost records of the Company for the Financial Year 2020-21 at a remuneration of ₹ 1,50,000/- (Rupees One Lakhs Fifty Thousand only) plus taxes thereon and out-of-pocket expenses to be incurred during the Audit subject to the approval of members at general meeting.

In terms of the provisions of Section 148 (3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is to be ratified by the Members of the Company.

The Directors recommend that the remuneration payable to the Cost Auditor in terms of the resolution set out at Item No. 4 of the Notice be ratified by the Members.

None of the Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the Resolution set out at Item No. 4 of the Notice.

Item No. 5

TO APPROVE REMUNERATION OF MR. YATIN SUBHASH SHAH AS CHAIRMAN AND MANAGING DIRECTOR (DIN: 00318140) FOR THE REMAINING TERM

Mr. Yatin S. Shah was appointed as Chairman and Managing Director of the Company in the 25th Annual General Meeting held on the 27th September, 2017 for a term of 5 years upto 31st March, 2022.

In the said meeting it was resolved that he be paid a remuneration upto a maximum of ₹ 3,82,50,000/- (Rupees Three Crores Eighty Two Lakhs and Fifty Thousand Only) p.a. for the period of 3 years from 1st April, 2017 to 31st March, 2020; which includes the variable pay and perquisites, with the authority to Board to fix the salary within the said maximum amount from time to time and that the remuneration payable to Mr. Yatin Subhash Shah, (DIN: 00318140) Chairman & Managing Director of the Company shall not exceed the overall ceiling of the total managerial remuneration as provided under Section 197 of the Companies Act, 2013 Schedule V of the Companies Act 2013, SEBI (Listing Obligations And Disclosure Requirements) Regulations 2015 or such other limits as may be prescribed from time to time.

It is proposed to approve the said remuneration payable to Mr. Yatin Subhash Shah, as Chairman and Managing Director of the Company for the remaining period of his term i.e. from 1st April, 2020 to 31st March, 2022.

Mr. Yatin S. Shah, Dr. Suhasini Y. Shah, Mr. Karan Y. Shah, Whole-time Directors and their relatives shall be deemed to be concerned or interested in the resolution to the extent of their shareholding in the Company and the remuneration payable to Mr. Yatin S. Shah under the resolution.

The Board of Directors recommends the relevant resolution for your consideration and approval as a **Special Resolution**.

None of the Directors, Key Managerial Personnel and their relatives other than Mr. Yatin S. Shah and his relatives are, in any way, concerned or interested in the said resolution no. 5.

Item No. 6**TO CONSIDER APPOINTMENT OF MRS. SAVANI ARVIND LADDHA (DIN: 03258295) AS DIRECTOR - DESIGNATED AS INDEPENDENT WOMAN DIRECTOR OF THE COMPANY.**

Pursuant to Regulation 17 (1)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company was required to appoint Woman Independent Director before 31st March, 2020. Based on the recommendation of Nomination and Remuneration Committee, Mrs. Savani Arvind Laddha was appointed as Additional Director designated as Independent Woman Director of the Company, under section 149, 150, 152 and 161 of the Companies Act 2013 in the Board Meeting held on the 10th February, 2020 and holds office till the conclusion of this Annual General Meeting.

Brief Profile

- ❖ Mrs. Savani Laddha is B.Com, M.Com and Chartered Accountant and has training courses on Information System Audit & Control by E & Y and Broker`s Training & Examination conducted by National Insurance Academy by IRDA.
- ❖ dynamic professional with over 20 years of experience in wide spectrum including Statutory Compliances, Finance, Accounting, Taxation, Insurance.
- ❖ Capable of effectuating innovative strategies for Conducting and managing regular business processes and internal control system.
- ❖ worked for Budgeting, forecasting & planning for the profitability of an Organization.
- ❖ area of work mainly included statutory compliances, apart from core practice like Audit taxation advisory.
- ❖ has excellent communication, interpersonal, analytical & management skills with proven track record of achieving set goals.

She has worked with following: -

- ❖ ICICI Bank, Bilcare Research, Price Waterhouse Coopers (earlier RSM & co.),
- ❖ Association with M/s. Vantage Insurance Brokers & Risk Advisors Private. Limited, (as a consultant)
- ❖ Partner at L.B. Laddha & Co, Chartered Accountants

She does not hold any Equity Shares in the Company. The Board has acquired the necessary Declarations and disclosures to assure itself of her independence. She is a Director of the following other Companies

Sr. No.	Name of the Company
1	Autus Corporate Mentors Private Limited
2	Autus Wealth Management Private Limited

Board of Directors recommends Mrs. Savani A. Laddha's Appointment, considering her experience over 20 years in Statutory Compliances, Finance, Accounting, Taxation, Insurance, strategies for Conducting and managing regular business processes and internal control system. Her addition to the Board will enable Board to take her valuable inputs bases on her experience.

A notice has been received from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mrs. Savani Arvind Laddha as a candidate for the office of Director.

The Board recommends her appointment as Director and continuation of her designation as Independent Woman Director of the Company for a first term of 2 years i.e. till 9th February, 2022. Accordingly, approval of the members of the Company is sought for appointment of Mrs. Savani A. Laddha as Director designated as Independent Woman Director of the Company.

The Board of Director recommends the relevant resolution for your consideration and approval as a **Ordinary Resolution**

None of the Directors, Key Managerial Personnel and their relatives are in any way, concerned or interested in the item no. 6 of the notice.

Item No. 7

APPROVAL FOR PAYMENT OF COMMISSION TO NON-EXECUTIVE DIRECTORS OF THE COMPANY.

The members of the Company at the 25th Annual General Meeting held on 27th September 2017 approved by way of an Ordinary Resolution under Section 197 of the Companies Act, 2013, the payment of remuneration by way of commission to the Non-Executive Directors of the Company, of a sum not exceeding 1% per annum of the net profits of the Company, calculated in accordance with the provisions of the Companies Act, 2013 for the period of 1st April, 2017 to 31st March, 2020.

It is proposed to renew the said approval for a further period of 3 years commencing from 1st April, 2020 to 31st March, 2023. It is proposed that the Non Executive Directors be paid remuneration in form of commission as may be decided by the Board of Directors subject to such aggregate commission amount not exceeding 1% per annum of the net profits of the Company computed in accordance with the applicable provisions of the Companies Act, 2013 as well as Regulation 17 of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015.

This remuneration will be distributed amongst Non Executive Directors in accordance with the directions given by the Board of Directors and subject to any other applicable requirements under the Companies Act, 2013 as well as Regulation 17 of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015. This remuneration shall be in addition to reimbursement of expenses for participation in the Board and other meetings.

Accordingly, approval of the Members is sought by way of a Ordinary Resolution at Item No. 7 of the Notice.

The Board of Directors recommends the relevant resolution for your consideration and approval as **Ordinary Resolution**.

Directors other than the Chairman and Managing Director and Whole-time Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 7 of the Notice.

By order of the Board of Directors
For **Precision Camshafts Limited**

Mayuri I. Kulkarni
Company Secretary & Compliance Officer

Date: 23rd June, 2020

Place: Pune

CIN: L24231PN1992PLC067126

Website: www.pclindia.in

E-mail ID: cs@pclindia.in

ANNEXURE I TO ITEM NO. 03, 05, 06 OF THE NOTICE

Pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 issued by the Institute of Company Secretaries of India, following information is furnished about the Directors proposed to be appointed/re-appointed.

Name of Director	Mr. Yatin Subhash Shah	Mr. Karan Yatin Shah	Mrs. Savani Arvind Laddha
DIN	00318140	07985441	03258295
Age	58	30	44
Date of First Appointment	08 th June, 1992	13 th August, 2018	10 th February, 2020
Qualifications	B.com, MBA (Fin.)	Bachelors in Mechanical Engineering and Masters of Business Administration	B.com, M.com , Chartered Accountant
Relationship with Director	Relative - spouse of Dr. Suhasini Yatin Shah and Father of Karan Shah.	Relative - Son of Mr. Yatin Shah and Dr. Suhasini Yatin Shah	None
Experience (including Expertise in Specific area/ Brief Resume)	Managerial and Engineering Experience	Managerial and Engineering Experience	Statutory Compliances, Finance, Accounting, Taxation, Insurance.
Number of Board Meetings attended during the year	4	5	1
Board membership of Companies as of 31 st March, 2020	Precision Camshafts Limited Cams Technology Limited Memco Engineering Private Limited	Precision Camshafts Limited Memco Engineering Private Limited Mayura Davda Shah Ventures Private Limited	Autus Corporate Mentors Private Limited Autus Wealth Management Private Limited

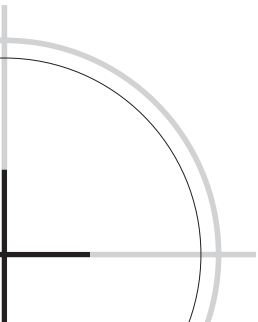
Terms and Conditions of appointment/ re-appointment	Terms same as earlier resolution passed at 25 th AGM for appointment as Managing Director of the Company at 25 th Annual General Meeting. Resolution proposed to be passed for approving remuneration at 28 th Annual General Meeting.	As per the resolution passed at the 26 th Annual General Meeting	As per the Company's Policy
Remuneration last drawn (including sitting fees, if any)	₹ 3,04,39,434/-	₹ 41,42,404/-	₹ 50,000/-
Remuneration proposed to be paid	As per Agenda Item No. 5 of Notice 28 th Annual General Meeting of the Company.	As per resolution passed at 26 th Annual General Meeting	As decided by the Board of Directors from time to time
Membership/Chairmanship of Committee of other Boards as on 31 st March, 2020	Precision Camshafts Limited-member of CSR Committee-Chairman and Member	None	Precision Camshafts Limited-member of Audit Committee.
Number of Shares held in The Company as on 31 March, 2020	3,77,88,717	14,500	0

Notice

This image shows a full page of blank, lined paper. It features approximately 20 evenly spaced horizontal red lines across its entire width, providing a guide for handwriting or typing. The background is a clean, solid white color.



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PRECISION CAMSHAFTS LIMITED, SOLAPUR (INDIA)

MANUFACTURING FACILITIES

D - 5, 6, 7 7/1 MIDC, Chincholi, Solapur - 413255

Ph : 9168646531/32/33

E - 90, 102/103, MIDC, Akkalkot Road, Solapur - 413006

Ph : 9168646536/37

A MOVEMENT CALLED PRECISION!

