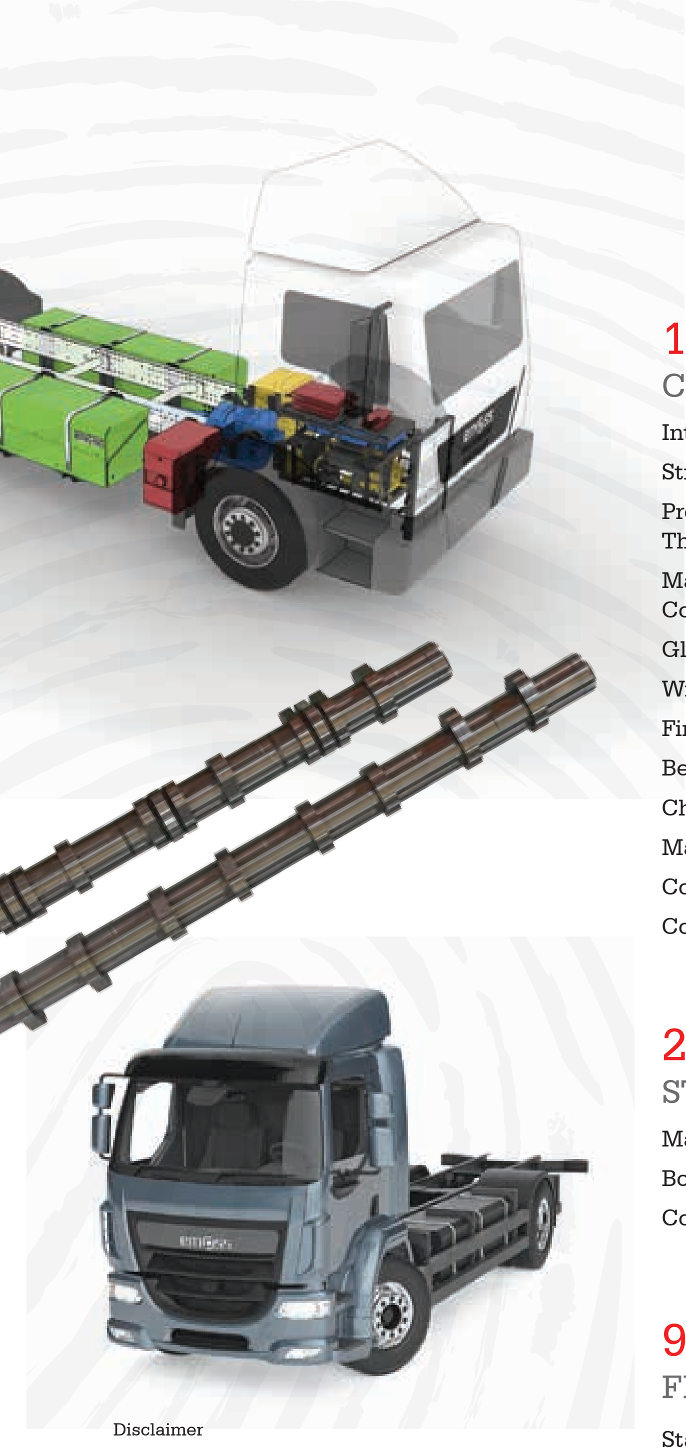
PRECISION

Where Passion Meets Performance

PRECISION CAMSHAFTS LIMITED

Distinct and Diverse

ANNUAL REPORT 2018-19



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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 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 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 of this Annual Report.

Investor information

CIN:	L24231PN1992PLC067126
BSE Code:	539636
NSE Symbol:	PRECAM
Dividend Declared:	₹ 1/- per share
AGM Date:	25th September, 2019
AGM Venue:	Hotel Balaji Sarovar Premiere, Aasara Chowk, Hotgi Road, Solapur – 413224, Maharashtra, India

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Distinct

Precision Camshafts Limited is a market leader in India and is one of the largest camshaft manufacturers in the world.

Known for its quality & delivery benchmarks, PCL has an enviable track record of zero field failures since its inception. Our domain knowledge and expertise in manufacturing all types of camshafts under one roof, employing the best technologies to stay ahead of the competition, forging strong partnerships and servicing OEMs in over 20 countries make us a distinct supplier of one of the most critical engine components.

Diverse

As a proactive and focused company, Precision Camshafts has grown by capitalising on opportunities ever since 1999. From the first JV with G Clancey in 1999, the two JVs in China, to the more recent acquisitions, PCL has always looked at inorganic opportunities to bolster business growth. The acquisition of the three companies in last two years have strengthened us to grow across the length and breadth of the globe. We have now emerged from being a single product company to one that now manufactures and supplies critical components like balancer shafts, injector components and other automotive and non-automotive components to OEMs around the world.

We have also made headway in the electrical mobility market as a supplier of complete electric drivelines for heavy equipment and vehicles.

PRECISION GROUP HAS EMERGED AS A TRULY DISTINCT AND DIVERSE COMPANY IN THIS YEAR!

Strategic Acquisition

Considering our global reach, we always aim to promptly catch an opportunity, whenever and wherever possible. We are always in search of opportunities that open up synergetic benefits. The Company has done strategic acquisitions to grow the business inorganically over the last 2 years with the goal of transforming the business. This is a gradual process and the acquisitions have helped the Company to broaden the product line and mitigate the risk.

ACQUIRED COMPANY	DIVERSIFIED PRODUCT PROFILE
MEMCO	Fuel injection components for conventional CRDi diesel engines; Brake components; High precision instrumentation components
MFT	Balancer Shafts; Camshafts; Bearing caps; Engine brackets & several non-engine prismatic components
EMOSS	EMOSS is a one of a kind business that designs, develops, produces and supplies complete electric powertrains for trucks, buses military vehicles and heavy equipment.

SYNERGY BENEFIT DERIVED OUT OF THE GROUP COMPANIES

Wide customer base
Acquisition has helped group companies to diversify and strengthen the customer base.

Know-how in manufacturing
Leveraging on manufacturing capability of acquired Company, instead of procuring fixed assets to produce other auto-component part and hiring human resources to operate it.

Cross sell
Group companies get the advantage to access and sell the product to the existing customer of each entity.

Locational advantage
Through proximity near customers, the group companies enjoy the logistical benefit in terms of cost and time.

Scalability
PCL through its strong balance sheet acts as an emulator in pushing the acquired Company to its potential growth and scale up the production and presence.

ATTRIBUTES POSSESSED BY EACH OF THE ACQUIRED COMPANY

Strong infrastructure
It includes two ISO certified plants, Plant 1 consisting of 40,000 sq ft and plant 2 consisting of 10,000 sq ft along with excellent design capabilities of auto components.

Different product segment
Apart from auto parts, MEMCO manufactures engineering components as well as medical equipment.

Production experience
Manufactures engine part since more than 70 years.

Enthusiastic team
Dynamic and young team having profound knowledge in machining.

Renowned tier-I supplier
Enjoys cost optimisation by suppling products directly to OEM which includes big clients.

Efficiency
Within short span of 90 days convert buses and trucks with internal combustion engines (ICE) into electric power train vehicles.

Robust technology
EMOSS is a technology-based company deriving its value from R&D activities. Equipped with state-of-the-art manufacturing facility, place where latest software is used by engineers.

End to end solution
EMOSS provides end to end solution including research & development, engineering, production, testing, certification, delivery and post-sale service.

GROWTH IN THE INITIAL PERIOD AFTER ACQUISITION

Acquired year	Stakes acquired
2018	100%
2018	76%
2018	51%

CONSOLIDATED FINANCIAL OUTCOME

Revenue from operation increased from **₹ 421 Crores to ₹ 695 Crores**

Gross profit margin **65.5%**

EBITDA margin **20.2%**

Consolidated Retained earnings increased from **₹ 246.7 Crores to ₹ 252.6 Crores**

Fixed assets expenditure increased by **₹ 49 Crores**

Debt to equity **0.31**

Precision Camshafts Limited: The Journey at a Glance

Precision Camshafts Limited (referred to as 'PCL' or 'the Company' hereafter), incorporated in 1992, is a leading manufacturer of camshafts. It produces about 150 types of camshafts under one roof. The camshafts are supplied to different automobile segments, ranging from passenger cars, tractors, light commercial vehicles up to locomotive engine applications. The Company has two manufacturing facilities located in Solapur, Maharashtra, which adhere to zero defect policy. One facility is entirely set up for export purpose and another one is for domestic purpose. Both the facilities are equipped with state-of-the-art technology, helping us to be cost competitive in our niche market.

The Company has established long term relations with leading global OEMs. The client portfolio coupled with product portfolio and engineering expertise has been further strengthened through acquisition of three subsidiaries over the last two years. Growing aggressively through organic and inorganic route has been very much possible due to our strong and experienced Management team. To gain competitive edge over others, we have also affiliated ourselves with various technical partners around the globe.

WE ARE NOT ONLY KNOWN FOR OUR MANUFACTURING QUALITY THAT MEETS THE CUSTOMER REQUIREMENT BUT ALSO FOR BEING PEOPLE-ORIENTED ORGANISATION WHICH GIVES BACK TO THE SOCIETY THROUGH SOCIAL AND GREEN INITIATIVE MEASURES.

PCL acquired

- **51% stake in Dutch company EMOSS in May 2018 for ₹ 58 Crores**
- **Remaining 5% stake in MEMCO for ₹ 2.6 Crores in April 2019**

Standalone Financial Snapshots in 2018-19

Revenue from operation — Y-o-Y growth

₹ 424 CRORES — 3.88 %

EBITDA — Y-o-Y growth

₹ 116 CRORES — 14.09 %

PAT — Y-o-Y growth

₹ 43 CRORES — 23.48 %

Gross profit margin

71.7 %

EBITDA margin

26.2 %

PAT margin

9.7 %

ROCE

11.1 %

Debt to equity

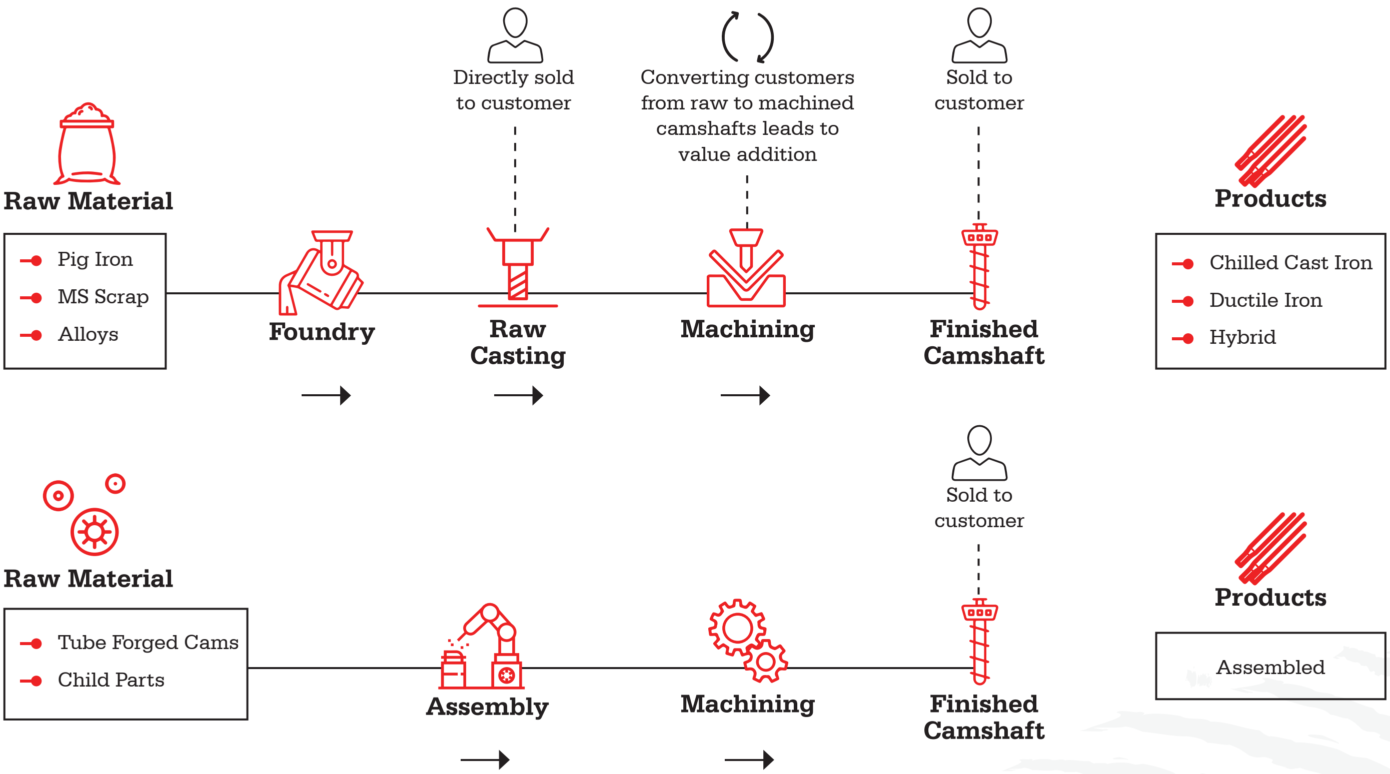
0.05

Milestones

2018	Acquisition of MFT & EMOSS
2017	Added machine shop with capacity of 2 Mn units p.a Acquired MEMCO
2016	Made an IPO and got listed on BSE & NSE
2014	Exclusive agreement with EMAG
2013	JV with China-based Shenglong Automotive Powertrain Company for Foundry Unit
2012	JV with China-based Shenglong Automotive Powertrain Company for camshafts manufacturing
2011	Incorporated 100% subsidiary in China PCL (Shanghai) Company Limited
2008	Tata Capital buys stake from CDC
2006	Acquired stake in JV with G. Clancey
1999	Technical & Financial JV with G. Clancey, a European camshafts manufacturer
1997	Investment by PE Investor CDC Capacity of Machine shop & Foundry expanded
1992	Incorporation of PCL

Manufacturing Facility and Diverse Core Product Portfolio

Manufacturing process and types of Camshafts



Diversified Product Portfolio

- Chilled Cast Iron Camshaft 4 Cylinder
- Chilled Cast Iron Camshaft Variable Valve Lift
- Induction Hardened Ductile Iron Camshaft
- Hybrid Camshaft Chilled Casting + Steel Fuel Lobe
- Assembled Camshaft
- Balance Shaft

Zero Defect Policy during Production Process

To comply with the Zero Defect Policy, we take numerous initiatives such as inspections on periodical basis to ensure all aspects of production and machining processes are under control. We constantly look to improvise the production process by upgrading our machines, making sure they are operating at the highest level of quality management. This has helped us to deliver quality products at steady fast pace to our customers which meet their standard.

BENEFITS FROM ZERO DEFECT POLICY → **LEADS TO** → **OUTCOME**

Benefits from Zero Defect Policy
- Cost optimisation
- Waste reduction
- Low rejection rate
- Meeting global standards

Leads to
- Customer satisfaction from new ones
- Improvisation in the customer loyalty parameters from the existing ones

Outcome
- Increase in the sales and profit
- Repetitive orders from the customers

Manufacturing systems follow customer requirements like QSB/ Q1/VDA6.3

ISO/TS 16949:2009, ISO 14001:2004, BS OHSAS: 18001:2007 certified

Camshaft Capacity

Manufacturing unit details (Solapur)

FY 2018-19	UNITS	CAPACITY	ACTUAL PRODUCTION	UTILISATION (%)
Camshaft castings	Four foundries	9 million	7.64 million	84.88
Machined camshafts	Four machine shops	3.01 million	2.09 million	69.44

Notes:
1. Foundry Capacity has been reduced to 9 million per year due to change in product mix, increase in ductile iron camshafts and decommissioning of old Unit 2 foundry.
2. Machine shop capacity will gradually increase to 3.60 million in the next 2 years.

Going through the expansion phase

Apart from the inorganic growth, we are doing a capacity addition in our in-house facility of machined camshafts. Expansion is taking place in phases to amplify the current production capacity from 2.22 Mn units to 4.0 Mn units by 2022 to meet the increased demand from OEMs. Once we have passed the expansion phase, it will aid in bagging big orders.

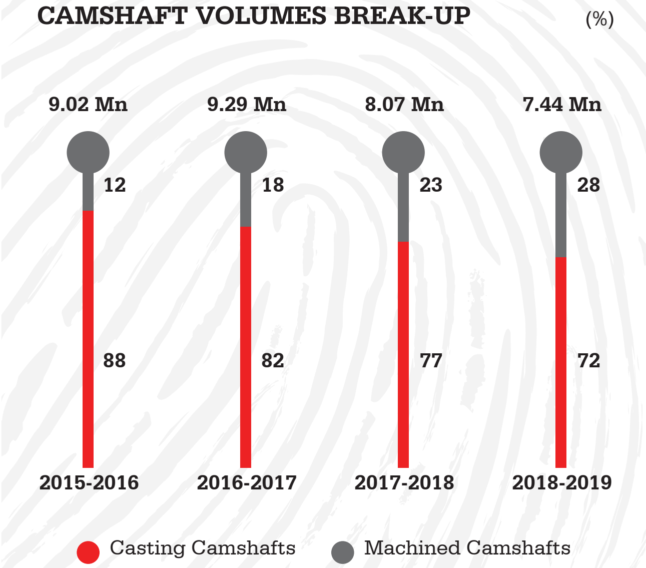
Higher capacity utilisation level = Lower operational cost

We are not operating at optimum level utilisation currently. However, the output will improve gradually with ramp up of the new programs, growing number of customers and demand. Hence, with rising quantity, there will be decline in our fixed cost which will help us to be operationally efficient. Also, it enables us to offer products at competitive prices and increase the market share.

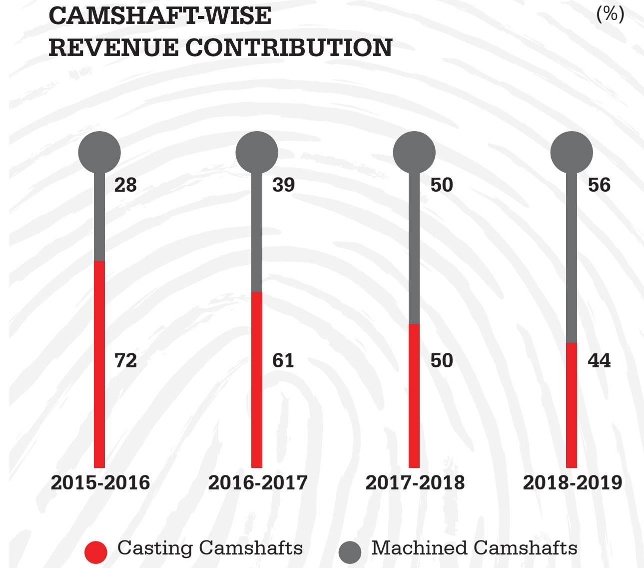
ON AN AVERAGE, CAMSHAFT DEMAND IS 1.5 X THE PASSENGER VEHICLES PRODUCED

Shift from Casting Camshafts to Machined Camshafts

CAMSHAFT VOLUMES BREAK-UP



CAMSHAFT-WISE REVENUE CONTRIBUTION



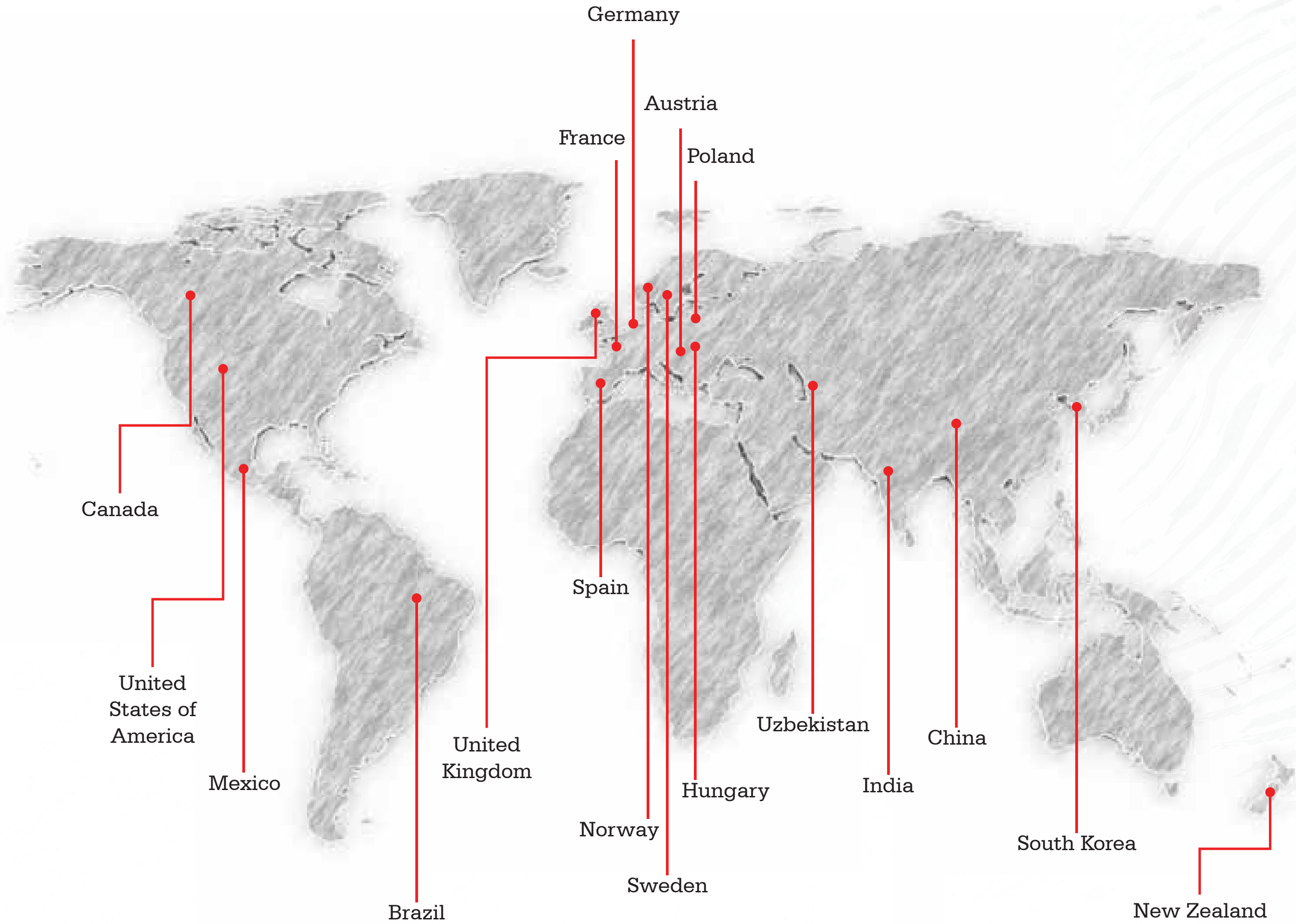
Higher Machined Camshafts Volume = Improving Margin

Machined camshaft is the next level of refined stage of casting camshaft. It is ready to fit into the engine assembly. Strategically, we are moving our focus towards machined camshaft as it offers better realisation, adding further value to our product. With machined camshaft segment, we have seen a higher margin accretive business due to its less dependency on raw material prices as they are based on cam profile complexity and the extent of machining. Going forward, it will ramp up our margins and ROCE.

MACHINED CAMSHAFT OFFERS POTENTIAL 2.5 TIMES HIGHER REALISATION AS COMPARED TO CAMSHAFT CASTING

Global Footprint

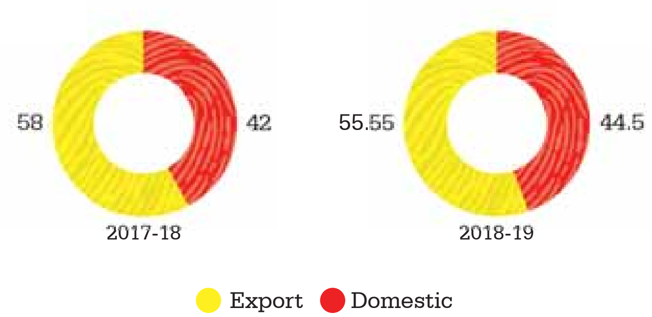
Clients' Presence



Disclaimer
This map is a generalized illustration only for the ease of the reader to understand the locations, and is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features / states do not necessarily reflect the actual position. The Company or any of its directors, officers or employees cannot be held responsible for any misuse or misinterpretation of any information or design thereof. The Company does not warrant or represent any kind in connection to its accuracy or completeness.

Manufacturing Presence

Geographical Revenue Break-up (%)



Widespread Clientele

Group clients

PCL, MFT, MEMCO clients

PCL

Common

MFT

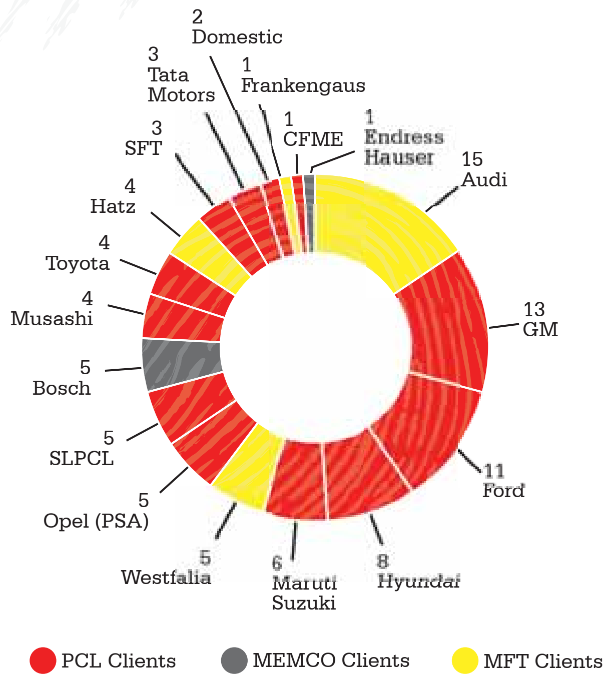
Common

MEMCO

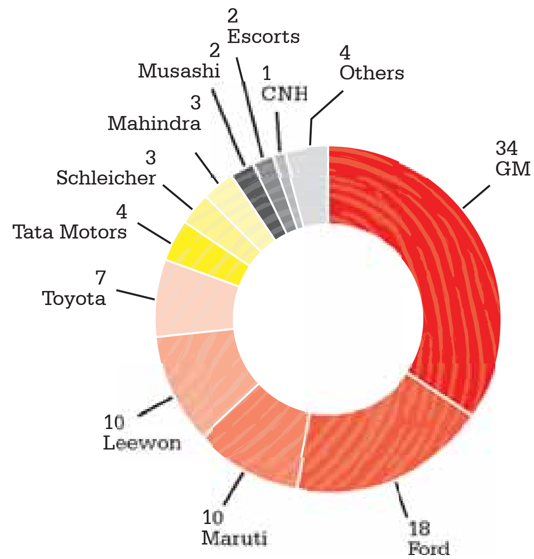
EMOSS clients

Client wise Revenue Contribution (%)

Consolidated



Standalone



Market penetration

The group companies are well-integrated and positioned to penetrate and seize market share. Thus, it will help us to meet our mission of achieving 20% of the global camshaft market for passenger cars.

9% MARKET SHARE IN GLOBAL CAMSHAFTS INDUSTRY

Market share in global camshafts industry

9 %

Reduce dependency on few customers

We are not over-relied on few big customers to bag orders. Our customer concentration is well-diversified across different geographic locations. Our ability to meet the customer satisfaction has led to solid working relationship, which in turn, has helped us in retaining existing clients with repetitive order.

Clients served

~ **50**

Relationship with some of the client

10 YEARS %

Leveraging on locational advantage to reach client

The Group Companies which includes MFT in Germany and EMOSS in Netherlands enjoy benefit of being close to clients in 'Europe' region where automobile industry is huge.

Clients in Europe

~ 30

Annual increase in consolidated EBITDA

₹ 695 CRORES

Y-o-Y growth

37.65 %

Cross-sell

Cross-selling save the customer acquisition cost and increase the sales volume units which help us in better realisation. It also defines our capability of providing multiple auto components at one place.

Contribution by Passenger vehicles to the consolidated revenue

80 %

Cater to different automobile segments

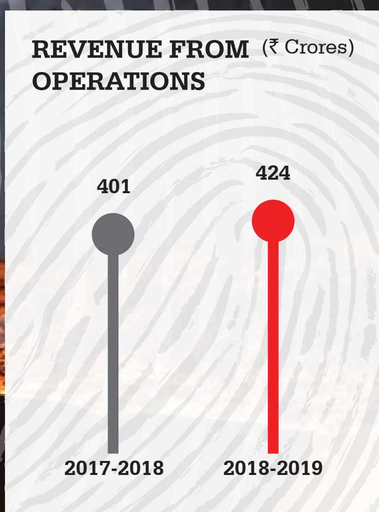
Our products mainly cater to growing passenger vehicle segment; however, our client portfolio also consists of trucks, light commercial vehicles and locomotive engines. This dilutes our risk from any disruption emerging in any specific vehicles segment.

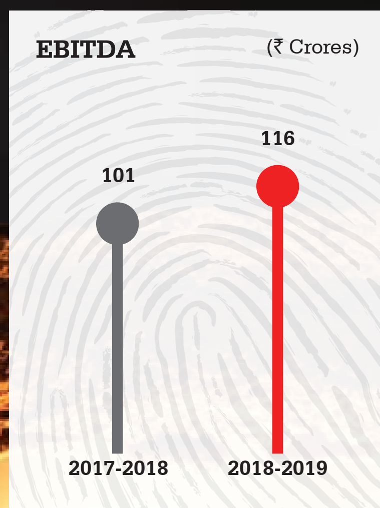
Contribution by other vehicle type to the consolidated revenue

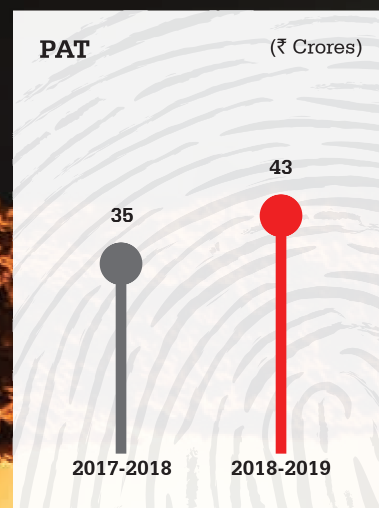
20 %

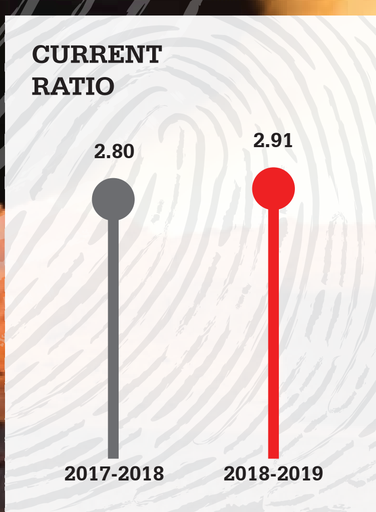
Financial Performance Indicators

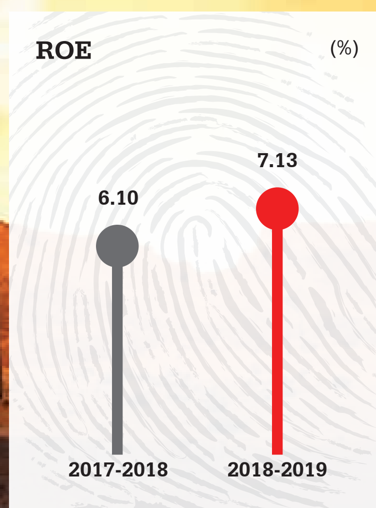
(Standalone basis)

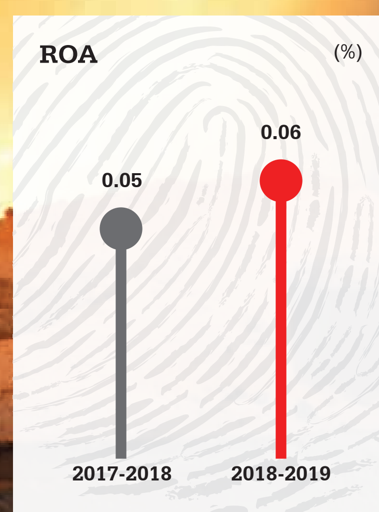












Being Distinct, Leading the Disruption

ON THE BACK OF STRONG INVESTMENT IN TECHNOLOGY OVER THE FIVE LONG YEARS AND THROUGH ACQUISITION, COLLABORATION AND BY HIRING TALENTED PEOPLE, WE HAVE STRENGTHENED AND POSITIONED OURSELVES TO BE UNIQUE AND DISTINCT.

This, coupled with innovation, has also helped us in meeting the changing needs of the Original Equipment Manufacturers (OEMs). Further, we are growing with our distinctive strengths to overcome the future-possible disruption by taking the following measures:

Building an army of talented engineers

The camshafts industry is highly reliant on technical processes and design. In order to meet this requirement, we have got local capabilities as well as international expertise from the US and Europe. Operating from our established Engineering Centres, the skilled engineers help to invent, innovate, design and create defect-free auto component products. In order to support them in their innovation, we have got robust modelling software such as Catia and Unigraphics.

300+ ENGINEERS

TO MANUFACTURE ASSEMBLED CAMSHAFTS, WE USE ‘FORCE FREE HEAT SHRINK’ PROCESS PATENTED BY EMAG

Technical alliance

The technical partnership with EMAG helps us to have the worldwide exclusive rights for assembled camshafts technology giving us a competitive edge. This alliance enables us to reduce the product cost by around 25% and meet the demand of OEM in developed countries. In these countries, assembled camshaft is used pre-dominantly due to its strength and light weight benefits as compared to conventional camshaft. Going forward, with EMAG partnership we are well-positioned to deal with any technological change arising in the automobile industry.

OTHER TECHNICAL PARTNERS

EMA Induction Technology — INDUCTOTHERM — Gehring — NTC — JUNKER — AVL SCHRICK — Hanwha

Foray into electric vehicle segment

Through EMOSS acquisition, we are doing a unique addition into the business profile segment. The business model of EMOSS includes designing, developing, producing and supplying complete powertrain for trucks, busses, military vehicles and heavy equipment. This acquisition has helped us kick start in EV segment strongly. Also, this has allowed us to move towards sustainable growth considering the poor air quality across the globe, as the use of electric vehicles will reduce the air pollution and carbon emission.

Chairman's Message

Dear Shareholders,

The year 2018-19 has seen several important developments happening within the Company. Apart from seeing a good traction in the new camshafts and machined camshafts business, our three acquired companies have successfully integrated within our business ecosystem. Our Annual Report's theme this year revolves around this transformation and the synergic benefits that the Company stands to achieve. Thus, making it 'Distinct and Diverse' in its space.

The External Scenario

The 6.8% GDP in 2018-19 was almost flat as compared to last year owing to an overall slowdown in the business sentiments across the globe. The global trade tensions combined with a slowdown across economies amidst uncertainties coupled with higher oil prices and rupee depreciation, decelerated the overall momentum. Despite that, India continues to be recognised among the 'fastest growing economies' today. The Indian automotive industry also had its own set of challenges in the form of rising prices and regulatory changes. While the vehicle production grew around

WE HAVE SUCCESSFULLY EVOLVED FROM BEING A SINGLE-PRODUCT COMPANY, MANUFACTURING CAMSHAFTS, TO ONE THAT NOW PRODUCES CAMSHAFTS, BALANCER SHAFTS, INJECTOR COMPONENTS, COMPLEX PRISMATIC NON-ENGINE PARTS AND ALSO PROVIDES AN END-TO-END SOLUTION FOR ELECTRIFICATION OF HEAVY VEHICLES.

6%, there was a significant decline in overall sales volume. The Government is aggressively promoting the adoption of electric mobility. Apart from providing tax incentives to the electric vehicle buyers, the centre has announced an outlay of ₹ 10,000 Crores for phase II of the Faster Adoption and Manufacturing of Hybrid and Electric Vehicles (FAME 2) scheme with an objective of increasing the number of electric vehicles in the commercial fleet.

Our Positioning

Even since our inception, we have always focussed on strengthening our capabilities and building on our capacities. Our global leadership in the camshaft industry reflects our dedication and commitment towards our vision. Today, we are one of the few companies to manufacture all types of Camshafts – cast iron, ductile iron, hybrid and assembled. We supply over 150 variants of camshaft to cater to wide range of customers across passenger vehicle, light heavy commercial vehicle, tractors and locomotive engine application. Post expansions, our foundries have the capacities to produce up to 9 million camshafts castings annually while the machine shops have the capacities to produce up to 3 million camshafts annually. We enjoy ~ 70% domestic market share and ~ 9% global market share in the passenger vehicle segment.

Growing with 'Distinct and Diverse' Opportunities

The three strategic acquisitions have given us a distinct edge of diversifying our product offerings, leveraging synergies of cross selling, expanding our reach and building a strong client base. Consider the strengths of these three acquisitions:

- MEMCO produces fuel injection components for conventional & CRDi diesel engines and high precision instrumentation components. It has long standing relationships with marquee global customers like Bosch, Delphi, Endress+Hauser and Giro.
- MFT produces several machined components like balancer shafts, camshafts, bearing caps, engine brackets and several non-engine prismatic components. It is one of the leading suppliers to Global OEMs like Audi, VW, BMW etc.
- EMOSS is into electric mobility for commercial vehicles. Its business model includes converting diesel trucks into ready-to-use electric trucks and also providing ready to assemble kits to OEMs.

In a short period, we have added Bosch as a customer at MFT which has been the largest customer of MEMCO. We are continuously exploring opportunities to cross sell products to the group customers.

The collaboration and consolidation of the newly acquired entities in 2018-19 have strengthened PCL's long-term prospects to leverage the industry rebound.

In the automotive components business (PCL, MFT, MEMCO) the maximum revenue contribution from a single customer does not exceed ~ 15%

15%

Our Readiness

At PCL, we have on-boarded several international experts that work at our engineering centres to create transformational outcomes. Our 300+ engineers dedicatedly deliver product lines as per the shifting automobile landscape and generate the most efficient solution. We use the best software at our workstation and manufacturing system to meet customer requirements, thus making us a partner by choice. Our consistent focus on quality, delivery and cost further strengthens our readiness for the future.

Financial Performance Snapshot

Our financial performance in FY 2018-19 showed a remarkable growth in performance. The following are the key highlights of the year:

- Total revenue from operations increased 5.78% to ₹ 424 Crores in FY 2018-19 from ₹ 401 Crores in the previous year
- The Export business contributed 55.5% towards the total revenue, while the domestic business contributed for the rest
- The share of Revenue from machined camshaft increased from 22.8% in FY 2017-18 to 28% in FY 2018-19, an intended shift to strengthen margins
- EBITDA increased 14% from ₹ 101 Crores in FY 2017-18 as compared to ₹ 116 Crores in FY 2018-19. EBITDA margin also increased by 240 bps to 26.2% from 23.8% in FY 2017-18
- Profit after tax (PAT) grew 23.46% to ₹ 43 Crores in FY 2018-19 from ₹ 35 Crores in FY 2017-18
- Return on capital employed (ROCE) increased by 1.05% from 9.95% in FY 2017-18 to 11% in FY 2018-19
- The growth of the acquired companies was also encouraging. MEMCO's revenues increased by 38.23% to ₹ 47 Crores in FY 2018-19 from ₹ 34 Crores in FY 2017-18. The contribution of Emoss Revenue was ₹ 72 Crores in FY 2018-19. The revenue of MFT was flattish which stood at ₹ 158 Crores
- PCL's support for investment in the Group Companies has allowed them to grow in the very first year of acquisition

Achieving Together

We believe turnarounds are not only carried forward by strategies, financial restructuring or value propositions. They are delivered by people. At PCL, our people drive our success and form the DNA of the Company. I want to thank them for their dedication, commitment and hard work. Together we will achieve more and aim for larger strides ahead.

Key Priorities for the Coming Years

We have created a niche identity for ourselves today by broad-basing our product offerings, enhancing reach and investing in our competencies. Our key priorities going ahead include:

- Increasing focus on the sale of machined camshafts to enjoy higher realisations
- Ramping up production volumes from the newly commissioned Machine Shop at Solapur
- Strengthening returns on capital employed through efficiently deploying resources
- Deriving maximum benefits from the Group synergy
- Ramping up volumes at group companies.
- Possible introduction of EMOSS technology in India

This will lead to delivering a positive change and further making us future-ready for a sustainable growth.

Closing Lines

On behalf of PCL Management and employees, I thank you, our shareholders, for your continued support. Thank you for the confidence you have placed in us with your investments. We, being a shareholder-oriented company, are never satisfied with our result and we always yearn for more. I would also like to extend my acknowledgement to all our stakeholders, including suppliers, business partners, and local communities as we seek to enhance our corporate value through sound, ethical and responsible business practices. I am confident that we are on the right path to drive growth and create corporate value, as well as realise our vision of being a global leader in the camshaft industry.

Your sincerely,

Yatin S. Shah

Chairman & Managing Director


Surface Finish Tester
ADCOLE
Adcole
ADCOLE
1304

Management Team

Mr. Yatin Shah

Chairman & Managing Director

Mr. Yatin Shah holds a B. Com from Bombay University and a MBA from Pune University. He has over 32 years of experience in the Auto Component manufacturing sector. He has received various awards, including J.R.D. Tata Udyog Ratna Award by Maharashtra Audyogik Vikas Parishad, Pune in 2011.

Dr. Suhasini Shah

Non-Executive Director

Dr. Suhasini Shah holds a Bachelor's degree in Medicine & Surgery and also in Law from Shivaji University. She has participated in an executive education programme on General Management for small & medium enterprises at IIM Ahmedabad. She has over 29 years of work experience in Management.

Mr. Ravindra Joshi

Whole-Time Director & CFO

Mr. Ravindra Joshi holds a B. Com degree from Bangalore University and a Diploma in Business Management from Shivaji University. He has over 31 years of experience in the field of Finance and Accounts.

Mr. Jayant Aradhye

Non-Executive Director

(Ceased to be a Director w.e.f. 28.05.2018)

Mr. Jayant Aradhye holds a Bachelor's degree in Metallurgic Engineering from the University of Pune and a bachelor's degree in Mechanical Engineering from Marathwada University.

Mr. Sarvesh Joshi

Independent Director

Mr. Sarvesh Joshi holds a Bachelor's degree in Law and a bachelor's degree in Commerce from the University of Pune. He is a Fellow Member of the Institute of Chartered Accountants of India and has been a practising Chartered Accountant for over 30 years.

Mr. Pramod Mehendale

Independent Director

Mr. Pramod Mehendale holds a Bachelor's degree in Commerce and is a Fellow of the Institute of Company Secretaries of India. He holds a certificate of merit from the Institute of Cost and Works Accountants of India. He is the Founder and a former Director of Link Intime India Private Limited.

Mr. Vedant Pujari

Independent Director

Mr. Vedant Pujari holds a Bachelor's degree in Commerce from Nagpur University, a bachelor's degree in Law from the University of Pune and a diploma in Corporate Law from Indian Law Society, Pune. He is a member of the Delhi High Court Bar Association.

Mr. Vaibhav Mahajani

Independent Director

Mr. Vaibhav Mahajani holds a Bachelor's degree in Electronics Engineering from Dnyaneshwar Vidyapeeth and has been certified by the ISACA, Pune as an Information Security Manager.

Mr. Karan Shah

Whole-Time Director – Business Development

Mr. Karan Shah has done his Master's in Business Administration in May 2016 from Harvard Business School, Boston USA, and also has a degree in Bachelor of Science in Mechanical Engineering from Purdue University, West Lafayette, USA. He has two years' experience as a manufacturing engineer at Cummins, USA.

Our Senior Management

Mr. Ajitkumar Jain

GM, Business Development and Projects

Mr. Ajitkumar Jain holds a Bachelor's degree in Production Engineering from VJTI, Mumbai. He joined PCL in 2004 and has 21 years of work experience in Automobile manufacturing.

Mr. M. G. Valse

GM, Design and Engineering Services

Mr. M.G. Valse has a Diploma in Mechanical Engineering from the Maharashtra Board of Technical Examinations. He joined PCL in 2000 and has 35 years of work experience in product development.

Mr. Achyut Gadre

GM, Production

Mr. Achyut Gadre holds a Bachelor of Science in Engineering from Shivaji University. He joined PCL in 1995 and has over two decades of work experience in Automobile manufacturing.

Mr. Rajkumar Kashid

GM, Human Resources

Mr. Rajkumar Kashid holds a Master's degree in Social Welfare and an LLB degree from Shivaji University. He joined PCL in 1995 and has 26 years of work experience in Management.

Mr. Deepak Kulkarni

AGM, Projects

Mr. Deepak Kulkarni holds a Diploma in Mechanical Engineering. He joined Precision in 1990 and has more than 26 years of work experience in product development.

Mr. Pradeep Mahindrakar

Sr. Manager, Maintenance

Mr. Pradeep Mahindrakar holds a Diploma in Mechanical Engineering. He has 22 years of work experience in Mechanical Engineering.

Being a Shaft of Light for the Community

Inspired by the aim of illuminating the lives of all the people along its way, Precision Foundation was set up in 2006. It has successfully implemented various projects so far by focusing on areas such as healthcare, education & sports, sustainability, social welfare, and art & culture.

One such key focus area is quality healthcare which is made accessible and affordable to its employees and their respective immediate family members. The activities by the Foundation have transformed the lives of a larger number of people in and around Solapur. It has also actively promoted sports personnel at the International level from Solapur district.

1. Healthcare

Precision Foundation has come up with several initiatives in the healthcare segment. It offers financial assistance to patients from economically-backward community, suffering from cancer, diseases of heart/kidney, neurological illness, severe burns, accidents and other major life-threatening disorders.

19,634 People impacted	5 Towns impacted
4 Successful projects	4 Partner organisations

Activities conducted:

a) Adolescent education

For this initiative, the workshops were conducted in 20 schools covering 4,512 students.

b) Sanitary napkins

The Foundation supplied sanitary napkins for three months per girl child for 2,137 girl students, as a social responsibility.

c) Malnutrition prevention

It aided in malnutrition prevention by offering healthy food. It shouldered the responsibility for complete food requirements of around 98 children.

d) Haemodialysis unit at General Hospital, Solapur

PCL started a Haemodialysis unit at General Hospital, Solapur and donated two Haemodialysis machines. More than 1500 patients have undergone hemodialysis over the last one year.

e) Upgradation of surgery OT complex at General Hospital, Solapur

It recently upgraded the general surgery operation theatre complex at General Hospital, Solapur to benefit the patients and Medical students. Nearly 440 surgeries are done at the operation theatre complex every month.

2. Education

4,512 People impacted	20 Towns impacted
5 Successful projects	24 Partner organisations

Activities conducted:

a) Educational sponsorship for backward girls

Sponsorship of one year 'Health assistance and OT assistance course' affiliated to Solapur University. 40 young girls get employable education and get employed after the course ever year.

b) Interactive E-learning kits

The initiative started in 2016 with digitalisation of classrooms, which has benefited nearly 101 schools. It further facilitated teachers with the necessary training and digital course content for using the tools provided.

The digitalisation process of 20 additional schools commenced this year. As of now, total count of schools is 121. Solar panels are installed to power all the digital classrooms.

c) Educational sponsorship for the Specially-abled Children

In a school for the specially-abled children, PCL is sponsoring education and Physiotherapy for 15 children for one year.

d) Completion of civil work

The painting and repair work at a ZP school in Chincholi, MIDC having 460 students was taken up and completed.

3. Sustainability

19,760 People impacted
10 Towns impacted
2 Successful projects
2 Partner organisations

Activities conducted:

a) Solar panel installation at schools

The Foundation provided solar panel system for all the 121 schools where e-learning kits were installed. 20 were installed during this year.

b) Funding for water shed

Through Pani foundation it funded for the water shed at Modnimb.

4. Social welfare

11,228 People impacted
5 Towns impacted
6 Successful projects
7 Partner organisations

Activities conducted:

a) Hunger eradication and infrastructure for storage & kitchen

Constructed Kitchen and store for the children at the Bharatmata Paradhi Vikas Pratishthan.

b) Speech therapy to deaf children: Taat Vaati Chachni

Conducted Speech therapy for 110 deaf children and funded 'Taat Vati Chachni' project for early detection of deafness in children throughout Maharashtra.

c) Funding for infrastructure of Manav Vedna Mukti Kendra

Funded 'Manav Vedana Mukti Kendra' for infrastructure project where blind people were trained to give Massage therapy and Naturopathy.

d) Funding for educational tour of HIV affected children

Sponsored an educational tour for 198 HIV affected children from 'Palavi' Pandharpur.

e) Help for senior citizens at Solapur Railway station

Provided a battery-operated vehicle at the Solapur Railway station for old and disabled people.

Corporate Information

BOARD OF DIRECTORS

Mr. Yatin S. Shah
Chairman and Managing Director

Dr. Suhasini Y. Shah
Whole –time Director (up to 12th August, 2018)
Non- Executive Non-Independent Woman Director
(w.e.f. 13th August, 2018)

Mr. Karan Y. Shah
Whole-time Director – Business Development
(w.e.f. 13th August, 2018)

Mr. Ravindra R. Joshi
Whole-time Director and Chief Financial Officer

Mr. Sarvesh N. Joshi
Independent Director

Mr. Pramod H. Mehendale
Independent Director

Mr. Vedant V. Pujari
Independent Director

Mr. Vaibhav S. Mahajani
Independent Director

Company Secretary & Compliance Officer

CS Mayuri Ishan Kulkarni
(w.e.f. 23rd March, 2019)

Statutory Auditors

M/s. P. G. Bhagwat
Chartered Accountants, Pune
Firm Reg No: 101118W

Secretarial Auditors

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

Registrar and 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 413 006, Maharashtra, India
Tel: + 91 9168646536/37, Fax: (0217) 2653398
E-mail: cs@pclindia.in / info@pclindia.in
Website: www.pclindia.in

Corporate Office

Office No. 501/502, Kanchanban "B", Sunit Capital,
Senapati Bapat Road, Pune – 411016, Maharashtra, India
Phone: 020-25673050

Factories

1. E 90, M.I.D.C., Akkalkot Road, Solapur – 413 006, Maharashtra
2. E 102/103, M.I.D.C., Akkalkot Road, Solapur – 413 006, Maharashtra
3. D 5, M.I.D.C. Chincholi, Solapur – 413 255 (EOU Division), Maharashtra
4. D 6, D 7, D 7-1 M.I.D.C., Chincholi, Solapur – 413 255 (EOU Division), Maharashtra

BOARD COMMITTEES

Audit Committee

Pramod Mehendale - *Chairman*
Sarvesh Joshi
Vaibhav Mahajani
Ravindra Joshi

Nomination and Remuneration Committee

Vedant Pujari - *Chairman*
Sarvesh Joshi
Pramod Mehendale
Vaibhav Mahajani

CSR Committee

Yatin Shah - *Chairman*
Dr. Suhasini Shah
Vedant Pujari
Vaibhav Mahajani

Shareholder Relationship Committee

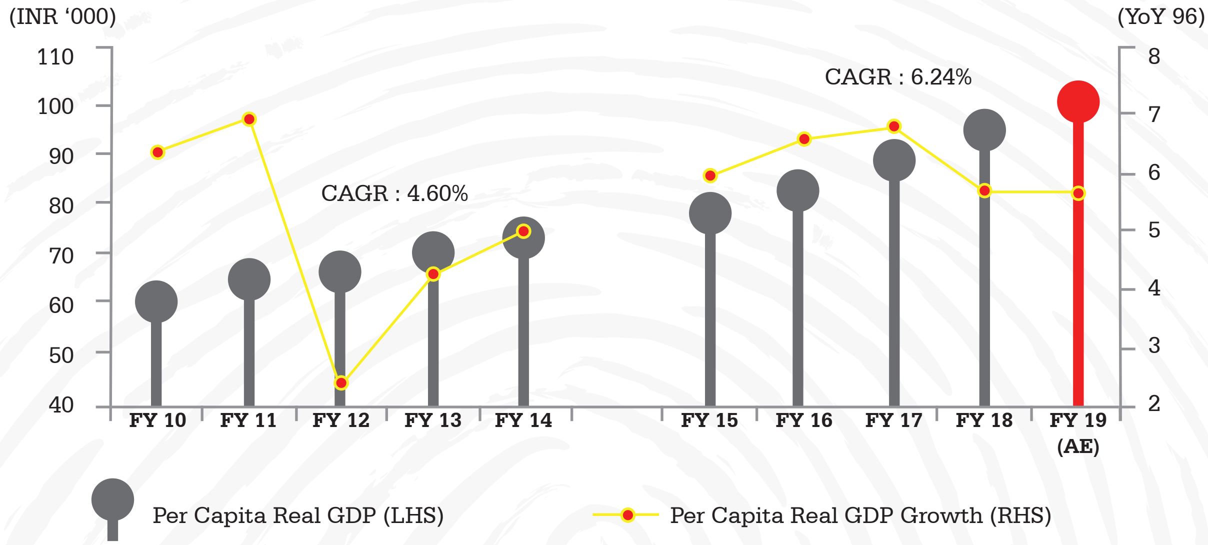
Vedant Pujari - *Chairman*
Dr. Suhasini Shah
Pramod Mehendale
Vaibhav Mahajani

Management Discussion and Analysis

Economic review

The Indian economy continued to perform better than its global counterparts and remained one of the fastest growing economies in the world. The ranking of India moved up by 23 places in the World Bank's Ease of Doing Business Index 2018 and reached 77th rank. Indian economy slowed down to 6.8% in 2018-19 as compared to 7.2% in the previous year. The key reasons for the same were NBFC stress, weakening private investment, depreciating rupee and rising crude oil prices. However, the domestic consumption remained strong, followed by controlled inflation, gross fixed capital formation and export performance. With rising per capita income, infrastructure push, financial inclusions and agricultural reforms, the momentum is expected to improve in the next fiscal. The re-election of the same Government has created a positive sentiment in the economy with a view of accelerating reforms.

Per capita income growth



(Source: Ministry of Statistics and Programme Implementation)

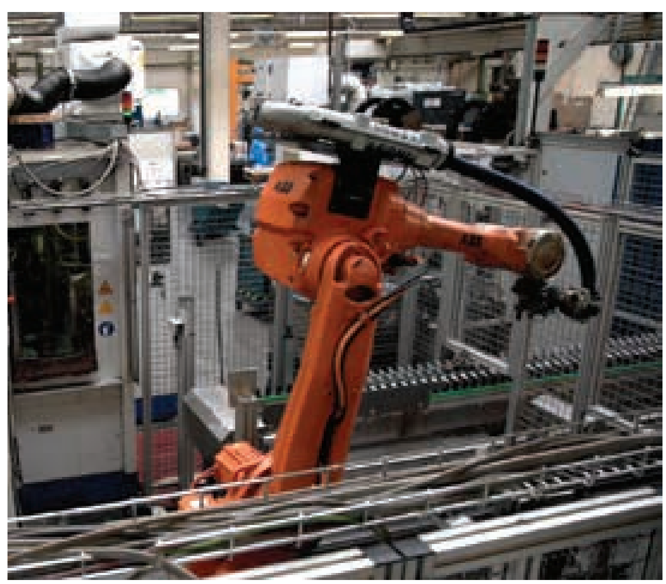
Outlook

India is moving forward to become a USD 5 trillion economy by 2024-25. This growth will be boosted by various measures such as liberalisation of FDI policy, infrastructure push, tax simplification and recapitalisation of public banks. Further, India is forecasted to take over the UK to become 5th largest economy in 2019 according to IHS Markit.

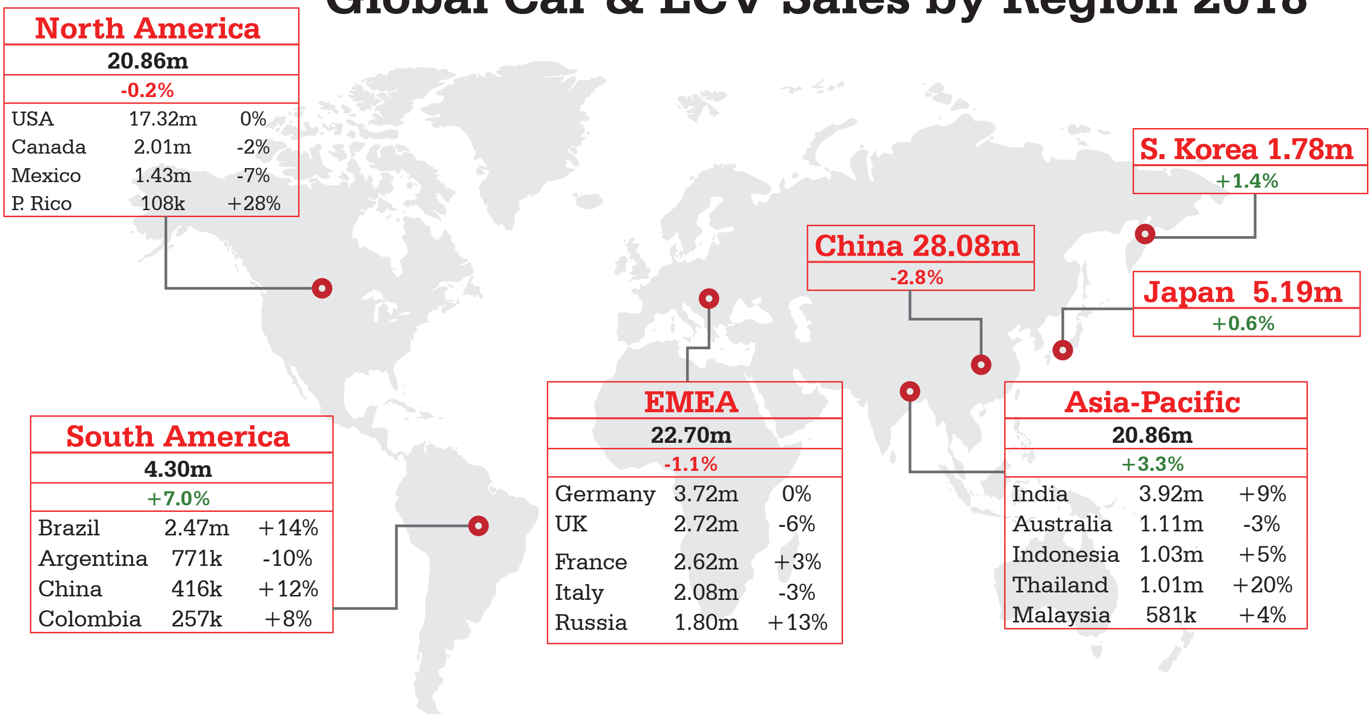
Global automotive industry

The global passenger vehicles market is expected to grow at a rate of 3% during the 2018-22 period. Of this, Crossover segment will play a crucial role in driving the growth. In 2018, the global car market sales of passenger cars and light commercial vehicles experienced shrinkage for the first time since 2009. India, on the other hand, set a fourth consecutive annual sales record and finally surpassed Germany to become the world's fourth largest car market.

Some of the factors which affected the car market included trade tension, political change in the key market, shrinking car sales in Germany and changing status quo of the industry. The transition of growth in global production of car was felt, shifting from mature market to emerging market. Strong results in Brazil, India, Russia and South East Asia region balanced the contracting sales in NAFTA, Europe and China region. Due to this, carmakers are very keen on penetrating the car market share in the emerging region. This growing opportunity in these regions will attract infusion of funds from the investors.



Global Car & LCV Sales by Region 2018



(Source: https://www.best-selling-cars.com/global/2018-full-year-international-worldwide-car-sales-and-global-market-analysis/)

Production of vehicles in different region

Motor Vehicles

Region	2017	2018	Change (%)
Europe	2,16,34,302	2,13,33,651	-1.39
America	2,07,14,030	2,08,00,528	0.42
Asia-Oceania	5,33,95,211	5,24,49,078	-1.77
Africa	10,03,259	11,23,236	11.96
Total	**9,67,46,802**	**9,57,06,493**	**-1.08**

Passenger Cars

Region	2017	2018	Change (%)
Europe	1,90,83,046	1,87,37,586	-1.81
America	82,36,300	76,50,006	-7.12
Asia-Oceania	4,48,92,003	4,34,32,201	-3.25
Africa	6,71,782	7,47,788	11.31
Total	**7,28,83,131**	**7,05,67,581**	**-3.18**

Light Commercial Vehicles

Region	2017	2018	Change (%)
Europe	22,05,653	22,61,868	2.55
America	1,19,09,203	1,24,70,675	4.71
Asia-Oceania	50,87,854	56,06,986	10.20
Africa	2,78,684	2,96,270	6.31
Total	**1,94,81,394**	**2,06,35,799**	**5.93**

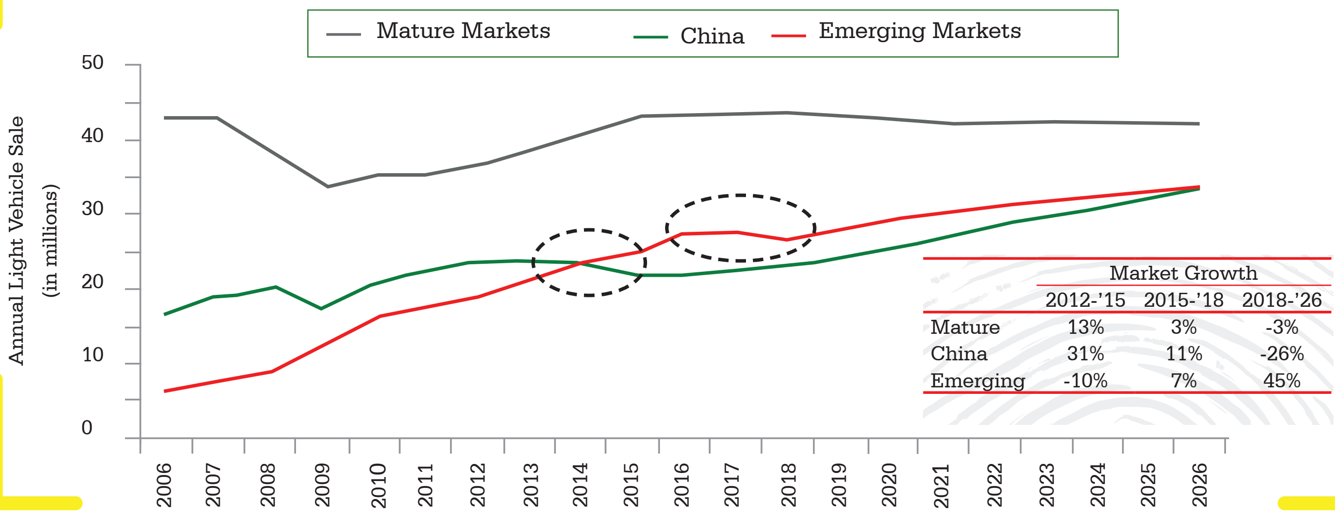
Heavy Trucks

Region	2017	2018	Change (%)
Europe	3,09,890	2,96,690	-4.26
America	5,47,884	6,51,111	18.84
Asia-Oceania	31,76,817	32,02,014	0.79
Africa	51,662	78,000	50.98
Total	**40,86,253**	**42,27,815**	**3.46**

Bus and Coaches			
Region	**2017**	**2018**	**Change (%)**
Europe	35,160	37,207	5.82
America	20,643	28,536	38.24
Asia-Oceania	23,917	2,08,177	770.41
Africa	1,131	1,178	4.16
Total	**2,96,061**	**2,75,098**	**-7.08**

(Source: OICA)

Emerging market heading towards growth in passenger automotive segment



(Source: IHS Markit)

Outlook

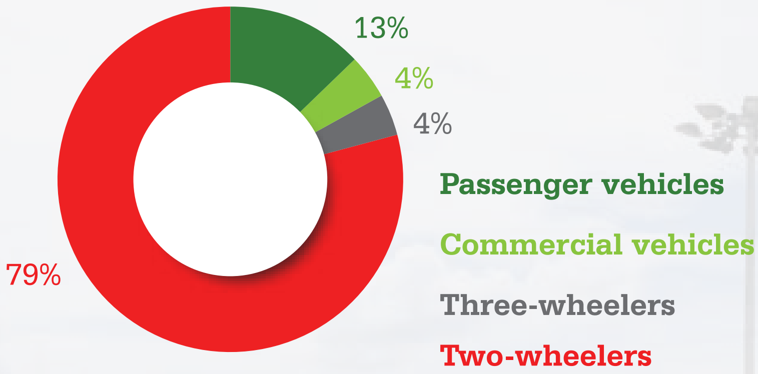
According to Moody's, the global light vehicle sales is expected to witness a slow growth of 0.5% in 2019 due to potential political uncertainty and slowing economic growth in several countries. The growth in automobile sales in the first half of 2019 is likely to fall before rebounding again in the second half of 2019.

Indian automotive industry

Globally, India is well-known for frugal and scalable engineering. The Indian automobile industry is the world's fourth largest auto industry. The demand from domestic and global market has actually helped ramping up of manufacturing in India. The automotive segment is dominated by the passenger vehicle & two-wheelers.

The year 2018 started on a good note owing to enthusiasm around new launches and Auto Expo. Eventually, the excitement slowed down in second half on the back of temporary phenomenon caused by floods in Kerala, liquidity crisis, spike in fuel prices and cost increase in car insurance, affecting the sales growth of passenger vehicles to some extent. Demand for passenger cars and two-wheelers has been better in rural area as compared to urban area, mainly backed by infrastructural push, modernisation and rising disposable income. The Government of India has permitted foreign direct investment in the automobile and component sector to 100% under the automatic route, which is forecasted to attract USD 8 to 10 billion in local and foreign investments by 2023.

Automobile Domestic market share for FY 2018-19



(Source: SIAM)

Segment-wise automobile production trends over the years

Category	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Passenger vehicles	30,87,973	32,21,419	34,65,045	38,01,670	40,10,373	40,26,047
Commercial vehicles	6,99,035	6,98,298	7,86,692	8,10,253	8,94,551	11,12,176
Three-wheelers	8,30,108	9,49,019	9,34,104	7,83,721	10,21,911	12,68,723
Two-wheelers	1,68,83,049	1,84,89,311	1,88,30,227	1,99,33,739	2,31,47,057	2,45,03,086
Grand total	**2,15,00,165**	**2,33,58,047**	**2,40,16,068**	**2,53,29,383**	**2,90,73,892**	**3,09,15,420**

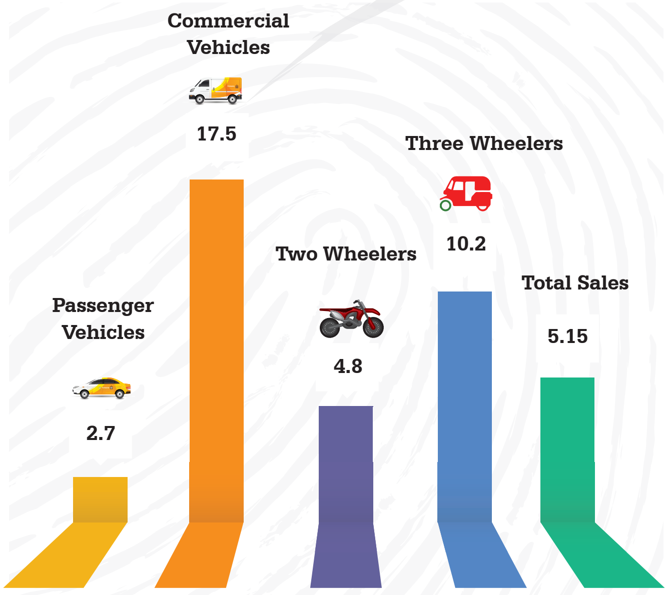
(Source: SIAM)

Automobile sales trend over the years

Category	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Passenger Vehicles	25,03,509	26,01,236	27,89,208	30,47,582	32,88,581	33,77,436
Commercial Vehicles	6,32,851	6,14,948	6,85,8704	7,14,082	8,56,916	10,07,319
Three Wheelers	4,80,085	5,32,626	5,38,208	5,11,879	6,35,698	7,01,011
Two Wheelers	1,48,06,778	1,59,75,561	1,64,55,851	1,75,89,738	2,02,00,117	2,11,81,390
Quadricycle#			0	0	0	627
Grand Total	**1,84,23,223**	**1,97,24,371**	**2,04,68,971**	**2,18,63,281**	**2,49,81,312**	**2,62,67,783**

(Source: SIAM)

Automobile sales growth in FY 2018-19 in comparison with last year (%)



(Source: SIAM)

Outlook

India is expected to emerge as the world's third-largest passenger-vehicle market by 2021. It is likely to reach the sales figure of 5 million units by FY 2022-2023 from 3.3 million units in FY 2017-2018. Achieving that mark will largely depend on the economic development, urbanisation, increasing disposable income and supportive government regulations and framework. Going ahead, the future looks positive for domestic passenger vehicle industry, with sales expected to pick up after the Government reforms . Also the factors such as urbanisation, family upgrades from bike to car and the stronger preference for SUVs and crossover models which is expected to witness a CAGR of 12% in FY 2018-23. *(Source: Economic Times)*.

The Government measures to boost the domestic automobile industry:

a) BS-VI norms

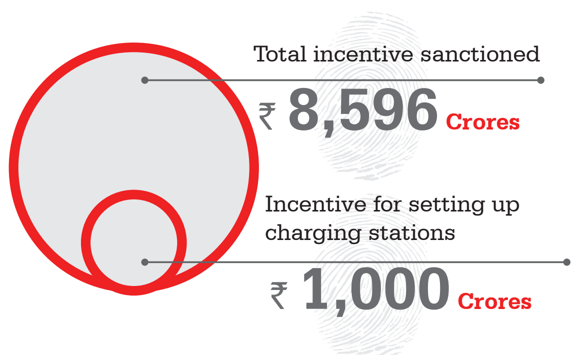
The Bharat Standard emission standards are instituted by the Government which are going to take effect from 1st April 2020. This usage of fuel and technology under this norm will limit the air pollution. The rising level of pollution has pushed the Government to leapfrog from BS-IV to BS-VI norms. The major difference between BS-IV and BS-VI norms is the Sulphur released from the vehicle. The Sulphur content in BS-VI has been reduced to 10 parts per million (ppm) from 50 ppm used in BS-IV. In order to meet the specification, oil refineries will need to invest ₹ 28,000 Crores for clean fuel for BS VI vehicles *(Source: ICRA)*. This norm will help India to be at par with advanced economies like the US and Europe.

Compliance with BS-VI norms will require OEMs to incur a capex of ₹ 35,000-40,000 Crores on capacity expansion, technology upgradation and introduction of new product according to ICRA report. To roll out new vehicles in the market, OEM would eventually have to increase BS-VI compatible engine orders from the auto component makers.

b) FAME II

The Indian Government has approved ₹ 10,000 Crores under FAME II to lift the electric mobility and increase the number of electric vehicles on the road. In order to strengthen the charging infrastructure, the Government is to incentivise setting up of charging stations across the nation with the aim of curbing the carbon emission. The Government also aims to offer incentives to electric buses, three-wheelers, four-wheelers to be used for commercial purposes.

Incentives on offer under phase II of fame



₹ 10,000 PER KW

PLANNED INCENTIVE ON THE BASIS OF BATTERY SIZE

₹ 20,000 PER KW

PLANNED INCENTIVE FOR ELECTRIC BUSES

c) Automotive Mission Plan (AMP) 2026

The AMP programme draws the roadmap for the automotive industry to be by 2026. This is expected to boost the automobile and auto components industry. Some of the key highlights of the AMP 2026 include:

- **Well-positioned with the Government initiative:** Aims to contribute 12% to the Indian GDP along with generation of 65 million new jobs. The plan is very significant in turning 'Make in India' and 'Skill India' programmes successful.
- **Export hotspot:** Aims to increase the export share to 35-40% of the overall output and make India one of the top three in the world in engineering, manufacture and export of automobiles and auto components.
- **Industry growth:** It envisions the automobile sector to be in the range of ₹ 16.16 Lakhs Crores to ₹ 18.89 Lakhs Crores (Optimistic scenario) by 2026. While, auto components likely to grow in the range of ₹ 5.94 Lakhs Crores to ₹ 7.32 Lakhs Crores (Optimistic scenario) during the same period. *(Source: https://www.truebil.com/blog/the-automotive-mission-plan-2016-2026)*
- **Balance between the public and private transport:** Through effective planning and suitable policies, a healthy balance can be achieved between the public and private transport.

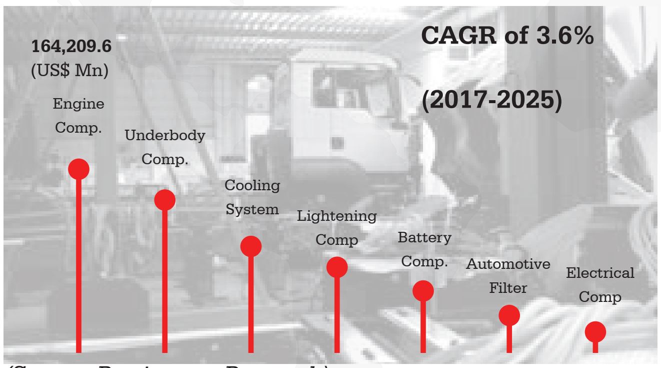
d) Scrappage program

The vehicle scrappage policy which takes effect from 1st April 2020, makes it eligible for scrapping of commercial vehicles older than 20 years. This will positively impact the sale of heavy commercial vehicles and will facilitate to bring down the pollution released from it. The owner purchasing the commercial vehicle worth ₹ 15 Lakhs will get the relief of ₹ 5 Lakhs *(Source: IIFL)*. The Regional Transport Offices (RTOs) have stopped re-registering these vehicles and checking their fitness, as National Green Tribunal has banned the use of cars that are older than 15 years in Delhi. Due to this, the raw material for auto components will get cheaper.

Global auto component industry

Automotive components are very rich, which include various categories: engine parts, transmission, steering, tyres, equipment, body and chassis, electrical parts, suspension and braking etc. By component, engine and underbody parts lead in terms of higher market valuation and is expected to dominate the global market in the coming years.

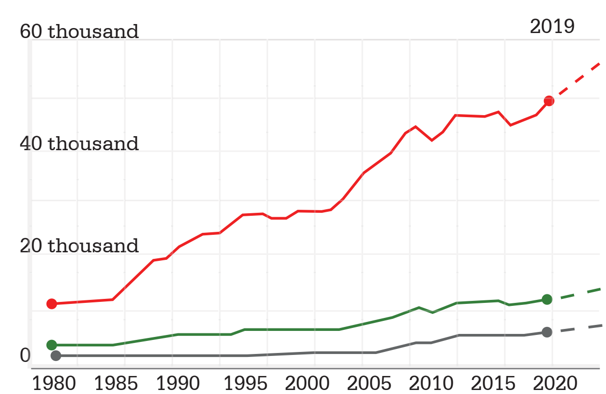
Global auto parts manufacturing value by component type (USD million)



(Source: Persistence Research)

Improving global condition has benefited global auto component industry. Rising global per capita income level and growing middle class population in emerging economies are driving automobile sales. Rise in demand for new automobiles is making OEMs purchase more components from industry operators.

GDP per Capita in USD



Developed economies, World, Emerging and developing economies

(Source: IMF)

The global aftermarket industry is expected to grow at a rate of 3% p.a. between 2017-2030 *(Source: Mckinsey)*. This growth will be mainly driven by China followed by the rest of the Asia. Most of the big companies are preferring to set up their plant in Asia. Out of 100 global auto suppliers, 40 were from Asia in 2017, a number that is constantly escalating. Improved average vehicle lifespan is making aftermarket sales of auto parts to scale up, which in turn is helping industry operators to increase their revenue. The greater number of individuals prefer to take the roads, the more will be the demand for replacement parts.

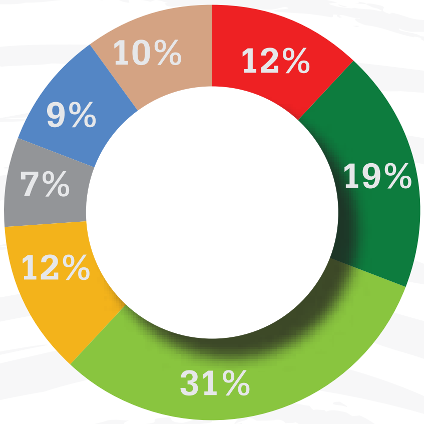
Outlook

Globally, Asia Pacific is expected to drive the auto component industry owing to increasing vehicle production, automotive collision repair, increasing road accidents and improving living standard of consumers.

Domestic auto component industry

The Indian auto components industry contributes 2.3% to the Indian GDP and over the last two decades, it has shown a robust growth of 16% *(Source: IBEF, Systematix research)*. This growth happened on account of growing vehicle volumes, increasing localisation, growing export share, aftermarket sales, improved consumer sentiment and expanding middle class segment. In fact, India enjoys the competitive advantage over other countries in terms of manufacturing cost which is lower than 10-15% as compared to manufacturer operating in Europe and Latin America. The consumption of auto components has been tremendous in the country, valuing at ₹ 3.2 trillion mainly driven by passenger vehicles and two-wheelers *(Source: Systematix research)*. OEMs and auto components, both aim to develop a long-term relationship. The growing aspiration for technology and changing dynamics led OEMs to add superior features in vehicles, resulting in rising content per vehicle.

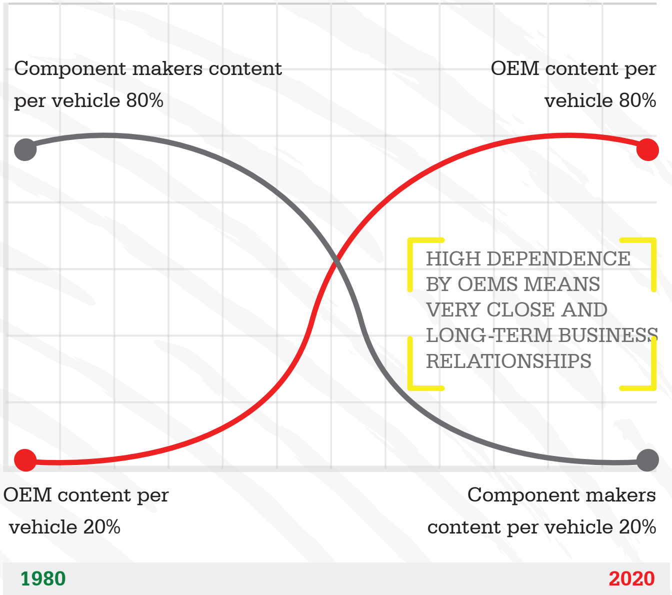
Saleswise auto component division



Suspension and braking parts | Drive Transmission steering parts | Engine Part | Body & Chassis | Others | Electrical Part | Equipment

(Source: Systematix Institutional Research)

Increase in outsourcing of auto components over the years



(Source: Systematix Institutional Research)

The industry is divided in to two parts: organised and unorganised sector. With GST in place, the organised sector which mostly caters to OEMs is gradually benefiting from the reforms to increase the market share in the aftermarket category, too. Currently, the OEM uses 64% of the auto components output produced in the country, while remaining is exported and used in aftermarket category *(Source: Systematix Research)*. The GST slab in auto components has been divided into two slabs: 18% rate which attracts 60% of auto components while 28% rate attracting the remaining 40%, which includes two-wheeler and tractor components *(Source: Autocarpo)*. The Government has also placed a strong emphasis by implementing various policies along with export incentive schemes like 100% FDI, SEZs for auto components, duty remissions, Export Promotion Capital Goods (EPCG), and Merchandise Exports from India Scheme (MEIS). To be cost competitive and encourage 'Make in India' initiative to be successful, OEMs are leveraging on localised supply of raw material.

Localisation across various top levels vehicle segment

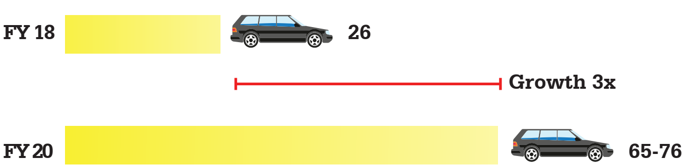
Vehicle category	Average localization in top selling models	Details
Hatchbacks, compact sedans/ SUVs	90-95%	Segment leaders have achieved **95% localisation** Foreign OEM launches also securing as high as **98% localisation**
Premium sedans	85-90%	Even smaller players have increased localization levels from 70% to 80% in the past 5 years intend to increase to 90% in the next 5 years
Commercial vehicles	>90%	Home grown leaders have localization well above 90% Premium offerings have also **increased their localisation from 80% to 90%** in 2015
2-wheelers	>90%	Started developing bikes which are **100% indigenous** Mass foreign players have also **surpassed 90% localisation**
Tractors	>95%	Cost-sensitive segment dominated by Indian players who have localization levels close to 100%

(Source: Mckinsey Report)

Outlook

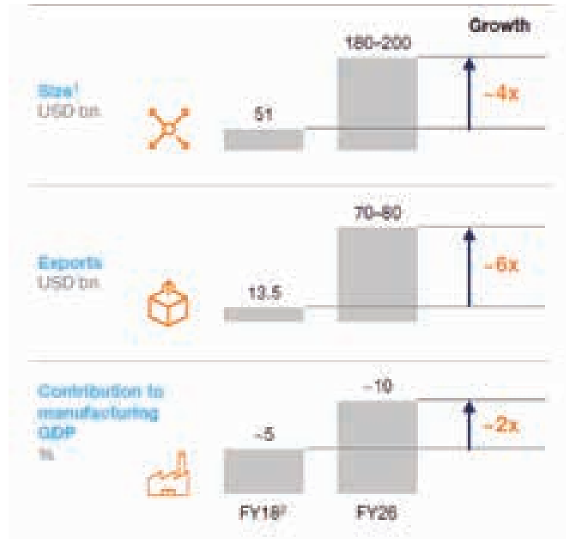
The Indian auto components industry is set to become the third largest in the world by 2025 *(Source: IBEF)*. In order to achieve this, the manufacturer will need to make use of new technologies such as digital manufacturing, artificial intelligence and robotics to improve quality, scale and speed up the production. Furthermore, the Indian auto components industry is projected to record a turnover of USD 100 billion by 2020, supported by strong exports ranging between USD 80-100 billion by 2026, from the current USD 11.2 billion *(Source: ACMA)*.

Auto OEMs sales aspiration (Millions units)



(Source: Mckinsey Report)

Auto Component manufactures' aspiration



(Source: Mckinsey Report)

Camshaft industry

After a solid growth in the past, the Global 'Vehicle Camshaft Market' is expected to surge and is expected to witness a CAGR of roughly 2.5% over the next five years. The industry is playing a significant part in influencing the global economy and is forecasted to reach USD 3,190 million in 2024, from USD 2,750 million in 2019 *(Source: Openpr)*. This growth will be propelled by an increasing demand for passenger vehicles, downsizing of engines, strict automobile standards and increasing investment in automotive camshaft manufacturing industries. Also, OEMs prefer to outsource camshafts due to technical process and huge capex incurred while setting up a new foundry.

As of 2017, the industry is dominated by the top 19 major players contributing about 80% to the total revenue. These major players prefer a direct sales route while small players tend to prefer a distributor sales route channel which is rising slowly due to flattening market competition and is expected to reach from 14.12% in 2017 to 15.91% in 2022. Globally, the largest market share in vehicle camshaft is held by North America, Europe, China, Japan, Korea, India and others. Advantage of raw material and cheap labour in India has made it a preferred location as a camshaft supplier and over the period, this will be reflected in the contribution of India in Global camshaft growth. Also, bringing in the factor that India is amongst the top producer of Steel and Iron ore in the world, thus ease availability of raw material at cost-effective rate along with cheap labour for manufacturing of camshaft is of great benefit.

Top countries in terms of camshaft sales volume in % (Forecast)

Volume Share	2018	2019	2020	2021	2022
China	28.12	28.66	28.94	29.33	29.64
United States	17.59	17.34	17.29	17.05	16.86
Japan	9.61	9.35	9.05	8.86	8.55
Germany	7.28	7.04	6.84	6.66	6.43
France	5.61	5.60	5.58	5.56	5.54
India	5.17	5.36	5.64	5.91	6.22

(Source: BIS report)

Company overview

Precision Camshafts Limited, promoted by first generation entrepreneurs Mr. Yatin S. Shah and Dr. Suhasini Y. Shah has grown into one of the leading manufacturers and supplier of camshafts, a mechanical component of an internal combustion engine. Today, it is poised to be one of the few companies which supplies all types of camshafts: casting, machining, hybrid/ductile and assembled to various automobile segments, ranging from passenger vehicles, which generates most of the revenue for the Company, to tractors, light commercial vehicles and locomotive engine applications.

Over the period of last 24 years through acquisition and product expansion, the Company has supplemented its organic as well as inorganic growth. Currently, it has the aggregate capacity of 9 million camshafts through its state-of-the-art manufacturing facility and engineering expertise in Solapur.

It has established a strong business relationship with reputed clients which include domestic and global OEMs. Being a niche player in camshaft segment, the Company dominates the domestic market with 70% market share and in the global market, it has the market share of 9%. Maruti Suzuki, Hyundai (India), Tata Motors and M&M are some of the domestic OEM marquee clients, while General Motors and Ford constitute to be the largest global customers.

Product wise performance

Machined Camshaft contribution to the total revenue increased from 50% in FY 2017-18 to 56% in FY 2018-19. While for Casting Camshaft, the contribution to the total revenue decreased from 50% in FY 2017-18 to 44% in FY 2018-19. The Company has shifted it's focus from Casting Camshafts to Machined Camshafts due to higher margins and ROCE.

Manufacturing facility

Indian facility

It currently consists of two units, one catering to domestic clients while other one is totally export-oriented unit, situated in Solapur, Maharashtra. Domestic unit consists of one machine shop, while EOU unit consists of four foundries and three machine shops. Majority of the standalone revenue is generated from clients which include General Motors, Ford and Hyundai. The increase in machining capacity to 4 million annually will help offer more to existing and new targeted clients.

	Total capacity
Foundry	9 million p.a
Machine shop	3.01 million p.a

Attributes that set us apart from others

a) Highly certified manufacturing facility

The Company has got access to the new technology developed by EMAG through worldwide exclusive rights. The alliance has allowed it to produce assembled camshafts at Solapur manufacturing facility which uses the 'Force free heat shrink' process which EMAG has patented. Assembled camshafts reduce the overall weight of the engines, which in turn improves efficiency and reduces emission. The usage of the assembled camshafts is already preferred by OEMs operating in Europe and China. With the immediate effect of BS-VI norm from 1st April 2020, there will be a growing need by OEMs from India.

Our quality certification

Foundry/Machine shop

ISO/TS 16949:2009	Consistent manufacturing practices and defect-free products
ISO: 14001:2004	Environmental management system
BS OHSAS: 18001:2007	Occupational health & safety management system

b) High entry barriers for a new entrant

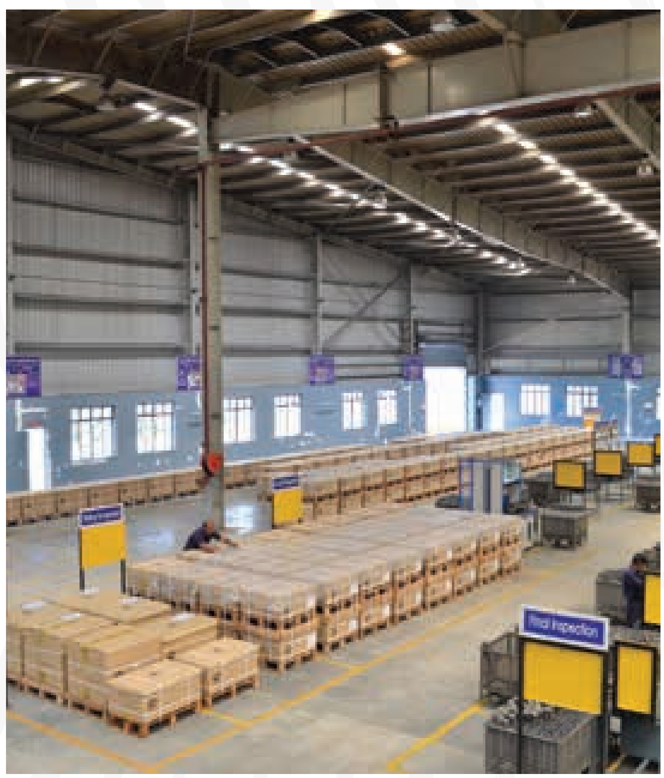
Camshaft is a capital-intensive and oligopolistic industry, dominated by 5-6 players across the globe. To commence the business, requirement of high capital is essential. Mandatory demonstration by a company of their technological ability, manufacturing capabilities and stringent process monitoring create a huge entry barrier for any company trying to enter the camshaft business.

c) Rising outsourcing by global OEMs

Setting up a new foundry and manufacturing camshafts at own plant require huge capex and efficient process. This has led to outsourcing of camshafts by OEMs. In addition to that, India enjoys inherent cost advantage over other western countries making it the ideal source destination for OEMs. This has created a great growth opportunity for PCL.

Camshafts: Outsourcing process by global OEMs

Prior to 1990s	In-house manufacturing of camshafts was done by OEMs
1990-2005	Casting camshafts were outsourced while machining was done in-house
Post 2005	Growing number of OEMs started outsourcing full requirement (casting & machining)



d) Global presence and long-term relationship with clients

PCL having relationship with more than 10 years with some of its marquee clients supplies camshafts to top leading OEMs covering Europe, Asia, South America and North America region. General Motors and Ford are the major clients covering 52% of the total revenue (Standalone basis). However, the Company is diversifying its product profile through acquisition to cater to wider client base and leverage on the benefit of cross-selling.

Marketing network

Korconsulting LLC	North America, Europe and UK
Huppert engineering	South America
T&G-auto Tec	South Korea

e) Domestic manufacturing benefit

Precision Camshafts is well-positioned in India to take advantage of the of the fast-growing economy which is a hub for low-cost manufacturing and labour cost. Over the last 5 years, vehicle production has increased drastically from 2,15,00,165 in 2013-14 to 3,09,15,420 growing at a rate of 7.54 %. By manufacturing camshafts locally, PCL is supporting the Government to meet the vision of 'Make in India' initiative and through exports to bring foreign currency into the country.

f) Expansion of product portfolio

The Company currently produces chilled cast iron machined camshafts, ductile iron machined camshafts, hybrid camshafts, assembled camshafts and is now looking forward to expand the product range by entering into cam modules and sliding cams.

Operational highlights

1. Purchasing of remaining stake in MEMCO Engineering Private Ltd

Clients

It lists the customers such as Bosch, Delphi, Endress + Hauser and Giro.

Products

Its key products include fuel injection components for conventional and CRDi diesel engines, brakes components, high pressure diesel injector connectors for naval ships and high precision instrumentation components.

THE COMPANY ACQUIRED 95% STAKE IN NASHIK-BASED MEMCO ENGINEERING PRIVATE LIMITED (MEMCO) DURING FY 2017-2018 FOR ₹ 38 CRORES & BALANCE 5% STAKE FOR ₹ 2.6 CRORES IN FY 2018-2019. MEMCO HAS THE CAPACITY TO PRODUCE 10.7 MILLION PRECISION COMPONENTS PER ANNUM.

2. Acquisition of EMOSS

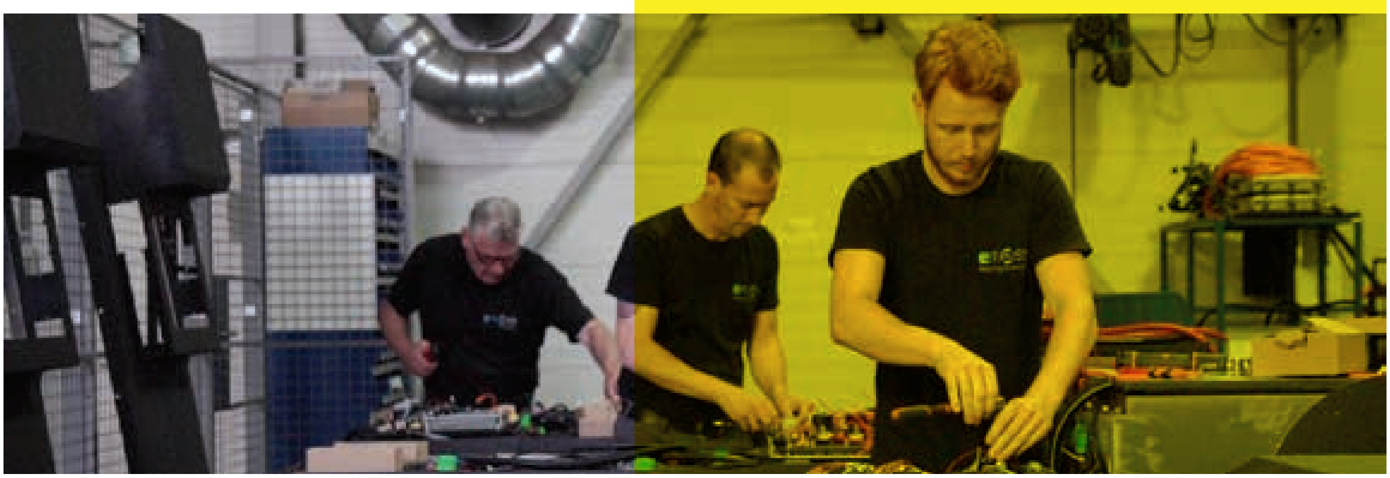
Clients

Major clients of EMOSS include DSV, Ferrovial, Geesink, Norba, Heineken, Mellor & Waste Management, New Zealand.

Business Model

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. It also converts diesel trucks into ready-to-use electric trucks. Apart from that, it manufactures 'ready-to-assemble modular kits' which are assembled onto the chassis.

PRECISION CAMSHAFTS LTD THROUGH ITS WHOLLY-OWNED SUBSIDIARY 'PCL (INTERNATIONAL) HOLDING B.V.' ACQUIRED 51% STAKE IN NETHERLANDS-BASED EMOSS MOBILE SYSTEMS B.V. APPROXIMATELY FOR ₹ 58 CRORES.



3. Capacity expansion

The Company has set up a machining unit for production of 2 million machined camshafts annually at EOU unit, Solapur plant. This was done by incurring the total capex of ₹ 230 Crores. This will help the Company in offering new products to the existing customers as well as targeting new customers and improving the efficiency.

Financial overview – consolidated and standalone (₹ in Crores)

Financial result	Standalone		Consolidated	
	For the year ended 31st March		For the year ended 31st March	
	2019	2018	2019	2018
Revenue from operations	424	401	695	421
Other income	17	25	18	25
Revenue from operations and other income	441	426	713	446
Earnings before interest, tax, and depreciation & amortisation (EBITDA)	116	101	144	104
Profit for the year	43	35	15	46
EPS (Basic) (In ₹)	4.52	3.67	1.70	4.86
EPS (Diluted) (In ₹)	4.52	3.66	1.70	4.85

Note: Other income includes finance income.

Standalone

Revenue from operations increased from ₹ 401 Crores to ₹ 424 Crores rising at a rate of 5.73 %. This was due to an increase in the volume of the camshafts due to capacity expansion, particularly with a focus towards machined camshafts. This focus of value-added machining has helped the Company to drive higher realisation, which is comparatively higher than raw cast iron camshaft's profitability. The Company aims to remove debt from the books, which will eventually improve the margin in the future. Also, the complexity in the production process of camshafts and the nature of the capital-intensive industry, make it hard for other players looking to enter the market.

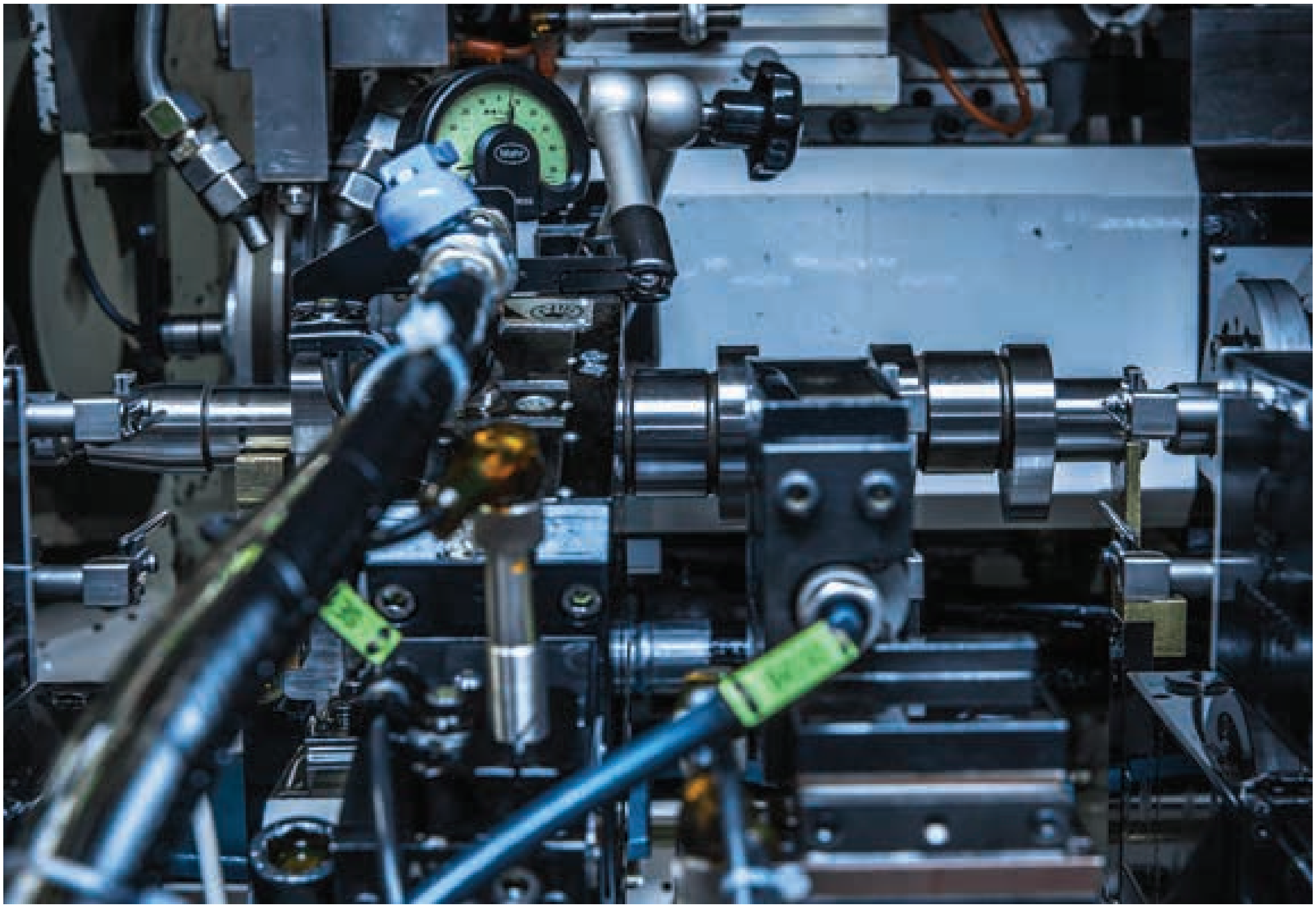
Consolidated

Profit after Tax (PAT) declined from ₹ 46 Crores to ₹ 15 crores mainly due to a one time hit because of exit from the Chinese joint ventures as the auto industry is facing challenging times in China, making it unsustainable for the Company to continue with its operations. The one time exceptional item was ₹ 27.34 Crores.

Significant Changes In Financial Ratios

Financial Ratio	Standalone		Change (%)	Reason for change
	FY 2018-19	FY 2017-18		
Interest Coverage Ratio	24	12	95	The borrowings cost has come down drastically, so the interest gearing ration has improved substantially.

Financial Ratio	Consolidated		Change (%)	Reason for change
	FY 2018-19	FY 2017-18		
Debtors Turnover	5.36	3.84	(28)	Timely recovery from Customers.
Interest Coverage Ratio	6	14	(61)	There is substantial borrowing in MFT for expansion of Machine shop.
Return On Net Worth	0.16	0.49	(68)	We have acquired Three Companies, profitability of three Companies as of now is insufficient, hence return on net worth has gone negative.



Human resource management

At PCL, we focus on maintaining a healthy work-life balance to promote employee well-being. We consider our human force to be the pivotal driving force behind the success of the Company. We take various initiatives to empower our employee base to meet the current and future growth plans. Also, a major thrust is put on grooming and nurturing employees by providing efficient & effective training to meet the needs of the world-class customers. Further, we provide equal opportunity to all employees regardless of the race, colour, religion, gender, age, national origin or disability. As on 31st March, 2019, there were 1330 employees on the payroll of the Company.

Opportunities and prospects

Technological transformation

The auto components industry is witnessing a paradigm shift in the technological transformation, including physical devices as well as the software system. Instead of seeing this as a challenge, we view it as the main growth driver for our business. The right mix of strategy, consolidation and partnership give us a competitive edge to make us future-ready.

Environmental policies

The Government regulations around the globe regarding Carbon emission release from the vehicles offer the level playing field for players operating in the industry. It poses a great opportunity for the advanced auto component players to gain the advantage by introducing new innovative products. At PCL, we are always looking to introduce new products adhering to market requirement.

Distribution network

The distribution network extends the geographical reach much more easily and quickly, helps to avoid hurdles in distribution logistics and benefits from 3rd party infrastructure and salesforce. So, it becomes significant to distribute the auto component parts through different channels, including direct as well as indirect distribution network.

Market expansion

To generate cash flow and improvise the profit metrics, it is essential to expand into different demographics. Especially, in an emerging country, there exists a good profit opportunity and gaining market share is relatively easy due to market fragmentation.

We are leveraging on this opportunity by expanding into developed as well as developing countries.

Risks and Concerns

Financial risk: Financial risk usually arises due to uncertainty and losses in the financial market caused by movement in stock prices, currencies, interest rates and more. The Company's financial liability comprises loan borrowings, trade payable while financial assets comprises loans and trade receivables, investment in mutual funds, cash and cash equivalent. All the risk management activities are carried out by experts who have appropriate skills and experience. The Company also has got the policy in place to prohibit any derivatives trading undertaken on speculative purpose. The Company has also reduced the debt in its capital structure.

Shared mobility: Cars are parked for most of the time, due to which ridesharing services have escalated in the recent years. This has led to change in the behaviour of people planning to buy cars ultimately impacting the passenger vehicles sales to some extent. The Company not only supplies camshafts to passenger vehicles, but also to commercial vehicles. Moreover, most of the people still prefer to drive in their personally owned car.

Rise of Electric vehicles: Electric vehicles are set to grow owing to ambitious plan by the Government and growing environmental awareness. The market is at a nascent stage and it will take time to grow as the environment for electric vehicles is not fully matured. Due to this, hybrid vehicles are given preference over EV by the automobile manufacturers. Through EMOSS mobile systems technology acquisition, the Company has entered the electric mobility segment. EMOSS Mobile Systems manufactures electric commercial vehicles, drivelines and battery packs to convert conventional commercial vehicles into full electric CVs.

Reputational risk: Reputational risk arises when company's action is to be perceived as dishonest, disrespectful or incompetent. Approval from an OEM for camshaft is a stringent process and it also consumes 2-4 years for the completion of the process. On the flipside, this also creates an entry barrier for other players. Any failure in the process ultimately affects the reputation of the Company. But, being a pioneer in this industry, the Company has been able to acquire top global clients through defectless quality process.

Currency fluctuation: Risk arises when there is a potential risk of loss due to fluctuation of currency rates. The Company earns a majority of the income from outside India which accounts for 55.55%. Hence the depreciation in domestic currency doesn't affect the Company's earning much. As balanced ratio of 'export: domestic revenue' business acts as a hedge for the Company.

Commodity risk: This risk arises due to adverse movement of commodity prices which ultimately affects the business cost. The key raw material purchased by the Company includes Pig iron, MS Scrap, Resin coated sand and steel bars. Increase in raw material prices doesn't affect the Company profit as any increase/decrease in the price from vendors is mitigated by passing on to the customer.

Internal control systems

The Company works under the environment of SAP, which enables us to gain control of each stage of the manufacturing process. The Company has appointed Internal Auditors covering all the aspects which 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 entirely by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis of Precision Camshafts Limited's Annual Report, FY 2018-19.

Board's Report

To,
The Members,
Precision Camshafts Limited

Your Directors are pleased to present the TWENTY SEVENTH ANNUAL REPORT and the Audited Financial Statements for the year ended 31st March, 2019.

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 31st March, 2019	For the Year ended 31st March, 2018	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018
Total Revenue (I)	43,154.06	41,918.88	70,472.75	44,004.37
Total Expenses (II)	32,506.39	33,123.32	56,910.19	34,888.63
Earnings before interest, tax, depreciation and amortisation (EBITDA)	10,647.67	8,795.56	13,562.57	9,115.74
Profit before tax	6,571.47	5,376.15	4,064.29	6,890.17
Total Tax Expenses	2,280.17	1,900.52	2,458.88	2,280.56
Profit for the year	4,291.30	3,475.63	1,492.38	4,609.59
EPS (Basic)	4.52	3.67	1.58	4.86
EPS (Diluted)	**4.52**	**3.66**	**1.58**	**4.85**

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 ₹ 43,154.06 Lakhs as against ₹ 41,918.88 Lakhs in the previous year. The profit after tax for the year stood at ₹ 4,291.30 Lakhs as against ₹ 3,475.63 Lakhs in the previous year. Your Company reported increase in top-line by 3.88% over the previous year.

On consolidated basis total revenue was ₹ 70,472.75 Lakhs as against ₹ 44,004.37 Lakhs in the previous year. The profit after tax for the year stood at ₹ 1,492.38 Lakhs as against ₹ 4,609.59 Lakhs in the previous year. Your Company reported increase in top-line by 62% over the previous year.

Prior to balance sheet date, the Directors of the Company confirmed their intention to sell the shares of investment in its Joint Ventures, Ningbo Shenglong PCL Camshafts Company Limited and PCL Shenglong (Huzhou) Specialized Casting Company 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 – Non Current Assets held for sale and discontinued operations. The net impact of this transaction is ₹ 2,734.59 Lakhs booked as loss in P&L Account under the exceptional Items.

3. DIVIDEND

Based on Company's performance, the Directors are pleased to recommend final dividend of ₹ 1/- (10%) per Equity Share of Face Value of ₹ 10/- for the Financial year ended 31st March 2019.

Payment of dividend is subject to the approval of the members at the ensuing Annual General Meeting.

In accordance with Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) 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.

4. SHARE CAPITAL

During the year under review, your Company allotted 1,09,200 Equity Shares of ₹ 10/- each under the exercise of stock options under Precision Camshafts Limited Employee Stock Option Scheme 2015 ("PCL ESOS 2015"). Consequently, the issued, subscribed and paid-up equity share capital of the Company increased from ₹ 9,487.66 Lakhs divided into 9,48,76,635 Equity Shares of ₹ 10/- each to ₹ 9,498.58 Lakhs divided into 9,49,85,835 equity shares of ₹ 10/- each.

5. SUBSIDIARIES AND ACQUISITIONS

The Company has 3 (Three) subsidiaries, 3 (Three) step down subsidiaries and 2 (Two) associate companies.

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

PCL (International) Holding B.V. is a Wholly Owned Subsidiary of the Company in Netherlands. The existing customer base of the Company is predominantly located in Europe, hence to get future orders and to establish research and development facility, PCL Netherlands would add value to the business of the Company.

(b) PCL (SHANGHAI) CO. Limited – Wholly Owned Subsidiary

PCL (Shanghai) Co. Limited is a Wholly Owned Subsidiary of Precision Camshafts Limited. Its main business is to supply semi finished camshafts to the customers in China which are exported by Precision Camshafts Limited.

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

Precision Camshafts Limited acquired 95% of Equity Share Capital of MEMCO Engineering Private Limited, Nashik, Maharashtra during the previous year. The acquisition was done on 10th October, 2017 for an enterprise value of ₹ 3,804.35 Lakhs. Pursuant to the Share Purchase Agreement, the Company has acquired balance 5% equity shares for 261 Lakhs in the month of March 2019. Thus, MEMCO Engineering Private Limited is a Wholly Owned Subsidiary of the Company as on date.

MEMCO 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.

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

Your Company through its Wholly Owned Subsidiary, PCL (International) Holding B.V. acquired 76% Shares in M/s MFT Motoren und Fahrzeugtechnik GmbH, Germany ("MFT") on 22nd March, 2018 for EUR 3126018 (Circa ₹ 2,503.35 Lakhs).

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.

(e) PCL BRASIL AUTOMOTIVE LTDA ("PCL BRAZIL") – Step Down Subsidiary

Your Company through its Wholly Owned Subsidiary PCL (International) Holding B.V., Netherlands incorporated a Subsidiary Company in Brazil under the name "PCL BRASIL AUTOMOTIVE LTDA" in the state of Sao Paulo, Brazil ("PCL Brazil") on 10th May, 2018.

PCL Brazil will be engaged in manufacturing of machined camshafts to cater the needs of customers in Brazil and South America. It has not commenced its commercial activity as on date.

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

Your Company through its Wholly Owned Subsidiary PCL (International) Holding B.V. acquired 51% Shares of EMOSS Mobile Systems B.V., Netherlands ("EMOSS") on 18th May, 2018 for "EUR 7358000 (Circa ₹ 5,878.37 Lakhs").

EMOSS is a one-of-a-kind business that designs, develops, produces and supplies complete electric powertrains for trucks, buses, military vehicles and heavy equipments. 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 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, New Zealand. Emoss enjoys customer base of Heineken, Meyer & Meyer, TEDI, etc.

The Company has formulated a policy for determining "material" subsidiaries and such policy is 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

Board's Report (Contd.)

is appended as Annexure-K to this Report. The statement also provides details of performance, financial position of each of its subsidiaries.

6. 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.

7. CREDIT RATING

Credit ratings on standalone basis is:-

Facilities	Amount (₹ Crores)	Previous Rating	Rating action
Long term Bank Facilities (Term Loan)	-	-	Withdrawn
Long-term Bank Facilities	2.05	CARE A; STABLE	Reaffirmed
Short-term Bank Facilities	79.50 (enhanced from 44.00)	CARE A1	Reaffirmed
Long-term/ Short term Bank Facilities	10.00 (reduced from 66.50)	CARE A; Stable/ CARE A1	Reaffirmed

8. UTILISATION OF IPO PROCEEDS

The IPO Proceeds of ₹ 240 Crores have been used for setting up of machine shop for machining of camshafts and offer related expenses and general corporate purposes of 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, 2019 is stated in Note No. 41 of Notes to Accounts.

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

9. DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Mr. Karan Y. Shah (DIN: 07985441) was appointed as Additional Director and Whole-time Director w.e.f. 13th August 2018. The shareholders of the Company in the Annual General Meeting (AGM) held on 26th September, 2018 approved his appointment as Whole-time Director - Business Development for a period of 5 years w.e.f. 13th August, 2018.

Dr. Suhasini Y. Shah (DIN:02168705) was Whole-time Director of the Company up to 12th August, 2018, she was appointed as Non-Executive Director w.e.f. 13th August 2018.

Mr. Jayant V. Aradhye (DIN: 00409341) resigned from the post of Non-Executive Director of the Company with effect from 28th May, 2018 due to health and age. The Board acknowledges the valuable contribution made by Mr. Jayant V. Aradhye during his tenure.

The term of appointment of **Mr. Sarvesh N. Joshi** (DIN: 03264981), Independent Director ended at the 26th AGM held on 26th September, 2018. The shareholders approved his appointment for the next 5 years up to the 31st AGM of the Company.

During the year, **Mr. Mahesh Kulkarni,** Company Secretary and Compliance Officer resigned with effect from 8th December, 2018. **Mrs. Mayuri I. Kulkarni** was appointed as Company Secretary and Compliance Officer with effect from 23rd March, 2019.

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel (KMP) of your Company for the financial year 2018-19 were:-

Mr. Yatin S. Shah	Chairman and Managing Director
Dr. Suhasini Y. Shah	Non- Executive Director w.e.f 13th August, 2018 (Whole-time Director (up to 12th August, 2018)
Mr. Karan Y. Shah	Whole-time Director – Business Development w.e.f. 13th August, 2018
Mr. Ravindra R. Joshi	Whole-time Director and Chief Financial Officer
Mr. Mahesh Kulkarni	Company Secretary (up to 8th December, 2018)
Mrs. Mayuri I. Kulkarni	Company Secretary (w.e.f. 23rd March, 2019)

10. DECLARATION FROM INDEPENDENT DIRECTORS

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 (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 Directors and Committees. The details of remunerations and/or other benefits of the Independent Directors are mentioned in the Corporate Governance Report.

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

Pursuant to the provisions of the Companies Act, 2013 and Regulation 19 read with Schedule II, Part D of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has devised a policy on evaluation of performance of Board of Directors, Committees and Independent Directors.

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. The Board of Directors expressed their satisfaction with the evaluation process.

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

During the year under review, in terms of PCL ESOS-2015, the Company has allotted 1,09,200 Equity Shares of ₹ 10/- each 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, SEBI (Share Based Employee Benefits) Regulations, 2014 are as follows:

Total No. of Shares covered by ESOP Scheme approved by the Shareholders	**6,00,000 (Six Lakhs) Equity Shares**	**6,00,000 (Six Lakhs) Equity Shares**	
Grant	**I**	**II**	**Total**
Options granted	Nil	Nil	Nil
Options vested	21,750 Equity Shares	1,04,240 Equity Shares	1,25,990 Equity Shares
Options exercised	18,625 Equity Shares	90,575 Equity Shares	1,09,200 Equity Shares
The total number of shares arising as a result of exercise of option	18,625 Equity Shares	90,575 Equity Shares	1,09,200 Equity Shares
Options forfeited	Nil	Nil	Nil
Options lapsed	Nil	Nil	Nil
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	1,86,250	9,05,750	10,92,000
Total number of options in force (PCL ESOS 2015)		68,090 Equity Shares	
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

Board's Report (Contd.)

Total No. of Shares covered by ESOP Scheme approved by the Shareholders	**6,00,000 (Six Lakhs) Equity Shares**	**6,00,000 (Six Lakhs) Equity Shares**	
-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

13. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

a) The Company has given loan to PCL (International) Holding B.V. Netherlands of ₹ 3092.33 Lakhs during the year.

b) The Company has given Corporate Guarantee of ₹ 14,900 Lakhs to Bank of Baroda, London in respect of Term Loan given by Bank of Baroda to PCL (International) Holding, B.V. Netherlands for strategic acquisitions in FY 2017-18 , same is continued in FY 2018-19 . Please refer Note No. 34 of notes forming part of the financial statements to the Standalone Financial Statements.

c) 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.

d) Please refer Note No 5 notes forming part of the financial statements to the Standalone Financial Statements for investments under Section 186 of the Companies Act, 2013.

14. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All contracts/ arrangements/ transactions entered by the Company during the financial year 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 financial year 2018-19 provided in Form AOC-2 is enclosed herewith as **Annexure- A**

15. 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Risk Management Policy is hosted on website of the Company and can be viewed at for www.pclindia.in.

16. 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 S. Mahajani	Member

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

Board's Report (Contd.)

17. 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 behaviour, 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 hosted 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.

18. 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

19. 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 annexed herewith in **Annexure - D**.

20. AWARDS

The Chincholi plant of Precision Camshafts Limited, Solapur was bestowed upon The Machinist Super Shopfloor Awards 2019 in SME – Indian category. PCL also bagged the 'Excellence in Quality' award and the 'Excellence in CSR' award at a glittering ceremony in Bangalore in May 2019.

21. 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 E** to Annual 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 E** of the Annual Report.

Industrial relations continued to be cordial during the year.

22. 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 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.

No complaint was reported to the Committee during the year ended on 31st March, 2019 in connection with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

23. DEPOSITS

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

24. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATION 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 operation in future.

25. COMMISSION OR REMUNERATION FROM SUBSIDIARY

Neither the Managing Director nor the Whole-time Directors of the Company received any remuneration or commission from Subsidiary (ies).

Board's Report (Contd.)

26. AUDITORS

(a) STATUTORY AUDITORS

The members at the 25th Annual General Meeting held on 27th September, 2017, appointed M/s P. G. Bhagwat, Chartered Accountants, Pune (ICAI Firm Registration Number 101118W) as the Statutory Auditors of the Company for a period of five years with effect from the conclusion of 25th Annual General Meeting till the conclusion of the 30th Annual General Meeting of the Company to be held in the Financial Year 2022-2023.

The Board of Directors of the Company at its Board Meeting held on August 13,2019 recommend to appoint M/s MSKA & Associates Chartered Accountants (Firm Reg No: 105047W) as Statutory Auditors of the Company after taking note of the consent letter of M/s MSKA & Associates to act as Statutory Auditors.

Considering the Compliance requirements and expansion of Business in Europe, Board is of the view that it would be convenient to appoint Auditors with Global Presence. It is recommended to appoint M/s MSKA & Associates, Chartered Accountants (Firm Reg No: 105047W) one of the Renowned Audit Firms as Statutory Auditors.

(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. Bhave & Co. Company Secretaries, Pune, to undertake Secretarial Audit of the Company for Financial Year 2018-2019. The Report of the Secretarial Audit for Financial Year 2018-2019 in MR-3 is annexed herewith as **Annexure - F** 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 2018-2019. As required under the Companies Act, 2013, a resolution seeking Members' ratification for the remuneration payable to the Cost Auditors forms part of the notice convening the 27th Annual General Meeting. The Cost Audit report for the Financial Year 2018-2019 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 D K V & Associates as Internal Auditor of the Company for Financial Year 2018-2019. 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.

27. REPORT ON MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this Annual Report.

28. CORPORATE GOVERNANCE REPORT

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. Bhave & Co. Practicing Company Secretaries, Pune regarding compliance with conditions of corporate governance as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 also forms part of this Annual Report as **Annexure – H**

A certificate from M/s J. B. Bhave & Co. Practicing Company Secretaries, Pune regarding compliance with sub regulation 10(i) of Regulation 34(3) of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 also forms part of this Annual Report as **Annexure-I**

29. 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 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.

Board's Report (Contd.)

The Company has received such report from M/s J.B. Bhave & Co., Practicing Company Secretaries, Pune for the financial year ended 31st March, 2019 and it has been submitted to the stock exchange(s) within the stipulated time. A copy of the report also forms part of this Annual Report as **Annexure – J.**

30. 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; and
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.
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.

31. MATERIAL CHANGES AFTER CLOSE OF FINANCIAL YEAR

(a) LIQUIDATION OF PCL (SHANGHAI) CO. Limited – CHINA

The Company at its Board Meeting held on 23rd March, 2019 had passed resolution to initiate liquidation of PCL (Shanghai) Co. Limited, a Wholly Owned Subsidiary.

PCL (Shanghai) Co. Limited, 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) 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.

(b) DISINVESTMENT FROM NINGBO SHENGLONG PCL CAMSHAFTS CO. LIMITED (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. Limited ("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.

The Management of Precision Camshafts Limited has decided to sell its stakes in SLPCL, in near future considering aforesaid business circumstances in China.

(c) DISINVESTMENT FROM PCL SHENGLONG (HUZHOU) SPECIALISED CASTING CO. (PCLSL)

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

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 are on a higher side and adversely affecting the cash flows.

Board's Report (Contd.)

The Management of Precision Camshafts Limited has decided to sell its stakes in PCLSL, in near future considering aforesaid business circumstances in China.

(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, considering these circumstances it is not viable to have business in Brasil.

It has been decided to liquidate the Company in near future.

Other than details specified above, there are no other significant change between closure of the financial year ended on 31st March, 2019 and the date of this report in respect of Company's financial position, profitability, turnover, suspension of any business activity, foreign collaborations, joint ventures, etc.

32. STATEMENT CONTAINING THE SALIENT FEATURES OF THE FINANCIAL STATEMENTS OF SUBSIDARIES / ASSOCIATE COMPANIES / JOINT VENTURES

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

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.

33. 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 signed by Managing Director to this effect is annexed as a part of Directors' Report.

34. COMMITTEES OF THE 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 is also available on the website of the Company www.pclindia.in.

35. 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, variables 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.

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.

36. 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 stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

37. 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 cover items set out as per the guidelines in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 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 6 (Six) Board Meetings were convened and held on 14th May 2018, 28th May 2018, 13th August 2018, 14th November 2018, 7th February 2019 and 23rd March 2019.

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

38. MEETING OF INDEPENDENT DIRECTORS

In compliance with the provisions of Schedule IV of the Companies Act, 2013 and Regulation 25(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a meeting of Independent Directors was held on 23rd March, 2019 to review the performance of Non-Independent Directors, performance of the Board as a whole and performance of the Chairman of the Company, taking into account the views of Chairman and Managing Director, Executive Directors and Non-Executive Directors.

The Independent Directors of the Company at their meeting held on 23rd March, 2019 expressed satisfaction on the quality, quantity and timeliness of flow of information between the Company Management and the Board. All the Independent Directors were present at the meeting.

39. 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 Financial Statements for the year ended 31st March, 2019.

The Statutory Auditors have expressed modified opinion in the Audit Report on Consolidated Financial Statements for the year ended 31st March, 2019.

Details of Audit Qualification

"The consolidated financial statements of PCL BV are management drawn as on 31st March, 2019 and have not been audited or reviewed by us. Consequently, we were unable to determine whether any adjustments to these amounts were necessary including with respect to Ind AS specified under section 133 of the Act (if any). Our opinion on the Consolidated Ind AS Financial Statements of the Company in so far as it relates to the amounts and disclosures included, in respect of the consolidated financial statements of PCL BV, is based on such management certified financial information."

Explanation of the Board of Directors on the Audit Qualification

PCL (International) Holding B.V, Netherlands is a Wholly Owned Subsidiary of Precision Camshafts Limited. It has acquired MFT Moteren und Fahrzeuntechnik GmbH on 22nd March, 2018 and EMOSS Mobile Systems B.V. (Netherlands) on 17th May, 2018. The management of Precision Camshafts Limited have already started implementing accounting practices and procedures which are necessary to comply with Indian Laws and Accounting Principles. According to the prevailing applicable Accounting Standards and Audit Requirement criteria in Netherlands, PCL (International) Holding B.V. is not subject to audit and therefore the Consolidated Ind AS Financial Statements of the Company in so far as it relates to the amounts and disclosures included, in respect of the consolidated financial statements of PCL (International) Holding B.V., is based on such management certified financial information.

From the financial year 2019-20, pursuant to Regulation 33(3)(b) of SEBI (LODR) Regulations, 2015, Listed entities has to submit quarterly/year to date consolidated financial results with effect from 1st April, 2019. Accordingly, the management of Precisions Camshafts Limited has taken necessary steps to ensure that the books of accounts of PCL (International) Holding B.V. will be audited as per the statutory requirements of LODR. Refer **Annexure L**

Board's Report (Contd.)

There were no qualifications, reservations or adverse remarks made by the Secretarial Auditors or by the Cost Auditors in their respective reports for the year ended 31st March, 2019.

40. 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.

41. 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.

42. ACKNOWLEDGEMENTS

The Directors would like to place on record their deep appreciation to employees 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.

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

Yatin S. Shah
Chairman and Managing Director
DIN: 0031840

Date: 13th August, 2019
Place: Pune

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

Date: 13th August, 2019
Place: Pune

Annexure - A

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 Financial Year 2018-2019 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	**Ningbo Shenglong PCL Camshafts Co. Limited, China** An Associate Company
b.	Nature of contracts/ arrangements/ transactions	Sale of goods and tooling income
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 Camshafts for ₹ 335.15 Lakhs during the year.
e.	Date of approval by the ~~Board~~/ Members, if any	27th September, 2017
f.	Amount paid as advance, if any	Nil

a.	Name of Related Party and Nature of Relationship	**PCL Shenglong (Huzhou) Specialised Casting Co. Limited, China** An Associate Company
b.	Nature of contracts/ arrangements/ transactions	Royalty Income
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. Royalty received ₹ 4.26 Lakhs during the year.
e.	Date of approval by the Board/ ~~Members~~, if any	28th May 2018
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 ₹ 66.29 Lakhs.
e.	Date of approval by the Board/ ~~Members~~, if any	28th May 2018
f.	Amount paid as advance, if any	Nil

Annexure - A (Contd.)

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 ₹ 0.33 Lakhs.
e.	Date of approval by the Board/ ~~Members~~, if any	28th May 2018
f.	Amount paid as advance, if any	Nil

a.	Name of Related Party and Nature of Relationship	**MFT Motoren und Fahrzeugtechnik GmbH** Step down Subsidiary through PCL (International) Holding B.V.
b.	Nature of contracts/ arrangements/ transactions	Purchase of Material
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. Purchase of material of ₹ 174.30 Lakhs.
e.	Date of approval by the Board/ ~~Members~~, if any	28th May 2018
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: 0031840

Date: 13th August, 2019
Place: Pune

Annexure - B

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
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	2015-16	8,965.04
2	2016-17	7,901.35
3	2017-18	4,833.50
	Average Net Profits	7,233.30

4. **Prescribed CSR Expenditure (2% of the amount as in item 3 above) ₹ 143.37 Lakhs**
5. **Details of CSR spent during the financial year.**

(a) **Total amount to be spent for the financial year: ₹ 147.93 Lakhs**

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

(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	Comprehensive sexual education through FAMILY PLANNING ASSOCIATION OF INDIA	Healthcare	Solapur City, North Solapur, South Solapur tahsils. Dist – Solapur, Maharashtra	40.00	4.65	4.65	Through Implementing agency FPAI

Annexure - B (Contd.)

(₹ 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**
2	Sanitary Napkins provided to school going girls supplied by Jeevan Jyoti Jeur, Tq. Akkalkot	Healthcare	Akkalkot, Dist - Solapur, Maharashtra		0.70	0.70	Through Implementing agency
3	Shri Chatrapati Shivaji Maharaj Sarvopachar Rugnalay (Hospital), Solapur Infrastructure for HEMODIALYSIS Unit with 10 beds Civil work Electrification of Hemodialysis ward. Installation of RO water pipeline at dialysis unit	Healthcare	Dist- Solapur, Maharashtra		18.39	18.39	Through Implementing agency
4	Shri Chatrapati Shivaji Maharaj Sarvopachar Rugnalay, Solapur Surgical Operation Theatre upgradation project. Providing Operation theatre equipment C-arm Batteries & UPS	Healthcare	Dist - Solapur, Maharashtra		17.69	17.69	Through Implementing agency
5	Interactive e-Learning Kits to Zila Parishad Schools	Education	Solapur City, North Solapur, South Solapur, Madha & Barshi tahsils., Dist – Solapur, Maharashtra	38.00	19.84	19.84	Through Implementing agency

Annexure - B (Contd.)

(₹ 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**
6	Ajit Foundation Snehgram Donation for Rehabilitation of Street children & their Schooling	Education	Barshi Dist. – Solapur, Maharashtra		3.00	3.00	Direct
7	BC Girls Hostel Vocational Training - Nursing Assistant & Operation Theatre Assistant courses for Economically backward class girls	Education	Solapur City, Dist – Solapur, Maharashtra		5.00	5.00	Direct
8	Upkeep of Sonamata High School, Notebooks Purchased for School Children and Donation for creating various facilities at this school for socio-economically backward students	Education	Ramwadi. Dist - Solapur, Maharashtra`		5.29	5.29	Direct
9	Pune Film Foundation for film education & film appreciation.	Education	Dist-Pune, Maharashtra		5.00	5.00	Direct
10	Solar Panel Installation in 10 Schools	Sustainability	Solapur City, North Solapur, South Solapur, Madha & Barshi tahsils, Dist- Solapur, Maharashtra	6.00	4.00	4.00	Through Implementing agency

Annexure - B (Contd.)

(₹ 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**
11	Pani foundation project at Modnimb Donation for improving water table and watershed management	Sustainability	Modnimb, Dist - Solapur, Maharashtra		2.00	2.00	Direct
12	Hunger Eradication – Bharatmata Paradhi Vikas Pratishthan, Mohol Food grains provided to residential school for Nomadic children	Social Issues	Mohol, Dist - Solapur, Maharashtra	59.37	4.50	4.50	Through Implementing agency
13	Social Health & Medicine (SOHAM) TRUST Donation to Soham Trust for Healthcare of Beggars	Social Issues	Dist –Pune , Maharashtra		2.00	2.00	Direct
14	Bharatmata Paradhi Vikas Pratishthan Mohol - Donation for construction of kitchen and store at a residential school for nomadic children	Social Issues	Mohol City, - Dist Solapur, Maharashtra		6.00	6.00	Direct
15	Swadhar Kendra, Budhoda - Skill Enhancement Donation for Rehabilitation of the Blind by training them in Accupressure, Massage & Naturopathy	Social Issues	Budhoda, Dist. Latur, Maharashtra		2.50	2.50	Direct

PRECISION

Annexure - B (Contd.)

(₹ 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**
16	Swadhar - Manav Vedana Mukti Kendra. Infrastructure provided	Social Issues	Budhoda, Dist. Latur, Maharashtra		18.00	18.00	Direct
17	Tribal Mensa - Donation made for Rehabilitation & Eductaion of Tribal children	Social Issues	Dist- Pune Maharashtra		3.00	3.00	Direct
18	Mohol Police station - Provision of Computer & Printer (Vendor - High Tech Innovations)	Social Issues	Mohol, Dist. - Solapur, Maharashtra		0.35	0.35	Through Implementing agency
19	Battery Operated Vehicle at Solapur Railway station Maintenance charges of E-Vehicle previously donated by PCL	Social Issues	Solapur City, Dist- Solapur, Maharashtra		1.02	1.02	Through Implementing agency
20	Voice of Voiceless Abhiyan, Shetfal 'Bolwadi' – Taat Waati Chachni project Funds donated for carrying out survey for early detection of deafness in children and rehabilitation of deaf & dumb children	Social Issues	Shetfal Tq. Madha, Dist. Solapur, Maharashtra		17.00	17.00	Direct

Annexure - B (Contd.)

(₹ 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**
21	Prabha Hira Pratishthan: Pandharpur Palavi Project for rehabilitation of HIV affected children Donation for educational tour of HIV +ve children	Social Issues	Pandharpur, Dist –Solapur, Maharshtra		1.00	1.00	Direct
22	V-Excel school for specially abled children - Donation for rehabilitation of specially abled children	Social Issues	Solapur city, Dist- Solapur, Maharashtra		7.00	7.00	Direct
	TOTAL EXPENSES			**₹ 143.37**	**₹ 147.93**	**₹ 147.93**	

(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 and Managing Director
DIN: 0031840

Date: 13th August, 2019
Place: Pune

Annexure - C

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the Financial Year ended on 31st March, 2019

[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	08th June, 1992
3	Name of the Company	Precision Camshafts Limited
4	Category/Sub-category of the Company	Company Limited 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, Akshay Complex, 2nd floor, Near Ganesh Temple, Off Dhole -Patil Road, Pune - 411 001 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 and accessories for motor vehicles	2930	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SN	Name of the Company	Address of the Companies	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	PCL (Shanghai) Co. Limited	Room 835, 333 Jing Gang Road, Jin Qiao, Pu Dong New Area, Shanghai (Peoples' Republic of China)	--	Wholly owned Subsidiary Company	100%	2(87)
2	PCL (International) Holding B. V. Netherlands	Prinses Margrietplantsoen 33, 2595AM, The Hague, The Netherlands	--	Wholly owned Subsidiary Company	100%	2(87)
3	MEMCO Engineering Private Limited	Plot No. F-05, MIDC, Satpur, Nashik 422 007	U29199MH2006PTC162658	Subsidiary Company	100%	2(87)
4	Ningbo Shenglong PCL Camshafts Company Limited	No 788 Jinda Road, Yinzhou Investment Business Incubation, Ningbo, Postal Code 315104 PRC	--	Associate Company	22.5%	2(6)
5	PCL Shenglong (Huzhou) Specialised Castings Co. Limited	No, 131 Renmin North Road, Linhu Town, Nanxun District, Huzhou City, PRC	--	Associate Company	40%	2(6)

Annexure - C (Contd.)

IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	4,80,42,540	-	4,80,42,540	50.64	4,82,60,540	-	4,82,60,540	50.81	0.17
b) Central Government	-	-	-		-	-	-	-	-
c) State Government.	-	-	-	-	-	-	-	-	-
d) Bodies Corporates	1,25,14,860		1,25,14,860	13.19	1,25,14,860		1,25,14,860	13.17	(0.01)
e) Banks / Financial Institutions	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (1)	**6,05,57,400**		**6,05,57,400**	**63.83**	**6,07,75,400**		**6,07,75,400**	**63.98**	**0.15**
(2) Foreign									
a) NRI Individuals	-	-	-	0.00	2,000	-	2,000	-	-
b) Other Individuals	-	-	-	0.00	-	-	-	-	-
c) Bodies Corporate	-	-	-	0.00	-	-	-	-	-
d) Any other	-	-	-	0.00	-	-	-	-	-
Sub Total (A) (2)	**-**	**-**	**-**	**0.00**	**2000**	**-**	**2000**	**-**	**-**
TOTAL (A)	**6,05,57,400**	**-**	**6,05,57,400**	**63.88**	**6,07,77,400**	**-**	**6,07,77,400**	**63.98**	**0.15**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	1,22,12,242		1,22,12,242	12.87	82,36,559		82,36,559	8.67	(4.20)
b) Banks / FI	84,898		84,898	0.09	1145		1145	0.00	(0.09)
c) Central Government	-	-	-	0.00	-	-	-	0.00	0.00
d) State Government(s)	-	-	-	0.00	-	-	-	0.00	0.00
e) Venture Capital Funds	-	-	-	0.00	-	-	-	0.00	0.00
f) Insurance Companies	-	-	-	0.00	-	-	-	0.00	0.00
g) FIIs		-	-	0.00		-	-	0.00	0.00
h) Foreign Venture Capital Funds	-	-	-	0.00	-	-	-	0.00	0.00
i) Others (FPI)	11,50,235		11,50,235	1.21	8,36,322		8,36,322	0.88	(0.33)
Sub-total (B (1):-	**1,34,47,375**		**1,34,47,375**	**14.17**	**90,74,326**		**90,74,326**	**9.55**	**(4.62)**
2. Non-Institutions									
a) Bodies Corporate.									
i) Indian	14,72,828	-	14,72,828	1.55	38,83,843	-	38,83,843	4.08	2.53
ii) Overseas	-	-	-	0.00	-	-	-	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 Lakhs	5636042	22	5636064	5.94	5987843	22	5987865	6.30	0.36
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	12960469	-	12960469	13.66	14370635	-	14370635	15.12	1.46
c) Others (specify)									
Non Resident Indians	1,98,671	-	1,98,671	0.20	1,86,511	-	1,86,511	0.190	0.01)
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-

Annexure - C (Contd.)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Foreign Nationals	-	-	-	0.00	-	-	-	0.00	
Clearing Members	1,61,096	-	1,61,096	0.17	83,489	-	83,489	0.08	(0.08)
Trusts	-	-	-	0.00	-	-	-	0.00	-
HUF	4,42,382	-	4,42,382	0.47	6,17,306	-	6,17,306	0.65	0.18
Foreign Bodies	-	-	-	0.00	-	-	-	-	0.00
Foreign Portfolio Investor (Individual)	350	-	350	0.002	350	-	350	0.002	0.002
Sub-total (B)(2):-	**20,871,838**	**22**	**20,871,860**	**22.00**	**2,51,34,087**	**22**	**2,51,34,109**	**26.46**	**4.46**
Total Public (B)=(B)(1)+(B)(2)	**34,319,213**	**22**	**3,43,19,235**	**36.17**	**3,42,08,413**	**22**	**3,42,08,435**	**36.01**	**(0.16)**
C. Shares held by Custodian for GDRs & ADRs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Grand Total (A+B+C)	**9,48,76,613**	**22**	**9,48,76,635**	**100.00**	**9,49,85,813**	**22**	**9,49,85,835**	**100.00**	**0.11**

(ii) Shareholding of Promoter

SN	Shareholder's 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	3,73,40,000	39.35	0	3,75,60,000	39.54%	0	0.18
2	Dr. Suhasini Y. Shah	1,04,05,540	10.96%	0	1,04,05,540	10.95%	0	(0.01)
3	Mrs. Manjiri V. Chitale	2,92,000	0.30	0	2,92,000	0.30	0	0.00
4	Mr. Karan Y. Shah	2,000	0.00	0	2,000	0.00	0	0.00
5	Ms. Tanvi Y. Shah	2,000	0.00	0	2,000	0.00	0	0.00
6	Mrs. Mayura K. Shah	1,000	0.00	0	1,000	0.00	0	0.00
7	Cams Technology Limited	1,25,14,860	13.19	0	1,25,14,860	13.17	0	(0.01)
	Total	**6,05,57,400**	**63.83**		**6,07,77,400**	**63.98**	**0**	**0.15**

(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 - 2018		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	Yatin S. Shah	2,45,11,200	25.80			2,45,11,200	25.80
	Transfer			15 Jun 2018	50,000	2,45,61,200	25.85
	Transfer			22 Jun 2018	20,000	2,45,81,200	25.87
	Transfer			05 Oct 2018	1,05,000	2,46,86,200	25.98
	Transfer			12 Oct 2018	45,000	2,47,31,200	26.03
	At the end of the year					2,47,31,200	26.03
2	Yatin S. Shah	1,28,28,800	13.50			1,28,28,800	13.50
	At the end of the year					1,28,28,800	13.50
3	Cams Technology Limited	1,25,14,860	13.17			1,25,14,860	13.17
	At the end of the year					1,25,14,860	13.17
4	Suhasini Y. Shah	1,04,05,540	10.95			1,04,05,540	10.95
	At the end of the year					1,04,05,540	10.95

Annexure - C (Contd.)

Sr No.	Name & type of Transaction	Shareholding at the beginning of the year - 2018		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
5	Manjiri V. Chitale	2,92,000	0.30			2,92,000	0.30
	At the end of the year					2,92,000	0.30
6	Tanvi Y. Shah	2,000	0.00			2,000	0.00
	At the end of the year					2,000	0.00
7	Karan Y. Shah	2,000	0.00			2,000	0.00
	At the end of the year					2,000	0.00
8	Mayura K. Shah	1,000	0.00			1,000	0.00
	At the end of the year					1,000	0.00

% 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 GDR and ADRs)

Sr No.	Name & type of Transaction	Shareholding at the beginning of the year - 2018		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	8.63			82,02,000	8.63
	At the end of the year					82,02,000	8.63
2	SBI Magnum Global Fund	30,00,000	3.15			30,00,000	3.15
	Transfer			18 May 2018	36,99,999	66,99,999	7.05
	At the end of the year					66,99,999	7.05
3	ICICI Prudential Life Insurance Company Limited	5,49,622	0.57			5,49,622	0.57
	Transfer			06 Apr 2018	(1,227)	5,48,395	0.57
	Transfer			20 Apr 2018	6,12,693	11,61,088	1.22
	Transfer			27 Apr 2018	2,07,488	13,68,576	1.44
	Transfer			04 May 2018	2,974	13,71,550	1.44
	Transfer			11 May 2018	10,69,351	24,40,901	2.56
	Transfer			18 May 2018	3,26,042	27,66,943	2.91
	Transfer			25 May 2018	1,41,360	29,08,303	3.06
	Transfer			01 Jun 2018	28,084	29,36,387	3.09
	Transfer			15 Jun 2018	27,215	29,63,602	3.12
	Transfer			22 Jun 2018	14,255	29,77,857	3.13
	Transfer			30 Jun 2018	48,454	30,26,311	3.18
	Transfer			06 Jul 2018	1,91,781	32,18,092	3.38
	Transfer			13 Jul 2018	20,081	32,38,173	3.40
	Transfer			20 Jul 2018	63,767	33,01,940	3.47
	Transfer			27 Jul 2018	(16,588)	32,85,352	3.45
	Transfer			03 Aug 2018	68,514	33,53,866	3.53
	Transfer			24 Aug 2018	13,333	33,67,199	3.54
	Transfer			31 Aug 2018	39,284	34,06,483	3.58
	Transfer			02 Nov 2018	(5,299)	34,01,184	3.58
	Transfer			09 Nov 2018	9,441	34,10,625	3.59
	Transfer			07 Dec 2018	4,858	34,15,483	3.59
	Transfer			28 Dec 2018	3,898	34,19,381	3.59
	Transfer			31 Dec 2018	9,609	34,28,990	3.61

Annexure - C (Contd.)

Sr No.	Name & type of Transaction	Shareholding at the beginning of the year - 2018		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
	Transfer			22 Mar 2019	(89,640)	33,39,350	3.51
	Transfer			29 Mar 2019	(5,76,226)	27,63,124	2.90
	At the end of the year					27,63,124	2.90
4	Maneesh Jayant Aradhye	16,35,800	1.72			16,35,800	1.72
	At the end of the year					16,35,800	1.72
5	ICICI Prudential Midcap Fund	9,06,560	0.95			9,06,560	0.95
	At the end of the year					9,06,560	0.95
6	Janhavi Nilekani	0	0.00			0	0.00
	Transfer			08 Mar 2019	25,809	25,809	0.02
	Transfer			22 Mar 2019	1,01,664	1,27,473	0.13
	Transfer			29 Mar 2019	7,22,527	8,50,000	0.89
	At the end of the year					8,50,000	0.89
7	Sunita Jayant Aradhye	8,17,000	0.86			8,17,000	0.86
	At the end of the year					8,17,000	0.86
8	Kuwait Investment Authority Fund 225	7,24,597	0.76			7,24,597	0.76
	At the end of the year					7,24,597	0.76
9	Rama Manish Aradhye	6,96,000	0.73			6,96,000	0.73
	At the end of the year					6,96,000	0.73
10	Reliance Capital Trustee co. Limited - a/c Reliance Tax Saver (ELSS) Fund	6,30,000	0.66			6,30,000	0.66
	At the end of the year					6,30,000	0.66

(v) Shareholding Director and Key Managerial Personnel

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	3,73,40,000	39.35	3,73,40,000	39.35
	Market purchase	50,000	39.36	50,000	39.36
	Market purchase	20,000	39.38	20,000	39.38
	Market purchase	1,05,000	39.50	1,05,000	39.50
	Market purchase	45,000	39.54	45,000	39.54
	At the end of the year	3,75,60,000	39.54	3,75,60,000	39.54
2	Dr. Suhasini Y. Shah (Whole-time Director) upto August 12,2018 Non- Executive Director w.e.f. August 13,2018				
	At the beginning of the year	1,04,05,540	10.96	1,04,05,540	10.96
	At the end of the year	1,04,05,540	10.95	1,04,05,540	10.95
3	Mr. Karan Y. Shah (Whole- time Director)				
	At the beginning of the year	2,000	0.00	2,000	0.00
	At the end of the year	2,000	0.00	2,000	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
4	Mr. Ravindra R. Joshi (Whole-time Director and Chief Financial Officer)				
	At the beginning of the year	1120	0.00	1120	0.00
	At the end of the year	1120	0.00	1120	0.00
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	0.00	0	0.00
	At the end of the year	0	0.00	0	0.00
7	Mr. Vedant Pujari – Independent Director				
	At the beginning of the year	0	0.00	0	0.00
	At the end of the year	0	0.00	0	0.00
8	Mr. Vaibhav Mahajani – Independent Director				
	At the beginning of the year	50	0.00	50	0.00
	At the end of the year	50	0.00	50	0.00
	Mayuri I. Kulkarni Company Secretary (w.e.f.23rd March, 2019)				
	At the beginning of the year	0	0	0	0
	At the end of the year	0	0	0	0

- 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	46,99,47,568	-	-	46,99,47,568
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	26,34,890	-	-	26,34,890
Total (i+ii+iii)	**47,25,82,458**	**-**	**-**	**47,25,82,458**
Change in Indebtedness during the financial year				
* Addition	-	-	-	-
* Reduction	20,04,27,003	-	-	20,04,27,003
Net Change	**20,04,27,003**	**-**	**-**	**20,04,27,003**
Indebtedness at the end of the financial year				
i) Principal Amount	27,21,55,456	-	-	27,21,55,456
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**27,21,55,456**	**-**	**-**	**27,21,55,456**

Annexure - C (Contd.)

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ In Lakhs)

S N.	Particulars of Remuneration	Particulars	Name of MD/WTD/ Manager			Total Amount
	Name	Mr. Yatin Y. Shah	Dr. Suhasini Y. Shah	Mr. Ravindra R. Joshi	Mr. Karan Y. Shah	(₹)
	Designation	Chairman and Managing Director	Whole-time Director (upto 12th August, 2018)	Whole-time Director and Chief Financial Officer	Whole-time Director-Business Development	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	304.39	9.62	245.27	16.65	575.93
	(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	-	-	-	-	-
	Others, please specify Retirement Benefit (Provident Fund and Super annuation)	23.91	1.25	24.25	1.82	51.23
	Total (A)	**328.31**	**10.87**	**269.52**	**18.47**	**627.16**
	Ceiling as per Act					

B. Remuneration to other Directors

(₹ In Lakhs)

S N.	Particulars of Remuneration		Particulars	Name of MD/WTD/ Manager			Total Amount
		Sarvesh Joshi	Pramod Mehendale	Vedant Pujari	Suhasini Shah	Vaibhav Mahajani	Total Amount (₹)
1	Independent Director/Non Executive	Independent Director	Independent Director	Independent Director	Non Executive Director w.e.f August 13 2018	Independent Director	
	(a) Fee for attending board committee meetings	-	-	-	-	-	-
	(b) Commission	5.00	5.00	5.00	2.92	5.00	22.92
	(c) Others, please specify	-	-	-	-	-	-
	Total (1)	**5.00**	**5.00**	**5.00**	**2.92**	**5.00**	**22.92**
2	Other Non-Executive Directors						
	(a) Fee for attending board committee meetings	-	-	-	-	-	-
	(b) Commission	-	-	-	-	-	-
	(c) Others, please specify	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-
	Total (B)=(1+2)	**5.00**	**5.00**	**5.00**	**2.92**	**5.00**	**22.92**
	Total Managerial Remuneration						**650.08**

Annexure - C (Contd.)

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

(₹ In Lakhs)

S N.	Particulars of Remuneration	Name of Key Managerial Personnel				Total Amount (₹)
	Name		Mr. Ravindra Joshi	Mr. Mahesh Kulkarni (upto 8th December, 2019)	Mrs Mayuri Kulkarni (w.e.f. 23rd March, 2019)	
	Designation	CEO	CFO*	CS	CS	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	6.47	0.18	6.65
	(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 Benefit (Provident Funds and Super annuation)	-	-	0.56	0.00	0.56
	Total	**-**	**-**	**7.03**	**0.18**	**7.21**

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

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

(₹ In Lakhs)

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 FY2018 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 2019-20
    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.

B) TECHNOLOGY ABSORPTION AND RESEARCH & DEVELOPMENT :

Efforts made in technology absorption and development of products as below:

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 being lengthy 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

C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

1. Total Foreign Exchange Outgo and earned:

	(₹ Lakhs)
Earnings	22,836.13
Outgo	5,472.81

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

Yatin S. Shah
Chairman and Managing Director
DIN: 0031840

Date: 13th August, 2019
Place: Pune

Annexure - E

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

(₹ In Lakhs)

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	174.39
2	Dr. Suhasini Y. Shah (up to 12.08.2018)	Whole-time Director	5.51
3	Mr. Karan Y. Shah (w.e.f. 13.08.2018)	Whole-time Director – Business Development	9.62
4	Mr. Ravindra R. Joshi	Whole-time Director & CFO	144.22
6	Mr. Sarvesh N. Joshi	Independent Director	2.86
7	Mr. Pramod H. Mehendale	Independent Director	2.86
8	Mr. Vedant V. Pujari	Independent Director	2.86
9	Mr. Vaibhav S. Mahajani	Independent Director	2.86
10	Dr. Suhasini Y. Shah (w.e.f. 13.08.2018)	Non - Executive Director	1.67

* 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 2018-19
1	Mr. Yatin S. Shah	Chairman & Managing Director	17.02%
2	Dr. Suhasini Y. Shah (upto 12.08.2018)	Whole-time Director	(69.81%)
3	Mr. Ravindra R. Joshi	Whole-time Director & CFO	(2.85%)

Note:

1. Mr. Mahesh A. Kulkarni resigned w.e.f. 08th December 2018 and Mrs. Mayuri I. Kulkarni joined with effect from 23rd March 2019 hence not comparable.
2. Mr. Karan Y. Shah was appointed as Whole-time Director on 13th August 2018 hence not comparable.
3. Dr. Suhasini Y. Shah was appointed as Non- Executive Director w.e.f. 13th August 2018 and she received commission for her contribution for FY 2018-19 of Rs.2.92 Lakhs.

Annexure - E (Contd.)

3)	**The percentage increase in the median remuneration of employees in the financial year**	During Financial Year 2018-19, the percentage increase in remuneration of employees as compared to previous year was approximately 8.52 %
4)	**The number of permanent employees on the rolls of company as at 31st March, 2019**	1,330 (including Whole-time Directors)
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.**	The average increase in remuneration of the employees other than managerial personnel was 0.09% as compared to the decrease in the managerial remuneration by 11.91%.
	*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

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

Yatin S. Shah
Chairman and Managing Director
DIN: 0031840

Date: 13th August, 2019
Place: Pune

Annexure - E (Contd.)

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

(₹ In Lakhs)

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	57	32	June 08 1992	304.39	3,75,60,000	Spouse of Dr. Suhasini Shah and Father of Mr. Karan Shah	Chetan Foundries, CEO
Ravindra Joshi	Whole-time Director & CFO	B.com, DBM	54	31	May 11 2000	245.27	1,120	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.

All top ten employees mentioned in above table are permanent in nature.

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

Yatin S. Shah
Chairman and Managing Director
DIN: 0031840

Date: 13th August, 2019
Place: Pune

Annexure - F

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE PERIOD 1st April, 2018 to 31st March, 2019

[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,

The Members

PRECISION CAMSHAFTS LIMITED

E 102/103 MIDC Akkalkot Road,

Solapur-413006, Maharashtra

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/S. PRECISION CAMSHAFTS LIMITED (hereinafter called "the Company").

Secretarial Audit was conducted for the period from 1st April 2018 to 31st March 2019, in a manner that provided us 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 authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2019** ("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 financial year ended on 31st March, 2019 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 the 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 the Securities And Exchange Board Of India (Share Based Employee Benefits) Regulations, 2014;

  (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 any listed any debt securities during the financial year 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)**

Annexure - F (Contd.)

(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 Obligations and Disclosure Requirements) Regulations, 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 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 on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

1. The Company has allotted 1,09,200 equity shares of ₹ 10 each under ESOP Scheme 2015 to eligible employees of the company.
2. The Company has granted loan to PCL International Holdings BV, Netherlands – Wholly Owned Subsidiary for acquiring Emoss Mobile Systems BV Netherlands.
3. The Company acquired balance 5% Equity Shares of MEMCO Engineering Private Limited, due to which it became Wholly Owned Subsidiary of the Company.

FOR J B BHAVE & CO.
COMPANY SECRETARIES

JAYAVANT BHAVE
PROPRIETOR
FCS No. 4266
CP No. 3068

Place: Pune
Date: 20th May 2019

Annexure - G

Report on Corporate Governance

1. Company's Philosophy on Code of Governance

Effective Corporate Governance practices constitute the strong foundation on which successful commercial enterprises are built to last. At Precision Camshafts Limited, Corporate Governance is based on the principles of integrity, transparency, accountability and commitment to values. Your Company takes Corporate Governance as a critical tool to enhance trust of its Customers, Employees, Investors, Government and the Community at large and achieve its goal of maximising value for its 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 forms the part and parcel of Sound Corporate Governance. 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. Our Board functions either directly, or through various committees constituted to oversee specific operational areas.

2. Board of Directors

a) Composition and Category of Directors

The composition of the Board of your company is a fair mix of Executive, Non-Executive and Independent Directors which is appropriate for the size of operations of your Company and is in compliance with the applicable rules and guidelines.

The strength of the Board was 8 (Eight) Directors as on 31st March, 2019. The Chairman of the Board of Directors is an Executive Director. Out of 8 (Eight) Directors, there are 2 (Two) Promoter Executive Directors, 1 (One) Promoter Non - Executive Woman Director, 1 (One) Non-Promoter Executive Director and 4 (Four) Independent Non-Executive Directors.

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. In accordance of provision of Companies Act 2013 and Regulation 17A of SEBI LODR, 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. In accordance with Regulation 26 of the SEBI LODR 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 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 the declaration made by the Managing Director ("MD") and the Chief Financial Officer ("CFO") regarding compliance with all 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 also submits a quarterly compliance report on Corporate Governance to the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE), including details on all material transactions with related parties, within 15 days from the close of every quarter. The MD and the 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 , pertaining to MD & CFO certification for the Financial Year ended 31st March, 2019.

Annexure - G (Contd.)

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 2018-19		Whether attended last AGM held on 26th September, 2018	No of Directorship in other Public Companies as on 31st March ,2019	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	6	4	Yes	2	NIL	NIL
2	Dr. Suhasini Y. Shah Whole-time Director **	02168705	Promoter - Non Executive Director	6	5	Yes	2	NIL	NIL
3	Mr. Karan Yatin Shah Whole-time Director – Business Development ***	07985441	Promoter - Executive Director	3	2	Yes	1	NIL	NIL
4	Mr. Ravindra R. Joshi Whole-time Director & CFO	03338134	Non Promoter - Executive Director	6	5	Yes	2	NIL	NIL
5	Mr. Jayant V. Aradhye Director ****	00409341	Non-Executive Non Independent Director	2	0	No	Nil	NIL	NIL
6	Mr. Pramod H. Mehendale	00026884	Independent Director	6	6	Yes	Nil	NIL	NIL
7	Mr. Vaibhav S. Mahajani	00304851	Independent Director	6	5	Yes	Nil	NIL	NIL
8	Mr. Vedant V. Pujari	07032764	Independent Director	6	3	Yes	Nil	NIL	NIL
9	Mr. Sarvesh N. Joshi	03264981	Independent Director	6	5	Yes	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.

** Dr. Suhasini Y. Shah was Whole -time director upto 12th August, 2018, her designation was changed to Non- Executive Director with effect from 13th August, 2018.

*** Mr. Karan Y. Shah was appointed as Additional Director on Board on 13th August, 2018 and his appointment was regularised at 26th Annual General Meeting held on 26th September, 2018.

****Mr. Jayant V. Aradhye cease to be Director with effect from 28th May, 2018.

Note:

1. None of the Board of Directors of the Company is a Director of any other listed entity.
2. 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.

Annexure - G (Contd.)

c) **Number of Board Meetings**

6 (Six) Board Meetings were held during the year ended 31st March 2019. The dates are 14th May 2018, 28th May 2018, 13th August 2018, 14th November 2018, 07th February 2019 and 23rd March 2019.

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 S. Shah
2	Dr. Suhasini Y. Shah	Spouse of Mr. Yatin S. Shah, Mother of Mr. Karan S. 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. Jayant V. Aradhye	No relationship with other Directors of the Company
6	Mr. Pramod H. Mehendale	No relationship with other Directors of the Company
7	Mr. Vaibhav S. Mahajani	No relationship with other Directors of the Company
8	Mr. Vedant V. Pujari	No relationship with other Directors of the Company
9	Mr. Sarvesh N. Joshi	No relationship with other Directors of the Company

e) **Number of shares and convertible instruments held by Non- Executive Directors as on 31st March, 2019**

Sr. No.	Name of Director	No. of shares held
1	Dr. Suhasini Y. Shah	1,04,05,540 Equity Shares
2	Mr. Jayant V. Aradhye (ceased w.e.f. 28.05.2018)	82,02,000 Equity Shares
3	Mr. Pramod H. Mehendale	80 Equity Shares
4	Mr. Vaibhav S. Mahajani	50 Equity Shares
5	Mr. Vedant V. Pujari	Nil
6	Mr. Sarvesh N. Joshi	Nil

f) **Web link where details of familiarisation programme imparted to Independent Directors is disclosed.**

https://www.pclindia.in/images/pdf/DETAILS-OF-FAMILIARISATION-PROGRAMMES-IMPARTED-TO-INDEPENDENT-DIRECTORS-FOR-THE-FINANCIAL-YEAR-2018-19.pdf

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

The 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:

Leadership	Under the leadership of The Board of Directors of the Company, the Company has been achieving a sustainable growth. For the long run, the management of the Company is taking adequate steps to inculcate leadership qualities in senior and experienced human resource available with the Company.
Industry experience	The senior management of the Company beholds a vast experience in manufacturing of camshafts and is well versed with the current industrial scenario, changing trends and technology.
Research & Development	The Company is actively involved in research and development on a continuous basis. Development of camshafts is focused on specific requirement of the clients.
Infrastructure	The Company has adequate infrastructure to meet the requirements of the client with advanced machineries and equipments.
Global presence	The Company has significantly embarked its global presence with customer base spread across Europe, North America, South America and Asia.
Diversification	With acquisition of MEMCO Engineering Private Limited, MFT Motoren und Fahrzeugtechnik GmbH, and EMOSS Mobile Systems B.V., the Company has diversified its portfolio into automobile and non-automobile components and electric drivetrains.
Quality assurance	The Company adheres to best industry practices and has policies in place to ensure that the customer gets the best quality.

Annexure - G (Contd.)

3. Audit Committee

(a) Brief description of terms of reference:

- 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;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to Statutory Auditors for any services rendered by statutory auditors;
- 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) Qualification in the draft audit report;
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- Reviewing with the management statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue 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;
- Reviewing and monitoring auditors independence and performance and effectiveness of audit process;
- Approval of any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing with the management performance of statutory auditors, internal auditors and adequacy of internal control systems;
- 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;
- Discussion with the internal auditors of any significant findings and follow-up thereon;
- 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;
- 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;
- Looking into the reasons for substantial defaults in the payment of depositors, debenture holders, shareholders (in case of payment of declared dividends) and creditors;
- Reviewing the functioning of the whistleblower mechanism;
- Approval of appointment of CFO after accessing the qualifications, experience and background etc., of the candidate;
- 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;
- Review of Management Discussion and analysis of financial condition and results of operations.
- Review of Statement of significant related party transactions (as defined by the audit Committee) submitted by the Management;
- Review of Management letter/letters of internal control weaknesses issued by the statutory auditors;
- Review of Internal Audit reports relating to internal control weaknesses;
- Review of appointment, removal and terms of remuneration of the Chief Internal Auditor;
- Carrying out any other function as is mentioned in terms of reference of the Audit Committee.

Annexure - G (Contd.)

(b) Composition, name of members and chairperson;

The Audit Committee of the Company is constituted in accordance 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 is 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); and
4. Mr. Vaibhav S. Mahajani, Independent Director (Member)

(c) Meetings and attendance during the year.

The Committee met 6 (Six) times during the year. The meetings were held on 14th May, 2018, 28th May, 2018, 13th August, 2018, 14th November, 2018, 7th February, 2019 and 23rd March, 2019. Requisite quorum was present at the above Meetings.

The details of the meetings attended by its members during the financial year ended 31st March, 2019 are as under:-

Sr. No.	Name of member	Category	No. of Meetings held during FY 2018-19	
			Held	Attended
1	Mr. Pramod H. Mehendale	Chairman	6	6
2	Mr. Ravindra R. Joshi	Member	6	5
3	Mr. Sarvesh N. Joshi	Member	6	5
4	Mr. Vaibhav S. Mahajani	Member	6	5

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 26th Annual General Meeting of the Company held on 26th September, 2018.

4. Nomination and Remuneration Committee:

(a) Brief description of terms of reference:

- Formulation of criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of independent directors on the Board;
- Devising a policy on Board diversity;
- 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;
- 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;
- Recommend to the Board, all remuneration, in whatever form, payable to senior management;
- 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.)

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

(c) Meeting and attendance during the year;

The Committee met 5 (Five) times during the year. The meetings were on 28th May 2018, 13th August, 2018, 14th November 2018, 7th February 2019 and 23rd March 2019. Requisite quorum was present at the above Meetings.

The details of the meetings attended by its members during the financial year ended 31st March, 2019 are as under:-

Sr. No.	Name of member	Category	No. of Meetings held during FY 2018-19	
			Held	Attended
1	Mr. Vedant V. Pujari	Chairman	5	3
2	Mr. Pramod H. Mehendale	Member	5	5
3	Mr. Sarvesh N. Joshi	Member	5	4
4	Mr. Vaibhav S. Mahajani	Member	5	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 26th Annual General Meeting of the Company held on 26th September, 2018.

(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 2018 – 19.

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 in accordance with the provisions the Companies Act, 2013 at 25th Annual General Meeting. The Board of Directors are authorised to decide the quantum within the limits.

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

Sr. No.	Name of Director	Commission for FY 2018-19	Relationship
1	Mr. Pramod H. Mehendale	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. Dr. Suhasini Y. Shah is spouse of Mr. Yatin S. Shah and Mother of Mr. Karan Y. Shah
2	Mr. Vaibhav S. Mahajani	5,00,000	
3	Mr. Vedant V. Pujari	5,00,000	
4	Mr. Sarvesh N. Joshi	5,00,000	
5	Dr. Suhasini Y. Shah (w.e.f. 13th August, 2018)	2,91,667/-	

Annexure - G (Contd.)

b) 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 2018-19:

Sr. No.	Name of Director	Basic Salary (₹)	Benefits, Perquisites and Allowances (₹)	Retirement benefits (₹)	Total (₹)
1	Mr. Yatin S. Shah Chairman and Managing Director	95.64	208.75	23.91	328.31
2	Dr. Suhasini Y. Shah, Whole-time Director (upto 12th August, 2018)	4.18	5.44	1.25	10.87
3	Mr. Karan Y. Shah Whole-time Director – Business Development (w.e.f. 13th August, 2018)	6.09	10.56	1.82	18.47
4	Mr. Ravindra R. Joshi Whole-time Director and Chief Financial Officer	80.85	164.42	24.25	269.52

Note:

1. The Company does not have any service contracts with its Directors nor any severance fees is payable to the Directors.
2. Stock Options are not given to the Directors during the year.
3. Details of fixed components and performance linked incentives along with performance criteria. **NA**

6. Stakeholders' Relationship Committee:

Brief description of terms of reference:

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.

ai) 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, Independent Director (Chairman);
2. Dr. Suhasini Y. Shah, Non –Executive Woman Director w.e.f. 13th August, 2018 (Member);
3. Mr. Pramod H. Mehendale, Independent Director (Member); and
4. Mr. Vaibhav S. Mahajani, Independent Director (Member)

aii) Meetings:-

The Committee met 4 (Four) times during the year. The meetings were held on 28th May 2018, 13th August 2018, 14th November 2018 and 7th February 2019. Requisite quorum was present at the above Meetings.

The details of the meetings attended by its members during the financial year ended 31st March, 2019 are as under:-

Sr. No.	Name of member	Category	No. of Meetings held during FY 2018-19	
			Held	Attended
1	Mr. Vedant V. Pujari	Chairman	4	2
2	Dr. Suhasini Y. Shah	Member	4	4
3	Mr. Pramod H. Mehendale	Member	4	4
4	Mr. Vaibhav S. Mahajani	Member	4	3

Annexure - G (Contd.)

b) Name and designation of compliance officer;

Mr. Mahesh A. Kulkarni- Company Secretary & Compliance Officer (upto 8th December, 2018)

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

c) Details of complaints received and attended to during the financial year 2018-19 are given below:

Sr. No.	Opening Balance as on 1st April, 2018	Received during the year	Resolved during the year	Not Resolved during the year	Closing Balance-pending as on 31st March, 2019
1	0	0	0	0	0

7. Corporate Social Responsibility Committee

(a) Brief description of Terms of Reference:

i. 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

ii. Recommending the amount of expenditure to be incurred on CSR activities.

iii. Monitor implementation and adherence to the CSR Policy of the Company from time to time

iv. 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 financial year 2018-19 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:

1. Mr. Yatin S. Shah, Managing Director (Chairman)
2. Dr. Suhasini Y. Shah, Non- Executive Director (Member)
3. Mr. Vedant V. Pujari, Independent Director (Member)
4. Mr. Vaibhav S. Mahajani, Independent Director (Member)

(c) Meetings:-

The Committee met 4 (Four) times during the year. The meetings were on 28th May 2018, 13th August 2018, 14th November 2018 and 7th February 2019. Requisite quorum was present at the above Meetings.

The details of the meetings attended by its members during the financial year ended 31st March, 2019 are as under:-

Sr. No.	Name of member	Category	No. of Meetings held during FY 2018-19	
			Held	Attended
1	Mr. Yatin S. Shah	Chairman	4	4
2	Dr. Suhasini Y. Shah	Member	4	4
3	Mr. Vedant V. Pujari	Member	4	2
4	Mr. Vaibhav S. Mahajani	Member	4	3

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	2017-18	26th September, 2018	03.00 P.M	D-5, Chincholi M.I.D.C., Solapur -413225	Re-appointment of Mr. Sarvesh N. Joshi -Independent Director
2	2016-17	27th September, 2017	03.00 P.M	D-5, M.I.D.C Chincholi, Solapur – 413225	1) Re-Appointment of Mr. Vaibhav S. Mahajani-Independent Director 2) Approval of Payment by the Members for Service of Documents
3	2015-16	28th September, 2016	03.00 P.M	D-5, M.I.D.C Chincholi, Solapur -413225	1) Appointment of Mr. Pramod H. Mehendale-Independent Director 2) Appointment of Mr. Vedant V. Pujari -Independent Director 3) Approval of PCL ESOS 2015

Annexure - G (Contd.)

b. Whether any special resolution passed last year through postal ballot – **NO,** details of voting pattern; **NA**

c. Person who conducted the postal ballot exercise; **NA**

d. Whether any special resolution is proposed to be conducted through postal ballot; **NA**

e. 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 also posted on Company's website (www.pclindia.in). The Company's website contains a dedicated section "Investor Relations" where information for shareholders is available.

The Annual Report, Quarterly Results, Shareholding Pattern, Press Releases, Intimation 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, the Management Discussion and Analysis, is the another channel of communication to the Shareholders.

10. General Shareholder Information:

a.

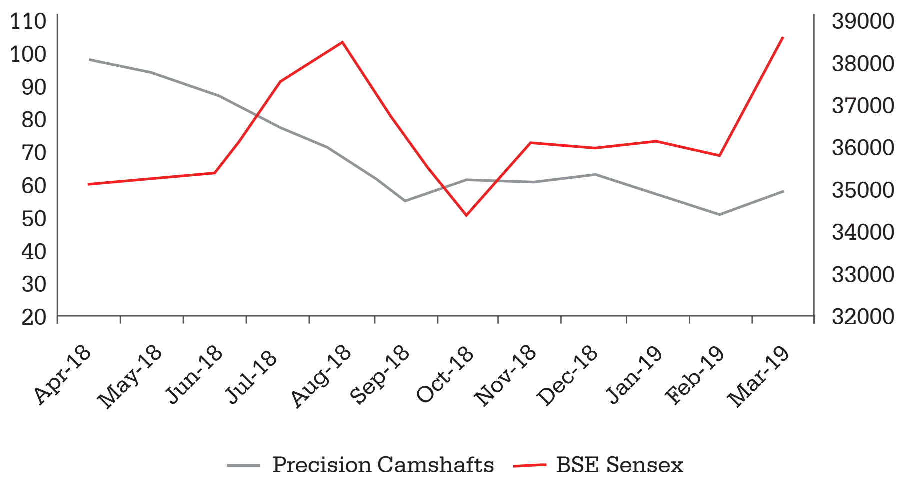
I	Annual General Meeting – Day, Date, Time and Venue	Wednesday, 25th September, 2019 at 3.00 p.m. Hotel Balaji Sarovar Premiere, Aasara Chowk, Hotgi Road, Solapur - 413225, Maharashtra, India.	
II	Financial year	01st April, 2018 to 31st March, 2019	
III	Dates of Book Closure	19th September, 2019 to, 25th September, 2019 (both days inclusive)	
IV	Dividend payment date	The Dividend, if declared at AGM will be paid on or before 24th October, 2019	
V	The name and address of each stock exchange(s) at which the listed entity's securities are listed	BSE Limited Phiroze Jeejeebhoy Towers Dalal Street,Mumbai- 400001, Maharashtra, India. Tel No: (022) 22721233/4, 91-22-66545695 Fax : (022) 22721919	National Stock Exchange of India Limited, Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E) Mumbai – 400 051, Maharashtra, India. Tel No: (022) 26598100 - 8114 Fax No: (022) 26598120
	Stock code	539636	PRECAM
VI	ISIN	INE484I01029	
VII	Confirmation about payment of annual listing fee to each of such stock exchange(s);	The Company has paid Listing Fees for the financial year 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;

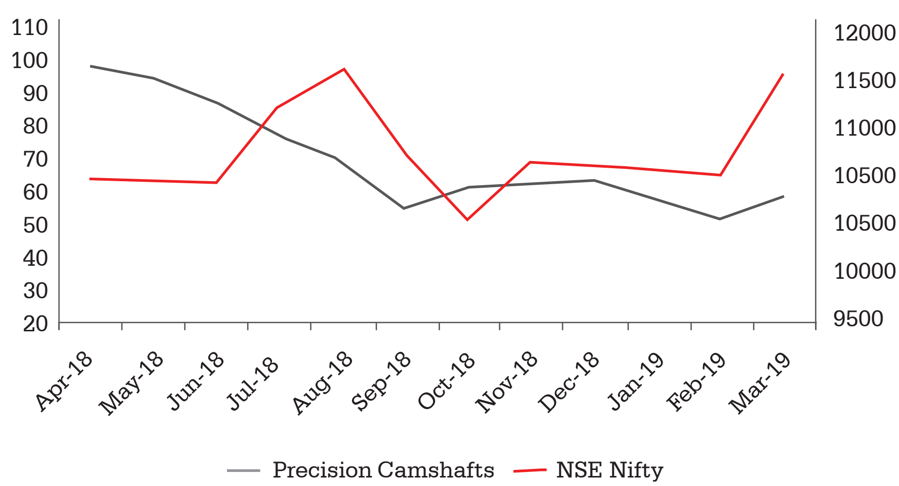
Month	**BSE**		**NSE**	
	High Price	**Low Price**	**High Price**	**Low Price**
Apr - 18	112.10	99.00	112.20	99.60
May -18	105.70	95.00	106.50	94.90
Jun -18	103.00	85.25	103.00	85.00
Jul - 18	89.50	74.05	92.50	74.50
Aug -18	86.00	68.65	86.80	69.00
Sep -18	73.00	55.00	72.50	53.30
Oct - 18	72.15	54.65	72.90	52.60
Nov- 18	65.70	59.45	68.25	60.00
Dec - 18	68.50	60.75	68.90	61.00
Jan - 19	70.70	57.25	71.50	57.00
Feb - 19	59.80	48.65	62.70	48.40
Mar -19	64.30	52.50	61.80	51.35

Annexure - G (Contd.)

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



NSE Nifty Vs. Precision Camshafts Share Price



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

Tel No.: - +91 20 2616 0084, 2616 1629 Fax: - +91 20 2616 3503

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

Annexure - G (Contd.)

f. Share transfer system;

Effective 1st April, 2019, SEBI has amended Regulation 40 of the SEBI LODR, 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 is open from 10.00 a.m. to 5.00 p.m. 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	36,357	94.72	36,64,171	3.86
501-1000	1,006	2.62	8,07,692	0.85
1001-2000	489	1.27	7,42,201	0.78
2001-3000	178	0.46	4,53,777	0.47
3001-4000	80	0.20	2,88,153	0.30
4001-5000	69	0.17	3,24,427	0.34
5001-10000	93	0.24	6,98,536	0.73
10001- above	111	0.28	8,80,06,878	92.65
Total	**38,383**	**100**	**9,49,85,835**	**100**

h. Dematerialisation of shares and liquidity: As on 31st March, 2019, except 22 shares all the shares are in the demat form.

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 the Notes to the Standalone Financial Statements

k. Plant locations and Address for correspondence

1) E 90, M. I. D. C., Akkalkot Road, Solapur - 413006 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	**Address for correspondence** Precision Camshafts Limited 501-502, Kanchanban, "B" Wing, Sunit Capital, CTS No. 967, FP No. 397, Senapati Bapat Road, Pune – 411016 Tel. No. 020 - 25673050

11. Other Disclosures:

a. There have been no materially significant related party transactions that may have potential conflict with the interests of the Company at large.

b. 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.

c. 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 Board. The Company affirms that no personnel had been denied access to the audit committee under Whistle Blower Policy.

d. The Company has complied with all the mandatory requirements under SEBI (LODR) Regulations, 2015.

Annexure - G (Contd.)

e. The policy for determining Material Subsidiaries formulated by the Board of Directors is disclosed on the Company's website. http://www.pclindia.in/investor-relations/corporate-governance/policies.html

f. The policy for transactions with related party formulated by the Board of Directors is disclosed on the Company's website. https://www.pclindia.in/images/pdf/Policy_on_Related_Party_Transactions.pdf

g. Disclosure of commodity price risks and commodity hedging activities: NA

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 Bhave of M/s J B Bhave & 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 have accepted all recommendations of all committees of the board which is mandatorily required, in the financial year 2018-19.

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 for FY 2018-19	25,00,000/-
	Re-imbursement of expenses	45,546/-
	Basic	25,45,546
	CGST - 9%	2,29,099.14
	SGST - 9%	2,29,099.14
	Total	**30,03,744.28**

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.

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

Yatin S. Shah
Chairman & Managing Director

Place: Pune
Date: 13th August, 2019

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 31st March, 2019, 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 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 BHAVE & CO.
COMPANY SECRETARIES

JAYAVANT BHAVE
PROPRIETOR
FCS No. 4266
CP No. 3068

Place: Pune
Date: 12th August, 2019

Annexure - I

SCHEDULE V of SEBI (LODR) 2015

COMPLIANCE CERTIFICATE

BY COMPANY SECRETARY IN WHOLE-TIME PRACTICE

To

The Company Secretary

PRECISION CAMSHAFTS LIMITED

E 102/103 MIDC AKKALKOT, ROAD SOLAPUR MH 413006

I have examined the details from the portal of Ministry of Corporate Affairs (MCA), website of Securities and Exchange Board of India (SEBI) and yearly disclosures provided by the directors of PRECISION CAMSHAFTS LIMITED, ("the Company") having CIN: L24231PN1992PLC067126, for the Financial year 2019-20 as stipulated in the Companies Act, 2013, Securities and Exchange Board of India Act, 1992 and the applicable SEBI Regulations.

I certify under sub regulation 10(i) of regulation 34(3) of schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 that, none of the directors on the board of the Company as stated in the below table have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority as on date of the Certificate.

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

S. No.	Name	Designation	DIN
1	Yatin Subhash Shah	Managing Director	00318140
2	Karan Yatin Shah	Executive Director	07985441
3	Suhasini Yatin Shah	Non-Executive - Non Independent Director	02168705
4	Ravindra Rangnath Joshi	Whole Time Director and Chief Financial Officer	03338134
5	Pramod Harishchandra Mehendale	Non-Executive - Independent Director	00026884
6	Vaibhav Shashikant Mahajani	Non-Executive - Independent Director	00304851
7	Sarvesh Nandlal Joshi	Non-Executive- Independent Director	03264981
8	Vedant Pujari Vijay	Non-Executive - Independent Director	07032764

This certificate is issued on the request of the Company.

FOR J B BHAVE & CO.
COMPANY SECRETARIES

JAYAVANT BHAVE
PROPRIETOR
FCS No. 4266
CP No. 3068

Place: Pune
Date: 24th July, 2019

Annexure - J

Secretarial compliance report of

M/S. Precision Camshafts Limited

for the year ended 31st March, 2019

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, 2019 ("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;

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;

e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013;

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:

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:-

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

Annexure - J (Contd.)

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:

S. 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
	NIL	NIL	NIL	NIL

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

S. 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 BHAVE & CO.
COMPANY SECRETARIES

JAYAVANT BHAVE
PROPRIETOR
FCS No. 4266
CP No. 3068

Place: Pune
Date: 20th May, 2019

Annexure - K

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

AOC-1

Part A – Subsidiary Companies of Precision Camshafts Limited

(Amt. in ₹ Lakhs)

Particulars	**Name of Subsidiaries**		
	PCL (Shanghai) Co. Limited	**PCL (International) Holding B.V.**	**MEMCO Engineering Private Limited**
The date since when subsidiary was acquired	Not applicable	Not applicable	10th October, 2017
Reporting period for the subsidiary concerned, if Different from the holding company's reporting period	1st April, 2018 to 31st March, 2019	1st April, 2018 to 31st March, 2019	1st April, 2018 to 31st March, 2019
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries i.e. 31st March, 2019	RMB 1 RMB = ₹ 10.33/-	Euro 1 Euro = ₹ 77.76/-	Not applicable
Share Capital	110.48	3,097.66	300.00
Reserves and Surplus	(68.79)	(793.31)	1,199.48
Total Assets	56.94	11,575.63	3,426.23
Total Liabilities (excluding share capital, reserves and surplus)	15.24	9,271.29	1,926.74
Investments	-	8,323.22	6.16
Turnover	111.29	-	4,721.92
Profit/(Loss) before Tax	(19.50)	(292.90)	496.78
Provision for tax	-	-	149.33
Profit after Tax	(19.50)	(292.90)	347.45
Proposed Dividend	-	-	-
% of Shareholding	100	100	100

Note:

1. The company, through its 100% subsidiary PCL (International) Holding B.V., Netherlands has formed a subsidiary on 10th May, 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, is yet to commence its operation.
2. As per IND AS, share capital does not include preference share capital, hence share capital of MEMCO Engineering Private Limited is shown as Rs.300 Lakhs instead of Rs.720 Lakhs which consist of Rs.420 Lakhs of 6 % Cumulative Non Convertible Redeemable Preference Share Capital.

Annexure - K (Contd.)

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

(Amount in ₹ Lakhs)

Particulars	Names of Joint Ventures	
	Ningbo Shenglong PCL Camshafts Co. Ltd	**PCL Shenglong (Huzhou) Specialised Casting Co. Ltd.**
1. Latest audited Balance Sheet Date	31st December, 2018	31st December, 2018
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: 0031840

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

Place: Pune
Date: 13th August, 2019

Place: Pune
Date: 13th August, 2019

Annexure - L

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along – with Consolidated Annual Audited Financial Results

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2019

[See Regulation 33/52 of the SEBI (LODR) (Amendment) Regulations, 2016]

I.	**Sl. No.**	**Particulars**	**Audited Figures (as reported before adjusting for qualifications)**	**Audited Figures (audited figures after adjusting for qualifications)**
			(₹. In Lakhs)	**(₹. In Lakhs)**
	1.	Turnover/ Total Income	22,771.07	22,771.07
	2.	Total Expenditure	23,110.77	23,110.77
	3.	Net Profit/ (Loss)	(339.70)	(339.70)
	4.	Earnings Per Share	(8.64)	(8.64)
	5.	Total Assets	29,303.18	29,303.18
	6.	Total Liabilities	29,303.18	29,303.18
	7.	Net worth	1,495.54	1,495.54
	8.	Any other financial item(s) (as felt appropriate by the management)		
II.	**Audit Qualification (each audit qualification separately)**			
	1			
	a	**Details of Audit Qualification:** The consolidated financial statements of PCL BV are management drawn as on March 31, 2019 and have not been audited or reviewed by us. Consequently, we were unable to determine whether any adjustments to these amounts were necessary including with respect to Ind AS specified under section 133 of the Act (if any). Our opinion on the Consolidated Ind AS Financial Statements of the Company in so far as it relates to the amounts and disclosures included, in respect of the consolidated financial statements of PCL BV, is based on such management certified financial information.		
	b.	**Type of Audit Qualification:** Qualified Opinion/ Disclaimer of Opinion/ Adverse Opinion		
	c.	**Frequency of qualification:** Whether appeared first time/ repetitive/ since how long continuing		
	d.	**For Audit Qualification (s) where the impact is quantified by the auditor: NO**		
		Management View: Not applicable		
	e.	**For Audit Qualification (s) where the impact is not quantified by the auditor**		
	(i)	**Management's estimation on the impact of audit qualification** PCL (International) B.V, Netherlands is a Wholly Owned Subsidiary of Precision Camshafts Limited. It has acquired MFT Moteren und Fahrzeuntechnik GmbH on 22/03/2018 and EMOSS Mobile Systems B.V. (Netherlands) during FY 2018-19.The management of Precision Camshafts Limited have already started implementing accounting practices and procedures which are necessary to comply with Indian Laws and Accounting Principles. According to the prevailing applicable Accounting Standards and Audit Requirement criteria in Netherlands, PCL (International) B.V. is not subject to audit and therefore the Consolidated Ind AS Financial Statements of the Company in so far as it relates to the amounts and disclosures included, in respect of the consolidated financial statements of PCL (International) B.V., is based on such management certified financial information. From the financial year 2019-20, pursuant to Regulation 33(3)(b) of SEBI (LODR) Regulations, 2015, Listed entities has to submit quarterly/year to date consolidated financial results with effect from April 1, 2019 . Accordingly, the management of Precisions Camshafts Limited has taken necessary steps to ensure that the books of accounts of PCL (International) B.V. will be audited as per the statutory requirements of LODR.		
	(ii)	If management is unable to estimate the impact, reasons for the same: **Not applicable**		
	(iii)	Auditors' Comments on (i) or (ii) above: As per Annexure A		

Annexure - L (Contd.)

III.	**Signatories:**			
	Sd/-	Sd/-	Sd/-	Sd/-
	Yatin S. Shah Managing Director	**Ravindra R. Joshi** Chief Financial Offer	**Pramod Mehendale** Chairman, Audit Committee	**Abhijeet Bhagwat** Partner, P.G. Bhagwat Statutory Audit
	Place: Pune Date: 27th May 2019			

Annexure A

To the Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2019

As the consolidated financial statements of PCL (International) Holding B.V, Netherlands are management drawn and not audited, audit impacts (if any) are not determinable.

For **M/s P.G BHAGWAT**
Chartered Accountants
Firm's Registration No.: 101118W
Sd/-

Abhijeet Bhagwat

Partner
Membership No.136835
Pune
27th May, 2019

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 and 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, 2019 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, 2019 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: 0031840
CP No. 3068

Place: Pune
Date: 25th May, 2019

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

Place: Pune
Date: 25th May, 2019

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, 2018.

For Precision Camshafts Limited

Yatin S. Shah
Chairman and Managing Director

Place: Pune
Date: 13th August, 2019

Independent Auditors' Report

To the Members of **PRECISION CAMSHAFTS LIMITED**

Report on the Audit of the Standalone Indian Accounting Standards (Ind AS) Financial Statements

Opinion

We have audited the Standalone Ind AS Financial Statements of Precision Camshafts Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Standalone Ind AS Financial Statements, including a summary of significant accounting policies and other explanatory information hereinafter referred to as "the Standalone Ind AS Financial Statements".

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS Financial Statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit, its 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 Ind AS 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 together with the ethical requirements that are relevant to our audit of the Standalone Ind AS 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 judgement, were of most significance in our audit of the Standalone Ind AS Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Ind AS Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be key audit matters to be communicated in our report.

a. **Valuation of inventory**

Inventories have been considered key audit matter due to the variety of models of the product manufactured and sold, part manual process of inventory valuation followed by the management and management judgements involved. Refer note 2.2 (j) to the Standalone Ind AS Financial Statements for accounting policy for valuation of inventories.

Principle Audit Procedures

i. We have evaluated the design of internal controls relating to the process of inventory recording and valuation.

ii. We have conducted physical verification of inventory on a sample basis at the year-end in order to test the assertion of existence

iii. We have conducted analysis of net realisable value (NRV) and cost of inventory on a sample basis in order to ascertain that inventory is carried at lower of NRV and Cost.

iv. We have evaluated on a test check basis the process followed by the management to identify non-moving, slow moving, obsolete inventory and we have evaluated on a test check basis the appropriateness of the estimates for impairment (if any) accounted for on such inventory.

v. We have conducted cut off procedures on a test check basis to ensure completeness of inventory recorded in the books of account.

vi. We have tested on a sample basis compliance of the cost formulae as specified in the accounting policy adopted by the company.

b. **Valuation of investments**

At the balance sheet date, the value of current and non-current investments amounted to Rs. 172,25.39 lakhs representing 28.62% of total equity and 23.29 % of total assets. Investments have been considered key audit matter due to the size of the balance, different recognition and subsequent measurement principles. Refer note 2.2 (o) & (p) to the Standalone Ind AS Financial Statements for its accounting policy.

Independent Auditors' Report (Contd.)

Principle Audit Procedures

i. We have obtained independent external confirmations of all material current investments in order to test the assertion of existence, accuracy, valuation and completeness.

ii. We have evaluated the process of the management to identify impairment (if any) for the investments measured at amortised cost.

iii. We have assessed the compliance of the recognition and subsequent measurement principles as specified in the accounting policy adopted by the company.

Other Information

The Company's Board of Directors are responsible for the other information. The other information comprises Management Discussion and Analysis; Board of Directors' Report along with its Annexures and Corporate Governance Report (together referred to as "the other information") included in the Annual Report but does not include the Standalone Ind AS Financial Statements and our Auditors' Report thereon. The Other Information is expected to be made available to us after the date of this auditor's report. Our opinion on the Standalone Ind AS Financial Statements does not cover the other information and we will not express any form of assurance conclusion thereon. In connection with our audit of the Standalone Ind AS Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibility of Management for Standalone Ind AS 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 Ind AS Financial Statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), 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 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 judgements 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 Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Ind AS Financial Statements, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS 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 Ind AS 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 Standalone Ind AS 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.

Independent Auditors' Report (Contd.)

- 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 adequate internal financial controls system 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 Standalone Ind AS 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 Standalone Ind AS Financial Statements, including the disclosures, and whether the Standalone Ind AS 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 Standalone Ind AS 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.

Report on Other Legal and Regulatory Requirements

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 the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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 (including other comprehensive income), Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with the Companies (Accounts) Rules, 2014 (as amended).

(e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure B.

(g) As required by section 197 (16) of the Act; in our opinion and according to information and explanation provided to us, the remuneration paid by the company to its directors is in accordance with the provisions of section 197 of the Act and remuneration paid to directors is not in excess of the limit laid down under this section.

Independent Auditors' Report (Contd.)

(h) 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 (as amended), 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 Ind AS Financial Statements – Refer Note 33 (b) to the Standalone Ind AS Financial Statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For M/s P.G.Bhagwat
Chartered Accountants
Firm's Registration Number: 101118W

Abhijeet Bhagwat
Partner
Membership Number: 136835

Pune
27th May, 2019

Annexure A to the Independent Auditors' Report

Referred to in paragraph 1 under the heading, "Report on Other legal and Regulatory Requirements" of our report on even date:

(i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets are being physically verified by the management at regular intervals based on the programme of verification which in our opinion is reasonable. Part of the major fixed assets has been verified by the management in the current year. Discrepancies noticed on such physical verification were not material and the same have been properly dealt with in the books of account.

(c) According to the information and explanation provided to us, title deeds of immovable properties are held in the name of the company.

(ii) Physical verification of inventory has been conducted by the management during the current year. In our opinion, the interval of such verification is reasonable. Discrepancies noticed on physical verification were not material and the same have been properly dealt with in the books of account.

(iii) The company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act in the current year except an unsecured loan to its wholly owned subsidiary company situated outside India.

Sr No.	Name	Opening Balance ₹	Opening Balance ₹	Maximum Balance ₹
1	PCL International Holding BV	Nil	3,092.33 lakhs	3,092.33 lakhs

Annexure A to the Independent Auditors' Report (Contd.)

(a) According to the information and explanations provided to us by the management, the interest rate charged is as per international transfer pricing guidelines and interest is repayable annually from December 31, 2019. Though there is no year wise principle repayment stipulated; the entire loan amount is to be repaid before December 31, 2026. This wholly owned company was formed in 2017-18 for making acquisitions of companies situated outside India. This loan has been advanced in 2018-19 for the wholly owned company to achieve its objectives. Based on such information, we may conclude that the amounts advanced and the interest rate being charged for the current year is not prejudicial to the interest of the Company.

(b) According to the information and explanations provided to us, no schedule of repayment of principal is stipulated though the entire loan amount is required to repaid before December 31, 2026. Interest has been stipulated to be repaid annually from December 31, 2019. There are no repayments made in the current year.

(c) According to the information provided to us by management and explanations provided in point (b) above, no amounts are overdue.

(iv) According to the information and explanation provided to us, there are no loans, guarantees and security given by the Company, to Directors, covered under the provisions of section 185 of the Act. According to the information and explanations provided to us, provisions of section 186 of the Act have been complied with respect to loans, guarantees, investment and security.

(v) The Company has not accepted deposits in the current year but according to information and explanation provided to us, it has unpaid matured deposits of prior years, for which the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under, to the extent applicable have been complied with. We have been informed by the management that no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.

(vi) We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under sub-section (l) 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 records with a view to determine whether they are accurate and complete.

(vii) (a) The Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of customs, goods and service tax, cess and any other statutory dues with the appropriate authorities. According to the information and explanation provided to us, no undisputed amounts payable in respect of statutory dues were in arrears as at March 31, 2019, for a period more than six months from the date they became payable.

(b) According to the information and explanation provided to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, goods and service tax, value added tax or cess which have not been deposited on account of any dispute except those mentioned below:

Name of the Statute	Nature of Dues	Amount (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty	20.76	2006-07	Commissioner
Finance Act, 1994	Service Tax on outward transport	1.41	2013-14	CESTAT
Finance Act, 1994	Service Tax on outward transport	0.97	2014-15	Commissioner
Goods and Service Tax Acts	GST	83.95	2012-14	Directorate General Of Goods and Service Tax Intelligence
Income Tax Act, 1961	Income tax on ESOP expenses and other disallowances	15,97.12*	2013-14	CIT (Appeals)

Annexure A to the Independent Auditors' Report (Contd.)

*Company has paid 200.00 lakhs under protest and has adjusted refund due of Rs. 39.60 lakhs with respect to FY 2006-2007 against the above demand.

(viii) Based on our audit procedures and according to the information and explanation provided to us, the Company has not defaulted in repayment of loans or borrowings to a financial institution, bank or government. The Company did not have debenture holders.

(ix) In our opinion and according to the information and explanations given by the management, we report that monies raised by way of initial public offer in the nature of equity shares were applied for the purposes for which those were raised, though idle/surplus funds which were not required for immediate utilization have been gainfully invested in demand deposits with banks. The maximum amount of idle/surplus funds invested during the year was Rs. 12,491.76 lakhs out of which Rs 2,325.40 lakhs was outstanding at the end of the year. According to the information and explanation provided to us, term loans availed by the Company were, prima facie applied for the purpose for which the loans were obtained.

(x) Based upon the audit procedures performed by us and according to the information and explanations provided to us by the management, no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported to us during the year.

(xi) According to the information and explanation provided to us, the managerial remuneration has been paid and provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) The Company is not a Nidhi Company and accordingly, Clause (xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanation provided to us, all transactions with the related parties are in compliance with sections 177 and 188 of Act wherever applicable and the details have been disclosed in the Standalone Ind AS Financial Statements as required by the applicable accounting standards.

(xiv) According to the information and explanation provided to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.

(xv) According to the information and explanation provided to us, the Company has not entered into any non-cash transactions with directors or persons connected with him.

(xvi) According to the information and explanation provided to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For M/s P.G.Bhagwat
Chartered Accountants
Firm's Registration Number: 101118W

Abhijeet Bhagwat
Partner
Membership Number: 136835

Pune
27th May, 2019

Annexure B to the Independent Auditors' Report

Referred to in paragraph 2 (f) under the heading, "Report on Other legal and Regulatory Requirements" of our report on even date:

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 over financial reporting of Precision Camshafts Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the Ind AS 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 over financial reporting 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. 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 over financial reporting 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") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. 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 adequate internal financial controls over financial reporting 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 adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 Ind AS 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 system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting 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 Ind AS Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS Financial Statements.

Annexure B to the Independent Auditors' Report (Contd.)

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting 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.

For M/s P.G.Bhagwat
Chartered Accountants
Firm's Registration Number: 101118W

Abhijeet Bhagwat
Partner
Membership Number: 136835

Pune
27th May, 2019

Standalone Balance Sheet

as at 31st March, 2019

(All amounts are in Rupees Lakhs, unless otherwise stated)

Particulars	Note	As at 31st March, 2019	As at 31st March, 2018
ASSETS			
I. Non-current assets			
(a) Property, plant and equipment	3	27,936.19	24,186.80
(b) Capital work-in-progress	3	802.19	857.38
(c) Intangible assets	4	12.62	19.71
(d) Financial assets			
(i) Investments	5A	7,235.05	7,339.85
(ii) Loans	5B	3,309.78	189.31
(iii) Other financial assets	5C	447.15	199.93
(e) Other non-current assets	6	460.71	1,080.57
Total non-current assets		**40,203.70**	**33,873.55**
II. Current assets			
(a) Inventories	7	3,518.56	2,699.63
(b) Financial assets			
(i) Investments	5A	9,990.34	11,022.52
(ii) Trade receivables	8	9,972.92	8,255.15
(iii) Cash and cash equivalents	9	1,327.74	821.76
(iv) Bank balance other than (iii) above	9	6,478.08	14,174.52
(v) Loans	5B	-	2.17
(vi) Others financial assets	5C	603.98	611.92
(c) Other current assets	6	855.01	1,108.18
(d) Assets classified as held for sale	6B	1,003.35	-
Total current assets		**33,749.98**	**38,695.85**
Total Assets		**73,953.68**	**72,569.40**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	10	9,498.58	9,487.66
(b) Other equity			
Securities premium	11	21,785.93	21,671.58
General reserve	11	472.21	472.21
Share based payments	11	79.13	206.38
Retained earnings	11	28,358.73	25,173.99
Total Equity Attributable to the equity shareholders of The Company		**60,194.58**	**57,011.82**
LIABILITIES			
I. Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	12	-	-
(b) Deferred tax liabilities (net)	27	1,557.20	1,149.15
(c) Provisions	16	614.83	593.35
Total non-current liabilities		**2,172.03**	**1,742.50**
II. Current liabilities			
(a) Financial liabilities			
(i) Borrowings	12	2,721.55	2,198.08
(ii) Trade and other payables	14		
- Dues of Micro & Small Enterprises		1,305.72	1,207.20
- Others		5,239.21	5,204.93
(iii) Other financial liabilities	13	1,741.81	4,560.02
(b) Other current liabilities	15	135.95	160.96
(c) Provisions	16	57.84	97.54
(d) Current tax liabilities (net)	17	385.00	386.37
Total current liabilities		**11,587.07**	**13,815.08**
Total Liabilities		**13,759.10**	**15,557.58**
Total Equity and Liabilities		**73,953.68**	**72,569.40**
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 M/s. P G Bhagwat
Chartered Accountants
Firm Regn. Number: 101118W

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

Abhijeet Bhagwat
Partner
Membership Number: 136835

Place : Pune
Date : 27th May, 2019

Yatin S. Shah
Managing Director
DIN. 00318140

Place : Pune
Date : 27th May, 2019

Ravindra R. Joshi
Director
DIN. 03338134

Place : Pune
Date : 27th May, 2019

Mayuri I. Kulkarni
Company Secretary
M. No. A32237

Place : Pune
Date : 27th May, 2019

Standalone Statement of Profit & Loss
for year ended 31st March, 2019

(All amounts are in Rupees Lakhs, unless otherwise stated)

Particulars	Note	Year ended 31st March, 2019	Year ended 31st March, 2018
Income			
Revenue from operations	18	42,369.17	40,787.24
Other income	19	784.90	1,131.64
Total Revenue (I)		**43,154.06**	**41,918.88**
Expenses			
Cost of raw materials and components consumed	20	13,388.71	12,248.99
Excise duty on sale of goods		-	732.00
(Increase) / decrease in inventories of finished goods, work-in-progress	21	(908.01)	531.00
Employee benefits expense	22	5,064.48	5,234.95
Other Expenses	23	14,961.22	14,376.38
Total expenses (II)		**32,506.39**	**33,123.32**
Earnings before interest, tax, depreciation and amortisation (EBITDA) (I) - (II)		**10,647.67**	**8,795.56**
Finance costs	24	283.46	470.77
Finance income	25	(902.66)	(1,328.01)
Depreciation and amortisation expense	26	4,695.41	4,276.65
Profit before tax		**6,571.48**	**5,376.15**
Tax expense			
Current tax	27	2,069.32	1,775.28
Adjustment of tax relating to earlier years	27	(162.71)	-
Deferred tax	27	373.55	125.24
Total tax expense		**2,280.17**	**1,900.52**
Profit for the year (A)		**4,291.30**	**3,475.63**
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	59.25	15.47
Income tax effect		(20.70)	(5.35)
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		38.55	10.12
Total other comprehensive income for the year, net of tax [B]		**38.55**	**10.12**
Total comprehensive income for the year, net of tax (A+B)		**4,329.85**	**3,485.75**
Profit for the year attributable to equity share holders of the Company		**4,291.30**	**3,475.63**
Total Comprehensive Income for the year attributable to equity share holders of the Company		**4,329.85**	**3,485.75**
Earning per share [nominal value per share ₹ 10/- (31st March, 2018: ₹ 10/-)]	29		
Basic, computed on the basis of profit attributable to equity share holders of the Company		4.52	3.67
Diluted, computed on the basis of profit attributable to equity share holders of the Company		4.52	3.66

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 M/s. P G Bhagwat
Chartered Accountants
Firm Regn. Number: 101118W

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

Abhijeet Bhagwat
Partner
Membership Number: 136835
Place : Pune
Date : 27th May, 2019

Yatin S. Shah
Managing Director
DIN. 00318140
Place : Pune
Date : 27th May, 2019

Ravindra R. Joshi
Director
DIN. 03338134
Place : Pune
Date : 27th May, 2019

Mayuri I. Kulkarni
Company Secretary
M. No. A32237
Place : Pune
Date : 27th May, 2019

Statement of changes in equity
for the year ended 31st March, 2019

(All amounts are in Rupees Lakhs, unless otherwise stated)

A. Equity Share Capital

Equity shares of ₹ 10 each issued, subscribed and fully paid (Refer Note 10)	Number	In ₹
At 31st March, 2016	9,47,44,825	9,474.48
Issued during the year -Employee Share Option Scheme	49,705	4.97
At 31st March, 2017	9,47,94,530	9,479.45
Issued during the year -Employee Share Option Scheme	82,105	8.21
At 31st March, 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**

B. Other Equity

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

Particulars	Reserves and Surplus				Total equity
	Securities premium account	General Reserve	Retained Earnings	Share based payments	
As at April 1, 2017	**21,583.12**	**472.21**	**23,399.72**	**260.43**	**45,715.48**
Profit for the year	-	-	3,475.63	-	3,475.63
Securities premium on ESOPs excercised	95.81	-	-	-	95.81
Deferred tax charge on share issue expenses	(7.35)	-	-	-	(7.35)
Other comprehensive income for the year	-	-	10.12	-	10.12
Share based payments (Refer Note 32)	-	-	-	41.76	41.76
Transferred to securities premium on account of exercise of stock options	-	-	-	(95.81)	(95.81)
Total Comprehensive income for the year	88.46	-	3,485.75	(54.05)	3,520.16
Final dividend for year ended 31st March, 2017	-	-	(1,422.03)	-	(1,422.03)
Tax on final dividend for the year ended 31st March, 2017	-	-	(289.49)	-	(289.49)
As at 31st March, 2018	**21,671.58**	**472.21**	**25,173.95**	**206.38**	**47,524.16**
As at 1st April, 2018	**21,671.58**	**472.21**	**25,173.95**	**206.38**	**47,524.16**
Profit for the year	-	-	4,291.30	-	4,291.30
Securities premium on ESOPs excercised	128.15	-	-	-	128.15
Deferred tax charge on share issue expenses	(13.79)	-	-	-	(13.79)
Other comprehensive income for the year	-	-	38.55	-	38.55
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)
Total Comprehensive income for the year	114.35	-	4,329.85	(127.25)	4,316.95
Final dividend for year ended 31st March, 2018	-	-	(949.86)	-	(949.86)
Tax on final dividend for the year ended 31st March, 2018	-	-	(195.25)	-	(195.25)
As at 31st March, 2019	**21,785.93**	**472.21**	**28,358.69**	**79.13**	**50,696.00**

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 M/s. P G Bhagwat
Chartered Accountants
Firm Regn. Number: 101118W

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

Abhijeet Bhagwat
Partner
Membership Number: 136835

Place : Pune
Date : 27th May, 2019

Yatin S. Shah
Managing Director
DIN. 00318140

Place : Pune
Date : 27th May, 2019

Ravindra R. Joshi
Director
DIN. 03338134

Place : Pune
Date : 27th May, 2019

Mayuri I. Kulkarni
Company Secretary
M. No. A32237

Place : Pune
Date : 27th May, 2019

Statement of Cash Flows

for the year ended 31st March, 2019

(All amounts are in Rupees Lakhs, unless otherwise stated)

Particulars	Note	As at 31st March, 2019	As at 31st March, 2018
Operating activities			
Profit before tax		**6,571.48**	5,376.14
Adjustments to reconcile profit before tax to net cash flows:			-
Depreciation and impairment of property, plant and equipment	26	4,676.04	4,250.15
			-
Amortisation and impairment of intangible assets	26	19.37	26.50
Share-based payment expense	22	0.89	41.76
Net foreign exchange differences (unrealised)		291.62	29.01
Deposit written off		1.17	-
Bad debt		259.95	268.79
Sundry creditors written back	19	(1.36)	(5.65)
Impairment of PCL Shanghai	23	-	-
Impairment loss on assets held for sale		300.00	-
Provision for doubtful debts written back	23	(2.96)	(24.91)
Excess provision of interest on income tax written back		(83.43)	-
Loss on disposal of property, plant and equipment	23	24.67	4.67
Mutual fund fair value gain		(513.31)	(532.31)
Finance income (including fair value change in financial instruments)	19	(875.23)	(1,326.74)
Preference share interest- Ind AS entry		(27.43)	(1.27)
Finance costs (including fair value change in financial instruments)	24	164.67	321.46
Working capital adjustments:			
Movements in provisions, gratuity and government grants	15	41.03	(78.00)
Movement in other Non Financial assets	6	253.53	594.29
Movement in other Financial assets	5	(170.09)	217.32
Movement in Long term loans and advances	5	(28.14)	0.68
Movement in short term loans and advances	5	1.00	(0.04)
Movement in other current liabilities	16	(25.01)	(34.24)
Movement in other Financial Liabilities	13	131.55	(185.28)
Movement in trade and other receivables and prepayments	8	(2,132.43)	2,886.90
Movement in inventories	7	(818.92)	433.17
Movement in trade and other payables	14	208.00	(624.67)
		8,261.14	**11,637.74**
Income tax paid	17,27	1,907.98	1,695.07
Net cash flows from operating activities		**6,353.16**	**9,942.68**
Investing activities			
Proceeds from sale of property, plant and equipment	3	32.04	6.38
Purchase of property, plant and equipment		(8,157.22)	(6,328.94)
Purchase of financial instruments		(9,538.43)	(27,455.91)
Proceeds from sale of financial instruments		14,109.54	30,779.35
Interest received (finance income)		**1,093.76**	**986.03**
Dividend Received		1.45	5.98
Net cash flows used in investing activities		**(2,458.86)**	**(2,007.12)**
Financing activities			
Proceeds from exercise of share options		10.92	8.21
Interest paid		(189.98)	(349.71)
Repayment of borrowings		(2,587.62)	(4,358.80)

Statement of Cash flows for the year ended 31st March, 2019 (Contd.)

(All amounts are in Rupees Lakhs, unless otherwise stated)

Particulars	Note	As at 31st March, 2019	As at 31st March, 2018
Repayment/Proceeds of short term borrowings (net)		523.47	(2,334.03)
Final dividend paid on shares		(949.86)	(1,422.03)
Tax on final dividend paid		(195.25)	(289.49)
Net cash flows from/(used in) financing activities		**(3,388.32)**	**(8,745.85)**
Net decrease in cash and cash equivalents		505.98	(810.29)
Net foreign exchange difference		5.52	26.12
Cash and cash equivalents at the beginning of the year		821.76	1,605.94
Cash and cash equivalents as at year end		**1,327.74**	**821.76**
Components of cash and cash equivalents:			
Balances with banks:			
On current accounts	9	1,275.45	548.42
Deposit with original maturity of less than 3 months	9	50.26	270.01
Cash in hand	9	2.03	3.33
Cash and cash equivalents at year end		**1,327.74**	**821.76**

Change in Liability arising from Financing Activities

Particulars	1st April, 2018	Cash flows of (Repayment) / Proceeds of Loan	Non cash transactions			31st March,2019
			Foreign Exchange Movement -(gain)/loss	Interest Accrued	ECB Amortisation	
Non current borrowings - including current maturities (Refer Note 12)	**2,527.74**	**(2,587.62)**	**85.20**	**(26.35)**	**1.03**	**(0.00)**
Current Borrowings (Refer Note 12)	2,198.08	523.47	-	-	-	2,721.55

Note: The Cash flow statement is prepared under the indirect method in accordance with IND AS 7: Statement of Cash Flows

As per our report attached of even date

For M/s. P G Bhagwat
Chartered Accountants
Firm Regn. Number: 101118W

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

Abhijeet Bhagwat
Partner
Membership Number: 136835

Place : Pune
Date : 27th May, 2019

Yatin S. Shah
Managing Director
DIN. 00318140

Place : Pune
Date : 27th May, 2019

Ravindra R. Joshi
Director
DIN. 03338134

Place : Pune
Date : 27th May, 2019

Mayuri I. Kulkarni
Company Secretary
M. No. A32237

Place : Pune
Date : 27th May, 2019

Notes to the Standalone Financial Statements for the year ended 31st March, 2019

Note 1. Corporate Information

The financial statements comprise of financial statements of Precision Camshafts Limited ('The Company') for the year ended 31st March,2019. 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 - 413006, Maharashtra, India.

The financial statements were authorised for issue in accordance with the resolution of the Board of Directors of The Company on 27th May, 2019.

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 'o' of summary of significant accounting policies regarding financial instruments).

> 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 amortisation (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 amortisation 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

> 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 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.

Notes to the Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

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. 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 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:

> 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 are 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 sing 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.

Notes to the Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

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 Note 39)

Quantitative disclosures of fair value measurement hierarchy (Refer Note 37)

Financial instruments (including those carried at amortised cost) (Refer Note 5, 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 designed and developed according to the requirements of customer. There are three types of contracts entered into by the customers with company. • **Tooling contract:** for design and 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 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 identified a single performance obligation i.e. development of patterns which gets completed over the period of time. The Company has identified customer's approval of first trial as first milestone and recognises fifty percent revenue relating to it on transfer of control and customer's final approval is identified as the second milestone and recognises remaining revenue on trasfer of control. 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

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, 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

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

Export Incentives

Refer accounting policy under government grants for export incentives.

e) **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

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.

Sales/ value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/ value added taxes paid, except:

> When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

> When receivables and payables are stated with the amount of tax included.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

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.

Notes to the Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

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 are 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 are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

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

Th 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 are amortised over a period of two years on a straight line basis from the date the asset is available to The Company for its use.

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.

Notes to the Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

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

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease.

The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. For arrangements entered into prior to 1 April 2015, The Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to The Company is classified as a finance lease. An operating lease is a lease other than a finance lease.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Company as a lessor

Leases in which The Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases.

Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

j) Inventories

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

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

> Raw materials and components: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.

Finished goods and semi finished goods: 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.

Notes to the Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

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 indicator.

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 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. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, The Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the 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 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 year Such reversal is recognised in the statement of profit or loss.

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

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.

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 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 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 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.

Notes to the Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

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 four 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 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 Note 5A, 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 amortised cost or as FVTOCI, is classified as at FVTPL.

In addition, The Company 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 Company 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 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.

Notes to the Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

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' arrangement 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:

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.

Notes to the Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

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 including bank overdrafts 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.

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 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 shareholder. A corresponding amount is recognised directly in equity.

Notes to the Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

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) 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.

v) 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.

w) 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.

x) 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, 2019 (Contd.)

(All amounts are in Rupees Lakhs, unless otherwise stated)

Note 3: Property, plant and equipment

Particulars	Leasehold land	Buildings	Plants and machinery	Office equipment	Furniture and fixtures	Vehicles	Capital work in progress	Total
At Cost								
At 1st April, 2017	**354.12**	**8,600.05**	**18,638.21**	**215.46**	**164.90**	**345.64**	**890.17**	**29,208.54**
Additions	-	191.61	6,690.86	33.04	46.52	27.40	-	6,989.43
Disposals	-	-	(75.29)	-	(0.02)	(23.18)	-	(98.49)
Capitalised during year	-	-	-	-	-	-	(32.79)	(32.79)
Other Adjustment	-	-	-	-	-	-	-	-
- Exchange Differences	-	(16.52)	(53.88)	-	-	-	-	(70.40)
At 31st March, 2018	**354.12**	**8,775.14**	**25,199.86**	**248.50**	**211.40**	**349.86**	**857.38**	**35,996.29**
Additions	-	-	8,364.87	19.02	4.77	8.30	-	8,396.96
Disposals	-	-	(96.57)	(0.03)	-	(98.84)	-	(195.44)
Capitalised during year	-	-	-	-	-	-	(55.19)	(55.19)
Other Adjustment	-	-	-	-	-	-	-	-
- Exchange Differences	-	20.00	65.20	-	-	-	-	85.20
At 31st March,2019	**354.12**	**8,795.15**	**33,533.37**	**267.49**	**216.16**	**259.33**	**802.19**	**44,227.81**
Depreciation/ amortisation								
At 1st April, 2017	**7.19**	**553.17**	**6,003.36**	**89.85**	**75.94**	**59.89**	**-**	**6,789.40**
Charge for the year	4.09	349.74	3,742.48	61.71	38.42	53.71	-	4,250.15
Disposals	-	-	(69.65)	-	-	(17.79)	-	(87.44)
At 31st March, 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)	-	(44.39)	-	(138.73)
At 31st March,2019	**15.37**	**1,254.22**	**13,778.37**	**201.42**	**144.11**	**95.94**	**-**	**15,489.42**
Net book value								
At 31st March,2019	**338.75**	**7,540.94**	**19,755.00**	**66.07**	**72.05**	**163.38**	**802.19**	**28,738.38**
At 31st March, 2018	**342.84**	**7,872.23**	**15,523.67**	**96.94**	**97.04**	**254.05**	**857.38**	**25,044.18**

Net Book Value	31st March, 2019	31st March, 2018
Plant, property and equipment	27,936.19	24,186.80
Capital work in progress	802.19	857.38

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, 2019 comprises expenditure for the plant and machinery in the course of construction. Balance of CWIP as at 31st March, 2019 amounts to ₹ 802.19 Lakhs (31st March, 2018: ₹ 857.38 Lakhs)

Property, plant and equipment

The entire block of property, plant and equipment comprising of immovable assets with a carrying amount of ₹ 7,879.68 Lakhs (31st March, 2018: ₹ 8,215.06 Lakhs) and movable assets with a carrying amount of ₹ 20,056.51 Lakhs (31st March, 2018: ₹ 15,971.70 Lakhs) were subject to first charge to secure the Company's foreign currency term loan till July 2018. (Refer Note 12)

Notes to the Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

(All amounts are in Rupees Lakhs, unless otherwise stated)

Note 4: Intangible assets

Particulars	Computer software
At Cost	
As at 1st April, 2017	**74.27**
Additions	15.64
Disposals	-
At 31st March, 2018	**89.91**
Additions	12.28
Disposals	-
At 31st March,2019	**102.19**
Depreciation/ amortisation	
As at 1st April, 2017	**43.70**
Charge for the year	26.50
Disposals	-
At 31st March, 2018	**70.20**
Charge for the year	19.37
Disposals	-
At 31st March,2019	**89.57**
Net book value	
At 31st March,2019	**12.62**
At 31st March, 2018	**19.71**

Note 5: Financial Assets

Particulars	As at 31st March, 2019	As at 31st March, 2018
5A) Investments		
(i) At cost		
Investments in Equity Instruments		
Investment in subsidiary		
> PCL (Shanghai) Co. Limited	-	-
USD 230,000 (31st March, 2018: USD 230,000) (100%)		
(Impaired fully in FY 2016-17)		
> PCL (International) Holding B.V.	3,097.66	2,214.00
EUR 38,54,800 as paid up capital (100%)		
> Memco Engineering Private Limited	4,065.35	3,804.35
3,00,000 Equity Shares of ₹ 100 each fully paid-up (100%)		
Deemed investments in Subsidiary		
Memco Engineering Private Limited	70.74	16.84
(6% Cumulative Non-Convertible Redeemable Preference Shares ₹ 100 each Net Present Value)		
Investments in Joint venture		
> Ningbo Shenglong PCL Camshafts Co. Limited	-	202.13
USD 375,000 as paid up capital (31st March, 2018: USD 375,000) (22.5%)		
(Refer Note 6B)		
> PCL Shenglong (Huzhou) Specialised Casting Co. Limited	-	1,101.22
USD 1,760,000 as paid up capital (31st March, 2018: USD 1,760,000) (40%)		
(Refer Note 6B)		
	7,233.75	**7,338.54**

Notes to the Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

(All amounts are in Rupees Lakhs, unless otherwise stated)

Particulars	As at 31st March, 2019	As at 31st March, 2018
(ii) At fair value through Profit or Loss (FVTPL)		
a) Investments in Equity Instruments		
> Shares of Laxmi Co-op. Bank Limited	1.25	1.25
5000 Equity shares of ₹ 25 each fully paid-up (31st March, 2018: 5,000 equity shares)		
> Shares of Solapur Janata Sahakari Bank Limited	0.05	0.05
500 Equity shares of ₹ 10 each fully paid-up (31st March, 2018: 500 equity shares)		
b) Investments in Mutual Funds		
Quoted Mutual Funds		
HDFC Floating Rate Income Fund A/C	-	447.72
ICICI Prudential Mutual Fund Collection	647.22	609.20
BOI Axa Short Term Income Fund Account	325.17	305.50
Reliance Banking & PSU Debt Fund-Growth Plan	574.15	534.43
Reliance Corporate Bond Fund-Growth Plan	224.65	214.00
Reliance Medium Term Fund-Growth Plan-Growth option	-	324.16
Reliance Arbitage Advantage Fund	109.24	102.79
Reliance Short Term Fund	144.04	135.41
Reliance Arbitrage Fund - Monthly Dividend	206.44	-
Franklin India Low duration Fund	366.92	894.50
Franklin India Short Term Income Plan	-	550.41
BSL Short Term Fund-Growth	580.17	537.82
BSL Treasury Optimiser Plan-Growth	343.22	319.38
BSL Medium Term Fund-Growth	-	215.31
Axis Liquid Fund-Daily Dividend	154.79	589.72
Axis Short Term Fund-Growth	573.22	533.99
Axis Equity Fund Collection A/C	-	-
Axis Fixed Term Plan - Series 93	156.99	-
IDFC Corporate Bond Fund Regular Plan-Growth	228.21	213.08
IDFC Ultra Short Term Fund-Growth(Reg Plan)	-	542.23
IDFC Super Saver income Fund-Short Term	345.94	321.35
Tata Liquid Fund Regular Plan-Daily Dividend	22.31	520.83
Tata Short Term Bond Fund Reg Plan-Growth	535.97	533.00
Tata Ultra Short Term Fund Reg Plan-Growth	-	215.86
Tata Balance Fund	154.90	147.62
Kotak Low Duration Fund - Std Growth(Regular Plan)	584.44	542.66
Kotak Banking & PSU Debt fund-Growth(Regular plan)	231.74	215.38
Kotak Income opp Fund-Growth(Regular Plan)	342.20	321.71
Kotak Equity Arbitrage	198.77	198.49
Kotak Balanced Advantage Fund A/C	1,761.97	-
Bnp Paribas Dividend Yield Fund	250.81	245.52
Sbi Ultra Short Term Fund	53.66	50.98
Sbi Balance Fund	160.91	147.08
Baroda Pioneer Credit Opportunities Fund	306.19	100.44
Edelweiss Equity Saving Fund	131.07	123.40
Principal Emerging Bluechip Fund	97.75	79.87
Principal Cash Management Fund	0.00	18.20

Notes to the Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

(All amounts are in Rupees Lakhs, unless otherwise stated)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Motilal Oswal Most Ultra Short Term Bond Fund	0.00	18.20
Motilal Oswal Most Focused Multicap 35 Fund	98.75	82.28
Canara Robeco Force Collection A/C	78.54	70.00
Total Investments at FVTPL	**9,991.64**	**11,023.82**
Non-current	7,235.05	7,339.85
Current	9,990.34	11,022.52
	17,225.39	**18,362.37**

Aggregate book value of quoted investments	9,990.34	11,022.52
Aggregate market value of quoted investments (Refer Note 36 fair value)	9,990.34	11,022.52
Aggregate book value of unquoted investments	7,235.05	7,339.84
Aggregate amount of impairment in value of investments.	-	-

The company has had acquired 95% Equity shares of Memco Engineering Private Limited,Nashik on 10th October, 2017 for ₹ 3,804.35 Lakhs. The enterprise value of the company is negotiated based on a future EBITDA multiple. Remaining 5% of the 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 contributed as equity since 06th May 2017 to its wholly owned subsidary PCL (International) Holding B.V. The equity contribution has been done solely for acquiring the companies in Europe. On 22nd March 2018, PCL (International) Holding B.V. had acquired 76% shares of MFT Motoren und Fahrzeugtechnik GmbH - Germany by combination of equity & loan. The loan is taken from Bank of Baroda London. The total cost of acquisition is ₹ 2,503.35 Lakhs based on a projected EBITDA multiple and remaining 24% will be acquired in 2021 based on financial performance of the year 2021.

In the current year, the Company has further contributed ₹ 883.65 Lakhs as equity.

The Company had contributed ₹ 100 lakhs as 6% Cumulative Non- Convertible Redeemable Preference Shares to Memco Engineering Pvt. Limited, Nashik. **In the current year**, **the Company has further contributed ₹ 320 Lakhs**. Considering the present lending rates for similar companies, the 6% dividend is not at fair value. The difference between the present lending rate i.e 10.5% and the fixed dividend rate i.e 6% which has given to Memco Engineering Pvt. Limited has been derived based on the Net present value for 5 years. The difference between the rates has been considered as Deemed Investment as equity.

The Company, through it's 100% subsidiary PCL (International) Holding B.V. , Netherlands has acquired 51% shares in Emoss Mobile Systems B.V., Netherlands for ₹ 5,878.37 Lakhs on 17th May 2018 making it a step-down subsidiary company.

5B) Loans

Particulars	As at 31st March, 2019	As at 31st March, 2018
(a) Security Deposits	217.45	191.48
(b) Loan to PCL (International) Holding B.V. (100% Subsidiary) Refer Note 34	3,092.33	-
Total Loans	**3,309.78**	**191.48**
Non-current	3,309.78	189.31
Current	-	2.17
	3,309.78	**191.48**
Break-up for Loan details:		
- Unsecured, considered good	3,309.78	191.48
- Doubtful	-	-
- Which have significant increase in credit risk	-	-
- Credit impaired	-	-
Total	**3,309.78**	**191.48**

Loans include A) security deposit with electricity department; which generate interest at the rate of 9% to 10.75% for The Company

B) Loan given to PCL (International) Holding B.V. (100% Subsidiary) for working capital purposes and to advance further to its step down subsidiaries ; which generate interest at the rate of 1.5% to 4% for The Company.

Notes to the Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

(All amounts are in Rupees Lakhs, unless otherwise stated)

5C) Other Financial Assets

Particulars	As at 31st March, 2019	As at 31st March, 2018
(i) Derivative instruments		
Foreign-exchange forward contracts	64.09	-
(ii) Others		
(a) Bank deposits with more than 12 months maturity	88.89	116.38
(b) Interest accrued on Fixed deposits	34.37	358.74
(c) Interest accrued Others (Mainly includes interest on loan given to foreign subsidiary & on Security Deposit)	83.36	19.05
(d) Income accrued on Export incentives	403.34	233.26
(e) Dividend receivable on Preference Shares of Memco Engineering Private Limited	18.82	0.87
(f) Preference Shares of Memco Engineering Private Limited (4,20,000 Cumulative Non-Convertible Redeemable Preference Shares at 6% of ₹ 100 each)	358.27	83.55
Total Other Financial Assets	**1,051.14**	**811.86**
Non-current	447.15	199.93
Current	603.98	611.92
	1,051.14	**811.86**
Break-up for security details:		
- Secured, considered good		
- Unsecured, considered good	1,051.14	811.86
- Doubtful	-	-
Total	**1,051.14**	**811.86**
Total Financial assets	**21,586.30**	**19,365.69**
Total Non-current	10,991.98	7,729.08
Total Current	10,594.32	11,636.61
	21,586.30	19,365.69

Break up of financial assets carried at amortised cost

Particulars	As at 31st March, 2019	As at 31st March, 2018
Loans	3,309.78	191.48
Trade receivables (Refer Note 8)	9,972.92	8,255.15
Cash and Cash equivalents (Refer Note 9)	1,327.74	821.76
Other Bank balances (Refer Note 9)	6,478.08	14,174.52
Other financial assets	987.05	811.86
Total financial assets carried at amortised cost	**22,075.57**	**24,254.77**

Note 6: Other Assets

Particulars	As at 31st March, 2019	As at 31st March, 2018
Capital advances	204.57	824.07
Prepaid expense	135.63	142.89
Advance for purchase of materials	26.00	61.24
Income tax deposited with tax authorities (Under Protest)	228.90	228.90
Other Advances	12.12	12.12
(Amount deposited under protest against the claim made under Employees provident Funds and Miscellaneous Provision Act, 1952)		
Balances with statutory/government authorities	708.50	919.53
Total other assets	**1,315.72**	**2,188.75**
Non-current	460.71	1,080.57
Current	855.01	1,108.18
	1,315.72	2,188.75

Notes to the Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

(All amounts are in Rupees Lakhs, unless otherwise stated)

Note 6B: Assets classified as held for sale

Particulars	As at 31st March, 2019	As at 31st March, 2018
Disposal Group	1,003.35	-
Total other assets	**1,003.35**	**-**

Prior to Balance Sheet date, 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) Specialised 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- Non Current assets held for sale and discontinued operations. Management estimated fair value of disposal group is ₹ 1,003.35 Lakhs resulting into net loss on fair value measurement of ₹ 300 Lakhs. The same has been shown under the head 'Other Expenses'.

Note 7: Inventories

Particulars	As at 31st March, 2019	As at 31st March, 2018
Raw materials and components	318.17	347.89
Stores, spares and packing materials	426.27	485.64
Semi-finished goods	694.57	609.10
Finished goods	2,079.54	1,257.00
Total inventories at the lower of cost and net realisable value	**3,518.56**	**2,699.63**

During the year ended 31st March, 2019 ₹ 56.63 Lakhs (31st March, 2018 ₹ 44.42 Lakhs) was written down as an expense for inventories.

Note 8: Trade Receivables

Particulars	As at 31st March, 2019	As at 31st March, 2018
Trade receivables	9,912.40	7,507.00
Receivables from subsidiary (Refer Note 34)	-	329.15
Receivables from joint venture (Refer Note 34)	60.52	419.00
Total	**9,972.92**	**8,255.15**
Break-up for security details:		
- Unsecured, considered good	9,972.92	8,255.15
- Doubtful	-	2.96
- Which have significant increase in credit risk	-	-
- Credit impaired	-	-
Total	**9,972.92**	**8,258.11**
Impairment allowance (allowance for bad and doubtful debts)		
- Doubtful	-	2.96
	-	**2.96**
Total Trade receivables	**9,972.92**	**8,255.15**

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, 2019 (Contd.)

(All amounts are in Rupees Lakhs, unless otherwise stated)

Note 9: Cash and bank balances

Particulars	As at 31st March, 2019	As at 31st March, 2018
Cash and cash equivalents		
Balance with Banks		
Current accounts	1,275.45	548.42
Deposits with original maturity of less than three months	50.26	270.01
Cash on hand	2.03	3.33
Total cash and cash equivalents	**1,327.74**	**821.76**
Other bank balances		
Deposits with remaining maturity for less than 12 months	6,474.89	14,021.99
Unclaimed Dividend Accounts	3.19	2.53
Earmarked balance (Refer Note 33a(ii)	-	150.00
Total	**6,478.08**	**14,174.52**
Total cash and bank balances	**7,805.82**	**14,996.28**

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.

At 31st March,2019, The Company had available ₹ 4337.15 Lakhs (31st March, 2018: ₹ 4945.78 Lakhs); of undrawn committed borrowing facilities

Deposits with bank of ₹ 126.08 Lakhs(31st March, 2018: ₹ 237.93 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 31st March, 2019	As at 31st March, 2018
Cash and cash equivalents		
Balance with Banks		
Current accounts	1,275.45	548.42
Deposits with original maturity of less than three months	50.26	270.01
Cash on hand	2.03	3.33
Total cash and cash equivalents	**1,327.74**	**821.76**

Note 10: Share Capital

Authorised Share Capital

Particulars	Equity Shares	
	Number	In ₹
At 1st April, 2017	10,00,00,000	10,000.00
Increase/ (decrease) during the year	-	-
At 31st March, 2018	10,00,00,000	10,000.00
Increase/ (decrease) during the year	-	-
At 31st March, 2019	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, 2018: ₹ 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 shareholder.

Notes to the Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

(All amounts are in Rupees Lakhs, unless otherwise stated)

Issued, Subscribed and Fully Paid-Up

Equity Shares of ₹ 10 each at par value

Particulars	Number	In ₹
At 1st April, 2017	9,47,94,530	9,479.45
Issued during the year under the ESOP scheme	82,105	8.21
At 31st March, 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

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 12,903,225 equity shares and offer for sale of 9,150,000 equity shares by selling shareholder 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.

Details of shareholders holding more than 5% shares in The Company

	As at 31st March, 2019		As at 31st March, 2018	
	No of shares	% holding in the class	No of shares	% holding in the class
Equity shares of ₹ 10 each fully paid				
Yatin Subhash Shah	2,47,31,200	26.04%	2,45,11,200	25.83%
Cams Technology Limited	1,25,14,860	13.18%	1,25,14,860	13.19%
Yatin Subhash Shah jointly with Dr. Suhasini Yatin Shah	1,28,28,800	13.51%	1,28,28,800	13.52%
Dr. Suhasini Yatin Shah	1,04,05,540	10.95%	1,04,05,540	10.97%
Jayant Vasudeo Aradhye	82,02,000	8.63%	82,02,000	8.64%
SBI Magnum Balanced Fund	66,99,999	7.05%	67,91,427	7.16%
	7,53,82,399	**79.36%**	**7,52,53,827**	**79.32%**

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.

Aggregate number of equity shares issued as bonus, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

Particulars	Year ended				
	31st March, 2019	31st March, 2018	31st March, 2017	31st March, 2016	31st March, 2015
Equity shares allotted as fully paid bonus shares by capitalisation of securities premium or capital redemption reserve	-	-	-	-	7,77,49,520

Shares reserved for issue under options

For details of shares reserved for issue under the share based payment plan of The Company, Refer Note 32.

Notes to the Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

(All amounts are in Rupees Lakhs, unless otherwise stated)

Note 11: Other Equity

a)	**Securities premium**	**In ₹**
	At 1st April, 2017	**21,583.12**
	Add:	
	Increase pursuant to premium on issue of shares on account of employee stock option exercised	95.81
	Reversal of tax benefit (deferred tax)	(7.35)
	At 31st March, 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**
b)	**General reserve**	**In ₹**
	At 1st April, 2017	**472.21**
	Increase/ (decrease) during the year	-
	At 31st March, 2018	**472.21**
	Increase/ (decrease) during the year	-
	At 31st March, 2019	**472.21**
c)	**Share based payments**	In ₹
	At 1st April, 2017	260.42
	Increase/ (decrease) during the year	
	Add: compensation for options granted as per vesting during the year (net)	41.76
	Less: transferred to securities premium on account of exercise of stock options	(95.81)
	At 31st March, 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**

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 to note 32 for further details of these plans.

d)	**Retained earnings**	**In ₹**
	At 1st April, 2017	**23,399.78**
	Add: Profit for the year	3,475.63
	Add: Other comprehensive income for the year	10.12
	Less: Final equity dividend at ₹ 1.50 per share paid	(1,422.03)
	Less: Tax on final dividend paid	(289.49)
	At 31st March, 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**

Notes to the Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

(All amounts are in Rupees Lakhs, unless otherwise stated)

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.

Note 12: Borrowings

Particulars	Rate of interest	Maturity	As at 31st March, 2019	As at 31st March, 2018
Current maturity of long term loans				
Foreign currency loan 1 (secured)	LIBOR + 330 bps	Aug-18	-	2,180.73
Foreign currency loan 2 (secured)	LIBOR + 295 bps	Aug-18	-	347.01
Loan repayable on Demand				
From Bank				
Cash credit from banks (secured)	9.50%	On Demand	140.57	23.68
Packing credit in foreign currency (secured)	EUROBOR + 150bps	On Demand	0.00	436.35
Packing credit in INR (Secured) - BOI	5.40%	On Demand	1,371.46	1,038.05
Packing credit in INR (Secured) - BOB	8.40%	On Demand	1,197.07	700.00
Packing credit in INR (Secured) - Citi Bank	5.25%	On Demand	12.45	-
Total current Borrowings			**2,721.55**	**4,725.82**
Less: amount clubbed under "Other Financial liabilities"			-	2,527.74
Net Current Borrowings			**2,721.55**	**2,198.08**
Aggregate Secured loans			**2,721.55**	**4,725.82**

1 Foreign currency loan 1 (fully repaid on 31.07.18) carried at the rate of LIBOR plus 330 bps p.a. The tenure of the loan was 7 years and the loan was repayable in 20 quarterly instalments commencing after 24 months of the weighted average draw down date, vis 1 August 2013. The loan was secured by pari passu charge on all movable and immovable property, plant and equipment (PPE) created by the loan and also includes mortgage of Plot No. D-7, MIDC Chincholi, Solapur. The loan had been secured by the personal guarantee of directors Mr. Yatin S. Shah and Dr. Suhasini Y. Shah.

2 Foreign currency loan 2 (fully repaid on 31.07.18) carried interest at the rate of LIBOR plus 295 bps p.a. The tenure of the loan was 5 years and 2 months and the loan was repayable in 20 quarterly instalments commencing after 7 months from the sanction of the loan by the bank. vis., 2 November 2013. The loan was secured by pari passu charge on all movable and immovable PPE created by the loan and also includes mortgage of Plot No. D-7, MIDC Chincholi, Solapur. The loan has been secured by the personal guarantee of directors Mr. Yatin S. Shah and Dr. Suhasini Y. Shah.

Notes to the Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

(All amounts are in Rupees Lakhs, unless otherwise stated)

The Company does not have any continuing defaults in repayment of loans and interest during the year and as at the reporting date.

3 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.

4 The carrying amounts of PPE 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.

5 Term loan from banks contain certain covenants relating to debt service coverage ratio, total debt gearing ratio, interest Coverage ratio and 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.

Note 13: Other Financial Liabilities

Particulars	As at 31st March, 2019	As at 31st March, 2018
Financial liability at FVTPL		
Foreign-exchange forward contracts	-	104.33
Other financial liabilities at amortised cost		
Current maturity of long term loans (Refer Note 12)	-	2,527.74
Unpaid matured deposits and interest accrued thereon	137.30	137.30
Employee benefit liabilities	757.19	521.31
Sundry payables for capital goods purchased	844.14	1,266.81
Unclaimed Dividend	3.19	2.53
Total	**1,741.81**	**4,560.02**
Non - Current	-	-
Current	**1,741.81**	**4,560.02**
	1,741.81	**4,560.02**

Break up of financial liabilities carried at amortised cost

Particulars	As at 31st March, 2019	As at 31st March, 2018
Borrowings (non-current) (Refer Note 12)	-	-
Borrowings (current) (Refer Note 12)	2,721.55	2,198.08
Current maturity of long term loans (Refer Note 13)	-	2,527.74
Trade payables (Refer Note 14)	6,544.92	6,412.12
Other financial liabilities (Refer Note 13)	1,741.81	2,032.27
Total	**11,008.29**	**13,170.22**

Notes to the Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

(All amounts are in Rupees Lakhs, unless otherwise stated)

Note 14: Trade and other payables

Particulars	As at 31st March, 2019	As at 31st March, 2018
Trade Payables		
Trade payables		
- total outstanding dues of micro enterprises and small enterprises	1,305.72	1,207.20
- total outstanding dues of creditors other than micro enterprises and small enterprises	5,239.21	5,204.93
Total trade payables	**6,544.92**	**6,412.12**
Non-current	-	-
Current	6,544.92	6,412.12
	6,544.92	**6,412.12**

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 to 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 31st March, 2019	As at 31st March, 2018
(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	1,305.72	1,207.20
Interest due on above	10.34	10.43
(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.	4,399.74	4,058.43
(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.	126.81	111.39
(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	567.99	446.17

In the opinion of the management it is not probable that there would be any actual cash outflow of the interest liability and considers the interest liability as a contingent liability as per Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets. Further from 1st April 2019, the management has changed the payment terms with all Micro and Small creditors ensuring payment within the 45 days.

Notes to the Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

(All amounts are in Rupees Lakhs, unless otherwise stated)

Note 15: Other current Liabilities

Particulars	As at 31st March, 2019	As at 31st March, 2018
Advances from customers	12.64	67.80
Statutory Dues payable	123.30	93.16
Total	**135.95**	**160.96**

Note 16: Provisions

Particulars	As at 31st March, 2019	As at 31st March, 2018
Employee benefits obligations:		
Gratuity	263.28	298.57
Compensated absences	315.83	298.76
Provision for Doubtful Capital Advance	93.55	93.55
Total	**672.67**	**690.88**
Non-current	614.83	593.35
Current	57.84	97.54
	672.67	**690.88**

Also Refer Note 31 for detailed disclosure.

Note 17: Current tax liabilities (net)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Provision for income tax (net of advance taxes)	385.00	386.37
Total	**385.00**	**386.37**

Note 18: Revenue from Operations

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Revenue from contracts with customers		
Sale of products (including excise duty)*	40,815.16	39,427.90
Sale of services	155.89	102.70
Total sale of products and services	**40,971.05**	**39,530.60**
Other operating income		
Tooling income	676.07	594.80
Scrap sales	46.59	33.32
Export incentives	675.45	628.52
Total other operating income	**1,398.12**	**1,256.64**
	42,369.17	**40,787.24**

* Sale of goods includes excise duty collected from customers of ₹ Nil for year ended 31st March, 2019 (31st March, 2018 ₹ 732.00 Lakhs) Sale of goods net of excise duty is ₹ 40,815.16 Lakhs (31st March, 2018: ₹ 38,695.90 Lakhs)

Notes to the Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

(All amounts are in Rupees Lakhs, unless otherwise stated)

Note 19: Other Income

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Trade Payable no longer required written back	1.36	5.65
Exchange differences (net)	160.14	247.75
Compensation from customer	-	275.00
Fair value gain on mutual funds at fair value through profit or loss	513.31	532.31
Realised gain on Sale of mutual funds	20.78	-
Royalty Income	4.26	64.66
Miscellaneous income	85.06	6.27
	784.90	**1,131.63**

Note 20: Cost of raw material and components consumed

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Cost of raw material and components consumed	**13,388.71**	**12,248.99**

Note 21: (Increase) / Decrease in Inventories

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Opening stock:		
Finished goods	1,257.00	1,811.37
Semi-finished goods	609.10	585.73
	1,866.10	**2,397.10**
Closing stock:		
Finished goods	2,079.54	1,257.00
Semi-finished goods	694.57	609.10
	2,774.11	**1,866.10**
	(908.01)	**531.00**

Note 22: Employee benefit expenses

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Salaries, wages, bonus and commission	4,607.21	4,782.69
Employee stock option scheme	0.89	41.76
Contribution to provident fund and other funds	246.48	288.09
Gratuity expense (Refer Note 31)	98.46	51.66
Staff welfare expenses	111.43	70.75
	5,064.48	**5,234.95**

Notes to the Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

(All amounts are in Rupees Lakhs, unless otherwise stated)

Note 23: Other Expenses

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Consumption of components and spares	3,175.04	3,128.91
Packing materials consumed	578.86	532.81
Power and fuel expenses	5,571.26	4,910.84
Job work expenses	845.97	953.19
Freight outward charges	969.80	1,229.33
Rent	149.17	194.28
Rates and taxes	111.68	124.40
Insurance	42.14	64.49
Repairs and maintenance		
Plant and machinery	496.86	526.77
Building	48.27	128.64
Others	434.59	398.91
Advertisement and sales promotion	11.83	11.36
CSR expenditure (Refer Note below)	147.93	135.58
Sales commission	547.80	576.38
Travelling and conveyance	418.52	488.25
Communication costs	29.43	31.89
Legal and professional fees	419.81	224.71
Auditors' remuneration and expenses		
Statutory audit	25.00	25.00
Out of pocket expenses	0.24	4.81
Limited review	-	3.00
Bad debts written off	259.95	268.79
Provision for doubtful debts (net of write backs)	(2.96)	(24.91)
Loss on fixed assets sold /discarded	26.13	4.67
Impairment of investment in Joint Ventures held for sale (Refer Note 6B)	300.00	-
Miscellaneous expenses	353.88	434.28
	14,961.22	**14,376.38**

CSR expenditure

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Gross amount required to be spent during the year	143.37	181.22
Amount spent during the year	147.93	135.58

Notes to the Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

(All amounts are in Rupees Lakhs, unless otherwise stated)

Note 24: Finance costs

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Interest on borrowings	163.63	312.54
Interest on current tax	24.74	4.15
Bank charges	94.05	145.16
Other finance cost	1.03	8.93
	283.46	**470.77**

Note 25: Finance Income

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Interest income on financial assets carried at amortised cost		
Bank deposits	751.98	1,248.49
Loan given to Foreign Subsidiary	64.42	-
Others	44.73	28.13
Dividend income on investments in Mutual Funds designated as FVTPL	41.53	51.39
	902.66	**1,328.01**

Note 26: Depreciation and amortisation expense

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Depreciation on Property, Plant & Equipements	4,676.04	4,250.15
Amortisation of intangible assets	19.37	26.50
	4,695.41	**4,276.65**

Note 27: Income Tax

The major components of income tax expense for the years ended 31st March, 2019 and 31st March, 2018 are:

Particulars	As at 31st March, 2019	As at 31st March, 2018
Current income tax:		
Current income tax charge	2,069.32	1,775.28
Adjustments in respect of current income tax of previous year	(162.71)	-
Deferred tax:		
Relating to origination and reversal of temporary differences	373.55	125.24
Income tax expense reported in the statement of profit or loss	**2,280.17**	**1,900.52**

OCI Section

Particulars	As at 31st March, 2019	As at 31st March, 2018
Net loss/(gain) on remeasurements of defined benefit plans	(20.70)	(5.35)
Income tax expense charged to OCI	**(20.70)**	**(5.35)**

Notes to the Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

(All amounts are in Rupees Lakhs, unless otherwise stated)

Reconciliation of closing balance of Deferred tax laibility

Particulars	As at 31st March, 2019	As at 31st March, 2018
Deferred tax liability		
Fixed assets: impact of difference between tax depreciation and depreciation / amortisation for the financial reporting	1,693.97	1,572.48
Others - Current Investment	311.07	222.25
Others	22.39	-
Gross deferred tax liability	**2,027.44**	**1,794.73**
Deferred tax assets		
Provision for doubtful debts and advances	-	1.04
Employee related costs allowed for tax purposes on payment basis	217.51	313.45
VRS compensation	202.36	234.05
Share issue expenses adjusted to securities premium account	46.80	60.59
Others	3.57	36.46
Gross deferred tax assets	**470.24**	**645.59**
Net deferred tax liability	**1,557.20**	**1,149.14**
Deferred tax credit for the year		
Closing deferred tax liability (net)	1,557.20	1,149.15
Less: opening deferred tax liability (net)	1,149.15	1,011.21
Deferred tax movement for the year	408.05	137.94
Deferred tax credit recorded in securities premium account (Refer Note 11)	13.79	7.35
Deferred tax (credit) / charge recorded in statement of profit and loss	394.26	130.59
Deferred tax charge recorded in OCI (Refer Note 28)	(20.70)	(5.35)
Deferred tax credit recorded in reserves and surplus	-	-
Deferred tax credit for the year	**373.55**	**125.24**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31st March, 2018 and 31st March, 2019

Particulars	As at 31st March, 2019	As at 31st March, 2018
Accounting profit before tax	6,571.48	5,376.15
Accounting profit before income tax	**6,571.48**	**5,376.15**
At India's statutory tax rate 34.944% (31st March, 2018 34.608%)	2,296.34	1,860.58
Dividend income accrued in current year exempt from tax	(24.28)	(17.78)
Excess provision for interest under section 234B, 234C write back	(9.85)	-
Deduction allowed u/s 32AC	-	-
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	(162.71)	-
Non-deductible expenses for tax purposes:		
Donations made disallowed as deductions	10.22	50.90
Interest u/s 234 B & C	9.28	1.44
Provision for expenses not allowed in tax	-	(8.62)
Provision for Capital advances (Marvel Edge)	-	11.61
Impairment loss on investment in joint ventures	104.83	-
Expenditure on which TDS not deducted	76.31	-
CSR expenses	51.69	-

Notes to the Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

(All amounts are in Rupees Lakhs, unless otherwise stated)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Difference in Depreciation and WDV Movement	18.45	-
Loss on sale of asset	-	1.62
Disallowance under section 14A	2.81	0.35
Difference on account of other items	(3.58)	0.44
At the effective income tax rate of 34.70% (31st March, 2018 35.35%)	**2,280.17**	**1,900.53**
Income tax reported in the statement of profit and loss	2,280.17	1,900.52

Reconciliation of deferred tax liabilities (net):

Particulars	As at 31st March, 2019	As at 31st March, 2018
Opening balance as of 1st April	1,149.15	1,011.21
Tax income/(expense) during the period recognised in profit or loss	373.55	125.24
Tax income/(expense) during the period recognised in equity	13.79	7.35
Tax income/(expense) during the period recognised in OCI	20.70	5.35
Closing Balance as at 31st March	**1,557.20**	**1,149.15**

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.

Deferred tax

Deferred tax relates to the following

Particulars	Balance Sheet		Statement of Profit & Loss	
	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018
Accelerated depreciation for tax purposes	(2,027.44)	(1,794.73)	232.70	143.88
Voluntary retirement scheme allowed as deduction over a period of five years	202.36	234.05	31.69	(26.89)
Preliminary expenses incurred on initial public offering, allowed as deduction over a period of 5 years	46.80	60.59	-	-
Employee benefit expenses allowed on payment basis under Sec 43B	217.51	313.45	95.94	33.90
Forward contracts	3.57	36.46	32.89	(24.11)
Provision for doubtful debts and advances	-	1.04	1.04	3.82
Amount to be charged in Statement of OCI	-	-	(20.70)	(5.35)
Amount to be charged in Statement of Profit & Loss	**(1,557.20)**	**(1,149.15)**	**373.55**	**125.24**

Notes to the Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

(All amounts are in Rupees Lakhs, unless otherwise stated)

Note 28: Components of OCI

During the year ended 31st March,2019

Particulars	Retained earnings	Total
Re-measurement gains (losses) on defined benefit plans	59.25	59.25
Income tax effect	(20.70)	(20.70)
	38.55	**38.55**

During the year ended 31st March, 2018

Particulars	Retained earnings	Total
Re-measurement gains (losses) on defined benefit plans	15.47	15.47
Income tax effect	(5.35)	(5.35)
	10.12	**10.12**

Note 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.

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Profit attributable to Equity shareholders of The Company	4,291.30	3,475.63
Weighted average number of equity shares in calculating basic EPS	9,49,53,225	9,48,10,633
Effect of dilution:	62,273	1,60,951
Weighted average number of equity shares in calculating diluted EPS	9,50,15,498	9,49,71,584
Earnings per share (basic) (Rupees/share)	4.52	3.67
Earnings per share (diluted) (Rupees/share)	4.52	3.66

Note 30: Dividend distribution made and proposed

In ₹

Particulars	As at 31st March, 2019	As at 31st March, 2018
Cash dividends on equity shares declared and paid		
Final dividend for the year ended on 31st March, 2018 : INR 1.00 per share	949.86	1,422.03
Tax on final dividend	195.25	289.49
	1,145.10	**1,711.52**
Cash dividends on equity shares proposed		
Final dividend for the year ended on 31st March, 2019: INR NIL per share (31st March, 2018: ₹ 1.00 per share)	-	948.77
Tax on proposed dividend	-	195.02
	-	**1,143.79**

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including dividend distribution tax thereon) as at 31st March.

Notes to the Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

(All amounts are in Rupees Lakhs, unless otherwise stated)

Note 31: Disclosure pursuant to Employee benefits

A. Defined contribution plans:

Amount of ₹ 246.48 Lakhs (31st March, 2018: ₹ 288.09 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 ₹ 497.62 Lakhs

Net benefit expense 31st March, 2019(recognised in statement of profit or loss)	As at 31st March, 2019	As at 31st March, 2018
Current service cost	79.21	111.78
Interest cost on benefit	17.07	13.14
	96.29	**124.91**

* The amount debited to statement of profit and loss includes gratuity expenses on account of full and final settlement of left employees whose grauity payments have not been considered for actuarial valuation amounting to ₹ 1.16 and ₹ 4.85 for the year ended 31st March, 2019 and 31st March, 2018 respectively. For the year ended 31st March, 2018 the amount debited to statement of Profit and loss also includes gratuity expenses of ₹ 40 Lakhs provided for Promoter director whose gratuity payment is not considered for acturial valuation.

Notes to the Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

(All amounts are in Rupees Lakhs, unless otherwise stated)

31st March, 2019 : Changes in defined benefit obligation and plan assets

		Gratuity cost charged to statement of profit and loss			Remeasurement gains/(losses) in other comprehensive income							
	01-Apr-18	Service cost	Net interest expense	Sub-total included in statement of profit and loss (Refer Note 22)	Benefit paid	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	31-Mar-19
Gratuity												
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)	(17.07)	(96.29)	-	2.99	-	1.82	54.44	59.25	74.44	(222.12)

31st March, 2018 : Changes in defined benefit obligation and plan assets

		Gratuity cost charged to statement of profit and loss			Remeasurement gains/(losses) in other comprehensive income							
	01-Apr-17	Service cost	Net interest expense	Sub-total included in statement of profit and loss (Refer Note 22)	Benefit paid	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	31-Mar-19
Gratuity												
Defined benefit obligation	(696.54)	(111.78)	(43.28)	(155.06)	151.21		-	68.93	(59.80)	9.13	-	(691.26)
Fair value of plan assets	464.18	-	30.15	30.15	(151.21)	6.34	-	-	-	6.34	88.08	437.54
Benefit liability	(232.36)	(111.78)	(13.14)	(124.91)	-	6.34	-	68.93	(59.80)	15.47	88.08	(253.72)

The major categories of plan assets of the fair value of the total plan assets of Gratuity are as follows:

	Year ended 31st March, 2019	Year ended 31st March, 2018
Type of asset: Group Gratuity scheme of		
LIC of India		
Fair Value of total plan assets	**497.62**	**437.54**
(%) of total plan assets	**100%**	**100%**

Notes to the Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

(All amounts are in Rupees Lakhs, unless otherwise stated)

The principal assumptions used in determining above defined benefit obligations for The Company's plans are shown below:

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Discount rate	7.70%	7.68%
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)	**16.45**	**16.45**

A quantitative sensitivity analysis for significant assumption is as shown below:

Gratuity

Particulars	Sensitivity level	Effect on defined benefit obligation (Impact)	
		Year ended 31st March, 2019	**Year ended 31st March, 2018**
Discount rate	1% increase	636.79	608.58
	1% decrease	819.49	791.18
Future salary increase	1% increase	814.60	786.11
	1% decrease	639.06	610.94

The sensitivity analysis 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	Year ended 31st March, 2019	Year ended 31st March, 2018
Within the next 12 months (next annual reporting period)	21.91	29.04
Between 2 and 5 years	156.07	155.80
Beyond 5 years	219.52	187.09
Total expected payments	**397.52**	**371.93**

Weighted average duration of defined plan obligation (based on discounted cash flows)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Gratuity	13.08	13.58

The followings are the expected contributions to planned assets for the next year:

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Gratuity	50.58	74.49

Notes to the Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

(All amounts are in Rupees Lakhs, unless otherwise stated)

Note 32: Share Based Payments

The Company provides share-based payment schemes to its employees. During the year ended 31st March,2019, 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 year 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 year

In ₹

	31st March, 2019	31st March, 2018
Expense arising from equity-settled share-based payment transactions	0.89	41.76
Total expense arising from share-based payment transactions	0.89	41.76

There were no cancellations or modifications to the awards in 31st March, 2019 or 31st March, 2018.

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year

In ₹

Particulars	31st March, 2019		31st March, 2018	
	Number	WAEP	Number	WAEP
Outstanding at 1 April	1,77,290	₹ 10	2,65,445	₹ 10
Granted during the year	-	-	-	-
Forfeited during the year	-	₹ 10	6,050	₹ 10
Exercised during the year	1,09,200	₹ 10	82,105	₹ 10
Expired during the year	-	-	-	-
Outstanding at 31 March	**68,090**	**₹ 10**	**1,77,290**	**₹ 10**
Exercisable at 31 March	68,090	₹ 10	1,77,290	₹ 10

The weighted average share price at the date of exercise of these options was ₹ 10.

The weighted average remaining contractual life for the share options outstanding as at 31st March, 2019 was NIL (31st March, 2018: one Month).

The following tables list 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.

Note 33: Commitments and contingencies

a. Commitments

(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances): At 31st March, 2019, The Company had commitments of ₹ 29.05 Lakhs (31st March, 2018: ₹ 3,806.92 Lakhs)

(ii) The company had a commitment to purchase 5% equity shares of Memco Engineering Pvt. Limited, Nashik as on 31st March, 2018 for which it has had earmarked balance in bank of ₹ 150 Lakhs.

Notes to the Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

(All amounts are in Rupees 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, 2018: ₹ 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.

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 Provision Act, 1952 for ₹ 24.23 Lakhs (31st March, 2018: ₹ 24.23 Lakhs). The Company has deposited an amount of ₹ 12.12 Lakhs (31st March, 2018: ₹ 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, 2018: ₹ 20.76 Lakhs) on sales tax retained under sales tax deferral scheme. The Company has deposited an amount of ₹ 1.56 Lakhs (31st March, 2018: 1.56 Lakhs) under protest.

d. The Company has filled an appeal to CESTAT during the year against the order of service tax appeals for inadmissible cenvat credit amounting to ₹ 2.38 Lakhs (31st March, 2018: ₹ 11.83 Lakhs) on outward transportation for the financial years 2013-14 and 2014-15.

e. 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/desigin/specifications was not included in components at the time of supply to MSIL amounting to ₹ 83.95 Lakhs.

f. The Company has received order from Assessing Officer for demand of income tax amounting to ₹ 1,597.17 Lakhs 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 ₹ 14,900 Lakhs (approx) on behalf of PCL (International) Holdings B.V. (Netherlands) to the lender bank.

c. Leases

The Company has entered into commercial leases for office premises and guest house. These leases have an average life of between three years with no renewal option included in the contracts. There are no restrictions placed upon The Company by entering into these leases.

The Company has paid ₹ NIL (31st March, 2018: ₹ 4.56 Lakhs) during the year towards minimum lease payment.

Future minimum rentals payable under non-cancellable operating leases are as follows:

Particulars	31st March, 2019	31st March, 2018
Within one year	-	1.21
After one year but not more than five years	-	-
More than five years	-	-
	-	**1.21**

Note 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)

PCL (International) Holding B.V. (Netherlands) (w.e.f. 06-05-2017)

Memco Engineering Private Limited (Nashik) (w.e.f. 10-10-2017)

ii) Step down Subsidiary [Subsidiary of PCL (International) Holdings B.V. (Netherlands)]

MFT Motoren Und Fahrzeughecnik GMBH (Germany) (w.e.f. 22-03-2018)

Emoss Mobile Systems B.V., Netherlands (w.e.f. 17-05-2018)

PCL Brasil Automotive LTDA. (w.e.f. 10-05-2018)

Notes to the Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

(All amounts are in Rupees Lakhs, unless otherwise stated)

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) Holdings B.V. (Netherlands)
Memco Engineering Private Ltd (Nashik)
Chitale Clinic Private Limited
Cams Technology Limited
Ningbo Shenglong PCL Camshaft Co. Ltd, China.
PCL Shenglong (Huzhou) Specialised Casting Co. Ltd, China.
MFT Motoren Und Fahrzeughecnik GMBH (Germany)
Precision Foundation & Medical Research Trust

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. 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. Swapnil S. Kuber (upto 29-09-2017)
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

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
Mr.s. Mayura K. Shah, Wife of Mr. Karan Y. Shah

iii) Enterprises owned or significantly influenced by key management personnel or their relatives:

Chitale Clinic Private Limited
Precision Foundation & Medical Research Trust
Yatin S. Shah (HUF)
Cams Technology Limited

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) Specialised Casting Co. Ltd, China.

c) Additional related parties as per Companies Act, 2013 with whom transactions have taken place during the year

i) Company secretary

Mr. Mahesh A. Kulkarni (upto 08-12-2018)
Mrs. Mayuri I. Kulkarni (w.e.f. 23-03-2019)

Notes to the Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

(All amounts are in Rupees Lakhs, unless otherwise stated)

B The transactions with related parties during the period/year and their outstanding balances are as follows:

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Sr. No.	Particulars	Key management personnel		Relatives of key management personnel		Entities where KMP / RKMP have significant influence		Individual having significant influence		Individual having significant influence		Subsidiary		Joint venture	
	Transactions	**31st March, 2019**	**31st March, 2018**	**31st March, 2019**	**31st March, 2018**	**31st March, 2019**	**31st March, 2018**	**31st March, 2019**	**31st March, 2018**	**31st March, 2019**	**31st March, 2018**	**31st March, 2019**	**31st March, 2018**	**31st March, 2019**	**31st March, 2018**
1	Remuneration* (including commission)	657.29	651.04	11.22	30.29	-	-	-	-	-	-	-	-	-	-
2	Final dividend paid on equity shares	487.19	839.22	2.94	54.69	125.15	187.72	82.02	-	33.49	-	-	-	-	-
3	Sale of goods	-	-	-	-	-	-	-	-	-	-	-	619.07	335.15	2,820.37
4	Tooling income	-	-	-	-	-	-		-	-	-	-	-	-	-
5	Royalty Income	-		-		-	-	-	-	-	-	-		4.26	64.66
6	Loss recognised on the measurement to fair Value less cost to sale	-	-	-	-	-	-	-	-	-	-	-	-	300.00	-
7	Donation Paid	-	-	-	-	27.25	21.00	-	-	-	-	-	-	-	-
8	Purchases of goods, material or services	-	-	-	-	66.62	77.36	-	-	-	-	174.30	-	-	-
9	Bad Debts	-	-	-	-	-	268.79	-	-	-	-	145.93	-	-	-
10	Investment in equity shares	-	-	-	-	-	-	-	-	-	-	1,144.65	6,018.35	-	-
11	Investment in Preference Share	-	-	-	-	-	-	-	-	-	-	320.00	100.00	-	-
12	Dividend Received	-	-	-	-	-	-	-	-	-	-	18.82	-	-	-
13	Reimbursement of Expenses	-	-	-	-	-	-	-	-	-	-	218.37	-	-	-
14	Loan given to Subsidiaries	-	-	-	-	-	-	-	-	-	-	3,092.33	-	-	-
15	Interest on Loan given to Subsidiaries	-	-	-	-	-	-	-	-	-	-	64.43	-	-	-
	Balances outstanding														
1	Remuneration payable	239.04	79.37	-	1.59	-	-	-	-	-	-	-	-	-	-
2	Trade receivables	-	-	-	-	-	-	-	-	-	-	-	329.15	56.69	399.28
3	Royalty Income	-	-	-	-	-	-	-	-	-	-	-	-	4.26	19.72
4	Trade and other payables	-	-	-	-	15.52	31.61	-	-	-	-	-	-	-	-
5	Investment in equity shares	-	-	-	-	-	-	-	-	-	-	7,163.01	6,018.35	1,303.35	1,303.35
6	Provision against Investment	-	-	-	-	-	-	-	-	-	-	-	-	300.00	-
7	Investment in preference shares	-	-	-	-	-	-	-	-	-	-	420.00	100.00	-	-
8	Dividend Received	-	-	-	-	-	-	-	-	-	-	18.82	-	-	-
9	Interest on Loan given to Subsidiaries	-	-	-	-	-	-	-	-	-	-	64.43	-	-	-
10	Loan given to Subsidiaries	-	-	-	-	-	-	-	-	-	-	3,092.33	-	-	-

During the year, The Company has given corporate guarantee of NIL (31st March, 2018: ₹ 14,900 Lakhs approx.) on behalf of it's wholly owned subsidiary PCL (International) Holding B.V. Netherlands to the lender bank.

During the year, the company has given corporate guarantee of ₹ 2,000 Lakhs on behalf of it's wholly owned subsidiary Memco Engineering Pvt. Limited to the lender bank. The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management 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 Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

(All amounts are in Rupees Lakhs, unless otherwise stated)

C Disclosure in respect of material related party transaction during the year:

Sr. No.	Particulars	Relationship	As at 31st March, 2019	As at 31st March, 2018
1	**Remuneration***			
	Mr.Yatin S. Shah	Key management personnel	328.31	293.01
	Dr. Suhasini Y. Shah	Key management personnel	10.87	35.69
	Mr. Ravindra R. Joshi	Key management personnel	269.52	290.63
	Mr. Swapnil S. Kuber	Key management personnel	-	2.89
	Mr. Karan Y. Shah	Key management personnel	18.47	-
	Mr. Mahesh A. Kulkarni	Key management personnel	7.03	3.84
	Mrs. Mayuri I. Kulkarni	Key management personnel	0.18	-
	Mr. Jayant V. Aradhye	Key management personnel/ Individual having significant influence	-	5.00
	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 - Non Executive Director	2.92	-
	Mr. Karan Y. Shah	Relatives of Key management personnel	11.22	30.29
2	**Final dividend paid on equity shares**			
	Cams Technology Limited	Entities where KMP / RKMP have significant influence	125.15	187.72
	Mr.Yatin S. Shah	Key management personnel	245.81	367.67
	Mr. Jayant V. Aradhye	Key management personnel/ Individual having significant influence	82.02	123.03
	Mr. Yatin S. Shah Jointly held with Dr. Suhasini Y. Shah)	Key management personnel	128.29	192.43
	Dr. Suhasini Y. Shah	Key management personnel	104.06	156.08
	Mr. Maneesh Jayant Aradhye	Relatives of Key management personnel/ Relative of Individual having significant influence	16.36	24.54
	Dr. Sunita Jayant Aradhye	Relatives of Key management personnel/ Relative of Individual having significant influence	8.17	12.26
	Ms. Rama Maneesh Aradhye	Relatives of Key management personnel/ Relative of Individual having significant influence	6.96	10.44
	Mr. Vijay Vasudeo Aradhye	Relatives of Key management personnel/ Relative of Individual having significant influence	2.00	3.00
	Dr Manjiri Vinayak Chitale	Relatives of Key management personnel	2.92	4.38
	Mr. Ravindra R. Joshi	Key management personnel	0.01	0.02
	Mr. Karan Y. Shah	Key management personnel	0.02	0.03
	Ms. Tanvi Y. Shah	Relatives of Key management personnel	0.02	0.03

Notes to the Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

(All amounts are in Rupees Lakhs, unless otherwise stated)

Sr. No.	Particulars	Relationship	As at 31st March, 2019	As at 31st March, 2018
	Mr. Pramod H. Mehendale	Key management personnel	0.00	0.00
	Mr. Vaibhav S. Mahajani	Key management personnel	0.00	0.00
3	**Sale of goods**			
	PCL (Shanghai) Co. Limited	Subsidiary	-	619.07
	Ningbo Shenglong PCL Camshafts Co. Ltd	Joint Venture	335.15	2,820.37
4	**Tooling Income**			
	Ningbo Shenglong PCL Camshafts Co. Ltd	Joint Venture	-	-
	PCL Shenglong (Huzhou) Specialised Casting Co. Ltd	Joint Venture	-	-
5	**Royalty Income**			
	PCL Shenglong (Huzhou) Specialised Casting Co. Ltd	Joint Venture	4.26	64.66
6	**Loss recognised on the measurement to fair Value less cost to sale**			
	China Joint Ventures	Joint Venture	300.00	-
7	**Donation Paid**			
	Precision Foundation & Medical Research Trust	Entities where KMP / RKMP have significant influence	27.25	21.00
8	**Purchases of goods, material or Services**			
	Cams Technology Limited	Entities where KMP / RKMP have significant influence	66.29	76.43
	Chitale Clinic Private Ltd	Entities where KMP / RKMP have significant influence	0.33	0.92
	MFT Motoren Und Fahrzeugtechnik GMBH (Germany)	Step down Subsidiary	174.30	-
9	**Bad Debts**			
	PCL (Shanghai) Co. Limited	Subsidiary	145.93	268.79
10	**Investment in equity shares**			
	PCL (International) Holding B.V. (Netherlands)	Subsidiary	883.65	2,214.00
	Memco Engineering Private Ltd (Nashik)	Subsidiary	261.00	3,804.35
11	**Investment in Preference Share**			
	Memco Engineering Private Ltd (Nashik)	Subsidiary	320.00	100.00
12	**Dividend Received**			
	Memco Engineering Private Ltd (Nashik)	Subsidiary	18.82	-
13	**Reimbursement of Expenses**			
	PCL (International) Holding B.V. (Netherlands)	Subsidiary	218.37	-
14	**Loan given to Subsidiaries**			
	PCL (International) Holding B.V. (Netherlands)	Subsidiary	3,092.33	-
15	**Interest on Loan given to Subsidiaries**			
	PCL (International) Holding B.V. (Netherlands)	Subsidiary	64.43	-

	Balances outstanding			
1	**Remuneration payable**			
	Mr. Ravindra R. Joshi	Key management personnel	79.30	35.96
	Mr. Yatin S. Shah	Key management personnel	134.95	13.94
	Dr. Suhasini Y. Shah	Key management personnel	-	3.73
	Mr. Karan Y. Shah	Key management personnel	1.69	-
	Mr. Mahesh A. Kulkarni	Key management personnel	-	0.75

Notes to the Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

(All amounts are in Rupees Lakhs, unless otherwise stated)

Sr. No.	Particulars	Relationship	As at 31st March, 2019	As at 31st March, 2018
	Mrs. Mayuri I. Kulkarni	Key management personnel	0.18	-
	Mr. Jayant V. Aradhye	Key management personnel	-	5.00
	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 - Non Executive Director	2.92	-
	Mr. Karan Y. Shah	Relatives of Key management personnel	-	1.59
2	**Trade receivables**			
	PCL (Shanghai) Co. Limited	Subsidiary	-	329.15
	Ningbo Shenglong PCL Camshafts Co. Ltd.	Joint venture	56.69	399.28
3	**Royalty Income**			
	PCL Shenglong (Huzhou) Specialised Casting Co. Ltd	Joint venture	4.26	19.72
4	**Trade and other payables**			
	Cams Technology Limited	Entities where KMP / RKMP have significant influence	15.52	31.61
	Chitale Clinic Private Ltd	Entities where KMP / RKMP have significant influence	-	-
5	**Investment in equity shares**			
	PCL (Shanghai) Co. Limited	Subsidiary	-	-
	Ningbo Shenglong PCL Camshaft Co. Limited	Joint Venture	202.13	202.13
	PCL Shenglong (Huzhou) Specialised Casting Co. Limited	Joint Venture	1,101.22	1,101.22
	PCL (International) Holding B.V. (Netherlands)	Subsidiary	3,097.66	2,214.00
	Memco Engineering Private Ltd (Nashik)	Subsidiary	4,065.35	3,804.35
6	**Provision against Investment**			
	China Joint Ventures	Joint Venture	300.00	-
7	**Investment in preference shares**			
	Memco Engineering Private Ltd (Nashik)	Subsidiary	420.00	100.00
8	**Dividend Received**			
	Memco Engineering Private Ltd (Nashik)	Subsidiary	18.82	-
9	**Interest on Loan given to Subsidiaries**			
	PCL (International) Holdings B.V. (Netherlands)	Subsidiary	64.43	-
10	**Loan given to Subsidiaries**			
	PCL (International) Holdings B.V. (Netherlands)	Subsidiary	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.

During the year, The Company has given corporate guarantee of ₹ NIL (31st March, 2018: ₹ 14,900 Lakhs approx.) on behalf of it's wholly owned subsidiary PCL (International) Holding B.V. Netherlands to the lender bank.

During the year, the company has given corporate guarantee of During the year, the company has given corporate guarantee of ₹ 2,000 Lakhs on behalf of it's wholly owned subsidiary Memco

Engineering Pvt. Limited to the lender bank.

Notes to the Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

(All amounts are in Rupees Lakhs, unless otherwise stated)

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 trade receivables or trade payables.

Compensation of Key managerial personnel of The Company

Particulars	As at 31st March, 2019	As at 31st March, 2018
Short term employee benefits(Gross salary)	615.66	582.36
Post employment benefits(PF+Superannuation+Gratuity)	53.73	108.68
Total compensation paid to key management personnel	**669.38**	**691.04**

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period.

Note 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 make identified India and outside India as two reportable geographical segments.

Revenue from Customers	As at 31st March, 2019	As at 31st March, 2018
Within India Outside India	**19,533.03**	**18,270.23**
Asia (other than China)	11,654.99	8,377.09
China	334.13	3,475.08
Europe	10,430.45	10,191.92
Others	416.56	472.92
	22,836.13	**22,517.01**
Total revenue	**42,369.17**	**40,787.24**

The revenue information above is based on the locations of the customer

Non-current operating assets*	As at 31st March, 2019	As at 31st March, 2018
Within India Outside India	34,013.71	30,356.20
Investment in subsidiary and joint ventures		
China	-	1,303.35
Europe	6,189.98	2,214.00
Capital advances		
Europe	-	-
Others	-	-
	6,189.98	3,517.35
Total	**40,203.70**	**33,873.55**

* 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.

Note 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**	
	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018
Financial assets				
Investments	9,991.64	11,023.82	9,991.64	11,023.82
Foreign exchange forward contracts	64.09	-	64.09	-
Assets classified as held for sale	1,003.35	-	1,003.35	-
Total	**11,059.08**	**11,023.82**	**11,059.08**	**11,023.82**

Notes to the Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

(All amounts are in Rupees Lakhs, unless otherwise stated)

Particulars	Carrying Value		Fair value	
	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018
Financial Liabilities				
Foreign exchange forward contracts	-	104.33	-	104.33
	-	**104.33**	**-**	**104.33**

The management assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Note 37: Fair value hierarchy

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, 2019:

			Fair Value measurment 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	1,003.35	-	1,003.35	-

Quantitative disclosures fair value measurement hierarchy for Liabilities as at 31st March, 2019:

			Fair Value measurment 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-19	-	-	-	-

Quantitative disclosures fair value measurement hierarchy for Assets as at 31st March, 2018:

			Fair Value measurment using		
	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Investments	31-Mar-18	11,023.82	11,022.52	1.30	-
Foreign exchange forward contracts	31-Mar-18	-	-	-	-

Quantitative disclosures fair value measurement hierarchy for Liabilities as at 31st March, 2018:

			Fair Value measurment 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-18	104.33	-	104.33	-

Notes to the Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

(All amounts are in Rupees 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 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 assets held for sale is determined as per understanding between the company and the buyer.

Note 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, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

In ₹

	As at 31st March, 2019	As at 31st March, 2018
Borrowings other than non convertible preference shares (Refer Note 12)	2,721.55	4,725.82
Trade payables (Refer Note 14)	6,544.92	6,412.12
Less: cash and cash equivalent (Refer Note 9)	1,327.74	821.76
Net debt	**7,938.73**	**10,316.18**
Equity	60,194.58	57,011.82
Total Capital	60,194.58	57,011.82
Gearing ratio	**13%**	**18%**

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.

Note 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.

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 and 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.

Notes to the Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

(All amounts are in Rupees Lakhs, unless otherwise stated)

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan 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.

Revenue Recognition:

For tooling contracts, the company recognizes the revenue over the period of time. Determining whether each performance obligation satisfies over the period or point in time involves significant judgement. The company has identified customer's approval of first trial as first milestone and customer's final approval is identified as the second milestone. Identifying milestones and determining the percentage of revenue requires the Company to estimate efforts expended for achieving the said milestones.

Note 40: Financial risk management objectives and policie

The Company's principal financial liabilities, other than derivatives, comprise loans and 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.

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, 2019 and 31st March, 2018.

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.

Notes to the Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

(All amounts are in Rupees Lakhs, unless otherwise stated)

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, 2019	50	7.87
	(50)	(7.87)
31st March, 2018	50	39.81
	(50)	-39.81

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 year.

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.

Foreign currency Exposure

Nature of Exposure	Currency	31st March, 2019		31st March, 2018	
		Amount in Curr	Amount in INR	Amount in Curr	Amount in INR
Trade Receivables	USD	48.00	3,275.75	37.45	2,415.96
	EUR	28.66	2,188.16	29.83	2,377.49
	GBP	10.40	922.33	7.38	673.31
Trade Payables	USD	4.92	341.82	4.58	299.77
	EUR	2.83	221.87	1.98	161.74
	GBP	-	-	0.03	2.37
Loan given to Subsidiaries	USD	-	-	-	-
	EUR	40.50	3,092.33	-	-
	GBP	-	-	-	-
Interest on Loan given to Subsidiaries	USD	-	-	-	-
	EUR	0.85	64.43	-	-
	GBP	-	-	-	-
Other Financial Liability	USD	-	-	38.61	2,527.74
	EUR	-	-	-	-
	GBP	-	-	-	-
PCFC	USD	-	-	-	-
	EUR	-	-	5.35	436.35
	GBP	-	-	-	-
EEFC	USD	0.29	20.13	0.25	16.06
	EUR	0.06	4.56	0.60	48.13
	GBP	0.01	0.88	0.16	14.92

Notes to the Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

(All amounts are in Rupees Lakhs, unless otherwise stated)

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
31st March, 2019	5%	308.13
	(5%)	(308.13)
31st March, 2018	5%	229.28
	(5%)	(229.28)

Year	Change in EUR rate	Effect on profit before tax
31st March, 2019	5%	181.39
	(5%)	(181.39)
31st March, 2018	5%	(213.20)
	(5%)	213.20

Year	Change in GBP rate	Effect on profit before tax
31st March, 2019	5%	77.58
	(5%)	(77.58)
31st March, 2018	5%	52.79
	(5%)	(52.79)

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 customer Hence the fluctuation of prices of key raw materials do not materially affect the statement of profit and loss. Also as at 31st March, 2019, 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.

Notes to the Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

(All amounts are in Rupees Lakhs, unless otherwise stated)

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, 2019 and 31st March 2018 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's policy is that not more than ₹ 3,500 Lakhs of borrowings should mature in the next 12-month period.

The Company does not have any long term borrowings as on Balance Sheet date.

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, 2019						
Non-Current Borrowings	-	-	-	-	-	-
Current Borrowings	2,721.55	-	-	-	-	2,721.55
Other financial liabilities	140.48	1,273.49	327.83	-	-	1,741.81
Trade payables	-	6,544.92	-	-	-	6,544.92
	2,862.04	**7,818.41**	**327.83**	**-**	**-**	**11,008.29**

Particulars	On Demand	< 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year ended 31st March, 2018						
Non-Current Borrowings	-	-	-	-	-	-
Current Borrowings	2,198.08	-	-	-	-	2,198.08
Other financial liabilities	139.82	2,856.14	1,564.05	-	-	4,560.02
Trade payables	-	6,412.12	-	-	-	6,412.12
	2,337.90	**9,268.27**	**1,564.05**	**-**	**-**	**13,170.22**

Note 41: Utilisation of money raised through public issue

During the year ended 31 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 holder 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 31 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.

Notes to the Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

(All amounts are in Rupees Lakhs, unless otherwise stated)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Unutilised amount at the beginning of the year	12,491.76	17,621.25
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	1,302.01
Less: amount utilised during the year		
Payment towards share issue expenses	-	-
Payment towards project expenditure relating to new manufacturing facility	8,237.56	6,431.50
Payment towards general corporate purpose	2,685.70	-
Amount partially transferred from recoveries from selling share holders towards IPO expenses	-	-
Excess issue expenses recovered refunded to selling share holders	-	-
Unutilised amount at the end of the year	**2,325.40**	**12,491.76**

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 31st March, 2019	As at 31st March, 2018
Balance amount in current account	411.25	63.54
Investment in fixed deposits of banks	1,914.15	12,428.20

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 31.3.2019, 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.

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, 2019:

	Balance as at		Maximum outstanding	
Name of the Company	**31st March, 2019**	**31st March, 2018**	**31st March, 2019**	**31st March, 2018**
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)	3,092.33	-	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, 2019:

	Balance as at		Maximum outstanding	
Name of the Company	**31st March, 2019**	**31st March 2018**	**31st March, 2019**	**31st March 2018**
To Subsidiary Companies				
MFT Motoren und Fahrzeugtechnik GmbH (MFT) - Germany	2,503.35	2,044.58	2,503.35	2,044.58
Emoss Mobile Systems B.V., Netherlands	5,878.37	-	5,878.37	-

Note 43: Standards issued but not yet effective

Standards issued but not yet effective up to the date of issuance of the company's financial statements are listed below. This listing is of standards and interpretations issued, which the company reasonably expects to be applicable at a future date. The company intends to adopt those standards when they become effective.

Notes to the Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

(All amounts are in Rupees Lakhs, unless otherwise stated)

A) *Ind AS 116- Leases:*

Ind AS 116 was notified by Ministry of Corporate Affairs in March 2019 and Ind AS 116 will come in force from financial year beginning from 1st April 2019. It will result in almost all leases being recognised on the balance sheet by lessees, as the distinction between operating and finance leases is removed.

Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The Company is currently evaluating the requirements of Ind AS 116 and its impact on the financial statements.

B) *Amendment to existing standard:*

The MCA has also carried out amendments of the following accounting standards

i. Ind AS 101- First time adoption of Indian Accounting Standards

ii. Ind AS 103 – Business Combinations

iii. Ind AS 109 - Financial Instruments

iv. Ind AS 111 – Joint Arrangements

v. Ind AS 12 – Income Taxes

vi. Ind AS 19 – Employee Benefits

vii. Ind AS 23 – Borrowing Costs

viii. Ind AS 28 - Investment in Associates and Joint Ventures

The Company is in the process of evaluating the impact of these amendments on the financial statements of the Company.

Note 44: New and amended standards adopted by the company

The company has applied the following standards and amendments for the first time for their reporting period commencing from 1st April, 2018:

(i) Ind AS 115, Revenue from contracts with customers

(ii) Appendix B, foreign currency transactions and advance consideration to Ind AS 21, The effects of changes in foreign exchange rates

(iii) Amendment to Ind AS 12, Income Taxes

The Company has adopted Ind AS 115,Revenue from contracts with customers, using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. 1st April, 2018). The impact of the adoption of the standard on the financial statements of the Company is insignificant.

Note 45: 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 M/s. P G Bhagwat
Chartered Accountants
Firm Regn. Number: 101118W

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

Abhijeet Bhagwat
Partner
Membership Number: 136835

Place : Pune
Date : 27th May, 2019

Yatin S. Shah
Managing Director
DIN. 00318140

Place : Pune
Date : 27th May, 2019

Ravindra R. Joshi
Director
DIN. 03338134

Place : Pune
Date : 27th May, 2019

Mayuri I. Kulkarni
Company Secretary
M. No. A32237

Place : Pune
Date : 27th May, 2019

Independent Auditors' Report

To the Members of **PRECISION CAMSHAFTS LIMITED**

Report on the Audit of the Consolidated Indian Accounting Standards (Ind AS) Financial Statements

Qualified Opinion

We have audited the accompanying Consolidated Ind AS Financial Statements of Precision Camshafts Limited (hereinafter referred to as "the Holding Company"), its Subsidiaries (the Holding Company and its Subsidiaries together referred to as "the Group") and its Jointly Controlled Entities, comprising of the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements and on the other financial information, except for the matter specified in the 'Basis for Qualified Opinion' paragraph, the aforesaid Consolidated Ind AS Financial Statements give the information required by the Companies Act, 2013, as amended ('the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its jointly controlled entities as at March 31, 2019, its consolidated profit, the consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Qualified 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 Ind AS Financial Statements section of our report. We are independent of the Group and its Jointly Controlled Entities in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Consolidated Ind AS 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 qualified opinion.

The Company, on a line by line basis, has consolidated as on March 31, 2019 the consolidated financial statements of its 100% subsidiary company PCL (International) Holding BV, Netherlands (PCL BV) which includes three step down subsidiary companies namely MFT Motoren und Fahrzeutechnik GmbH, Germany (76%), EMOSS Mobile Systems BV, Netherlands (51%) and PCL Brasil Automotive LTDA (100%).

The consolidated financial statements of PCL BV reflect total assets of ₹ 29,303.18 lakhs as at March 31, 2019, net assets ₹ 2,741.61 lakhs, total revenues of ₹ 22,771.07 lakhs, loss of ₹ 339.70 lakhs and net cash flows inflow/(outflows) amounting to ₹ (796.34) lakhs for the year ended on that date.

These consolidated financial statements of PCL BV are material with respect to the Consolidated Ind AS financial statements of the Company.

The consolidated financial statements of PCL BV are management drawn as on March 31, 2019 and have not been audited or reviewed by us. Consequently, we were unable to determine whether any adjustments to these amounts were necessary including with respect to Ind AS specified under section 133 of the Act (if any). Our opinion on the Consolidated Ind AS Financial Statements of the Company in so far as it relates to the amounts and disclosures included, in respect of the consolidated financial statements of PCL BV, is based on such management certified financial information.

Key Audit Matters

Key Audit matters are those matters, in our professional judgement, were of most significance in our audit of the Consolidated Ind AS Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Ind AS Financial Statement as a whole, and forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be key audit matters to be communicated in our report with respective to the Group.

a. Acquisitions

The Holding Company, on September 30, 2017 executed definitive share purchase agreement (SPA) for acquisition of 100 % equity shares in Memco Engineering Private Limited. 95% equity shares were purchased in first tranche and balance in the current year.

Independent Auditors' Report (Contd.)

Considering the time involved in valuation and complexities involved in the acquired business, the initial accounting for business combination was incomplete by the end of the reporting period March 31, 2018. Thus, the Holding Company availed the option of measurement period of twelve months as provided by Ind AS 103, 'Business Combinations'. The Holding Company has completed the initial accounting/purchase price allocation during the current year and has given the impacts of such exercise in the Consolidated Ind AS Financial Statements. Refer Note 39 (1).

We have identified this as a key audit matter due to the, the inherent complexities in accounting for business acquisitions, and the judgement applied by the management of the Holding Company in identifying and determining the fair value of the assets and liabilities acquired, including the separately identifiable intangible assets.

Principle Audit Procedures

i. We have evaluated the appropriateness and completeness of the intangible assets identified

ii. We evaluated management's key assumptions and inputs applied in the valuation of the assets acquired and liabilities assumed, including the fair valuation of the identified intangible assets

iii. We evaluated the methodologies used for fair valuation

iv. We assessed the appropriateness of the useful lives assigned to the identified assets having regard to the expected use of these assets

b. Assets held for Sale: Measurement of value, presentation and disclosure of investment in Joint Ventures (JVs)

The management of the Holding Company prior to balance sheet date had confirmed its intention to sell its investments in two jointly controlled entities situated in China. We have identified this as a key audit matter due to the management judgements involved in ascertaining the fulfilment of conditions for a non-current assets to be disclosed as being held for sale, the involvement of management estimation in fair valuation of the investments and the loss on account of fair valuation of such investments on the Consolidated Ind AS Statement of Profit and loss being material ie. Rs. 3,485.39 lakhs. Refer Note 6B.

Principle Audit Procedures

i. We assessed the management judgements involved in ascertaining/fulfilling the conditions stated in Ind AS 105, 'Non-current assets held for sale and discontinued operations', are reasonable.

ii. We evaluated that the all material presentation and disclosure requirements as stated in Ind AS 105 are complied with.

iii. We ensured that the measurement principles applied for investments classified as held for sale are as per Ind AS 105.

iv. We evaluated that the fair value arrived by the management is reasonable and is on appropriate basis.

v. We ensured that accounting treatment for assets held for sale is appropriate.

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises Management Discussion and Analysis; Board of Directors' Report along with its Annexures and Corporate Governance Report (together referred to as "the other information") included in the Annual Report but does not include the Consolidated Ind AS Financial Statements and our Auditors' Report thereon The Other Information is expected to be made available to us after the date of this auditor's report. Our opinion on the Consolidated Ind AS Financial Statements does not cover the other information and we will not express any form of assurance conclusion thereon. In connection with our audit of the Consolidated Ind AS Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Ind AS 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 (including comprehensive income), the consolidated statement of changes in equity and consolidated cash flows of the Group and its Jointly Controlled Entities 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 and its Jointly Controlled Entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its Jointly Controlled Entities and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies;

Independent Auditors' Report (Contd.)

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 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 Ind AS Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Ind AS Financial Statements, the respective Board of Directors of the Group and its Jointly Controlled Entities are responsible for assessing the ability of the Group and its Jointly Controlled Entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and its Jointly Controlled Entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Group and its Jointly Controlled Entities are responsible for overseeing the financial reporting process of the Group and its Jointly Controlled Entities.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Ind AS 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 Consolidated Ind AS 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 Ind AS 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 Indian Companies has adequate internal financial controls system 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 and its Jointly Controlled Entities 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 Ind AS 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 and its Jointly Controlled Entities to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Ind AS Financial Statements, including the disclosures, and whether the Consolidated Ind AS 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 Group and its Jointly Controlled Entities to express an opinion on the Consolidated Ind AS 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 Ind AS Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Ind AS 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. Our

Independent Auditors' Report (Contd.)

responsibilities in this regard are further stated in the "Other Matters" paragraph of this audit report.

We communicate with those charged with governance of the Group 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 Ind AS 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.

Other matters

a. We did not audit the financial statements, in respect of a subsidiary, whose Ind AS financials statements include total assets of ₹ 56.94 lakhs and net assets of ₹ 41.70 lakhs as at March 31, 2019 and total revenue of ₹ 363.41 lakhs and net cash inflows/(out flows) of ₹ (41.66) lakhs for the year ended on that date. The subsidiary referred above is located outside India whose financials statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective country in which the subsidiary is situated and which has been audited by other auditors under generally accepted auditing standards applicable in its respective country as on December 31, 2018. The Holding Company's management has prepared and converted the financial statements of such subsidiary located outside India into Accounting Standards applicable in India namely Indian Accounting Standards (Ind AS) for the year ended March 31, 2019. We have audited such conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the amounts and disclosures of such subsidiary located outside India is based on the report of other auditors, the financial statements prepared by the Holding Company's management for the year ended March 31, 2019 and conversion adjustments prepared by the management of the Holding Company.

b. We did not audit the financial statements, in respect of a subsidiary, whose Ind AS financials statements include total assets of ₹ 3,426.23 lakhs and net assets of ₹ 1,499.48 lakhs as at March 31, 2019 and total revenue of ₹ 4,726.51 Lakhs and net cash inflows/(outflows) of ₹ 23.13 lakhs for the year ended on that date. The subsidiary referred to above is located in India and 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 Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary company and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, is based solely on their report.

c. The Consolidated Ind AS Financials Statements also include the Group's share of net loss of ₹ 34.41 lakhs for the period April 1, 2018 to September 30, 2018 (Refer Note 6B to the Consolidated Ind AS Financial Statements), as considered in the Consolidated Ind AS Financial Statements, in respect of two joint ventures (jointly controlled entities), whose financials statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective country in which the joint ventures (jointly controlled entities)are situated and which have been audited by other auditors under generally accepted auditing standards applicable in their respective country as on December 31, 2018. The Holding Company's management has prepared and converted the financial statements of such joint ventures (jointly controlled entities) located outside India into Accounting Standards applicable in India namely Indian Accounting Standards (Ind AS) for the period April 1, 2018 to September 30, 2018. We have audited such conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the amounts and disclosures of such joint ventures (jointly controlled entities) located outside India is based on, the financial statements prepared by the Holding Company's management for the April 1, 2018 to September 30, 2018 and conversion adjustments prepared by the management of the Holding Company.

   Our opinion is unmodified with respective to matters described in the Other Matters paragraph.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate

Independent Auditors' Report (Contd.)

financial statements and the other financial information of subsidiaries, as noted in the Other Matters paragraph, we report, to the extent applicable, that:

a) Except for the matters specified in the 'Basis of Qualified Opinion' paragraph; 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 Ind AS Financial Statements.

b) Except for the matters specified in the 'Basis of Qualified Opinion' paragraph; in our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Ind AS Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) Except for the matters specified in the 'Basis of Qualified Opinion' paragraph; the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Ind AS Financial Statements.

d) Except for the matters specified in the 'Basis of Qualified Opinion' paragraph; in our opinion and based on reports of other auditors, the aforesaid Consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with the Companies (Accounts) Rules, 2014 as amended.

e) On the basis of the written representations received from the directors of the Holding Company's as on March 31, 2019 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.

f) For our opinion on the internal financial controls with reference to Consolidated Ind AS Financial Statements of the Holding Company and its Indian subsidiary and the operating effectiveness of such controls, refer to our separate Report in "Annexure I".

g) As required by section 197 (16) of the Act; in our opinion and according to information and explanation provided to us, the remuneration paid by the Holding Company to its directors is in accordance with the provisions of section 197 of the Act and remuneration paid to directors is not in excess of the limit laid down under this section.

h) 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 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

    (i) Except for the matters specified in the 'Basis of Qualified Opinion' paragraph; the Consolidated Ind AS Financial Statements disclose the impact, if any, of pending litigations as at March 31, 2019 on the consolidated financial position of the Group and its Jointly Controlled Entities – Refer Note 32 (b) to the Consolidated Ind AS Financial Statements.

    (ii) Except for the matters specified in the 'Basis of Qualified Opinion' paragraph, the Group and its Jointly Controlled Entities did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

    (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 Indian Subsidiary Company during the year ended March 31, 2019.

For M/s P.G.Bhagwat
Chartered Accountants
Firm's Registration Number: 101118W

Abhijeet Bhagwat
Partner
Membership Number: 136835

Pune
27th May, 2019

Annexure I to the Independent Auditors' Report

Referred to in paragraph 2 (f) under the heading, "Report on Other legal and Regulatory Requirements" of our report on even date:

Report on the Internal Financial Controls
with reference to Consolidated Ind AS Financial Statements
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 Consolidated Ind AS Financial Statements of Precision Camshafts Limited ("the Holding Company") as of March 31, 2019 in conjunction with our audit of the Consolidated Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Holding Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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. 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 Holding 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 Holding Company's internal financial controls with reference to Consolidated Ind AS Financial Statements 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") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. 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 Ind AS 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 adequacy of the internal financial controls with reference to Consolidated Ind AS Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Ind AS Financial Statements included obtaining an understanding of internal financial controls with reference to Consolidated Ind AS 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 Ind AS 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 of the Indian subsidiary company in terms of their reports referred to in other matters para below is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company and its Indian subsidiary company's internal financial controls with reference to Consolidated Ind AS financials statements.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Ind AS Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting 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 Ind AS Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with

Annexure I to the Independent Auditors' Report (Contd.)

authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Consolidated Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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 based on the reports of other auditor, the Holding Company and its Indian subsidiary company has, in all material respects, internal financial controls with reference to Consolidated Ind AS Financials Statements and such internal financial controls with reference to Ind AS Consolidated Financial Statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting 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.

Other Matters

We did not audit internal financial controls with respect to Ind AS Financial Statements of the Indian Subsidiary Company. Our aforesaid opinion under section 143 (3)(i) of the Act on the internal financial controls with respect to Ind AS Financial Statements of the Indian Subsidiary Company and operating effectiveness of the internal financial controls with reference to the Ind AS Financial Statements in so far as it relates to the Indian Subsidiary Company, is based on the corresponding report of the auditor of the said Company. The auditors of the Indian Subsidiary Company have qualified their report on the internal financial controls with respect to Ind AS Financial Statements of the said Subsidiary on certain aspects of the maintenance of the fixed asset register, inventory management and information technology general controls; however, these qualifications are not material with respect to the Ind AS Consolidated Financial Statements as a whole.

For M/s P.G.Bhagwat
Chartered Accountants
Firm's Registration Number: 101118W

Abhijeet Bhagwat
Partner
Membership Number: 136835

Pune
27th May, 2019

Consolidated Balance Sheet
as at 31st March, 2019

(All amounts are in Rupees Lakhs, unless otherwise stated)

Particulars			Note	As at 31st March, 2019	As at 31st March, 2018
ASSETS					
I.	**Non-current assets**				
	(a)	Property, plant and equipment	3	37,594.79	32,628.52
	(b)	Capital work-in-progress	3	988.58	860.47
	(c)	Goodwill on consolidation	4	6,543.31	769.10
	(d)	Other intangible assets	4	1,687.69	1,470.31
	(e)	Financial assets			
		(i) Investments	5B	7.46	7.46
		(ii) Loans	5C	233.47	206.21
		(iii) Other financial assets	5D	188.89	116.38
	(f)	Investment in Joint Ventures	5A	-	4,417.47
	(g)	Deferred tax assets (net)	29	129.85	119.19
	(h)	Other non-current assets	6	497.18	1,113.37
Total Non-Current Assets				**47,871.22**	**41,708.48**
II.	**Current assets**				
	(a)	Inventories	7	13,156.85	5,892.39
	(b)	Financial assets			
		(i) Investments	5B	9,990.34	11,022.52
		(ii) Trade receivables	8	14,190.31	11,138.19
		(iii) Cash and cash equivalents	9	2,331.26	2,640.15
		(iv) Bank balances other than (iii) above	9	6,599.48	14,194.64
		(v) Loans	5C	2.15	2.85
		(vi) Other financial assets	5D	748.71	692.06
	(c)	Current tax assets (net)	-	-	-
	(d)	Other current assets	6	2,716.82	1,311.92
	(e)	Asset held for sale	6B	1,003.35	-
Total current assets				**50,739.27**	**46,894.72**
Total Assets				**98,610.49**	**88,603.20**
EQUITY AND LIABILITIES					
Equity					
(a)	Equity share capital		10	9,498.58	9,487.66
(b)	Other equity				
	(i)	Securities premium account	11 (A)	21,785.93	21,671.58
	(ii)	General reserve	11 (B)	472.21	472.21
	(iii)	Share based payments	11 (C)	79.13	206.38
	(iv)	Retained earnings	11 (D)	25,256.94	24,674.06
	(v)	Capital reserve	11 (E)	1,605.99	1,605.99
	(vi)	Other reserves	11 (F)	(63.17)	31.24
Total Equity attributable to equity holders of Holding company				**58,635.60**	**58,149.11**
Non controlling interest				1,246.07	1,463.96
Total equity				**59,881.67**	**59,613.07**
Liabilities					
I.	**Non-current liabilities**				
	(a)	Financial liabilities			
		(i) Borrowings	12	10,965.54	5,293.95
		(ii) Other financial liabilities	13	2,837.82	3,316.39
	(b)	Deferred tax liabilities (net)	29	1,557.20	1,729.32
	(c)	Provisions	16	854.81	847.90
Total non-current liabilities				**16,215.37**	**11,187.56**
II.	**Current liabilities**			7,358.94	2,292.56
	(a)	Financial liabilities			
		(i) Borrowings	12		
		(ii) Trade payables	14		
		- total outstanding dues of micro enterprises and small enterprises		1,391.95	1,207.20
		- total outstanding dues of creditors other than micro enterprises and small enterprises		8,154.62	6,793.47
		(iii) Other financial liabilities	13	4,698.18	6,661.31
	(b)	Other current liabilities	15	411.74	303.63
	(c)	Provisions	16	78.44	115.86
	(d)	Current tax liabilities (net)	17	419.57	428.54
Total current liabilities				**22,513.45**	**17,802.57**
Total liabilities				**38,728.82**	**28,990.13**
Total Equity and Liabilities				**98,610.49**	**88,603.20**
Summary of significant accounting policies			2		

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

For M/s. P G Bhagwat
Chartered Accountants
Firm Regn. Number: 101118W

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

Abhijeet Bhagwat
Partner
Membership Number: 136835

Place : Pune
Date : 27th May, 2019

Yatin S. Shah
Managing Director
DIN. 00318140

Place : Pune
Date : 27th May, 2019

Ravindra R. Joshi
Director
DIN. 03338134

Place : Pune
Date : 27th May, 2019

Mayuri I. Kulkarni
Company Secretary
M. No. A32237

Place : Pune
Date : 27th May, 2019

Consolidated Statement of Profit and Loss
for year ended 31st March, 2019

(All amounts are in Rupees Lakhs, unless otherwise stated)

Particulars	Note	Year ended 31st March, 2019	Year ended 31st March, 2018
Income			
Revenue from operations	18	69,520.81	42,861.33
Other income	19	951.95	1,143.05
Total Revenue (I)		**70,472.75**	**44,004.37**
Expenses			
Cost of raw materials and components consumed	21	26,320.94	12,790.71
Excise duty on sale of goods		-	732.00
(Increase) / decrease in inventories of finished goods and work-in-progress	22	(3,521.75)	550.09
Employee benefits expenses	23	12,981.78	5,816.77
Other expenses	24	21,129.22	14,999.06
Total expenses (II)		**56,910.19**	**34,888.63**
Earnings before interest, tax, depreciation and amortisation (EBITDA) (III)= (I) - (II)		**13,562.57**	**9,115.74**
Finance costs	25	871.55	518.49
Finance Income	20	(815.40)	(1,329.20)
Depreciation and amortisation expense	26	6,673.13	4,545.02
Profit before tax and share of profits from joint ventures (IV)		**6,833.29**	**5,381.43**
Share of profits/(loss) from joint ventures	41 A	(34.41)	1,508.74
Profit before exceptional items and tax (V)		**6,798.89**	**6,890.17**
Exceptional items (VI)	41 B	**2,734.59**	**-**
Profit before tax (VII)= (V) - (VI)		**4,064.29**	**6,890.17**
Tax expense			
Current tax	29	**2,240.93**	**2,053.08**
Adjustment of current tax relating to earlier years		(161.04)	-
Deferred tax	29	378.98	227.49
Total Tax Expenses		**2,458.88**	**2,280.57**
Profit for the year from continuing operations (VIII)		**1,605.42**	**4,609.60**
Discontinued Operations			
Profit from dicontinued operations before tax	42	(103.79)	-
Tax expenses of discontinued operations		-	-
Deferred Tax		9.25	-
Profit from discontinued operations (IX)		**(113.04)**	-
Profit for the year (X) = (VIII) + (IX)		**1,492.37**	**4,609.60**
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	100.35	23.02
Income tax effect		(32.14)	(7.44)
		68.21	15.58
B. Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations	27	**(58.84)**	**358.97**
Bargain purchase gain on acquisition		0	1,605.99
		(58.84)	**1,964.96**
Other comprehensive income for the year, net of tax [ii=A+B]		**9.37**	**1,980.54**
Total comprehensive income for the year, net of tax [i+ii]		**1,501.74**	**6,590.14**
Profit for the year Attributable to:			
Equity holders of the Holding Company		1,498.84	4,608.69
Non Controlling interests		(6.47)	0.91
		1,492.37	**4,609.60**
Other comprehensive income for the year Attributable to:			
Equity holders of the Holding Company		9.37	1,980.27
Non Controlling interests		0	0.27
		9.37	**1,980.54**
Total Comprehensive Income for the year Attributable to:			
Equity holders of the Holding Company		1,508.21	6,588.96
Non Controlling interests		(6.47)	1.18
		1,501.74	**6,590.14**
Total Comprehensive Income for the year Attributable to Equity holders of the Holding Company			
Continuing operations		1,621.26	6,588.96
Discontinuing operations		(113.04)	-
		1,508.21	**6,588.96**
Earning per share [nominal value per share ₹ 10 (31st March, 2018: ₹ 10)]			
From continuing operation			
a) Basic		1.70	4.86
b) Diluted		1.70	4.85
From discontinuing operation			
a) Basic		(0.12)	-
b) Diluted		(0.12)	-
	28		
From continuing and discontinuing operation			
a) Basic		1.58	4.86
b) Diluted		1.58	4.85
Summary of significant accounting policies	2		

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

For M/s. P G Bhagwat
Chartered Accountants
Firm Regn. Number: 101118W

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

Abhijeet Bhagwat
Partner
Membership Number: 136835
Place : Pune
Date : 27th May, 2019

Yatin S. Shah
Managing Director
DIN. 00318140
Place : Pune
Date : 27th May, 2019

Ravindra R. Joshi
Director
DIN. 03338134
Place : Pune
Date : 27th May, 2019

Mayuri I. Kulkarni
Company Secretary
M. No. A32237
Place : Pune
Date : 27th May, 2019

Consolidated Statement of Cash flows
for the year ended 31st March, 2019

(All amounts are in Rupees Lakhs, unless otherwise stated)

Particulars	Note	As at 31st March, 2019	As at 31st March, 2018
Cash flows from operating activities			
Profit before tax from continuing operations		**4,064.29**	**6,890.17**
Profit before tax from discontinuing operations		**(103.79)**	-
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and impairment of property, plant and equipment	27	6,338.34	4,398.93
Amortisation and impairment of intangible assets	27	334.79	146.09
Share-based payment expense	24	0.89	41.76
Net foreign exchange differences		183.70	24.68
Sundry creditors written back	20	(1.36)	(5.65)
Bad debt written off		117.62	-
Fair value changes recognised in statement of profit or loss on redemption liability over non controlling interest	25	43.11	7.11
Provision for doubtful debts written off/ (written back)	25	(2.96)	(24.91)
Loss on disposal of property, plant and equipment	25	21.19	6.29
Finance and other income (including fair value change in financial instruments)	20, 21	(1,328.01)	(1,861.50)
Tax income on reversal of provision		(2.35)	-
Finance costs	26	748.13	365.17
Excess Provision of Interest on Income Tax written back		(83.43)	-
Share of profit of joint ventures		34.41	(1,508.74)
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)	-
		13,182.60	**8,479.41**
Working capital adjustments:			
Increase / (decrease) in provisions, gratuity and other provisions	16	69.85	(63.27)
(Increase) / decrease in other current assets	6	(964.28)	664.62
Decrease in other financial assets	5	(344.50)	235.73
Decrease / (increase) in long term loans and advances	5	(27.26)	(3.16)
Decrease / (increase) in short term loans and advances	5	0.70	(0.72)
Decrease in other current liabilities	15	27.31	(22.86)
Increase in other financial liabilities	13	(2,792.97)	787.76
(Increase) / decrease in trade receivables and prepayments	8	(2,467.14)	2,736.18
Decrease in inventories	7	(3,885.92)	403.00
Increase / (decrease) in trade payables	14	1,138.50	(863.23)
		4.006.58	**12,353.46**
Income taxes paid (net of refunds)	17,30	(2,234.62)	(1,791.92)
Net cash flows generated from operating activities		**1,771.97**	**10,056.22**
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment	3	65.32	13.42
Purchase of property, plant and equipment		**(7,432.66)**	**(6,841.18)**
Purchase of financial instruments		5,041.41	(21,357.67)
Proceeds from sale of financial instruments		**14,109.54**	**30,785.78**
Interest received (finance income)		1,094.88	988.48
Dividend Received		1.45	5.98
Acquisition of subsidiary, net of cash acquired	40	(5,996.46)	(5,819.63)
NCI acquired		(153.82)	-
Net cash flows used in investing activities		**(3,353.16)**	**(2,224.83)**
Cash flow from financing activities			
Proceeds from exercise of share options		10.92	8.21
Interest paid		(769.75)	(393.23)
Repayment of borrowings		274.89	(2,477.39)
Proceeds of short term borrowings (net)		2,852.82	(2,506.55)
Final dividend paid on shares		(949.86)	(1,422.03)
Tax on final dividend paid		(195.25)	(289.49)
Net cash flows used in financing activities		**1,223.78**	**(7,080.48)**
Net increase / (decrease) in cash and cash equivalents		(357.40)	1,003.58
Net foreign exchange difference		48.52	26.12
Cash and cash equivalents at the beginning of the year		2,640.14	1,610.45
Cash and cash equivalents as at year end		**2,331.26**	**2,640.14**

Consolidated Statement of Cash flows for the year ended 31st March, 2019 (Contd.)

(All amounts are in Rupees Lakhs, unless otherwise stated)

Particulars	Note	As at 31st March, 2019	As at 31st March, 2018
Components of cash and cash equivalents:			
Balances with banks:			
On current accounts	9	2,275.84	2,365.18
Deposit with original maturity of less than 3 months	9	50.26	270.00
Cash in hand	9	5.16	4.96
Cash and cash equivalents at year end		**2,331.26**	**2,640.14**

Change in Liability arising from Financing Activities

Particulars	1st April, 2018	Cash flows of (Repayment) / Proceeds of Loan	Non cashtransactions				31st March,2019
			Foreign Exchange Movement -(gain)/loss	Interest Accrued	ECB Amortisation	On acquisition	
"Non current borrowings - including current maturities (Refer Note 12)	**8,450.79**	**274.89**	**85.20**	**(26.35)**	**1.03**	**2,774.05**	**10,965.54**
Current Borrowings (Refer Note 12)	2,292.56	2,852.82	182.93	-	-	2,030.62	7,358.94

Note: The Cash flow statement is prepared under the indirect method in accordance with IND AS 7: Statement of Cash Flows

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 M/s. P G Bhagwat
Chartered Accountants
Firm Regn. Number: 101118W

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

Abhijeet Bhagwat
Partner
Membership Number: 136835

Place : Pune
Date : 27th May, 2019

Yatin S. Shah
Managing Director
DIN. 00318140

Place : Pune
Date : 27th May, 2019

Ravindra R. Joshi
Director
DIN. 03338134

Place : Pune
Date : 27th May, 2019

Mayuri I. Kulkarni
Company Secretary
M. No. A32237

Place : Pune
Date : 27th May, 2019

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019

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, 2019 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 camshafts 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 approved by board of director of the Company at its Board Meeting held on 27th May, 2019.

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),

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

> Assets classified as held for sale

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 EBIDTA 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.

2.2 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiary as at 31st March, 2019.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

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

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). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS12 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.

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.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

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

> 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 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 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 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. 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.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

c) **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.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are 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 40)

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. development of patterns which gets completed over the period of time. the Company has identified customer's approval of first trial as first milestone and recognises fifty percent revenue relating to it on transfer of control and customer's final approval is identified as the second milestone and recognises remaining revenue on trasfer of control.

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

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using 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

Revenue is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

Export Incentives

Refer accounting policy under government grants for export incentives.

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 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;

> 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;

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

> 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.

Sales/ value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/ value added taxes paid, except:

> When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable;

> When receivables and payables are stated with the amount of tax included.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

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 susbidiary Memco Engineering Private Limited (Memco) and step down subsidiary MFT Motoren Und Fahrzeugtechnik GmbH (Germany) 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.

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.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

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
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 reletionship, 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.

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
Computers	3 - 5 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 consolidatetd 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.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

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 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

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1st April, 2015, the Group has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Group as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease. An operating lease is a lease other than a finance lease.

A operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term. Increment in the lease payments as per agreement is in line with rate of inflation.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease.

Increment in lease income as per agreement is in line with the rate of inflation. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

k) Inventories

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

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- **Raw materials and components:** cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis;
- **Finished goods and semi finished goods:** 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. Cost of finished goods includes excise duty;
- 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.

To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

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.

n) Retirement and Other Employee 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 October, 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

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

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 notdeferred. 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.

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.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four 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.

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

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

> 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.

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 and borrowings including bank overdrafts 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.

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 or 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 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 maturityof 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) 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.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

v) 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.

w) 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.

x) 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.

y) 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 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, 2019 (Contd.)

(All amounts are in Rupees Lakhs, unless otherwise stated)

Note 3: Property, plant and Equipment

Particulars	Leasehold land	Freehold Land	Buildings	Plants and equipment	Office equipment	Furniture and fixtures	Vehicles	Total	Capital work in progress
At Cost									
At 31st March 2017	**354.12**	**-**	**8,599.05**	**18,638.21**	**214.65**	**163.89**	**345.63**	**28,318.56**	**890.17**
Acquisition of subsidairies (refer note 39)	587.25	276.90	2,032.74	4,872.92	363.44	3.33	97.31	8,233.89	3.10
Additions	-	-	191.61	7,045.31	42.06	48.33	27.40	7,354.72	-
Disposals	-	-	-	(86.03)	-	(0.02)	(23.18)	(109.22)	-
Capitalised during year	-	-	-	-	-	-	-	-	(32.79)
Other adjustment									
- Exchange differences	**-**	**-**	**(16.52)**	**(53.88)**	**-**	**-**	**-**	**(70.40)**	**-**
- Foreign currency translation reserve	-	-	-	-	0.02	-	-	0.02	-
At 31st March, 2018	**941.37**	**276.90**	**10,806.87**	**30,416.53**	**620.18**	**215.54**	**447.16**	**43,727.55**	**860.48**
Acquisition of subsidairies (refer note 39)	-	-	-	38.10	29.42	-	615.94	683.46	
Additions	-	-	130.33	10,400.62	240.65	6.12	8.30	10,786.02	183.26
Disposals	-	-	-	(97.32)	(0.06)	-	(127.92)	(225.30)	-
Capitalised during year	-	-	-	-	-	-	-	-	(55.16)
Other adjustment	-	-	-	-	-	-	-	-	-
- Exchange differences	-	-	19.99	65.20	-	-	-	85.20	-
- Foreign currency translation reserve	-	(9.84)	(52.32)	(141.02)	(13.50)	-	(19.80)	(236.48)	-
At 31st March, 2019	**941.37**	**267.06**	**10,904.88**	**40,682.11**	**876.69**	**221.66**	**923.69**	**54,820.45**	**988.58**
Depreciation and impairment									
At 31st March, 2017	**7.19**	**-**	**553.17**	**6,003.36**	**90.04**	**75.94**	**59.89**	**6,789.59**	**-**
Charge for the year	7.56	-	386.55	3,844.42	65.16	38.85	56.39	4,398.93	-
Disposals	-	-	-	**(71.72)**	-	-	**(17.79)**	**(89.51)**	-
Foreign currency translation reserve	-	-	-	-	0.03	-	-	0.03	-
At 31st March, 2018	**14.75**	**-**	**939.72**	**9,776.06**	**155.23**	**114.79**	**98.49**	**11,099.04**	**-**
Charge for the year	11.64	-	528.52	5,364.97	226.51	30.69	150.12	6,312.45	-
Disposals	-	-	-	(94.39)	(0.02)	-	(44.39)	(138.79)	-
Foreign currency translation reserve	-	-	(4.02)	(33.14)	(6.21)	-	(3.68)	(47.04)	-
At 31st March, 2019	**26.39**	**-**	**1,464.22**	**15,013.51**	**375.52**	**145.48**	**200.54**	**17,225.66**	**-**
Net Block									
At 31st March, 2019	**914.98**	**267.06**	**9,440.66**	**25,668.59**	**501.17**	**76.18**	**723.15**	**37,594.79**	**988.58**
At 31st March, 2018	**926.61**	**276.90**	**9,867.16**	**20,640.47**	**464.94**	**100.75**	**348.67**	**32,628.52**	**860.47**

Net Book Value	31st March, 2018	31st March, 2017
Plant, property and equipment	37,594.79	32,628.51
Capital work in progress	988.58	860.48

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, 2019 comprises expenditure for the plant and machinery in the course of construction. Balance of CWIP as at March 31, 2019 amounts to ₹ 988.58 Lakhs (31st March, 2018: ₹ 860.47 Lakhs).

Property, plant and equipment

The entire block of property, plant and equipment comprising of immovable assets with a carrying amount of ₹ 11,070.67 Lakhs (31 March, 2018: ₹ 10,622.70 Lakhs) and movable assets with a carrying amount of ₹ 26,524.12 Lakhs (31 March, 2018: ₹ 22,005.81 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, 2019 (Contd.)

(All amounts are in Rupees Lakhs, unless otherwise stated)

Note 4: Intangible assets

Particulars	Computer software	Corporate Design & New Homepage	Customer Realtions	R&D	Technical Knowhow	Development	Total	Goodwill on consolidation
At Cost								
At 31st March, 2017	74.50	-	-	-	-	-	74.50	-
Acquisition of subsidiary (Refer Note 39)	4.11	31.76	655.53	340.00	538.53	-	1,569.93	769.10
Additions	15.64	-	-	-	-	-	15.64	-
Disposals	-	-	-	-	-	-	-	-
Other adjustment	-	-	-	-	-	-	-	-
Foreign currency translation reserve	0.02	-	-	-	-	-	0.02	-
At 31st March, 2018	**94.27**	**31.76**	**655.53**	**340.00**	**538.53**	**-**	**1,660.09**	**769.10**
Acquisition of subsidiary (Refer Note 39)	-	-	-	-	-	233.75	233.75	5,774.21
Additions	48.04	-	-	-	-	287.87	335.91	-
Disposals	(0.26)	-	-	-	-	-	(0.26)	
Other adjustment	-	-	-	-	-	-	-	-
Foreign currency translation reserve	(0.15)	(1.13)	(2.43)	-	(2.43)	(6.41)	(12.55)	-
At 31st March, 2019	**141.91**	**30.63**	**653.09**	**340.00**	**536.09**	**515.21**	**2,216.94**	**6,543.31**
Amortisation and impairment								
At 31st March, 2017	**43.70**	**-**					**43.70**	**-**
Charge for the year (Refer Note 26)	26.50	-	29.35	56.67	33.57	-	146.09	-
Disposals	-	-	-	-	-	-		
Foreign currency translation reserve								
At 31st March, 2018	**70.20**	**-**	**29.35**	**56.67**	**33.57**	**-**	**189.79**	**-**
Charge for the year (Refer Note 26)	32.91	-	65.56	113.33	76.95	53.79	342.53	-
Disposals	-	-	-	-	-	-	-	-
Foreign currency translation reserve	(0.48)	-	(0.25)	-	(0.36)	(1.98)	(3.08)	-
At 31st March, 2019	**102.62**	**-**	**94.66**	**170.00**	**110.16**	**51.81**	**529.25**	**-**
Net Block								
At 31st March, 2019	**39.29**	**30.63**	**558.43**	**170.00**	**425.94**	**463.40**	**1,687.69**	**6,543.31**
At 31st March, 2018	**24.08**	**31.76**	**626.18**	**283.33**	**504.96**	**-**	**1,470.31**	**769.10**

*The Company has recognised goodwill on acquisition of Emoss Mobile System B.V. of ₹ 5774.21 Lakhs on provisional basis.

Note 5: Financial assets

Particulars	As at 31st March, 2019	As at 31st March, 2018
5A) Investments in Joint Ventures (Equity method of accounting)		
Ningbo Shenglong PCL Camshafts Co. Limited		
USD 3,75,000 as paid up capital (31st March, 2018: USD 3,75,000)		
Opening balance	-	2,643.82
Add: Holding company's share in profit for the year (Refer Note 41A)	-	116.17
Add: Change due to Foreign Currency Translation Reserve routed through OCI	-	352.13
Closing balance (Refer Note 6B)	-	4,282.37
PCL Shenglong (Huzhou) Specialized Casting Co. Limited		
USD 1,760,000 as paid up capital (31st March, 2018: USD 1,760,000)		
Opening balance	-	101.46
Add: Holding company's share in profit for the year (Refer Note 41)		-
Add: Change due to Foreign Currency Translation Reserve routed through OCI	-	11.17
Closing balance (Refer Note 6B)	-	135.10
Total Investment in Joint Ventures	**-**	**4,417.47**

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

(All amounts are in Rupees Lakhs, unless otherwise stated)

Particulars	As at 31st March, 2019	As at 31st March, 2018
5B) 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		
(31st March, 2018: 5,000 equity shares)		
> Shares of Solapur Janata Sahakari Bank Limited	0.05	0.05
500 Equity Shares of ₹ 10 each fully paid-up		
(31st March, 2018: 500 equity shares)		
> Shares of Thane Janata Bank	4.63	4.63
9259 Equity Shares of ₹ 50 each fully paid-up		
(31st March, 2018: 9259 equity shares)		
> Shares of Janlaxmi Bank	1.30	1.30
5198 Equity Shares of ₹ 25 each fully paid-up		
(31st March, 2018: 5198 equity shares)		
> Shares of Mahila Bank	0.21	0.21
850 Equity Shares of ₹ 25 each fully paid-up		
(31st March, 2018: 850 equity shares)		
> Shares of Godavari Bank	0.01	0.01
10 Equity Shares of ₹ 100 each fully paid-up		
(31st March, 2018: 10 equity shares)		
> Shares of NAMCO Bank	0.01	0.01
28 Equity Shares of ₹ 25 each fully paid-up		
(31st March, 2018: 28 equity shares)		
b) Investments in Mutual Funds		
Quoted Mutual Funds		
HDFC Floating Rate Income Fund A/C	-	447.72
ICICI Prudential Mutual Fund Collection 1	647.22	609.20
BOI Axa Short Term Income Fund Account	325.17	305.50
Reliance Banking & PSU Debt Fund-Growth Plan	574.15	534.43
Reliance Corporate Bond Fund-Growth Plan	224.65	214.00
Reliance Medium Term Fund-Growth Plan-Growth option	-	324.16
Reliance Arbitrage Advantage Fund	109.24	102.79
Reliance Short Term Fund	144.04	135.41
Reliance Arbitrage Fund - Monthly Dividend	206.44	-
Franklin India Low duration Fund	366.92	894.50
Franklin India Short Term Income Plan	-	550.41
BSL Short Term Fund-Growth	580.17	537.82
BSL Treasury Optimiser Plan-Growth	343.22	319.38
BSL Medium Term Fund-Growth	-	215.31
Axis Liquid Fund-Daily Dividend	154.79	589.72
Axis Short Term Fund-Growth	573.22	533.99
Axis Equity Fund Collection A/C	-	-
Axis Fixed Term Plan - Series 93	156.99	-
IDFC Corporate Bond Fund Regular Plan-Growth	228.21	213.08

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

(All amounts are in Rupees Lakhs, unless otherwise stated)

Particulars	As at 31st March, 2019	As at 31st March, 2018
IDFC Ultra Short Term Fund-Growth(Reg Plan)	-	542.23
IDFC Super Saver income Fund-Short Term	345.94	321.35
Tata Liquid Fund Regular Plan-Daily Dividend	22.31	520.83
Tata Short Term Bond Fund Reg Plan-Growth	535.97	533.00
Tata Ultra Short Term Fund Reg Plan-Growth	-	215.86
Tata Balance Fund	154.90	147.62
Kotak Low Duration Fund Std Growth (Regular Plan)	584.44	542.66
Kotak Banking & PSU Debt fund-Growth (Regular plan)	231.74	215.38
Kotak Income Opportunities Fund-Growth (Regular Plan)	342.20	321.71
Kotak Equity Arbitrage	198.77	198.49
Kotak Balanced Advantage Fund A/C	1,761.97	-
BNP Paribas Dividend Yield Fund	250.81	245.52
SBI Ultra Short Term Fund	53.66	50.98
SBI Balance Fund	160.91	147.08
Baroda Pioneer Credit Opportunities Fund	306.19	100.44
Edelweiss Equity Saving Fund	131.07	123.40
Principal Emerging Bluechip Fund	97.75	79.87
Principal Cash Management Fund	-	18.20
Motilal Oswal Most Ultra Short Term Bond Fund	-	18.20
Motilal Oswal Most Focused Multicap 35 Fund	98.75	82.28
Canara Robeco Force Collection A/C	78.54	70.00
Total Investments at FVTPL	**9,997.80**	**11,029.98**
Non-current	**7.46**	**7.46**
Current	**9,990.34**	**11,022.52**
Total Investments	**9,997.80**	**11,029.98**
Aggregate book value of quoted investments	9,990.34	11,022.52
Aggregate market value of quoted investments (Refer Note 35)	9,990.34	11,022.52
Aggregate book value of unquoted investments	7.46	4,424.93
Aggregate amount of impairment in value of investments	-	-

5C) Loans

Particulars	As at 31st March, 2019	As at 31st March, 2018
(a) Security Deposits	235.62	208.38
(b) Advance to employees	-	0.68
Total Loans	**235.62**	**209.06**
Non-current	**233.47**	**206.21**
Current	**2.15**	**2.85**
Break-up for security details:		
- Unsecured, considered good	235.62	209.06
- Doubtful	-	-
Total	**235.62**	**209.06**

Loans mainly include security deposits with State electricity board; which generate interest in the range of 9% to 10.75% for the Company.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

(All amounts are in Rupees Lakhs, unless otherwise stated)

5D) Other financial assets

Particulars	As at 31st March, 2019	As at 31st March, 2018
(i) Derivatives (at FVTPL)		
Foreign-exchange forward contracts	64.09	-
(ii) Others (at amortised cost)		
(a) Bank deposits with more than 12 months maturity	188.89	116.38
(b) Interest accrued on Fixed deposits	31.03	377.80
(c) Income accrued on Export incentives	403.34	233.26
(d) Income accrued on Others	23.61	-
(e) Factoring receivable	187.30	81.01
(f) Other receivable	39.35	-
Total other financial assets	**937.60**	**808.44**
Non-current	188.89	116.38
Current	748.71	692.06
Break-up for security details:		
- Unsecured, considered good	937.60	808.44
- Doubtful	-	-
Total	**937.60**	**808.44**
Total Financial assets	**11,171.02**	**12,047.48**
Total Non-current	**429.82**	**330.05**
Total Current	**10,741.20**	**11,717.43**
	11,171.02	**12,047.48**

Break up of financial assets carried at amortised cost

Particulars	As at 31st March, 2019	As at 31st March, 2018
Loans	235.62	209.06
Trade receivables (Refer Note 8)	14,190.31	11,138.19
Cash and Cash equivalents (Refer Note 9)	2,331.26	2,640.15
Other Bank balances (Refer Note 9)	6,599.48	14,194.64
Other financial assets	873.52	808.44
Total financial assets carried at amortised cost	**24,230.18**	**28,990.48**

Note 6A: Other Assets

Particulars	As at 31st March, 2019	As at 31st March, 2018
Capital advances	216.49	839.55
Prepaid expense	271.63	187.95
Advances for purchases of materials	95.60	84.69
Income tax deposited with tax authorities (under protest)	228.90	228.90
Other Advances	12.12	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	1,031.92	1,004.53
Other receivables	1,332.79	50.23
Advance tax (net of provision for taxation)	24.55	17.33
Total	**3,214.00**	**2,425.29**
Non-current	497.18	1,113.37
Current	2,716.82	1,311.92
Total	**3,214.00**	**2,425.29**

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

(All amounts are in Rupees Lakhs, unless otherwise stated)

Note 6B: Assets classified as held for sale

Particulars	As at 31st March, 2019	As at 31st March, 2018
Disposal Group	1,003.35	-
Total other assets	**1,003.35**	**-**

Prior to Balance Sheet date, 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) Specialised 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- Non Current assets held for sale and discontinued operations. Consequently, the investment in JVs were accounted for as per equity method (As per Ind AS 28) upto 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- Non Current assets held for sale and discontinued operations. Management estimated fair value of disposal group is ₹ 1,003.35 Lakhs resulting into net loss on fair value measurement of ₹ 3,485.39 Lakhs in consolidated financial statements (Refer Note no 41).

Note 7: Inventories

Particulars	As at 31st March, 2019	As at 31st March, 2018
Raw materials and components (includes goods in transit of 31st March, 2018 ₹ 27.34 Lakhs)	2,217.58	1,360.35
Stores, spares and packing materials	2,994.58	1,192.61
Semi-finished goods	5,134.45	1,647.85
Finished goods	2,810.24	1,691.59
Total inventories at the lower of cost and net realisable value	**13,156.85**	**5,892.39**

During the year ended 31st March, 2019 ₹ 56.63 Lakhs (31st March, 2018 ₹ 44.42 Lakhs) was written down as an expense for inventories.

Note 8: Trade Receivables

Particulars	As at 31st March, 2019	As at 31st March, 2018
Trade receivables	14,129.78	10,719.19
Receivables from joint ventures (Refer Note 33)	60.52	419.00
Total	**14,190.32**	**11,138.19**
Break-up for security details:		
- Unsecured, considered good	14,190.31	11,138.19
- Doubtful	-	2.96
- Which have significant increase in credit risk	-	-
- Credit impaired	-	-
Total	**14,190.30**	**11,141.15**
Impairment allowance (allowance for bad and doubtful debts)		
- Doubtful	-	2.96
Total	**-**	**2.96**
Total Trade receivables	**14,190.31**	**11,138.19**

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, 2019 (Contd.)

(All amounts are in Rupees Lakhs, unless otherwise stated)

Note 9: Cash and Bank Balances

Particulars	As at 31st March, 2019	As at 31st March, 2018
Cash and cash equivalents		
Balance with Banks		
> Current accounts	2,275.84	2,365.18
> Deposits with original maturity of less than three months	50.26	270.01
Cash on hand	5.16	4.96
Total cash and cash equivalents	**2,331.26**	**2,640.15**
Other bank balances		
Deposits with remaining maturity for less than 12 months	6,596.29	14,042.11
Unclaimed Dividend Accounts	3.19	2.53
Earmarked balance	-	150.00
Total other bank balances	**6,599.48**	**14,194.64**
Total cash and bank balances	**8,930.75**	**16,834.79**

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.

At 31st March, 2019, the Group had available ₹ 5,454.00 lakhs (31st March, 2018: ₹ 5,251.30 lakhs); of undrawn committed borrowing facilities

Deposits with bank of ₹ 126.08 Lakhs (31st March, 2018: ₹ 237.93 Lakhs) held as lien by banks against bank guarantees. The Company has pledged a part of its short term deposits amounting to ₹ 21.40 Lakhs to fulfill collateral requirements.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following

Particulars	As at 31st March, 2019	As at 31st March, 2018
Cash and cash equivalents		
Balance with Banks		
> Current accounts	2,275.84	2,365.18
> Deposits with original maturity of less than three months	50.26	270.01
Cash on hand	5.16	4.96
Total cash and cash equivalents	**2,331.26**	**2,640.15**

Note 10: Share Capital

A) Authorised Share Capital

Particulars	Equity Shares	
	Number	**In ₹**
At 1st April, 2017	10,00,00,000	10,000.00
Increase/ (decrease) during the year	-	-
At 31st March, 2018	10,00,00,000	10,000.00
Increase/ (decrease) during the year	-	-
At 31st March,2019	**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, 2018: ₹ 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.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

(All amounts are in Rupees Lakhs, unless otherwise stated)

B) Issued equity capital

Equity Shares of ₹ 10/- each issued, subscribed and fully paid	Number	In ₹
At 1st April, 2017	9,47,94,530	9,479.45
Issued during the year under the ESOP scheme	82,105	8.21
At 31st March, 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

Details of shareholders holding more than 5% shares in the Company

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	No of shares	% holding in the class	No of shares	% holding in the class
Equity shares of ₹ 10 each fully paid				
Yatin Subhash Shah	2,47,31,200	26.04%	2,45,11,200	25.83%
Cams Technology Limited	1,25,14,860	13.18%	1,25,14,860	13.19%
Yatin Subhash Shah jointly with Dr. Suhasini Yatin Shah	1,28,28,800	13.51%	1,28,28,800	13.52%
Dr. Suhasini Yatin Shah	1,04,05,540	10.95%	1,04,05,540	10.97%
Jayant Vasudeo Aradhye	82,02,000	8.63%	82,02,000	8.64%
Sbi Magnum Balanced Fund	66,99,999	7.05%	67,91,427	7.16%
	7,53,82,399	**79.36%**	**7,52,53,827**	**79.32%**

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.

Aggregate number of equity shares issued as bonus, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

Particulars	Year ended				
	31st March, 2018	31st March, 2017	31st March, 2016	31st March, 2015	31st March, 2014
Equity shares allotted as fully paid bonus shares by capitalization of securities premium or capital redemption reserve	-	-	-	7,77,49,520	-

Shares reserved for issue under options

For details of shares reserved for issue under the share based payment plan of the Company, Refer Note 31.

Note 11: Other Equity

a) Securities premium account	In ₹
At 31st March, 2017	**21,583.12**
Increase pursuant to premium on issue of shares on account of employee stock option exercised	95.81
Less: Reversal of tax benefit (deferred tax)	7.35
At 31st March, 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**
B) General reserve	**In ₹**
At 31st March, 2017	**472.21**
Increase/ (decrease) during the year	-
At 31st March, 2018	**472.21**
Increase/ (decrease) during the year	-
At 31st March, 2019	**472.21**

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

(All amounts are in Rupees Lakhs, unless otherwise stated)

C) Share based payments	In ₹
At 31st March, 2017	**260.42**
Increase/ (decrease) during the year	
Add: compensation for options granted as per vesting during the year (net)	41.76
Less: transferred to securities premium account on exercise of stock options	95.81
At 31st March, 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**

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.

D) Retained earnings	In ₹
At 31st March, 2017	**24,385.36**
Add: Profit for the year	4,608.69
Add: Other comprehensive income for the year attributable to parent	15.32
Less: Final dividend at ₹ 1.50 per share paid	(1,422.03)
Less: Tax on above final dividend paid	(289.49)
Liability over NCI portion to be aquired	(2,623.80)
At 31st March, 2018	**24,674.06**
Add: Profit for the year	1,498.84
Add: Other comprehensive income for the year attributable to parent	
Liability over NCI portion to be aquired	
NCI acquired	160.93
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	**25,256.94**
E) Capital Reserves	
At 31st March, 2017	
Add: Bargain purchase gain on acquisition (Refer Note 39(2))	1,605.99
At 31st March, 2018	**1,605.99**
Add: Movement during the year	-
At 31st March, 2019	**1,605.99**

F) Other Reserves	In ₹
Foreign currency translation reserve	
At 31st March, 2017	**(327.73)**
Add: Movement during the year	358.97
At 31st March, 2018	**31.24**
Add: FCTR transferred on JV being held for sale	(35.57)
Add: Exchange differences on translation of foreign operations	(58.84)
At 31st March, 2019	**(63.17)**

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

(All amounts are in Rupees Lakhs, unless otherwise stated)

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.

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.

Note 12: Financial Liabilities - Borrowings

Particulars	Rate of interest	Maturity	As at 31st March, 2019	As at 31st March, 2018
a) Non Current borrowings				
Term Loan				
i. From Bank (secured)				
Foreign currency loan 3	EUROBOR + 190 bps		5,830.19	1,485.09
Foreign currency loan 4	3 to 6% in Euro		2,226.21	3,124.97
Bank I				
Term loan 3	10.50%	Mar-23	-	28.12
Term loan 4	10.50%	May-23	-	190.25
Term loan 5	10.50%	Jun-22	-	59.39
Term loan 6	10.50%	Dec-24	-	25.15
Term loan 7	10.50%	Jan-25	-	207.62
Term loan 8	10.50%	Jan-25	-	40.83
Working capital loan	10.50%	Dec-19	-	14.95
Loan for car	9.57%	Jul-19	-	2.56
Bank II				
Term loan 2- 003	9.75%	Dec-22	21.90	-
Term loan 3- 004	9.75%	Jun-22	136.82	-
Term loan 4- 005	9.75%	Sep-24	173.78	-
Term loan 5- 006	9.75%	Sep-24	19.30	-
Term loan 6- 007	9.75%	Sep-24	34.14	-
Term loan 7- 008	9.75%	May-22	42.71	-

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

(All amounts are in Rupees Lakhs, unless otherwise stated)

Particulars	Rate of interest	Maturity	As at 31st March, 2019	As at 31st March, 2018
ii. From financial institution (secured)	3 to 6% in Euro		153.54	115.02
iii. From Related party (unsecured)	4% in Euro		2,326.95	-
Total Non Current borrowings			**10,965.54**	**5,293.95**
Current maturity of long term loans				
Foreign currency loan 1 (secured)	LIBOR + 330 bps	Aug-18	-	2,180.73
Foreign currency loan 2 (secured)	LIBOR + 295 bps	Aug-18	-	347.01
Foreign currency loan 3 (secured)			159.60	34.17
Foreign currency loan 4 (secured)			322.65	429.03
Loan for machinery (secured)				
Term loan 2	10.50%	Nov-18	-	38.69
Term loan 3	10.50%	Mar-23	-	7.49
Term loan 4	10.50%	May-23	-	53.11
Term loan 5	10.50%	Jun-22	-	19.34
Term loan 6	10.50%	Dec-24	-	1.57
Term loan 7	10.50%	Jan-25	-	16.71
Term loan 8	10.50%	Jan-25	-	3.28
Working capital loan	10.50%	Dec-19	-	20.00
Loan for car (secured)	**9.57%**	**Jul-19**	**2.56**	**5.70**
Bank II				
Term loan 2- 003	9.75%	Dec-22	6.36	-
Term loan 3- 004	9.75%	Jun-22	50.04	-
Term loan 4- 005	9.75%	Sep-24	27.81	-
Term loan 5- 006	9.75%	Sep-24	3.05	-
Term loan 6- 007	9.75%	Sep-24	5.42	-
Term loan 7- 008	9.75%	May-22	16.57	-
ii. From Related party (unsecured)			**-**	**-**
b) Loan repayable on Demand			**594.07**	**3,156.84**
Short term loans			4,368.51	
Cash credit from banks (secured)	11.35%	On Demand	409.45	118.16
Packing credit in foreign currency (secured)	EUROBOR + 150bps	On Demand	-	436.35
Packing credit in INR (Secured) - BOI	5.40%	On Demand	1,371.46	-
Packing credit in INR (Secured) - BOB	8.40%	On Demand	1,197.07	-
Packing credit in INR (Secured) - Citi Bank	5.25%	On Demand	12.45	1,738.05
Total current Borrowings			**7,953.01**	**5,449.40**
Less: amount clubbed under "Other Financial liabilities"			594.07	3,156.84
Net Current Borrowings			**7,358.94**	**2,292.56**
Aggregate value of secured loans			**12,223.09**	**10,743.35**
Aggregate Unsecured loans			**6,695.46**	**-**

Foreign currency loan 1 carries interest at the rate of LIBOR plus 330 bps p.a. The tenure of the loan is 7 years and the loan is repayable in 20 quarterly instalments commencing after 24 months of the weighted average draw down date, viz 1st August, 2013. The loan is secured by pari passu charge on all movable and immovable Property, plant and equipment (PPE) created by the loan and also includes mortgage of Plot No. D-7, MIDC Chincholi, Solapur. The loan has been secured by the personal guarantee of directors Mr. Yatin S. Shah and Dr. Suhasini Y. Shah.

Foreign currency loan 2 carries interest at the rate of LIBOR plus 295 bps p.a. The tenure of the loan is 5 years and 2 months and the loan is repayable in 20 quarterly instalments commencing after 7 months from the sanction of the loan by the bank. viz. 2nd November 2013. The loan is secured by pari passu charge on all movable and immovable PPE created by the loan and also all

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

(All amounts are in Rupees Lakhs, unless otherwise stated)

future PPE, mortgage of Plot No. D-7, MIDC Chincholi, Solapur. The loan has been secured by the personal guarantee of directors Mr.. Yatin S. Shah and Dr. Suhasini Y. Shah.

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 is also secured by the personal guarantee of Mr. Guido Glinski (promoter of MFT Motoren und Fahrzeugtechnik GmbH).

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.

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, Nashik as collateral security. The loans has been secured by the corporate guarantee of holding company Precision Camshafts Limited.

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, Nashik 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, Nashik 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 existing and future moveable and immoveable fixed assets of plot no F-5, MIDC, Satpur, Nashik 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, Nashik 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, Nashik 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, 2019 (Contd.)

(All amounts are in Rupees Lakhs, unless otherwise stated)

Cash credit from banks:

Cash credit of ₹ 140.57 Lakhs , packing credit ₹ 2,580.98 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 ₹ 268.87 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 plot no F-5, MIDC, Satpur, Nashik. The cash credit has been secured by corporate guarantee of Holding Company Precision Camshaft Limited. The cash credit has also been secured by Demand promissory note and letter of continuity for ₹ 80 million.

The carrying amounts of property, plant and eqiupment 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.

Note 13: Other financial liabilities

Particulars	As at 31st March, 2019	As at 31st March, 2018
Financial liability at FVTPL		
Contract obligation towards take over of NCI of subsidiary (Refer Note 39)	-	217.89
Contingent consideration towards acquisition of step-down subdiary (Refer Note 39)	-	475.69
Contract obligation towards Call/put option over NCI (Refer Note 39)	2,327.29	2,413.02
Foreign-exchange forward contracts	-	104.33
Other financial liabilities at amortised cost		
Current maturity of long term loans (Refer Note 12)	594.07	3,156.84
Bank overdrafts	1,734.88	-
Unpaid matured deposits and interest accrued thereon	137.30	137.30
Employee benefit liabilities	1,112.77	878.54
Sundry payables for capital goods purchased	851.75	1,279.42
Factoring Payables	227.49	446.67
Amount due to selling shareholders	507.20	667.37
Unclaimed Dividend	3.19	2.53
Other payables	40.06	198.12
Total	**7,536.00**	**9,977.71**
Non - Current	**2,837.82**	**3,316.39**
Current	**4,698.18**	**6,661.31**
	7,536.00	**9,977.71**

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

(All amounts are in Rupees Lakhs, unless otherwise stated)

Break up of financial liabilities carried at amortised cost

Particulars	As at 31st March, 2019	As at 31st March, 2018
Borrowings (non-current) (Refer Note 12)	10,965.54	5,293.95
Borrowings (current) (Refer Note 12)	7,358.94	2,292.56
Current maturity of long term loans (Refer Note 13)	594.07	3,156.84
Trade payables (Refer Note 14)	9,546.57	8,000.66
Other financial liabilities (Refer Note 13)	4,614.64	3,609.95
Total	**33,079.75**	**22,353.96**

Note 14: Trade payables

Particulars	As at 31st March, 2019	As at 31st March, 2018
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises	1,391.95	1,207.20
- Total outstanding dues of creditors other than micro enterprises and small enterprises	8,154.62	6,793.47
Total trade payables	**9,546.57**	**8,000.66**
Non-current	-	-
Current	**9,546.57**	**8,000.66**
Total	**9,546.57**	**8,000.66**

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

For explanations on the Group's credit risk management processes, Refer Note 43.

Details of dues to Micro, small and medium enterprises as defined under MSMED Act, 2006

Particulars	As at 31st March, 2019	As at 31st March, 2018
(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	1,391.95	1,407.52
Interest due on above	10.40	10.43
(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.	4,399.74	4,058.43
(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.	138.81	111.39
(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	567.99	446.17

In the opinion of the management it is not probable that there would be any actual cash outflow of the interest liability and considers the interest liability as a contingent liability as per Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets. Further from 1st April 2019, the management has changed the payment terms with all Micro and Small creditors ensuring payment within the 45 days.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

(All amounts are in Rupees Lakhs, unless otherwise stated)

Note 15: Other current liabilities

Particulars	As at 31st March, 2019	As at 31st March, 2018
Advances from customers	103.77	67.80
Statutory Dues payable	189.45	232.02
Other payables	118.52	3.81
Total	**411.74**	**303.63**

Note 16: Provisions

Particulars	As at 31st March, 2019	As at 31st March, 2018
Employee benefits obligations:		
Gratuity	442.44	491.28
Compensated absences	393.56	370.68
Provision for tax on interim dividend on preference shares	3.70	0.18
Provision for warranty	-	8.06
Provision for doubtful Capital Advance	93.55	93.55
Total	**933.25**	**963.76**
Non Current	854.81	847.90
Current	78.44	115.86
	933.25	**963.76**

Also Refer Note 30 for detailed disclosure of gratuity.

Note 17: Current tax liabilities (net)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Provision for income tax (net of advance taxes)	419.57	428.54
Total	**419.57**	**428.54**

Note 18: Revenue from Operations

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Sale of products (including excise duty)*	67,362.92	41,311.55
Sale of services	487.77	238.69
Total sale of products and services	**67,850.69**	**41,550.24**
Other operating income		
Tooling income	676.07	594.80
Scrap sales	250.74	87.77
Export incentives	675.45	628.52
Other operating income	67.84	-
Total other operating income	**1,670.11**	**1,311.09**
Total revenue from operations	**69,520.81**	**42,861.33**

*Sale of goods includes excise duty collected from customers of ₹ Nil for year ended 31st March, 2019 (31st March, 2018 ₹ 822.42 Lakhs) Sale of goods net of excise duty is ₹ 67,362.92 Lakhs (31st March, 2018: ₹ 40,489.13 Lakhs)

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

(All amounts are in Rupees Lakhs, unless otherwise stated)

Note 19: Other Income

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Fair value gain on financial instruments at fair value through profit or loss	513.31	532.31
Realised gain on Sale of mutual funds	20.78	-
Exchange differences (net)	160.14	259.16
Compensation from customer	-	275.00
Trade Payable no longer required written back	1.36	5.65
Royalty Income	4.26	64.66
VAT refund	46.30	-
Incomes from electricity and energy tax	44.82	-
Discount received	29.29	-
Miscellaneous income	131.70	6.27
Total other income	**951.95**	**1,143.05**

Note 20: Finance Income

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Interest income on financials assets carried at amortised cost		
Bank deposits	754.73	1,249.53
Others	18.44	28.28
Dividend income on Non current investments designated as FVTPL	0.69	-
Dividend income on investments in mutual funds designated as FVTPL	41.53	51.39
Total finance income	**815.40**	**1,329.20**

Note 21: Cost of raw materials and components consumed

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Cost of raw materials and components consumed	**26,320.94**	**12,790.71**

Note 22: (Increase) / decrease in inventories

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Opening stock*:		
Finished goods	1,484.73	2,018.98
Semi-finished goods	2,938.21	585.73
	4,422.94	**2,604.71**
Closing stock:		
Finished goods	2,810.24	1,418.58
Semi-finished goods	5,134.45	636.04
	7,944.70	**2,054.62**
(Increase)/decrease in inventories	**(3,521.75)**	**550.09**

* The difference between opening inventory of current year and closing inventory of previous year is on account of acquisitions made by the Group.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

(All amounts are in Rupees Lakhs, unless otherwise stated)

Note 23: Employee benefit expenses

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Salaries, wages, bonus and commission	11,434.39	5,309.94
Employee stock option scheme	0.89	41.76
Contribution to provident fund and other funds	1,108.86	364.70
Gratuity expense (Refer Note 30)	129.96	66.86
Staff welfare expenses	307.68	33.51
Total Employee benefit expenses	**12,981.78**	**5,816.77**

Note 24: Other Expenses

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Consumption of components and spares	6,137.78	3,223.79
Packing materials consumed	647.98	605.61
Power and fuel expenses	6,457.83	4,984.55
Job work expenses	1,178.83	1,200.06
Freight outward charges	1,138.80	1,301.87
Rent	276.41	11.95
Rates and taxes	148.66	150.03
Insurance	137.33	65.27
Repairs and maintenance		
Plant and machinery	845.46	542.60
Building	62.05	128.64
Others	556.73	399.55
Advertisement and sales promotion	205.57	13.04
CSR expenditure (Refer Note below)	147.93	135.58
Sales commission	547.80	588.07
Travelling and conveyance	484.17	499.35
Communication costs	101.60	34.89
Legal and professional fees	803.54	621.14
Auditors' remuneration and expenses (Refer Note below)		
Statutory audit	40.54	26.72
Limited review	-	3.00
Out of pocket expenses	0.24	4.81
Bad debts written off	117.62	-
Provision for doubtful debts (net of reversals)	(2.96)	(24.91)
Loss on fixed assets sold /discarded (net)	21.19	6.29
Fair value loss on contract obligation towards take over of NCI of subsidiary	43.11	-
Management fees	252.27	-
Other bank charges	50.21	-
Car leasing	51.56	-
Miscellaneous expenses	676.96	477.16
Total Other expenses	**21,129.22**	**14,999.06**

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

(All amounts are in Rupees Lakhs, unless otherwise stated)

CSR expenditure

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Gross amount required to be spent during the year	143.37	181.22
Amount spent during the year in cash	147.93	135.58

Note 25: Finance costs

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Interest on borrowings	743.40	356.06
Interest on current tax	25.32	4.24
Bank charges	98.10	149.08
Other finance costs	4.73	9.11
Total Finance Costs	**871.55**	**518.49**

Note 26: Depreciation and amortisation expense

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Depreciation of property, plant and equipment	6,338.34	4,398.93
Amortisation of intangible assets	334.79	146.09
	6,673.13	**4,545.02**

Note 27: Components of Other comprehensive income (OCI)

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	(58.84)	-	-	(58.84)
Exchange differences transferred to P&L for held for sale	-	-	-	-
Total	**(58.84)**	**68.21**	**-**	**9.37**

During the year ended 31st March, 2018

Particulars	Foreign currency translation reserve	Retained earnings	Bargain purchase gain acquisition	Total
Re-measurement gains (losses) on defined benefit plans	-	23.02	-	23.02
Income tax effect	-	(7.44)	-	(7.44)
Foreign exchange translation differences	358.97	-	-	358.97
Bargain purchase gain on acquisition of subsidairy (Refer Note 39(2))	-	-	1,605.99	1,605.99
Total	**358.97**	**15.59**	**1,605.99**	**1,980.54**

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

(All amounts are in Rupees Lakhs, unless otherwise stated)

Note 28: Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profits for the year attributable to equity holders 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 holders 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

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Profit attributable to equity holders of Holding Company for basic EPS	1,498.84	4,608.69
Profit attributable to equity holders of Holding company for diluted EPS	1,498.84	4,608.69
Weighted average number of equity shares in calculating basic EPS	9,49,53,225	9,48,10,633
Effect of dilution on account of options outstanding under ESOP Scheme:	62,273	1,60,951
Weighted average number of equity shares in calculating diluted EPS	9,50,15,498	9,49,71,584
Earnings per share (basic) (Rupees/share)	1.58	4.86
Earnings per share (diluted) (Rupees/share)	1.58	4.85

Note 29: Income Tax

The major components of income tax expense for the years ended 31st March, 2019 and 31st March, 2018 are:

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Current income tax:		
Current income tax charge	2,240.93	2,053.08
Adjustments in respect of current income tax of previous year	(161.04)	
Deferred tax:		
Relating to origination and reversal of temporary differences (including deferred tax charge of discontinued operations)	388.23	227.49
Income tax expense reported in the statement of profit or loss	**2,468.13**	**2,280.57**

OCI Section

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Net loss/(gain) on remeasurements of defined benefit plans	(32.14)	(7.44)
Income tax expense charged to OCI	**(32.14)**	**(7.44)**

Reconciliation of closing balance of Deferred tax liability

Particulars	As at 31st March, 2019	As at 31st March, 2018
PPE: impact of difference between tax depreciation and depreciation / amortization for the financial reporting	1,693.97	1,572.48
Deferred tax on consolidation related adjustments	-	580.17
Others	333.46	222.25
Gross deferred tax liability	**2,027.43**	**2,374.90**
Deferred tax assets		
Provision for doubtful debts and advances	-	1.04
Employee related costs allowed for tax purposes on payment basis	217.51	313.45
VRS compensation	202.36	234.05
Share issue expenses adjusted to securities premium account	46.80	60.59
Others	3.57	36.45

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

(All amounts are in Rupees Lakhs, unless otherwise stated)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Gross deferred tax assets	**470.25**	**645.58**
Net deferred tax liability	**1,557.20**	**1,729.32**
Deferred tax assets		
other	7.55	-
Gross deferred tax liability	**7.55**	**-**
PPE: impact of difference between tax depreciation and depreciation / amortization for the financial reporting	12.40	19.30
Employee related costs allowed for tax purposes on payment basis	90.16	80.27
Expenses allowed for tax purposes on 5 years basis	7.29	10.37
Deferred tax on consolidation related adjustments	-	9.25
Other	27.55	
Gross deferred tax assets	137.40	119.19
Net Deferred tax assets (II)	**129.85**	**119.19**

Reconciliation of deferred tax assets

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)

Total (I+II)	**1,427.35**	**1,610.13**
Closing deferred tax liability (net)	1,427.35	1,729.32
Less: opening deferred tax liability (net)	1,610.13	1,476.66
Deferred tax movement for the year (a)	(182.79)	133.47
Deferred tax credit recorded in securities premium account (b) (refer note 11)	13.79	7.35
Deferred tax credit recorded in exceptional item (refer note 41B)	596.96	-
Deferred tax (credit) / charge for the year (c = a-b)	(196.58)	126.12
Deferred tax charge considered in OCI (d)	(32.14)	(7.44)
Deferred tax charge/ (credit) on Share of profit in Joint venture (e)		5.76
Deferred taxes acquired in business combinations (f)	19.98	103.05
Deferred tax credit for the year to be charged to statement of profit or loss (c+d+e+f)	**388.23**	**227.49**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31st March, 2019 and 31st March, 2018

Particulars	As at 31st March, 2019	Year ended 31st March, 2018
Accounting profit before tax		
Accounting profit before income tax	4,064.29	6,890.17
	4,064.29	**6,890.17**
At India's statutory tax rate 34.944% (31st March 2018 - 34.608%)	1,420.23	2,384.55
Incomes not chargeable to tax	-	-
Dividend exempt from tax	(24.28)	(17.78)
Excess provision for interest under section 234B, 234C write 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	(162.71)	-

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

(All amounts are in Rupees Lakhs, unless otherwise stated)

Particulars	As at 31st March, 2019	Year ended 31st March, 2018
Non-deductible expenses for tax purposes:		
Donations disallowed	10.40	50.90
Interest u/s 234 B & C and penalty	9.49	1.44
Provision for expenses not allowed in tax	-	(8.62)
Provision for Capital advances	-	11.61
Deferred tax on consolidation	27.54	105.47
Effect of differential tax rate in China	-	(322.30)
Effect of differential tax rate of subsidiary	50.76	2.45
Loss on sale of asset	-	1.62
Disallowance under section 14A	-	0.35
Dividend on redemable preference hares including DDT	8.65	-
Deferred tax reduction due to difference in tax rate of subsidiary	1.08	18.83
EPCG penalty expenses	-	6.75
Tax impact due to exceptional item not considered in current tax (refer note 41B)	955.58	-
Difference on account of other items	56.21	45.32
Deferred Tax not recognised on c/f loss of subsidiary	67.94	-
PPA		
Expenditure on which TDS not deducted	76.31	-
CSR expenses	51.69	-
Difference in Depreciation and WDV Movement	18.45	-
At the effective income tax rate of 60.73% (31st March, 2018 - 33.10%)	**2,468.13**	**2,280.57**
Income tax reported in the consolidated statement of profit and loss	2,468.13	2,280.57

Reconciliation of deferred tax liabilities (net):

Particulars	As at 31st March, 2019	Year ended 31st March, 2018
Opening balance as of 1st April	1,610.14	1,476.67
Tax income/(expense) during the period recognized in profit or loss	388.23	221.73
Deferred tax credit recorded in exceptional item (refer note 41B)	(596.96)	-
Tax income/(expense) during the period recognized in Equity	13.79	7.35
Tax income/(expense) during the period recognized in OCI	32.14	7.44
Deferred taxes acquired in business combinations	(19.98)	(103.05)
Closing Balance as at 31st March	**1,427.35**	**1,610.14**

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.

Deferred tax relates to the following

Particulars	Balance sheet		Consolidated Statement of Profit and Loss	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
Accelerated depreciation for tax purposes	(1,681.57)	(1,553.18)	128.39	(61.78)
Fair value of mutual fund	(311.07)	(222.25)	88.82	186.36
Voluntary retirement scheme allowed as deduction over a period of five years	202.36	234.05	31.69	(26.89)
Preliminary expenses incurred on initial public offering, allowed as deduction over a period of five years	46.80	60.59	-	-
			-	
Employee benefit expenses allowed on payment basis under Sec 43B	307.67	393.72	86.04	(46.37)

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

(All amounts are in Rupees Lakhs, unless otherwise stated)

Particulars	Balance sheet		Consolidated Statement of Profit and Loss	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
Forward contracts	(22.40)	36.46	58.85	(24.11)
Expenses allowed for tax purposes on 5 years basis	7.29	10.37	3.08	(10.37)
Other	23.56		(23.56)	
Provision for doubtful debts and advances	-	1.04	1.04	3.82
Deferred tax on consolidation	-	(570.92)	(570.92)	105.47
Deferred tax credit recorded in exceptional item (refer note 41B)	-	-	596.96	-
Amount to be charged in Statement of OCI	-	-	(32.14)	(7.44)
Deferred tax on grossing of share of profit on JV	-	-		5.76
Deferred taxes acquired in business combinations	**-**	**-**	**19.98**	**103.05**
	(1,427.35)	**(1,610.14)**	**388.23**	**227.49**

Note 30: Disclosure pursuant to Employee benefits

A. Defined contribution plans:

Amount of ₹ 1108.86 lakhs (31st March, 2018: ₹ 364.70 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.

The Indian Subsidiary has a defined benefit gratuity plan in India and the same is unfunded.

Plan assets - Gratuity Fund of Holding Company is ₹ 497.62 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 31st March, 2019 (recognised in profit or loss) *	As at 31st March, 2019	As at 31st March, 2018
Current service cost	95.62	120.48
Interest cost on benefit	32.16	19.64
	127.78	**140.12**

* 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 and 4.85 lakhs for the year ended 31st March, 2019 and 31st March, 2018 respectively.

For the year ended 31st March, 2019, the amount debited also includes gratuity expenses of directors whose gratuity payments have not been considered for actuarial valuation amounting to ₹ 40 lakhs.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

(All amounts are in Rupees Lakhs, unless otherwise stated)

31st March, 2019: Changes in defined benefit obligation and plan assets

			Gratuity cost charged to statement of profit and loss				Remeasurement gains/(losses) recognised in OCI						
	1st April, 2018	On acquisition (refer note 39)	Service cost	Net interest expense	Sub-total included in statement of profit and loss (Refer Note 24)	Benefit paid	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	31st March, 2019
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	74.44	497.62
Benefit liability	(452.24)	-	(95.62)	(32.16)	(127.78)	3.95	2.99	-	37.94	59.42	100.35	74.44	(401.28)

31st March, 2018 : Changes in defined benefit obligation and plan assets

In ₹

			Gratuity cost charged to statement of profit and loss				Remeasurement gains/(losses) recognised in OCI						
	1st April, 2017	On acquisition	Service cost	Net interest expense	Sub-total included in statement of profit and loss (Refer Note 23)	Benefit paid	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	31st March, 2018
Gratuity													
Defined benefit obligation	(696.54)	(185.06)	(120.48)	(49.79)	(170.27)	151.21	-	-	75.62	(58.93)	16.69	-	(883.97)
Fair value of plan assets	464.18	-	-	30.15	30.15	(151.21)	6.34	-	-	-	6.34	88.08	437.54
Benefit liability	(232.36)	(185.06)	(120.48)	(19.64)	(140.12)	-	6.34	-	75.62	(58.93)	23.02	88.08	(446.43)

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

(All amounts are in Rupees 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 Year ended 31st March, 2019	As at Year ended 31st March, 2018
Type of asset: Group gratuity scheme of LIC of India		
Fair value of total plan assets	497.62	437.54
(%) 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 Year ended 31st March, 2019	As at Year ended 31st March, 2018
Discount rate	7.7% to 7.79%	7.68% to 7.83%
Future salary increase	8.00%	8% to 9.50%
Expected rate of return on plan assets	8.00%	8.00%
Expected average remaining working lives (in years)	16 to 16.45	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 Year ended 31st March, 2019	As at Year ended 31st March, 2018
Discount rate	1% increase	616.74	584.89
	1% decrease	843.57	819.92
Future salary increase	1% increase	838.39	814.09
	1% decrease	618.87	587.39

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligations as a result of the followings are the expected future benefit payments for the defined benefit plan :

Particulars	As at Year ended 31st March, 2019	As at Year ended 31st March, 2018
Within the next 12 months (next annual reporting period)	30.81	35.68
Between 2 and 5 years	196.78	181.95
Beyond 5 years	762.12	869.44
Total expected payments	**989.72**	**1,087.07**

Weighted average duration of defined plan obligation (based on discounted cash flows)

Particulars	As at Year ended 31st March, 2019	As at Year ended 31st March, 2018
Gratuity	13.08 to 14	13.58 to 16

The followings are the expected contributions to planned assets for the next year:

Particulars	As at Year ended 31st March, 2019	As at Year ended 31st March, 2018
Gratuity	50.58	74.49

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

(All amounts are in Rupees Lakhs, unless otherwise stated)

Note 31: Share Based Payments

The parent company provides share-based payment schemes to its employees. During the year ended 31st March, 2019, an employee stock option plan (ESOP) was in existence. The relevant details of the scheme and the grant are as below.

On 6 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 Nomination and 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 31st March, 2019	As at 31st March, 2018
Expense arising from equity-settled share-based payment transactions	0.89	41.76
Total expense arising from share-based payment transactions	0.89	41.76

There were no cancellations or modifications to the awards in 31st March, 2019 or 31st March, 2018.

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year

Particulars	31st March, 2019		31st March, 2018	
	Number	WAEP	Number	WAEP
Outstanding at 1st April	1,77,290	₹ 10	2,65,445	₹ 10
Granted during the year	-	-	-	-
Forfeited during the year	-	₹ 10	6,050	₹ 10
Exercised during the year	1,09,200	₹ 10	82,105	₹ 10
Expired during the year	-	-	-	-
Outstanding at 31st March	**68,090**	**₹ 10**	**1,77,290**	**₹ 10**
Exercisable at 31st March	68,090	₹ 10	1,77,290	₹ 10

The weighted average share price at the date of exercise of these options was ₹ 10

The weighted average remaining contractual life for the share options outstanding as at 31st March, 2019 was NIL, (31st March, 2018: one Month)

The following tables list 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.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

(All amounts are in Rupees Lakhs, unless otherwise stated)

Note 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, 2019, the Company had commitments of ₹ 47.60 lakhs (31st March, 2018: ₹ 4,498.03 lakhs)

(ii) The Company had a commitment to purchase 5% equity shares of Memco Engineering Private Limited, Nashik as on 31st March, 2018 for which it had earmarked balance in bank of ₹ 150 Lakhs

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, 2018: ₹ 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.

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 Provision Act, 1952 for ₹ 24.23 Lakhs (31st March, 2018: ₹ 24.23 Lakhs). The Company has deposited an amount of ₹ 12.12 Lakhs (31st March, 2018: ₹ 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, 2018: ₹ 20.76 Lakhs) on sales tax retained under sales tax deferral scheme. The Company has deposited an amount of ₹ 1.56 Lakhs (31st March, 2018: ₹ 1.56 Lakhs) under protest.

d. The Company has filled an appeal to CESTAT during the year against the order of service tax appeals for inadmissible cenvat credit amounting to ₹ 2.38 Lakhs (31st March, 2018: ₹ 11.83 Lakhs) on outward transportation for the financial years 2013-14 and 2014-15.

e. 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/desigin/specifications was not included in components at the time of supply to MSIL amounting to ₹ 83.95 Lakhs.

f. The Company has received order from Assessing Officer for demand of income tax amounting to ₹ 1,597.17 Lakhs 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 cases the cases mentioned above outflow is not probable, and hence not provided by the Company.

In all the cases mentioned above, outflow is not probable, and hence not provided by the Company.

(ii) Corporate Guarantees

The Company has given corporate guarantee of ₹ 14,900 Lakhs (approx) on behalf of PCL (International) Holdings B.V. (Netherlands) to the lender bank.

c. Leases

The Group has entered into commercial leases for office premises and guest house. These leases have an average life of between three years with no renewal option included in the contracts. There are no restrictions placed upon the Company by entering into these leases.

The Group has paid ₹ NIL (31st March, 2018: ₹ 4.56 lakhs) during the year towards minimum lease payment.

Future minimum rentals payable under non-cancellable operating leases are as follows:

Particulars	As at 31st March, 2019	As at 31st March, 2018
Within one year	-	1.21
After one year but not more than five years	-	-
More than five years	-	-
Total	**-**	**1.21**

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

(All amounts are in Rupees Lakhs, unless otherwise stated)

Note 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 Shripad Dharkar, Managing Director of subsidiary (upto 31-12-2018)

Mrs. Vinita Rajendra Dharkar, Director of subsidiary (upto 31-12-2018)

Mr. Swapnil S. Kuber (upto 29-09-2017)

Mr. Mahesh A. Kulkarni (upto 08-12-2018)

Mr. Shreyas Mokashi (Since 01-04-2019)

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)

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 Nikhil Diwakar, daughter of Rajendra and Mrs.Vinita Dharkar

Mrs. Mayura K. Shah, Wife of Mr. Karan Y. Shah

iii) Enterprises owned or significantly influenced by key management personnel or their relatives:

Chitale Clinic Private Limited

Precision Foundation & Medical Research Trust

Yatin S. Shah (HUF)

Cams Technology Limited

Medical Equipment Manufacturing Company

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

(All amounts are in Rupees Lakhs, unless otherwise stated)

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) Specialised Casting Co. Limited, China.

b) Additional related parties as per Companies Act, 2013 with whom transactions have taken place during the year

i) Company secretary

Mr. Swapnil S. Kuber (upto 29-09-2017)

Mr. Mahesh A. Kulkarni (W.e.f. 08-12-2017)

Mrs. Mayuri I. Kulkarni (W.e.f. 23-03-2019)

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

(All amounts are in Rupees Lakhs, unless otherwise stated)

B The transactions with related parties during the year and their outstanding balances are as follows:

Sr. No.	Particulars	Key management personnel		Relatives of key management personnel		Entities where KMP / RKMP have significant influence		Joint venture		Individual having significant influence		Relative of individual having significant influence	
	Transactions	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018
1	Remuneration* (including commission)	715.52	724.44	11.22	30.29	-	-	-	-	-	-	-	-
2	Final Dividend paid on equity shares	478.19	716.23	2.94	4.41	125.15	187.72	-	-	82.02	123.03	33.49	50.23
3	Sale of goods	-	-	-	-	-	-	335.15	2,820.37	-	-	-	-
4	Tooling income	-	-	-	-	-	-	-	-	-	-	-	-
5	Royalty income	-	-	-	-	-	-	4.26	64.66	-	-	-	-
6	Donation Paid	-	-	-	-	27.25	21.00	-	-	-	-	-	-
7	Purchases of goods, material or services	-	-	-	-	66.62	77.36	-	-	-	-	-	-
8	Sale of fixed assets	-	2.00	-	-	-	-	-	-	-	-	-	-
	Balances outstanding									-	-	-	-
1	Remuneration payable	237.35	88.08	1.69	1.59	-	-	-	-	-	-	-	-
2	Trade receivables	-	-	-	-	-	-	56.69	399.28	-	-	-	-
4	Royalty Income							4.26	19.72				
3	Trade payables	-	-	-	-	15.52	31.61	-	-	-	-	-	-
4	Investment in equity shares	-	-	-	-	-	-	-	4,417.47	-	-	-	-

*The amounts disclosed in the table are the amounts recognized as an expense during the reporting period related to key management 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, 2019 (Contd.)

(All amounts are in Rupees Lakhs, unless otherwise stated)

Disclosure in respect of material related party transaction during the year:

Sr. No.	Particulars	Relationship	As at 31st March, 2019	As at 31st March, 2018
1	**Remuneration***			
	Mr.Yatin S. Shah	Key management personnel	328.31	293.01
	Dr. Suhasini Y. Shah	Key management personnel	10.87	35.69
	Mr. Ravindra R. Joshi	Key management personnel	269.52	290.63
	Mr. Swapneel S. Kuber	Key management personnel	-	2.89
	Mr. Karan Y. Shah	Key management personnel	18.47	-
	Mr. Mahesh A. Kulkarni	Key management personnel	7.03	3.84
	Mrs. Mayuri I. Kulkarni	Key management personnel	0.18	-
	Mr. Jayant V. Aradhye	Key management personnel/ Individual having significant influence	-	5.00
	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 - Non Executive Director	2.92	-
	Mr. Karan Y. Shah	Relatives of Key management personnel	11.22	30.29
	Mr. Rajendra Shripad Dharkar	Key management personnel	21.72	46.40
	Mrs. Vinita Rajendra Dharkar	Key management personnel	21.72	27.00
	Ms. Smita Mandem	Key management personnel	13.32	-
	Ms. Romita Mehta	Key management personnel	1.46	-
2	**Final dividend paid on equity shares**			
	Cams Technology Limited	Entities where KMP / RKMP have significant influence	125.15	187.72
	Mr. Yatin S. Shah	Key management personnel	245.81	367.67
	Mr. Jayant V. Aradhye	Individual having significant influence	82.02	123.03
	Mr. Yatin Shah Jointly held with Dr. Suhasini Y. Shah	Key management personnel	128.29	192.43
	Dr. Suhasini Y. Shah	Key management personnel	104.06	156.08
	Mr. Maneesh Jayant Aradhye	Relative of individual having significant influence	16.36	24.54
	Dr. Sunita Jayant Aradhye	Relative of individual having significant influence	8.17	12.26
	Ms. Rama Maneesh Aradhye	Relative of individual having significant influence	6.96	10.44
	Mr. Vijay Vasudeo Aradhye	Relative of individual having significant influence	2.00	3.00
	Dr. Manjiri Vinayak Chitale	Relatives of Key management personnel	2.92	4.38
	Mr. Ravindra R. Joshi	Key management personnel	0.01	0.02
	Mr. Karan Y. Shah	Key management personnel	0.02	0.03
	Ms. Tanvi Y. Shah	Relatives of Key management personnel	0.02	0.03
	Mr. Pramod H. Mehendale	Key management personnel	0.00	0.00
	Mr. Vaibhav S. Mahajani	Key management personnel	0.00	0.00
3	**Sale of goods**			
	Ningbo Shenglong PCL Camshafts Co. Ltd	Joint Venture	335.15	2,820.37

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

(All amounts are in Rupees Lakhs, unless otherwise stated)

Sr. No.	Particulars	Relationship	As at 31st March, 2019	As at 31st March, 2018
4	**Tooling Income**			
	Ningbo Shenglong PCL Camshafts Co. Ltd	Joint Venture	-	-
	PCL Shenglong (Huzhou) Specialized Casting Co. Limited	Joint Venture	-	-
5	**Royalty Income**			
	PCL Shenglong (Huzhou) Specialized Casting Co. Limited	Joint Venture	4.26	64.66
6	**Donation Paid**			
	Precision Foundation and Medical Research Trust	Entities where KMP / RKMP have significant influence	27.25	21.00
7	**Purchases of goods, material or Services**			
	Cams Technology Limited	Entities where KMP / RKMP have significant influence	66.29	76.43
	Chitale Clinic Pvt Ltd	Entities where KMP / RKMP have significant influence	0.33	0.92
8	**Sale of Fixed asset**			
	Mr. Rajendra Shripad Dharkar	Key management personnel	-	1.00
	Mrs. Vinita Rajendra Dharkar	Key management personnel	-	1.00
9	**Corporate Guarantee Given**			
	For PCL (International) Holding B.V. (Netherlands)	Subsidiary	-	14,900.00

Balances outstanding

Sr. No.	Particulars	Relationship	As at 31st March, 2019	As at 31st March, 2018
1	**Remuneration payable**			
	Mr. Ravindra R. Joshi	Key management personnel	79.30	35.96
	Mr. Yatin S. Shah	Key management personnel	134.95	13.94
	Dr. Suhasini Y. Shah	Key management personnel	-	3.73
	Mr. Karan Y. Shah	Key management personnel	1.69	-
	Mr. Mahesh A. Kulkarni	Key management personnel	-	0.75
	Mrs. Mayuri I. Kulkarni	Key management personnel	0.18	-
	Mr. Jayant V. Aradhye	Individual having significant influence	-	5.00
	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 - Non Executive Director	2.92	-
	Mr. Karan S. Shah	Relatives of Key management personnel	-	1.59
	Mr. Rajendra Shripad Dharkar	Key management personnel	-	5.44
	Mrs. Vinita Rajendra Dharkar	Key management personnel	-	3.26
2	**Trade receivables**			
	Ningbo Shenglong PCL Camshafts Co. Ltd	Joint venture	56.69	399.28
3	**Royalty Receivable**			
	PCL Shenglong (Huzhou) Specialized Casting Co. Limited	Joint Venture	4.26	19.72
4	**Trade payables**			
	Cams Technology Limited	Entities where KMP / RKMP have significant influence	15.52	31.61

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

(All amounts are in Rupees Lakhs, unless otherwise stated)

Sr. No.	Particulars	Relationship	As at 31st March, 2019	As at 31st March, 2018
	Chitale Clinic Pvt Ltd	Entities where KMP / RKMP have significant influence	-	-
5	**Investment in equity shares**			
	Ningbo Shenglong PCL Camshaft Co. Limited	Joint Venture	-	4,282.37
	PCL Shenglong (Huzhou) Specialized Casting Co. Limited	Joint Venture	-	135.10

* 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	As at 31st March, 2019	As at 31st March, 2018
Short term employee benefits	715.52	724.44
Total compensation paid to key management personnel	**715.52**	**724.44**

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period.

Note 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 make identified India and outside India as two reportable geographical segments.

Revenue from Customers	As at 31st March, 2019	As at 31st March, 2018
Within India	24,254.95	20,131.69
Outside India		
Asia	11,654.99	8,377.09
China	334.13	3,679.94
Europe	32,860.18	10,199.69
Others	416.56	472.92
	45,265.86	**22,729.64**
Total revenue	**69,520.81**	**42,861.33**

The revenue information above is based on the locations of the customers.

Non-current operating assets*	As at 31st March, 2019	As at 31st March, 2018
Within India	33,802.01	34,386.10
Outside India		
Assets at China	-	3,115.93
Europe	13,939.36	4,087.25
Others	-	-
	13,939.36	**7,203.18**
Total	**47,741.37**	**41,589.28**

* 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.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

(All amounts are in Rupees Lakhs, unless otherwise stated)

Note 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	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
Property, Plant and Equipement				
Acquired Assets through acquisition of subsidiaries (Refer Note 39)				
Land - Memco	576.22	583.77	576.22	583.77
Land - MFT	-	276.90	-	276.90
Building - Memco	456.29	524.26	456.29	524.26
Building - MFT	-	1,472.60	-	1,472.60
Other Intangible Assets				
Acquired Assets through acquisition of subsidiaries (Refer Note 39)				
Customer -Supplier Relationship - Memco	498.95	557.65	498.95	557.65
Customer -Supplier Relationship - MFT	59.48	68.53	59.48	68.53
Technical Know-How - Memco	369.29	436.43	369.29	436.43
Technical Know-How - MFT	56.65	68.53	56.65	68.53
R & D - Memco	170.00	283.33	170.00	283.33
Financial assets				
Investments	9,997.80	11,029.98	9,997.80	11,029.98
Other financial assets:				
Foreign exchange forward contracts	64.09	-	64.09	-
Assets classified as held for sale	1,003.35	-	1,003.35	-
Total	**11,065.24**	**11,029.98**	**11,065.24**	**11,029.98**
Financial liabilities				
Contract obligation towards takeover of NCI	-	217.89	-	217.89
Contract obligation towards call/put option over NCI	2,327.29	2,413.02	2,327.29	2,413.02
Contingent consideration	-	475.69	-	475.69
Foreign exchange forward contracts	-	104.33	-	104.33
Total	**2,327.29**	**3,210.92**	**2,327.29**	**3,210.92**

The Group management assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Note 36: Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

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	10-Oct-17	576.22	-	-	576.22
Land - MFT	31-Mar-18	267.06	-	-	267.06
Building - Memco	10-Oct-17	456.29	-	-	456.29
Building - MFT	31-Mar-18	1,443.93	-	-	1,443.93

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

(All amounts are in Rupees Lakhs, unless otherwise stated)

			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)
Other Intangible Assets					
Acquired Assets through acquisition of subsidiaries (Refer Note 39)					
Customer -Supplier Relationship - Memco	10-Oct-17	498.95	-	-	498.95
Customer -Supplier Relationship - MFT	31-Mar-18	59.48	-	-	59.48
Technical Know-How - Memco	10-Oct-17	369.29	-	-	369.29
Technical Know-How - MFT	31-Mar-18	56.65	-	-	56.65
R & D - Memco	10-Oct-17	170.00	-	-	170.00
Investments	31-Mar-19	9,997.80	9,990.34	7.46	-
Other financial assets:					
Foreign exchange forward contracts	31-Mar-19	64.09	-	64.09	-
Assets classified as held for sale	31-Mar-19	1,003.35	-	1,003.35	-
Liabilities measured at fair value:					
Contract obligation towards takeover of NCI	31-Mar-19	-	-	-	-
Contract obligation towards call/put option over NCI	31-Mar-19	2,327.29	-	2,327.29	-
Contingent consideration	31-Mar-19	-	-	-	-
Foreign exchange forward contracts	31-Mar-19	-	-	-	-

Quantitative disclosures fair value measurement hierarchy for assets as at 31st March, 2018:

			Fair Value measurment 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	10-Oct-17	583.77	-	-	583.77
Land - MFT	31-Mar-18	276.90	-	-	276.90
Building - Memco	10-Oct-17	524.26	-	-	524.26
Building - MFT	31-Mar-18	1,472.60	-	-	1,472.60
Other Intangible Assets					
Acquired Assets through acquisition of subsidiaries (Refer Note 39)					
Customer -Supplier Relationship - Memco	10-Oct-17	557.65	-	-	557.65
Customer -Supplier Relationship - MFT	31-Mar-18	68.53	-	-	68.53

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

(All amounts are in Rupees Lakhs, unless otherwise stated)

	Fair Value measurment using				
	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Technical Know-How - Memco	10-Oct-17	436.43	-	-	436.43
Technical Know-How - MFT	31-Mar-18	68.53	-	-	68.53
R & D - Memco	10-Oct-17	283.33	-	-	283.33
Investments	31-Mar-18	11,029.98	11,022.52	7.46	-
Liabilities measured at fair value:					
Contract obligation towards takeover of NCI	31-Mar-18	217.89	-	217.89	-
Contract obligation towards call/put option over NCI	31-Mar-18	2,413.02	-	2,413.02	-
Contingent consideration	31-Mar-18	475.69	-	475.69	-
Foreign exchange forward contracts	31-Mar-18	104.33	-	104.33	-

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:

> For explanation on fair value of option over NCI and contingent consideration Refer Note 37

> 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 understanding between the Company and the buyer.

> For explanation on fair value of intangible assets and property, plant and equipment Refer Note 37

Note 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 susbidiary Memco Engineering Private Limited (Memco) and step down subsidiary MFT Motoren Und Fahrzeughecnik 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.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

(All amounts are in Rupees Lakhs, unless otherwise stated)

Fair value of Intangibles.

The Group has recognised Customer relationship, Technical knowhow and R & D of Memco Engineering Private Limited (Memco) and Customer relationship, Technical knowhow of step down subsidiary MFT Motoren Und Fahrzeughecnik GMBH (Germany) (MFT) classified as other intangbile 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 technquies (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.

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 and 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 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.

Contingent consideration:

In previous year, as part of the purchase agreement with the previous owner of MFT Motoren und Fahrzeugtechnik GmbH, a contingent consideration has been agreed. There was a requirement to pay additional cash to the previous owner of MFT Motoren und Fahrzeugtechnik GmbH not exceeding Euro 5.90 lakhs (₹ 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 is 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.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

(All amounts are in Rupees Lakhs, unless otherwise stated)

Redemption liability recognised in financial statement for acquisition of 5% non controlling interest in case of Memco Engineering Private Limited.

The group had agreed for acquisition of remaining 5% interest in Memco Engineering Private Limited 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%).

Call/put option over NCI

In previous year, the group had entered into call/put option agreement for acquisition of remaining 24% interest in MFT Motoren und Fahrzeugtechnik GmbH for cash, calculated based on multiple of EBITDA as of December 2020, however not exceeding Euro 37.85 lakhs and nor below Euro 22.01 lakhs.

Since call/put option over NCI was assessed to be at fair value, no financial asset had been recognised in wholly owned subsidiary of the Group PCL (International) Holding B.V.

Considering the lower and upper limits specified in share purchase agreement and using probability theory, the Group had determined the liability towards call/put option over NCI at Euro 29.93 lakhs (₹ 2,327.29 lakhs).

The fair value of the above liability 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; discount rate was taken as Zero and hence the entire amount of liability determined above; was taken as fair value of the liability. Such liability was recognised in Consolidated financial statement with corresponding impact in retained earnings. There is no change in fair value estimates as compared to previous year.

Significant increase/ (decrease) in the EBITDA of MFT Motoren und Fahrzeugtechnik GmbH would result in higher/ (lower) fair value of the liability recognised for call/put option over

NCI, while significant increase/ (decrease) in the discount rate would result in lower/ (higher) fair value of the liability.

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:

For tooling contracts, the Company recognises the revenue over the period of time. Determining whether each performance obligation satisfies over the period or point in time involves significant judgement. The Company has identified customer's approval of first trial as first milestone and customer's final approval is identified as the second milestone. Identifying milestones and determining the percentage of revenue requires the Company to estimate efforts expended for achieving the said milestones.

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 held for sale and discontinued operations are fulfilled.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

(All amounts are in Rupees Lakhs, unless otherwise stated)

Note 38: Group Information

Information about subsidiary and step down subsidiaries

Name	Country of incorporation	Principal activities	% equity interest	
			As at 31st March, 2019	As at 31st March, 2018
PCL (Shanghai) Co. Ltd	**China**	Trading of camshafts	100%	100%
PCL (International) Holding B.V.	Netherlands	Finance, marketing and sales	100%	100%
Memco Engineering Private Limited	India	Manufacturing of parts of diesel engine, break parts and parts of measuring instruments	100%	95%
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%
Emoss Mobile Systems B.V., Netherlands (Through Wholly owned subsidiary PCL (International) Holding B.V.)	Netherlands	Designing, developing, producing and suppling complete electric powertrains for trucks, busses, military vehicles and heavy equipment	51%	0%
PCL Brasil Automotive LTDA (Through Wholly owned subsidiary PCL (International) Holding B.V.)	Brazil	Manufacturing of machined camshafts	100%	0%

Note 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 Private Limited, a non-listed company based in India and specialising 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 Private Limited 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.

Measurement period

In previous year, the initial accounting for a business combination with respect to Memco Engineering Private Limited was incomplete and hence the group had accounted the business combination on 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 current year and consequently has restated the assets and liabilities including intangibles and resultant goodwill.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

(All amounts are in Rupees Lakhs, unless otherwise stated)

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)
	(1,563.53)	**(1,563.53)**
Provisional amount of total identifiable net assets	**1,798.01**	**3,195.01**
Non-controlling interests measured at proportionate share	(89.90)	(159.75)
Goodwill arising on acquisition (Refer Note 4)	2,096.25	769.10
Purchase consideration transferred	**3,804.36**	**3,804.36**

The goodwill of ₹ 769.10 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.

From the date of acquisition, Memco Engineering Private Limited had contributed ₹ 1,867.96 lakhs of revenue and ₹ 215.96 lakhs to the profit before tax of the Group for the year ended on 31st March, 2018.

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	**(3,802.06)**

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

(All amounts are in Rupees 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 Private Limited 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 finalised 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 23rd 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 , acompany based in Germany and specialising 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 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.

The Group, through it's 100% subsidiary PCL (International) Holding B.V. , Netherlands had acquired 76% shares in MFT Motoren und Fahrzeutechnik GmbH, Germany for ₹ 2,044.57 lakhs in March 2018 making it a step-down subsidiary company and consolidated in the financial statements of Precision Camshafts Limited, India. The acquisition date considered by the Management for the purpose of consolidation was 31st March, 2018. The consolidated financial statements of PCL (International) Holding B.V. are management drawn and in local GAAP applicable in those respective countries. The management estimates impact of Ind AS adjustments not to be significant with respect to the consolidated financial statements of the Company but is yet in the process of completing such assessment. Further, the management as per para 45 of Ind AS 103 "Business Combinations" had consolidated MFT Motoren und Fahrzeutechnik GmbH with provisional amounts.

Measurement period

In previous year, 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 current 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	**11,517.66**

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

(All amounts are in Rupees Lakhs, unless otherwise stated)

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)
Current tax liabilities (net)	(37.99)	(37.99)
	(6,088.38)	**(6,088.38)**
Amount of total identifiable net assets	**4,085.87**	**5,429.27**
Non-controlling interests measured at proportionate share	(980.61)	(1,303.03)
Bargain purchase arising on acquisition (Refer Note 11)	(585.00)	(1,605.99)
Purchase consideration transferred	**2,520.26**	**2,520.26**

On basis of the amount of identified assets and liabilities; there arises a bargain purchase gain. The gain of ₹ 1,605.99 lakhs is currently recognised in other comprehensive income and shown as capital reserve in other equity.

From the date of acquisition, MFT Motoren und Fahrzeugtechnik GmbH had contributed ₹ Nil of revenue and ₹ Nil to the profit before tax of the Group for the year ended on 31st March, 2018.

Purchase consideration	Amount
Paid in Cash	2,044.58
Contingent consideration liability	475.69
Total consideration	**2,520.26**
Analysis of cash flows on acquisition:	
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 previous year, 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 current year, the amount has been finalised at Euro 5.90 lakhs i.e. ₹ 458.77 lakhs and the same has been paid.

Call/put option over NCI:

In previous year, the group had entered into call/put option agreement for acquisition of remaining 24% interest in MFT Motoren und Fahrzeugtechnik GmbH for cash, calculated based on multiple of EBITDA as of December 2020, however not exceeding Euro 37.85 lakhs and nor below Euro 22.01 lakhs.

Since call/put option over NCI was assessed to be at fair value, no financial asset had been recognised in wholly owned subsidiary of the Group PCL (International) Holding B.V.

Considering the lower and upper limits specified in share purchase agreement and using probability theory, the Group had determined the liability towards call/put option over NCI at Euro 29.93 lakhs i.e. ₹ 2,327.29 lakhs.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

(All amounts are in Rupees Lakhs, unless otherwise stated)

The fair value of the above liability 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; discount rate was taken as Zero and hence the entire amount of liability determined above; was taken as fair value of the liability. Such liability was recognised in Consolidated financial statement with corresponding impact in retained earnings. There is no change in fair value estimates as compared to previous year.

Significant increase/ (decrease) in the EBITDA of MFT Motoren und Fahrzeugtechnik GmbH would result in higher/ (lower) fair value of the liability recognised for call/put option over NCI, while significant increase/ (decrease) in the discount rate would result in lower/ (higher) fair value of the liability.

3. Acquisition of Emoss Mobile Systems B.V.:

On 17th May, 2018 the Group through it's 100% subsidiary PCL (International) Holding B.V., Netherlands has acquired 51% shares in Emoss Mobile Systems B.V., a company based in Netherlands and specialising 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. Further, the management as per para 45 of Ind AS 103 "Business Combinations" has consolidated Emoss Mobile Systems B.V. with provisional amounts. the Company has recognised goodwill of ₹ 5,774.21 Lakhs on provisional basis. The management will complete the Purchase Price Allocation (PPA) in the first quarter of financial year 2019-20 and consequently restate the Goodwill/Capital Reserve.

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 initial accounting for a business combination with respect to Emoss Mobile Systems B.V. is incomplete and hence the group has accounted the business combination on provisional basis. The group is expecting further facts and information such as purchase price allocation analysis etc. The accounting for business combination will be finalised in the first quarter of financial year 2019-20. This might have material impact on the financial statement. Provisional amount of assets acquired and liabilities assumed

Provisional amount of identifiable assets and liabilities of Emoss Mobile Systems B.V. as at the date of acquisition were:

Assets	**Provisional Amount**
Property, plant and equipment (Refer Note 3)	683.46
Intangible assets	233.75
Cash and cash equivalents	142.92
Trade receivables	854.79
Inventories	3,471.22
Other financial assets	36.28
Deferred tax assets (net)	28.30
Other non-current assets	-
Other current assets	436.97
	5,887.68

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

(All amounts are in Rupees Lakhs, unless otherwise stated)

Liabilities	Provisional Amount
Trade payables	(969.99)
Borrowings	(4,936.46)
Other financial liabilities	(2.15)
Other current liabilities	(85.44)
	(5,994.03)
Provisional amount of total identifiable net assets	**(106.35)**
Non-controlling interests measured at proportionate share	52.11
Provisional Goodwill arising on acquisition (Refer Note 4)	5,932.61
Purchase consideration transferred	**5,878.37**

The provisional goodwill of ₹ 5774.21 lakhs (as per closing rate of 31st March, 2019) comprises the value of expected synergies arising from the acquisition. None of the goodwill recognised is expected to be deductible for income tax purposes.

From the date of acquisition, Emoss Mobile Systems B.V. has contributed ₹ 6782.94 lakhs of revenue from operation and ₹ 22.78 lakhs to the profit before tax of the Group.

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)**

If the above business combination (Emoss) had taken place at the beginning of year:

If the above business combination (Emoss) had taken place at the beginning of the year, revenue from operations would have been ₹ 69,909.05 lakhs and the profit before tax for the Group would have been ₹ 3,942.46 lakhs.

Note 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 Emoss 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 statement.

Proportion of equity interest held by non-controlling interests:

Name	Country of operation	As at 31st March, 2019	As at 31st March, 2018
MFT Motoren und Fahrzeugtechnik GmbH (Through Wholly owned subsidiary PCL (International) Holding B.V.)	**Germany**	24%	24%
Memco Engineering Private Limited	India	0%	5%
"Emoss Mobile Systems B.V. (Through Wholly owned subsidiary PCL (International) Holding B.V.)"	Netherlands	49%	NA
"PCL Brasil Automotive LTDA (Through Wholly owned subsidiary PCL (International) Holding B.V.)"			

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

(All amounts are in Rupees Lakhs, unless otherwise stated)

Information regarding non-controlling interest

Name	As at 31st March, 2019 Amount	As at 31st March, 2018 Amount
Accumulated balances of material non-controlling interest:		
MFT Motoren und Fahrzeugtechnik GmbH (Through Wholly owned subsidiary PCL (International) Holding B.V.)	1,286.04	1,303.03
Memco Engineering Private Limited	-	160.93
Emoss Mobile Systems B.V. (Through Wholly owned subsidiary PCL (International) Holding B.V.)	(39.97)	NA
Profit/(loss) allocated to material non-controlling interest:		
MFT Motoren und Fahrzeugtechnik GmbH (Through Wholly owned subsidiary PCL (International) Holding B.V.)	(17.63)	-
Memco Engineering Private Limited (Post 10th October, 2017)	-	1.18
Emoss Mobile Systems B.V. (Through Wholly owned subsidiary PCL (International) Holding B.V.)	11.16250795	0

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, 2019:

Particulars	MFT Motoren und Fahrzeugtechnik GmbH	Memco Engineering Private Limited	Emoss Mobile Systems B.V.
Revenue	15,941.83	4,726.51	7,171.18
Cost of raw material and components consumed	6,590.72	1,447.10	2,594.48
Depreciation and amortisation expense	1,117.77	283.38	232.16
Other expenses	8,028.34	2,373.74	4,233.84
Finance costs	204.79	125.51	209.75
Profit before tax	**0.22**	**496.78**	**(99.05)**
Income tax	-	149.33	-
Profit for the year:	**0.22**	**347.45**	**(99.05)**
Total comprehensive income	**0.22**	**377.12**	**(99.05)**
Attributable to non-controlling interests	0.05	-	(4.95)

Summarised balance sheet as at 31st March, 2019:

Particulars	MFT Motoren und Fahrzeugtechnik GmbH	Memco Engineering Private Limited	Emoss Mobile Systems B.V.
Property, plant and equipment and intangible assets including capital work in progress	5,738.20	1,485.92	1,030.89
Non Current financial assets	-	122.18	-
Deferred tax assets	-	102.31	27.54
Other non-current assets	-	36.47	-
Inventories	2,831.70	729.17	6,077.43
Trade receivable and other current financial assets	2,726.43	867.89	1,884.52
Other current assets	263.12	82.30	1,514.88
Borrowings (current and non current)	(3,157.34)	(1,055.78)	(9,064.04)
Non Current provisions	-	(239.98)	-
Trade payables and other current & non current financial liabilities	(4,422.49)	(488.50)	(1,403.00)
Other current liabilities	(4.13)	(121.87)	(149.79)

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

(All amounts are in Rupees Lakhs, unless otherwise stated)

Particulars	MFT Motoren und Fahrzeugtechnik GmbH	Memco Engineering Private Limited	Emoss Mobile Systems B.V.
Current provisions	-	(20.60)	-
Current tax liabilities (net)	(34.57)	-	-
Total equity	**3,940.92**	**1,499.48**	**(81.57)**
Equity component of redeemable preference shares not attributable to NCI	-	(70.74)	-
Total Net equity	**3,940.92**	**1,428.74**	**(81.57)**
Attributable to:			
Equity holders of parent	2,995.10	1,428.74	(41.60)
Non-controlling interest	945.82	-	(39.97)

Note 41 A: Interest in Joint venture

The holding company has a 22.5% interest in Ningbo Shenglong PCL Camshafts Co...... Limited (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 6B). 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.

Particulars	30th September, 2018	31st March, 2018
	In ₹	In ₹
Current assets	15,307.18	16,736.40
Non-current assets	13,577.60	13,658.71
Current liabilities	(2,703.96)	(3,790.38)
Non-current liabilities	(6,230.89)	(7,571.98)
Equity	**19,949.93**	**19,032.76**
Proportion of the Group's Ownership (a)	22.50%	22.50%
Carrying amount of investment	**4,488.73**	**4,282.37**
Summarised statement of profit and loss of SLPCL		
Revenue	5,882.63	22,262.15
Less: Cost of raw materials and components consumed	2,764.07	10,042.64
Less: Depreciation and amortisation	869.38	1,553.05
Less: Finance Cost (net of finance income)	(165.92)	356.18
Less: Employee Benefit	680.23	1,827.11
Less: Other Expenses	1,181.38	1,898.84
Profit before tax	**553.48**	**6,584.34**
Income tax expense	55.97	888.21
Profit for the year	**497.52**	**5,696.13**
Total comprehensive income for the year	**497.52**	**5,696.13**
Increment in ESOS reserve	18.77	21.30
Total increment in net assets of SLPCL (b)	**516.29**	**5,717.42**
Company's share of profit for the year (a*b)	**116.17**	**1,286.42**

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

(All amounts are in Rupees Lakhs, unless otherwise stated)

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 6B). 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.

Particulars	30th September, 2018	31st March, 2018
	In ₹	In ₹
Current assets	1,021.64	1,554.44
Non-current assets	5,078.58	5,164.86
Current liabilities	(6,201.50)	(6,327.06)
Non-current liabilities	(52.12)	(54.49)
Equity	**(153.39)**	**337.75**
Proportion of the Group's Ownership (c)	40.00%	40.00%
Carrying amount of investment*	(61.36)	135.10
Summarised statement of profit and loss of PCLSL		
Revenue	869.68	3,987.86
Less: Cost of raw materials and components consumed	318.67	2,253.00
Less: Depreciation and amortisation	203.70	367.28
Less: Finance Cost	210.44	(4.51)
Less: Employee Benefit	417.13	920.97
Less: Other Expenses	241.53	429.39
Profit before tax	**(521.80)**	**21.73**
Income tax expense	-	-

Particulars	30th September, 2018	31st March, 2018
	In ₹	In ₹
Profit for the year (continuing operations)	**(521.80)**	**21.73**
Total comprehensive income for the year	**(521.80)**	**21.73**
Increment in ESOS reserve	30.36	21.73
Total increment in net assets of PCLSL (d)	**(491.44)**	**43.47**
Group's share of profit / (loss) for the year (c*d) **	**-**	**14,680.25**

**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	30th September, 2018
	In ₹
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	**(49.78)**

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

(All amounts are in Rupees Lakhs, unless otherwise stated)

Prior to Balance Sheet date, 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) Specialised 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- Non Current assets held for sale and discontinued operations. Consequently, the investment in JVs were accounted for as per equity method (As per Ind AS 28) upto 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- Non Current assets held for sale and discontinued operations. 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.

Note 41 B: Exceptional item represents effects of disposal group held for sale

Particulars	₹ In Lakhs
Accumulated balance of Foreign currency translation reserve reclassified to profit and loss	(137.47)
Deferred tax liability reversed	(596.96)
Loss due to fair value measurement	3,485.39
ESOS reserve reversed	(16.37)
Net Exceptional item	**2,734.59**

Note 42: Discontinued Operation

Prior to Balance Sheet date, the Directors of the Company decided to shut down its wholly owned subsidiary in China i.e. PCL (Shanghai) Co. Limited Consequently it has been reported as discontinued operation in the consolidated Ind AS financial statements in accordance with Ind AS 105- Non Current assets held for sale and discontinued operations. In standalone Ind AS financial statements of the Company, this investment had been fully impaired in FY 2016-17.

Financial Performance and net cashflow of discontinued operation

Particulars	31st March, 2019
Revenue	217.56
Expense	321.35
Profit before income Tax	**(103.79)**
Income Tax Expense	9.25
Profit after income Tax	**(113.04)**
Net decrease in cashflow from discontinued operation	**41.66**

Carrying Amount of Asset and Laibilities as on 31.3.2019

Particulars	31st March, 2019
Cash and cash equivalents	53.84
Other Current assets	3.10
Total Assets	**56.94**
Trade and other payables	15.24
Total Liabilites	**15.24**
Net Asset	**41.70**

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

(All amounts are in Rupees Lakhs, unless otherwise stated)

Note 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 maximise 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, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

Particulars	31st March, 2019	31st March, 2018
Borrowings other than non convertible preference shares (Refer Note 12)	18,918.55	10,743.35
Trade payables (Refer Note 14)	9,546.57	8,000.66
Less: cash and cash balances (Refer Note 9)	(2,331.26)	(2,640.15)
Net debt	**26,133.85**	**16,103.86**
Equity	58,635.60	58,149.11
Total Capital	58,635.60	58,149.11
Capital and net debt	84,769.46	74,252.98
Gearing ratio	**31%**	**22%**

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.

Dividend distribution made and proposed	31st March, 2019	31st March, 2018
Cash dividends on equity shares declared and paid		
Final cash dividend for the year ended on 31st March, 2018 ₹ 1 per share (31st March, 2017: ₹ 1.5)	949.86	1,421.92
Tax on final dividend	195.25	289.47
	1,145.10	**1,711.39**
Proposed dividend on equity shares		
Final cash dividend for the year ended on 31st March, 2019: ₹ Nil per share (31st March, 2018: ₹ 1 per share)	-	948.77
Tax on proposed dividend	-	193.15
	-	**1,141.92**

Proposed dividends on equity shares are subject to approval of equity shareholders at the ensuing annual general meeting and are not recognised as a liability (including dividend distribution tax thereon) as at 31st March, 2019.

Note 44: 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.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

(All amounts are in Rupees Lakhs, unless otherwise stated)

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, 2019 and 31st March, 2018.

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 analyses 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
31-Mar-19	50	11.95
	(50)	(11.95)
31-Mar-18	50	41.80
	(50)	(41.80)

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	31st March, 2019		31st March, 2018	
		Amount in Curr	Amount in INR	Amount in Curr	Amount in INR
Trade Receivables	USD	48.00	3,275.75	37.45	2,415.96
	EUR	28.66	2,188.16	29.83	2,377.49
	GBP	10.40	922.33	7.38	673.31
Trade Payables	USD	4.92	341.82	4.58	299.77
	EUR	2.83	221.87	1.98	161.74
	GBP	-	-	0.03	2.37
Loan given to Subsidiaries	USD	-	-	-	-
	EUR	40.50	3,092.33	-	-
	GBP	-	-	-	-
Interest on Loan given to Subsidiaries	USD	-	-	-	-
	EUR	0.85	64.43	-	-
	GBP	-	-	-	-

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

(All amounts are in Rupees Lakhs, unless otherwise stated)

Nature of Exposure	Currency	31st March, 2019		31st March, 2018	
		Amount in Curr	Amount in INR	Amount in Curr	Amount in INR
Other Financial Liability	USD	-	-	38.61	2,527.74
	EUR	-	-	-	-
	GBP	-	-	-	-
PCFC	USD	-	-	-	-
	EUR	-	-	5.35	436.35
	GBP	-	-	-	-
EEFC	USD	0.29	20.13	0.25	16.06
	EUR	0.06	4.56	0.60	48.13
	GBP	0.01	0.88	0.16	14.92

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
31-Mar-19	5%	308.13
	(5%)	(308.13)
31-Mar-18	5%	217.17
	(5%)	(217.17)

Sensitivity

Year	Change in EUR rate	Effect on profit before tax
31-Mar-19	5%	181.39
	(5%)	(181.39)
31-Mar-18	5%	(213.20)
	(5%)	213.20

Sensitivity

Year	Change in GBP rate	Effect on profit before tax
31-Mar-19	5%	77.58
	(5%)	(77.58)
31-Mar-18	5%	52.79
	(5%)	(52.79)

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

(All amounts are in Rupees Lakhs, unless otherwise stated)

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, break parts and parts of measuring instruments and therefore require a continuous supply majorly of Pig iron, Ms. Scrap, Resin coated sand and steel bars.

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, 2018, 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, 2019 and 31st March, 2018 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 Group's policy is that not **more than ₹ 7,500.00 lakhs of borrowings should mature in the next 12-month period.**

Approximately 5% of the Group's debt will mature in less than one year at 31st March, 2019 (31st March, 2018: 37%) based on the carrying value of borrowings reflected in the financial statements. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

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, 2019						
Non current Borrowings	-	-	-	10,934.63	30.91	10,965.54
Current Borrowings	7,358.94	-	-	-	-	7,358.94
Other financial liabilities	2,102.85	2,163.55	435.10	2,834.49	-	7,536.00
Trade payables	-	9,546.58	-	-	-	9,546.59
	9,461.79	**11,710.13**	**435.10**	**13,769.13**	**30.91**	**35,407.07**

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

(All amounts are in Rupees 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, 2018						
Non current Borrowings	-	-	-	5,190.27	103.67	5,293.95
Current Borrowings	2,292.56	-	-	-	-	2,292.56
Other financial liabilities	475.69	3,688.64	3,400.24	2,413.13	-	9,977.71
Trade payables	9.18	7,773.91	217.58	-	-	8,000.66
	2,777.43	**11,462.55**	**3,617.81**	**7,603.40**	**103.67**	**25,564.88**

Note 45: Utilisation of money 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.

Dividend distribution made and proposed	As at Year Ended 31st March, 2019	As at Year Ended 31st March, 2018
Unutilised amount at the beginning of the year	12,491.76	17,621.25
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	1,302.01
Less: amount utilised during the year		
Payment towards share issue expenses	-	-
Payment towards project expenditure relating to new manufacturing facility	8,237.56	6,431.50
Amount partially transferred from recoveries from selling share holders towards IPO expenses	2,685.70	-
Excess issue expenses recovered refunded to selling share holders	-	-
Unutilised amount at the end of the year	**-**	**-**
	2,325.40	**12,491.76**

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

Dividend distribution made and proposed	31st March, 2019	31st March, 2018
Balance amount in current account	411.25	63.54
Investment in fixed deposits of banks	1,914.15	12,428.20

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.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

(All amounts are in Rupees Lakhs, unless otherwise stated)

Note: 46 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)	92.85%	55,598.89	101%	1,504.12	411%	38.55	103%	1,542.66
Subsidiaries								
Indian:								
1. Memco Engineering Private Limited	2.50%	1,499.48	23%	347.45	317%	29.67	25%	377.12
Foreign:								
1. PCL (International) Holding B.V. (Consolidated) (attributable to equity holders of parent)	2.50%	1,495.54	(22%)	(333.22)	(628%)	(58.84)	(26%)	(392.07)
2. PCL (Shanghai) Co. Ltd (Refer Note 42)	0.07%	41.70	(1%)	(19.50)	0%	-	(1%)	(19.50)
Non-controlling Interest in all subsidiaries Associates	2.08%	1,246.07	(0.43%)	(6.47)	0%	-	1.03	(6.47)
Joint Ventures (investment as per the equity method) *								
Indian	0.00%	-	0.00%	-	0%	-	0%	-
Foreign	0.00%	-	0.00%	-	0%	-	0%	-
Total	**100.00%**	**59,881.68**	**100.00%**	**1,492.37**	**100.00%**	**9.37**	**100%**	**1,501.74**

*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 6B). 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.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

(All amounts are in Rupees Lakhs, unless otherwise stated)

Note 47: Standards issued but not yet effective

Standards issued but not yet effective up to the date of issuance of the Company's financial statements are listed below. This listing is of standards and interpretations issued, which the Company reasonably expects to be applicable at a future date. the Company intends to adopt those standards when they become effective.

A) Ind AS 116- Leases:

Ind AS 116 was notified by Ministry of Corporate Affairs in March 2019 and Ind AS 116 will come in force from financial year beginning from 1st April 2019. It will result in almost all leases being recognised on the balance sheet by lessees, as the distinction between operating and finance leases is removed.

Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The Company is currently evaluating the requirements of Ind AS 116 and its impact on the financial statements.

B) Amendment to existing standard:

The MCA has also carried out amendments of the following accounting standards

i. Ind AS 101- First time adoption of Indian Accounting Standards

ii. Ind AS 103 – Business Combinations

iii. Ind AS 109 - Financial Instruments

iv. Ind AS 111 – Joint Arrangements

v. Ind AS 12 – Income Taxes

vi. Ind AS 19 – Employee Benefits

vii. Ind AS 23 – Borrowing Costs

viii. Ind AS 28 - Investment in Associates and Joint Ventures

The Company is in the process of evaluating the impact of these amendments on the financial statements of the Company.

Note 48: New and amended standards adopted by the Company

The Company has applied the following standards and amendments for the first time for their reporting period commencing from 1st April, 2018:

(i) Ind AS 115, Revenue from contracts with customers

(ii) Appendix B, foreign currency transactions and advance consideration to Ind AS 21, The effects of changes in foreign exchange rates

(iii) Amendment to Ind AS 12, Income Taxes

The Company has adopted Ind AS 115,Revenue from contracts with customers, using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. 1st April, 2018). The impact of the adoption of the standard on the financial statements of the Company is insignificant.

Note 49: 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 M/s. P G Bhagwat
Chartered Accountants
Firm Regn. Number: 101118W

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

Abhijeet Bhagwat
Partner
Membership Number: 136835

Place : Pune
Date : 27th May, 2019

Yatin S. Shah
Managing Director
DIN. 00318140

Place : Pune
Date : 27th May, 2019

Ravindra R. Joshi
Director
DIN. 03338134

Place : Pune
Date : 27th May, 2019

Mayuri I. Kulkarni
Company Secretary
M. No. A32237

Place : Pune
Date : 27th May, 2019

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: 13th August, 2019

Dear Member,

You are cordially invited to attend the 27th Annual General Meeting of Precision Camshafts Limited ('The Company') to be held on Wednesday, 25th September, 2019 at 3.00 p.m. at Hotel Balaji Sarovar Premiere, Aasara Chowk, Hotgi Road, Solapur – 413224, Maharashtra, India.

The Notice of the meeting, containing business to be transacted, along with Explanatory Statement thereon is enclosed.

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. The instructions for e-voting are enclosed.

Sincerely,

Yatin S. Shah

Chairman and Managing Director

(DIN: 00318140)

Enclosures-

- Notice of the 27th Annual General Meeting

- Instructions for e-voting

- Explanatory Statement as per Section 102 of the Companies Act, 2013

- Attendance slip- Proxy Form

NOTICE

NOTICE is hereby given that the 27th (Twenty Seventh)Annual General Meeting (AGM) of the Members of Precision Camshafts Limited will be held on Wednesday, 25th September, 2019 at 03.00 p.m. at Hotel Balaji Sarovar Premiere, Aasara Chowk, Hotgi Road, Solapur – 413224, Maharashtra, India 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, 2019 together with the 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, 2019 together with the Report of the Auditors thereon.

2. To declare a dividend of ₹ 1.00/-(Rupee One) per equity share for the financial year ended 31st March, 2019.

3. To appoint a Director in place of Mr. Ravindra R. Joshi (DIN: 03338134), who retires by rotation, and being eligible, offers himself for reappointment.

SPECIAL BUSINESS:

4. TO RATIFY THE REMUNERATION OF COST AUDITORS FOR THE FINANCIAL YEAR ENDING 31ST MARCH, 2020

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, the Members of The Company hereby ratify the remuneration of ₹ 1,50,000/- (Rupees One Lakhs 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, 2020.

RESOLVED FURTHER THAT the Board of Directors 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 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 31ST MARCH, 2024

To consider and if thought fit, to pass with or without modification(s), the following resolution(s) **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 196, 197, 203 read with Schedule V of the Companies Act, 2013 (the "Act"), other applicable provisions of the Act (including any statutory modification(s) or re-enactments(s) thereof), the consent of The Company be and is hereby accorded for the appointment of Mr. Ravindra R. Joshi as Whole-time Director (DIN: 03338134) and Chief Financial Officer of The Company, for a further term of 5(Five) years with effect from 1st April, 2019 to 31st March, 2024, who is liable to retire by rotation, with such remuneration as mentioned below payable for a period 3(Three) years from 1st April, 2019 upto 31st March, 2022.

RESOLVED FURTHER THAT brief terms and conditions of appointment including remuneration to be paid to Mr. Ravindra R. Joshi would be as follows:

Consolidated Salary: Upto a maximum of ₹ 3,14,50,000/- p.a. (Rupees Three Crores Fourteen Lakhs and Fifty Thousand only) 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.

RESOLVED FURTHER THAT the Board of Directors (including the Committees of the Board) 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. Ravindra R. Joshi, 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-enactments(s) thereof.

RESOLVED FURTHER THAT all other terms and conditions as per the HR policy of The Company be and is 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 any of the Board of Director be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, usual, proper or expedient to give effect to aforesaid resolution."

6. **TO CONSIDER APPOINTMENT OF M/s MSKA & ASSOCIATES, CHARTERED ACCOUNTANTS AS STATUTORY AUDITORS 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 the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 as amended from time to time or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactments(s) thereof for the time being in force), as recommended by the Board of Directors of The Company, consent of the members be and is hereby accorded to appoint M/s MSKA & Associates, Chartered Accountants (Firm Reg No :105047W) be and are hereby appointed as Statutory Auditors of The Company for the period of 5(Five) years to conduct the Statutory Audit From Financial Year 2019-2020 to Financial year 2023-2024 and to hold office from the conclusion of ensuing Annual General Meeting till the conclusion of Annual General Meeting held for financial year 2023-2024, on such remuneration , as may be mutually agreed between the Board/ Audit Committee and the Auditors.

RESOLVED FURTHER THAT any one of the Board of Directors, be and is, hereby empowered and authorised to take such steps, in relation to the above and to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution and to file necessary E-Forms with Registrar of Companies."

By order of the Board of Directors
For Precision Camshafts Limited

Mayuri Kulkarni
Company Secretary & Compliance Officer

Date: 13th August, 2019
Place: Pune
CIN: L24231PN1992PLC067126
Website: www.pclindia.in
E-mail ID: cs@pclindia.in

Registered Office	Corporate Office:	Pune Office
E 102/103 MIDC Akkalkot road, Solapur-413006, Maharashtra, India Phone: +91 9168646536/37	D-5 Chincholi, MIDC, Solapur-413255, Maharashtra, India Phone: +91 9168646531/32/33	Office No. 501/502, Kanchanban "B", Sunit Capital, CTS No. 967, FP No. 397, Senapati Bapat Road, Pune - 411016 Phone: +91(020) - 25673050

NOTES:

a) 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 6 of the Notice is annexed hereto.

b) **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and on a poll, to vote instead of himself/herself and the proxy need not be a member of The Company.**

Proxies in order to be effective must be received at The Company's Registered Office not less than 48 hours before the commencement of the Meeting. Proxies submitted on behalf of companies, societies, partnership firms etc. must be supported by appropriate resolution/ authority, as applicable, issued on behalf of the nominating organisation.

c) Pursuant to the provisions of the Companies Act, 2013 and the underlying rules viz. the Companies (Management and Administration) Rules, 2014, a person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of The Company carrying voting rights. A proxy form for the AGM is enclosed with the Notice.

d) Corporate members intending to send their authorised representatives to attend the Meeting in terms of Section 113 of the Companies Act 2013 are requested to send a certified copy of relevant Board Resolution together with the specimen signature(s) of the representative(s) authorised under the Board Resolution to attend and vote on their behalf at the Meeting.

e) Members/Proxies/Authorised Representatives are requested to bring the attendance slips duly filled in for attending the Meeting. Members who hold shares in dematerialised form are requested to write their client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the Meeting.

f) 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.

g) During the period beginning 24 hours before the time fixed for the commencement of the Meeting and ending with the conclusion of the Meeting, a Member would be entitled to inspect the proxies lodged with The Company between 9:00 a.m. IST and 5:00 p.m. IST at the registered office of The Company, provided that a requisition for the same from a Member is received in writing not less than 3 days before the commencement of the Meeting.

h) Route map to the venue of the Meeting is provided after the Explanatory Statement to the Notice.

i) The Register of Members and the Share Transfer Books of The Company will remain closed from **Thursday 19th September, 2019 to Wednesday, 25th September, 2019** (both days inclusive).

j) The dividend on shares as recommended by the Board, if approved at the Annual General Meeting, will be paid within thirty days from the date of declaration to those Members or their mandates whose names appear:

(i) to those Members, holding shares in physical form, whose names appear on the Register of Members of The Company, at the close of business hours on 18th September , 2019 after giving effect to all valid transfers in physical form lodged on or before 18th September, 2019 with The Company and/or its Registrar and Transfer Agent; and

(ii) in respect of shares held in electronic form, to all beneficial owners as per the details furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) at the close of business hours on 18th September, 2019

k) 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.

l) 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.

m) 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.

n) Members may avail nomination facility as provided under Section 72 of the Companies Act, 2013.

o) 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 1 to the Notice.

p) This Notice and the Annual Report of The Company circulated to the Members of The Company will be made available on The Company's website at www.pclindia.in and on the website of NSDL at www.nsdl.co.in. Electronic copy of the Notice convening 27th Annual General Meeting, Annual Report alongwith attendance slip and proxy Form are being sent to the members who have registered their email ids with The Company/Registrar or Transfer Agents/Depository Participant(s). 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.

q) 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.

r) All the documents referred to in the Notice and Explanatory Statement alongwith other relevant documents will be made available for inspection by the Members at the Registered/Corporate Office of The Company between 11:00 a.m. IST and 1:00 p.m. IST on all working days from the date hereof upto the date of the Meeting.

s) 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. Blank forms will be supplied on request.

INSTRUCTIONS FOR E-VOTING

Voting through electronic means:

I. In compliance with Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended, The Company is pleased to provide Members the facility to exercise their right to vote at the 27th AGM by electronic means. The facility of casting votes by a Member using an electronic voting system from a place other than the venue of the AGM (remote e-voting) will be provided by National Securities Depository Limited (NSDL) and the items of business as detailed in this Notice may be transacted through remote e-voting.

II. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date of 18th September, 2019 only shall be entitled to avail the facility of remote e-voting as well as voting through ballot at the AGM.

III. A person who is not a member as on the cut-off date should treat this Notice for information purpose only.

IV. The facility for voting through ballot shall also be made available at the AGM and the Members attending the AGM who have not already cast their votes through remote e-voting shall be able to exercise their voting rights at the AGM.

V. The Members who have cast their votes through remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their votes again. However, in case a Member casts his/her vote both by ballot voting at the AGM and by remote e-voting, then voting done through remote e-voting shall be considered and voting done through ballot at the AGM will be treated as invalid.

Process and manner for remote e-voting

A. For members whose e-mail address are registered with The Company/Registrar and Transfer Agents/Depositories

The instructions for remote e-voting are as under:

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1 : Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/

Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-into NSDL e-Voting website?
1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	**Your User ID is:**
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with The Company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

      (i) If your email ID is registered in your demat account or with The Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

      (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:

   a) Click on **"Forgot User Details/Password?"**(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) **Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer by e-mail to jbbhave@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

VI. In case of any queries/grievances, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or may contact on the NSDL toll free no.: 1800-222-990 or may contact Ms. Pallavi Mhatre, Manager, National Securities Depository Limited, Trade World, 'A' Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013 at the designated email IDs: evoting@nsdl.co.in or pallavid@nsdl.co.in or at telephone nos. +91-22-2499 4545. Alternatively, Members may also write to Mrs. Mayuri Kulkarni, Company Secretary & Compliance Officer of The Company at the email ID: cs@pclindia.in or contact at telephone no. 020-25673050.

VII. You can also update your mobile number and email-id in the user profile details of the folio which may be used for further communications.

VIII. The remote **e-voting** period commences on **22nd September, 2019 (9:00 a.m. IST)** and ends on **24th September, 2019 (5:00 p.m. IST)**. During this period Members of The Company, holding shares either in physical form or in dematerialised form, as on the **cut-off date** of **18th September, 2019** may cast their vote electronically. The remote e -voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

XI. The voting rights of Members shall be in proportion to their share of the paid-up equity share capital of The Company as on the cut-off date of 18th September, 2019.

X. CS Jayavant B Bhave, Proprietor of M/s J. B. Bhave & Co., Company Secretaries, Pune has been appointed as the Scrutinizer to scrutinize the remote e-voting process as well as the physical voting process at the AGM in a fair and transparent manner.

XI. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting through ballot with the assistance of scrutinizer for all those Members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

XII. The Scrutinizer after the conclusion of voting at the AGM will unblock the votes cast through ballot in the presence of at least two witnesses not in the employment of The Company and shall make, not later than three days 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 authorized by him in writing, who shall countersign the same. The Chairman or the authorized Director shall declare the result of the voting forthwith.

XIII. 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 NSDL after the same is declared by the Chairman/authorised person. The Results shall also be simultaneously forwarded to the stock exchanges.

Regulation 36 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 permits sending of soft copies of annual reports to all those Members who have registered their email addresses for the said purpose.

The Companies Act, 2013 has also recognised serving of documents to any Member through electronic mode. In terms of the Circular No. NSDL/CIR/II/10/2012 dated 9th March, 2012 issued by National Securities Depository Limited, email addresses made available by the Depository for your respective Depository Participant accounts as part of the beneficiary position downloaded from the Depositories from time to time will be deemed to be your registered email address for serving notices/documents including those covered under Sections 101 and 136 of the Companies Act, 2013 read with Section 20 of the Companies Act, 2013 and the underlying rules relating to transmission of documents in electronic mode. In light of the requirements prescribed by the aforesaid circulars, for those Members whose Depository Participant accounts do not contain the details of their email address, printed copies of the Notice of Annual General Meeting and Annual Report for the year ended 31st March, 2019 would be dispatched.

The Notice of Annual General Meeting and the copies of audited financial statements, directors' report, auditors' report etc. will also be displayed on the website of The Company www.pclindia.in and the other requirements as applicable will be duly complied with. Members holding shares in electronic mode are requested to ensure to keep their email addresses updated with the Depository Participants. Members who have not registered their email id with their Depository Participants are requested to do so and support the green initiative. Members holding shares in physical mode are also requested to update their email addresses by writing to the Registrar and Transfer Agent of The Company at the pune@linkintime.co.in quoting their folio number(s).

By order of the Board of Directors
For Precision Camshafts Limited

Mayuri Kulkarni
Company Secretary & Compliance Officer

Date: 13th August, 2019
Place: Pune
CIN: L24231PN1992PLC067126
Website: www.pclindia.in
E-mail ID: cs@pclindia.in

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 AUDITORS:

The Board of Directors of The Company vide their meeting held on 13th August, 2019, approved the appointment and remuneration of M/s S. V. Vhatte & Associates, Cost Accountants as the Cost Auditors of The Company to conduct the audit of the cost records of The Company for the Financial Year 2019-2020 at a remuneration of ₹ 1,50,000/-(Rupees One Lakh 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 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 31ST MARCH, 2024.

The tenure of Mr. Ravindra R. Joshi as Whole-Time Director (DIN: 03338134) & Chief Financial Officer (CFO) was upto the period ended 31st March, 2019.

On the recommendation of the Nomination and Remuneration Committee and Audit Committee, the Board of Directors in their meeting held on 7th February 2019, re-appointed Mr. Ravindra R. Joshi as Whole-time Director and CFO for a period of 5 (Five) years w.e.f. 1st April, 2019 to 31st March, 2024 without any modification in the existing remuneration payable to him which was approved by the shareholders in the Annual General Meeting held on 27th September, 2017. Such remuneration shall be paid for a period of 3 (Three) years w.e.f. 1st April, 2019 up to 31st March, 2022.

Mr.Ravindra R. Joshi holds 1,120 equity shares of The Company. He is also Whole-time Director in M/s MEMCO Engineering Private Limited, which is a Wholly Owned Subsidiary of The Company.

The main terms and conditions of appointment, remuneration and perquisites to Mr. Ravindra R. Joshi are as follows:

1) Mr. Ravindra R. Joshi is appointed as Whole-time Director and Chief Financial Officer for a period of 5 (Five) years w.e.f. 1st April, 2019 to 31st March, 2024.
2) He shall exercise and perform such powers and duties as the Board of Directors / Managing Director of The Company shall from time to time determine.
3) During his employment, Mr. Ravindra R. Joshi shall devote his time and attention to the business and affairs of The Company and shall use his best endeavors to promote its interest and welfare.
4) The Company shall pay to Mr. Ravindra R. Joshi in consideration of performance of his duties remuneration and perquisites as follows:-
    a) **Consolidated Salary:** Upto a maximum of ₹ 3,14,50,000/- p.a. (Rupees Three Crores Fourteen Lakhs and Fifty Thousand only) 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.
    b) The aforesaid Remuneration shall be inclusive of the following perquisites:-
        i. contribution to provident fund, superannuation fund or annuity fund to the extent singly or put together are not taxable under the Income Tax Act, 1961, any other rules thereunder or any statutory modifications(s) or re-enactment(s) thereof
        ii. gratuity payable at a rate not exceeding half months' salary for each completed year of service and
        iii. Leave with full pay and allowances as per the rules of The Company
        iv. encashment of leave at the end of the tenure as per the rules of The Company
5) It is expressly provided that salary, allowances/reimbursement and payment towards perquisites are subject to the provisions of Section 197, 198, 203 read with Schedule V of the Companies Act, 2013 and in case of absence or inadequacy of profits in any particular year the remuneration payable shall not exceed the limits specified under Schedule V of the Companies Act, 2013

6) No sitting fees shall be paid for attending the Meetings of the Board or any Committee thereof

7) Mr. Ravindra R. Joshi shall not directly or indirectly engage himself in any other employment without previous sanction of the Board of Directors

The Company has immensely benefited during Mr. Ravindra R. Joshi's tenure as Whole–time Director & CFO. The Board considers that his continued association would be of immense benefit to The Company and accordingly, the Board recommends the resolution for his appointment as set out at Item No. 5 of the for approval by the Members of The Company.

Mr. Ravindra R. Joshi, being an appointee, is interested and concerned in the Resolution mentioned at Item No. 5 of the Notice. None of the other 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. 5 of the Notice.

Details of Mr. Ravindra R. Joshi seeking appointment at the 27th Annual General Meeting pursuant to Regulations 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are provided in the "Annexure 1" to the Notice

None of the Directors or Key Managerial Personnel of The Company and their relatives is concerned or interested, financially or otherwise, except Mr. Ravindra R. Joshi in the Resolution set out at Item No. 5 of the Notice.

This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013.

The Board recommends the Resolution set out in Item No. 5 for approval of shareholders as ordinary Resolution.

Item 6

TO CONSIDER APPOINTMENT OF M/s MSKA & ASSOCIATES, CHARTERED ACCOUNTANTS AS STATUTORY AUDITORS OF THE COMPANY

As on Date Company has one Auditor M/s PG Bhagwat, Board of The Company is of the view to appoint Joint Auditor for The Company.

Board of Directors of The Company at its Board Meeting held on 13th August,2019 recommend 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 Chartered Accountants to act as Statutory Auditors.

Considering the Compliance requirements and expansion of Business in Europe, Board is of the view that it would be convenient to appoint Auditors with Global Presence.

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

The Company has received eligibility certificate as required under Section 141 of Companies Act 2013. M/s MSKA & Associates, Chartered Accountants (Firm Reg No: 105047W) have conveyed their consent to be appointed as the Statutory Auditors of The Company along with a confirmation that, their appointment, if made by the members, would be within the limits prescribed under the Companies Act, 2013.

Accordingly, the Board places the resolution as provided in Item No.6 of the Agenda before the members to be passed as Ordinary Resolution.

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. 6 of the Notice.

By order of the Board of Directors
For Precision Camshafts Limited

Mayuri Kulkarni
Company Secretary & Compliance Officer

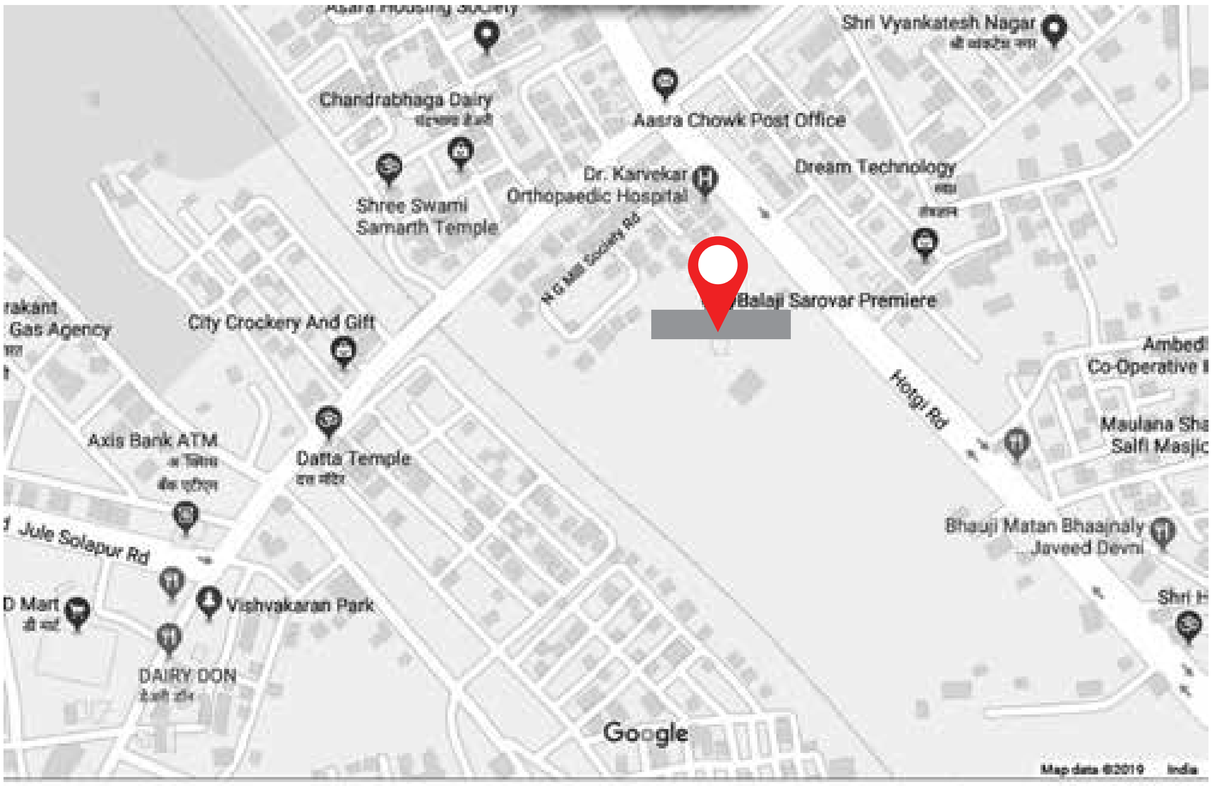
Date: 13th August, 2019
Place: Pune
CIN: L24231PN1992PLC067126
Website: www.pclindia.in
E-mail ID: cs@pclindia.in

Annexure 1 to Item no.3 and 6 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 Standards 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 the Director	Mr. Ravindra R. Joshi
DIN	03338134
Age	54 years
Date of first appointment	30th September 2010
Qualifications	B. Com, DBM
Relationship with Directors	NA
Experience (including Expertise in Specific area/ Brief Resume)	Finance, Accounts, procurement, M&A
Number of Board Meetings attended during the year	5
Board membership of Companies as of 31st March, 2019	-CAMS Technology Limited,
	- MEMCO Engineering Private Limited,
	-PCL (International) Holding B.V.
Terms and Conditions of appointment/ re-appointment	Re-appointment as Whole-time Director and Chief Financial Officer
Remuneration last drawn (including sitting fees, if any)	Consolidated ₹ 314.5 Lakhs
Remuneration proposed to be paid	Consolidated ₹ 314.5 Lakhs
Membership/Chairmanship of Committee of other Boards as on 31st March, 2019	None
Number of Shares held in The Company as on 31st March, 2019	1,120 equity shares

MAP SHOWING LOCATION OF THE VENUE OF THE TWENTY SEVENTH ANNUAL GENERAL MEETING OF PRECISION CAMSHAFTS LIMITED



VENUE

Hotel Balaji Sarovar Premiere, Aasara Chowk, Hotgi Road, Solapur – 413224.

Landmark: Solapur - Pune Highway

DATE

25th September 2019, Wednesday

TIME

3.00 p.m. (IST)

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: (0217) 2653398

Website: www.pclindia.in, Email ID: info@pclindia.in

ATTENDANCE SLIP

I/We hereby record my/our presence at the Twenty Seventh Annual General Meeting held on Wednesday, 25th September 2019 at 3.00 p.m. at Hotel Balaji Sarovar Premiere, Aasara Chowk, Hotgi Road, Solapur - 413224, Maharashtra, India.

Registered Folio No.	
DP ID and Client ID	
Name of the Member(s)	
Name of the proxyholder	
Signature of the Member(s)/proxyholder	

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: (0217) 2653398
Website: www.pclindia.in , Email ID: info@pclindia.in

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration), Rules, 2014]

Name of the Member(s):

Registered Address:

Email id:

Folio No. / DP ID-Client ID:

I/We being the Member(s), holding ……………..shares of the above named Company, hereby appoint

1	Name:	Address:	
	Email ID:	Signature:	or failing him/her
2	Name:	Address:	
	Email ID:	Signature:	or failing him/her
3	Name:	Address:	
	Email ID:	Signature:	or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twenty-Seventh Annual General Meeting of The Company, to be held on Wednesday, 25th September , 2019 at 03.00 p.m. at Hotel Balaji Sarovar Premiere, Aasara Chowk, Hotgi Road, Solapur - 413224,, Maharashtra, India and at any adjournment thereof in respect of such resolutions as are indicated below:

I wish my above Proxy to vote in the manner as indicated in the box below:

Item No.	Description of Resolution	Optional*	
Ordinary Business		**For**	**Against**
1	a. To receive, consider and adopt Standalone financial statements for the financial year ended 31st March, 2019 together with the Reports of the Directors' and the Auditors thereon. b. To receive, consider and adopt Consolidated financial statements for the financial year ended 31st March, 2019 together with the Reports of the Directors' and the Auditors thereon.		
2	To declare a final dividend of ₹ 1.00/-per equity share for the year ended 31st March, 2019.		
3	To appoint a Director in place of Mr. Ravindra R. Joshi (DIN: 03338134), who retires by rotation, and being eligible, offers himself for reappointment.		
Special Business			
4	To ratify the remuneration of Cost Auditors for the financial year ending 31st March ,2020.		
5	To consider re-appointment of 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 31st March, 2024.		
6	To consider appointment of M/s MSKA & Associates, Chartered Accountants (Firm Reg No: 105047W) as statutory auditors of The Company		

Signed this ....day of ....,....... 2019

Member's Folio/DP ID-Client ID No..

Signature of Member(s)..

Signature of Proxy Holder(s)...…...

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of The Company, not less than 48 hours before the commencement of the Meeting. Proxy need not be member of The Company.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the Twenty-Sixth Annual General Meeting.

*3. It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

4. Please complete all details including details of member(s) in above box before submission.

Affix

Revenue

Stamp

₹ 1/-

Notes

Notes

Where Passion Meets Performance

PRECISION CAMSHAFTS LIMITED
SOLAPUR (INDIA)

EOU Division
D - 5, 6, 7, 7/1 MIDC, Chincholi
Solapur - 413 255
Ph.: 9168646531 / 32 / 33

Domestic Division
E - 90, 102 / 103, MIDC, Akkalkot Road
Solapur - 413 006
Ph.: 9168646536 / 37