where Passion meets Performance

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CIN L24231PN1992PLC067126

Date: 5th July 2021

SEC/JUL/SE/N&B/2021

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

Subject: -Notice of 29th Annual General Meeting (AGM), Annual Report 2020-21, Intimation of Record Date & Book Closure for AGM

Dear Sir/Madam,

This is to inform that, 29th Annual General Meeting (AGM) of members of Precision Camshafts Limited is scheduled to be held on **Tuesday, 27th July 2021 at 3.00 P.M IST** through Video Conferencing (VC) / Other Audio Visual Means (OAVM).

Pursuant to Regulation 34(1) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 amended from time to time , please find attached herewith a copy of Annual Report for the financial year 2020-21 along with the notice of the AGM, which is being sent through electronic mode to the Members of the Company, for your information and records. It is also available at the website of the Company www.pclindia.in

As informed earlier in outcome of Board Meeting dated 25th May 2021, the Board of Directors have recommended Final Dividend of 10% (₹ 1 per share) for FY 2020-21. The Company has fixed **Monday, 19th July 2021** as the **Record Date** for the purpose of determining the Members eligible to receive dividend for the financial year 2020-21. The dividend, if declared at the AGM will be paid within 30 days from the conclusion of the AGM.

Pursuant to Regulation 42 of SEBI (Listing obligation and Disclosure Requirements) Regulations, 2015 and pursuant to provisions of Section 91 of the Companies Act, 2013, Register of Members and Share Transfer Books will remain closed from **Tuesday, 20th July 2021** to **Tuesday, 27th July 2021 (both days inclusive)**. The remote e-voting commences on **Saturday, 24th July 2021 (9:00 a.m. IST)** and ends on **Monday, 26th July 2021** (5:00 p.m. IST).

Precision Camshafts Limited
Solapur : D5 MIDC, Chincholi, Solapur, India – 413255
Solapur : E102 MIDC, Akkalkot Road, Solapur, India – 413006
Pune : 501/502, Kanchanban "B", Sunit Capital, Senapati Bapat Rd, Pune, India - 411016

Pursuant to the provisions of Section 108 of the Companies Act, 2013, the Companies (Management and Administration) Rules, 2015, the Board has fixed **Monday, 19th July 2021** as the cut-off date to record entitlement of the members to cast their vote electronically for the business to be transacted at the ensuing Annual General Meeting of the Company.

The details such as (i) registering/updating email address (ii) casting vote through evoting facility and (iii) attending the AGM through VC/ OAVM are set out in the Notice of AGM.

The above is for your information and record.

You are requested to please acknowledge and display the same on website of stock exchange.

Thanking You.

Yours Faithfully
For Precision Camshafts Limited

MAYURI ISHAN KULKARNI
Digitally signed by MAYURI ISHAN KULKARNI
Date: 2021.07.05 20:52:26 +05'30'

Mayuri I. Kulkarni
Company Secretary & Compliance Officer

TOWARDS SMARTER, SUSTAINABLE & INTEGRATED GROWTH

ANNUAL REPORT **2020-21**

Where Passion Meets Performance

PRECISION CAMSHAFTS LIMITED

MFT performance erfahren

MEMCO ENGINEERING PVT. LTD

EMOSS FUTURE INSIDE

Scroll Down For...

Scan to view our previous years report

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

Investor information

CIN:	L24231PN1992PLC067126
ISIN:	INE484I01029
BSE Code:	539636
NSE Code:	PRECAM
Dividend recommended:	₹ 1 per Equity Share
AGM Date:	27th July 2021
AGM Mode:	Via Video Conferencing

KEEPING TECHNOLOGY AT THE CORE AND PEOPLE AT THE FORE, THE COMPANY, IN EVERY STEP FORWARD, ENVISAGES A SUSTAINABLE FUTURE THAT WILL ENHANCE STAKEHOLDER VALUE.

As Precision Camshafts Limited climbs onto the next rung of growth, it is consciously making efforts to adapt and emerge with a smarter and sustainable, dynamic yet integrated business model. The aim is to focus on the future without compromising the present. The Company is consistently engaged in building the next generation of leaders, improving operational effectiveness and integrating its subsidiaries into the Group.

Through tactical partnerships that offer uniqueness in each offering, the Company has reinvented and integrated its strategies across the Group with eyes set on a smarter future. It continues its unflinching efforts towards calibrating new products and driving synergies for a better tomorrow.

Meet Us

With more than two-and-a-half decades of experience, Precision Camshafts Limited ('PCL' or 'The Company' or 'we') is at the forefront of manufacturing wide variants of camshafts globally. Our state-of-the-art manufacturing facilities, coupled with engineering expertise, give us a competitive edge in the industry. We are one of the few leading global camshafts manufacturers equipped with technological capabilities in manufacturing all four types of camshafts – cast iron, ductile iron, hybrid and assembled. PCL is the only supplier in the world to offer all camshafts technologies under one roof.

We have not only expanded geographical customer footprint to over 17 countries but also diversified our product range, customer list and manufacturing locations. We now have 2 plants situated in Solapur, India, 2 plants situated in Nashik, India, 1 plant in Cunewalde, Germany and 1 situated in Oosterhout, the Netherlands. In addition to being a global leader in camshafts, we are now a key supplier of critical injector components, balancer shafts and other niche prismatic parts, along with complete electric drive lines, to all leading Original Equipment Manufacturers (OEMs) and end customers worldwide.

WHAT SETS US APART

- State-of-the-art manufacturing facilities
- Engineering expertise

8 Facilities

Four foundries and four machine shops located at Solapur and Maharashtra

	UNITS	CAPACITY (PA)	ANNUAL PRODUCTION	UTILISATION (%)
Camshafts castings	Four foundries	11 million	6.57 million	59.74
Machined camshafts	Four machine shops	4.00 million	2.38 million	59.74

Details of Capacity and its notes are provided in MDA

Global Outreach of the Group

300+ Engineers

Extensive production experience

~ 20+ Years

Company has always paid its Loans and Interest on Loan on time, not a single default in payments

~ 70%

Market share in India's camshaft industry

25+ Years

Of experience in automotive industry
Diversified customer base
Long-term relationship with global OEMs

6 Years

Consistent dividend payout

45+

Happy clients across the globe

~ 40+

Acres PCL Campus

15%

Maximum revenue contribution by any single client

3 Subsidiary Companies (Memco, MFT and Emoss)

Memo: PCL acquired shares through its own Funds

MFT: PCL acquired shares partly through its own Funds and partly through Loan

Emoss: PCL acquired shares partly through its own Funds and partly through Loan

₹ 240 Crores

IPO Proceed Utilised for Machine Shop in its Chincoli, Solapur plant

~ 9%

Market share in global camshaft industry

~ 10+ Years

Of relationship with OEMs with strong market penetration and highly developed product variants

~ 150+ Variants

Of camshafts, majorly catering to passenger vehicles

24%

Acquisition of balance shares (24%) in MFT for EUR 0.55 million, thereby making it a 100% step down subsidiary

49%

Acquisition of balance shares (49%) in EMOSS for EUR 0.6 million, thereby making it a 100% step down subsidiary

₹ 1 Crores

Donation to PM care's Fund and Chief Minister's Relief Fund, Maharashtra

50 lakhs each

Our Marquee Clientele

PRECISION

MFT performance erfahren

MEMCO ENGINEERING PVT. LTD

Ford
TOYOTA
MARUTI SUZUKI
HYUNDAI
KIA
FIAT
PORSCHE
Mahindra
TATA
RENAULT NISSAN MITSUBISHI
ESCORTS
SONALIKA INTERNATIONAL
LEEWON PRECISION
MUSASHI
MAHLE
ROYAL ENFIELD

GM
OPEL
PSA GROUPE
Mercedes-Benz
BMW

Audi
WESTFALIA
LINAMAR
RENAULT
HATZ DIESEL
SUZUKI
GKN
SHW

BOSCH Invented for life

Endress+Hauser
Delphi-TVS Technologies

FUTURE INSIDE

E-Mobility Customers

- HITACHI Inspire the Next
- RAVO BENELUX
- MAN
- MAMMOET
- DHL
- WM WASTE MANAGEMENT
- E/NRIDE
- Geesinknorba Group
- Johnston
- MELLOR
- Heineken

Our Milestones

1992
Incorporation of PCL

1997
PE Investment – CDC

1999
JV in India - with G Clancey Ltd, UK

2006
Acquisition – 51% stake of G Clancey Ltd. in the JV

2008
PE Investment – Tata Capital

2011
Incorporation of PCL (Shanghai) Company Ltd

2012 & 2013
JV in China – SLPCL & PCLSL

2016
IPO and listing on BSE and NSE

2017
Acquisition of 95% Equity – MEMCO

2018
Acquisition of 76% Stake – MFT

Acquisition of 51% Stake - EMOSS

2019
Acquisition of balance 5% Equity - MEMCO

Disinvestment from JVs in China – SLPCL & PCLSL

2020
Acquisition of balance 49% Stake – EMOSS

Acquisition of balance 24% Stake – MFT

Value creation

INPUT

MANUFACTURING CAPITAL

Total 6 plants in India, Germany and Netherlands

INSTALLED CAPACITY
India:
Camshaft castings: 11 million PA
Machined camshafts: 4 million PA

FINANCIAL CAPITAL

on consolidated basis

Equity: ₹ 643 Crores

Debt: ₹ 174 Crores

HUMAN CAPITAL

2,000+ employees

Enhancement of employee skillsets

Health and safety training

Covid safety measure taken at plants and corporate offices for employees

INTELLECTUAL CAPITAL

Technology enables us to deliver critical products across the globe

Management possesses rich experience and expertise

Strategic alliance with technical partners

NATURAL CAPITAL

Zero emission solutions at EMOSS

Installation of LEDs, solar panel, and natural air ventilation system

SOCIAL AND RELATIONSHIP CAPITAL

Total CSR spend of ₹ 1.26 Crores

Contribution towards upliftment of the society

Interaction with investors on a regular basis

VALUE ENABLERS

OUR VALUES

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

OUR VISION

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

OUR DNA

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

OUR MISSION

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

OUTPUT

PRODUCTION, CAPACITY UTILISATION (%)
India:
Camshaft castings: 59.74%
Machined camshafts: 59.74%

REVENUE FROM OPERATIONS
- PCL: ₹ 381.76 Crores
- MEMCO: ₹ 36.7 Crores
- MFT: ₹ 158.4 Crores
- EMOSS: ₹ 133.3 Crores
- Capacity expansion by 18% for machine shop

- Skilful and talented employees
- Passionate associates aligned to core values
- Efficient quality control
- Increased automation
- Sustainability across the entire value chain

- Efficient quality control
- Increased automation
- Sustainability across the entire value chain

- Steady progress on the creation of a sustainable value chain
- Mitigating global warming
- Reduction in cost of power

- Contribution towards UN SDGs
- Enhanced stakeholder engagement

VALUE CREATED

FOR CUSTOMERS
- Ensure to always deliver above customer expectations and zero-defect products
- Enhanced customer satisfaction and repeat orders
- Wider array of product portfolio

FOR SHAREHOLDERS
- Dividend of ₹ 1 in FY 2020-21 as compared to Re 0.95 previous year
- Increased D/E ratio from 0.04 to 0.05 in FY 2020-21
- MEMCO: Surge in domestic demand led to 1 million+ parts per month in end of FY20-21
- EMOSS registered 37% jump in revenues despite the pandemic

FOR OUR EMPLOYEES
As an integral part of our value chain, we ensure our employees get the conducive work environment, training and support always

ALL STAKEHOLDERS
Higher efficiency leading to higher productivity, resulting in achieving operational excellence

FOR THE PLANET
Contribution towards reduction in carbon footprints will lead to a better tomorrow for all

FOR COMMUNITIES
- Promote trust with stakeholders
- Improving quality of life of people in areas of presence
- Transparency and good governance

OUTCOME

- New Customer Addition
- New products to be added to PCL foundries
- Increasing management bandwidth by talent addition
- New differential housing for European customers in foundry

Chairman's Message

THE PRECISION DNA IS A WORK CULTURE, ROOTED IN SHARP CUSTOMER FOCUS, TRANSPARENCY IN OPERATIONS, SENSE OF OWNERSHIP, KEEN ATTENTION TO DETAILS, CONSERVATIVE FINANCIAL APPROACH AND HIGH LEVEL OF DISCIPLINE AND UPKEEP

Dear Stakeholders,

As I write this message, India and the world is witnessing one of the worst medical urgencies we have seen in a very long time. People scrambling for beds, ventilators, oxygen cylinders and medication is, at present, a common scene in India. So, before I put down my thoughts in writing, I would like to express my support on behalf of my team for the people who have been affected by the severe Covid-19 spread. We would like to thank the all the doctors, healthcare workers and everyone who is working to fight this virus to help restore normalcy in our lives. I would also like to express my deep condolences to the front-line workers and employees who have lost their loved ones to this pandemic.

BROADER PICTURE: THE CHANGE IN GEARS

FY 2020-21 was an economic shocker created by the pandemic-induced lockdown, which resulted in a 24.4% contraction in GDP in Q1. Thereafter, the nation changed gears and showed a V-shaped recovery with 7.5% decline in Q2. After two quarters of recession, India's GDP was back on the recovery course with a growth of 0.4% in Q3. The credit mostly goes to the Government and RBI fiscal and accommodative monetary policy that led to the recovery across various key economic indicators aided by a stable currency, comfortable current account, burgeoning forex reserves, encouraging signs in the manufacturing sector output, among others. The structural reforms introduced in the budget and the Government push for Aatmanirbhar Bharat Abhiyan in Q4 gave the economy a new lease of life. Going forward, the RBI has projected a GDP growth rate of 10.5% for FY 2022-23 owing to robust growth in consumption and investment. However, flattening vaccination rates and more waves of Covid-19 have caused a health burden, which could lead to deceleration of the country's GDP growth.

OPERATING SCENARIO: ON COURSE

The automotive sector experienced a dramatic transformation during the year. It went through fresh challenges such as Covid-19 and the resultant supply side disruptions, loss in production of automobiles, rise in input costs, trade disruptions, among others. Amid this uncertainty, we witnessed a general trend of consumers browsing and purchasing vehicles online owing to lockdowns and stay-at-home. We also witnessed a positive trend of Governments across the world pushing for Electric Vehicles (EVs) adoption. However, the shift to electric vehicles is in the nascent stage due to high cost and prices across the value chain and also the scarcity of the supporting infrastructure. Therefore, internal combustion engine vehicles and EVs would co-exist, as there is a large market space for both. Further, developing countries are constructing roads at a faster pace and India is one of the prominent examples. The Government of India's (GOI) renewed commitment to the National Infrastructure Pipeline bodes well to revive the Commercial Vehicle sales. These trends and development in the automobiles industry would surely benefit the auto component makers, as they are directly proportional to the automobile industry. In our forward drive, as markets re-open across the world, it is not just the OEMs, but the replacement market, which would act as a crucial source of income for the auto component makers. With relatively lower number of foreign firms operating in the segment, Indian auto makers are well positioned to capitalise on the opportunities worldwide. Already, Indian auto component makers and SIAM are jointly collaborating to enhance localisation of various products to make the industry price competitive globally. Even the GOI has allocated ₹ 75,000 Crores for automobiles and components under the newly announced Production-Linked Incentive (PLI) scheme to push manufacturing. In addition, the shift from BS-4 to BS-6 norms will give thrust to the industry, as it will bring it on a par with international regulations on safety and emissions in the long term.

CAMSHAFT: RACING AHEAD

PCL has set a global benchmark in manufacturing quality camshafts through its advanced systems, technology and processes. Spread over a 45-acre green campus, we have the capacity to cast 11 million camshafts per year and machine about 4 million camshafts annually. During the fiscal year, we have received new orders for camshafts from several reputable customers such as Maruti Suzuki, Musashi, Fiat, Ford, Tata Motors and Renault Nissan, among others. This is expected to increase our production volumes drastically in the next two to three years. Our sturdy order book and expanding production volumes are the outcome of continuous innovation, which has been an integral part of our working environment since day one. As a result of this, we are offering over 150 types of camshafts, and at present, six to eight types of new camshafts are in the developmental stage. Despite the pandemic, we have achieved over 59.74% of capacity utilisation in our foundries and machine shops. This can be accredited to our strong presence in global and domestic market, allowing us to overcome slowdown in specific regions. Further, the PCL business model was aligned with the GOI's

Aatmanirbhar Bharat Abhiyan, much ahead of the campaign launch in CY 2020, as we have been catering to the domestic and export market for several years now. We are also keen on aligning the campaign philosophy with our group companies and play a substantial role in the nation's development.

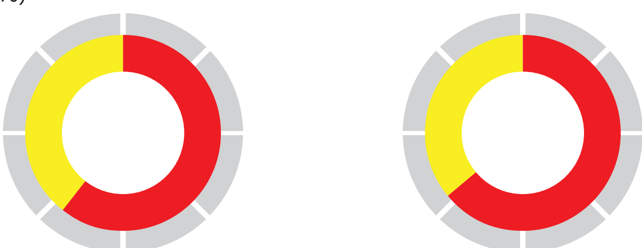
LEADERS IN THE SPACE

~ 70%
Market share in Indian camshaft market

~ 9%
Market share in international camshaft market

CONTRIBUTION TO REVENUE: SHIFTING TOWARDS HIGH-MARGIN ACCRETIVE BUSINESS

(%)



FY 2019-20		FY 2020-21
60.8	Machined	64.0
39.2	Castings	36.0

FINANCIAL PERFORMANCE

We delivered a satisfactory performance in a turbulent year. Below are the highlights of the same:

- Total income for the FY 2020-21 stood at ~₹403 Crores
- Export business contributed 57.38% towards the total revenue, while the domestic business contributed for the rest
- EBITDA for the FY 2020-21 stood at ₹97.28 Crores
- Profit after Tax (PAT) for the FY 2020-21 stood at ₹61.69 Crores

The three group companies also delivered a resilient performance in these trying times:

- MEMCO's revenue for the FY 2020-21 stood at ₹36.7 Crores
- MFT's revenue for the FY 2020-21 stood at ₹158.4 Crores
- EMOSS's revenue for the FY 2020-21 stood at ₹133.3 Crores

TOWARDS SMARTER, SUSTAINABLE AND INTEGRATED GROWTH

MFT, based in Germany, after acquiring balance 24% shares at €0.55 million (₹ 4.76 Crores) in July 2020 is now a 100% step down subsidiary through PCL (International) Holding B.V.

Emoss, based in Netherlands , after acquiring balance 49% shares at €0.6 million (₹ 5.19 Crores) in July 2020 is now a 100% step down subsidiary through PCL (International) Holding B.V.

During the year, we have purchased the remaining stakes in our subsidiary companies - 24% in MFT and 49% in EMOSS. This makes all the three companies under our belt wholly owned subsidiaries/step-down subsidiaries and hence positions us well to be on the path of integrated growth. I would also like to mention that all three acquired companies have grown multi-fold since the first phase of acquisition and have emerged as a global automotive player. The consolidation over the years has allowed us to capitalise on each other's strengths, reduce dependency on a few customers and cross sell our products. It thus places us well on the way to smarter growth. It has further allowed us to diversify our product offerings and venture into EV solutions, paving a way towards sustainable growth.

STRATEGY OVERVIEW

Our strategic objectives of operational excellence, innovation, profitable growth and building a performance culture remain unchanged. These objectives continue to guide our business decisions. Today, integration and stabilisation across the group remain at the forefront, followed by new product addition and strengthening of the management team through talent addition. At MFT and MEMCO, our objective is to fully utilise capacities and bring in new business. Whereas at EMOSS, we are looking to further scale up the business in Europe and also introduce electric buses and trucks in India.

LOOKING AHEAD

In times of rapid change, the growth potential of the auto component industry is immense. We have already received several new machined camshaft orders, which will reflect on the PCL top-line numbers from 2023. Further, we have planned capex for machined and assembled camshaft business through internal funding to meet the customers' demands. With efforts of turnaround at both MEMCO and MFT, we expect to increase revenue by more than 10% in the next two to three years. After the Covid-19 outbreak, many developed countries have planned to lower their greenhouse gas emissions release, which have led to stringent environmental regulations. This is leading to the rise in electric vehicles and our existence in this space through EMOSS in Europe and North America suits us.

IMMENSE GRATITUDE

I would like to applaud our fellow Board members for their support and guidance, and our management team, employees and suppliers for their dedication and commitment. Most importantly, I thank our stakeholders, without whom we wouldn't have existed.

Be Safe!

Your Sincerely,

Yatin S. Shah

Chairman & Managing Director

Geared for Change: Towards a sustainable tomorrow

At PCL, we believe in staying ahead of the curve and continuing to work on building our capabilities and competencies. We are proactively shifting to a higher gear to accelerate the automotive industry's endeavour to make EVs the future of mobility. In our drive to future, we will strive to ensure a smart, sustainable and well-integrated business model that would serve people, planet, sustainability and profitability.

DID YOU KNOW?

- India's EV segment is expected to be worth USD 206 billion by 2030
- Cumulative investments required would be over USD 180 billion for vehicle production and building charging infrastructure
- EV sales across all vehicle segments estimated to cross over 100 million units by 2030
- As per NITI Aayog, 70% of all commercial cars, 30% of private cars, 40% buses, and 80% two- and three-wheeler sales in 2030 would be electric

OUR JOURNEY TOWARDS THE SUSTAINABLE FUTURE COMMENCED WHEN WE INVESTED IN EMOSS MOBILE SYSTEMS B.V NETHERLANDS ('EMOSS') IN THE YEAR 2018, ACQUIRING 51% STAKE IN THE COMPANY. IN JULY 2020, THE COMPANY TOOK ANOTHER LEAP, AND ACQUIRED THE REMAINING 49%. TODAY, EMOSS IS A FULLY OWNED STEP-DOWN SUBSIDIARY OF PCL.

Electrifying Facts on Emoss

ONE OF ITS KIND

With over-a-decade of experience, Emoss is one-of-its-kind business engaged in providing end-to-end services right from designing, developing to manufacturing and supplying complete electric powertrains for trucks, buses, military vehicles and heavy equipment.

QUICK TURNAROUND

Conversion of diesel-electric trucks into ready-to-use electric trucks in just 90 days.

KIT SET PARTNERSHIPS WITH OEMS

EMOSS has developed several partnerships with niche OEMs across the world to design, develop and supply modular electric driveline kits which are fitted onto the vehicle by the OEM.

APPROVALS FOR MOST MARKETS

Emoss vehicles have approvals for most parts of the world, including North America, bulk of Europe, Australia and New Zealand.

INTEGRATED SERVICES

Integrated services, including research and development, engineering, production, testing, certification, delivery and post-sales services. Real-time power management and tracking via integrated cockpit set-up.

PROXIMITY TO PORT

With the Port of Rotterdam (Netherlands) nearby, Emoss has a locational advantage to export worldwide.

NOTABLE ACHIEVEMENTS

- Developed fully electric driveline for the world's first fully electric Fire engine
- Developed electric driveline for one of the leading developers of fully automated self-driving trucks
- Developed new battery pack for aviation and defence with major suppliers
- Over 100 million miles driven on 600+ vehicles developed and EMOSS

Creating a Driveway

PCL is bringing in e-mobility in India through Emoss. We are working towards solutions that offer converting commercial vehicles with internal combustion engines (ICE) to EVs. Our dedicated EV team in India has developed a localised solution for commercial vehicles. We are bringing in the best of both the worlds through the combination of European technology and Indian localisation to cater to the commercial and technical requirements of the Indian customer. We have already delivered 600 vehicles having 100+ million miles driven on the roads and proven our efficiency.

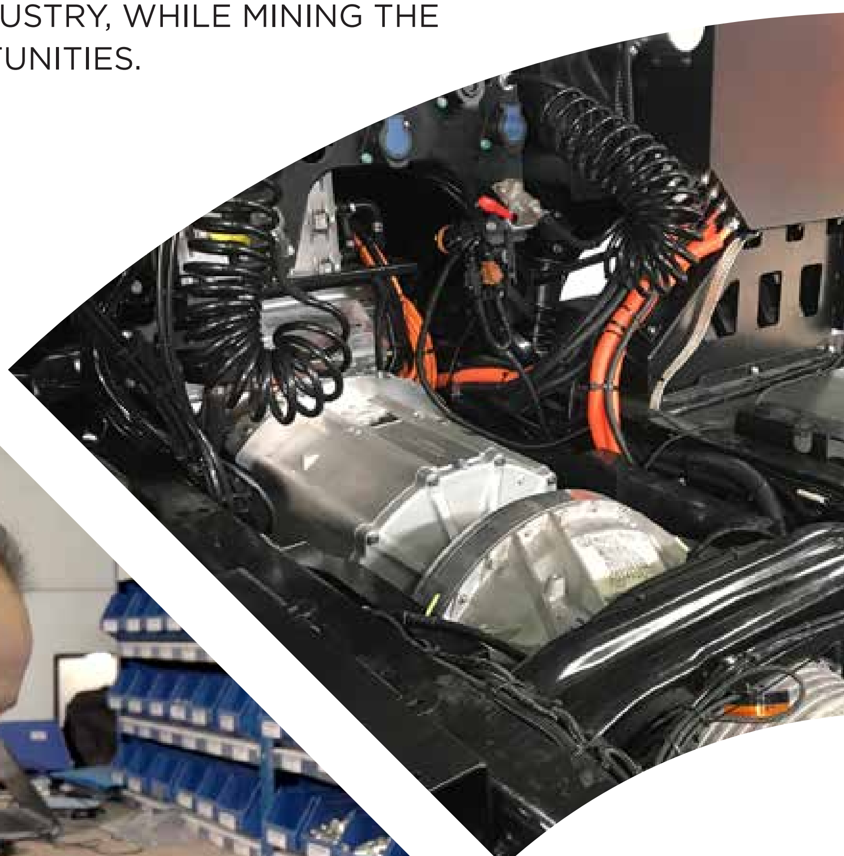
NOTABLE ACHIEVEMENTS

- PCL will be launching first-of-its kind fully electric mid-sized bus for the Indian market
- It will provide a range of 150+km in a single charge
- The demo vehicle is in the trial stage and we foresee 50% localisation in the very first vehicle

TOWARDS CIRCULAR ECONOMY THROUGH EVs

- Eliminates emissions of particulate matter and nitrogen oxides
- Zero emission of heavy vehicles
- Noise-free and odourless
- Offers maintenance and cost savings up to 60%
- Prolongs vehicle life
- Reduces crude consumption and vehicular tail-pipe emissions

WITH A COMPREHENSIVE PRODUCT PORTFOLIO, DIVERSIFIED CUSTOMER BASE, AND A COMBINATION OF R&D AND INNOVATION, PCL IS QUALIFIED TO HARNESS THE GROWTH POTENTIAL AND CONTINUE TO OUTPERFORM THE INDUSTRY, WHILE MINING THE OPPORTUNITIES.



Financial Highlights

(Standalone basis, FY 2020-21)

₹ 381.76 Crores
Revenue from operations

₹ 97.28 Crores
Earnings before Interest, Taxes, Depreciation and Amortization

₹ 61.69 Crores
Profit after tax

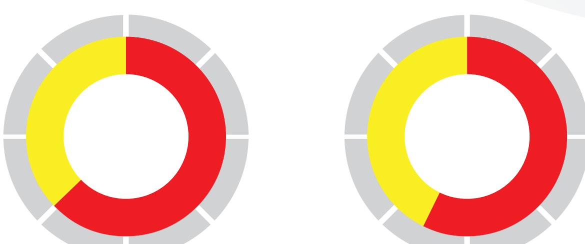
₹ 6.50
Earning per share

0.05
Debt/Equity

₹ 1
Dividend per share

9.06 %
Return on Equity

REGION-WISE REVENUE BREAKDOWN (%)



FY 2019-20		FY 2020-21
62.81	Exports	57.38
37.19	Domestic	42.62

An endeavour for good

AS SUSTAINABILITY IS OUR VANGUARD, WE HAVE ABSORBED OURSELVES IN NURTURING THE ENVIRONMENT AND THE COMMUNITIES THAT WE ARE IN. WE ARE A RESPONSIBLE CORPORATE WHICH IS UNCEASINGLY TRYING TO BETTER THE LIVES OF OUR ASSOCIATES. AT PCL, CORPORATE SOCIAL RESPONSIBILITY (CSR) IS A BUSINESS FUNDAMENTAL THAT SEEKS CONTINUOUS POSITIVE CHANGES IN OUR EVERYDAY LIFE. IT IS DEFINED AND GAUGED BY THE LONG-TERM VALUE WE CREATE FOR EVERYONE ASSOCIATED WITH US.

As part of our CSR activities, we at PCL had undertaken a few activities in the year gone by. Some of the main areas of focus were:

COVID-19 RELIEF PACKAGES

As a responsible corporate, we stepped in at the right time to help the nation fight the pandemic by:

- Distributing food packets & drinking water to migrant labour on Shramik Railway
- Providing grocery to 650 families

Donation of ₹ 1 Crores as a COVID 19 Relief Fund. 50 Lakhs each for State & Central Government

Food Packets distributed to 1,600 migrant workers at Solapur Railway Station

₹ 50,00,000
Contributed to PM Cares Fund

4,200
People benefitted

₹ 54,51,539
Spent

HEALTHCARE

We believe the first step towards good health is hygiene. We promoted preventive healthcare and sanitation by:

- Distributing sanitary napkins among students of 11 schools
- Distributed menstrual hygiene equipment in 10 schools and Solapur University

Menstrual Hygiene Awareness Programme

Sanitary Napkins Vending & Disposal Machines installed for 10 Schools

4
Villages covered

1
Projects covered

3,197
People benefitted

₹ 4,36,968
Spent

EDUCATION

Education is the most powerful tool that can curate a good life. To better the lives of people surrounding us, we engaged in:

- Giving vocational training for Nursing Assistant and OT Assistant courses at BC Girls Hostels, Solapur
- Maintaining Sonamata High School, Ramwadi
- Funding educational project at Manipur
- Funding for Vidyarthi Vikas Yojana by Seva Sahyog Foundation, Mumbai

Sonamata School - Child Theatre

8
Villages covered

4
Projects covered

396
People benefitted

₹ 17,00,000
Spent

SUSTAINABILITY

The need of the hour is paving way towards sustainability and long-term growth. For this we:

- Commissioned Solar Power system to run 17.5 HP Motors for Water Supply at Chinchani Village in Pandharpur Taluka
- Renovated cemetery land at Kegaon
- Constructed Sports facilities at Nehru Ground, Solapur

Chinchni Solar Project

Solar Panels for Eco-Friendly Village Chinchni (Tq. Pandharpur, Dist. Solapur)

3
Villages covered

3
Projects covered

11,500
People benefitted

₹ 17,88,172
Spent

SOCIAL ISSUES

Living in a society and not indulging in its progress is beyond our corporate outlook. For us, societal gratefulness is more important than personal growth. Therefore, we contributed to:

- Hunger eradication at Paradhi Vikas Pratishthan, Mohol and Sanskar Sanjivani, Mulegaon
- Funds for V Excell School for the Specially able children
- Skill Development for rural women at Mata Balak Utkarsh Pratishthan, Sangola
- Funding of Govind Maharaj Gopal Samaj Pratishthan at Ansarwada, Dist. Latur
- Funding for Prarthana Foundation, Solapur
- Funding for construction of school to Ajit Foundation, Korphale

Precision Guppa 2020 : Precision Social Recognition Awards

Sangola MataBalak - Skill Development Vocational Training for Rural Women

6
Villages covered

5
Projects covered

582
People benefitted

₹ 33,00,000
Spent

Management Discussion and Analysis

GLOBAL ECONOMY

THE HIT, THE FALL & THE RISE

The calendar year 2020 was more of learning than rewarding but from the depths of learning came the biggest lessons. The trend towards remote work accelerated, digital adoption took a quantum leap and sustainability moved closer to the centre of political and economic decision-making.

There's no doubt that the year 2020 was intense and volatile facing a full-blown hit of COVID-19, which grappled the world right from the start of Q1 of CY 2020. So quick was the expanse of the virus that Governments across the globe had to impose stringent lockdowns to cut back on further infection spread. Amid this crisis, a lot of economic and political activities took place for the best. For instance: Regional Comprehensive Economic Partnership (RCEP) was signed by the 10 ASEAN countries, UK secured its first post-Brexit Free Trade Agreement (FTA) and there was change in the US leadership, among others. The deceleration expected in global economic activity in 2020 was slightly less severe than previously projected at the onset of the pandemic, due to shallower contractions in advanced economies.

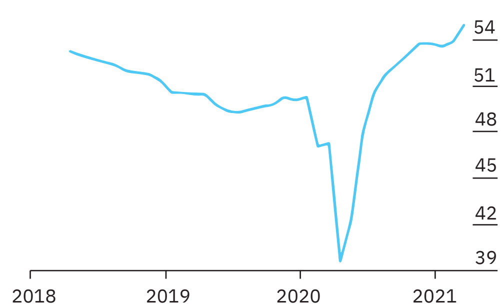
Outlook

After contraction of 3.3% in 2020, the global economy is estimated to accelerate at 6% in 2021 before moderating to 4.4% in 2022. There are, however, several dauting challenges to this growth forecast. A full-fledged recovery is only possible if we adjust to the newer ways of working, reinvent the wheel, and aggressively vaccinate even the last man on the planet. The global recovery momentum will also depend on policymakers' way of managing debt, budget and structural reforms.

(Source: IMF Report, 2021)

Global PMI touched 55 by the end of Q1 of CY 2021

IHS Markit and JP Morgan Chase's snapshot of the health of manufacturing around the world, based on surveys of multiple purchasing managers on their activity. A number below 50 signals expansion.



(Source: Bloomberg, 2021)

INDIAN ECONOMY

For India, the situation could have been far worse because of the sheer population. But as they say: strength comes from within, the pandemic was efficiently handled by the Government and domestic pharma companies.

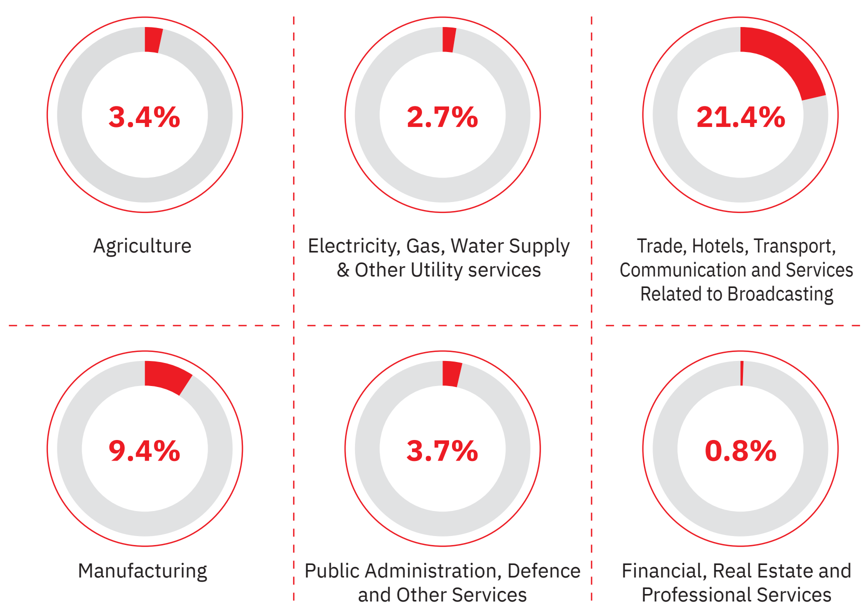
The FY 2020-21 started on a shaky note, as the pandemic crippled the health infrastructure across the globe. The Government of India prioritised protecting lives early on with a full-scale lockdown. This majorly affected the lives and livelihood of millions of Indian citizens. To arrest the impact, the Government released ₹ 1.7 Lakhs Crores package to aid ₹ 80 Crores people in the bottom-of-the-pyramid.

On the economic front, ₹ 20 Lakhs Crores package was announced, which included tax benefits, support to MSMEs, farmers, rural workers, among others. Parallelly, the Reserve Bank of India (RBI) responded to the challenges through conventional and unconventional policy measures. The reopening of lockdowns resulted in a better second half compared to the first half of FY 2020-21. Key indicators such as power demand, e-way bills, GST collections, steel and cement consumption started showing positive signs indicating a V-shaped recovery. Moreover, the Budget 2020-21 set the economic pace for the future with a series of short-term, medium-term, and long-term measures.

Outlook

Now, as the world's largest vaccination drive is underway in India, it is expected that the economy will make a rebound. Based on these factors, IMF has projected India to register an impressive growth of 12.5% in FY 2021-22 against 7.7% in FY 2020-21. The growth will, however, also depend on how India manages different waves of the COVID-19 infection.

Sectors estimated to record positive growth in (Gross Value Added) GVA in FY 2020-21



GLOBAL AUTOMOTIVE INDUSTRY:

A SHIFT IN GEAR

Change brings action and action brings progress. The industry's goals and standards are ambitious even amid challenges that appear to be unsurmountable.

The automotive industry contributes around 4% of the global GDP. The industry reeled under pressure for two consecutive CY 2018 and 2019. Rising competition, shrinking economic activities, slowdown in BRIC countries and stringent norms dampened the global demand. 2020 was anticipated to see substantial recovery for the OEMs, but the vehicle production fell sharply, dropping 15.4% from the previous year. The fall was majorly because of travel restrictions and overall decline in economic activities due to the pandemic.

Even in India, automobile demand was severely impacted in Q1 of FY 2020-21. Except tractors, which witnessed growth in sales purely because of easy agricultural credit, drop down in non-farm employment opportunities and bank moratorium.

However, with the lifting of lockdown, the automobile industry witnessed an uptick in demand for passenger vehicles and two-wheelers. Recovery that was witnessed in Q2 of FY 2020-21, picked up momentum in the following quarters of the fiscal, supported by festive seasons.

The pandemic acted as an accelerator on one hand, and on the other, a test for the new trends is evolving in the industry.

Factors driving growth:

- Subsidies and tax exemptions
- Decreasing total cost of ownership with introduction of new cheaper models with attractive ranges
- Regulations forcing manufacturers to reduce (average) emissions of new cars

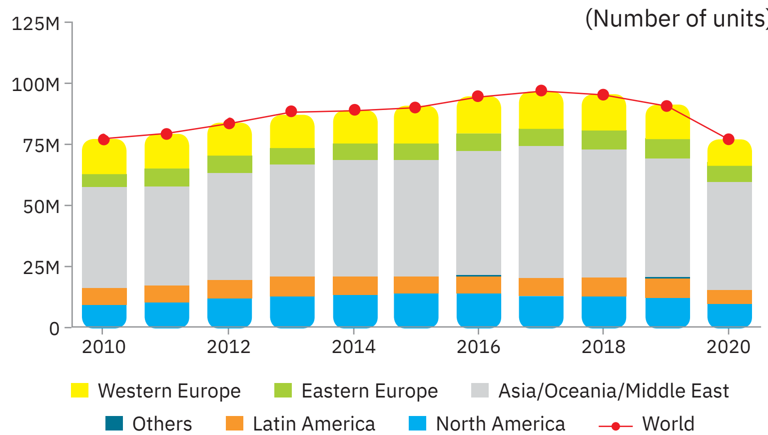
(Source: Automotive trend report, 2021)

Outlook

Automobile sales are expected to rebound by 9% to 83.4 million in 2021 from the lows of 2020. The COVID-19 condition has favoured personal mobility owing to its private nature and its immunity from contact with the general public. It is estimated by HIS Markit, the global sales will grow by 5% in 2022 to 86.9 million followed by 4% in 2023 to 89.7 million.

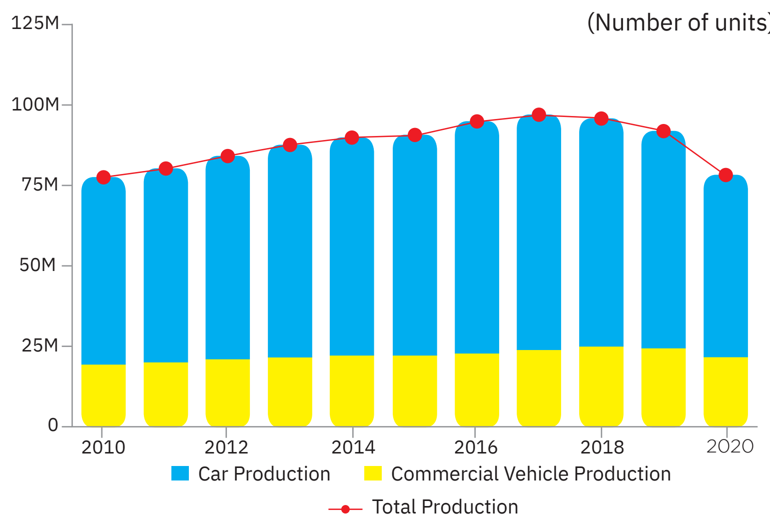
(Source: Forbes, 2021)

Global Motor Vehicle Production by Region



(Source: Knoema, 2021)

Global Motor Vehicle Production by Type



AUTO COMPONENTS INDUSTRY:

IN THE FAST LANE

The auto component industry is estimated to witness lower contraction in revenue at 6-8% for the last fiscal as against earlier forecast of 12-15%, aided by better-than-expected demand pick up in the automobile sector.

(Source: Economic Times, 2021)

The global auto component industry is estimated to have reached a value of USD 1.9 trillion in CY 2020 with a run rate of more than 95 million yearly units, including cars and trucks. The aftermarket is likely to have reached a value of USD 722.8 billion with car owners being more aware about preventive maintenance and scheduled servicing to maximise vehicle life span.

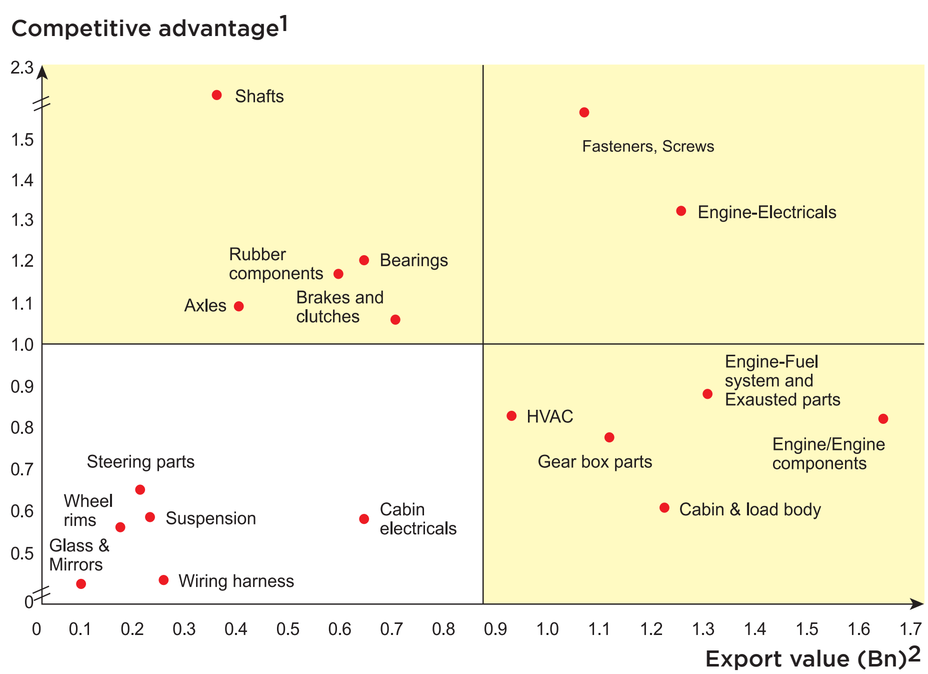
In India, for the first time, the industry witnessed a trade surplus with auto component exports at ₹ 39,003 Crores and imports at ₹ 37,710 Crores in the first half of FY 2020-21 (Source: Hindu Business Line, 2020). Since September 2020, auto part makers have ramped up production faster than expected to meet retail demand, which got a boost from improving economic activities and shift towards personal mobility. However, the growing commodity prices remained a key challenge during the fiscal, which added some pressures on the overall margins.

Outlook

As per Moody's estimates, the growth of the auto parts segment is expected to be higher than the auto sector. The market is anticipated to reach USD 2.3 trillion by 2027. (Source: Globalnewswire, 2021,). With shift in supply chains by global OEMs, India is well placed to benefit and increase its share of exports. India has a strong competitive advantage in product categories such as shafts, bearings and fasteners.

India can achieve critical growth in exports of product categories where it has highly competitive advantage

India can achieve critical growth in exports of product categories where it has highly competitive advantage



*Ratio of component's share in India's auto component exports to its share in global auto components exports; <0.8 low; 0.8-1.2 Med; >1.2high. (Source: Mckinsey Report, 2020)

CAMSHAFT INDUSTRY:
INCREASING FUEL EFFICIENCY

Camshaft manufacturers are constantly innovating new products in tune with the automotive requirements of launching lightweight vehicles, to improve fuel efficiency, and reduce carbon emission.

Technically camshaft is a vital engine component in an automobile. Demand rise and improvement in the automotive market globally have led to impressive growth of global automotive camshaft market. Global OEMs went from manufacturing camshafts inhouse to outsourcing full requirement, right from casting to machining. Going forward, increasing vehicle fleet size, developing infrastructure especially in Asia Pacific countries, growth in the sales of passenger cars and commercial vehicles, will accelerate the camshaft market. Now, with the shift in consumer behaviour and changing supply patterns owing to the COVID-19 pandemic, there is a huge opportunity for the Indian players to grow.

Global Automotive Camshaft Market 2020-24

Market Growth will ACCELERATE at a CAGR of almost

2%

2019 2024

Incremental Growth (MN Units)

14.10

Growth for 2020

13.6%

72%

of Growth will come from APAC

(Source: Businesswire, 2021)

OPPORTUNITIES

Though India is a preferred supplier in the auto component industry, it is still not among the top suppliers. China, Indonesia, Thailand, Taiwan and Vietnam are some strong peers in Asia. Here are a few areas which will create opportunities for the industry:

Production-Linked Schemes

The Indian government announced a Production Linked Incentive (PLI) of ~₹ 57,000 Crores for the auto component and automobile sector. This huge allocation will allow the industry to be competitive on the global level and be a net exporter. It will also promote greater levels of indigenisation from a supply chain standpoint. With this, the sector will achieve 2X growth, with auto components contributing USD 30 billion to exports and auto OEMs about USD 19 billion.

(Source: Hindu, 2021)

Automobile and auto component sector received lion's share under PLI scheme

Sector	Estimated Expenditure on new PLIs (Rs. Crore)
Advance Cell Chemistry Battery	18,100
Electronic/Technology Products	5,000
Automobiles & Auto Components	57,042
Pharmaceuticals Drugs	15,000
Telecom & Networking Products	12,195
Textile Products	10,683
Food Products	10,900
High Efficiency Solar PV Modules	4,500
White Goods (ACs & LED)	6,238
Specialty Steel	6,322
Total	**1,45,980**

Supply chain diversification

In the wake of the COVID-19-induced disruptions, many global auto OEMs are following a China-plus-one strategy for auto parts procurement.

These OEMs are looking to reduce dependency on one country. India's auto part manufacturers could indeed become one of the key nodes in the global supply value chain.

CY 2019: India's export contribution to top auto component markets is marginal

	Top-five importers (USD Bn)	China's % share in the country's import of auto components	India's % share in the country's import of auto components
USA	159.7	12.1	1.6
Germany	95.1	4.9	0.9
Mexico	57.7	7.4	0.6

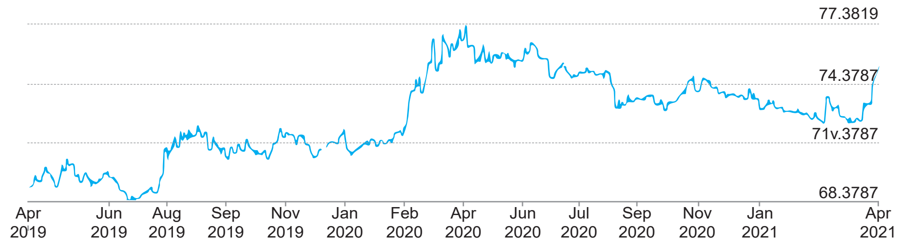
(Source: Grantthorton Report, 2020)

Cost competitiveness

India is economical in terms of raw materials, land and labour; relaxed in regulatory norms for manufacturing space; and has cheaper corporate tax rates. Capitalising on these advantages, the domestic auto component makers can offer attractive deals to OEMs across the globe, compared to peer countries. This will result in more orders and in turn create better revenue visibility.

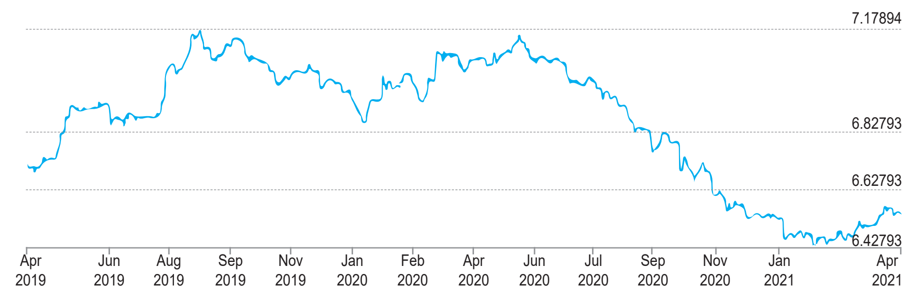
Currencies against USD: 2-year chart

INR



INR has depreciated against USD from about ~69 in April 2019 to ~74 in April 2021. It augurs well for the global OEMs, as they import domestically produced goods at competitive rates.

Yuan



Yuan has appreciated against USD from about ~6.70 in April 2019 to ~6.50 in April 2021.

Scrappage policy

The new scrappage policy bodes well for the automobile and auto component makers' sales owing to:

- People who will scrap their old vehicles will receive a discount of around 5% on new vehicles along with a scrapping certificate
- Personal vehicles and commercial vehicles will be mandatorily required to undergo fitness tests after 20 and 15 years respectively from the date of registration. The tests will be conducted by automatic fitness centres and vehicles failing the test will be qualified as 'end-of-life vehicles'
- The Government has decided to substantially increase the cost of RC renewal in India to discourage re-registration of old vehicles

Credit availability

Easy availability of credit from financiers and bank moratorium has helped domestic auto ancillaries to improve liquidity position substantially from June 2020 levels. Low interest rate also gives enough room for industry players to incur capex for capacity additions and continue with the new product launches, which was postponed during in FY 2020-21.

Road development

The Government of India has brought the spotlight back on infrastructure by allocating about USD 1.4 trillion to be invested until 2025. Besides, under Bharatmala Pariyojana project, the Government aims to build 66,100 km of economic corridors, border and coastal roads, and expressways to boost the highway network. It is estimated that it will increase the vehicular speed by 20-25% and reduce the supply chain costs by 5-6%. With all these prospects, the automobile demand across the segment will increase.

National highways constructed in India during FY 2020-21

12,205.25 km

Highest ever construction of National highways in India in FY 2020-21

34 km per day

THREATS

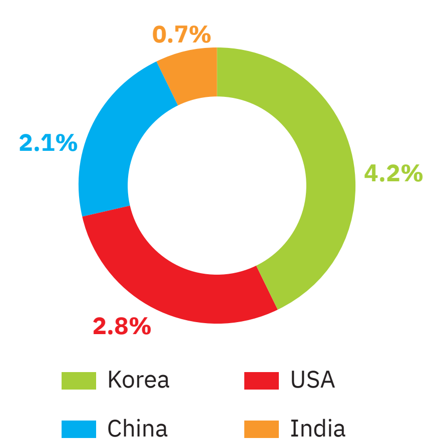
Transition from BS4 to BS6

During BS4, the Indian auto component industry had high level of localisation. With transition towards BS6, a lot of systems had to be imported from global counterparts, because testing and validation for localised components may not be possible in near term. Local auto components can overcome this challenge by complying with design, engineering content, including the processes, which is on a par with international standards.

Low R&D spending

Development of R&D innovation is essential to aid automotive manufacturing capability. The World Economic Forum's Global Competitiveness Report (2018-19) ranked India 35th in terms of innovation capacity. The country's gifted scientists, engineers and an able research ecosystem has the ability to turn any challenge into opportunities. But there are factors such as R&D collaboration and patents granted per head where India lags.

R&D Spending (% to GDP): Huge scope for development in India



COMPANY OVERVIEW

Precision Camshaft Limited is a highly regarded manufacturer dealing in most variations of camshafts. Its technical strategic alliances make it one of the most renowned names in the industry. PCL group companies comprise MEMCO Engineering Private Limited, MFT Motoren und Fahrzeugtechnik GmbH and Emoss Mobile Systems B.V. Its diversified product portfolio, achieved through group companies, has made its long-term sustainable goal highly achievable. This makes the Company proficient in providing critical automotive, non-automotive parts and electric mobility solutions to world-class automotive OEMs. This has strengthened the Company's marketing capabilities, distribution reach and has resulted in repeated orders from marquee clients. With time, this consolidated strength would only get stauncher. Today, the Company is not only known for end-to-end automotive solutions provider that meets the customer requirement but also for being people-oriented organisation which gives back to the society through social and green initiatives measures.

PERFORMANCE REVIEW

Business review

PCL Product -wise performance

Products	Contribution to the revenue (%)		Reason for casting / machined camshaft growth
	FY 2020-21	FY 2019-20	
Casting camshaft	**36**	39.2	Due to Decrease in demand
Machined camshaft	**64**	60.8	Due to increase in production capacity

Camshafts Capacity

Manufacturing unit details (Solapur)

FY 2020-21	UNITS	Capacity	Actual Production	Utilisation (%)
Camshaft castings	Four foundries	11 million	6.57 million	59.74
Machined camshaft	Four machine shops	4 million	2.38 million	59.74

Note:

Capacity of machine shop has increased from 3.29 million per year to 4 million per year due to addition in machining lines and repurposing older lines for new products.

Group Companies

Subsidiaries	Products & services	Total income (₹ in Crores)		Reason for the decrease
		FY 2020-21	FY 2019-20	
MFT	Auto components	**158.4**	169.47	MFT and Memco decrease in income Due to economic slowdown cause by Covid-19 Pandemic
MEMCO	Auto components	**36.7**	40.83	
EMOSS	Electric mobility solution	**133.3**	97.06	EMOSS income is increased Due to increase in demand for EV in the European Market

FINANCIAL OVERVIEW:

CONSOLIDATED AND STANDALONE (₹ in Lakhs)

Financial Results	Standalone		Consolidated	
	for the year ended 31st March 2021	for the year ended 31st March 2020	for the year ended 31st March 2021	for the year ended 31st March 2020
Total Revenue (I)	**40,360.24**	45,836.87	**73,204.42**	76,365.48
Total Expenses (II)	**30,631.81**	34,324.12	**64,753.44**	63,415.25
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**9,728.43**	11,512.75	**8,450.98**	12,950.93
Profit Before Tax & Exceptional Items	**6,578.42**	6,697.48	**38.10**	3,801.96
Exceptional items	**1,509.78**	1,867.66	**1,509.78**	(215.63)
Profit before tax	**8,088.20**	**8,565.14**	**1,547.88**	**3,586.33**
Total Tax Expenses	**1,918.74**	1,359.82	**1,625.73**	984.47
Profit for the year	**6,169.46**	7,205.32	**(77.85)**	2,563.34
EPS (Basic)	**6.50**	7.59	**0.24**	3.68
EPS (Diluted)	**6.50**	7.58	**0.24**	3.68

Standalone

During the Financial Year under review, on standalone basis your Company registered a total revenue of ₹ 40,360.24 Lakhs as against ₹ 45,836.87 Lakhs in the previous year. The profit after tax for the year stood at ₹ 6,169.46 Lakhs as against ₹ 7,205.32 Lakhs in the previous year. Your Company reported decrease in top-line by 11.95% as compared to previous year.

Consolidated

On consolidated basis, the total revenue was ₹ 73,204.42 Lakhs as against ₹ 76,365.48 Lakhs in the previous year. The Loss after tax for the year stood at ₹ 77.85 Lakhs as against profit of ₹ 2,563.34 Lakhs in the previous year. Your Company reported increase in top-line by 4.14 % over the previous year.

Disclosure of Accounting Treatment:

While preparing the financial statements, no different treatment, used from that prescribed in an Accounting Standard, has been followed.

Hence, no such the fact shall be required to be disclosed in the financial statements, together with the management's explanation.

DETAILS OF SIGNIFICANT RATIO CHANGES

i.e. Change of 25% or more as compared to the previous financial year in key financial ratios, along with detailed explanations therefore:

STANDALONE

	FY 2020-21	FY 2019-20	% change	Reason for change
Inventory Turnover	**2.23**	3.10	28%	During the year under Audit, the Company has received purchase order for the said project. The Company has raised Invoice against above-mentioned purchase Order and recognized as exceptional income.
Interest Coverage Ratio	**53.74**	29.94	79%	
Debt Equity Ratio	**0.05**	0.04	47%	
Return on Net Worth	**8.66**	11.09	22%	Due to lockdown, logistic services were not working full-fledged and hence we reduced our inventory.

CONSOLIDATED

	FY 2020-21	FY 2019-20	% change	Reason for change
Interest Coverage Ratio	**3.03**	4.91	38%	During the year under Audit, the Company has received purchase order for the said project. The Company has raised Invoice against above-mentioned purchase Order and recognized as exceptional income.
Operating Profit Margin	**3.26**	5.98	46%	
Net Profit Margin	**- 0.11**	3.36	103%	
Return on Net Worth	**-0.12**	3.94	103%	
EPS	**0.24**	3.68	93%	

Details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof., same is mentioned above

RISKS AND CONCERNS

PCL's operations are affected by several risks, including conventional and emerging ones. The board takes the overall accountability in managing the risks and coming up with strategies to turn risks into opportunities.

CONVENTIONAL

Risks	Context	Mitigation measures
Key customer concentration	It can affect the Company's revenue by being over-reliant on a small pool of customers or clients.	The Company has a diversified customer base within India and across the globe.
Reputational risk	There is an inherent risk at both corporate and operating levels. Reputational damage risk can occur due to accounting misstatements, unethical practices, defective products or services which could cause financial loss to stakeholders.	The Company is transparent, follows best industry practices, adheres to stringent quality standards and understands stakeholders' expectations.
Technology and system risk	The accelerating pace of development in technology can result in increasing data fraud and cyber attacks.	The Company has a strong team with expertise and skills in technological area. They pro-actively track technological development and implement the same to protect the Company's data from cyber attacks.

EMERGING

Risks	Context	Mitigation measures
Environmental concern	It is considered as one of the top global risks comprising climate action failure, extreme weather, natural disasters, biodiversity loss and man-made environmental disasters. Growing stakeholders across the globe are taking note of the same and accordingly associating with the environmentally conscious companies.	The Company continuously develops new production methods to minimise environmental impact. Further, the Company's products used in vehicles ensure reduced fuel consumption.
Social conditions	Employment inequality, lack of social support or corruption by Company officials can lead to negative perceptions.	The Company provides equal opportunity to all employees, irrespective of race, colour, religion, gender, marital status, age, national origin or disability. In fact, it has been very active in social support of people belonging to all communities covering wide aspects of corporate social responsibility areas. Also, strong corporate governance remains an integral part of the business.

Risks	Context	Mitigation measures
Pandemic risk	In immediate next, this risk will arise when the Company is not ready to deal with the second wave of the COVID-19 pandemic.	The Company can effectively manage people during pandemics. Strict operating procedures are being followed to ensure cleanliness and sanitation of plants, recording travel history of all employees and temperature checking at each entry point. In addition, signages and detailed training provided to all employees to ensure safe working conditions. Further, it maintains sufficient liquidity to overcome obligations and meet customers' demand through consistent supply. At the same time, it is fully cognisant of the health and safety of employees.

HUMAN RESOURCE DEVELOPMENT, INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF MEMBERS

As a people-centric business driven by transparency, integrity and honesty, PCL has evolved as a culture-rich and diverse team driving forward the organisation as one of the most agile and innovative establishments in its industry.
Over the period, the Company has undertaken several key initiatives with focus on development of its people. The Company is committed towards creating growth opportunities for its employees who have shown commitment and dedication in tough and uncertain times. Training and development remains an integral part. As much as the Company encourages teamwork, it is also very competitive in nature. The Company provides equal opportunity to all employees, irrespective of race, colour, religion, gender, marital status, age, national origin or disability. As on 31st March, 2021, the Company's employee strength stood at 2,227.

7 DNA PRINCIPLES THAT KEEP US AHEAD OF THE CURVE

FORWARD LOOKING

We are informed about developments in the industry. We question status quo, implement improvements in our job, department and the Company. Our employees are relevant to times and progressive in approach. They are buoyant, enthusiastic and future ready.

INGENIOUS

We find solutions for every problem. We try to optimise resources to improve the organisation health. We remain innovative, resourceful and frugal in our approach. Every employee is capable of working in a very high-pressure environment and is adept in work. Our Company is bottom-line driven with focus on building robust processes to ensure our commitments to all stakeholders. enthusiastic and future ready.

INDOMITABLE

We believe in a never-say die attitude. We take ownership to meet targets. With a strong style of direct communication, we believe in taking risks and can withstand tough situations. PCL employees are spirited and committed to raising the benchmark through ups and downs.

EXCELLENCE

The team is disciplined and believes in being perfect. We set benchmarks for the industry to follow. We manage our shop floors visually and financially. We are averse to any form of mediocrity and continue to strive towards excellence.

RESULT ORIENTED

Every employee is committed towards achieving results for the Company. Keen attention to details and no last-minute finishing is our key cultural differentiator. Our team is diligent to see a project from start to finish, ensuring no last-minute surprises.

COMPETENCE

We are a process-protocol-driven organisation with “standardization” as key strength. The team is technically sound with regards to product line and customer expectations. We believe in continuously improving our skills and knowledge to meet the demands of the industry.

ENERGY

We have high-level of enthusiasm towards work. We work with a sense of urgency and are restless for challenges. We have the zeal to outperform and are enterprising by nature. Our employees are go-getters, believe in dignity of labour and do not consider any work lesser than the other. We treat people with respect and equality.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has adequate internal control in place. The Company has accounting policy and it is strictly implemented by Auditors, Internal Auditors, Accounting team. These controls have been designed to provide a reasonable assurance with regard to maintaining proper accounting controls to ensure reliability of financial reporting, monitoring of operations, and protecting assets from unauthorised use or losses, compliances with regulations. The Company works under the SAP environment. This helps gain control of every stage from procurement-manufacturing process to sales. The Company has appointed Internal Auditors, who cover all aspects that could financially impact its operations. The Company has also set up adequate controlling systems to curb production wastage and inculcate processing efficiency.

Significant features of internal control systems:

- The Audit Committee of the Board of Directors, comprising Independent Directors and Executive Director is functional since January, 2015, and, regularly reviews the significant audit findings, adequacy of internal controls, compliance with accounting standards as well as reasons for changes in accounting policies and practices, if any;
- Supplier relations management and customer relations management connect our different locations, dealers and vendors for efficient and seamless information exchange. We also maintain a comprehensive information security and undertake continuous upgrades to our IT systems;
- Internal Auditors team operates in line with governance best practices. It reviews and reports to management and the Audit Committee about compliance with internal controls and the efficiency and effectiveness of operations as well as the key process risks;
- Controls are also kept by keeping confidentiality of unpublished price sensitive information, all the directors of Board, senior management, auditors (Internal, Statutory and Secretarial) team, employees of the Company listed as insiders comply with code of conduct of insider trading and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information

CAUTIONARY STATEMENT

This document contains statements about expected future events, financial and operating results of Precision Camshafts Limited, which are forward looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of Precision Camshafts Limited's Annual Report, FY 2020-21.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Yatin S. Shah
Chairman and Managing Director

Mr. Karan Y. Shah
Whole-time Director – Business Development

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

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

Mr. Sarvesh N. Joshi
Independent Director

Mr. Pramod H. Mehendale
Independent Director

Mr. Vedant V. Pujari
Independent Director

Mr. Vaibhav S. Mahajani
Independent Director

Mrs. Savani A. Laddha
Independent Woman Director

COMPANY SECRETARY & COMPLIANCE OFFICER

Mrs. Mayuri I. Kulkarni

JOINT COMPLIANCE OFFICER

Mr. Gautam V. Wakankar

STATUTORY AUDITORS

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

SECRETARIAL AUDITORS

M/s J.B. Bhave & Co.,
Practicing Company Secretaries, Pune
CP No :3068

REGISTRAR AND TRANSFER AGENT

Link Intime India Private Limited, Pune
SEBI Registration No : INR000004058

BANKERS

Bank of India
Bank of Baroda

REGISTERED OFFICE

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

CORPORATE OFFICE

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

FACTORIES

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

BOARD COMMITTEES

Audit Committee

Mr. Pramod H. Mehendale – Chairman (Independent Director)
Mr. Ravindra R. Joshi – Whole-time Director & CFO
Mr. Sarvesh N. Joshi – Independent Director
Mr. Vaibhav S. Mahajani – Independent Director
Mrs Savani A. Laddha – Independent Director

Nomination Remuneration Committee

Mr. Vedant V. Pujari – Chairman (Independent Director)
Mr. Sarvesh N. Joshi – Independent Director
Mr. Pramod H. Mehendale – Independent Director
Mr. Vaibhav S. Mahajani – Independent Director

CSR Committee

Mr. Yatin S. Shah – Chairman (Managing Director)
Dr. Suhasini Y. Shah – Non-Executive Non Independent Director
Mr. Vedant V. Pujari – Independent Director
Mr. Vaibhav S. Mahajani – Independent Director

Shareholder Relationship Committee

Mr. Vedant V. Pujari – Chairman (Independent Director)
Dr. Suhasini Y. Shah – Non-Executive Non Independent Director
Mr. Pramod H. Mehendale – Independent Director
Mr. Vaibhav S. Mahajani – Independent Director

Board's Report

To,

The Members,

PRECISION CAMSHAFTS LIMITED (COMPANY)

The Board of Directors (Board) are pleased to present their **TWENTY NINTH ANNUAL REPORT** on the business and operations of the Company together with the Audited Standalone and Consolidated Financial Statements for the year ended 31st March 2021.

1. FINANCIAL RESULTS

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

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	For the Year ended 31st March 2021	For the Year ended 31st March 2020	For the Year ended 31st March 2021	For the Year ended 31st March 2020
Total Revenue (I)	40,360.24	45,836.87	73,204.42	76,365.48
Total Expenses (II)	30,631.81	34,324.12	64,753.44	63,415.25
Earnings before interest, tax, depreciation and amortisation (EBITDA)	9,728.43	11,512.75	8,450.98	12,950.93
Profit before Tax & Exceptional Items	6,578.42	6,697.48	38.10	3,801.96
Exceptional Items	1,509.78	1,867.66	1,509.78	(215.63)
Profit before tax	**8,088.20**	**8,565.14**	**1,547.88**	**3,586.33**
Total Tax Expenses	1,918.74	1,359.82	1,625.73	984.47
Profit for the year	**6,169.46**	**7,205.32**	**(77.85)**	**2,563.33**
EPS (Basic)	6.50	7.59	0.24	3.68
EPS (Diluted)	6.50	7.58	0.24	3.68

The above mentioned figures are extracted from Financial Statements prepared in accordance with the Indian accounting standards (IND AS).

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.

2. COMPANY'S FINANCIAL PERFORMANCE AND OUTLOOK

During the Financial Year under review, on standalone basis your Company registered a total revenue of ₹ 40,360.24 Lakhs as against ₹ 45,836.87 Lakhs in the previous year. The profit after tax for the year stood at ₹ 6,169.46 Lakhs as against ₹ 7,205.32 Lakhs in the previous year. Your Company reported decrease in top-line by 11.95% as compared to previous year.

On consolidated basis, the total revenue was ₹ 73,204.42 Lakhs as against ₹ 76,365.48 Lakhs in the previous year. The Loss after tax for the year stood at ₹ 77.85 Lakhs as against profit of ₹ 2,563.33 Lakhs in the previous year. Your Company reported decrease in top-line by 4.14% over the previous year.

Outlook of the business has been discussed in detail in the Management Discussion and Analysis which forms part of this Annual Report.

3. CHANGE IN NATURE OF BUSINESS, IF ANY

During the Financial Year under review, there has been no change in the nature of business of the Company.

Board's Report (Contd)

4. TRANSFER TO RESERVES

The closing balance of retained earnings as on 31st March, 2021, after all appropriation and adjustments was ₹ 39,500.03 Lakhs.

5. DIVIDEND

Your Directors are pleased to recommend final dividend of ₹ 1/- per equity share (10%) for the Financial Year ended 31st March 2021. If the dividend so recommended is declared by the members at the ensuing 29th Annual General Meeting, the total cash outflow towards dividend would be ₹ 949.85/- Lakhs and

FY 2020-21, Section 10(34) has been withdrawn-Exempting dividend Income from taxation. Taxation of Dividend is charged in hands of shareholders-

In accordance with Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (SEBI LODR) 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 http://pclindia.in/wp-content/uploads/2020/02/Dividend-Policy.pdf

6. SHARE CAPITAL

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

7. UTILIZATION OF IPO PROCEEDS

The proceeds of the IPO have been used for setting up of machine shop for machining of camshafts and offer related expenses and general corporate purposes of ₹ 240 Crores. 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 2021 is stated in Note No. 41 of Notes to Accounts.

The Company has utilised IPO Proceeds and last Statement of Deviation is submitted to Stock Exchange on 7th June 2019 and is also available on the website of the Company.

8. CREDIT RATING

Credit ratings on standalone basis is: -

Facilities	Amount (₹ in Crores)	Previous Rating	Rating action
Long-term Bank Facilities	2.05	CARE A; STABLE	Reaffirmed
Long / Short Term Bank Facilities	10.00	CARE A; STABLE	Reaffirmed
Short-term Bank Facilities	57.50	CARE A1	Reaffirmed
Total Facilities	**69.55**		

9. DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

During the Financial year under review, there was no change in composition of Board of Directors of the Company. Appointment of Mrs. Savani A. Laddha as Independent Woman Director was approved by the members in the 28th Annual General Meeting held on 30th July 2020.

PRECISION

Board's Report (Contd)

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnels (KMPs) of your Company as on 31st March 2021 are as mentioned below:-

Sr. No.	Name	Designation
1.	Mr. Yatin S. Shah	Chairman and Managing Director
2.	Mr. Ravindra R. Joshi	Whole-time Director and Chief Financial Officer
3.	Mr. Karan Y. Shah	Whole-time Director – Business Development
4.	Mrs. Mayuri I. Kulkarni	Company Secretary & Compliance Officer

As on 31st March 2021, Non- Executive Directors on the Board are as mentioned below: -

Sr. No.	Name	Designation
1.	Dr. Suhasini Y. Shah	Non- Executive Non Independent Director
2.	Mr. Sarvesh N. Joshi	Independent Director
3.	Mr. Pramod H. Mehendale	Independent Director
4.	Mr. Vedant V. Pujari	Independent Director
5.	Mr. Vaibhav S. Mahajani	Independent Director
6.	Mrs. Savani A. Laddha	Independent Woman Director

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 (1) (b) of SEBI LODR.

In terms of Regulation 25(8) of the SEBI LODR, the Independent Directors have confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence.

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

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

11. BOARD MEETINGS

The Board meets at regular intervals to discuss and decide on Company / business policy and strategy apart from other Board business. The notice of Board meeting is given well in advance to all the Directors. The Agenda of the Board / Committee meetings is set by the Company Secretary in consultation with the Chairman and Managing Director and Chief Financial Officer of the Company. The Agenda for the Board and Committee meetings covers items set out as per regulations in SEBI LODR 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 Financial Year under review, 5 (Five) Board Meetings were convened and held on 23rd June 2020, 18th August 2020, 10th November 2020 13th January 2021 and 10th February 2021 respectively.

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

Board's Report (Contd)

12. MEETING OF INDEPENDENT DIRECTORS

In compliance with the provisions of Schedule IV of the Companies Act, 2013 and Regulation 25(3) of SEBI LODR, a meeting of Independent Directors was held on 13th March 2021 to review the performance as per Regulation 25(4) of SEBI LODR and Schedule IV of the Companies Act, 2013.

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

13. COMMITTEES OF BOARD

Details of all the Committees along with their charters, compositions and meetings held during the year are provided in the report on Corporate Governance which forms part of this Annual Report and is also available on the website of the Company https://pclindia.in/index.php/corporate-governance/.

14. COMPANY'S POLICY ON DIRECTORS, KMPS AND EMPLOYEES APPOINTMENT AND REMUNERATION

The Company has in placed a Policy on Directors' appointment and remuneration of the Directors, Key Managerial Personnel (KMP) and other employees including criteria for determining qualifications, positive attributes, independence of a Director and other matters.

It is available on the website of the Company at https://pclindia.in/wp-content/uploads/2021/04/Policy-on-appointment-and-remuneration-of-Directors-KMPs-and-other-employees.pdf

The Company pays remuneration by way of salary, perquisites, allowances, commission and retirement benefits to its **Executive Directors.** The remuneration to the Executive Director(s) is in accordance with the provisions of the Companies Act, 2013 and Rules made thereunder and is within the ceiling limits as provided thereunder and approved by the shareholders.

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.

15. PARTICULARS OF EMPLOYEE REMUNERATION

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 this Report.

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

16. COMMISSION OR REMUNERATION FROM SUBSIDIARY

During the Financial Year under review, Mr. Karan Y. Shah, Whole–time Director of the Company has received remuneration of ₹ 22,50,000/- from MEMCO Engineering Private Limited – Wholly Owned Subsidiary (WOS) of the Company.

Board's Report (Contd)

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

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

The annual evaluation process of the Board of Directors, individual Directors and Committees was conducted in accordance with the provision of the Act and the SEBI LODR.

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

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

The Board and the NRC reviewed the performance of individual Directors on the basis of criteria such as the contribution of the individual Director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

In a separate meeting of independent directors, performance of Non- Independent Directors and the Board as a whole was evaluated. Additionally, they also evaluated the Chairman of the Board. The Board also assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

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

18. ANNUAL RETURN

Pursuant to Section 92(3) of Companies Act 2013, the copy of Annual Return for the Financial Year ended 31st March 2021 is placed on the Company's website at https://pclindia.in/wp-content/uploads/2021/07/PCL-Annual-Return-FY-20-21-1.pdf.

19. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

a) During the Financial Year under review, the Company has given loan of € 7.2 million (approximately ₹ 6,329.33 Lakhs), to Loan to PCL (International) Holding B. V., Netherlands (100% Subsidiary)

b) The outstanding Corporate Guarantee of the Company to Bank of Baroda, London in respect of Term Loan given by Bank of Baroda to PCL (International) Holding, B.V. Netherlands as on 31st March 2021 is ₹ 5583.30 Lakhs (€ 6.55 million).

c) During the year, there is no infusion of equity share capital.

d) The Company has given Corporate Guarantee of ₹ 1018.54 Lakhs to Citi Bank NA for Credit Facilities availed by Memco Engineering Private Limited, last year.

e) 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.

Board's Report (Contd)

20. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All contracts / arrangements / transactions entered by the Company during Financial year ended 31st March 2021 with related parties were on an arm's length basis and were in the ordinary course of business. There were no material related party transactions (RPTs) undertaken by the Company during the Financial Year that require Shareholders' approval under Regulation 23(4) of SEBI LODR or Section 188 of the Act.

The approval of the Audit Committee was sought for all RPTs. Certain transactions which were repetitive in nature were approved through omnibus route. All the transactions were in compliance with the applicable provisions of the Companies Act 2013 and SEBI LODR. The details of RPTs form part of the notes to the financial statements provided in this Annual Report. (Please refer Note No. 34 to the Standalone Financial Statements.) Given that the Company does not have any RPTs to report pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 for details refer in **Annexure B** Form AOC-2.

21. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE STATUTORY AUDITORS, SECRETARIAL AUDITORS

There were no qualifications, reservations or adverse remarks made by the Statutory Auditors in the Audit Report on the Standalone and Consolidated Financial Statements for the Financial year ended 31st March 2021.

The Report of Secretarial Auditors for the Financial Year ended 31st March 2021 is also unmodified.

22. MATERIAL CHANGES AFTER CLOSE OF FINANCIAL YEAR

OUTBREAK OF COVID-19 continues

In the month of March of FY 2020-21, the second wave of COVID-19, rapidly spread in India, Maharshtra was majorly affected state due to second wave. For the Company, the focus continues to ensure the health and well-being of all employees, and on minimizing disruption to services for all our customers globally.

The Company consistently continues proactive steps, precautionary and pre-emptive measures at their corporate offices at Pune District and manufacturing plants at Solapur District to ensure safety of all employees since February 2020 due to COVID - 19 outbreak in Maharashtra.

The Company has also been closely monitoring all advisories from the Central and State Government followed by respective District Collectors.

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

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

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

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

Due to CoVID-19 Business and Financials of the Company will also been impacted, management is trying its best to cope up with Business and Financial Loss and get back into operations as soon as possible, various step are being taken by the Management team.

Board's Report (Contd)

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

The information pertaining to conservation of Energy, Technology absorption, Foreign exchange earnings and outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in **Annexure - C** and is attached to this report.

24. SUBSIDIARIES AND ACQUISITIONS

The Company has 2 (Two) subsidiaries, 2 (Two) step down subsidiaries as on 31st March 2021.

A) PCL (International) Holding B.V. ("PCL NL") – Wholly Owned Subsidiary (WOS)

PCL NL is a WOS of the Company in Netherlands. The existing customer base of the Company is predominantly located in Europe and hence to facilitate coordination between Company and customers the WOS was formed. The Company through this WOS holds 100% stake in EMOSS Mobile Systems B.V. (Netherlands) and MFT Motoren und Fahrzeugtechnik GmbH (Germany). Other objective of having PCL (International) Holding B.V. is to monitor the performance and reporting of subsidiaries centrally.

During the Financial Year under review, on Consolidated basis PCL NL registered a total revenue of ₹ 29,170.27 Lakhs as against ₹ 26,481.80 Lakhs in the previous year. The net loss for the year stood at ₹ 6,212.37 Lakhs as against net loss of ₹ 4,670.43 Lakhs in the previous year.

B) Memco Engineering Private Limited ("MEMCO") – WOS

MEMCO is a WOS of the Company based in Nashik, Maharashtra, India. It is engaged in the business of manufacturing fuel injection components for conventional CRDi diesel engines, brake components, high pressure diesel injector connectors for naval ships and high precision instrumentation components. MEMCO enjoys long term relationships with marquee global customers like Bosch, Delphi, Endress Hauser and Giro.

During the Financial Year under review, on MEMCO registered a total revenue of ₹ 3,677.70 Lakhs as against ₹ 4,083.35 Lakhs in the previous year. The profit after tax for the year stood at ₹ 114.41 Lakhs as against ₹ 159.95 Lakhs in the previous year.

C) MFT Motoren und Fahrzeugtechnik Gmbh ("MFT") – Step Down Subsidiary

Your Company through its Wholly Owned Subsidiary (WOS), PCL (International) Holdings B.V. Netherlands ("PCL, Netherlands")] acquired 76% Shares in M/s MFT Motoren und Fahrzeugtechnik GmbH, Germany ("MFT") on 23rd March 2018 for ₹ 2,500 Lakhs (EUR 31,26,018).

During the Financial Year under review, your Company through its WOS PCL NL has acquired balance 24 % shareholding in MFT for € 0.55 million (₹ 4.76 Crores) on 23rd July 2020 date making it 100% Step Down Subsidiary of the Company.

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

D) Emoss Mobile Systems B.V. ("EMOSS") – Step Down Subsidiary

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

During the Financial Year under review, your Company through its WOS PCL NL has acquired balance 49% shareholding in EMOSS at € 0.6 million (₹ 5.19 Crores) on 24th July 2020 date making it 100 % Step Down Subsidiary of the Company.

EMOSS is a one-of-a-kind business that designs, develops, produces and supplies complete electric powertrains for trucks, busses, military vehicles and heavy equipment. EMOSS business model includes conversion of diesel trucks into ready to use electric trucks. The Company also manufactures "ready to assemble modular kits" which are assembled onto the chassis. EMOSS provides an end to end solution to its customers which includes research and development,

Board's Report (Contd)

engineering, production, testing, certification, delivery and post-sales 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 and New Zealand. EMOSS enjoys customer base of Heineken, Meyer & Meyer, TEDI, etc.

The Company has formulated a policy for determining "material" subsidiaries is available on the Company's website http://pclindia.in/wp-content/uploads/2020/02/Policy_for_determining_Material_Subsidiaries.pdf

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

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

There has not been any material change in the nature of the business of the Subsidiaries. As required under SEBI LODR Regulations, 2015 and Companies Act, 2013, the consolidated financials of your Company and Subsidiaries are provided in this annual report.

26. 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 Listing Regulations. Risk Management Policy is hosted on website of the Company at http://pclindia.in/wp-content/uploads/2020/02/Risk_Management_Policies.pdf.

There are no risks which in the opinion of your Board threaten the existence of the Company. COVID 19 is an unforeseen risk faced by all the industries of the Country, Company has been impacted due to COVID 19, Management has taken necessary steps for resuming operation of the Company with safety of its employees and abiding by Government Directives. MDA covers covid related impact and steps taken by Company

Company has also filed with Stock Exchanges Disclosure of material Impact of Covid 19 and same is hosted on website of the Company.

https://pclindia.in/wp-content/uploads/2020/07/Disclosure-of-material-impact-of-CoVID-19-on-the-Company.pdf

27. 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 Financial Year under review, 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.

28. STATEMENT IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROL WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company has in place adequate internal financial controls with reference to the Financial Statements. The policies and procedures adopted by the Company covers orderly and efficient conduct of business including adherence to the Company's policies, safeguarding of the assets of the Company, prevention and detection of fraud and errors, accuracy and completeness of accounting records and the timely preparation of reliable financial information. The Audit Committee periodically reviews the internal control systems with the Management, Internal Auditors and Statutory Auditors test the adequacy of internal audit functions.

Board's Report (Contd)

During the Financial Year under review, these controls were tested and the observations of the Auditors were addressed by the Company after taking necessary steps to strengthen the financial controls and improve the systems. Statutory Auditors have also certified adequacy of internal financial controls systems over financial reporting based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control, as stated in the Guidance Note on Audit of Internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India.

29. DEPOSITS

During the Financial Year under review, the Company has not accepted any deposits.

30. SECRETARIAL AUDIT REPORT AND ANNUAL SECRETARIAL COMPLIANCE REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board appointed M/s. J B Bhave & Co., Practicing Company Secretaries, Pune as the Secretarial Auditors of the Company for FY 2020-21. There are no qualifications/ observations/ remarks in the Secretarial Audit Report. The Secretarial Auditors have not reported any fraud during the Financial Year. The Report of the Secretarial Audit for FY 2020-21 in MR-3 is annexed herewith as an **Annexure H** to the Annual 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.

The Company has received such report from M/s J.B. Bhave & Co., Practicing Company Secretaries, Pune for the Financial Year ended 31st March 2021 and it has been submitted to the stock exchange(s) within the stipulated time. Certificate forms part this Annual Report as **Annexure J**.

31. 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

Sr. No.	Name	Designation
1.	Mr. Yatin S. Shah	Chairman
2.	Dr. Suhasini Y. Shah	Member
3.	Mr. Vedant V. Pujari	Member
4.	Mr. Vaibhav S. Mahajani	Member

Detailed Annual Report on CSR Activities during the year is given as **Annexure D** and CSR Policy is also disclosed on the website of the Company at https://pclindia.in/wp-content/uploads/2021/05/Corporate-Social-Responsibility-Policy.pdf.

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

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

Board's Report (Contd)

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**		
Grant	**I**	**II**	**TOTAL**
Options granted	NIL	NIL	NIL
Options Vested	NIL	NIL	NIL
Options exercised	NIL	NIL	NIL
The total number of shares arising as a result of exercise of option	NIL	NIL	NIL
Options forfeited	NIL	2,120	2,120
Options lapsed	NIL	6,740	6,740
Extinguishment or modification of options	NIL	NIL	NIL
The exercise price	₹ 10/-	₹ 10/-	₹ 10/-
Pricing formula	As per the ESOS Scheme approved by the members of the Company.		
Variation of terms of options	NA	NA	NA
Money realised by exercise of options	NIL	NIL	NIL
Total number of options in force	12,230		
Employee wise details of options granted to:			
i. Key Managerial Personnel & Senior Managerial Personnel	NA	NA	NA
ii. 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
iii. Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	NA	NA	NA
Issued Capital (excluding outstanding warrants and conversions of the Company at the time of grant. (Only in case of Listed Companies)	NA	NA	NA
Diluted EPS calculated in accordance with International Accounting Standard (IAS) 33	NA	NA	NA

Disclosure under SEBI (Shared Based Employee Benefits) Regulation 2014 is available on the website of the Company at https://pclindia.in/wp-content/uploads/2021/07/ESOP-Disclosure-2020-21.pdf

33. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour. 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 disclosed on the website of the Company (http://pclindia.in/wp-content/uploads/2020/02/Vigil_Mechanism_Policy.pdf).

Board's Report (Contd)

34. CORPORATE GOVERNANCE REPORT

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

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 G**.

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**.

35. DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place a policy for Prevention of Sexual Harassment (PoSH) 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.

During the year under review No complaint was reported to the Committee during the year ended on 31st March 2021 in connection with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

ICC Committee details are provided in Posh Policy The PoSH Policy is available on website of the Company. https://pclindia.in/wp-content/uploads/2020/02/Posh-Policy.pdf

36. 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 Financial Year under review, there were no instances of fraud which were reported by the Statutory Auditors to the Audit Committee/ Board.

37. AUDITORS

(a) STATUTORY AUDITOR

The members at the 27th AGM of the Company appointed M/s MSKA & Associates, Chartered Accountants (Firm Reg. No. 105047W) as the Statutory Auditors of the Company for a period of 5 (Five) years to conduct the Statutory Audit from FY 2019-20 to FY 2023-24 and to hold office from the conclusion of 27th AGM till the conclusion of AGM held for FY 2023-24.

(b) COST AUDITORS

The Board of Directors, on the recommendation of Audit Committee, has 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 ended 31st March 2022. The Board on recommendations of the Audit Committee have approved the remuneration payable to the Cost Auditors, subject to ratification of their remuneration by the Members at the ensuing AGM. The cost accounts and records of the Company are duly prepared and maintained as required under Section 148(1) of Act.

The Cost Audit report for the Financial Year 2020-21 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.

Board's Report (Contd)

(c) **INTERNAL AUDITORS**

The Company had appointed M/s M. P. Chitale & Co. Chartered Accountants, as Internal Auditors of the Company for the Financial Year ended 31st March 2021. The scope and authority of the Internal Auditor is as per the terms of reference approved by the Audit Committee. The Internal Auditors monitor and evaluate the efficiency and adequacy of internal control systems 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 Company.

38. REPORT ON MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report as required under SEBI LODR forms part of this Annual Report.

39. DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors of your Company to the best of their knowledge and ability hereby state and confirm that:

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; and
6. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

40. 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 http://pclindia.in/wp-content/uploads/2020/02/Code_of_Conduct_for_Board_and_Senior_Management.pdf

All Directors and Senior Management personnel have affirmed their compliance with the said Code. A declaration pursuant to the Regulation 26 (3) read with part D of the Schedule V of the SEBI LODR, 2015 signed by Managing Director to this effect is annexed as a part of Annual Report as **Annexure L.**

41. BUSINESS RESPONSIBILITY REPORT

A detailed Business Responsibility Report in terms of the provisions of Regulation 34 of the SEBI LODR 2015 is available as a separate section in the Annual Report.

42. COMPLIANCE OF APPLICABLE SECRETARIAL STANDARDS

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

Board's Report (Contd)

43. INVESTOR EDUCATION AND PROTECTION FUND

In accordance with the provisions of Sections 124 and 125 of the Act and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividends of a Company which remain unpaid or unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account shall be transferred by the Company to the Investor Education and Protection Fund ("IEPF"). In terms of the foregoing provisions of the Act, no dividend amount or shares were required to be transferred to the IEPF by the Company during the Financial Year ended 31st March 2021.

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

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

The online proficiency self-assessment test of Independent Directors conducted by Indian Institute of Corporate Affairs ensures that the skills and knowledge is appropriate and beneficial to the Company. All the Independent Directors have successfully passed the test.

45. DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 DURING THE YEAR.

During the year, the Company has not made any application nor there is any proceeding pending under the Insolvency and Bankruptcy Code, 2016 as at the end of the Financial Year.

46. THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF.

During the year, the Company has not initiated One Time Settlement with the Banks or Financial Institutions and therefore no details are required to be furnished.

47. 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.

48. ACKNOWLEDGEMENTS

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

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

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

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

Yatin S. Shah	**Ravindra R. Joshi**
DIN: 00318140	**DIN: 03338134**
Chairman and Managing Director	**Whole-time Director and CFO**
Date: 25th May 2021	Date: 25th May 2021
Place: Solapur	Place: Solapur

Annexure A

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

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

Form No. AOC-1

Part A – Subsidiary Companies of Precision Camshafts Limited

Particulars	Name of Subsidiaries	
	PCL (International) Holding B.V., (Consolidated Basis)	MEMCO Engineering Private Limited
The date since when subsidiary was acquired	Not applicable	10th October 2017
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	1st April 2020 to 31st March 2021	1st April 2020 to 31st March 2021
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, 2021	Euro Closing Rate 1 Euro = ₹ 85.21/- Average Rate 1 Euro = ₹ 86.33/-	INR Exchange Rate - Not applicable
Share Capital	3,470.91	720.00
Reserves and Surplus	(7,107.91)	1,419.00
Total Assets	30,160.28	3,792.85
Total Liabilities (excluding share capital, reserves and surplus)	33,797.28	1,653.85
Investments	NIL	647.81
Turnover	29,087.11	3,634.29
Profit / (Loss) before Tax	(6,504.76)	170.22
Provision for tax	(292.38)	55.81
Profit after Tax	(6,212.37)	114.41
Proposed Dividend	-	-
% of Shareholding	100	100

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

This section is not applicable to the Company as there are no associate or joint venture Companies of the Company.

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

Yatin S. Shah
Chairman and Managing Director
DIN: 00318140

Date: 25th May 2021
Place: Solapur

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

Date: 25th May 2021
Place: Solapur

Annexure B

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and

Rule 8(2) of the Companies (Accounts) Rules, 2014)

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

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

The Company has not entered into contracts or arrangements or transaction with related parties during the FY 2020-21 which are not at arm's length basis.

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

As per Section 188 of Companies Act, 2013, read with Regulation 23 of SEBI LODR and Company's policy on materiality of related party transactions and on dealing with related party transactions, Criteria to determine material transaction is more than 10% of Annual consolidated turnover as per latest audited financial statements (31st March 2020) of the Company i.e. 10% of 746.23 Crores = 74.62 Crores

The Company has not entered into any material contracts or arrangements or transaction with related parties during FY 2020-21 at arm's length basis.

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

Yatin S. Shah
Chairman and Managing Director
DIN: 00318140

Date: 25th May 2021
Place: Solapur

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

Date: 25th May 2021
Place: Solapur

Annexure C

A) CONSERVATION OF ENERGY:

1. Persistent efforts have been taken to save energy, for utilising alternate sources of energy, capital investment on energy conservation equipments, which include:

a) The power factor is maintained at unity (0.995) throughout the year at all the plants.

b) Maximum demand is monitored in order to avoid demand penalty.

c) Increased safety parameters in Transformer yard by improving earthing quality & civil work.

d) It is ensured that motors & pumps used are of the right capacity.

e) Energy efficient & Variable Frequency Drive Air compressors are used in Machine shops.

f) Machine shop 3 has implemented Energy saving water cooled oil chillers for all grinding machines.

g) Fire Alarm System & Smoke detector system has been installed in Chincholi Plant to improve safety of human life & equipment.

h) To improve lumens & reduce power cost in manufacturing sheds & external areas of the Company, all lighting has been changed to LED except in 3 foundries where height of sheds is very high resulting in insufficient light in working area.

i) Natural air ventilation system has been installed on all manufacturing sheds. Apart from saving energy, a human working comfort has been achieved.

j) Planted new trees & increased greenery in the plant thus improving environment and reducing carbon footprint.

k) Drip Irrigation system has been installed in Chincholi Plant to improve watering efficiency & reduce power cost, manpower cost & fertiliser.

B) TECHNOLOGY ABSORPTION AND RESEARCH & DEVELOPMENT:

1. Efforts made in technology absorption and development of products

Development of new assembled camshafts for European customer along with sourcing of various child parts from Indian supplier base.

2. The benefits derived like product improvement, cost reduction, product development or import substitution:

- Machine shop has implemented 5% improvement on productivity target.
- Power Saving
  - a) High Energy Efficient electric motors (IE1 to IE2 standard implemented from FY2018 onwards for all new equipments ordered by PCL).
  - b) All machine shop are using LED lightening.
  - c) Variable frequency drive Air compressor is in use for M3.
  - d) Oil chiller cooling has been used using cooling tower evaporating technology.
  - e) Power saving Induction heating equipments used in new production lines.
- Capital Saving
  - a) Underutilised production lines are converted into new product production lines.
- Consumable cost
  - a) Effective reduction in machine shop level consumable cost including oil / coolant / cutting tools / packing materials / stock BOM items / Repair & Maintenance non-stock items by improving tool life and improving packing efficiency.
- Capacity Enhancement
  - a) Few Production lines capacity has been improved by primarily working 24 hrs per day and 7 days per week, without impacting preventive maintenance activities.

3. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-

(a) the details of technology imported; **NIL**

(b) the year of import; **NA**

(c) whether the technology been fully absorbed; **NA**

(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; **NA**

During the year, the Company have not imported technology.

Annexure C (Contd)

4. 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.
- 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.
- Foundry

    The Company has worked on developmemt of other products in the foundry such as balancing shafts, auxilliary shafts, and various housings.
- E-Mobility

    The Company has worked on developmemt of localised electric driveline for Indian market. The Company has created a team of 5 individuals working on supply chain, engineering, design and electronics, to fully develop, source and integrate an electric driveline on mid-size bus in India.

During the year, the Company has not incurred specific expenditure incurred on Research and Development.

C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

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

Earnings	22,609.51
Outgo	7,393.55

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

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

Date: 25th May 2021
Place: Solapur

Annexure D

THE ANNUAL REPORT ON CSR ACTIVITIES FOR FY 2020-21

[Pursuant to section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014]

1. Brief outline on CSR Policy of the Company

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.

2. Composition of CSR Committee.

Sr No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Yatin S. Shah	Chairman, Managing Director	4	4
2.	Dr. Suhasini Y. Shah	Member, Non-Executive Director		4
3.	Mr. Vedant V. Pujari	Member, Independent Director		4
4.	Mr. Vaibhav S. Mahajani	Member, Independent Director		4

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company.

Sr No.	Display on Website	Links
1	Composition of the CSR Committee	https://pclindia.in/index.php/corporate-governance/
2	CSR Policy	http://pclindia.in/wp-content/uploads/2020/02/Corporate_Social_Responsibility_Policy.pdf
3	Projects Approved	https://pclindia.in/index.php/csr-initiatives/

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report). Not applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any)

Sr No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (₹)
		NA	

6. Average net profit of the Company as per section 135(5): ₹ 6,321.51/- Lakhs

Annexure D (Contd)

7. (₹ in lakhs)

Sr No.	Particulars	Amount
1	Two percent of average net profit of the Company as per section 135(5)	126.43/-
2	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	Nil
3	Amount required to be set off for the financial year, if any	Nil
	Total CSR obligation for the financial year (1+2-3)	**126.43/-**

8. (a) CSR amount spent or unspent for the financial year:

(₹ in lakhs)

Total Amount Spent for the Financial Year	Amount unspent				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
126.76/-	**Nil**	**NA**	**NA**	**Nil**	**NA**

(b) Details of CSR amount spent against ongoing projects for the financial year:

(₹ in lakhs)

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sr. No.	Name of the Project	Item from the list of activiti-es in Sche dule VII to the Act.	Local area (Yes/ No)	Location of the project		Project dura-tion	Amount allocated for the project	Amount spent in the current financial Year	Amount transferred to Unspent CSR Account for the project as per Section 135(6)	Mode of Implemen tation - Direct (Yes/No).	Mode of Implemen tation - Through Implemen-ting Agency	
				State	Distr ict						Name	CSR Regist ration num ber.
1	NA											
	TOTAL											

Annexure D (Contd)

c) Details of CSR amount spent against other than ongoing projects for the financial year:

(₹ in lakhs)

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No)	Location of the project		Amount spent for the project	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number.
1	Contribution to PM CARES Fund	Contribution to Fund set up by Central Government for Covid-19 relief	-	-	-	50	Yes		
2.	Distribution of Food packets for labors travelling by Shramik Railway	Eradicating hunger, poverty and malnutrition.	Yes	Maharashtra	Solapur	0.87	Yes		
3.	Distribution of Packaged Drinking Water for labors travelling by Shramik Railway		Yes	Maharashtra	Solapur	0.13	Yes		
4.	Distribution of groceries to 650 poor families		Yes	Maharashtra	Solapur	3.50	Yes		
5.	Distribution of Sanitary Napkins for girl students in 11 schools	Promoting healthcare including preventive healthcare and sanitation	Yes	Maharashtra	Solapur	0.15	Yes		
6.	Distribution of Menstrual hygiene equipment at school & Solapur University		Yes	Maharashtra	Solapur	4.22	Yes		
7.	Food assistance for Hunger Eradication - Paradhi Vikas Pratishthan	Eradicating hunger, poverty and malnutrition	Yes	Maharashtra	Solapur	1.5	Yes		
8.	Hunger Eradication - Sanskar Sanjivani Foundation		Yes	Maharashtra	Solapur	1.00	Yes		

Annexure D (Contd)

9.	Scholarship for Girls in BC Girls Hostel Vocational Training - Nursing & OT Assistant courses	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects	Yes	Maha rashtra	Solapur	5.00	Yes			
10.	Upkeep of Sonamata High School		Yes	Maha rashtra	Solapur	5.00	Yes			
11.	Financial Assistance to poor students for accommodation at school run by Purva Seema Vikas Pratishthan, Mumbai at Manipur.		No	Manipur	Ukhrul	2.00	Yes			
12.	Financial Assistance to Seva Sahyog Foundation for Vidyarthi Vikas Yojana – supports students from Maharashtra studying all over India		No	All over India	-	5.00	No			
13.	Donation to V-Excel Education Centre for education of differently abled students		Yes	Maha rashtra	Solapur	5.00	Yes			
14.	Donation for Women Empowerment to Mata Balak Utkarsh Pratishthan		Yes	Maha rashtra	5.50	Yes				
15.	Financial Assistance to Ajit Foundation for SnehGram (school project) for construction of Classroom and Office room		Yes	Maha rashtra	Solapur	15.00	Yes			
16.	Precision Foundation Social Work Recognition Awards (2)		Yes	Maha rashtra	Latur & Solapur	5.00	Yes			
17.	Erection & Commissioning of Solar Power System at Village Chinchani	Rural development projects	Yes	Maha rashtra	Solapur	12.38	Yes			
18.	Renovation of Cemetery land at Kegaon		Yes	Maha rashtra	Solapur	1.5	Yes			
19.	Repairs of walking track, Nehru Nagar Ground, Vijapur Road		Yes	Maha rashtra	Solapur	4.00	Yes			
	TOTAL					**126.76**				

(d) Amount spent in Administrative Overheads **Nil**

(e) Amount spent on Impact Assessment, if applicable **Nil**

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) **126.76**

Annexure D (Contd)

(g) Excess amount for set off, if any

(₹ in lakhs)

Sr No.	Particulars	Amount
(i)	Two percent of average net profit of the Company as per section 135(5)	126.43
(ii)	Total amount spent for the Financial Year	126.76
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.33
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.33

9. (a) Details of Unspent CSR amount for the preceding three financial years:

(₹ in lakhs)

Sr. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6)	Amount spent in the reporting Financial Year	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. :
				Name of the Fund	Amount	Date of transfer.	
	FY 2017-18: ₹ 45.78 Lakhs	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**
	TOTAL						

Note: In FY 2017-18, unspent amount of CSR was ₹45.78 Lakhs. As per Section 135(5) of Companies Act, 2013, if the Company fails to spend such amount, the Board shall, in its report made under clause (o) of sub-section (3) of section 134, specify the reasons for not spending the amount, Company has complied with Section 135(5) of Companies Act,2013 by providing explanation in Board Report for FY 2017-18.

Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, is effective from 2021 and unspent amount was of FY 2017-18, hence we have mentioned NA (Not Applicable)

(₹ in lakhs)

FY	CSR Budget	CSR Spending	Unspent Amount	Excess Amount Spent
2017-18	181.36	135.58	45.78	Nil
2018-19	143.37	147.93	Nil	4.56
2019-20	132.13	147.59	Nil	15.46

Annexure D (Contd)

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(₹ in lakhs)

(1) Sr. No.	(2) Project ID	(3) Name of the Project	(4) Financial Year in which the project was commenced.	(5) Project duration.	(6) Total amount allocated for the project	(7) Amount spent on the project in the reporting Financial Year	(8) Cumulative amount spent at the end of reporting Financial Year.	(9) Status of the project - Completed / Ongoing.
	NA							
	TOTAL							

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year

(asset-wise details)

(₹ in lakhs)

Sr. No.	Particulars	Asset Name
1	Date of creation or acquisition of the capital asset(s).	**26th March 2021**
2	Amount of CSR spent for creation or acquisition of capital asset.	**12.38**
4	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	**Chinchani Punarvasit Gaav Committee, Chinchani, Tal. Pandharpur, Dist. Solapur**
5	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).	**Solar Panel. Grampanchayat Chinchani Punarvasit Gaav Committee, Chinchani, Tal. Pandharpur, Dist. Solapur**

11. Specify the reason(s), if the Company has failed to spend 2% of the average net profit as per section 135(5).

(₹ in lakhs)

Signature Managing Director or Director	Signature Chairman of CSR Committee

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 and the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary for the FY 2020-21:

Sr. No.	Name of the Director	Designation	Ratio of the Remuneration of each Director / Chief Financial Officer / Company Secretary to Median Remuneration of Employees	% increase in the remuneration of each Director / Chief Financial Officer / Company Secretary
1.	Mr. Yatin S. Shah	Chairman & Managing Director	178.60	0.00
2.	Mr. Ravindra R. Joshi	Whole-time Director & Chief Financial Officer	157.05	(2.58)
3.	Mr. Karan Y. Shah	Whole-time Director – Business Development	15.50	(36.21)
4.	Dr. Suhasini Y. Shah	Non-Executive Director	2.93	0.00
5.	Mr. Sarvesh N. Joshi	Independent Director	2.93	0.00
6.	Mr. Pramod H. Mehendale	Independent Director	2.93	0.00
7.	Mr. Vedant V. Pujari	Independent Director	2.93	0.00
8.	Mr. Vaibhav S. Mahajani	Independent Director	2.93	0.00
9.	Mrs. Savani A. Laddha	Independent Director	2.93	900.00
10.	Mrs. Mayuri I. Kulkarni	Company Secretary & Compliance Officer	4.80	9.46

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

2) Percentage increase in the median remuneration of employees in the FY 2020-21:

During the financial year under review, there has been decrease by approximately 8.22% in the median remuneration paid to the employees.

3) The number of permanent employees on the rolls of the Company as on 31st March 2021: 1396

4) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

There has been decrease in average remuneration of the employees other than managerial personnel by 2.93% and also average managerial remuneration has decreased by 3.72%.

*The remuneration includes wages, salary to on-roll employees and Directors.

5) Affirmation that the remuneration is as per the remuneration policy of the Company:

It is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and other employees is as per the Remuneration Policy of the Company.

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

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

Date: 25th May 2021
Place: Solapur

Annexure E (Contd)

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

(₹in Lakhs)

Name of the employee	Designation	Gross Remune ration	Nature of employ ment	Qualification and experience	Date of commence ment of employ ment	Age	Last employ ment held and Desig nation	% of equity shares held in the Comp any	Relative of Director/ Manager
Yatin S. Shah	Chairman & Managing Director	304.39	Whole time employee on roll of the Company	B.com, MBA, 34 years of experience in business expansion and adminis tration	8th June 1992	59	Chetan Foundries, CEO	39.78	Spouse of Dr. Suhasini Y. Shah and Father of Mr. Karan Y. Shah
Ravindra R. Joshi	Whole-time Director & CFO	267.66	Whole-time emplo yee on roll of the Company	B.com, DBM, 33 years of experience in the field of finance and accounting	11th May 2000	56	Chetan Foundries, Manager Finance	0.02	NA

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

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

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

Date: 25th May 2021
Place: Solapur

Annexure F

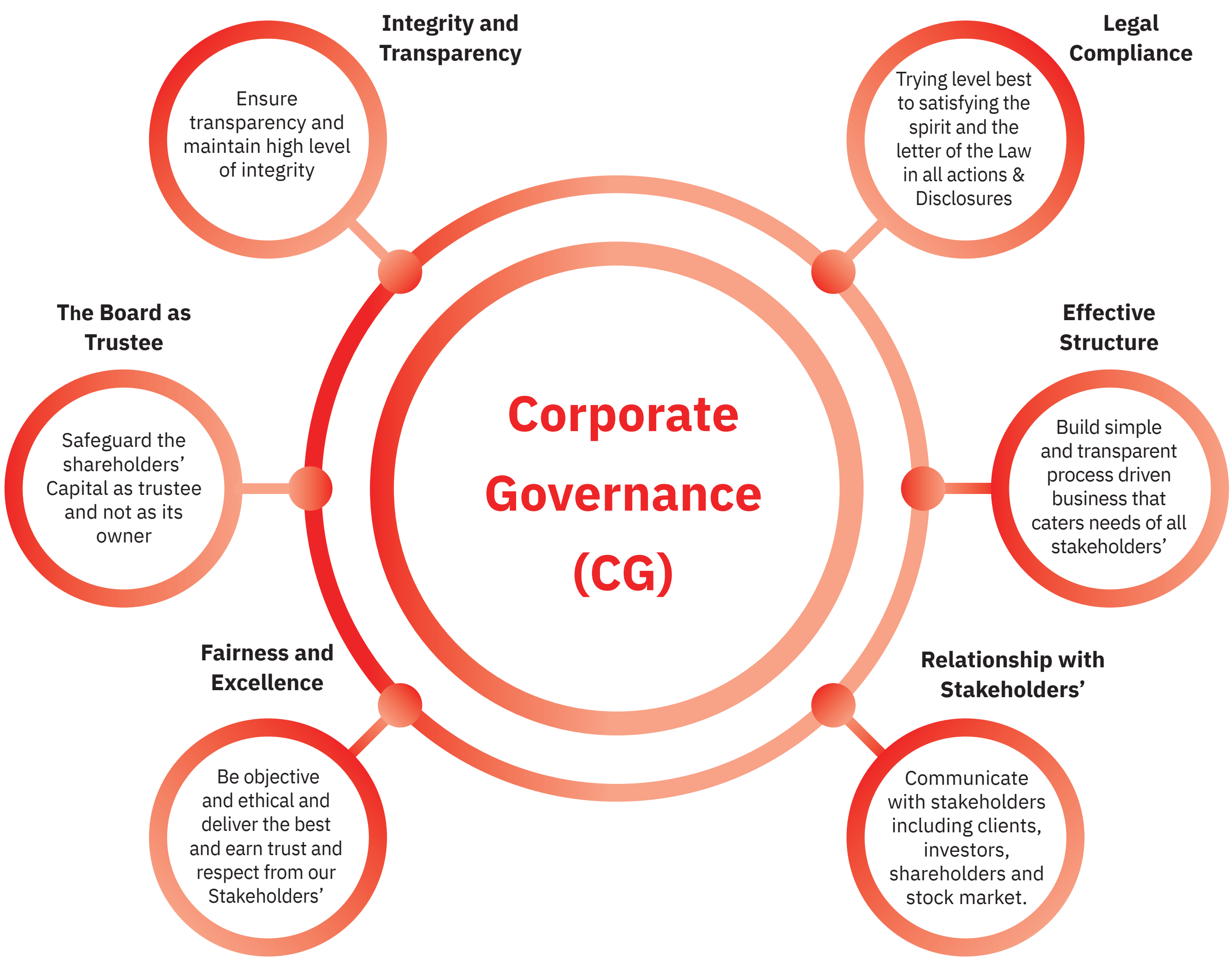
REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Our Corporate

Effective Corporate Governance practices constitute the strong foundation on which successful commercial enterprises are built to last. The fundamental principle of Corporate Governance is achieving sustained growth ethically and in the best interest of all stakeholders. Our corporate governance is reflection of our value system encompassing our culture, policies and relationship with our stakeholders, Integrity, accountability and transparency are key to our Corporate governance practices to ensure that we gain and retain the trust of our stakeholders at all times.

Through the Governance mechanism in the Company, the Board along with its Committees undertakes its fiduciary responsibilities to all its stakeholders by ensuring transparency, fairplay and independence in its decision making. Your Company takes Corporate Governance as a critical tool to enhance trust of its Customers, Employees, Investors, Government, Stock Markets and the Community at large and achieve its goal of maximizing value for its stakeholders.



Annexure F (Contd)

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

Company believes that compliances with the requirements of the applicable regulations, including the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (herein after known as SEBI LODR), SEBI (Substantial Acquisition of Shares and Takeover) Regulations 2011 (herein after known as SEBI SAST) and SEBI (Issue of Capital and Disclosure Requirements) Regulations 2018 (hereinafter known as SEBI ICDR) form 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. The Board of Directors, along with its Committees, provides leadership and guidance to the management and directs and supervises the performance of the Company, thereby enhancing stakeholders' value. Our Board is constituted in compliance with the provisions of the Companies Act and the SEBI LODR, as applicable. The Management presents before the Board of Directors and its corresponding committees all the Reports/Intimations filed to Stock Exchange from time to time. Our Board functions either directly, or through various committees constituted to oversee specific operational areas. Our Company also urges its Board Members and top management to abide by the Code of Corporate Governance.

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as applicable, with regard to corporate governance.

2 BOARD OF DIRECTORS

a) Composition and category of Directors

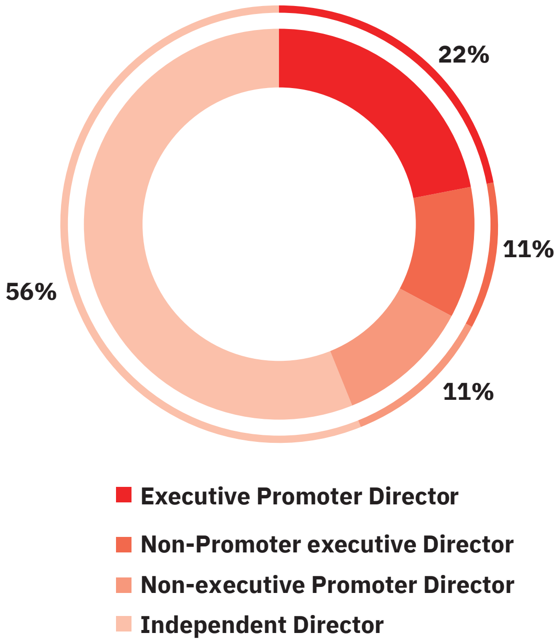
A wide range of perspectives is critical to effective corporate governance. The Management believes that the Company's Board should comprise of an appropriate mix of Executive, Non-Executive and Independent Directors to maintain its independence and diversity of perspective, and lead to good management dynamics and better governance separate its functions of governance and management. The Board Diversity Policy adopted by the Board sets out its approach to diversity. The policy is available on our website at: http://pclindia.in/wp-content/uploads/2020/02/Board-Diversity-Policy.pdf

As on 31st March 2021 our Board is comprised of **9 (Nine)** Directors. The composition of the Board is as follows with Mr. Yatin S. Shah as the Chairman:

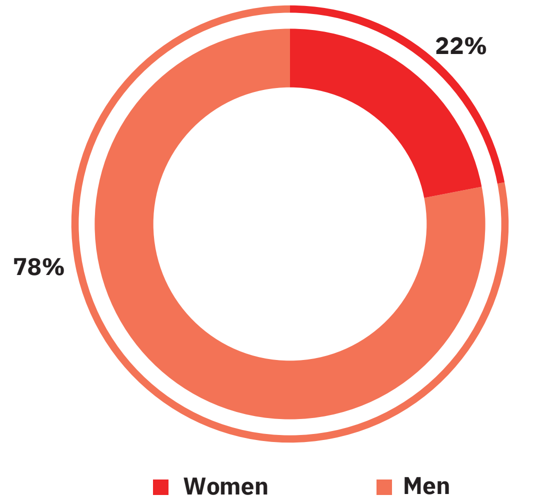
Sr No.	Category of Directors	No. of Directors	Name of Director
1.	Promoter Executive Directors	2	Mr. Yatin S. Shah
			Mr. Karan Y. Shah
2.	Promoter Non-Executive Woman Director	1	Dr. Suhasini Y. Shah
3.	Non-Promoter Executive Director	1	Mr. Ravindra R. Joshi
4.	Independent Non-Executive Directors	4	Mr. Pramod H. Mehendale
			Mr. Sarvesh N. Joshi
			Mr. Vedant V. Pujari
			Mr. Vaibhav S. Mahajani
5.	Woman Independent Non-Executive Director	1	Mrs. Savani A. Laddha
	Total	**9**	

Annexure F (Contd)

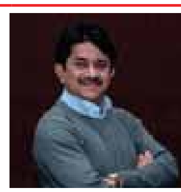
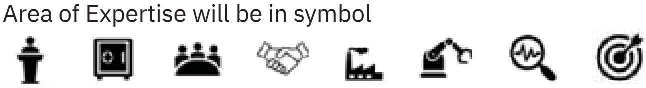
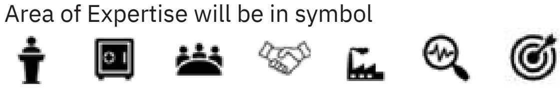
Composition of the Board w.r.t. Executive, Non-Executive, Promoter, Independent Directors



Composition of the Board w.r.t. Men and Women Directors



A brief introduction of the Board of Directors of the Company:

Mr. Yatin S. Shah Managing Director Nationality: Indian Age: 59 Years 	**Dr. Suhasini Y. Shah** Non-Executive Director Nationality: Indian Age: 55 Years 
Holds a B.Com from Bombay University and a MBA from Pune University.	Holds Bachelor's degree in law, in medicine and in surgery from Shivaji University
Over 29 years of experience in the auto component manufacturing sector.	Over 26 years of work experience in management
Awarded J.R.D. Tata Udyog Ratna Award and many others	Has participated in an executive education programme on General Management for SMEs at IIM - A
DIN: 00318140	DIN: 02168705
Date of Appointment: 8th June 1992	Date of Appointment: 19th May 2012
Shareholding: 3,77,88,717 Equity Shares (39.78%)	Shareholding: 1,04,86,461 Equity Shares (11.04%)
No. of Board Meetings attended in FY 2020-21: 5	No. of Board Meetings attended in FY 2020-21: 5
Area of Expertise will be in symbol 	Area of Expertise will be in symbol 

Annexure F (Contd)

Mr. Karan Y. Shah
Whole-time Director
Nationality: Indian
Age: 31 Years

Master's in Business Administration from Harvard Business School & also holds Bachelor's of Science in Mechanical Engineering from Purdue University, USA. Over 2 years of experience as a manufacturing engineer at Cummins, USA

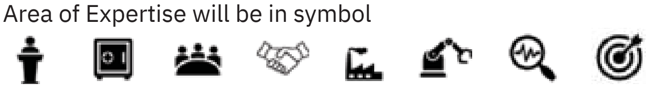
DIN: 07985441

Date of Appointment: 13th August 2018

Shareholding: 14,500 Equity Shares (0.02%)

No. of Board Meetings attended in FY 2020-21: 5

Area of Expertise will be in symbol



Mr. Ravindra R. Joshi
Whole-time Director & CFO
Nationality: Indian
Age: 56 Years

Holds a B.Com degree from Bangalore University & a diploma in Business Management from Shivaji University Over 29 years of experience in Finance & Accounts

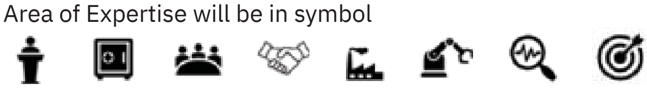
DIN: 0333813

Date of Appointment: 30th September 2010

Shareholding: 17,320 Equity Shares (0.02%)

No. of Board Meetings attended in FY 2020-21: 5

Area of Expertise will be in symbol



Mr. Pramod H. Mehendale
Independent Director
Nationality: Indian
Age: 63 Years

Holds a Bachelors degree in Commerce & is a fellow member of the Institute of Company Secretaries of India

Holds a certificate of merit from the Institute of Cost and Work Accountants of India

Founder & a former director of Link Intime India Private Limited

DIN: 00026884

Date of Appointment: 30th December 2014

Shareholding: 80 Equity Shares (0.00%)

No. of Board Meetings attended in FY 2020-21: 5

Area of Expertise will be in symbol

Mr. Sarvesh N. Joshi
Independent Director
Nationality: Indian
Age: 60 Years

Holds a Bachelors degree in law & Commerce from University of Pune

Practising Chartered Accountant for over 31 years

DIN: 03264981

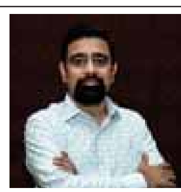
Date of Appointment: 31st August 2013

Shareholding: Nil

No. of Board Meetings attended in FY 2020-21: 5

Area of Expertise will be in symbol

Mr. Vedant V. Pujari
Independent Director
Nationality: Indian
Age: 42 Years



Holds a Bachelors degree in Commerce from Nagpur University & in Law from University of Pune

Holds a diploma in corporate laws from Indian Law Society

Member of Delhi High Court Bar Association

DIN: 07032764

Mr. Vaibhav S. Mahajani
Independent Director
Nationality: Indian
Age: 44 Years

Holds a Bachelors degree in electronics engineering from Dnyaneshwar Vidyapeeth

Has been certified by ISACA, "US based, as an Information Security Manager, PCIDSS"

DIN: 00304851

Annexure F (Contd)

Date of Appointment: 30th December 2014

Shareholding: Nil

No. of Board Meetings attended in FY 2020-21: 4

Area of Expertise will be in symbol

Date of Appointment: 17th February 2015

Shareholding: 550 Equity Shares (0.00%)

No. of Board Meetings attended in FY 2020-21: 5

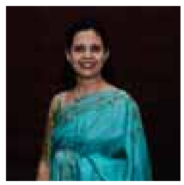
Area of Expertise will be in symbol

Mrs. Savani A. Laddha

Independent Director

Nationality: Indian

Age: 44 Years



B.Com, M.Com and Chartered Accountant and has training courses on Information System Audit & Control by E & Y and Broker`s Training & Examination conducted by National Insurance Academy by IRDA.

A dynamic professional with over 20 years of experience in wide spectrum including Statutory Compliances, Finance, Accounting, Taxation, Insurance.

DIN: 03258295

Date of Appointment: 10th February 2020

Shareholding: Nil

No. of Board Meetings attended in FY 2020-21: 5

Area of Expertise will be in symbol

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. In terms of Regulation 25(8) of the SEBI LODR, the Independent Directors have confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence.

All the Directors have made necessary disclosures regarding their directorships and other interests as required under Section 184 of the Companies Act, 2013 and the Committee positions held by them in other companies. The Company is in compliance with Section 165 (1) of the Companies Act, 2013 and Regulation 17A of SEBI LODR, i.e. None of the Directors on the Company's Board hold the office of Director in more than 20 (Twenty) Companies, including not more than 7 (Seven) listed public companies. The Company is in compliance of Regulation 26 of the SEBI LODR, i.e. none of the Directors are members in more than 10 (Ten) Committees or act as Chairperson of more than 5 (Five) committees, the committees being, Audit Committee and Stakeholders' Relationship Committee across all public limited companies, whether listed or not in which he / she is a Director. All the Directors except Independent Directors and Managing Director are liable to retire by rotation.

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

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

Annexure F (Contd)

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 2021.

b) Attendance of each Directors at the meeting of the Board of Directors, the last Annual General Meeting, is set out below:

Sr No.	Director	Board Meetings Total No meetings of the Board of Directors held during FY 2020-21 = 5					28th Annual General Meeting
		23rd June 2020	18th August 2020	10th November 2020	13th January 2021	10th February 2021	30th July 2020
1.	Yatin S. Shah	Present	Present	Present	Present	Present	Present
2.	Suhasini Y. Shah	Present	Present	Present	Present	Present	Present
3.	Ravindra R. Joshi	Present	Present	Present	Present	Present	Present
4.	Karan Y. Shah	Present	Present	Present	Present	Present	Present
5.	Pramod H. Mehendale	Present	Present	Present	Present	Present	Present
6.	Sarvesh N. Joshi	Present	Present	Present	Present	Present	Present
7.	Vedant V. Pujari	Present	Present	Present	Absent	Present	Present
8.	Vaibhav S. Mahajani	Present	Present	Present	Present	Present	Present
9.	Savani A. Laddha	Present	Present	Present	Present	Present	Present

The Director(s) marked as **'Absent'** was granted a Leave of Absence by the other Board members on his specific request, due to his inability to attend the meeting.

c) Details of membership of Directors in other Companies Boards and their Committees: -

Sr. No.	Name of Director	Director Identification Number	No of Directorship in other Public Companies as on 31st March 2021	Number of Committee Positions held in Other Public Companies	
				Chairman	Member
1	Mr. Yatin Y. Shah, Chairman & Managing Director	00318140	2	Nil	Nil
2	Dr. Suhasini Y. Shah, Non- Executive Director	02168705	2	Nil	Nil
3	Mr. Ravindra R. Joshi, Whole-time Director & CFO	03338134	2	Nil	Nil
4	Mr. Karan Y. Shah, Whole-time Director – Business Development	07985441	1	Nil	Nil
5	Mr. Pramod H. Mehendale, Independent Director	00026884	Nil	Nil	Nil
6	Mr. Sarvesh N. Joshi, Independent Director	03264981	Nil	Nil	Nil
7	Mr. Vedant V. Pujari, Independent Director	07032764	Nil	Nil	Nil
8	Mr. Vaibhav S. Mahajani, Independent Director	00304851	Nil	Nil	Nil
9	Mrs. Savani A Laddha, Independent Director	03258295	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.

Annexure F (Contd)

Note:

1. Regulation 34 read with Schedule V Part C, clause 2 (c) is not required to be complied i.e., separately the names of the listed entities where the person is a director and the category of directorship, as None of the Board of the 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.

d) Number of Board Meetings

5 (Five) Board Meetings were held during the FY 2020-21. The dates are 23rd June 2020, 18th August 2020, 10th November 2020, 13th January 2021, and 10th February 2021.

e) 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. Pramod H. Mehendale	No relationship with other Directors of the Company
6	Mr. Sarvesh N. Joshi	No relationship with other Directors of the Company
7	Mr. Vedant V. Pujari	No relationship with other Directors of the Company
6	Mr. Vaibhav S. Mahajani	No relationship with other Directors of the Company
9	Mrs. Savani A. Laddha	No relationship with other Directors of the Company

f) Number of shares and convertible instruments held by Non-Executive Directors as on 31st March 2021

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

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

https://pclindia.in/wp-content/uploads/2021/04/Familiarisation-programmes-imparted-to-independent-directors-for-FY-2020-21.pdf

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

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

Board of Directors has, based on the recommendations of the Nomination and Remuneration Committee ('NRC'),

Annexure F (Contd)

identified the following core skills / expertise / competencies of Directors as required in the context of business of the Company for its effective functioning:

Core skills / expertise / competence	Description
Leadership	The Board and its Committees comprise of members having extensive leadership experiences resulting in a practical understanding of organisational processes, strategic planning and risk management. This in turn demonstrates strengths in developing talent, sustainable growth, planning successions, taking adequate steps to inculcate leadership qualities in senior and experienced human resource available with the Company and driving change and long–term growth.
Financial	Leadership of management of the finance function of an enterprises and group companies , results in proficiency in complex Financial Management or experiences aiding to actively supervise the principal financial officer, principal accounting officer, controller, auditors, or person performing similar functions.
Gender, ethnicity, national, or other diversity	Representatives of various genders, ethnicities, geographies, cultures, expands the Board's understanding of the needs and viewpoints of our stakeholders worldwide. With the acquisition of MEMCO Engineering Private Limited, balance 24% MFT Motoren und Fahrzeugtechnik GmbH, and 51% EMOSS Mobile Systems B.V., the Company has diversified its portfolio into automobile and non-automobile components and electric drivetrains.
Global Business	The Board is well composed with a vast experience in driving business success in markets around the world and an understanding of diverse business environment, economics conditions, cultures, and regulatory frameworks, and a broad perspective on global market opportunities. The Company has significantly embarked its global presence with customer base spread across Asia, Europe, North America, South America, Uzbekistan, South Korea and New Zealand (includes markets served by Precision Camshafts Limited and its subsidiaries)
Industry Experience	The vast experience in manufacturing of camshafts and is well versed with the current industrial scenario, changing trends and technology.
Technology, R & D, IT	A strong background in the field of Information Technology in anticipation of technological trends, accompanying threats aided by new technologies helps the Company stand guard against cyber-attacks. The Company is actively involved in research and development on a continuous basis. Development of camshafts is focused on specific requirement of the clients. The Company aims to manufacture camshafts as per the strict specifications provided by the customers. The Company also allows and actively participates in the production audit conducted by the respective customers, the development of camshafts is thereafter focused on more specific requirements of the customer. The Company also conducts IT Systems Audit at an appropriate interval in order to pinpoint the potential weak areas in the Company's IT Systems. The Company is keen on deploying the best possible infrastructure in order to overcome these weak areas and protect its sensitive data.

Annexure F (Contd)

Core skills / expertise / competence	Description
Board Services and Governance	The Board is committed to develop insights about maintaining Board and management accountability thereby protecting shareholder's interests and observing appropriate governance practices.
Sales and Marketing	Strategies for the growth of sales and market share. This helps the Company in brand awareness, enhancing and protecting the Company's reputation by adhering to best industry practices. Adoption of zero defect policy has helped the customers get the best quality product.

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

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

Selection of New Directors:

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

In the opinion of Board, the Independent Directors fulfil the conditions specified in SEBI LODR and are independent of the management.

3. AUDIT COMMITTEE

(a) Brief description of terms of reference:

The Audit Committee functions according to its Charter that defines its composition, authority, responsibility and reporting functions in accordance with Section 177 of the Act, Regulation 18(3) read with Part C of Schedule II of the SEBI LODR, 2015 as mentioned below: -

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company

Annexure F (Contdd)

3. Approval of payment to Statutory Auditors for any services rendered by statutory auditors
4. Reviewing with the management, annual financial statements and auditors report thereon before submission to the Board for approval, with reference particular reference to: -
   (i) matters required to be included in the Directors Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies, Act, 2013;
   (ii) changes, if any, in accounting policies and practices and reasons for the same;
   (iii) major accounting entries involving estimates based on the exercise of judgement by management;
   (iv) significant adjustments made in the financial statements arising out of audit findings;
   (v) compliance with listing and other legal requirements relating to financial statements;
   (vi) disclosures of any related party transactions; and
   (vii) modified opinion in the draft audit report (if any).
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue (if any), preferential issue (if any) etc.) the statement of funds utilised for purposes other than those stated in offer document / prospectus / notice and the report submitted by the monitoring agency the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Reviewing and monitoring auditor's independence and performance and effectiveness of audit process;
8. Approval of any subsequent modification of transactions of the Company with related parties
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing with the management performance of statutory auditors, internal auditors and adequacy of internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of internal audit department, staffing, seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with the internal auditors of any significant findings and follow-up thereon;
15. Reviewing the findings of any internal investigation by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern;
17. Looking into the reasons for substantial defaults in the payment of depositors, debenture holders, shareholders (in case of payment of declared dividends) and creditors;
18. Reviewing the functioning of the whistleblower mechanism;
19. Approval of appointment of CFO after accessing the qualifications, experience and background etc., of the candidate;
20. reviewing the utilisation of loans and / or advances from/investment by the holding Company in the subsidiary exceeding rupees 100 Crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing;

Annexure F (Contd)

21. Review of Management Discussion and analysis of financial condition and results of operations;
22. Review of Statement of significant related party transactions (as defined by the audit Committee) submitted by the Management;
23. Review of Management letter / letters of internal control weaknesses issued by the statutory auditors;
24. Review of Internal Audit reports relating to internal control weaknesses;
25. Review of appointment, removal and terms of remuneration of the Chief Internal Auditor;
26. Carrying out any other function as is mentioned in terms of reference of the Audit Committee.

(b) Composition, Name of members and Chairperson;

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

The composition of the Audit Committee is as under:-

Sr. No.	Name of Member	Designation	Position held in the Committee
1.	Mr. Pramod H. Mehendale	Independent Director	Chairman
2.	Mr. Ravindra R. Joshi	Whole-time Director & CFO	Member
3.	Mr. Sarvesh N. Joshi	Independent Director	Member
4.	Mr. Vaibhav S. Mahajani	Independent Director	Member
5.	Mrs. Savani A. Laddha	Independent Director	Member

(c) Meetings and attendance during the year

The Committee met **6 (Six) times** during the year. The meetings were held on 23rd June 2020, 18th August 2020, 10th November 2020, 13th January 2021, 10th February 2021 and 26th February 2021. Requisite quorum was present at the above Meetings.

The details of the meetings attended by its members during the FY 2020-21 are as under: -

Sr No.	Name of Member	Audit Committee Meetings Total meetings of the Audit Committee held during FY 2020-21 = 6					
		23rd June 2020	18th August 2020	10th November 2020	13th January 2021	10th February 2021	26th February 2021
1.	Mr. Pramod H. Mehendale	Present	Present	Present	Present	Present	Present
2.	Mr. Ravindra R. Joshi	Present	Present	Present	Present	Present	Absent
3.	Mr. Sarvesh N. Joshi	Present	Present	Present	Present	Present	Present
4.	Mr. Vaibhav S. Mahajani	Present	Present	Present	Present	Present	Present
5.	Mrs. Savani A. Laddha	Present	Present	Present	Present	Present	Present

In addition to the members of Audit Committee, Executives of Finance and Accounts, Representatives of Statutory Auditors, Internal Auditors, Secretarial Auditors and other Board Members 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 28th Annual General Meeting of the Company held on 30th July 2020.

Annexure F (Contd)

4. NOMINATION AND REMUNERATION COMMITTEE

(a) Brief description of terms of reference:

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

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

(b) Composition, Name of members and Chairperson;

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

Sr. No.	Name of Member	Designation	Position held in the Committee
1.	Mr. Vedant V. Pujari	Independent Director	Chairman
2.	Mr. Pramod H. Mehendale	Independent Director	Member
3.	Mr. Sarvesh N. Joshi	Independent Director	Member
4.	Mr. Vaibhav S. Mahajani	Independent Director	Member

Annexure F (Contd)

(c) Meeting and attendance during the year;

The Committee met **3 (Three) times** during the year. The meetings were on 17th June 2020, 10th November 2020 and 10th February 2021. Requisite quorum was present at the above Meetings.

The details of the meetings attended by its members during the Financial Year ended 31st March 2021 are as under: -

Sr No.	Name of Member	Nomination and Remuneration Committee (NRC) Meetings Total meetings of the NRC held during FY 2020-21 = 3		
		17th June 2020	**10th November 2020**	**10th February 2021**
1.	Mr. Vedant V. Pujari	Present	Present	Present
2.	Mr. Pramod H. Mehendale	Present	Present	Present
3.	Mr. Sarvesh N. Joshi	Present	Present	Present
4.	Mr. Vaibhav S. Mahajani	Present	Present	Present

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 Committee was present at the 28th Annual General Meeting of the Company held on 30th July 2020.

(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 FY 2020–21.

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

5. REMUNERATION OF DIRECTORS

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

The Company does not pay sitting fees to the Directors for attending the meetings. The commission on profits is payable to Non-Executive Directors on the basis of time and contribution. The shareholders of the Company had approved payment of commission on profits to Non-Executive Directors for a sum not exceeding 1% of the annual net profits of the Company for period of 3 Years (1st April 2020 to 31st March 2023) in accordance with the provisions the Companies Act, 2013 at 28th Annual General Meeting. The Board of Directors is 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 relating to FY 2020-21 (paid in FY 2021-22)	Relationship
1.	Dr. Suhasini Y. Shah – NEPD	5,00,000	1. There is no pecuniary relationship with the Company and have not entered into any transaction with the Company except payment of Commission for the Financial year and reimbursement of expenses.
2.	Mr. Sarvesh N. Joshi – ID	5,00,000	
3.	Mr. Pramod H. Mehendale – ID	5,00,000	

Annexure F (Contd)

Sr. No.	Name of Director	Commission relating to FY 2020-21 (paid in FY 2021-22)	Relationship
4.	Mr. Vedant V. Pujari – ID	5,00,000	2. Dr. Suhasini Y. Shah is spouse of Mr. Yatin S. Shah and Mother of Mr. Karan Y. Shah
5.	Mr. Vaibhav S. Mahajani – ID	5,00,000	
6.	Mrs. Savani A Laddha – ID	5,00,000	

Note:

ID – Independent Director, NPED - Non-Executive Promoter Director

Policy on Criteria for making payment to non- executive directors is disseminated on the website of the Company at below mentioned linked

https://pclindia.in/wp-content/uploads/2021/04/Policy-on-appointment-and-remuneration-of-Directors-KMPs-and-other-employees.pdf

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

Given below are details pertaining to certain terms of appointment and payment of Managerial Remuneration to the Managing Director, Whole-time Directors and Chief Financial Officer for FY 2020-21:

(₹ in lakh)

Sr. No.	Name of Director	Basic Salary (₹)	Benefits, Perquisites and Allowances (₹)	Retirement benefits (₹)	Total (₹)
1	Mr. Yatin S. Shah Chairman and Managing Director	159.42	144.97	39.08	343.47
2	Mr. Ravindra R. Joshi Whole-time Director and Chief Financial Officer	131.53	136.14	32.79	300.46
3	Mr. Karan Y. Shah Whole-time Director – Business Development	11.12	15.30	2.77	29.19

Note:

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

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

6. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

(a) Brief description of terms of reference:

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

i. Resolving the grievances of the security holders of the Company including complaints related to transfer /

Annexure F (Contd)

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 Company in respect of various services being rendered by the Registrar & Share Transfer Agent.

iv. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the Company.

v. Carry out any other function contained in the equity listing agreement as and when amended from time to time.

(b) Composition: -

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

Sr. No.	Name of Member	Designation	Position held in the Committee
1.	Mr. Vedant V. Pujari	Independent Director	Chairman
2.	Dr. Suhasini Y. Shah	Non-Executive Director	Member
3.	Mr. Pramod H. Mehendale	Independent Director	Member
4.	Mr. Vaibhav S. Mahajani	Independent Director	Member

(c) Meetings and attendance during the year: -

The Committee met **4 (Four) times** during the year. The meetings were held on 17th June 2020, 18th August 2020, 10th November 2020 and 10th February 2021. Requisite quorum was present at the above Meetings.

The details of the meetings attended by its members during the FY 2020-21 are as under: -

Sr No.	Name of Member	Stakeholder Relationship Committee (SRC) Meetings Total meetings of the SRC held during FY 2020-21 = 4			
		17th June 2020	18th August 2020	10th November 2020	10th February 2021
1.	Mr. Vedant V. Pujari	Present	Present	Present	Present
2.	Dr. Suhasini Y. Shah	Present	Present	Present	Present
3.	Mr. Pramod H. Mehendale	Present	Present	Present	Present
4.	Mr. Vaibhav S. Mahajani	Present	Present	Present	Present

(d) Name and designation of compliance officer;

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

Mr. Gautam V. Wakankar – Joint Compliance Officer w.e.f. 23rd June 2020.

(e) Details of complaints received and attended to during the Financial Year 2020-21 are given below:

Sr. No.	Opening Balance as on 1st April, 2020	Received during the year	Resolved during the year	Not Resolved during the year	Closing Balance-pending as on 31st March, 2021
1.	0	0	0	0	0

Annexure F (Contd)

7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

(a) 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 amended from time to time.

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: https://pclindia.in/wp-content/uploads/2021/05/Corporate-Social-Responsibility-Policy.pdf

The Annual Report on CSR activities Annexure D for the FY 2020-21 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:

Sr. No.	Name of Member	Designation	Position held in the Committee
1.	Mr. Yatin S. Shah	Chairman and 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 and attendance during the year after meetings;

The Committee met **4 (Four) times** during the year. The meetings were on 23rd June 2020, 18th August, 2020, 10th November, 2020 and 10th February, 2021. Requisite quorum was present at the above Meetings.

The details of the meetings attended by its members during the FY 2020-21 are as under: -

Sr No.	Name of Member	Corporate Social Responsibility (CSR) Committee Meetings Total meetings of the CSR Committee held during FY 2020-21 = 4			
		23th June 2020	18th August 2020	10th November 2020	10th February 2021
1.	Mr. Yatin S. Shah	Present	Present	Present	Present
2.	Dr. Suhasini Y. Shah	Present	Present	Present	Present
3.	Mr. Vedant V. Pujari	Present	Present	Present	Present
4.	Mr. Vaibhav S. Mahajani	Present	Present	Present	Present

Annexure F (Contd)

8. GENERAL BODY MEETINGS:

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

Sr. No.	Financial Year	Date	Time	Venue	Special Resolutions passed at the AGM
1.	FY 2019-20	30th July, 2020	03:30 PM	Conducted via Video Conferencing (VC) / Other Audio Visual Means (OAVM) hosted from 51 Sarvodaya Housing Society, Hotgi Road, Solapur – 413003	To approve remuneration of Mr. Yatin S. Shah (DIN: 00318140) as Chairman and Managing Director of the Company for the remaining term.
2.	FY 2018-19	25th September, 2019	03:00 PM	Hotel Balaji Sarovar Premiere, Aasara Chowk, Hotgi Road, Solapur – 413224, Maharashtra, India	Appoint Mr. Ravindra R. Joshi as Whole-time Director (DIN: 03338134) & Chief Financial Officer (CFO) for further term of 5 (five) years from 1st April, 2019 to 31st March, 2024
3.	FY 2017-18	26th September, 2018	03.00 P.M	D-5, Chincholi M.I.D.C., Solapur - 413225, Maharashtra, India	Re-appointment of Mr. Sarvesh N. Joshi - Independent Director

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

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

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

d. 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 are submitted to Stock Exchanges and also posted on Company's website (www.pclindia.in). The Company's website contains a dedicated section **"Investors"** where information for shareholders is available.

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

10. GENERAL SHAREHOLDER INFORMATION:

a.

I.	Annual General Meeting –Date, Time and Venue	27th July 2021 (Tuesday), at 3.00 p.m.
II.	Video Conference, If Yes, Link	Yes Link is provided in Notes to the AGM Notice
III.	Financial Year	1st April 2020 to 31st March 2021
IV.	Cut off for E - Voting and Dividend (if any)	19th July 2020 (Monday)

Annexure F (Contd)

V.	Date of Dividend Payment	The Dividend, if declared at AGM will be paid on or before, 25th August 2021	
VI.	Dates of Book Closure	20th July 2021 (Tuesday) to 27th July 2021 (Tuesday)	
VII.	E Voting Lines open	Commence from 24th July 2021 (Saturday,) at 9.00 a.m. (IST) and ends on 26th July 2021 (Monday,) at 5.00 p.m. (IST).	
VIII.	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 Phones: (022) 22721233/4, 91-22-66545695 Fax : (022) 22721919	**National Stock Exchange of India Limited,** Exchange Plaza, 5th Floor, Plot no.C - 1, G Block, Bandra-Kurla Complex, Bandra(E), Mumbai - 400051 Maharashtra, India Tel No: (022) 26598100 - 8114 Fax No: (022) 26598120
IX.	Stock Code	**539636**	**PRECAM**
X.	ISIN	INE484I01029	
XI.	Confirmation about payment of annual listing fee to each of such stock exchange(s);	The Company has paid Listing Fees for the FY 2020 - 21 to each of the Stock Exchanges, where the equity shares of the Company are listed.	

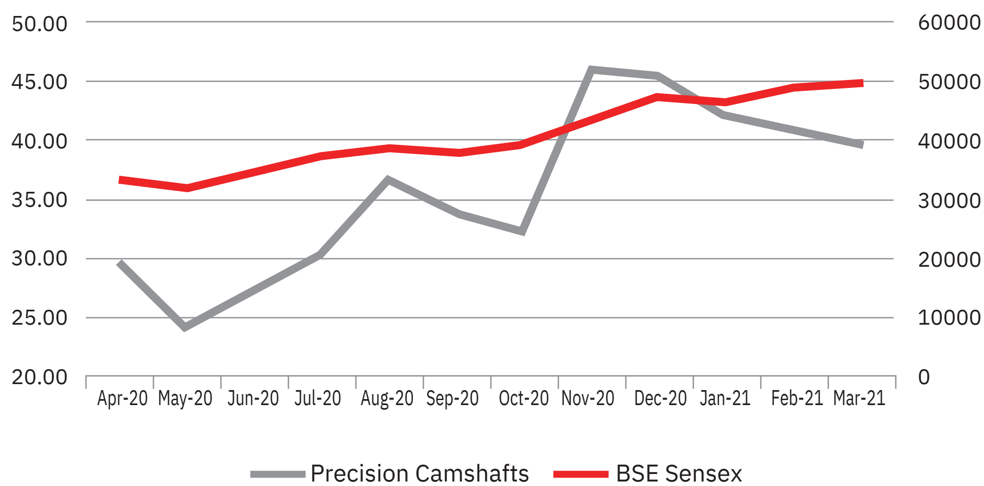
b. Market price data - high, low during each month in last financial year;

	BSE		NSE	
Month	**High Price**	**Low Price**	**High Price**	**Low Price**
Apr-20	32.80	24.00	33.15	23.80
May-20	30.00	23.05	29.95	22.50
Jun-20	32.45	24.30	32.95	24.00
Jul-20	37.90	27.05	37.90	27.00
Aug-20	43.50	29.80	43.70	29.55
Sep-20	38.60	30.60	38.65	30.75
Oct-20	36.90	31.60	36.90	32.00
Nov-20	48.05	32.30	48.30	32.25
Dec-20	51.55	38.60	51.90	37.55
Jan-21	49.00	41.50	48.90	41.00
Feb-21	51.50	40.10	51.50	40.00
Mar-21	45.60	38.05	45.75	38.00

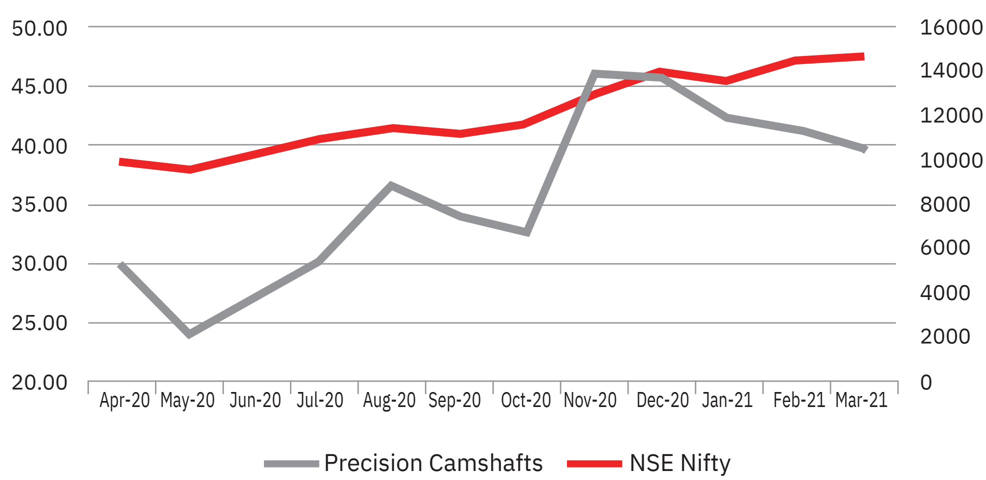
Annexure F (Contd)

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

BSE Sensex Vs. Precision Camshafts Share Price



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, Maharashtra, India.

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

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

website: www.linkintime.co.in

Annexure F (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 are open from 10:00 AM to 5:00 PM between Monday to Friday (except on bank holidays).

g. **Distribution of shareholding;**

No. of Shares	Shareholders		Equity shares held	
	No. of shareholders	% to Total	No. of shares	% to Total
1-500	37,093	89.11	42,54,188	4.4788
501-1000	2,157	5.18	17,95,748	1.8905
1001-2000	1,128	2.71	17,54,019	1.8466
2001-3000	398	0.96	10,37,336	1.0921
3001-4000	178	0.43	6,43,157	0.6771
4001-5000	197	0.47	9,50,318	1.0005
5001-10000	265	0.64	19,80,276	2.0848
10001- above	208	0.50	8,25,70,793	86.9296
Total	**41,624**	**100.00**	**9,49,85,835**	**100.0000**

h. Dematerialisation of shares and liquidity: **As on 31st of March, 2021, except 22 shares all the shares were under the demat mode.**

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

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

k. **Plant locations and Address for correspondence**

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

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

Facilities	Amount (₹ Crores)	Previous Rating	Rating action
Long-term Bank Facilities	2.05	CARE A; STABLE	Reaffirmed
Short-term Bank Facilities	57.50	CARE A1	Reaffirmed
Long / Short term Bank Facilities	10.00	CARE A; Stable / CARE A1	Reaffirmed
Total Facilities	**69.55**		

Annexure F (Contd)

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 Audit Committee / 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, Company is also complying with non mandatory requirement as mentioned in point 14 of CG Report.

e. The policy for determining Material Subsidiaries formulated by the Board of Directors is disclosed on the Company's website. http://pclindia.in/wp-content/uploads/2020/02/Policy_for_determining_Material_Subsidiaries.pdf

f. The policy for transactions with related party formulated by the Board of Directors is disclosed on the Company's website. https://pclindia.in/wp-content/uploads/2020/11/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 B. 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 has accepted all recommendations of all committees of the board which is mandatorily required, in the FY 2020-21.

k. Brief details of the fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm / network entity of which the statutory auditor is a part, are given below:

Sr. No.	Particulars	Amount
1	Precision Camshafts Limited	
	Audit Fees FY 2020-21	25,00,000
	Re-imbursement of expenses	1,36,000
	Basic	26,36,000
	CGST - 9%	2,37,240
	SGST - 9%	2,37,240
	Total	**31,10,480**

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

Annexure F (Contd)

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

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

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

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

During the CoVID-19 pandemic period, the Company has focused all its attention on increasing the business and coping up with the financial stress situation due to the national lockdown situation and therefore has not arranged Earnings Calls after declaration of quarterly / half-yearly Financials Results to update shareholders on major events of the Company.

However, the Company has been actively publishing the Financial Results pursuant to Regulation 47 (1) (b) of the SEBI LODR in order to maximise the reach of these Financial Results.

b) The Company continues to stay in the regime of Financial Statements with unmodified audit opinion.

c) The Internal Auditor reports directly to the Audit Committee.

Declaration regarding compliance with the Company's Code of Conduct

I confirm that the Company has in respect of the Financial Year ending on 31st March 2021 received from the Board of Directors and Senior Management a declaration of compliance with the Code of Conduct of board of directors and senior management.

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

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

Date: 25th May 2021
Place: Solapur

Annexure G

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, 2021, as stipulated in Chapter IV under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations').

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

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

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

For J B Bhave & Co.
Company Secretaries

Jayavant B. Bhave
Proprietor
FCS: 4266 CP: 3068
PR.NO: 1238/2021
UDIN: F004266C000363603

Date: 25/05/2021
Place: Pune

Annexure H

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE YEAR ENDED 31st MARCH, 2021

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

To,

Members,

PRECISION CAMSHAFTS LIMITED

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

Secretarial Audit was conducted for the financial year 2020-21 in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances of the Company and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to me and representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities And Exchange Board of India warranted due to spread of the COVID-19 pandemic, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2021 ("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 conducted online verification and examination of records, as facilitated by the Company from time to time, due to Covid-19 pandemic and lockdown situation in the State of Maharashtra for the purpose of issuing this report.

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act,1999 and rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **[Not applicable as the Company has not issued any further share capital during the period under review]**

   d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **[Not Applicable as Company has not issued any ESOP during the period under review]**

   e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **[Not applicable as there was no reportable event during the period under review]**

   f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **[Not applicable as the Company has not issued and listed any debt securities during the period under review]**

   g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

   h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **[Not applicable as there was no reportable event during the period under review]**

(vi) Other Applicable Laws: As informed by the management, there are no other laws applicable specifically to the Company.

Annexure H (Contd)

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) SEBI (Listing Obligation and 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 the Company's affair in pursuance of the above referred Laws, rules, regulations, guidelines, etc.

1. PCL International Holdings B.V. –Wholly Owned Subsidiary (WOS) of the Company has acquired balance 24% shareholding of MFT Motoren and Fahrzeugtechnik GmbH(Germany) and 49% shareholding in EMOSS Mobile Systems B.V. (Netherlands) making them wholly owned step down subsidiaries of the Company.
2. The Board has appointed Mrs. Savani Arvind Laddha as woman independent director in the Meeting held on 10th February, 2020 and the same was approved by shareholders in the Annual general meeting held for the year ended 31st March 2020.
3. During the financial year, MEMCO Engineering Private Limited, a wholly owned subsidiary of the Company, has converted the 4,20,000 6% Compulsory Convertible Preference Shares of ₹ 100/- each held by the Company into Equity shares on 29th June, 2020.

For J B Bhave & Co.
Company Secretaries

Jayavant B. Bhave
Proprietor
FCS: 4266 CP: 3068
UDIN: F004266C000363559
PR.NO: 1238/2021

Date: 25/05/2021
Place: Pune

Annexure to the Secretarial Audit Report of Precision Camshafts Limited for the year ended 31st March, 2021

Auditors' Responsibility

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

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. Due to COVID-19 pandemic and subsequent lockdown declared by the Central, State and Local governments, physical verification of documents / registers / papers was not possible and hence, I have relied on the scanned copies / emails / digitally accessible data, information, registers, documents and papers provided by the Company for carrying out the Secretarial Audit and to that extent my verification of documents and records might have been impacted.

For J B Bhave & Co.
Company Secretaries

Jayavant B. Bhave
Proprietor
FCS: 4266 CP: 3068
PR.NO: 1238/2021
UDIN: F004266C000363559

Date: 25/05/2021
Place: Pune

Annexure I

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To

The Company Secretary

PRECISION CAMSHAFTS LIMITED
E 102/103 MIDC Akkalkot Road,
Solapur 413006

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

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal (www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name	Designation	DIN
1	Mr. Yatin S. Shah	Chairman and Managing Director	00318140
2	Dr. Suhasini Y. Shah	Non-Executive – Non Independent Director	02168705
3	Mr. Ravindra R. Joshi	Whole Time Director and Chief Financial Officer	03338134
4	Mr. Karan Y. Shah	Whole Time Director (Business Development)	07985441
5	Mr. Pramod H. Mehendale	Non-Executive – Independent Director	00026884
6	Mr. Sarvesh N. Joshi	Non-Executive – Independent Director	03264981
7	Mr. Vedant P. Vijay	Non-Executive – Independent Director	07032764
8	Mr. Vaibhav S. Mahajani	Non-Executive – Independent Director	00304851
9	Ms. Savani A. Laddha	Non-Executive – Women Independent Director	03258295

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

For J. B. Bhave & Co.
Company Secretaries

Jayavant B. Bhave
Proprietor
FCS: 4266 CP: 3068
PR NO: 1238/2021
UDIN: F004266C000363680

Date: 25/05/2021
Place: Pune

Annexure J

ANNUAL SECRETARIAL COMPLIANCE REPORT OF

PRECISION CAMSHAFTS LIMITED

FOR THE YEAR ENDED 31ST MARCH 2021

I have conducted online verification and examination of records, as facilitated by the Company, due to Covid-19 pandemic and subsequent lockdown situation in the State of Maharashtra and I have complied with the instructions and directions of issued by Central Government, State Government of Maharashtra and the Office of District Collector, Pune from time to time including social distancing norms for the purpose verification and examination of the following:

a) All the documents and records made available to me 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 2021 ("Review Period") in respect of compliance with the provisions of:

a) The Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued there under; and

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

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

a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **[Not applicable as the Company has not issued any further share capital during the period under review]**

c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **[Not applicable as there was no reportable event during the period under review]**

e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **[Not Applicable as the Company has not issued any ESOP during the period under review]**

f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **[Not applicable as there was no reportable event during the period under review]**

g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; **[Not applicable as the Company has not issued and listed any Non-Convertible and Redeemable Preference Shares the period under review]**

h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
and circulars / guidelines issued there under;

Annexure J (Contd)

And based on the above online 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: -

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

b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars / guidelines issued there under insofar as it appears from my/our examination of those records.

c) The following are the details of actions taken against the listed entity / its promoters / directors / material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts / Regulations and circulars/ guidelines issued there under:

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

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

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

For J B Bhave & Co.
Company Secretaries

Jayavant B. Bhave
Proprietor
FCS No. 4266 CP No. 3068
PR.NO: 1238/2021
UDIN: F0004266C000363625

Date: 25/05/2021
Place: Pune

Annexure J (Contd)

Annexure to the Annual Secretarial Compliance Report [ASCR]
of Precision Camshafts Limited for the year ended 31st March, 2021
Auditors' Responsibility

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

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

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

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

Accordingly, in my opinion,

1. The ASCR Audit for the financial year 2020-21 has been conducted as per the applicable Auditing Standards.
2. I have obtained reasonable assurance that the statements prepared, documents or Records maintained by the Company are free from misstatement.
3. My responsibility is limited to only express my opinion on the basis of evidences collected, information received and Records maintained by the Company or given by the Management.
4. The Company has followed applicable laws, act, rules or regulations in maintaining their Records, documents, statements and has complied with applicable laws or rules while performing any corporate action.
5. Due to COVID-19 pandemic and subsequent lockdown declared by the Central, State and Local governments, physical verification of documents / registers / papers was not possible and hence, I have relied on the scanned copies / emails / digitally accessible data, information, registers, documents and papers provided by the Company for carrying out the Audit and to that extent our verification of documents and records might have been impacted.

For J B Bhave & Co.
Company Secretaries

Jayavant B. Bhave
Proprietor
FCS No. 4266 CP No. 3068
PR.NO: 1238/2021
UDIN: F0004266C000363625

Date: 25/05/2021
Place: Pune

Annexure K

To,

Board of Directors,

Precision Camshafts Limited
E-102/103, MIDC, Akkalkot Road,
Solapur – 413006.

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

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

(a) We have reviewed the financial statements and the cash flow statements for the year ended 31st March, 2021 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 2021 which are fraudulent, illegal or violative of the Company's code of conduct.

(c) We accept the responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the auditors and Audit Committee –

1. There are no changes in internal controls over financial reporting during the year, as Company has good internal controls, if any in future, same will be indicated.
2. There are no changes in accounting policies during the year, hence, same is not disclosed in the notes to the financial statements and
3. There are no instances of significant fraud of which we are aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

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

Yatin S. Shah
Chairman and Managing Director
DIN: 00318140

Date: 25th May 2021
Place: Solapur

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

Date: 25th May 2021
Place: Solapur

Annexure L

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 the members of board of directors 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, 2021.

For Precision Camshafts Limited

Yatin S. Shah
Chairman and Managing Director
DIN: 00318140

Date: 25th May 2021
Place: Solapur

Business Responsibility Report

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

SECTION A: GENERAL INFORMATION OF THE COMPANY

1.	Corporate Identity Number (CIN) of the Company	L24231PN1992PLC067126
2.	Name of the Company	Precision Camshafts Limited
3.	Registered address	E 102 / 103 MIDC Akkalkot Road, Solapur – 413006, Maharashtra, India
4.	Website	www.pclindia.in
5.	E-mail id	cs@pclindia.in
6.	Financial Year reported	2020-2021
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	2930 (Manufacture of parts for motor vehicle, NIC Code of the Product / Services)
8.	List three key products / services that the Company manufactures / provides (as in balance sheet)	Manufacturing of Camshafts, Injector Components, Balancing Shafts, Prismatic Parts and Complete Electric Drivelines for CVs
9.	Total number of locations where business activity is undertaken by the Company	
	a) Number of International Locations (Provide details of major 5)	3 (Through Subsidiaries)
	b) Number of National Locations	4 (3 of Precision Camshafts Limited and 1 through Subsidiaries)
10.	Markets served by the Company – Local / State / National / International	All over India and in Canada, USA, Mexico, Brazil, UK, France, Spain, Germany, Norway, Sweden, Austria, Hungary, Poland, Uzbekistan, South Korea & New Zealand (includes markets served by Precision Camshafts Limited and its subsidiaries)

SECTION B: FINANCIAL DETAILS OF THE COMPANY (STANDALONE)

1.	Paid up Capital (₹)	9,49,85,835
2.	Total Turnover (₹)	3,81,76,44,481
3.	Total profit after taxes (₹)	61,69,47,450
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	The Company's total CSR spending is ₹ 1,26,76,679 during the FY 2020-21 which is in excess of the 2% of average profits of previous three years of the Company.
5.	List of activities in which expenditure in 4 (CSR) above has been incurred	Covid -19 Healthcare & Social Issues | Education | Sustainability

SECTION C: OTHER DETAIL

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

Business Responsibility Report (Contd)

SECTION D: OTHER BUSINESS RESPONSIBILITY INFORMATION

1. Details of Director / Directors responsible for BR

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

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

b. Details of the BR head

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

2. Principle-wise (as per National Voluntary Guidelines) Business Responsibility Policy / policies

List of Principles

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

Business Responsibility Report (Contd)

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

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

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

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

Business Responsibility Report (Contd)

3. **Governance related to BR**

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

   With effect from 26th December 2019, As pursuant to Regulation 34 (2) (f) of SEBI (LODR) Regulations 2015, Business Responsibility Report has been made mandatory for the top 1000 listed entities based on market capitalisation.

   Our Company one of the top 1000 listed entities as per NSE Market Capitalization, therefore this Business Responsibility Report forms part of the Annual Report of the Company for the FY 2020-21.

   This BR performance assessed annually by the management along with the Managing Director of the Company.

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

   Yes, the Company has published a BR report as a part of its Annual Report. The BR Report is available on the website of the Company (www.pclindia.in).

SECTION E: PRINCIPLE-WISE PERFORMANCE

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

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

   The Corporate Principles and Code of Conduct cover only the Company and are applicable to all the employees of the Company.

   Further the code of conduct policy is also issued to every new employee joining the Company.

   The Company has Code of Conduct policies for Directors and Senior Managers of the Company that completely cover all issues relating to ethics and other matters.

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

   The Company received 13 requests and 0 complaints during the year under review from the shareholders of the Company. The shareholders requests were addressed by the Company and RTA of the Company within appropriate time. The Statement of Investor Complaints were submitted to the Stock Exchanges and website of the Company. Status of request were also placed before Stakeholders Relationship Committee.

   Apart from above mentioned requests, no complaints are received by Company under Ethics, Transparency and Accountability.

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

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

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

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

Business Responsibility Report (Contd)

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

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

   Detailed report on optimum use of resources is part of the Board's Report.

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

   Yes,

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

      The Company's manufacturing locations are located at Solapur and have suppliers in close vicinity supplying Raw Materials required for the manufacturing process of Camshafts.

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

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

   Yes,

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

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

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

   Yes,

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

      ➢ Reclamation of used sand: 100 %

      ➢ Remelting of runners, risers and rejected camshafts: 100 %

      ➢ Use of Effluent Treatment Plant water for gardening: >10 %

   The Resin coated sand used for moulding process has one time use. The used sand is reclaimed and coated again with < 10% of fresh sand addition.

   The runners & risers and rejected camshafts are remelted in the furnace.

Principle 3: Businesses should promote the wellbeing of all employees

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

1. **Please indicate the Total number of employees.:** 2,227
2. **Please indicate the Total number of employees hired on temporary / contractual / casual basis.:** 935
3. **Please indicate the Number of permanent women employees.:** 17
4. **Please indicate the Number of permanent employees with disabilities.:** 0
5. **Do you have an employee association that is recognised by management.:** Yes

Business Responsibility Report (Contd)

6. **What percentage of your permanent employees is members of this recognised employee association.:** 39%

7. **Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last Financial Year and pending, as on the end of the Financial Year.:**

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

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

Sr. No.	Particulars	Safety Training	%	Skill Upgrading Training	%	Total Employees
A	Permanent Employee	1,039	81.14	1,039	81.14	1,275
B	Permanent Women Employees	10	58.88	10	58.88	17
C	Casual / Temporary / Contractual Employees	858	91.76	858	91.76	935
D	Employees with Disabilities	NA	0	NA	0	NA

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

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

   Yes

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

   Yes.

3. **Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders. If so, provide details thereof, in about 50 words or so.**

   Yes

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

Business Responsibility Report (Contd)

Annexure - D.

Principle 5: Businesses should respect and promote human rights.

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

   Policy is restricted to the Company and its employees.

   Policies on Human Rights including the Code of **Ethical Business Conduct, Anti-Sexual Harassment, Corporate Social Responsibility Policy** and the **Whistleblower Policies,** along with the group Business Responsibility policy cover all aspects on Human Rights for the Company and also extend to all stakeholders of the Company.

   The Company's commitment to follow the basic principles of human rights is reflected in the checks and balances within the HR processes. The commitment to human rights is embedded in the 'PCL Code of Conduct', adopted by the Company. All employees, including security personnel, are sensitised to human rights as part of their orientation program.

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

   No complaints of this nature were received in the reporting Financial Year.

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

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

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

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

   Yes, the Company takes initiatives to address environmental issues at local level by working in the area of sustainable development.

   - The Company has planted over 1,000 trees & created greenery around the factory sheds to offset carbon footprint.
   - Water from all toilets is recycled by treating in the ETP and used for watering trees & gardens at the factory premises
   - PCL has created a fully dedicated EV team in India to develop a localised solution for electric buses and cargo vehicles. The Company would bring together the best of European technology and Indian localisation to meet the technical and commercial needs of the Indian customers. The initial project work has been done in close cooperation with the Automotive Research Association of India (ARAI). The Company would be launching a 'first of a kind' fully electric mid-size bus for the Indian market. This bus, once launched in India will help reduce air pollution.

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

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

Business Responsibility Report (Contd)

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

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

   Yes,

   - Company has installed Effluent Treatment Plant; it is one type of wastewater treatment method which is particularly designed to purify industrial waste water for its reuse and to discharge safe water.
   - Initial work and feasibility study has been completed for Roof Top mounted Solar Energy Generation for internal use. This project was however has been put on hold as the Company is searching for better solutions to use alternate sources of energy.
   - Company has green initiative, by planting number of trees and plants at Factory premises for mitigating carbon footprint.
   - Natural air ventilation system has been installed on all manufacturing sheds. Apart from saving in energy, a human working comfort has been achieved.

   The Company continues taking efforts to mitigate the impact of the environmental risk and Environmental Compliance report is filed.

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

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

   Covered under Annexure- C of Board's Report which forms a part of the Annual Report. The Annual Reports are hosted on Company's website www.pclindia.in

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

   Yes, all emissions / waste generated are within permissible limits given by the CPCB / SPCB for the Financial Year being reported.

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

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

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

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

   (a) Mahratta Chamber of Commerce Industries & Agriculture (MCCIA).

   (b) Automotive Component Manufacturers Association of India (ACMA).

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

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

Business Responsibility Report (Contd)

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

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

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

   Yes,

   the Company has formulated a well-defined Corporate Social Responsibility Policy which focuses on Health, Education, Women Empowerment, Sustainable Development, and Social Reforms. Projects undertaken in these areas are for the betterment of the society.

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

   Our in-house team identifies projects under Healthcare, Education, Women Empowerment, Sustainable Development, and Social Reforms which are then executed directly through CSR Funds.

   Some of the Programmes are implemented through our own Public Charitable Trust called "Precision Foundation and Medical Research Trust." We also take help of local NGO's in specific areas for their expertise.

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

   Yes – We do regular follow up and impact analysis of our projects.

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

   The Company has spent an amount of approx. ₹ 1.26 Crores on CSR activities to support the society during the COVID-19 pandemic scenario, promote Healthcare, eradicate Hunger, promote Education, Sustainability, Social Development.

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

   Yes, the Company has taken steps to ensure that the Community Development initiatives benefit the Community.

   Projects undertaken by the Company under CSR activity are undertaken after surveys and understanding the needs of the communities.

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

1. **What percentage of customer complaints / consumer cases are pending as on the end of Financial Year:** Nil - Customer complaints are addressed within 24 hours and solved at the earliest.

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks (additional information)**

   N.A. The Camshafts manufactured by the Company are assembled in the internal combustion engines by the OEM, hence there is no concept of product label.

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

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

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

Financial Section

Independent Auditors’ Report

To the Members **PRECISION CAMSHAFTS LIMITED**

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the standalone financial statements of Precision Camshafts Limited (“the Company”), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (“the Act’) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditors' Report (Contd.)

<table>
<tr><th>Sr. No</th><th>Key Audit Matter</th><th>How the Key Audit Matter was addressed in</th></tr>
<tr><td>1</td><td>Provision for credit loss for accounts receivables
Refer Note 08 of Financial.
statement with respect to the disclosures of Trade Receivables. On March 31, 2021, Trade receivables amounts to Rs. 9,086.86 lakhs against which provision of Rs. Nil was made towards expected credit loss in the books of account.
We have identified provisioning for expected credit loss as a key audit matter as the calculation of credit loss provision is a complex area and requires management to make significant assumptions on customer payment behaviour and estimating the level and timing of expected future cash flows.</td><td>Our audit procedures in respect of this area include but are not limited to:
1. Obtained understating of the Company's policy on assessment of impairment of trade receivables, including design and implementation of controls, validation of management review controls. We have verified the operating effectiveness of these controls.
2. Requested for and obtained independent balance confirmations from the Company's customers on sample basis.
3. Verified subsequent receipts after the year-end on sample basis.
4. Verified aging of trade receivables for sample of customer transactions.
5. Evaluated management comments and recovery plans for trade receivables outstanding for more than 180 days
6. Assessed the trade receivables impairment methodology applied in the current year and compared the Company's provisioning rates against historical collection data.</td></tr>
<tr><td>2</td><td>Provision for Impairment of Investment in subsidiaries
Refer Note 5A of Financial statement with respect to the disclosures of Investment in subsidiaries. On March 31, 2021, Investment in subsidiaries amounts to Rs. 7,956.69 Lakhs against which provision of Rs. Nil was made towards impairment in the books of account.
We have considered this as a key audit matter due to the fact that processes and methodologies for assessing and determining the recoverable amount of each investments are based on complex assumptions, that by their nature imply the use of the management's judgment, in particular with reference to identification of impairment indicators, forecast of future cash flows relating to the period covered by the Company's strategic business plan, normalized cash flows assumed as a basis for terminal value, as well as the long-term growth rates and discount rates applied to such forecasted cash flows.</td><td>Our audit procedures in respect of this area include but are not limited to:
1. Obtained understating of the Company's policy on assessment of impairment of investments in shares and the assumption used by the management, including design and implementation of controls, validation of management review controls.
2. Verified the operating effectiveness of the controls.
3. Obtained and read the valuation report provided by the Company's independent valuation experts, and assessed the expert's competence, capability and objectivity.
4. Evaluated management's methodology, assumptions and estimates used in the calculations.
5. Verified completeness, arithmetical accuracy and validity of the data used in the calculations.</td></tr>
</table>

Independent Auditors' Report (Contd.)

INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

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

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

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

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

OTHER MATTER

We have not attended the physical inventory verification at locations as it was impracticable for us to attend. We relied on the alternate audit procedures such as performing inventory count through video conference, verifying roll back procedures, etc. and have obtained sufficient and appropriate audit evidence over the existence and condition of inventory amounting to Rs. 5223.52 lakhs as on March 31, 2021.

Our opinion is not modified in respect of this matters.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

Independent Auditors' Report (Contd.)

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2021 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 with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 33(b) to the standalone financial statements;

ii. The Company 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.

3. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 of the Act and the rules there under.

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

Nitin Manohar Jumani
Partner
Membership No. 111700
UDIN: 21111700AAAACQ6455

Place: Pune
Date: May 25, 2021

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

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

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

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

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

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

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

Nitin Manohar Jumani
Partner
Membership No.111700
UDIN: 21111700AAAACQ6455

Place: Pune
Date: May 25, 2021

Annexure B to Independent Auditor's Report of even date on the Standalone Financial Statements of Precision Camshafts Limited for the year ended March 31, 2021

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

i. (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets (Property, Plant and Equipment).

(b) All the fixed assets (Property, Plant and Equipment) have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

ii. The inventory (excluding stocks with third parties) has been physically verified by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on verification between the physical stocks and the book records.

iii. The Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships (LLP) or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, the provisions stated in paragraph 3 (iii) (a) to (c) of the Order are not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, in respect of loans, investments, guarantees and security made.

v. In our opinion and according to the information and explanations given to us, there are no amounts outstanding which are in the nature of deposits as on March 31, 2021 and the Company has not accepted any deposits during the year.

vi. We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company pursuant as specified by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the information and explanation given to us and examination of records of the Company, the outstanding dues of income-tax, goods and service tax, customs duty, cess and any other statutory dues on account of any dispute, are as follows:

Annexure B to Independent Auditor's Report of even date on the Standalone Financial Statements of Precision Camshafts Limited for the year ended March 31, 2021 (Contd.)

Name of the statute	Nature of dues	Amount ₹ in Lakhs	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Central Excise Act, 1994	Excise Duty	20.76	2006-07	Commissioner of central excise	
Central Excise Act, 1944	Excise Duty	83.95	2013-17	Directorate General of Goods and Service Tax Intelligence	
Collector of Stamps, Solapur	Stamp Duty	31.79	2007-08	Controlling Revenue Authority, Pune	
Employee Provident Funds and Miscellaneous Provision Act, 1952	Provident Fund	24.23	2003-06	Hon'ble High Court of Judicature Appellate	The Company has deposited Rs. 12.12 Lakhs under protest
Income Tax Act, 1961	Income Tax on ESOP expenses and other disallowances	1428.71	2013-14	CIT (Appeals)	Company has paid Rs. 200 Lakhs under protest and has adjusted refund due of Rs. 39.60 lakhs (Which includes interest amounting to Rs. 11.79 Lacs) with respect to FY 2006-2007 against this Demand

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to the financial institution, bank or debenture holders.

ix. In our opinion, according to the information explanation provided to us, money raised by way of initial public offer or further public offer have been applied for the purpose for which they were raised. According to information and explanations given by the management, the Company has not raised any money by way of term loans during the year.

x. During the course of our audit, examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees.

xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) of the Order are not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

Annexure B to Independent Auditor's Report of even date on the Standalone Financial Statements of Precision Camshafts Limited for the year ended March 31, 2021 (Contd.)

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions stated in paragraph 3 (xiv) of the Order are not applicable to the Company.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.

xvi. In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph clause 3 (xvi) of the Order are not applicable to the Company.

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

Nitin Manohar Jumani
Partner
Membership No.111700
UDIN: 21111700AAAACQ6455

Place: Pune
Date: May 25, 2021

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

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

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

We have audited the internal financial controls with reference to standalone financial statements of Precision Camshafts Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend

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

on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with Reference to Standalone Financial Statements

A Company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

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

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

Opinion

In our opinion, the Company has, in all material respects, internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2021, based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

FOR MSKA & ASSOCIATES
Chartered Accountants
ICAI Firm Registration No. 105047W

NITIN MANOHAR JUMANI
Partner
Membership No.111700
UDIN: 21111700AAAACQ6455

Place: Pune
Date: May 25, 2021

Standalone Balance Sheet

As at 31st March 2021

(All amounts in ₹ in Lakhs unless otherwise stated)

Particulars	Note No.	As at 31st March 2021	As at 31st March 2020
ASSETS			
I Non-current assets			
a Property, plant and equipment	3	22,555.91	24,465.63
b Capital work-in-progress	3	569.36	836.28
c Intangible assets	4	22.06	15.28
d Financial assets			
i Investments	5A	7,957.99	7,979.42
ii Loans	5B	11,509.20	5,179.87
iii Other financial assets	5C	71.65	200.78
e Other non-current assets	6	790.55	828.61
Total non-current assets		**43,476.72**	**39,505.87**
II Current assets			
a Inventories	7	5,223.52	4,412.97
b Financial assets			
i Investments	5A	18,993.15	12,621.11
ii Trade receivables	8	9,086.86	11,247.49
iii Cash and cash equivalents	9	1,748.48	2,402.78
iv Bank balances other than (iii) above	9	4,076.23	2,870.63
v Loans	5B	-	-
vi Others financial assets	5C	484.21	221.34
c Other current assets	6	2,104.34	1,679.70
d Assets classified as held for sale	6A	-	1,003.35
Total current assets		**41,716.79**	**36,459.37**
Total Assets		**85,193.51**	**75,965.24**
EQUITY AND LIABILITIES			
EQUITY			
a Equity share capital	10	9,498.58	9,498.58
b Other equity			
Securities premium	11	21,751.56	21,762.20
General reserve	11	472.21	472.21
Share based payments	11	14.39	24.75
Retained earnings	11	39,500.03	33,229.62
Total Equity Attributable to the equity shareholders of the Company		**71,236.77**	**64,987.36**
LIABILITIES			
I. Non-current liabilities			
a Financial liabilities			
i Borrowings	12	-	-
b Deferred tax liabilities (net)	27	409.86	340.05
c Provisions	16	938.58	997.17
Total non-current liabilities		**1,348.44**	**1,337.22**
II. Current liabilities			
a Financial liabilities			
i Borrowings	12	3,692.83	2,284.17
ii Trade and other payables	14		
- Dues of Micro & Small Enterprises		1,480.23	930.06
- Others		6,017.90	4,778.44
iii Other financial liabilities	13	975.24	1,089.94
b Other current liabilities	15	189.59	129.55
c Provisions	16	85.94	77.19
d Current tax liabilities (net)	17	166.57	351.31
Total current liabilities		**12,608.30**	**9,640.66**
Total liabilities		**13,956.74**	**10,977.88**
Total Equity and Liabilities		**85,193.51**	**75,965.24**
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the financial statements			

As per our report attached of even date

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

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

Nitin M. Jumani
Partner
Membership Number: 111700
Place: Pune
Date: 25th May 2021

Yatin S. Shah
Managing Director
DIN: 00318140
Place: Solapur
Date: 25th May 2021

Ravindra R. Joshi
Whole-time Director & CFO
DIN: 03338134
Place: Solapur
Date: 25th May 2021

Mayuri I. Kulkarni
Company Secretary
M. No. A32237
Place: Pune
Date: 25th May 2021

Standalone Statement of Profit and Loss

for the Year ended 31st March 2021

(All amounts in ₹ in Lakhs unless otherwise stated)

Particulars	Notes	Year ended 31st March 2021	Year ended 31st March 2020
INCOME			
Total Revenue from operations	18	38,176.44	44,288.83
Other income	19	2,183.80	1,548.04
Total Revenue (I)		**40,360.24**	**45,836.87**
EXPENSES			
Cost of raw materials and components consumed	20	11,573.55	12,984.01
(Increase) / decrease in inventories of finished goods, work-in-progress	21	(841.83)	(680.00)
Employee benefits expense	22	5,814.58	5,997.74
Other Expenses	23	14,085.51	16,022.37
Total expenses (II)		**30,631.81**	**34,324.12**
Earnings before interest, tax, depreciation and amortisation (EBITDA) (I) - (II)		**9,728.43**	**11,512.75**
Finance costs	24	153.36	295.91
Finance income	25	(539.38)	(569.41)
Depreciation and amortisation expense	26	3,536.03	5,088.77
PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS		**6,578.42**	**6,697.48**
EXCEPTIONAL ITEMS	**44**	**1,509.78**	**1,867.66**
PROFIT BEFORE TAX		**8,088.20**	**8,565.14**
TAX EXPENSE			
Current tax	27	1,876.57	2,546.98
Adjustment of tax relating to earlier years	27	-	-
Deferred tax	27	42.17	(1,187.16)
Total tax expense		**1,918.74**	**1,359.82**
PROFIT FOR THE YEAR (A)		**6,169.46**	**7,205.32**
OTHER COMPREHENSIVE INCOME			
A. Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains (loss) on defined benefit plans	28	67.57	(213.44)
Income tax effect		(17.01)	53.72
Total other comprehensive income for the year, net of tax [B]		**50.56**	**(159.72)**
Total comprehensive income for the year, net of tax (A+B)		**6,220.02**	**7,045.60**
Profit for the year attributable to equity share holders of the Company		**6,169.46**	**7,205.32**
Total Comprehensive Income for the year attributable to equity share holders of the Company		**6,220.02**	**7,045.60**
Earning per share [nominal value per share ₹10/- (31st March 2020: ₹ 10/-)]	29		
Basic, computed on the basis of profit attributable to equity share holders of the Company		6.50	7.59
Diluted, computed on the basis of profit attributable to equity share holders of the Company		6.50	7.58
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the financial statements.			

As per our report attached of even date

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

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

Nitin M. Jumani
Partner
Membership Number: 111700
Place: Pune
Date: 25th May 2021

Yatin S. Shah
Managing Director
DIN: 00318140
Place: Solapur
Date: 25th May 2021

Ravindra R. Joshi
Whole-time Director & CFO
DIN: 03338134
Place: Solapur
Date: 25th May 2021

Mayuri I. Kulkarni
Company Secretary
M. No. A32237
Place: Pune
Date: 25th May 2021

Standalone Statement of changes in Equity

for the Year ended 31st March 2021

(All amounts in ₹ in Lakhs unless otherwise stated)

A EQUITY SHARE CAPITAL

Equity shares of 10 each issued, subscribed and fully paid (Refer Note 10)	Number	Amount
At 1st April 2019	**9,49,85,835**	**9,498.58**
Issued during the year - Employee Share Option Scheme	-	-
At 31st March 2020	**9,49,85,835**	**9,498.58**
Issued during the year - Employee Share Option Scheme	-	-
At 31st March 2021	**9,49,85,835**	**9,498.58**

B OTHER EQUITY

Attributable to the owners of the Company (refer note no 11)

Particulars	Reserve and surplus				Total Equity
	Securities premium	General reserve	Retained earnings	Share based payments	
As at 1st April 2019	**21,785.93**	**472.21**	**28,358.73**	**79.13**	**50,696.00**
Profit for the year	-	-	7,205.32	-	7,205.32
other comprehensive income for the year	-	-	(159.72)	-	(159.72)
Total comprehensive income for the year	**-**	**-**	**7,045.60**	**-**	**7,045.60**
Deferred tax charge on share issue expenses	(23.73)	-	-	-	(23.73)
transferred from ESOS Reserve against Lapsed Options	-	-	54.37	(54.37)	-
Final dividend for the year ended 31st March 2019	-	-	(949.86)	-	(949.86)
Tax on final dividend for the year ended 31st March 2019	-	-	(195.25)	-	(195.25)
Interim & Final dividend for the year ended 31st March 2020	-	-	(902.37)	-	(902.37)
Tax on Interim & final dividend for the year ended 31st March 2020	-	-	(181.62)	-	(181.62)
As at 31st March 2020	**21,762.20**	**472.21**	**33,229.62**	**24.75**	**55,488.78**
As at 1st April 2020	**21,762.20**	**472.21**	**33,229.62**	**24.75**	**55,488.78**
Profit for the year	-	-	6,169.46	-	6,169.46
other comprehensive income for the year	-	-	50.56	-	50.56
Total comprehensive income for the year	**-**	**-**	**6,220.02**	**-**	**6,220.02**
Deferred tax charge on share issue expenses	(10.64)	-	-	-	(10.64)
transferred from ESOS Reserve against Lapsed Options	-	-	10.36	(10.36)	-
Others	-	-	40.01	-	40.01
As at 31st March 2021	**21,751.56**	**472.21**	**39,500.03**	**14.39**	**61,738.19**

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

As per our report attached of even date

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

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

Nitin M. Jumani
Partner
Membership Number: 111700
Place: Pune
Date: 25th May 2021

Yatin S. Shah
Managing Director
DIN: 00318140
Place: Solapur
Date: 25th May 2021

Ravindra R. Joshi
Whole-time Director & CFO
DIN: 03338134
Place: Solapur
Date: 25th May 2021

Mayuri I. Kulkarni
Company Secretary
M. No. A32237
Place: Pune
Date: 25th May 2021

Standalone Statement of Cash Flows

for the Year ended 31st March 2021

(All amounts in ₹ in Lakhs unless otherwise stated)

Particulars	As at 31st March 2021	As at 31st March 2020
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	8,088.20	8,565.14
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and impairment of property, plant and equipment	3,524.18	5,077.39
Amortisation and impairment of intangible assets	11.85	11.38
Net foreign exchange differences (unrealised)	(219.25)	(624.71)
Sundry creditors written back	(8.75)	(14.20)
Net Loss / (Gain) on disposal of property, plant and equipment	(49.60)	(7.89)
Gain on Mutual fund	(1,519.24)	(205.68)
Finance income (including fair value change in financial instruments)	(539.38)	(531.79)
Interest on Preference share	-	(37.62)
Loss on conversation of preferance share	21.43	-
Finance costs (including fair value change in financial instruments)	153.36	184.62
Liabilities Written Back	(169.15)	-
Loss on realisation of assets clasified as held for sale	44.04	-
Operating Profit before working capital changes	**9,337.69**	**12,416.64**
Working capital adjustments:		
Increase/(decrease) in provisions	111.27	188.26
(Increase) / decrease in other assets	(500.31)	(766.28)
(Increase)/ decrease in Long term loans and advances	-	(1.26)
(Increase)/ decrease in short term loans and advances	-	1.17
Increase/ (decrease) in other current liabilities	60.04	(6.40)
Increase/ (decrease) in other Financial Liabilities	(31.50)	(103.27)
(Increase)/ decrease in trade and other receivables and prepayments	2,161.13	(792.05)
(Increase)/ decrease in inventories	(770.55)	(894.41)
Increase/ (decrease) in trade and other payables	1,933.87	(839.58)
Cash generated from operations	**12,301.64**	**9,202.82**
Income tax paid	(2,063.86)	(2,577.02)
Net cash flows from operating activities (A)	**10,237.78**	**6,625.80**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	78.01	59.85
Purchase of property, plant and equipment	(1,348.13)	(2,360.28)
Investment in mutual fund	(19,985.84)	(4,945.90)
Proceeds from sale of mutual fund	15,133.06	2,524.15
Investment in Subsidiaries (Equity and Debt)	(6,247.97)	(1,942.15)
(Investment)/Proceeds in relation to term deposits	(1,076.25)	3,496.92
Interest received (finance income)	287.28	447.66
Dividend Received	25.20	21.25
Proceed from sale of asset classified as held of sale	959.31	-
Net cash flows used in investing activities (B)	**(12,175.33)**	**(2,698.50)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(153.36)	(184.62)
(Repayment)/Proceeds of short term borrowings (net)	1,408.66	(437.39)
Final dividend paid on shares	-	(949.86)
Tax on final dividend paid	-	(195.25)
Interim Dividend paid on shares	-	(902.37)

Standalone Statement of Cash Flows

for the Year ended 31st March 2021

(All amounts in ₹ in Lakhs unless otherwise stated)

Particulars	As at 31st March 2021	As at 31st March 2020
Tax on Interim dividend paid	-	(181.62)
Net cash flows used in financing activities (C)	**1,255.30**	**(2,851.11)**
Net increase in cash and cash equivalents	(682.25)	1,076.19
Net foreign exchange difference	27.95	(1.15)
Cash and cash equivalents at the beginning of the year	2,402.78	1,327.74
Cash and cash equivalents as at year end	**1,748.48**	**2,402.78**
Components of cash and cash equivalents:		
Balances with banks:		
On current accounts	1,694.86	440.38
Deposit with original maturity of less than 3 months	52.44	1,959.01
Cash in hand	1.18	3.39
Cash and cash equivalents at year end	**1,748.48**	**2,402.78**

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

As per our report attached of even date

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

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

Nitin M. Jumani
Partner
Membership Number: 111700
Place: Pune
Date: 25th May 2021

Yatin S. Shah
Managing Director
DIN: 00318140
Place: Solapur
Date: 25th May 2021

Ravindra R. Joshi
Whole-time Director & CFO
DIN: 03338134
Place: Solapur
Date: 25th May 2021

Mayuri I. Kulkarni
Company Secretary
M. No. A32237
Place: Pune
Date: 25th May 2021

Notes to the Standalone Financial Statements for the Year ended 31st March 2021

(All amounts in ₹ in Lakhs unless otherwise stated)

1. CORPORATE INFORMATION

The financial statements comprise of financial statements of Precision Camshafts Limited ('the Company') for the year ended 31st March 2021. Precision Camshafts Limited is a Public Limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The shares of the Company are listed in two stock exchanges in India. The Company is primarily engaged in the manufacture and sale of camshaft castings and machined camshafts to the Auto industry and the Railways. The Company has its office registered at E 102/103 MIDC Akkalkot Road, Solapur, Maharashtra, 413006.

The financial statements were authorised for issue in accordance with the resolution of the Board of Directors of the Company on 25th May 2021.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended thereafter. ("the Rules")

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

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

The financial statements are presented in ₹ and all values are rounded to ₹ 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
- Held primarily for the purpose of Trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

b) Foreign currencies

The Company's standalone financial statements are presented in Indian ₹, which is also the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

(i) Initial recognition

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

(ii) Conversion

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

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

The 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 occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value

Notes to the Standalone Financial Statements for the Year ended 31st March 2021 (Contd.)

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measurement as a whole) at the end of each reporting period.

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

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

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

Interest

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

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

Dividends

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

Export Incentives

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

Current income tax

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

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

Deferred tax

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

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

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

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

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

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

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

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

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

f) Property, plant and equipment

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

Property, plant and equipment; and capital work in progress, are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria 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.

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

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

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

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

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

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

g) Intangible assets

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

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

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

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

h) Borrowing costs

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

i) Leases

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

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

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

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

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

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

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

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

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Company is contractually required to dismantle, remove or restore the leased asset

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

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

j) Inventories

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

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

Notes to the Standalone Financial Statements for the Year ended 31st March 2021 (Contd.)

(All amounts in ₹ in Lakhs unless otherwise stated)

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

Finished goods and semi finished goods: Finished goods are valued at lower of cost and net realisable value cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

k) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss in those expense catagories consistent with the function of the impaired assets.

For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the CGU level, as appropriate and when circumstances indicate that the carrying value may be impaired.

l) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

m) Retirement and other employee benefits

a) Short term employee benefits

The distinction between short term and long term employee benefits is based on expected timing of settlement rather than the employee's entitlement benefits. All employee benefits payable within twelve months of rendering the service are classified as short term benefits. Such benefits include salaries, wages, bonus, short term compensated absences, awards, ex-gratia, performance pay, etc. and are recognised in the period in which the employee renders the related service.

b) Post Employment benefits

Retirement benefit in the form of provident fund and superannuation is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund and superannuation scheme. The Company recognises contribution payable to the scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Company operates a defined benefit gratuity plan, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

I The date of the plan amendment or curtailment, and

II The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

I Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and

II Net interest expense or income

Accumulated leave, which is expected to be utilised within the next 12 months, is treated as a short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as a long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method as at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

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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.

o) Investments in subsidiaries, Joint Ventures and Associates:

Investments in subsidiaries, Joint Ventures and Associates are measured at cost as per Ind AS 27 – Separate Financial Statements.

p) Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

- ➢ Debt instruments at amortised cost
- ➢ Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- ➢ Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account 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 investmentsb 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.

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:

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i) Financial assets that are debt instruments, and are measured at amortised cost e.g. deposits, loans, trade receivables, bank balance and other financial assets.

ii) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115;

iii) Loan commitments which are not measured as at FVTPL.

The Company follows 'simplified approach' for recognition of impairment loss allowance on

➢ Trade receivables.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on twelve-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The twelve-month ECL is a portion of the lifetime ECL which results from default events that are possible within twelve months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the statement of profit and loss. The balance sheet presentation for

➢ ECL on financial assets measured at amortised cost is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss; loans and borrowings; payables as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR (effective interest rate) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

q) Assets classified as held for sale

The Company classifies non-current assets and Disposal Group as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and Disposal Group classified as held for sale are measured at the lower of their carrying amount and the fair value less costs to sell (except for financial instruments, which are measured at fair value). The criteria for held for sale classification is regarded met only when the sale is highly probable and the asset or Disposal Group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the plan for sale will be made or that the plan will be withdrawn. Management must be committed to the sale expected within one year from the date of classification. Assets and liabilities classified as held for sale are presented separately as current items in the Balance Sheet.

r) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the financial statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

s) Cash dividend

The Company recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

t) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

u) Segment reporting

"Operating segments are reporting in a manner consistent with the internal reporting to the chief operating decision maker (CODM)." The board of directors of the Group assess the financial performance and position of the group and makes strategic decisions. The Board of Directors, which are identified as a CODM, consists of chief 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 No 35 for segment information presented.

v) Earnings per share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the parent Company by the weighted average number of

Notes to the Standalone Financial Statements for the Year ended 31st March 2021 (Contd.)

(All amounts in ₹ in Lakhs unless otherwise stated)

equity shares outstanding during the financial year, adjusted for bonus elements, if any, in equity shares issued during the year and excluding treasury shares

Diluted EPS adjusts the figures used in the determination of basic EPS to consider :

- The after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares

w) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group.

A contingent liability can arise for obligations that are possible, but it is yet to be confirmed whether there is present obligation that could lead to an outflow of resources embodying economic benefits.

The Group does not recognise a contingent liability but only makes disclosures for the same in the financial statements when the Company has:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; or
- present obligation arising from past events, when no reliable estimate is possible; or
- a possible obligation arising from past events where the probability of outflow of resources is not remote

Contingent liabilities are reviewed at each Balance Sheet date.

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 2019	**354.12**	**8,795.14**	**33,533.36**	**267.49**	**216.17**	**259.32**	**802.19**	**44,227.79**
Additions	-	-	1,568.45	17.64	2.07	70.66	1,692.40	3,351.22
Disposals	-	(28.03)	(95.24)	(16.36)	-	(51.39)	-	(191.02)
Capitalised during year	-	-	-	-	-	-	(1,658.31)	(1,658.31)
Other Adjustment	-	-	-	-	-	-	-	-
- Exchange Differences	-	-	-	-	-	-	-	-
At 31st March 2020	**354.12**	**8,767.11**	**35,006.57**	**268.77**	**218.24**	**278.59**	**836.28**	**45,729.68**
Additions	-	314.71	1,319.77	4.37	4.02	-	907.17	2,550.04
Disposals	-	(24.69)	(137.32)	-	-	(17.43)	-	(179.44)
Capitalised during year	-	-	-	-	-	-	(1,174.09)	(1,174.09)
Other Adjustment	-	-	-	-	-	-	-	-
- Exchange Differences	-	-	-	-	-	-	-	-
At 31st March 2021	**354.12**	**9,057.13**	**36,189.02**	**273.14**	**222.26**	**261.16**	**569.36**	**46,926.19**
Depreciation/ amortisation								
At 1st April 2019	**15.37**	**1,254.22**	**13,778.36**	**201.42**	**144.11**	**95.92**	**-**	**15,489.40**
Charge for the year	4.09	351.42	4,626.61	35.23	26.55	33.49	-	5,077.39
Disposals	-	(1.18)	(89.71)	(16.03)	-	(32.10)	-	(139.02)
At 31st March 2020	**19.46**	**1,604.46**	**18,315.26**	**220.62**	**170.66**	**97.31**	**-**	**20,427.77**

Particulars	Leasehold land	Buildings	Plants and machinery	Office equipment	Furniture and fixtures	Vehicles	Capital work in progress	Total
Charge for the year	4.09	352.48	3,097.21	23.38	18.59	28.43	-	3,524.18
Disposals	-	(1.41)	(133.05)	-	-	(16.57)	-	(151.03)
At 31st March 2021	**23.55**	**1,955.53**	**21,279.42**	**244.00**	**189.25**	**109.17**	**-**	**23,800.92**
Net book value								
At 31st March 2021	**330.57**	**7,101.60**	**14,909.60**	**29.14**	**33.01**	**151.99**	**569.36**	**23,125.27**
At 31st March 2020	**334.66**	**7,162.65**	**16,691.31**	**48.15**	**47.58**	**181.28**	**836.28**	**25,301.91**

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 2021 comprises expenditure for the plant and machinery in the course of construction. Balance of CWIP as at 31st March 2021 amounts to ₹ 569.36 Lakhs (31st March 2020: ₹ 836.28 Lakhs)

Property, plant and equipment

The entire block of property, plant and equipment comprising of immovable assets with a carrying amount of ₹ 7,432.17 Lakhs (31st March 2020: ₹ 7,497.31 Lakhs) and movable assets with a carrying amount of ₹ 15,123.73 Lakhs (31st March 2020: ₹ 16,968.32 Lakhs)

4. INTANGIBLE ASSETS

Particulars	Computer software
At Cost	
At 1st April 2019	**102.19**
Additions	14.04
Disposals	-
At 31st March 2020	**116.23**
Additions	18.63
Disposals	-
At 31st March 2021	**134.86**
Depreciation/ amortisation	
At 1st April 2019	**89.57**
Charge for the year	11.38
Disposals	-
At 31st March 2020	**100.95**
Charge for the year	11.85
Disposals	-
At 31st March 2021	**112.80**
Net book value	
At 31st March 2021	**22.06**
At 31st March 2020	**15.28**

Notes to the Standalone Financial Statements for the Year ended 31st March 2021 (Contd.)

(All amounts in ₹ in Lakhs unless otherwise stated)

5. FINANCIAL ASSETS

Particulars	As at 31st March 2021	As at 31st March 2020
5A) Investments		
(i) At cost		
Investments in Equity Instruments		
Investment in subsidiary		
> PCL (Shanghai) Co. Ltd.	-	-
USD 0 (March 31, 2019: USD 230,000) (100%)		
(Impaired fully in FY 2016-17)		
> PCL International Holding B V	3,471.34	3,471.34
EUR 43,24,800 as paid up capital (100%)		
> Memco Engineering Private Limited	4,485.35	4,065.35
7,20,000 (March 31, 2020 - 3,00,000) Equity Shares of Rs. 10 each fully paid-up (100%)		
Deemed investments in Subsidiary		
> Memco Engineering Private Limited	-	441.43
(6% cumulative compulsorily Convertible Pref Shares of Rs 100 each)		
	7,956.69	**7,978.12**
(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 2020: 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 2020: 500 equity shares)		
b) Investments in Mutual Funds		
Quoted Mutual Funds		
HDFC Corporate Bond Fund Collection A8C	768.40	423.34
ICICI Prudential Mutual Fund Collection	2,646.79	1,616.19
ICICI Prudential Mutual Fund Collection 1Ac	1,352.08	502.08
Reliance Banking & PSU Debt Fund-Growth Plan	686.94	634.15
Reliance Arbitage Advantage Fund	-	335.08
Reliance Short Term Fund	270.67	156.65
Nippon India Short Term Fund	201.69	-
BSL Short Term Fund-Growth	408.28	377.47
Aditya Birla Sun Life Corporate Bond Fund	810.66	738.47
Axis Short Term Fund-Growth	676.52	627.25
Axis Bluechip Fund - Growth	214.82	144.28
Axis Banking & PSU Debit Fund - Growth	119.70	-
Axis All Seasons Debt Fund of Funds Regular Growth	206.56	-
Axis Treasury Advantage Fund - Regular Growth (TA-GP)	503.44	-
Axis Credit - Growth	-	114.26
IDFC Corporate Bond Fund Regular Plan-Growth	576.31	247.02
IDFC Super Saver income Fund-Short Term	515.44	479.40
IDFC Ultra Short Term - Growth	3.10	-
IDFC Low Duration Fund - Growth	1,324.31	400.02

Notes to the Standalone Financial Statements for the Year ended 31st March 2021 (Contd.)

(All amounts in ₹ in Lakhs unless otherwise stated)

Particulars	As at 31st March 2021	As at 31st March 2020
Tata Short Term Bond Fund Reg Plan-Growth	726.07	583.92
Tata Balance Fund	-	125.90
TATA BANKING & PSU DEBT FUND REGULAR PLAN	147.83	-
Kotak Low Duration Fund Std Growth(Regular Plan)	1,997.90	629.92
Kotak Savings Growth Fund	11.86	-
Kotak Banking And PSU Debt Fund	800.62	361.89
Kotak Bond Fund short term Growth	410.25	-
Kotak Corporate Bond Fund standard - Growth	1,007.80	-
Kotak Floating Rate Fund Growth - Regular plan	507.67	-
Kotak Credit Fund Regular Plan	-	369.24
Kotak Balanced Advantage Fund Growth	-	1,571.15
Kotak Equity Arbitrage Fund - Growth	-	729.20
Kotak Overnight Growth Fund	-	400.05
BNP PARIBAS MULTI CAP FUND REGULAR GROWTH	326.35	201.44
SBI Magnum ultra short duration fund Regular Growth	110.67	-
SBI Short term debt Fund Regular Plan	164.95	57.54
SBI Magnum Low Duration Fund Regular Growth	1,132.11	-
SBI Equity Hybrid Regular Growth	-	142.17
Baroda Pioneer Credit Opportunities Fund	-	304.88
Edelweiss Equity Saving Fund	-	130.32
Principal Emerging Bluechip Fund - Regular Plan Growth	134.35	76.54
Motilal Oswal Most Focused Multicap 35 Fund	119.77	74.08
Canara Robeco Force Collection A/C	109.24	67.21
Total Investments at FVTPL	**18,994.45**	**12,622.41**

Non-current	7,957.99	7,979.42
Current	18,993.15	12,621.11
	26,951.14	**20,600.53**

Aggregate book value of quoted investments	18,993.15	12,621.11
Aggregate market value of quoted investments (refer note 36 fair value)	18,993.15	12,621.11
Aggregate book value of unquoted investments	7,957.99	7,979.42

During the Financial Year 2018-19, 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. In standalone Ind AS Financial Statements of the Company, this investment had been fully impaired in FY 2016-17. The subsidiary was liquidated on 24th December 2019 and accordingly all the legal formalities have been complied with.

The Company has acquired 95% Equity shares of Memco Engineering 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 has been acquired on 29th March 2019 for ₹ 261 Lakhs.

The entire funding for the above has been done through internally generated profits of the Company.

The Company has made equity investment in its wholly owned subsidiary PCL International Holdings B.V. ("PCL NL") since 6th May 2017. The equity Investment is made solely for the purpose of acquiring the step down subsidiaries i.e. MFT and EMOSS by PCL NL.

Notes to the Standalone Financial Statements for the Year ended 31st March 2021 (Contd.)

(All amounts in ₹ in Lakhs unless otherwise stated)

The Company had invested in 6% Cumulative Non-Convertible Redeemable Preference Shares amounting to ₹ 420 Lakhs and had accordingly accounted for it as Compound Financial Instruments. The equity portion representing the difference between the coupon rate and the market rate of interest was represented as deemed investment in equity and the remaining portion i.e. value of investment less the deemed investment in equity was presented under other financial assets being redeemable preference shares. During the previous year 6% Cumulative Non-Convertible Redeemable Preference Shares is converted into 6% Compulsorily Convertible Preference Shares and accordingly carrying value of other financial assets is reclassified to deemed investment in equity being Compulsorily Convertible Preference Shares.These shares in the current year is converted into equity shares in the ratio of 1:1 and accordingly the investment is disclosed as investment in equity shares of Memco.

5B) Loans

Particulars	As at 31st March 2021	As at 31st March 2020
(a) Security Deposits	218.71	218.71
(b) Loan to PCL International Holding B V (100% Subsidiary)	11,290.49	4,961.16
Total Loans	**11,509.20**	**5,179.87**
Non-current	11,509.20	5,179.87
Current	-	-
	11,509.20	**5,179.87**
Break-up for Loan details:		
- Unsecured, considered good	11,509.20	5,179.87
- Doubtful	-	-
- Which have significant increase in credit risk	-	-
- Credit impaired	-	-
Total	**11,509.20**	**5,179.87**

Loans include A) security deposit with electricity department; which generate interest at the rate of 4% to 5% (31st March 2020 - 9% to 10.05%) for the Company.

B) Loan given to PCLNL; which generate interest at the rate of 1.5% to 4% for the Company.

5C) Other Financial Assets

Particulars	As at 31st March 2021	As at 31st March 2020
(i) Derivative instruments		
Foreign-exchange forward contracts*	35.97	-
(ii) Others		
(a) Bank deposits with more than 12 months maturity	71.65	200.78
(b) Interest accrued on Fixed Deposits	3.22	7.82
(c) Interest accrued Others (Mainly includes interest on loan given to PCL NL & on Security Deposit)	445.02	188.32
(d) Dividend receivable on Preference Shares of Memco Engineering Private Limited	-	25.20
Total Other Financial Assets	**555.86**	**422.12**
Non-current	71.65	200.78
Current	484.21	221.34
	555.86	**422.12**

* The Company entered into foreign exchange forward contracts with the intention to reduce the foreign exchange risk of expected sales and purchases. These forward contracts are not designated in hedging relationship and hence measured at fair value through profit or loss.

(All amounts in ₹ in Lakhs unless otherwise stated)

Particulars	As at 31st March 2021	As at 31st March 2020
Break-up for security details:		
- Secured, considered good	-	-
- Unsecured, considered good	555.86	422.12
- Doubtful	-	-
Total	**555.86**	**422.12**

Break up of financial assets carried at amortised cost

Particulars	As at 31st March 2021	As at 31st March 2020
Loans	11,509.20	5,179.87
Trade receivables (refer note 8)	9,086.86	11,247.49
Cash and Cash equivalents (refer note 9)	1,748.48	2,402.78
Other Bank balances (refer note 9)	4,076.23	2,870.63
Other financial assets	519.89	422.12
Total financial assets carried at amortised cost	**26,940.66**	**22,122.89**

6. OTHER ASSETS

Particulars	As at 31st March 2021	As at 31st March 2020
Capital advances	179.21	231.18
Prepaid expense	295.57	131.65
Advance for purchase of materials	19.20	83.52
Income tax deposited with tax authorities (Under Protest)	227.81	225.26
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	1,418.55	1,228.05
Income accrued on Export incentives	742.43	596.53
Total other assets	**2,894.89**	**2,508.31**

Non-current	790.55	828.61
Current	2,104.34	1,679.70
	2,894.89	**2,508.31**

Note 6A: Assets classified as held for sale

Particulars	As at 31st March 2021	As at 31st March 2020
Disposal Group	-	1,003.35
Total other assets	**-**	**1,003.35**

During the period ended 31st March 2019, the Directors of the Company confirmed their intention to sell the shares of investment in its joint ventures, Ningbo Shenglong PCL Camshafts Co. 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

Notes to the Standalone Financial Statements for the Year ended 31st March 2021 (Contd.)

(All amounts in ₹ in Lakhs unless otherwise stated)

accordance with Ind AS 105. Subsequently the disposal group is accounted for at fair value less cost to sale as per Ind AS 105. Management estimated fair value of disposal group is ₹1,003.35 Lakhs resulting into net loss on fair value measurement of ₹ 300 Lakhs. The sale is completed for above mentioned entities and the proceeds are realised on 18th June 2020 & loss on sale of JV amounting to ₹ 44.04 Lakhs considered as an exceptional item.

7. INVENTORIES

Particulars	As at 31st March 2021	As at 31st March 2020
Raw materials and components	361.99	295.85
Stores, spares and packing materials	525.58	663.01
Semi-finished goods	789.23	774.77
Finished goods *	3,546.72	2,679.34
Total inventories at the lower of cost and net realisable value	**5,223.52**	**4,412.97**

During the year ended 31st March 2021 ₹ 63.05 Lakhs (31st March 2020 ₹ 14.13 Lakhs) was written down as an expense for inventories

*Finished Goods includes Goods in transit ₹ 3,101.50 Lakhs (31st March 2020 ₹ 1,875.52 Lakhs)

8. TRADE RECEIVABLES

Particulars	As at 31st March 2021	As at 31st March 2020
Trade receivables	9,086.86	11,247.49
Total	**9,086.86**	**11,247.49**

Break-up for security details:		
- Unsecured, considered good	9,086.86	11,247.49
- Doubtful	-	-
- Which have significant increase in credit risk	-	-
- Credit impaired	-	-
Total	**9,086.86**	**11,247.49**

Impairment allowance (allowance for bad and doubtful debts)		
- Doubtful	-	-
	-	-
Total Trade receivables	**9,086.86**	**11,247.49**

Trade receivables are non-interest bearing and are generally on terms of 30 to 150 days.

9. CASH AND BANK BALANCES

Particulars	As at 31st March 2021	As at 31st March 2020
CASH AND CASH EQUIVALENTS		
Balance with Banks		
Current accounts	1,694.86	440.38
Deposits with original maturity of less than three months	52.44	1,959.01
Cash on hand	1.18	3.39
Total cash and cash equivalents	**1,748.48**	**2,402.78**

Notes to the Standalone Financial Statements for the Year ended 31st March 2021 (Contd.)

(All amounts in ₹ in Lakhs unless otherwise stated)

Particulars	As at 31st March 2021	As at 31st March 2020
OTHER BANK BALANCES		
Deposits with remaining maturity for less than 12 months	4,071.46	2,866.07
Unclaimed Dividend Accounts	4.77	4.56
Total	**4,076.23**	**2,870.63**
Total cash and bank balances	**5,824.71**	**5,273.41**

Cash at banks earns interest at fixed rates based on fixed deposit receipts made by the Company. Fixed deposits are made for varying periods of between 1 month to 48 months, depending on the immediate cash requirements of the Company, and earn interest at the respective short term / long term deposit rates.

Deposits with bank of ₹ 88.94 Lakhs (31st March 2020 : ₹ 126.08 Lakhs) held as lien by banks against bank guarantees.

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

Particulars	As at 31st March 2021	As at 31st March 2020
CASH AND CASH EQUIVALENTS		
Balance with Banks		
Current accounts	1,694.86	440.38
Deposits with original maturity of less than three months	52.44	1,959.01
Cash on hand	-	3.39
Total cash and cash equivalents	**1,747.30**	**2,402.78**

10. SHARE CAPITAL

Authorised Share Capital

Particulars	Equity Shares	
	Number	in ₹
At 1st April 2019	10,00,00,000	10,000.00
Increase/ (decrease) during the year	-	-
At 31st March 2020	10,00,00,000	10,000.00
Increase/ (decrease) during the year	-	-
At 31st March 2021	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 2020: ₹ 10 per share).

Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees.

The Board of Directors, in their meeting on 27th May 2019, proposed a final dividend of ₹ 1 per equity share and the same was approved by the shareholders at the Annual General Meeting held on 25th September 2019. The amount was recognised as distributions to equity shareholders during the year ended 31st March 2020 and the total appropriation was ₹ 1,145.10 Lakhs including dividend distribution tax.

The Board of Directors, in their meeting held on 5th March 2020, declared and paid an interim dividend of ₹ 0.95 per equity share. The amount was recognised as distributions to equity shareholders during the year ended 31st March 2020 and the total appropriation was ₹1,083.98 Lakhs including dividend distribution tax.

The Board of Directors have recommended the dividend of ₹ 1 per share of the face value of ₹ 10 per share for the year ended 31st March 2021. The payment of dividend is subject to approval of the shareholders at the ensuing Annual General Meeting of the Company.

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 Standalone Financial Statements for the Year ended 31st March 2021 (Contd.)

(All amounts in ₹ in Lakhs unless otherwise stated)

Issued, Subscribed and Fully Paid-Up

Equity Shares of ₹ 10 each at par value

Particulars	Number	in ₹
At 1st April 2019	9,49,85,835	9,498.58
Issued during the year under the ESOP scheme	-	-
At 31st March 2020	9,49,85,835	9,498.58
Issued during the year under the ESOP scheme	-	-
At 31st March 2021	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 shareholders. The equity shares of the Company were listed on the BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") with effect from 8th February 2016.

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

Particulars	31st March 2021		31st March 2020	
	No of shares	% holding in the class	No of shares	% holding in the class
Equity shares of ₹ 10 each fully paid				
Yatin S. Shah	2,49,59,917	26.28%	2,49,59,917	26.28%
Cams Technology Limited	1,35,07,685	14.22%	1,35,07,685	14.22%
Yatin S. Shah jointly with Dr. Suhasini Y. Shah	1,28,28,800	13.51%	1,28,28,800	13.51%
Dr. Suhasini Y. Shah	1,04,86,461	11.04%	1,04,86,461	11.04%
Jayant V. Aradhye	82,02,000	8.63%	82,02,000	8.63%
	6,99,84,863	**73.68%**	**6,99,84,863**	**73.68%**

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 share.

11. OTHER EQUITY

A) SECURITIES PREMIUM	in ₹
At 1st April 2019	**21,785.93**
Add:	
Increase pursuant to premium on issue of shares on account of employee stock option exercised	-
Reversal of tax benefit (deferred tax)	(23.73)
At 31st March 2020	**21,762.20**
Add:	
Increase pursuant to premium on issue of shares on account of employee stock option exercised	-
Reversal of tax benefit (deferred tax)	(10.64)
At 31st March 2021	**21,751.56**
B) GENERAL RESERVE	
At 1st April 2019	**472.21**
Increase/ (decrease) during the year	-
At 31st March 2020	**472.21**

Notes to the Standalone Financial Statements for the Year ended 31st March 2021 (Contd.)

(All amounts in ₹ in Lakhs unless otherwise stated)

Other Equity (Contd.)	in ₹
Increase/ (decrease) during the year	-
At 31st March 2021	472.21
C) SHARE BASED PAYMENTS	
At 1st April 2019	**79.13**
Increase/ (decrease) during the year	
Add: compensation for options granted as per vesting during the year (net)	-
Less: transferred to securities premium on account of exercise of stock options	-
Less: transferred to Retained Earnings against Lapsed Options	(54.37)
At 31st March 2020	**24.75**
Increase/ (decrease) during the year	
Add: compensation for options granted as per vesting during the year (net)	-
Less: transferred to securities premium on account of exercise of stock options	-
Less: transferred to Retained Earnings against Lapsed Options	(10.36)
At 31st March 2021	**14.39**

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 2019	**28,358.73**
Add: Profit for the year	7,205.32
Add: Other comprehensive income for the year	(159.72)
Less: Final equity dividend at ₹ 1 per share paid	(949.86)
Less: Tax on final dividend	(195.25)
Less: Interim Dividend at ₹ 0.95 per share	(902.37)
Less: Tax on Interim Dividend paid	(181.62)
Add: transferred from ESOS Reserve against Lapsed Options	54.37
At 31st March 2020	**33,229.62**
Add: Profit for the year	6,169.46
Add: Other comprehensive income for the year	50.56
Add: transferred from ESOS Reserve against Lapsed Options	10.36
Add Others	40.01
At 31st March 2021	**39,500.03**

Notes to the Standalone Financial Statements for the Year ended 31st March 2021 (Contd.)

(All amounts in ₹ in 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 equitysettled 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.

12. BORROWINGS

Particulars	Rate of interest	Maturity	As at 31st March 2021	As at 31st March 2020
Loan repayable on Demand				
From Bank				
Cash credit from banks (Secured)	9.50%	On Demand	-	35.37
Packing credit in ₹ (Secured) - City Bank	5.00%	On Demand	-	(0.52)
Packing credit in ₹ (Secured) - BOI	5.30%	On Demand	2,732.99	1,418.03
Packing credit in ₹ (Secured) - BOB	5.00%	On Demand	959.84	831.29
Total Borrowings			**3,692.83**	**2,284.17**
Less: amount clubbed under "Other Financial liabilities"			-	-
Net Borrowings			**3,692.83**	**2,284.17**
Aggregate Secured loans			**3,692.83**	**2,284.17**

The Company does not have any continuing defaults in repayment of loans and interest during the year and as at the reporting date. Cash credit and packing credit are secured by first pari passu charge by way of hypothecation of current assets including inventories and trade receivables. Further, the facilities are collaterally secured by extension of pari passu charge by way of hypothecation of plant and machinery and equitable mortgage of factory land and building situated at Plot No D5, MIDC Chincholi, Solapur, Unit I situated at Plot No. E-102, 103, Akkalkot Road, MIDC, Solapur and Unit II situated at Plot No. E-90, Akkalkot road, Solapur. The loan has been secured by the personal guarantee of Directors Mr. Yatin S. Shah and Dr. Suhasini Y. Shah.

Notes to the Standalone Financial Statements for the Year ended 31st March 2021 (Contd.)

(All amounts in ₹ in Lakhs unless otherwise stated)

13. OTHER FINANCIAL LIABILITIES

Particulars	As at 31st March 2021	As at 31st March 2020
Financial liability at FVTPL		
Foreign-exchange forward contracts *	-	77.87
Other financial liabilities at amortised cost		
Unpaid matured deposits and interest accrued thereon	137.30	137.30
Employee benefit liabilities	621.30	653.31
Sundry payables for capital goods purchased	211.38	216.90
Unclaimed Dividend	4.76	4.56
Deposits received from others	0.50	-
Total	**975.24**	**1,089.94**

Non - Current	**-**	**-**
Current	975.24	1,089.94
	975.24	**1,089.94**

* The Company entered into foreign exchange forward contracts with the intention to reduce the foreign exchange risk of expected sales and purchases. These forward contracts are not designated in hedging relationship and hence measured at fair value through profit or loss.

14. TRADE AND OTHER PAYABLES

Particulars	As at 31st March 2021	As at 31st March 2020
Trade Payables		
Trade payables		
- total outstanding dues of micro enterprises and small enterprises	1,480.23	930.06
- total outstanding dues of creditors other than micro enterprises and small enterprises	6,017.90	4,778.44
Total trade payables	**7,498.13**	**5,708.50**

Non-current	-	-
Current	7,498.13	5,708.50
	7,498.13	**5,708.50**

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.

Notes to the Standalone Financial Statements for the Year ended 31st March 2021 (Contd.)

(All amounts in ₹ in Lakhs unless otherwise stated)

Details of dues to Micro and small as defined under MSMED Act, 2006

Particulars	As at 31st March 2021	As at 31st March 2020
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	1,480.23	930.06
Interest due on above	0.55	0.40
ii) The amount of interest paid by the buyer in terms of section 16, of the MSMED Act, 2006.	-	-
The amounts of the payment made to the supplier beyond the appointed day during each accounting year	4,806.15	7,350.44
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	24.46	16.83
iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	42.24	17.23

Break up of financial liabilities carried at amortised cost

Particulars	As at 31st March 2021	As at 31st March 2020
Borrowings (current) (refer note 12)	3,692.83	2,284.17
Trade payables (refer note 14)	7,498.13	5,708.50
Other financial liabilities (refer note 13)	975.24	1,012.07
Total	**12,166.20**	**9,004.74**

15. OTHER CURRENT LIABILITIES

Particulars	As at 31st March 2021	As at 31st March 2020
Advances from customers	34.30	-
Statutory Dues payable	155.29	129.55
Total	**189.59**	**129.55**

Notes to the Standalone Financial Statements for the Year ended 31st March 2021 (Contd.)

(All amounts in ₹ in Lakhs unless otherwise stated)

16. PROVISIONS

Particulars	As at 31st March 2021	As at 31st March 2020
Employee benefits obligations:		
Gratuity	550.38	538.73
Compensated absences	474.14	442.08
Provision for Doubtful Capital Advance	-	93.55
Total	**1,024.52**	**1,074.36**

Non-current	938.58	997.17
Current	85.94	77.19
	1,024.52	**1,074.36**

Also refer note 31 for detailed disclosure.

17. CURRENT TAX LIABILITIES (NET)

Particulars	As at 31st March 2021	As at 31st March 2020
Provision for income tax (net of advance taxes)	166.57	351.31
Total	**166.57**	**351.31**

18. REVENUE FROM OPERATIONS

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Revenue from contracts with customers		
Sale of products	37,235.92	42,877.87
Sale of services	26.97	93.76
Total sale of products and services	**37,262.89**	**42,971.63**

Other operating income		
Tooling income	13.18	475.16
Scrap sales	49.83	58.77
Export incentives	850.54	783.27
Total other operating income	**913.55**	**1,317.20**
Total Revenue From Operations	**38,176.44**	**44,288.83**

19. OTHER INCOME

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Trade Payable no longer required written back	8.75	14.20
Exchange differences (net)	392.80	1,296.25
Fair value gain on mutual funds at fair value through profit or loss	1,104.41	140.82
Realised gain on Sale of mutual funds	414.83	64.86
Profit on sale of Fixed Asset	53.39	31.91
Miscellaneous income	209.62	-
Total Other Income	**2,183.80**	**1,548.04**

Notes to the Standalone Financial Statements for the Year ended 31st March 2021 (Contd.)

(All amounts in ₹ in Lakhs unless otherwise stated)

20. COST OF RAW MATERIAL AND COMPONENTS CONSUMED

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Inventory at the beginning of the year	295.85	318.17
Add: purchases	11,639.69	12,961.69
	11,935.54	13,279.86
Less: inventory at the end of the year	361.99	295.85
Cost of raw material and components consumed	**11,573.55**	**12,984.01**

21. (INCREASE) / DECREASE IN INVENTORIES

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Opening stock:		
Finished goods	2,719.35	2,079.54
Semi-finished goods	774.77	694.57
	3,494.12	**2,774.11**
Closing stock:		
Finished goods	3,546.72	2,679.34
Semi-finished goods	789.23	774.77
	4,335.95	**3,454.11**
(Increase) / Decrease in Inventories	**(841.83)**	**(680.00)**

22. EMPLOYEE BENEFIT EXPENSES

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Salaries, wages, bonus and commission	5,093.32	5,175.35
Contribution to provident fund and other funds	416.03	456.25
Gratuity & Compensated absences expense (refer note 31)	253.36	287.15
Staff welfare expenses	51.87	78.99
Total Employee benefit expenses	**5,814.58**	**5,997.74**

Notes to the Standalone Financial Statements for the Year ended 31st March 2021 (Contd.)

(All amounts in ₹ in Lakhs unless otherwise stated)

23. OTHER EXPENSES

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Consumption of components and spares	3,586.23	3,936.33
Packing materials consumed	539.96	587.06
Power and fuel expenses	5,415.64	6,284.47
Job work expenses	630.95	594.79
Freight outward charges	1,238.79	1,256.74
Rent	76.53	150.25
Rates and taxes	103.12	154.49
Insurance	63.73	52.19
Repairs and maintenance	-	-
Plant and machinery	389.58	333.05
Building	57.05	64.48
Others	483.02	737.75
Advertisement and sales promotion	12.67	14.45
CSR expenditure (refer note below)	126.76	147.59
Donation	81.00	38.00
Sales commission	365.32	577.92
Travelling and conveyance	300.30	505.18
Communication costs	10.82	40.68
Legal and professional fees	249.59	208.24
Auditors' remuneration and expenses	-	-
Statutory audit	25.00	28.50
Out of pocket expenses	1.36	0.46
Loss on fixed assets sold /discarded	3.79	24.76
Miscellaneous expenses	324.30	284.99
Total Other Expenses	**14,085.51**	**16,022.37**

CSR expenditure

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Gross amount required to be spent during the year	126.43	131.12
Amount spent during the year	126.76	147.59

Payment to Auditors

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
As auditor		
Audit Fee*	25.00	28.50
Out of pocket expenses	1.36	0.46

*The audit fees for the previous year includes Fees of ₹ 3.50 Lakhs which pertains to previous auditor

Notes to the Standalone Financial Statements for the Year ended 31st March 2021 (Contd.)

(All amounts in ₹ in Lakhs unless otherwise stated)

24. FINANCE COSTS

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Interest on borrowings	87.51	184.62
Interest on delay in payment of taxes	2.92	40.11
Bank charges	62.93	71.18
Total Finance Costs	**153.36**	**295.91**

25. FINANCE INCOME

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Interest income on		
Bank deposits	272.04	364.05
Loan given to Foreign Subsidiary	257.78	141.51
Others	9.56	58.14
Dividend income on investment in Mutual Funds	-	5.71
Total Finance Income	**539.38**	**569.41**

26. DEPRECIATION AND AMORTISATION EXPENSE

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Depreciation on Property, Plant & Equipments	3,524.18	5,077.39
Amortisation of intangible assets	11.85	11.38
Total Depreciation and amortisation expense	**3,536.03**	**5,088.77**

44. EXCEPTIONAL ITEMS

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Compensation from customer	1,509.78	1,867.66
Total Exceptional items	**1,509.78**	**1,867.66**

For FY 2020-21

During the year ended 31st March 2021, the Company has settled to receive compensation for cancellation of order from a customer amounting to ₹ 1,553.82 Lakhs and loss on sale of investment in Joint Venture amounting to ₹ 44.04 Lakhs. The Company has recognised the stated income as an exceptional item for the year ended 31st March 2021.

For FY 2019-20

During the year ended 31st March 2020 the Company has settled to receive compensation for cancellation of order and sunk costs from a customer amounting to ₹ 1,867.66 Lakhs. The Company has recognised the stated income as an exceptional item for the year ended 31st March 2020.

Notes to the Standalone Financial Statements for the Year ended 31st March 2021 (Contd.)

(All amounts in ₹ in Lakhs unless otherwise stated)

27. INCOME TAX

The major components of income tax expense for the years ended 31st March 2021 and 31st March 2020 are:

Particulars	As at 31st March 2021	As at 31st March 2020
Current income tax:		
Current income tax charge	1,876.57	2,546.98
Adjustments in respect of current income tax of previous year	-	-
Deferred tax:		
Relating to origination and reversal of temporary differences	42.17	(1,187.16)
Income tax expense reported in the statement of profit or loss	**1,918.74**	**1,359.82**

OCI Section

Particulars	As at 31st March 2021	As at 31st March 2020
Net loss/(gain) on remeasurements of defined benefit plans	(17.01)	53.72
Income tax (expense)/credit charged to OCI	**(17.01)**	**53.72**

Reconciliation of closing balance of Deferred tax liability

Particulars	As at 31st March 2021	As at 31st March 2020
Deferred tax liability		
Fixed assets: impact of difference between tax depreciation and depreciation/ amortisation for the financial reporting	699.38	801.08
Others - Current Investment	307.77	137.58
Others	9.05	-
Gross deferred tax liability	**1,016.20**	**938.66**
Deferred tax assets		
Employee related costs allowed for tax purposes on payment basis	352.57	251.79
VRS compensation	42.30	89.84
Share issue expenses adjusted to securities premium account	12.43	23.07
Asset Held for Sale [Capital Loss]	182.93	161.22
Deduction U/s 80JJAA	14.88	28.31
Others	1.23	44.38
Gross deferred tax assets	**606.34**	**598.61**
Net deferred tax liability	**409.86**	**340.05**
Deferred tax (credit) / charge for the year		
Closing deferred tax liability (net)	409.86	340.05
Less: opening deferred tax liability (net)	340.05	1,557.20
Deferred tax movement for the year	69.81	(1,217.15)
Deferred tax credit recorded in securities premium account (refer note 11)	10.63	23.73
Deferred tax (credit) / charge recorded in statement of profit and loss	59.18	(1,240.88)
Deferred tax charge recorded in OCI (refer note 28)	(17.01)	53.72
Deferred tax (credit) / charge for the year	**42.17**	**(1,187.16)**

Notes to the Standalone Financial Statements for the Year ended 31st March 2021 (Contd.)

(All amounts in ₹ in Lakhs unless otherwise stated)

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31st March 2021 and 31st March 2020

Particulars	As at 31st March 2021	As at 31st March 2020
Accounting profit before tax	8,088.20	8,565.14
Accounting profit before income tax	**8,088.20**	**8,565.14**
Tax at India's statutory tax rate 25.168% (31st March 2020 25.168%)	**2,035.64**	**2,155.67**
On Mutual fund Gain due to indexation benefit & different rate of taxation	(175.25)	(128.61)
DTA Created on Assets Held for sale	(21.88)	(161.22)
On Permanent Disallowance	73.92	28.04
Dividend income accrued in current year exempt from tax	-	(10.90)
Deduction claimed U/s 80JJAA in Current year & DTA Created on 80JJAA	6.20	(44.90)
Effect of change in Tax rate From 34.608% to 25.168%	-	(435.65)
DTA on Provision for Capital Advances	-	(23.55)
Forward contract loss permamently disallowed	-	(16.13)
Other items	0.11	(2.93)
Income tax reported in the statement of profit and loss	**1,918.74**	**1,359.82**

Reconciliation of Deferred Tax Liabilities (net):

Particulars	As at 31st March 2021	As at 31st March 2020
Opening balance as of 1st April	340.05	1,557.20
Tax (income)/expense during the period recognised in profit or loss	42.17	(1,187.16)
Tax (income)/expense during the period recognised in equity	10.63	23.73
Tax (income)/expense during the period recognised in OCI	17.01	(53.72)
Closing Balance as at 31st March	**409.86**	**340.05**

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 relate to income taxes levied by the same tax authority.

Deferred tax

Deferred tax relates to the following

Particulars	Balance Sheet		Profit & Loss	
	31st March 2021	31st March 2020	31st March 2021	31st March 2020
Accelerated depreciation for tax purposes	699.38	801.08	(101.70)	(892.89)
Fair valuation for the purpose of Financial Reporting	307.77	137.58	170.19	(173.49)
Voluntary retirement scheme allowed as deduction over period of 5 Years	(42.30)	(89.84)	47.54	112.52
Preliminary expenses incurred on initial public offering, allowed as deduction over period of 5 Years	(12.43)	(23.07)	-	-
Employee benefit expenses allowed on payment basis U/s 43B	(352.57)	(251.79)	(100.78)	(34.28)
Forward contracts & Others	9.05	(19.60)	28.65	(38.43)
Capital advance - Credit impaired	-	(23.55)	23.55	(23.55)
Loss on assets held for sale	(182.93)	(161.22)	(21.71)	(161.22)
Additional deduction U/s 80JJAA	(14.88)	(28.31)	13.44	(28.31)

(All amounts in ₹ in Lakhs unless otherwise stated)

Particulars	Balance Sheet		Profit & Loss	
	31st March 2021	31st March 2020	31st March 2021	31st March 2020
Unrealised forex loss - to be adjsuted from WDV U/s 43A	(1.23)	(1.23)	-	(1.23)
Amount to be (charged)/credit in Statement of OCI	-	-	(17.01)	53.72
	409.86	**340.05**	**42.17**	**(1,187.16)**

28. COMPONENTS OF OCI

During the year ended 31st March 2021

Particulars	Retained earnings	Total
Re-measurement gains (losses) on defined benefit plans	67.57	67.57
Income tax effect	(17.01)	(17.01)
	50.56	**50.56**

During the year ended 31st March 2020

Particulars	Retained earnings	Total
Re-measurement gains (losses) on defined benefit plans	(213.44)	(213.44)
Income tax effect	53.72	53.72
	(159.72)	**(159.72)**

29. EARNINGS PER SHARE (EPS)

Basic EPS amounts are calculated by dividing the profits for the year attributable to equity share holders of the Company by weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity share holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into equity shares.

The following reflects the profit and share data used in the basic and diluted EPS computation

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Profit attributable to Equity shareholders of the Company	6,169.46	7,205.32
Weighted average number of equity shares in calculating basic EPS	9,49,85,835	9,49,85,835
Effect of dilution*:	-	21,090
Weighted average number of equity shares in calculating diluted EPS	9,49,85,835	9,50,06,925
Earnings per share (basic) (₹/share)	6.50	7.59
Earnings per share (diluted) (₹/share)	6.50	7.58

* ESOP's are considered to be anti-dilutive as the exercise price is out of money.

Notes to the Standalone Financial Statements for the Year ended 31st March 2021 (Contd.)

(All amounts in ₹ in Lakhs unless otherwise stated)

30. DIVIDEND DISTRIBUTION MADE AND PROPOSED

The major components of income tax expense for the years ended 31st March 2021 and 31st March 2020 are:

Particulars	As at 31st March 2021	As at 31st March 2020
Cash dividends on equity shares declared and paid		
Final dividend for the year ended on 31st March 2021 (March 2020 - ₹ 1.00 per share for the FY 2018-19)	-	949.86
Tax on final dividend	-	195.25
Interim dividend for the year ended on 31st March 2021 (March 2020 - ₹ 0.95 per share)	-	902.37
Tax on final dividend	-	181.62
	-	**2,229.10**

The Board of Directors have recommended the dividend of ₹ 1 per share of the face value of ₹ 10 per share for the year ended 31st March 2021. The payment of dividend is subject to approval of the shareholders at the ensuing Annual General Meeting of the Company.

31. DISCLOSURE PURSUANT TO EMPLOYEE BENEFITS

A. Defined contribution plans:

Amount of ₹ 416.03 Lakhs (31st March 2020: ₹ 456.25 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 ₹ 658.21 Lakhs

Net benefit expense 31st March 2021 (recognised in statement of profit or loss)	As at 31st March 2021	As at 31st March 2020
Current service cost	132.49	79.72
Interest cost on benefit	27.92	14.04
	160.41	**93.76**

For the year ended 31st March 2021 & 31st March 2020 the amount debited to statement of Profit & loss also includes gratuity expenses of ₹ Nil & 20 Lakhs respectively provided for Promotor Director whose gratuity payment is not considered for acturial valuations.

(All amounts in ₹ in Lakhs unless otherwise stated)

31st March 2021 : Changes in defined benefit obligation and plan assets

	1st April 2020	Gratuity cost charged to statement of profit and loss			Benefit paid	Remeasurement gains/(losses) in other comprehensive income					Contributions by employer	31st March 2021
		Service cost	Net interest expense	Sub-total included in statement of profit and loss (refer note 22)		Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI		
Gratuity												
Defined benefit obligation	(1,042.93)	(132.49)	(69.34)	(201.83)	24.07	-	-	(10.66)	82.75	72.09	-	(1,148.59)
Fair value of plan assets	564.19	-	41.42	41.42	(24.07)	(4.52)	-	-	-	(4.52)	81.19	658.21
Benefit liability	**(478.74)**	**(132.49)**	**(27.92)**	**(160.41)**	**-**	**(4.52)**	**-**	**(10.66)**	**82.75**	**67.57**	**81.19**	**(490.38)**

31st March 2020 : Changes in defined benefit obligation and plan assets

	1st April 2019	Gratuity cost charged to statement of profit and loss			Benefit paid	Remeasurement gains/(losses) in other comprehensive income					Contributions by employer	31st March 2020
		Service cost	Net interest expense	Sub-total included in statement of profit and loss (refer note 22)		Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI		
Defined benefit obligation	(719.74)	(79.72)	(54.58)	(134.30)	19.97	-	-	(120.36)	(88.49)	(208.86)	-	(1,042.93)
Fair value of plan assets	497.62	-	40.54	40.54	(19.97)	(4.58)	-	-	-	(4.58)	50.58	564.19
Benefit liability	**(222.12)**	**(79.72)**	**(14.04)**	**(93.76)**	**-**	**(4.58)**	**-**	**(120.36)**	**(88.49)**	**213.44)**	**50.58**	**(478.74)**

As at 31st March 2021 & 31st March 2020 the amount of gratuity provision also includes gratuity provision of ₹ 60 Lakhs & 60 Lakhs respectively provided for Promotor Director whose gratuity payment is not considered for acturial valuations.

Notes to the Standalone Financial Statements for the Year ended 31st March 2021 (Contd.)

(All amounts in ₹ in Lakhs unless otherwise stated)

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

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Type of asset: Group Gratuity scheme of		
LIC of India		
Fair Value of total plan assets	658.21	564.19
(%) of total plan assets	100%	100%

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

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Discount rate	6.70%	6.77%
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)	16.18	16.50

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

Gratuity

Particulars	Sensitivity level	Effect on defined benefit obligation (Impact)	
		For the year ended 31st March 2021	For the year ended 31st March 2020
Discount rate	1% increase	1,008.82	914.31
	1% decrease	1,317.52	1,198.79
Future salary increase	1% increase	1,309.50	1,191.48
	1% decrease	1,012.58	917.83

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.

Pension, Post retirement medical scheme and Long-term award scheme

The followings are the expected future benefit payments for the defined benefit plan :

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Within the next 12 months (next annual reporting period)	34.07	37.31
Between 2 and 5 years	180.05	160.44
Beyond 5 years	342.17	289.32
Total expected payments	**556.29**	**487.07**

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

Particulars	For the year ended 31st March 2021 Years	For the year ended 31st March 2020 Years
Gratuity	13.29	13.51

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

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Gratuity	81.19	60.00

Notes to the Standalone Financial Statements for the Year ended 31st March 2021 (Contd.)

(All amounts in ₹ in Lakhs unless otherwise stated)

32. SHARE BASED PAYMENTS

The Company provides share-based payment schemes to its employees. During the year ended 31st March 2021, an employee stock option plan (ESOP) was in existence. The relevant details of the scheme and the grant are as below.

On 6th February 2015, the board of directors approved the PCL Employee Stock Option Scheme 2015 (PCL ESOS 2015) for issue of stock options to the employees of the Company. According to the PCL ESOS 2015,the employee selected by the remuneration committee from time to time will be entitled to options. The contractual life (comprising the vesting period and the exercise period) of options granted under PCL ESOS 2015 is 6 years.

The fair value of the share options is estimated at the grant date using Black Scholes pricing model, taking into account the terms and conditions upon which the share options were granted. The exercise price of the share options is the face value i.e. ₹ 10. The contractual term of each option granted is 6 years.

Particulars	As at 31st March 2021	As at 31st March 2020
Expense arising from equity-settled share-based payment transactions	-	-
Total expense arising from share-based payment transactions	-	-

There were no cancellations or modifications to the awards in 31st March 2021 or 31st March 2020.

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

Particulars	31st March 2021		31st March 2020	
	Number	WAEP	Number	WAEP
Outstanding at 1st April	21,090	₹ 10	68,090	₹ 10
Granted during the year	-	-	-	-
Forfeited during the year	-	₹ 10	-	₹ 10
Exercised during the year	-	₹ 10	-	₹ 10
Expired during the year	8,860	-	47,000	-
Outstanding at 31st March	**12,230**	₹ 10	**21,090**	₹ 10
Exercisable at 31st March	12,230	₹ 10	21,090	₹ 10

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

The weighted average remaining contractual life(Vesting & Exercise) for the share options outstanding as at 31st March 2021 was 1 month (31st March 2020: 13 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 Standalone Financial Statements for the Year ended 31st March 2021 (Contd.)

(All amounts in ₹ in Lakhs unless otherwise stated)

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 2021, the Company had commitments of ₹ 478.10 Lakhs (31st March 2020 : ₹ 359.71 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 2020: ₹ 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 2020: ₹ 24.23 Lakhs) excluding interest. The Company has deposited an amount of ₹ 12.12 Lakhs (31st March 2020: ₹ 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 FY 2002-03, FY 2003-04 and FY 2004-05 demanding excise duty amounting to ₹ 20.76 Lakhs (31st March 2020: ₹ 20.76 Lakhs) on sales tax retained under sales tax deferral scheme.

d. The Company has received the Show Cause Notice from The Directorate General of Goods and Service Tax Intelligence, Gurgaon (Haryana) for The cost of drawing/desigin/specifications was not included in components at the time of supply to MSIL amounting to ₹ 83.95 Lakhs. (31st March 2020: ₹ 83.95 Lakhs).

e. The Company has received order from Assessing Officer for demand of income tax amounting to ₹ 1,428.71 Lakhs (31st March 2020: ₹ 1,428.71 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 (which includes interest amounting to ₹ 11.79 Lakhs) with respect to FY 2006-07.

In all the cases mentioned above outflow is not probable, and hence not provided by the Company.

The Company had given Corporate Guarantee of € 19.6 Million (₹ 14,900 Lakhs) to Bank of Baroda, London in respect of Term Loan given by Bank of Baroda to its Wholly Owned Subsidiary Company PCL International Holdings, B.V. Netherlands for strategic acquisitions in FY 2017-18. Subsequently due to cancellation of bank guarantee & repayment of loans the amount of Corporate Guarantee reduced to ₹ 5,583.30 Lakhs (31st March 2020: ₹ 6,197.09 Lakhs).

The company has also given corporate gurantee of it's wholly owned subsidiary Memco Engineering Pvt. Ltd. to the lender bank. The outstanding amount of corporate guranteee is ₹ 1,018.54 Lakhs (31st March 2020: ₹ 2,000.00 Lakhs).

c. Leases

The Company has obtained warehouse under lease as per the lease agreements for various periods which are generally cancellable and renewable by mutual consent on mutually agreed terms. Further, there are no restrictions imposed by lease agreements and there are no subleases.

The Company has elected not to apply the requirement of Ind AS 116 for short term leases or leases for which the underlying asset is of low value, the lease payments associated with these leases are expensed as per the terms of lease agreement.

Effective 1st April 2019, the Company adopted IND AS 116 “Leases” under the modified retrospective approach without restatement of comparatives.

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. Limited (China) (upto 24th December 2019)

PCL (International) Holdings B.V. (Netherlands) (W.e.f. 6th May 2017)

Memco Engineering Private Limited (Nashik) (W.e.f. 10th October 2017)

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

MFT Motoren Und Fahrzeughecnik GMBH (Germany) (W.e.f. 22nd March 2018)

Emoss Mobile Systems B.V., Netherlands (W.e.f. 17th May 2018)

b) Related parties under 'Ind AS 24- Related Party Disclosures', with whom transactions have taken place during the period

PCL (Shanghai) Co. Limited (China)

PCL (International) Holdings B.V. (Netherlands)

Memco Engineering Private Limited (Nashik)

Chitale Clinic Private Limited

Cams Technology Limited

Ningbo Shenglong PCL Camshaft Co Limited, China.

PCL Shenglong (Huzhou) Specialised Casting Co Limited, China.

Emoss Mobile Systems B.V., Netherland

Precision Foundation & Medical Research Trust

i) Key management personnel (KMP)

Mr. Yatin S. Shah , Managing Director

Mr. Ravindra R. Joshi, Director

Mr. Karan Y. Shah (W.e.f. 13th August 2018)

Mrs. Mayuri I. Kulkarni (W.e.f. 23rd March 2019)

Mr. Sarvesh N. Joshi, Independent Director

Mr. Pramod H. Mehendale, Independent Director

Mr. Vedant V. Pujari, Independent Director

Mr. Vaibhav S. Mahajani, Independent Director

Dr. Suhasini Y. Shah, Non Executive Director

Mrs. Savani A. Laddha Independent Director (W.e.f. 10th February 2020)

ii) Relatives of key management personnel (RKMP)

Ms. Tanvi Y. Shah, daughter of Mr. Yatin S. Shah

Notes to the Standalone Financial Statements for the Year ended 31st March 2021 (Contd.)

(All amounts in ₹ in Lakhs unless otherwise stated)

Dr. Manjiri Chitale, mother of Dr. Suhasini Y. Shah

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

iii) Enterprises owned or significantly influenced by key 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 Limited, China. (upto 18th June 2020)

PCL Shenglong (Huzhou) Specialised Casting Co Limited, China. (upto 18th June 2020)

Notes to the Standalone Financial Statements for the Year ended 31st March 2021 (Contd.)

(All amounts in ₹ in Lakhs unless otherwise stated)

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

Sr. No.	Particulars	Key management personnel		Relatives of key management personnel		Entities where KMP / RKMP have significant influence		individual having significant influence		Relative of individual having significant influence		Subsidiary		Joint venture	
	Transactions	31st March 2021	31st March 2020	31st March 2021	31st March 2020	31st March 2021	31st March 2020	31st March 2021	31st March 2020	31st March 2021	31st March 2020	31st March 2021	31st March 2020	31st March 2021	31st March 2020
1	Remuneration* (including commission)	711.67	730.67	-	-	-	-	-	-	-	-	-	-	-	-
2	Final dividend paid on equity shares	-	479.71	-	2.95	-	125.15	-	82.02	-	33.49	-	-	-	-
3	Interim dividend paid on equity shares	-	458.80	-	2.80	-	128.32	-	77.92	-	31.81	-	-	-	-
4	Sale of goods (including scrap)	-	-	-	-	-	-	-	-	-	-	-	2.17	-	-
5	Loss recognised on the measurement to fair Value less cost to sale	-	-	-	-	-	-	-	-	-	-	-	-	44.04	-
6	Donation Paid	-	-	-	-	21.00	36.00	-	-	-	-	-	-	-	-
7	Purchases of goods, material or services	-	-	-	-	56.72	51.33	-	-	-	-	4.57	-	-	-
8	Investment in equity shares	-	-	-	-	-	-	-	-	-	-	420.00	373.69	-	-
9	Dividend Received	-	-	-	-	-	-	-	-	-	-	-	25.20	-	-
10	Purchases of Assets	78.97	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Loan given to Subsidiaries	-	-	-	-	-	-	-	-	-	-	6,257.80	1,571.70	-	-
12	Interest on Loan given to Subsidiaries	-	-	-	-	-	-	-	-	-	-	257.78	141.51	-	-

Notes to the Standalone Financial Statements for the Year ended 31st March 2021 (Contd.)

(All amounts in ₹ in Lakhs unless otherwise stated)

Sr. No.	Particulars	Key management personnel		Relatives of key management personnel		Entities where KMP / RKMP have significant influence		individual having significant influence		Relative of individual having significant influence		Subsidiary		Joint venture	
	Transactions	31st March 2021	31st March 2020	31st March 2021	31st March 2020	31st March 2021	31st March 2020	31st March 2021	31st March 2020	31st March 2021	31st March 2020	31st March 2021	31st March 2020	31st March 2021	31st March 2020
	Balances outstanding														
1	Remuneration payable	48.70	47.24	-	-	-	-	-	-	-	-	-	-	-	-
2	Trade receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Trade and other payables	-	-	-	-	15.40	19.05	-	-	-	-	2.34	-	-	-
4	Investment in equity shares	-	-	-	-	-	-	-	-	-	-	7,956.69	7,536.69	-	1,303.35
5	Provision against Investment	-	-	-	-	-	-	-	-	-	-	-	-	-	300.00
6	Investment in preference shares	-	-	-	-	-	-	-	-	-	-	-	420.00	-	-
7	Dividend Receivable	-	-	-	-	-	-	-	-	-	-	-	25.20	-	-
8	Interest on Loan given to Subsidiaries	-	-	-	-	-	-	-	-	-	-	435.46	168.50	-	-
9	Loan given to Subsidiaries	-	-	-	-	-	-	-	-	-	-	11,290.49	4,961.16	-	-

The Company has given corporate gurantee in the previous years on behalf of it's wholly owned subsidiary PCL (International) Holding B.V. Netherlands to the lender bank.The outstanding amount of corporate Gurantee is ₹ 5,583.30 Lakhs (31st March 2020 ₹ 6,197.09 Lakhs approx.)

The company has given corporate gurantee of it's wholly owned subsidiary Memco Engineering Pvt. Ltd. to the lender bank

* 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 2021 (Contd.)

(All amounts in ₹ in Lakhs unless otherwise stated)

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

Sr. No.	Particulars	Relationship	31st March 2021	31st March 2020
1	**Remuneration***			
	Mr.Yatin S. Shah	Key management personnel	343.48	344.25
	Mr. Ravindra Joshi	Key management personnel	300.46	308.81
	Mr. Karan Shah	Key management personnel	29.19	44.30
	Mrs. Mayuri I. Kulkarni	Key management personnel	8.55	7.80
	Mr. Sarvesh N. Joshi	Key management personnel	5.00	5.00
	Mr. Pramod H. Mehendale	Key management personnel	5.00	5.00
	Mr. Vedant V. Pujari	Key management personnel	5.00	5.00
	Mr. Vaibhav S. Mahajani	Key management personnel	5.00	5.00
	Dr. Suhasini Y. Shah	Key management personnel	5.00	5.00
	Mrs. Savani A. Laddha	Key management personnel	5.00	0.50
2	**Final dividend paid on equity shares**			
	Cams Technology Limited	Entities where KMP / RKMP have significant influence	-	125.15
	Mr. Yatin S. Shah	Key management personnel	-	247.31
	Mr. Jayant V. Aradhye	Individual having significant influence	-	82.02
	Mr. Yatin S. Shah Jointly held with Dr. Suhasini Y. Shah	Key management personnel	-	128.29
	Dr. Suhasini Y. Shah	Key management personnel	-	104.06
	Mr. Maneesh J. Aradhye	Relative of Individual having significant influence	-	16.36
	Dr. Sunita J. Aradhye	Relative of Individual having significant influence	-	8.17
	Ms. Rama M. Aradhye	Relative of Individual having significant influence	-	6.96
	Mr. Vijay V. Aradhye	Relative of Individual having significant influence	-	2.00
	Dr. Manjiri V. Chitale	Relatives of Key management personnel	-	2.92
	Mr. Ravindra R. Joshi	Key management personnel	-	0.01
	Mr. Karan Y. Shah	Key management personnel	-	0.02
	Ms. Tanvi Y. Shah	Relatives of Key management personnel	-	0.02
	Mrs. Mayura K. Shah	Relatives of Key management personnel	-	0.01
	Interim dividend paid on equity shares			
	Cams Technology Limited	Entities where KMP / RKMP have	-	128.32
		significant influence		
	Mr. Yatin S. Shah	Key management personnel	-	237.12

Notes to the Standalone Financial Statements for the Year ended 31st March 2021 (Contd.)

(All amounts in ₹ in Lakhs unless otherwise stated)

Sr. No.	Particulars	Relationship	31st March 2021	31st March 2020
	Mr. Jayant Aradhye	Key management personnel / Individual having significant influence	-	77.92
	Mr. Yatin S. Shah Jointly held with Dr. Suhasini Y. Shah	Key management personnel	-	121.87
	Dr. Suhasini Y. Shah	Key management personnel	-	99.62
	Mr. Maneesh J. Aradhye	Relative of Individual having significant influence	-	15.54
	Dr. Sunita J. Aradhye	Relative of Individual having significant influence	-	7.76
	Mrs. Rama M. Aradhye	Relative of Individual having significant influence	-	6.61
	Mr. Vijay V. Aradhye	Relative of Individual having significant influence	-	1.90
	Dr. Manjiri V. Chitale	Relatives of Key management personnel	-	2.77
	Mr. Ravindra R. Joshi	Key management personnel	-	0.16
	Mr. Karan Y. Shah	Key management personnel	-	0.02
	Ms. Tanvi Y. Shah	Relatives of Key management personnel	-	0.02
	Mrs. Mayura K. Shah	Relatives of Key management personnel	-	0.01
3	**Loss recognised on the measurement to fair Value less cost to sale**			
	China Joint Ventures	Joint Venture	44.04	-
4	**Donation Paid**			
	Precision Foundation & Medical Research Trust	Entities where KMP / RKMP have significant influence	21.00	36.00
5	**Purchases of goods, material or Services**			
	Cams Technology Limited	Entities where KMP / RKMP have significant influence	56.51	51.09
	Chitale Clinic Private Limited	Entities where KMP / RKMP have significant influence	0.21	0.23
	EMOSS MOBILE SYSTEMS B.V.	Step down Subsidiary	4.57	-
6	**Investment in equity shares**			
	PCL (International) Holdings B.V. (Netherlands)	Subsidiary	-	373.69
	Memco Engineering Private Limited (Nashik)	Subsidiary	420.00	-
7	**Dividend Received**			
	Memco Engineering Private Limited (Nashik)	Subsidiary	-	25.20
8	**Purchases of Assets**			
	Mr. Yatin S. Shah	Key management personnel	42.25	-
	Mr. Ravindra R. Joshi	Key management personnel	36.72	-
9	**Loan given to Subsidiaries**			
	PCL (International) Holdings B.V. (Netherlands)	Subsidiary	6,257.80	1,571.70

Notes to the Standalone Financial Statements for the Year ended 31st March 2021 (Contd.)

(All amounts in ₹ in Lakhs unless otherwise stated)

Sr. No.	Particulars	Relationship	31st March 2021	31st March 2020
10	**Interest on Loan given to Subsidiaries**			
	PCL (International) Holdings B.V. (Netherlands)	Subsidiary	257.78	141.51
11	**Sale of Scrap**			
	PCL (SHANGHAI) CO. LTD.		-	2.17
	Balances outstanding			
1	**Remuneration payable**			
	Mr. Ravindra R. Joshi	Key management personnel	5.56	7.65
	Mr. Yatin S. Shah	Key management personnel	10.97	11.84
	Mr. Karan Y. Shah	Key management personnel	1.44	1.61
	Mrs. Mayuri I. Kulkarni	Key management personnel	0.73	0.63
	Mr. Sarvesh N. Joshi	Key management personnel	5.00	5.00
	Mr. Pramod H. Mehendale	Key management personnel	5.00	5.00
	Mr. Vedant V. Pujari	Key management personnel	5.00	5.00
	Mr. Vaibhav S. Mahajani	Key management personnel	5.00	5.00
	Dr. Suhasini Y. Shah	Key management personnel	5.00	5.00
	Mrs. Savani A. Laddha	Key management personnel	5.00	0.50
2	**Trade and other payables**			
	Cams Technology Limited	Entities where KMP / RKMP have significant influence	15.40	19.05
	EMOSS MOBILE SYSTEMS B.V.	Step down Subsidiary	2.34	-
3	**Investment in equity shares**			
	PCL (International) Holdings B.V. (Netherlands)	Subsidiary	3,471.34	3,471.34
	Memco Engineering Private Limited (Nashik)	Subsidiary	4,485.35	4,065.35
	Ningbo Shenglong PCL Camshaft Co Limited	Joint Venture	-	202.13
	PCL Shenglong (Huzhou) Specialised Casting Co Limited	Joint Venture	-	1,101.22
4	**Provision against Investment in joint venture**			
	China Joint Ventures	Joint Venture	-	300.00
5	**Investment in preference shares**			
	Memco Engineering Private Limited (Nashik)	Subsidiary	-	420.00
6	**Dividend Receivable**			
	Memco Engineering Private Limited (Nashik)	Subsidiary	-	25.20
7	**Interest on Loan given to Subsidiaries**			
	PCL (International) Holdings B.V. (Netherlands)	Subsidiary	435.46	168.50
8	**Loan given to Subsidiaries**			
	PCL (International) Holdings B.V. (Netherlands)	Subsidiary	11,290.49	4,961.16

* 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.

Notes to the Standalone Financial Statements for the Year ended 31st March 2021 (Contd.)

(All amounts in ₹ in Lakhs unless otherwise stated)

Compensation of Key managerial personnel of the Company

Particulars	31st March 2021	31st March 2020
Short term employee benefits (Gross salary)	636.66	653.54
Post employment benefits (PF + Superannuation + Gratuity)	75.01	77.13
Total compensation paid to key management personnel	**711.67**	**730.67**

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

35. SEGMENT INFORMATION

The Company is engaged in manufacturing of Camshafts. Based on similarity of activities/products, risk and reward structure, organisation structure and internal reporting systems, the Company has structured its operations into a single operating segment ; however based on the geographic distribution of activities, the chief operating decision make identified India and outside India as two reportable geographical segments.

Revenue from Customers	31st March 2021	31st March 2020
Within India	**17,120.75**	**16,897.24**
Outside India		
Asia (other than China)	4,477.21	8,927.83
China	443.73	2.17
Europe	11,087.92	12,199.48
Others	5,046.83	6,262.11
	21,055.69	**27,391.59**
Total revenue	**38,176.44**	**44,288.83**

The revenue information above is based on the locations of the customers.

Non-current operating assets*	31st March 2021	31st March 2020
Within India	**28,714.89**	**31,073.37**
Outside India		
Investment in subsidiary and joint ventures	-	-
China	-	-
Europe	3,471.34	3,471.34
Loans & Advances Given		
Europe	11,290.49	4,961.16
Others	-	-
	14,761.83	**8,432.50**
Total	**43,476.72**	**39,505.87**

* 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 Standalone Financial Statements for the Year ended 31st March 2021 (Contd.)

(All amounts in ₹ in Lakhs unless otherwise stated)

36. FAIR VALUES

Particulars of Financial Insturments by category of classification

Financial assets	31st March 2021		31st March 2020	
	Carried at FVTPL	Carried at Ammortized Cost	Carried at FVTPL	Carried at Ammortized Cost
Loans & Advances	-	11,509.20	-	5,179.87
Investment in Mutual Fund & Other Financial Instruments	18,994.45	-	12,622.41	-
Forward Contracts Receivable	35.97	-	-	-
Term Deposits with Banks [Short Term + Long Term]	-	4,147.88	-	3,071.41
Other financial assets	-	448.24	-	221.34
Trade Receivable	-	9,086.86	-	11,247.49
Cash & Cash Equivalents	-	1,748.48	-	2,402.78
Assets classified as held for sale	-	-	1,003.35	-
Total	**19,030.42**	**26,940.66**	**13,625.76**	**22,122.89**

Financial Liabilites	31st March 2021		31st March 2020	
	Carried at FVTPL	Carried at Ammortized Cost	Carried at FVTPL	Carried at Ammortized Cost
Borrowings	-	3,692.83	-	2,284.17
Trade Payable	-	7,498.13	-	5,708.50
Other Financial Liabilities	-	975.24	77.87	1,012.07
Total	**-**	**12,166.20**	**77.87**	**9,004.74**

37. FAIR VALUE HIERARCHY

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- **Level 1** - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2** - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- **Level 3** - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Notes to the Standalone Financial Statements for the Year ended 31st March 2021 (Contd.)

(All amounts in ₹ in Lakhs unless otherwise stated)

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities measured at fair value on a recurring basis:

Quantitative disclosures fair value measurement hierarchy for Assets as at 31st March 2021:

	Fair value measurement using				
	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:					
Investments	31st March 2021	18,994.45	18,993.15	-	1.30
Foreign exchange forward contracts	31st March 2021	35.97	-	35.97	-
Assets classified as held for sale	31st March 2021	-	-	-	-

Quantitative disclosures fair value measurement hierarchy for Liabilities as at 31st March 2021:

	Fair value measurement using				
	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Liabilities measured at fair value:					
Foreign exchange forward contracts	31st March 2021	-	-	-	-

Quantitative disclosures fair value measurement hierarchy for Assets as at 31st March 2020:

	Fair value measurement using				
	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:					
Investments	31st March 2020	12,622.41	12,621.11	-	1.30
Foreign exchange forward contracts	31st March 2020	-	-	-	-
Assets classified as held for sale	31st March 2020	1,003.35	-	1,003.35	-

Quantitative disclosures fair value measurement hierarchy for Liabilities as at 31st March 2020 :

	Fair value measurement using				
	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Liabilities measured at fair value:					
Foreign exchange forward contracts	31st March 2020	77.87	-	77.87	-

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.

(All amounts in ₹ in Lakhs unless otherwise stated)

The following methods and assumptions were used to estimate the fair values:

- The fair values of the quoted mutual funds are based on price (i.e. the NAV of the mutual funds) quotations at the reporting date
- The fair values of derivative forward contracts is determined using the marked-to-market valuation done by the banks
- The fair values of assets held for sale is determined as per agreement between the company and the buyer

B) Fair Value of financial assets and liabilities measured at amortised cost

The management assessed that cash and cash equivalents (including term deposits), trade receivables, trade payables, borrowings and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The amortized cost using effective interest rate (EIR) of non-current financial assets consisting of security and loans to subsidiary are not significantly different from the carrying amount.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

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"

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 FY 2015-16 in order to raise funds for the purpose of building an additional machine shop for machining of various types of camshafts. The Company monitors capital using a gearing ratio, which is net debt divided by total capital. The Company's policy is to keep the gearing ratio within 60%. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents, excluding discontinued operations.

Particulars	31st March 2021	31st March 2020
Borrowings other than non convertible preference shares (refer note 12)	3,692.83	2,284.17
Less: cash and cash equivalent (refer note 9)	1,748.48	2,402.78
Net debt	**1,944.35**	**(118.61)**
Equity	71,236.77	64,987.36
Total Equity	**71,236.77**	**64,987.36**
Gearing ratio	**2.73%**	**(0.18%)**

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.

Notes to the Standalone Financial Statements for the Year ended 31st March 2021 (Contd.)

(All amounts in ₹ in Lakhs unless otherwise stated)

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.

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 held for sale and discontinued operations are fulfilled. Due to Covid-19 there was procedural delay in closing the Subsidiary and the sale is completed for this joint ventures and the proceeds are realised on 18th June 2020

Revenue Recognition:

For tooling contracts, The Company has enforceable right to payment for tools developed when the tool is approved by the customer and accordingly the revenue from tooling is recognised at a point in time post approval by the customer.

(All amounts in ₹ in Lakhs unless otherwise stated)

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities, other than derivatives, comprise of short term borrowings; and trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, investments in mutual funds and cash and cash equivalents that derive directly from its operations.

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 2021 and 31st March 2020.

The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant.

The analysis exclude the impact of movements in market variables on the carrying values of gratuity and other post retirement obligations and provisions.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term and short-term debt obligations with floating interest rates.

Sensitivity

Year	Increase/ (decrease) in basis points	Effect on profit before tax in ₹
31st March 2021	50.00	14.94
	(50.00)	(14.94)
31st March 2020	50.00	15.22
	(50.00)	(15.22)

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency) and borrowings of the Company.

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

Notes to the Standalone Financial Statements for the Year ended 31st March 2021 (Contd.)

(All amounts in ₹ in Lakhs unless otherwise stated)

Foreign currency Exposure

Nature of Exposure		31st March 2021		31st March 2020	
	Currency	Amount in F.C.	Amount in INR	Amount in F.C.	Amount in INR
Trade Receivables	USD	69.65	5,052.96	110.69	8,285.01
	EUR	6.48	552.59	5.43	444.98
	GBP	-	-	4.69	431.90
Trade Payables	USD	1.68	123.97	2.04	154.36
	EUR	0.39	33.60	0.35	29.12
	JPY	191.88	128.35	96.00	67.68
Loan given to Subsidiaries	USD	-	-	-	-
	EUR	132.50	11,290.49	60.50	4,961.16
	GBP	-	-	-	-
Interest on Loan given to Subsidiaries	USD	-	-	-	-
	EUR	5.11	435.77	2.06	168.81
	GBP	-	-	-	-
Forward Contract	USD	0.47	34.74	0.96	71.68
	EUR	0.02	1.23	0.11	9.08
	GBP	-	-	(0.03)	(2.89)
EEFC	USD	0.10	7.58	0.33	25.06
	EUR	0.04	3.50	0.41	33.66
	GBP	-	-	-	-

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, EUR and GBP exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives and embedded derivatives. The impact on the Company's pre-tax equity is due to changes in the fair value of forward exchange contracts designated as cash flow hedges and net investment hedges. The Company's exposure to foreign currency changes for all other currencies is not material.

Sensitivity

Year	Change in USD rate	Effect on profit before tax in INR
31st March 2021	5%	342.90
	-5%	(342.90)
31st March 2020	5%	543.92
	-5%	(543.92)

Year	Change in EUR rate	Effect on profit before tax in INR
31st March 2021	5%	587.26
	-5%	(587.26)
31st March 2020	5%	292.45
	-5%	(292.45)

(All amounts in ₹ in Lakhs unless otherwise stated)

Year	Change in GBP rate	Effect on profit before tax in INR
31st March 2021	5%	5.75
	-5%	(5.75)
31st March 2020	5%	34.07
	-5%	(34.07)

Commodity risk

The Company is affected by the price volatility of certain commodities. Its operating activities require the ongoing manufacture of Camshafts and therefore require a continuous supply majorly of Pig iron, MS Scrap and Resin coated sand.

The Company's exposure to the risk of exchange in key raw material prices are mitigated by the fact that the price increases/decreases from the vendors are passed on to the customers based on understanding with the customers. Hence the fluctuation of prices of key raw materials do not materially affect the statement of profit and loss. Also as at 31st March 2021, there were no open purchase commitments/ pending material purchase order in respect of key raw materials. Accordingly, no sensitivity analysis have been performed by the management.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade receivables

Customer credit risk is managed subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis for major clients. The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables disclosed in note 8. The Company does not hold collateral as security. The company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. The investment of surplus funds is made in mutual funds and fixed deposits which are approved by the Director. The Company's maximum exposure to credit risk for the components of the balance sheet at 31st March 2021 and 31st March 2020 is the carrying amounts as illustrated in note 9.

Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans.

The company does not have any longterm 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 2021						
Non-Current Borrowings	-	-	-	-	-	-
Current Borrowings	3,692.83	-	-	-	-	3,692.83
Other financial liabilities	142.56	515.16	317.52	-	-	975.24
Trade payables	-	7,498.13	-	-	-	7,498.13
	3,835.39	**8,013.29**	**317.52**	**-**	**-**	**12,166.20**

Notes to the Standalone Financial Statements for the Year ended 31st March 2021 (Contd.)

(All amounts in ₹ in Lakhs unless otherwise stated)

Particulars	On Demand	< 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year Ended 31st March 2020						
Non-Current Borrowings	-	-	-	-	-	-
Current Borrowings	2,284.17	-	-	-	-	2,284.17
Other financial liabilities	141.86	636.45	311.63	-	-	1,089.94
Trade payables	-	5,708.50	-	-	-	5,708.50
	2,426.03	**6,344.95**	**311.63**	**-**	**-**	**9,082.61**

41. UTILISATION OF MONEY RAISED THROUGH PUBLIC ISSUE

During the year ended 31st March 2016,the Company had raised ₹ 24,000.00 Lakhs through public issue of fresh equity shares (refer note 10), mainly with an objective of setting-up a new machining facility of ductile Iron and other Camshafts at Solapur and for general corporate purposes.

The Company had incurred expenses aggregating ₹ 2,387.33 Lakhs towards the initial public offering which included both issue of fresh equity shares as well as offer for sale of equity shares by existing share holders. Out of the same an amount of ₹ 1,028.12 Lakhs has been recovered from existing share holders in regard to offer for sale. Given below are the details of utilisation of proceeds raised through public issue. During the year ended 31st March 2017, the Company has transferred an amount equivalent to the recovery from selling share holders from IPO account to the normal bank accounts since the same was spent by the Company before such recovery.

Particulars	As at 31st March 2021	As at 31st March 2020
Unutilized amount at the beginning of the year	194.08	2,325.39
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	-	-
Less: amount utilised during the year		
Payment towards share issue expenses	-	-
Payment towards project expenditure relating to new manufacturing facility	-	2,131.31
Payment towards general corporate purpose	194.08	-
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	-	**194.08**
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 2021

Particulars	As at 31st March 2021	As at 31st March 2020
Balance amount in current account	-	194.08
Investment in fixed deposits of banks	-	-

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 2020 the Company has fully utilised money raised from IPO for the purposes it was raised. Unutilised amount of ₹ 194.08 Lakhs pertains to interest received on IPO fund as on 1st April 2020 which has fully utilised towards general corporate purpose during the year & there were no unutilised amount againt it as on 31st March 2021.

Notes to the Standalone Financial Statements for the Year ended 31st March 2021 (Contd.)

(All amounts in ₹ in Lakhs unless otherwise stated)

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 2021:

Name of the Company	Balance as at		Maximum outstanding	
	31st March 2021	31st March 2020	31st March 2021	31st March 2020
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)	11,290.49	4,961.16	11,290.49	4,961.16

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 2021:

Name of the Company	Balance as at		Maximum outstanding	
	31st March 2021	31st March 2020	31st March 2021	31st March 2020
To Subsidiary Companies				
MFT Motoren und Fahrzeugtechnik GmbH (MFT)- Germany EUR 36,74,494 & EUR 31,26,018 For March 2021 & March 2020 Respectively (Converted into ₹ using 85.21 ₹/Euro & ₹ 82.21 ₹/Euro for March 2021 & March 2020 Respectively)	3,131.04	2,570.03	3,131.04	2,570.03
Emoss Mobile Systems B.V., Netherlands EUR 79,58,000 & EUR 73,57,999.89 For March 2021 & March 2020 Respectively (Converted into ₹ using 85.21 ₹/Euro & ₹ 82.21 ₹/Euro for March 2021 & March 2020 Respectively)	6,781.01	6,049.33	6,781.01	6,049.33

Notes to the Standalone Financial Statements for the Year ended 31st March 2021 (Contd.)

(All amounts in ₹ in Lakhs unless otherwise stated)

43. COVID 19

"The World Health Organisation announced a global health emergency because of a new strain of coronavirus ("COVID-19") and classified its outbreak as a pandemic on 11th March 2020. On 24th March 2020, the Indian government announced a strict 21-day lockdown across the country to contain the spread of the virus. This pandemic and response thereon have impacted most of the industries. Consequent to the nationwide lock down on 24th March 2020, the Company's operations were scaled down in compliance with applicable regulatory orders. Subsequenlty, during the year, the Company's operations have been scaled up in a phased manner taking into account directives from various Government authorities. The impact on future operations would, to a large extent, depend on how the pandemic further develops and it's resultant impact on the operations of the Company. The Company continues to monitor the situation and take appropriate action, as considered necessary in due compliance with the applicable regulations.

The management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at and for the year ended 31st March 2021 and has concluded that no there is no impact which is required to be recognised in the financial statements. Accordingly, no adjustments have been made to the financial statements."

45. SOCIAL SECURITY CODE

"The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on 28th September 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on 13th November 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued.

The Company will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published."

46. STANDARDS ISSUED BUT NOT YET EFFECTIVE

"Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1st April 2021."

47. PREVIOUS YEAR COMPARATIVES

Previous year's figures have been regrouped/reclassified to correspond with the current year's classification/disclosure.

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

As per our report attached of even date

For **MSKA & Associates** Chartered Accountants Firm Regn. Number: 105047W		**For and on behalf of the Board of Directors of** **Precision Camshafts Limited**	
Nitin M. Jumani Partner Membership Number: 111700 Place: Pune Date: 25th May 2021	**Yatin S. Shah** Managing Director DIN: 00318140 Place: Solapur Date: 25th May 2021	**Ravindra R. Joshi** Whole-time Director & CFO DIN: 03338134 Place: Solapur Date: 25th May 2021	**Mayuri I. Kulkarni** Company Secretary M. No. A32237 Place: Pune Date: 25th May 2021

Independent Auditor's Report

To the Members,
Precision Camshafts Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

We have audited the accompanying consolidated financial statements of Precision Camshafts Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31 2021, and the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of reports of other auditors on separate financial statements and on the other financial information of subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31 2021, of consolidated loss, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr. No	Key Audit Matter	How the Key Audit Matter was addressed in our audit
1	**Provision for credit loss for accounts receivables** Refer Note 8 of Consolidated Financial statement with respect to the disclosures of Trade Receivables. On March 31 2021,Trade receivables amounts to ₹ 15,565.50 lakhs against which provision of ₹ 136.71 lakhs was made towards expected credit loss in the books of account. We have identified provisioning for expected credit loss as a key audit matter as the calculation of credit loss provision is a complex area and requires management to make significant assumptions on customer payment behaviour and estimating the level and timing of expected future cash flows.	Our audit procedures in respect of this area include but are not limited to: 1. Obtained understating of the Group's policy on assessment of impairment of trade receivables, including design and implementation of controls, validation of management review controls. We have verified the operating effectiveness of these controls. 2. Requested for and obtained independent balance confirmations from the customers on sample basis. 3. Verified subsequent receipts after the year-end on sample basis. 4. Verified aging of trade receivables for sample of customer transactions. 5. Evaluated management comments and recovery plans for trade receivables outstanding for more than 180 days. 6. Assessed the trade receivables impairment methodology applied in the current year and compared the Group's provisioning rates against historical collection data.

Independent Auditor's Report (Contd.)

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

Other Matters

a. We did not audit the financial statements of 4 (Four) subsidiaries whose financial statements reflect total assets of ₹ 46,045.80 lakhs as at March 31 2021, total revenues of ₹ 32,847.97 lakhs and net cash outflow amounting to ₹ 538.84 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

b. We have not attended the physical inventory verification at the Holding Company locations as it was impracticable for us to attend. We relied on the alternate audit

Independent Auditor’s Report (Contd.)

procedures such as performing inventory count through video conference, verifying roll back procedures, etc. and have obtained sufficient and appropriate audit evidence over the existence of inventory as on March 31 2021.

Our opinion is not modified in respect of the above matters.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e. On the basis of the written representations received from the directors of the Holding Company as on March 31 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India are disqualified as on March 31 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

   f. With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in “Annexure B”.

   g. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditor’s) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group entities – Refer Note 32(b) to the consolidated financial statements.

      ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, incorporated in India.

2. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Holding Company, to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder except in case of One (1) subsidiary as the provisions of the aforesaid section is not applicable to private company.

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

Nitin Manohar Jumani
Partner
Membership No. 111700
UDIN: 21111700AAAACR7835

Place: Pune
Date: May 25, 2021

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF PRECISION CAMSHAFTS LIMITED

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, weare also responsible for expressing our opinion on whether the company has internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group tocontinue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

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

Nitin Manohar Jumani
Partner
Membership No. 111700
UDIN: 21111700AAAACR7835

Place: Pune
Date: May 25, 2021

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF PRECISION CAMSHAFTS LIMITED

[Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Precision Camshafts Limited on the consolidated Financial Statements for the year ended March 31 2021]

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31 2021, we have audited the internal financial controls with reference to consolidated financial statements of Precision Camshafts Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Holding company and its subsidiary company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding company and its subsidiary company, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Holding company and its subsidiary company which are companies incorporated in India.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

ANNEXURE B (Contd.)

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

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

Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary company which are companies incorporated in India, have, in all material respects, internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31 2021, based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to One (1) subsidiary company, which is company incorporated in India, is based on the corresponding reports of the auditors of such company incorporated in India.

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

Nitin Manohar Jumani
Partner
Membership No. 111700
UDIN:21111700AAAACR7835

Place: Pune
Date: May 25, 2021

Consolidated Balance Sheet

As at 31st March 2021

(All amounts in ₹ in Lakhs unless otherwise stated)

Particulars	Note No.	As at 31st March 2021	As at 31st March 2020
ASSETS			
I. Non-current assets			
(a) Property, plant and equipment	3	34,068.81	34,527.98
(b) Capital work-in-progress	3	880.27	3,413.99
(c) Goodwill on consolidation	4	1,645.49	1,618.94
(d) Other intangible assets	4	6,935.10	8,254.97
(e) Financial assets			
(i) Investments	5A	7.46	7.46
(ii) Loans	5B	245.84	242.74
(iii) Other financial assets	5C	71.65	200.78
(f) Deferred tax assets (net)	29	169.56	166.18
(g) Other non-current assets	6	808.12	840.93
Total non-current assets		**44,832.30**	**49,273.97**
II. Current assets			
(a) Inventories	7	12,419.72	14,093.00
(b) Financial assets			
(i) Investments	5A	19,634.80	13,030.49
(ii) Trade receivables	8	15,428.79	17,195.32
(iii) Cash and cash equivalents	9	2,632.55	2,748.02
(iv) Bank balances other than (iii) above	9	4,099.22	2,892.59
(v) Loans	5B	0.60	2.60
(vi) Other financial assets	5C	392.67	1,087.20
(c) Other current assets	6	2,735.08	1,986.47
(d) Asset held for sale	6A		1,003.35
Total current assets		**57,343.43**	**54,039.04**
Total Assets		**102,175.73**	**103,313.01**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	10	9,498.58	9,498.58
(b) Other equity			
(i) Securities premium account	11 (A)	21,751.56	21,762.20
(ii) General reserve	11 (B)	472.21	472.21
(iii) Share based payments	11 (C)	14.39	24.75
(iv) Retained earnings	11 (D)	30,726.73	28,470.23
(v) Capital reserve	11 (E)	1,412.02	1,412.02
(vi) Other reserves	11 (F)	402.51	171.99
Total Equity attributable to equity holders of Holding Company		**64,278.00**	**61,811.98**
Non controlling interest		-	3,217.34
Total equity		**64,278.00**	**65,029.32**
Liabilities			
I. Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	12	8,020.47	15,171.76
(ii) Other financial liabilities	13	754.67	262.48
(b) Deferred tax liabilities (net)	29	1,974.04	2,191.63
(c) Provisions	16	1,183.07	1,258.59
Total non-current liabilities		**11,932.25**	**18,884.46**
II. Current liabilities			
(a) Financial liabilities			
(i) Borrowings	12	5,993.56	3,602.29
(ii) Trade payables	14		
- total outstanding dues of micro enterprises and small enterprises		1,548.06	1,013.55
- total outstanding dues of creditors other than micro enterprises and small enterprises		9,606.66	9,218.11
(iii) Other financial liabilities	13	5,160.73	3,244.28
(b) Other current liabilities	15	3,346.20	1,876.02
(c) Provisions	16	96.85	93.67
(d) Current tax liabilities (net)	17	213.42	351.31
Total current liabilities		**25,965.48**	**19,399.23**
Total liabilities		**37,897.73**	**38,283.69**
Total Equity and Liabilities		**102,175.73**	**103,313.01**
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the consolidated financial statements			

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

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

Nitin M. Jumani
Partner
Membership Number: 111700
Place: Pune
Date: 25th May 2021

Yatin S. Shah
Managing Director
DIN: 00318140
Place: Solapur
Date: 25th May 2021

Ravindra R. Joshi
Whole-time Director & CFO
DIN: 03338134
Place: Solapur
Date: 25th May 2021

Mayuri I. Kulkarni
Company Secretary
M. No. A32237
Place: Pune
Date: 25th May 2021

Consolidated Statement of Profit and Loss

for the Year ended 31st March 2021

(All amounts in ₹ in Lakhs unless otherwise stated)

Particulars	Notes	Year ended 31st March 2021	Year ended 31st March 2020
INCOME			
Revenue from operations	18	70,897.84	74,623.30
Other income	19	2,306.58	1,742.18
Total Revenue (I)		**73,204.42**	**76,365.48**
EXPENSES			
Cost of raw materials and components consumed	21	28,998.97	29,197.16
(Increase) / decrease in inventories of finished goods and work-in-progress	22	(706.07)	(1,382.70)
Employee benefits expenses	23	14,314.58	13,545.43
Other expenses	24	22,145.96	22,055.36
Total expenses (II)		**64,753.44**	**63,415.25**
Earnings before interest, tax, depreciation and amortisation (EBITDA) (III)= (I) - (II)		**8,450.98**	**12,950.23**
Finance costs	25	764.27	908.76
Finance Income	20	(283.40)	(402.67)
Depreciation and amortisation expense	26	7,932.01	8,642.18
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX (IV)		**38.10**	**3,801.96**
EXCEPTIONAL ITEMS (V)	40	**1,509.78**	**(215.63)**
PROFIT BEFORE TAX (VI)= (IV) - (V)		**1,547.88**	**3,586.33**
TAX EXPENSE			
Current tax	29	1,969.76	2,646.20
Adjustment of current tax relating to earlier years		-	17.23
Deferred tax	29	(344.03)	(1,678.96)
Total tax expenses		**1,625.73**	**984.47**
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS (VII)		**(77.85)**	**2,601.85**
DISCONTINUED OPERATIONS			
Profit from dicontinued operations before tax	41	-	(29.24)
Tax expenses of discontinued operations			
Deferred Tax		-	9.29
Profit from discontinued operations (VIII)		**-**	**(38.53)**
Profit for the year (IX) = (VII) + (VIII) - (i)		**(77.85)**	**2,563.33**
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	86.94	(240.20)
Income tax effect		(21.88)	60.45
		65.06	**(179.75)**
B. Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations	27	230.52	225.66
		230.52	**225.66**
Other comprehensive income for the year, net of tax [ii=A+B]		**295.58**	**45.91**
Total comprehensive income for the year, net of tax [i+ii]		**217.73**	**2,609.24**
Profit for the year Attributable to:			
Equity holders of the Holding Company		228.59	3,495.75
Non Controlling interests		(306.44)	(932.42)
		(77.85)	**2,563.33**
Other comprehensive income for the year Attributable to:			
Equity holders of the Holding Company		295.58	45.91
Non Controlling interests		-	-
		295.58	**45.91**
Total Comprehensive Income for the year Attributable to:			
Equity holders of the Holding Company		524.17	3,541.66
Non Controlling interests		(306.44)	(932.42)
		217.73	**2,609.24**
Total Comprehensive Income for the year Attributable to Equity holders of the Holding Company			
Continuing operations		524.17	3,580.19
Discontinuing operations		-	(38.53)
		524.17	**3,541.66**
Earning per share [nominal value per share ₹10 (31st March 2020: ₹10)]	28		
From continuing operation			
a) Basic		0.24	3.72
b) Diluted		0.24	3.72
From discontinuing operation			
a) Basic		-	(0.04)
b) Diluted		-	(0.04)
From continuing and discontinuing operation			
a) Basic		0.24	3.68
b) Diluted		0.24	3.68
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements

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

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

Nitin M. Jumani
Partner
Membership Number: 111700
Place: Pune
Date: 25th May 2021

Yatin S. Shah
Managing Director
DIN: 00318140
Place: Solapur
Date: 25th May 2021

Ravindra R. Joshi
Whole-time Director & CFO
DIN: 03338134
Place: Solapur
Date: 25th May 2021

Mayuri I. Kulkarni
Company Secretary
M. No. A32237
Place: Pune
Date: 25th May 2021

Consolidated Statement of changes in Equity

for the Year ended 31st March 2021

(All amounts in ₹ in Lakhs unless otherwise stated)

A EQUITY SHARE CAPITAL

Equity shares of ₹ 10 (refer note 10) each issued, subscribed and fully paid	Number	Amount
At 1st April 2019	**9,49,85,835**	**9,498.58**
Issued during the year under the ESOP scheme	-	-
At 31st March 2020	**9,49,85,835**	**9,498.58**
Issued during the year under the ESOP scheme	-	-
At 31st March 2021	**9,49,85,835**	**9,498.58**

B OTHER EQUITY

Attributable to the equity holders of the Holding Company (refer note 11)

Particulars	Reserve and surplus				Items of OCI		Total equity	Non-controlling interests
	Securities premium account	General Reserve	Retained Earnings	Share based payments	Capital Reserve	Foreign currency translation reserve		
As at 1st April 2019	**21,785.93**	**472.21**	**27,328.94**	**79.13**	**1,412.02**	**(52.63)**	**51,025.60**	**4,149.76**
Profit for the year	-	-	3,495.75	-	-	-	3,495.75	(932.42)
Other comprehensive income for the year, net of tax	-	-	(179.75)	-	-	-	(179.75)	-
Total Comprehensive income for the year	**-**	**-**	**3,316.00**	**-**	**-**	**-**	**3,316.00**	
Exchange differences on translation of foreign operation	-	-	-	-	-	224.62	224.62	
Reversal of tax benefit (deferred tax)	(23.73)	-	-	-	-	-	(23.73)	-
Transferred from ESOS Reserve against Lapsed Options	-	-	54.38	(54.38)	-	-	-	-
Final dividend for year ended 31st March 2019	-	-	(949.86)	-	-	-	(949.86)	-
Tax on final dividend for the year ended 31st March 2019	-	-	(195.25)	-	-	-	(195.25)	-
Interim Dividend at ₹0.95 per share	-	-	(902.37)	-	-	-	(902.37)	
Tax on interim dividend	-	-	(181.62)	-	-	-	(181.62)	
As at 31st March 2020	**21,762.20**	**472.21**	**28,470.23**	**24.75**	**1,412.02**	**171.99**	**52,313.40**	**3,217.34**
Profit for the year	-	-	228.59	-	-	-	228.59	(306.44)
Other comprehensive income for the year, net of tax	-	-	65.06	-	-	-	65.06	
Total Comprehensive income for the year	-	**-**	**293.65**	**-**	**-**	**-**	**293.65**	
Reversal of tax benefit (deferred tax)	(10.64)	-	-	-	-	-	(10.64)	
On acquisition of Non Controlling Interest (Ref. Note 39)	-	-	1,915.65	-	-	-	1,915.65	
Transferred from ESOS Reserve against Lapsed Options	-	-	10.36	(10.36)	-	-	-	
NCI acquired	-	-	-	-	-	-	-	(2,910.90)
Exchange differences on translation of foreign operation	-	-	-	-	-	230.52	230.52	
Others	-	-	36.84	-	-	-	36.84	
As at 31st March 2021	**21,751.56**	**472.21**	**30,726.73**	**14.39**	**1,412.02**	**402.51**	**54,779.42**	**-**

Summary of significant accounting policies 2

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

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

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

Nitin M. Jumani
Partner
Membership Number: 111700
Place: Pune
Date: 25th May 2021

Yatin S. Shah
Managing Director
DIN: 00318140
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Whole-time Director & CFO
DIN: 03338134
Place: Solapur
Date: 25th May 2021

Mayuri I. Kulkarni
Company Secretary
M. No. A32237
Place: Pune
Date: 25th May 2021

Consolidated Statement of Cash Flows

for the Year ended 31st March 2021

(All amounts in ₹ in Lakhs unless otherwise stated)

Particulars	As at 31st March 2021 Audited	As at 31st March 2020 Audited
CASH FLOWS FROM OPERATING ACTIVITIES (A)		
Profit before tax from continuing operations	**1,547.88**	**3,586.33**
Profit before tax from discontinuing operations	**-**	**(29.24)**
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and impairment of property, plant and equipment	6,172.43	7,045.16
Amortisation and impairment of intangible assets	1,759.58	1,597.02
Goodwill impaired	-	2,083.28
Net foreign exchange differences (Unrealised)	(47.35)	(323.19)
Sundry creditors written back	(8.75)	(14.20)
Bad debt written off	6.98	5.56
Liabilities Written back	(169.15)	-
Gain on Mutual Fund	(1,551.51)	(215.06)
(Profit) / Loss on disposal of property, plant and equipment	(57.12)	(58.86)
Finance income (including fair value change in financial instruments)	(283.40)	(380.64)
Loss on Realisation of asset classified as held for sale	44.04	-
Gain on Closure of Subsidiary	(3.17)	-
Finance costs	764.27	782.09
Operating Profit before working Capital changes	**8,174.73**	**14,078.25**
Working capital adjustments:		
Increase / (decrease) in Provisions	108.15	175.12
(Increase) / decrease in other assets	(836.75)	9.33
(Increase)/ decrease in other financial assets	(28.07)	2,353.26
(Increase)/ decrease inloans and advances	(1.10)	(9.72)
Increase / (decrease) in other current liabilities	1,470.18	(2,839.78)
Increase / (decrease) in other financial liabilities	(82.93)	105.93
(Increase) / decrease in trade receivables and prepayments	2,509.19	(2,568.25)
(Increase) / decrease in Inventories	1,713.28	(3,519.91)
Increase / (decrease) in trade payables	1,079.79	681.92
Cash generated from Operations	**14,106.47**	**8,466.15**
Income taxes paid (net of refunds)	(2,116.55)	(2,714.73)
Net cash flows generated from operating activities (A)	**11,989.92**	**5,751.42**
CASH FLOWS FROM INVESTING ACTIVITIES (B)		
Proceeds from sale of property, plant and equipment	99.45	284.71
Purchase of property, plant and equipment	(3,095.62)	(7,445.99)
Purchase of financial instruments	(20,185.84)	(5,345.90)
Proceeds from sale of financial instruments	14,055.55	6,215.81
Interest received (finance income)	283.27	390.95
Dividend Received	9.56	6.40
Acquisition of Non Controlling Interest	(995.25)	-
Proceeds from sale of asset classified as held for sale	959.31	-

PRECISION

Consolidated Statement of Cash Flows

for the Year ended 31st March 2021

(All amounts in ₹ in Lakhs unless otherwise stated)

Particulars	As at 31st March 2021 Audited	As at 31st March 2020 Audited
Net cash flows used in investing activities (B)	**(8,869.57)**	**(5,894.02)**
CASH FLOW FROM FINANCING ACTIVITIES (C)		
Interest paid	(1,009.32)	(537.04)
(Repayment)/ Proceeds in relation to borrowings (net)	(2,537.75)	3,099.82
Final dividend paid on shares	-	(949.85)
Tax on final dividend paid	-	(195.24)
Interim dividend paid on shares	-	(902.37)
Tax on interim dividend paid	-	(181.62)
Net cash flows generated (used) in financing activities (C)	**(3,547.07)**	**333.70**
Net increase / (decrease) in cash and cash equivalents	(426.72)	191.10
Net foreign exchange difference	258.46	225.66
Cash and cash equivalents at the beginning of the year	2,748.02	2,331.26
Cash and cash equivalents as at year end	**2,579.76**	**2,748.02**

Particulars	As at 31st March 2021 Audited	As at 31st March 2020 Audited
Components of cash and cash equivalents:		
Balances with banks:		
On current accounts	2,577.70	734.53
Deposit with original maturity of less than 3 months	52.43	2,009.01
Cash in hand	2.42	4.48
Bank Overdraft	(52.79)	-
Cash and cash equivalents at year end	**2,579.76**	**2,748.02**

Summary of significant accounting policies 2

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

As per our report attached of even date

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

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

Nitin M. Jumani
Partner
Membership Number: 111700
Place: Pune
Date: 25th May 2021

Yatin S. Shah
Managing Director
DIN: 00318140
Place: Solapur
Date: 25th May 2021

Ravindra R. Joshi
Whole-time Director & CFO
DIN: 03338134
Place: Solapur
Date: 25th May 2021

Mayuri I. Kulkarni
Company Secretary
M. No. A32237
Place: Pune
Date: 25th May 2021

Notes to the Consolidated Financial Statements for the Year ended 31st March 2021 (Contd.)

(All amounts in ₹ in Lakhs unless otherwise stated)

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 2021. Precision Camshafts Limited is a Public Limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The shares of the Company are listed on two stock exchanges in India. The Company is primarily engaged in the manufacture and sale of camshaft castings and machined camshafts to the Auto industry and the Railways. The Company has its office registered at E 102/103 MIDC Akkalkot road Solapur, Maharashtra, 413006.

The Consolidated financial statements were authorised for issue in accordance with the resolution of the Board of Directors of the Company on 25th May 2021.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The Consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 ("the Rules").

The consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

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

The consolidated financial statements are presented in INR and all values are rounded to ₹ 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 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 2021. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and .
- The ability to use its power over the investee to affect its returns

The Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent Company, i.e., year ended on 31st March.

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiary.

(b) Offset (eliminate) the carrying amount of the parent's investment in subsidiary and the parent's portion of equity of subsidiary.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). However intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests if any, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiary to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2.3 Summary of significant accounting policies

a) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held Primarily for the Purpose of Trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

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

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.

b) Foreign currencies

The Group's consolidated financial statements are presented in INR which is the Group's presentation currency and the functional currency.

(i) Initial recognition

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

(ii) Conversion

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

Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at

Notes to the Consolidated Financial Statements for the Year ended 31st March 2021 (Contd.)

(All amounts in ₹ in Lakhs unless otherwise stated)

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.

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 37)

Quantitative disclosures of fair value measurement hierarchy (refer note 36)

Financial instruments (including those carried at amortised cost) (refer note 5, 8, 9, 12, 13, 14, 19, 35)

d) Revenue recognition

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

Camshafts are developed according to the requirements of customer. There are three types of contracts entered into by the customers with Company. • **Tooling contract:** for development of pattern used in manufacturing of camshafts. • **Purchase contract:** for purchase of camshafts. • **Job work contract:** for machining of camshafts.

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

Goods and Service Tax (GST applicable from 1st July 2017) and all other applicable taxes is not received by the Group on its own account. Accordingly, it is excluded from revenue.

Interest

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

Dividends

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

Export Incentives

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

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

➢ 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

Notes to the Consolidated Financial Statements for the Year ended 31st March 2021 (Contd.)

(All amounts in ₹ in Lakhs unless otherwise stated)

can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

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

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

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

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

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

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

f) Property, plant and equipment

The 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 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.

(All amounts in ₹ in Lakhs unless otherwise stated)

The Group has measured IP Software, IP Technology Customer Relationships & Residual as Goodwill of step down subsidiary EMOSS Mobile Systems B.V. (EMOSS) classified as Intangibles at fair values as required under Ind AS-103 "Business Combination". The Group engaged independent valuation specialists to assess fair value for land and buildings as at 10th October 2017 for EMOSS .Land and buildings were valued by reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the property as at the date of revaluation.

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

In case of subsidiary; Memco Engineering Private Limited, the depreciation is on a written down value basis based on the useful lives estimated by the management of subsidiary.

Description of asset group	Useful lives as per management's estimate
Buildings	30 - 60 years
Internal roads	5 - 10 years
Plant & equipment	3 - 15 years
Office equipment	5 years
Furniture & fixture	5 to 10 years
Vehicles	5 - 8 years
Electrical Installation	10 years
Computers	3 - 5 years

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

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

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

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

g) Intangible assets

The Group has elected to continue with the carrying value for all of its intangible assets as recognised in the previous GAAP

Consolidated financial statements as at the date of transition to Ind ASs, measured as per the previous Indian GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments in accordance with the relevant Ind AS, since there is no change in functional currency.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles are not capitalised except customer- supplier relationship, technical know how and R & D which are measured at fair value in accordance with Ind AS 103 "Business Combination" and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets are amortised over its useful life on a straight line basis.

Description of asset group	Useful lives as per management's estimate
Computer Software	2 - 5 years
Development	5 years
Corporate Design & New Homepage	5 years
Customer/Supplier Relationship	10 years
Tech know how	7 years
R&D	3 years

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected

Notes to the Consolidated Financial Statements for the Year ended 31st March 2021 (Contd.)

(All amounts in ₹ in Lakhs unless otherwise stated)

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.

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.

h) Borrowing costs

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

i) Leases

Effective 1st April 2019, the Group adopted IND AS 116 "Leases" under the modified retrospective approach without restatement of comparatives. The Group elected to apply the practical expedient to not reassess whether a contract is or contains a lease at the date of initial application.

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

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

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

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

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

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

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

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the group is contractually required to dismantle, remove or restore the leased asset

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

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

j) Inventories

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

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

- Raw materials are valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories is not written down below cost of the finished product in which they will be incorporated are expected to be sold at or above cost. Cost of raw material is determined on a weighted average basis.
- Finished goods and semi finished goods: Finished goods are valued at lower of cost and net realisable Value. Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on a weighted average basis.
- Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

k) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the consolidated statement of profit and loss.

For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's

Notes to the Consolidated Financial Statements for the Year ended 31st March 2021 (Contd.)

(All amounts in ₹ in Lakhs unless otherwise stated)

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.

l) 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.

m) Retirement and other employee benefits

i) Short term employee benefits

The distinction between short term and long term employee benefits is based on expected timing of settlement rather than the employee's entitlement benefits. All employee benefits payable within twelve months of rendering the service are classified as short term benefits. Such benefits include salaries, wages, bonus, short term compensated absences, awards, ex-gratia, performance pay, etc. and are recognised in the period in which the employee renders the related service.

ii) Post employment benefits

Retirement benefit in the form of provident fund and superannuation is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund and superannuation scheme. The Group recognises contribution payable to the scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Group operates a defined benefit gratuity plan, which requires contributions to be made to a separately administered fund. The subsidiary; Memco Engineering Private Limited, which has been acquired on 10th 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 credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

I The date of the plan amendment or curtailment, and

II The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

I Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and

II Net interest expense or income

Accumulated leave, which is expected to be utilised within the next 12 months, is treated as a short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as a long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method as at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Group presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

n) 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.

o) 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.

Notes to the Consolidated Financial Statements for the Year ended 31st March 2021 (Contd.)

(All amounts in ₹ in Lakhs unless otherwise stated)

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

- Debt instruments at amortised cost
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other financial assets. For more information on receivables, refer note 5 and 8.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL. In addition, the Group may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has designated certain investments at FVTPL. (refer note 5).

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the consolidated statement of profit and loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding

dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to statement of profit & loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

i) Financial assets that are debt instruments, and are measured at amortised cost e.g. loans, deposits, trade receivables, bank balance and other financial assets.

ii) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115

iii) Loan commitments which are not measured as at FVTPL

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on twelve-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The twelve-month ECL is a portion of the lifetime ECL which results from default events that are possible within twelve months after the reporting date.

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.

Notes to the Consolidated Financial Statements for the Year ended 31st March 2021 (Contd.)

(All amounts in ₹ in Lakhs unless otherwise stated)

The Group's financial liabilities include trade and other payables, loans, borrowings and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR (effective interest rate) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

p) 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.

q) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the financial statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, are considered to be an integral part of the Group's cash management.

r) 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.

s) 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.

t) 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.

u) 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

v) 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.

w) 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.

3. PROPERTY, PLANT AND EQUIPMENT

Particulars	Leasehold land	Freehold Land	Buildings	Plants and equipment	Office equipment	Furniture and fixtures	Vehicles	Electrical installation	Computer-hardware	Right of use Asset	Total	Capital work in progress
At Cost												
At 1st April 2019	**941.37**	**276.90**	**12,437.70**	**54,088.36**	**2,408.11**	**224.85**	**297.52**	**18.97**	**56.70**	**-**	**70,750.48**	**2,575.18**
Additions	-	-	132.17	4,923.19	265.04	2.62	70.15	2.72	11.86	435.73	5,843.48	5,908.12
Disposals	-	-	(28.03)	(926.57)	(30.37)	-	(51.39)	-	-	-	(1,036.36)	-
Subsidies Received	-	-	-	(337.97)	-	-	-	-	-	-	(337.97)	-
Capitalised during year	-	-	-	-	-	-	-	-	-	-	-	(5,069.31)
Other adjustment	-	-	-	-	-	-	-	-	-	-	-	-
- Exchange differences	-	-	-	-	-	-	-	-	-	-	-	-
- Foreign currency translation reserve	-	3.72	89.63	177.86	14.96	-	0.18	-	0.54	3.19	290.08	-
At 31st March 2020	**941.37**	**280.62**	**12,631.47**	**57,924.87**	**2,657.74**	**227.47**	**316.46**	**21.69**	**69.10**	**438.92**	**75,509.71**	**3,413.99**
Additions	-	-	316.44	4,508.27	187.05	4.14	-	-	86.79	658.67	5,761.35	1,190.59
Disposals	-	-	(24.69)	(704.50)	-	-	(17.43)	-	-	-	(746.61)	-
Subsidies Received	-	-	-	-	-	-	-	-	-	-	-	-
Capitalised during year	-	-	-	-	-	-	-	-	-	-	-	(3,724.31)
Other adjustment	-	-	-	-	-	-	-	-	-	-	-	-
- Exchange differences	-	-	-	-	-	-	-	-	-	-	-	-
- Foreign currency translation reserve	-	2.40	219.87	1,659.49	191.10	-	0.60	-	25.88	7.75	2,107.09	-
At 31st March 2021	**941.37**	**283.02**	**13,143.09**	**63,388.13**	**3,035.89**	**231.61**	**299.63**	**21.69**	**181.77**	**1,105.34**	**82,631.53**	**880.27**
Depreciation and impairment												-
At 1st April 2019	**26.39**	**-**	**3,005.88**	**29,472.52**	**1,927.86**	**147.67**	**119.57**	**9.68**	**32.75**	**-**	**34,742.32**	**-**
Charge for the year	11.64	-	514.39	6,113.49	226.21	27.51	39.15	1.34	35.96	75.47	7,045.16	-
Disposals	-	-	(1.18)	(742.39)	(30.04)	-	(32.14)	-	-	-	(805.75)	-
Foreign currency translation reserve	-	-	-	-	-	-	-	-	-	-	-	-
At 31st March 2020	**38.03**	**-**	**3,519.09**	**34,843.62**	**2,124.03**	**175.18**	**126.58**	**11.02**	**68.71**	**75.47**	**40,981.73**	**-**
Charge for the year	11.64		526.18	5,185.07	249.52	19.40	32.96	1.41	13.88	132.37	6,172.43	-
Disposals	-	-	(1.41)	(361.85)	-	-	(16.57)	-	-	-	(379.83)	-
Foreign currency translation reserve	-	-	155.72	1,433.51	171.16	-	0.34	-	22.83	4.83	1,788.39	-
At 31st March 2021	**49.67**	**-**	**4,199.58**	**41,100.35**	**2,544.71**	**194.58**	**143.31**	**12.43**	**105.42**	**212.67**	**48,562.72**	**-**
Net Block												
At 31st March 2021	**891.70**	**283.02**	**8,943.51**	**22,287.78**	**491.18**	**37.03**	**156.32**	**9.26**	**76.35**	**892.67**	**34,068.81**	**880.27**
At 31st March 2020	**903.34**	**280.62**	**9,112.38**	**23,081.25**	**533.71**	**52.29**	**189.88**	**10.67**	**0.39**	**363.45**	**34,527.98**	**3,413.99**

Net Book Value	As at 31st March 2021	As at 31st March 2020
Plant, property and equipment	34,068.81	**34,527.98**
Capital work in progress	880.27	3,413.99

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 avaliable 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 2021 comprises expenditure for the plant and machinery in the course of construction. Balance of CWIP as at 31st March 2021 amounts to ₹ 880.27 Lakhs (31st March 2020: ₹ 3,413.99 Lakhs).

Property, plant and equipment

The entire block of property, plant and equipment comprising of immovable assets with a carrying amount of ₹ 10,118.24 Lakhs (31st March 2020: ₹ 10,296.34 Lakhs) and movable assets with a carrying amount of ₹ 23,950.59 Lakhs (31st March 2020: ₹ 24,231.64 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 2021 (Contd.)

(All amounts in ₹ in Lakhs unless otherwise stated)

4. INTANGIBLE ASSETS

Particulars	Computer software	Corporate Design & New Homepage	Customer Realtions	R&D	Technical Knowhow	Development	IP Technology	Total	Goodwill on consoli-dation
At Cost									
At 1st April 2019	**418.37**	**65.04**	**2,405.75**	**340.00**	**4,041.25**	**474.82**	**3,504.80**	**11,250.03**	**3,656.78**
Additions	-	-	-	-	-	-	-	-	-
Disposals	31.44	-	-	-	-	83.94	-	115.38	-
Foreign currency translation reserve	3.54	0.74	79.19	-	154.98	23.13	152.16	413.74	45.44
At 31st March 2020	**453.35**	**65.78**	**2,484.94**	**340.00**	**4,196.23**	**581.89**	**3,656.96**	**11,779.15**	**3,702.22**
Additions	92.12	-	-	-	-	-	-	92.12	-
Disposals	-	-	-	-	-	-	-	-	-
Foreign currency translation reserve	0.84	2.40	69.84	-	137.13	22.78	134.58	367.57	26.55
At 31st March 2021	**546.31**	**68.18**	**2,554.78**	**340.00**	**4,333.36**	**604.67**	**3,791.54**	**12,238.84**	**3,728.77**
Amortisation and impairment									
At 1st April 2019	**315.02**	**42.23**	**320.28**	**170.00**	**561.24**	**67.66**	**450.73**	**1,927.16**	**-**
Charge for the year (refer note 26)	18.53	12.58	317.39	113.33	580.70	50.48	504.01	1,597.02	-
Disposals	-	-	-	-	-	-	-	-	-
Impairment of Goodwill*	-	-	-	-	-	-	-		2,083.28
Foreign currency translation reserve	-	-	-	-	-	-	-	-	-
At 31st March 2020	**333.55**	**54.81**	**637.67**	**283.33**	**1,141.94**	**118.14**	**954.74**	**3,524.18**	**2,083.28**
Charge for the year (refer note 26)	42.63	11.51	332.67	56.67	620.26	134.49	561.35	1,759.58	
Disposals	-	-	-	-	-	-	-	-	-
Impairment of Goodwill*	-	-	-	-	-	-	-	-	-
Foreign currency translation reserve	(40.52)	1.85	24.88	-	40.15	(27.21)	20.83	19.98	-
At 31st March 2021	**335.66**	**68.17**	**995.22**	**340.00**	**1,802.35**	**225.42**	**1,536.92**	**5,303.74**	**2,083.28**
Net Block									
At 31st March 2021	**210.65**	**0.01**	**1,559.56**	**0.00**	**2,531.01**	**379.25**	**2,254.62**	**6,935.10**	**1,645.49**
At 31st March 2020	**119.80**	**10.97**	**1,847.27**	**56.67**	**3,054.29**	**463.75**	**2,702.22**	**8,254.97**	**1,618.94**

Notes to the Consolidated Financial Statements for the Year ended 31st March 2021 (Contd.)

(All amounts in ₹ in Lakhs unless otherwise stated)

5. FINANCIAL ASSETS

Particulars	As at 31st March 2021	As at 31st March 2020
5A) Investments		
(i) At fair value through Profit or Loss (FVTPL)		
a) Investments in Equity Instruments		
Other investments		
Shares of Laxmi Co-op. Bank Limited	1.25	1.25
5000 Equity shares of ₹ 25 each fully paid-up		
(31st March 2020: 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 2020: 500 equity shares)		
Shares of Thane Janata Bank	4.63	4.63
9259 Equity shares of ₹ 50 each fully paid-up		
(31st March 2020: 9259 equity shares)		
Shares of Janlaxmi Bank	1.30	1.30
5198 Equity shares of ₹ 25 each fully paid-up		
(31st March 2020: 5198 equity shares)		
Shares of Mahila Bank	0.21	0.21
850 Equity shares of ₹ 25 each fully paid-up		
(31st March 2020: 850 equity shares)		
Shares of Godavari Bank	0.01	0.01
10 Equity shares of ₹100 each fully paid-up		
(31st March 2020: 10 equity shares)		
Shares of NAMCO Bank	0.01	0.01
28 Equity shares of ₹ 25 each fully paid-up		
(31st March 2020: 28 equity shares)		
b) Investments in Mutual Funds		
Quoted Mutual Funds		
HDFC Corporate Bond Fund Collection A8C	768.40	423.34
ICICI Prudential Mutual Fund Collection	2,646.79	1,616.19
ICICI Prudential Mutual Fund Collection 1Ac	1,352.08	502.08
Reliance Banking & PSU Debt Fund-Growth Plan	686.94	634.15
Reliance Arbitrage Advantage Fund	-	335.08
Reliance Short Term Fund	270.67	156.65
Nippon India Short Term Fund	201.69	-
BSL Short Term Fund-Growth	408.28	377.47
Aditya Birla Sun Life Corporate Bond Fund	810.66	738.47
Axis Short Term Fund-Growth	676.52	627.25
Axis Bluechip Fund - Growth	214.82	144.28
Axis Banking & PSU Debit Fund - Growth	119.70	-
Axis All Seasons Debt Fund of Funds Regular Growth	206.56	-
Axis Treasury Advantage Fund - Regular Growth (TA-GP)	503.44	-
IDFC Corporate Bond Fund Regular Plan-Growth	576.31	247.02

Notes to the Consolidated Financial Statements for the Year ended 31st March 2021 (Contd.)

(All amounts in ₹ in Lakhs unless otherwise stated)

Particulars	As at 31st March 2021	As at 31st March 2020
IDFC Super Saver income Fund-Short Term	515.44	479.40
IDFC Ultra Short Term - Growth	3.10	-
IDFC Low Duration Fund - Growth	1,324.31	400.02
Tata Short Term Bond Fund Reg Plan-Growth	726.07	583.92
Tata Balance Fund	-	125.90
TATA BANKING & PSU DEBT FUND REGULAR PLAN	147.83	-
Kotak Low Duration Fund Std Growth (Regular Plan)	1,997.90	629.92
Kotak Banking & PSU Debt fund-Growth (Regular plan)	800.62	361.89
Kotak Equity Arbitrage	-	729.20
Kotak Balanced Advantage Fund Growth	-	1,571.15
Kotak Credit Fund Regular Plan	-	369.24
Kotak Savings Growth Fund	11.84	-
Kotak Bond Fund short term Growth	410.25	-
Kotak Corporate Bond Fund standard - Growth	1,007.80	-
Kotak Floating Rate Fund Growth - Regular plan	507.67	-
BNP PARIBAS MULTI CAP FUND REGULAR GROWTH	326.35	201.44
SBI Equity Hybrid Regular Growth	-	142.17
SBI Magnum ultra short duration fund Regular Growth	110.67	-
SBI Short term debt Fund Regular Plan	164.95	57.54
SBI Magnum Low Duration Fund Regular Growth	1,132.11	-
Baroda Pioneer Credit Opportunities Fund	0.00	304.88
Edelweiss Equity Saving Fund	0.00	130.32
Principal Emerging Bluechip Fund - Regular Plan Growth	134.35	76.54
Motilal Oswal Most Focused Multicap 35 Fund	119.77	74.08
Canara Robeco Force Collection A/C	109.24	67.21
Axis Credit - Growth	-	114.26
Kotak Overnight Growth Fund	-	400.02
HDFC Liquid Fund	162.15	153.38
ICICI Prudential Ultra Short Term Fund	163.08	154.01
Aditya Birla Sun Life Low Duration Fund	59.08	51.03
UTI Floater Fund	54.81	50.97
ADITYA BIRLA SUN LIFE	100.00	-
UTI MONEY MARKET FUN	102.53	-
Total Investments at FVTPL	**19,642.26**	**13,037.95**
Non-current	7.46	7.46
Current	19,634.80	13,030.49
	19,642.26	**13,037.95**
Total Investments	**19,642.26**	**13,037.95**

Aggregate book value of quoted investments	19,634.80	13,030.49
Aggregate market value of quoted investments (refer note 35)	19,634.80	13,030.49
Aggregate book value of unquoted investments	7.46	7.46
Aggregate amount of impairment in value of investments		-

Notes to the Consolidated Financial Statements for the Year ended 31st March 2021 (Contd.)

(All amounts in ₹ in Lakhs unless otherwise stated)

5B) Loans

Particulars	As at 31st March 2021	As at 31st March 2020
(a) Security Deposits	246.44	245.34
Total Loans	**246.44**	**245.34**
NON-CURRENT	245.84	242.74
CURRENT	0.60	2.60
	246.44	**245.34**
Break-up for security details:		
- Unsecured, considered good	246.44	245.34
- Doubtful	-	-
Total	**246.44**	**245.34**

Security Deposits mainly include deposits with State electricity board; which generate interest at the rate of 4% to 5% (31st March 2020 - 9% to 10.05%) for the Company.

5C) Other Financial Assets

Particulars	As at 31st March 2021	As at 31st March 2020
(i) Derivatives (at FVTPL)		
Foreign-exchange forward contracts	35.97	-
(ii) Others (at amortised cost)		
(a) Bank deposits with more than 12 months maturity	71.65	200.78
(b) Interest accrued on Fixed deposits	4.88	14.31
(c) Income accrued on Others	11.00	19.82
(d) Other receivable	81.19	44.31
(e) Unbilled revenue	259.63	1,008.76
Total other financial assets	**464.32**	**1,287.98**
Non-current	**71.65**	**200.78**
Current	**392.67**	**1,087.20**
	464.32	**1,287.98**

Particulars	As at 31st March 2021	As at 31st March 2020
Break-up for security details:		
- Unsecured, considered good	464.32	1,287.98
- Doubtful		-
Total	**464.32**	**1,287.98**

Notes to the Consolidated Financial Statements for the Year ended 31st March 2021 (Contd.)

(All amounts in ₹ in Lakhs unless otherwise stated)

Break up of financial assets carried at amortised cost

Particulars	As at 31st March 2021	As at 31st March 2020
Loans	246.44	245.34
Trade receivables (refer note 8)	15,428.79	17,195.32
Cash and Cash equivalents (refer note 9)	2,632.55	2,748.02
Other Bank balances (refer note 9)	4,099.22	2,892.59
Other financial assets	428.35	1,287.98
Total financial assets carried at amortised cost	**22,835.35**	**24,369.26**

6. OTHER ASSETS

Particulars	As at 31st March 2021	As at 31st March 2020
Capital advances	179.21	232.28
Prepaid expense	663.79	294.72
Advances for purchases of materials	20.05	96.84
Income tax deposited with tax authorities (under protest)	227.81	225.26
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))		
Income accrued on Export incentives	742.43	596.53
Balances with statutory/government authorities	1,428.36	1,277.46
Other receivables	251.86	80.97
Advance tax (net of provision for taxation)	17.57	11.22
	3,543.20	**2,827.40**

Non-current	**808.12**	**840.93**
Current	**2,735.08**	**1,986.47**
	3,543.20	**2,827.40**

Note 6A: Assets classified as held for sale

Particulars	As at 31st March 2021	As at 31st March 2020
Disposal Group	-	1,003.35
Total other assets	**-**	**1,003.35**

During the period ended 31st March 2019, the directors of the Company confirmed their intention to sell the shares of investment in its joint ventures, Ningbo Shenglong PCL Camshafts Co. 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. Subsequently the disposal group is accounted for at fair value less cost to sale as per Ind AS 105. Management estimated fair value of disposal group is ₹ 1,003.35 Lakhs resulting into net loss on fair value measurement of ₹ 300 Lakhs. The sale is completed for above mentioned entities and the proceeds are realised on 18th June 2020 & loss on sale of JV amounting to ₹ 44.04 Lakhs considered as an exceptional item.

Notes to the Consolidated Financial Statements for the Year ended 31st March 2021 (Contd.)

(All amounts in ₹ in Lakhs unless otherwise stated)

7. INVENTORIES

Particulars	As at 31st March 2021	As at 31st March 2020
Raw materials and components	2,831.51	4,961.44
Stores, spares and packing materials	3,100.41	3,389.83
Semi-finished goods	2,441.07	2,532.37
Finished goods*	4,046.73	3,209.36
Total inventories at the lower of cost and net realisable value	**12,419.72**	**14,093.00**

During the year ended 31st March 2021 ₹ 63.05 Lakhs (31st March 2020 ₹ 14.13 Lakhs) was written down as an expense for inventories.

*Includes Finished Goods in transit ₹ 3,101.50 Lakhs (31st March 2020 ₹ 1,875.52 Lakhs).

8. TRADE RECEIVABLES

Particulars	As at 31st March 2021	As at 31st March 2020
Trade receivables	15,428.79	17,195.32
Total	**15,428.79**	**17,195.32**
Break-up for security details:		
- Unsecured, considered good	15,548.79	17,195.32
- Doubtful	136.71	-
- Which have significant increase in credit risk	-	-
- Credit impaired	-	-
Total	**15,565.50**	**17,195.32**
Impairment allowance (allowance for bad and doubtful debts)		
Total Trade Receivable	15,428.79	17,195.32
		-

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.

9. CASH AND BANK BALANCES

Particulars	As at 31st March 2021	As at 31st March 2020
CASH AND CASH EQUIVALENTS		
Balance with Banks		
Current accounts	2,577.70	734.53
Deposits with original maturity of less than three months	52.43	2,009.01
Cash on hand	2.42	4.48
Total cash and cash equivalents	**2,632.55**	**2,748.02**

Notes to the Consolidated Financial Statements for the Year ended 31st March 2021 (Contd.)

(All amounts in ₹ in Lakhs unless otherwise stated)

Particulars	As at 31st March 2021	As at 31st March 2020
OTHER BANK BALANCES		
Deposits with remaining maturity for less than 12 months	4,094.46	2,888.03
Unclaimed Dividend Accounts	4.76	4.56
Total other bank balances	**4,099.22**	**2,892.59**
Total cash and bank balances	**6,731.77**	**5,640.61**

Cash at banks earns interest at fixed rates based on fixed deposit receipts made by the Group. Fixed deposits are made for varying periods of between 1 month to 48 months, depending on the immediate cash requirements of the Group, and earn interest at the respective short term / long term deposit rates.

Deposits with bank of ₹ 88.94 Lakhs (31st March 2020: ₹ 126.08 Lakhs) held as lien by banks against bank guarantees.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following:

Particulars	As at 31st March 2021	As at 31st March 2020
Cash and cash equivalents		
Balance with Banks		
Current accounts	2,577.70	734.53
Deposits with original maturity of less than three months	52.43	2,009.01
Cash on hand	2.42	4.48
Total cash and cash equivalents	**2,632.55**	**2,748.02**

10. SHARE CAPITAL

A) Authorised Share Capital

Particulars	Equity Shares	
	Number	in ₹
At 1st April 2019	10,00,00,000	10,000.00
Increase/ (decrease) during the year	-	-
At 31st March 2020	10,00,00,000	10,000.00
Increase/ (decrease) during the year		
At 31st March 2021	10,00,00,000	10,000.00

Terms/rights attached to equity shares

The Holding Company has only one class of equity shares having a par value of ₹ 10 per share (31st March 2020: ₹ 10 per share). Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

The Board of Directors, in their meeting on 27th May 2019, proposed a final dividend of ₹ 1 per equity share and the same was approved by the shareholders at the Annual General Meeting held on 25th September 2019. The amount was recognised as distributions to equity shareholders during the year ended 31st March 2020 and the total appropriation was ₹ 1,145.10 Lakhs including dividend distribution tax.

Notes to the Consolidated Financial Statements for the Year ended 31st March 2021 (Contd.)

(All amounts in ₹ in Lakhs unless otherwise stated)

The Board of Directors, in their meeting held on 5th March 2020, declared and paid an interim dividend of ₹ 0.95 per equity share. The amount was recognised as distributions to equity shareholders during the year ended 31st March 2020 and the total appropriation was ₹ 1,083.98 Lakhs including dividend distribution tax.

The Board of Directors have recommended the dividend of ₹ 1 per share of the face value of ₹ 10 per share for the year ended 31st March 2021. The payment of dividend is subject to approval of the shareholders at the ensuing Annual General Meeting of the Company.

B) Issued equity capital

Equity shares of ₹ 10 each issued, subscribed and fully paid

	Number	₹
At 1st April 2019	9,49,85,835	9,498.58
Issued during the year under the ESOP scheme	-	-
At 31st March 2020	9,49,85,835	9,498.58
Issued during the year under the ESOP scheme	-	-
At 31st March 2021	9,49,85,835	9,498.58

Pursuant to the Initial Public Offering (IPO) on 8th February 2016, equity shares having par value of ₹ 10 per share were allotted at a price of ₹ 186 per equity share comprising of fresh issue of 1,29,03,225 equity shares and offer for sale of 91,50,000 equity shares by selling shareholders. The equity shares of the Company were listed on the BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") with effect from 8th February 2016.

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

	31st March 2021		31st March 2020	
	No of shares	% holding in the class	No of shares	% holding in the class
Equity shares of ₹ 10 each fully paid				
Yatin Subhash Shah	2,49,59,917	26.28%	2,49,59,917	26.28%
Cams Technology Limited	1,35,07,685	14.22%	1,35,07,685	14.22%
Yatin Subhash Shah jointly with Dr. Suhasini Yatin Shah	1,28,28,800	13.51%	1,28,28,800	13.51%
Dr. Suhasini Yatin Shah	1,04,86,461	11.04%	1,04,86,461	11.04%
Jayant Vasudeo Aradhye	82,02,000	8.63%	82,02,000	8.63%
	6,99,84,863	**73.68%**	**6,99,84,863**	**73.68%**

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

Notes to the Consolidated Financial Statements for the Year ended 31st March 2021 (Contd.)

(All amounts in ₹ in Lakhs unless otherwise stated)

11. OTHER EQUITY

A) SECURITIES PREMIUM ACCOUNT	**in ₹**
At 1st April 2019	**21,785.93**
Increase pursuant to premium on issue of shares on account of employee stock option exercised	-
Less: Reversal of tax benefit (deferred tax)	(23.73)
At 31st March 2020	21,762.20
Increase pursuant to premium on issue of shares on account of employee stock option exercised	
Less: Reversal of tax benefit (deferred tax)	(10.64)
At 31st March 2021	**21,751.56**
B) GENERAL RESERVE	**In ₹**
At 1st April 2019	**472.21**
Increase/ (decrease) during the year	-
At 31st March 2020	**472.21**
Increase/ (decrease) during the year	
At 31st March 2021	472.21
C) SHARE BASED PAYMENTS	In ₹
At 1st April 2019	79.13
Increase/ (decrease) during the year	
Less: transferred to Retained Earnings against Lapsed Options	(54.37)
At 31st March 2020	**24.75**
Increase/ (decrease) during the year	
Less: transferred to Retained Earnings against Lapsed Options	(10.36)
At 31st March 2021	**14.39**

Employees (including senior executives) of the Company receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

In accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the IND AS 102 Share based payments, the cost of equity-settled transactions is measured using the fair value method. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognised in the consolidated statement of profit and loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense. Refer to note 31 for further details of these plans.

Notes to the Consolidated Financial Statements for the Year ended 31st March 2021 (Contd.)

(All amounts in ₹ in Lakhs unless otherwise stated)

		in ₹
D)	**RETAINED EARNINGS**	
	At 1st April 2019	**27,328.94**
	Add: Profit for the year	3,495.74
	Add: Other comprehensive income for the year	(179.75)
	Final Dividend 19-20	(949.86)
	Tax on interim dividend	(195.25)
	Interim Dividend at ₹0.95 per share	(902.37)
	Tax on interim dividend	(181.62)
	Add: transferred from ESOS Reserve against Lapsed Options	54.38
	At 31st March 2020	**28,470.23**
	Add: Profit for the year	228.59
	Add: Other comprehensive income for the year	65.06
	Add: On Acquistion of Non Controlling Interest (Refer Note 39)	1,915.65
	Add: transferred from ESOS Reserve against Lapsed Options	10.36
	Add : Others	36.84
	At 31st March 2021	**30,726.73**
E)	**CAPITAL RESERVES**	
	At 1st April 2019	**1,412.02**
	Add: Movement during the year	-
	At 31st March 2020	1,412.02
	Add: Movement during the year	
	At 31st March 2021	**1,412.02**
F)	**OTHER RESERVES**	
	Foreign currency translation reserve	
	At 1st April 2019	**(52.63)**
	Add: FCTR transferred on JV being held for sale	-
	Add: Exchange differences on translation of foreign operations	224.62
	At 31st March 2020	171.99
	Add: FCTR transferred on JV being held for sale	
	Add: Exchange differences on translation of foreign operations	230.52
	At 31st March 2021	**402.51**

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.

Notes to the Consolidated Financial Statements for the Year ended 31st March 2021 (Contd.)

(All amounts in ₹ in Lakhs unless otherwise stated)

Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders and any other adjustments.

Capital reserve

The Company had recognised excess of the identifiable assets and liabilities acquired over the consideration paid for acquisition of subsidiary referred to as bargain purchase on acquisition in capital reserve.

Foreign currency translation reserve

Exchange differences arising on translation of foreign operations are recognised in other comprehensive income and are accumulated in separate reserve within equity. The cumulative amount is reclassified to profit and loss, when the investment is disposed off.

12. FINANCIAL LIABILITIES - BORROWINGS

a) Non Current borrowings

Particulars	Rate of interest	Maturity	As at 31st March 2021	As at 31st March 2020
Term Loan				
i. From Bank (secured)				
Foreign currency loan 3	EUROBOR + 190 bps		3,934.31	5,292.62
Foreign currency loan 4	3 to 6% in Euro		3,768.74	5,650.78
Bank II				
Term loan 2- 003	9.75%	Dec-22	6.56	14.53
Term loan 3- 004	9.75%	Jun-22	16.57	79.19
Term loan 4- 005	9.75%	Sep-24	101.76	140.83
Term loan 5- 006	9.75%	Sep-24	11.78	15.67
Term loan 6- 007	9.75%	Sep-24	20.84	27.70
Term loan 7- 008	9.75%	May-22	2.93	23.66
Citi Bank Loan A/C - Loan Initiation-D06LCRR191920001	9.75%	May-25	152.78	223.61
ii. From financial institution (secured)	3 to 6% in Euro		4.20	-
iii. From Related party (unsecured)	4% in Euro		-	3,703.17
Total Non Current borrowings			**8,020.47**	**15,171.76**
Current maturity of long term loans				
Foreign currency loan 3 (secured)	EUROBOR + 190 bps		1,699.05	1,028.10
Foreign currency loan 4 (secured)	3 to 6% in Euro		1,513.41	16.40
Bank II				
Term loan 2- 003	9.75%	Dec-22	7.97	7.13
Term loan 3- 004	9.75%	Jun-22	62.62	56.02
Term loan 4- 005	9.75%	Sep-24	38.93	31.18
Term loan 5- 006	9.75%	Sep-24	3.86	3.44
Term loan 6- 007	9.75%	Sep-24	6.83	6.09
Term loan 7- 008	9.75%	May-22	20.72	18.54
Citi Bank Loan A/C - Loan Initiation-D06LCRR191920001	9.75%	May-25	46.99	11.22
ii. From Related party (unsecured)				-
			3,400.38	**1,178.12**

Notes to the Consolidated Financial Statements for the Year ended 31st March 2021 (Contd.)

(All amounts in ₹ in Lakhs unless otherwise stated)

Particulars	Rate of interest	Maturity	As at 31st March 2021	As at 31st March 2020
b) Loan repayable on Demand				
Short term loans			-	-
Cash credit from banks (secured)	1.5% to 3.5%	On Demand	2,300.74	1,353.49
Packing credit in ₹ (Secured) - BOI	5.30%	On Demand	2,732.99	1,418.03
Packing credit in ₹ (Secured) - BOB	5.00%	On Demand	959.83	831.29
Packing credit in ₹ (Secured) - Citi Bank	5.00%	On Demand	0.00	(0.52)
Total current Borrowings			**9,393.94**	**4,780.41**
Less: amount clubbed under "Other Financial liabilities"			3,400.38	1,178.12
Net Current Borrowings			**5,993.56**	**3,602.29**
Aggregate value of secured loans			**17,414.41**	**16,249.00**
Aggregate Unsecured loans			-	3,703.17

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 acquired 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 2 to 6 % in Euro p.a. The loan is secured by mortgage on commercial property, equipments, machines & inventories, in Cunewalde, Germany. The loan matures in 5 to 10 years.

From Financials Institutions -carries the rate of interest rate from 2 to 6 % in Euro p.a. The loan is secured by mortgage on commercial property, equipments, machines & inventories, in Cunewalde, Germany. The shareholders loan of Euro 26,55,000 is subordinated.

Unsecured Loan from related parties carries interest rate of 1.5% in Euro p.a.

Notes to the Consolidated Financial Statements for the Year ended 31st March 2021 (Contd.)

(All amounts in ₹ in Lakhs unless otherwise stated)

Term loan 2-003:

Term loan 2 of Bank II carries interest at the rate of 9.75% p.a. The tenure of the loan is 51 months. The loan is repayable in 51 monthly instalments commencing from October 2018. The loan is secured by existing and future moveable and immoveable fixed assets of plot no F-5, MIDC, Satpur as collateral security. The loans has been secured by the corporate guarantee of holding Company Precision Camshafts Limited.

Term loan 3-004:

Term loan 3 of Bank II carries interest at the rate of 9.75% p.a. The tenure of the loan is 44 months. The loan is repayable in 44 monthly instalments commencing from November 2018. The loan is secured by existing and future moveable and immoveable fixed assets of plot no F-5, MIDC, Satpur as collateral security. The loans has been secured by the corporate guarantee of holding Company Precision Camshafts Limited.

Term loan 4-005:

Term loan 4 of Bank II carries interest at the rate of 9.75% p.a. The tenure of the loan is 72 months. The loan is repayable in 72 monthly instalments commencing from October 2018. The loan is secured by existing and future moveable and immoveable fixed assets of plot no F-5, MIDC, Satpur as collateral security. The loans has been secured by the corporate guarantee of holding Company Precision Camshafts Limited.

Term loan 5-006:

Term loan 5 of Bank II carries interest at the rate of 9.75% p.a. The tenure of the loan is 72 months. The loan is repayable in 72 monthly instalments commencing from October 2018. The loan is secured by existing and future moveable and immoveable fixed assets of plot no F-5, MIDC, Satpur as collateral security. The loans has been secured by the corporate guarantee of holding Company Precision Camshafts Limited

Term loan 6-007:

Term loan 6 of Bank II carries interest at the rate of 9.75% p.a. The tenure of the loan is 72 months. The loan is repayable in 72 monthly instalments commencing from October 2018. The loan is secured by existing and future moveable and immoveable fixed assets of plot no F-5, MIDC, Satpur as collateral security. The loans has been secured by the corporate guarantee of holding Company Precision Camshafts Limited

Term loan 7-008:

Term loan 7 of Bank II carries interest at the rate of 9.75% p.a. The tenure of the loan is 44 months. The loan is repayable in 44 monthly instalments commencing from October 2018. The loan is secured by existing and future moveable and immoveable fixed assets of plot no F-5, MIDC, Satpur as collateral security. The loans has been secured by the corporate guarantee of holding Company Precision Camshafts Limited

Notes to the Consolidated Financial Statements for the Year ended 31st March 2021 (Contd.)

(All amounts in ₹ in Lakhs unless otherwise stated)

Citi Bank Loan A/C - Loan Initiation-D06LCRR191920001

Term loan from citi bank carries interest at the rate of 9.75% p.a. The tenure of the loan is 70 Months. The loan is repayble in 20 quarterly instalments commencing from September 2020. The loan is secured by existing and future moveable and immoveable fixed assets of plot no F-5, MIDC, Satpur as collateral security. The loans has been secured by the corporate guarantee of holding Company Precision Camshafts Limited.

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

Cash credit from banks:

Packing credit ₹ 3692.82 Lakhs in ₹ 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 ₹ 2300.74 Lakhs is secured by hypothecation of current assets of the Company. Cash credit has also been secured by collateral securities of existing and future moveable and immoveable fixed assets of Köblitzer Str. 7, 02733 Cunewalde, Germany.

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.

13. OTHER FINANCIAL LIABILITIES

Particulars	As at 31st March 2021	As at 31st March 2020
Financial liability at FVTPL		
Foreign-exchange forward contracts	-	77.87
Other financial liabilities at amortised cost		
Current maturity of long term loans (refer note 12)	3,400.38	1,178.12
Interest accrued but not due on borrowings	0.00	240.07
Interest accrued and due on borrowings	-	4.98
Bank overdrafts	52.79	-
Unpaid matured deposits and interest accrued thereon	137.30	137.30
Employee benefit liabilities	1,189.41	1,273.59
Sundry payables for capital goods purchased	213.97	227.63
Unclaimed Dividend	4.76	4.56
Lease Liability	910.75	357.64
Other payables	6.04	5.00
Total	**5,915.40**	**3,506.76**
Non - Current	754.67	**262.48**
Current	5,160.73	**3,244.28**
	5,915.40	**3,506.76**

Notes to the Consolidated Financial Statements for the Year ended 31st March 2021 (Contd.)

(All amounts in ₹ in Lakhs unless otherwise stated)

14. TRADE PAYABLES

Particulars	As at 31st March 2021	As at 31st March 2020
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises	1,548.06	1,013.55
- Total outstanding dues of creditors other than micro enterprises and small enterprises	9,606.66	9,218.11
Total trade payables	**11,154.72**	**10,231.66**
Non-current	-	**-**
Current	**11,154.72**	**10,231.66**
Total	**11,154.72**	**10,231.66**

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

Details of dues to Micro, small and medium enterprises as defined under MSMED Act, 2006

Particulars	As at 31st March 2021	As at 31st March 2020
(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	1,548.06	1,013.55
Interest due on above	0.55	0.46
(ii) The amount of interest paid by the buyer in terms of section 16, of the MSMED Act, 2006.	-	-
The amounts of the payment made to the supplier beyond the appointed day during each accounting year.	4,806.15	7,350.44
(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.	26.43	23.24
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	50.68	23.70

Notes to the Consolidated Financial Statements for the Year ended 31st March 2021 (Contd.)

(All amounts in ₹ in Lakhs unless otherwise stated)

Break up of financial liabilities carried at amortised cost

Particulars	As at 31st March 2021	As at 31st March 2020
Borrowings (non-current) (refer note 12)	8,020.47	15,171.76
Borrowings (current) (refer note 12)	5,993.56	3,602.29
Current maturity of long term loans (refer note 13)	3,400.38	1,178.12
Trade payables (refer note 14)	11,154.72	10,231.66
Other financial liabilities (refer note 13)	2,515.02	2,250.77
Total	**31,084.15**	**32,434.60**

15. OTHER CURRENT LIABILITIES

Particulars	As at 31st March 2021	As at 31st March 2020
Advances from customers	1,717.42	1,505.01
Statutory Dues payable	1,279.85	348.30
Other payables	348.93	22.71
Total	**3,346.20**	**1,876.02**

16. PROVISIONS

Particulars	As at 31st March 2021	As at 31st March 2020
Employee benefits obligations:		
Gratuity	743.54	751.16
Compensated absences	536.38	507.55
Provision for doubtful Capital Advance	-	93.55
Total	**1,279.92**	**1,352.26**
Non Current	1,183.07	1,258.59
Current	96.85	93.67
	1,279.92	**1,352.26**

Also refer note 30 for detailed disclosure of gratuity.

17. CURRENT TAX LIABILITIES (NET)

Particulars	As at 31st March 2021	As at 31st March 2020
Provision for income tax (net of advance taxes)	213.42	351.31
Total	**213.42**	**351.31**

Notes to the Consolidated Financial Statements for the Year ended 31st March 2021 (Contd.)

(All amounts in ₹ in Lakhs unless otherwise stated)

18. REVENUE FROM OPERATIONS

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Sale of products	69,325.76	71,404.01
Sale of Parts	49.35	811.08
Sale of services	262.72	595.22
Total sale of products and services	**69,637.83**	**72,810.31**
Other operating income		
Tooling income	13.18	475.16
Scrap sales	182.95	201.18
Export incentives	850.54	783.27
Other operating income	213.34	353.38
Total other operating income	**1,260.01**	**1,812.99**
Total revenue from operations	**70,897.84**	**74,623.30**

19. OTHER INCOME

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Fair value gain on financial instruments at fair value through profit or loss	1,136.68	150.20
Realised gain on Sale of mutual funds	414.83	64.86
Exchange differences (net)	392.80	1,296.25
Trade Payable no longer required written back	8.75	14.20
Incomes from electricity and energy tax	43.57	68.91
Miscellaneous income	252.83	121.54
Profit on fixed assets sold /discarded (net)	57.12	26.22
Total other income	**2,306.58**	**1,742.18**

20. FINANCE INCOME

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Interest income on financials assets carried at amortised cost		
Bank deposits	272.40	374.23
Others	11.00	22.04
Dividend income on investments in mutual funds designated as FVTPL	-	6.40
Total finance income	**283.40**	**402.67**

Notes to the Consolidated Financial Statements for the Year ended 31st March 2021 (Contd.)

(All amounts in ₹ in Lakhs unless otherwise stated)

21. COST OF RAW MATERIALS AND COMPONENTS CONSUMED

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Inventory at the beginning of the year	4,961.44	4,860.35
Add: purchases	26,869.04	29,298.25
	31,830.48	34,158.60
Less: inventory at the end of the year	2,831.51	4,961.44
Cost of raw materials and components consumed	**28,998.97**	**29,197.16**

22. (INCREASE) / DECREASE IN INVENTORIES

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Opening stock:		
Finished goods	3,249.36	2,677.17
Semi-finished goods	2,532.37	1,681.86
	5,781.73	**4,359.03**
Closing stock:		
Finished goods	4,046.73	3,209.36
Semi-finished goods	2,441.07	2,532.37
	6,487.80	**5,741.73**
(Increase)/decrease in inventories	**(706.07)**	**(1,382.70)**

23. EMPLOYEE BENEFIT EXPENSES

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Salaries, wages, bonus and commission	12,212.52	11,391.84
Contribution to provident fund and other funds	1,702.51	1,691.36
Gratuity & Compensated absences expense (refer note 30)	285.59	315.44
Staff welfare expenses	113.96	146.79
Total employee benefit expenses	**14,314.58**	**13,545.43**

Notes to the Consolidated Financial Statements for the Year ended 31st March 2021 (Contd.)

(All amounts in ₹ in Lakhs unless otherwise stated)

24. OTHER EXPENSES

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Consumption of components and spares	4,861.27	5,342.62
Packing materials consumed	582.58	650.35
Power and fuel expenses	6,365.62	7,216.45
Job work expenses	1,805.65	1,771.81
Freight outward charges	1,327.74	1,351.71
Rent	263.98	281.59
Rates and taxes	133.10	187.26
Insurance	168.41	187.22
Repairs and maintenance		
Plant and machinery	722.40	712.32
Building	65.10	76.46
Others	727.94	938.60
Advertisement and sales promotion	237.45	174.56
Donation	85.07	45.87
CSR expenditure (refer note below)	126.76	147.59
Sales commission	365.32	577.92
Travelling and conveyance	420.33	676.94
Communication costs	56.19	83.78
Legal and professional fees	833.32	575.13
Auditors' remuneration and expenses		
Statutory audit	124.00	58.33
Out of pocket expenses	1.36	0.46
Bad debts written off	6.98	5.56
Fair value loss on contract obligation towards take over of NCI of subsidiary	-	76.49
Management fees	325.32	196.61
Written off of research and development expenses	1,908.84	-
Miscellaneous expenses	631.23	719.74
Total Other expenses	**22,145.96**	**22,055.36**

CSR expenditure

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Gross amount required to be spent during the year	126.43	132.12
Amount spent during the year in cash	126.76	147.59

Notes to the Consolidated Financial Statements for the Year ended 31st March 2021 (Contd.)

(All amounts in ₹ in Lakhs unless otherwise stated)

25. FINANCE COSTS

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Interest on borrowings	680.30	782.09
Interest on delay in payment of taxes	2.92	40.11
Bank charges	71.40	78.60
Other finance costs	9.65	7.96
Total finance costs	**764.27**	**908.76**

26. DEPRECIATION AND AMORTISATION EXPENSE

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Depreciation of property, plant and equipment	6,172.43	7,045.16
Amortisation of intangible assets	1,759.58	1,597.02
	7,932.01	**8,642.18**

27. COMPONENTS OF OTHER COMPREHENSIVE INCOME (OCI)

During the year ended 31st March 2021

	Foreign currency translation reserve	Retained earnings	Bargain purchase gain acquisition	Total
	₹	₹	₹	₹
Re-measurement gains (losses) on defined benefit plans	-	86.94	-	86.94
Income tax effect	-	(21.88)	-	(21.88)
Foreign exchange translation differences	230.52	-	-	230.52
Exchange differences transferred to P&L for held for sale		-	-	-
Total	**230.52**	**65.06**	**-**	**295.58**

During the year ended 31st March 2020

	Foreign currency translation reserve	Retained earnings	Bargain purchase gain acquisition	Total
	₹	₹	₹	₹
Re-measurement gains (losses) on defined benefit plans	-	(240.20)	-	(240.20)
Income tax effect	-	60.45	-	60.45
Foreign exchange translation differences	225.66	-	-	225.66
Exchange differences transferred to P&L for held for sale		-	-	-
Total	**225.66**	**(179.75)**	**-**	**45.91**

Notes to the Consolidated Financial Statements for the Year ended 31st March 2021 (Contd.)

(All amounts in ₹ in Lakhs unless otherwise stated)

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	For the year ended 31st March 2021	For the year ended 31st March 2020
Profit from continuing operations	228.59	3,534.29
Profit from discontinued operations	-	(38.53)
Profit attributable to equity holders of Holding Company for basic EPS	**228.59**	**3,495.75**
Profit attributable to equity holders of Holding Company for diluted EPS	**228.59**	**3,495.75**
Weighted average number of equity shares in calculating basic EPS	**9,49,85,835**	**9,49,85,835**
Effect of dilution on account of options outstanding under ESOP Scheme:	0*	21,090
Weighted average number of equity shares in calculating diluted EPS	**9,49,85,835**	**9,50,06,925**
Earnings per share from continuing operations (basic) (₹/share)	0.24	3.72
Earnings per share from continuing operations (dilued) (₹/share)	0.24	3.72
Earnings per share from discontinued operations (basic) (₹/share)	-	(0.04)
Earnings per share from discontinued operations (diluted) (₹/share)	-	(0.04)
Earnings per share from continuing & discontinued operations (basic) (₹/share)	0.24	3.68
Earnings per share from continuing & discontinued operations (diluted) (₹/share)	0.24	3.68

* ESOP's are considered to be anti-dilutive as the excercise price is out of money.

PRECISION

Notes to the Consolidated Financial Statements for the Year ended 31st March 2021 (Contd.)

(All amounts in ₹ in Lakhs unless otherwise stated)

29. INCOME TAX

The major components of income tax expense for the years ended 31st March 2021 and 31st March 2020 are:

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Current income tax:		
Current income tax charge	1,969.76	2,646.20
Adjustments in respect of current income tax of previous year	-	17.23
Deferred tax:		
Relating to origination and reversal of temporary differences (including deferred tax charge of discontinued operations)	(344.03)	(1,669.67)
Income tax expense reported in the statement of profit or loss	**1,625.73**	**993.76**

OCI Section

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Deferred tax on loss/(gain) on remeasurements of defined benefit plans	21.88	(60.45)
Deferred tax expense charged/(credit) to OCI	**21.88**	**(60.45)**

Reconciliation of closing balance of Deferred tax liability

Particulars	As at 31st March 2021	As at 31st March 2020
PPE: impact of difference between tax depreciation and depreciation / amortisation for the financial reporting	1,956.39	2,328.32
Liability due to fair valuation of mutual fund	315.25	137.58
Others	16.18	8.40
Liability due to business combination	213.79	270.22
Gross deferred tax liability	**2,501.61**	**2,744.52**
Deferred tax assets		
Employee related costs allowed for tax purposes on payment basis	430.14	338.98
VRS compensation	55.09	89.84
Share issue expenses adjusted to securities premium account	12.43	23.07
Asset Held for Sale [Capital Loss]	182.93	161.22
Deduction U/s 80JJAA	14.88	28.31
Others	1.66	77.65
Gross deferred tax assets	**697.13**	**719.07**
Net deferred tax liability	**1,804.48**	**2,025.45**

Notes to the Consolidated Financial Statements for the Year ended 31st March 2021 (Contd.)

(All amounts in ₹ in Lakhs unless otherwise stated)

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)

Particulars	As at 31st March 2021	As at 31st March 2020
Deferred tax credit for the year		
Closing deferred tax liability (net)	1,804.48	2,025.45
Less: opening deferred tax liability (net)	2,025.45	3,653.98
Deferred tax movement for the year (a)	(220.97)	(1,628.53)
Deferred tax credit recorded in securities premium account (b) (refer note 11)	10.64	23.73
Deferred tax (credit) / charge for the year (c = a-b)	(231.61)	(1,652.26)
Deferred tax charge considered in OCI (d)	(21.88)	60.45
Deferred tax charge/ (credit) on Share of profit in Joint venture (e)	-	9.29
Foreign Exchange gain/loss	(61.42)	(87.15)
Deferred Tax Written off During Current Year	(29.12)	-
Deferred tax credit for the year to be charged to statement of profit or loss (c+d+e+f)	**(344.03)**	**(1,669.67)**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31st March 2021 and 31st March 2020

Particulars	As at 31st March 2021	As at 31st March 2020
Accounting profit before tax	1,547.88	3,557.09
Accounting profit before income tax	**1,547.88**	**3,557.09**
At India's statutory tax rate 25.17% (31 March 2020 - 25.17%)	389.57	895.25
Dividend exempt from tax	-	(10.90)
Adjustments in respect of current income tax of previous year	-	17.23
Deduction claimed U/s 80JJAA in Current year & DTA Created on 80JJAA	6.20	(44.90)
Effect of change in Tax rate From 34.608% to 25.168%	-	(550.22)
DTA created on Assets held for sale	(21.88)	(161.22)
DTA on Provision for Capital Advances (Last Year not Created)	-	(23.55)
Forward contract loss permamently disallowed	-	(16.13)
On Mutual fund Gain due to indexation benefit & different rate of taxation	(175.25)	(128.61)
Non-deductible expenses for tax purposes:		
On Permanent Disallowance	73.92	28.10
Effect of differential tax rate of subsidiary	336.17	271.78
Other items	13.08	(4.06)
Deferred tax asset not recognised on carried forward losses	1,003.92	721.00
At the effective income tax rate of 105.03% (31 March 2020 - 27.94%)	**1,625.73**	**993.76**
Income tax reported in the consolidated statement of profit and loss	1,625.73	993.76

Notes to the Consolidated Financial Statements for the Year ended 31st March 2021 (Contd.)

(All amounts in ₹ in Lakhs unless otherwise stated)

Reconciliation of deferred tax liabilities (net):

Particulars	As at 31st March 2021	As at 31st March 2020
Opening balance as of April, 01.	2,025.45	3,653.98
Tax income/(expense) during the period recognized in profit or loss	(344.03)	(1,669.71)
Tax income/(expense) during the period recognized in Equity	10.64	23.73
Tax income/(expense) during the period recognized in OCI	21.88	(60.45)
Tax (income)/expense-others	-	(9.25)
Foreign Exchange Gain/loss	61.42	87.15
Deferred Tax Written off During Current Year	29.12	-
Closing Balance as at 31 March	**1,804.48**	**2,025.45**

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	
	31st March 2021	31st March 2020	31st March 2021	31st March 2020
Accelerated depreciation for tax purposes	2,170.18	2,598.54	(489.77)	(1,398.39)
Fair value of mutual fund	315.25	137.58	177.67	(173.49)
Voluntary retirement scheme allowed as deduction over a period of five years	(55.09)	(89.84)	34.75	112.52
Preliminary expenses incurred on initial public offering, allowed as deduction over a period of five years	(12.43)	(23.07)	-	-
Employee benefit expenses allowed on payment basis under Sec 43B	(430.14)	(338.98)	(91.16)	(31.31)
Forward contracts	9.05	(19.60)	28.65	(38.43)
Expenses allowed for tax purposes on 5 years basis	-	(4.16)	4.16	3.14
Other	2.30	(26.82)	29.12	11.59
Amount to be charged in Statement of OCI	-	-	(21.88)	60.45
Capital advance - Credit impaired	-	(23.55)	23.55	(23.55)
Loss on assets held for sale	(182.93)	(161.22)	(21.71)	(161.22)
Additional deduction U/s 80JJAA	(14.88)	(28.31)	13.44	(28.31)
Unrealized forex loss - to be adjusted from WDV U/s 43A	(1.23)	(1.23)	-	(1.23)
Loan processing fees and other fees	4.40	6.11	(1.73)	(1.44)
Deferred Tax Balances Written Off	-	-	(29.12)	-
	1,804.48	**2,025.45**	**(344.03)**	**(1,669.67)**

Notes to the Consolidated Financial Statements for the Year ended 31st March 2021 (Contd.)

(All amounts in ₹ in Lakhs unless otherwise stated)

30. DISCLOSURE PURSUANT TO EMPLOYEE BENEFITS

A. Defined contribution plans:

Amount of ₹ 1,615.36 Lakhs (31st March 2020: ₹ 1,664.93 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 ₹ 658.21 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 2021 (recognised in profit or loss) *	As at 31st March 2021	As at 31st March 2020
Current service cost	150.15	94.05
Interest cost on benefit	42.50	27.99
	192.65	**122.04**

For the year ended 31st March 2021 & 31st March 2020 the amount debited to statement of Profit and loss also includes gratuity expenses of Nil & ₹ 20 Lakhs respectively provided for Promoter director whose gratuity payment is not considered for acturial valuation.

(All amounts in ₹ in Lakhs unless otherwise stated)

31st March 2021: Changes in defined benefit obligation and plan assets

	1st April 2020	On acquisition (refer note 39)	Cost charged to statement of profit and loss			Benefit paid	Remeasurement gains/(losses) recognised in OCI					Contri-butions by employer	31st March 2021
			Service cost	Net interest expense	Sub-total included in statement of profit and loss (refer note 24)		Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI		
Gratuity													
Defined benefit obligation	(1,255.34)	-	(150.16)	(83.92)	(234.07)	56.20		-	(9.63)	101.10	91.46	-	(1,341.75)
Fair value of plan assets	564.19	-	-	41.42	41.42	(24.07)	(4.52)	-	-	-	(4.52)	81.19	658.21
Benefit liability	**(691.15)**	**-**	**(150.16)**	**(42.50)**	**(192.65)**	**32.14**	**(4.52)**	**-**	**(9.63)**	**101.10**	**86.94**	**81.19**	**(683.54)**

31st March 2020: Changes in defined benefit obligation and plan assets

	1st April 2020	On acquisition (refer note 39)	Cost charged to statement of profit and loss			Benefit paid	Remeasurement gains/(losses) recognised in OCI					Contri-butions by employer	31st March 2021
			Service cost	Net interest expense	Sub-total included in statement of profit and loss (refer note 24)		Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI		
Gratuity													
Defined benefit obligation	(898.90)	-	(94.05)	(68.53)	(162.58)	41.76		-	(144.14)	(91.48)	(235.62)	-	(1,255.34)
Fair value of plan assets	497.62	-	-	40.54	40.54	(19.97)	(4.58)	-	-	-	(4.58)	50.58	564.19
Benefit liability	**(401.28)**	**-**	**(94.05)**	**(27.99)**	**(122.04)**	**21.79**	**(4.58)**	**-**	**(144.14)**	**(91.48)**	**(240.20)**	**50.58**	**(691.15)**

As at 31st March 2021 & 31st March 2020 the amount of gratuity provision also includes gratuity provision of ₹ 60 Lakhs & 60 Lakhs respectively provided for promotor director in the books of parent Company whose gratuity payment is not considered for acturial valuations.

Notes to the Consolidated Financial Statements for the Year ended 31st March 2021 (Contd.)

(All amounts in ₹ in Lakhs unless otherwise stated)

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

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Type of asset: Group gratuity scheme of LIC of India		
Fair value of total plan assets	658.21	564.19
(%) 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	For the year ended 31st March 2021	For the year ended 31st March 2020
Discount rate	6.70% to 6.86%	6.77% to 8.86%
Future salary increase	8.00%	8.00%
Expected rate of return on plan assets	8.00%	8.00%
Expected average remaining working lives (in years)	16 to 16.18	16 to 16.50

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

Gratuity

Particulars	Sensitivity level	(increase) / decrease in defined benefit obligation (Impact)	
		For the year ended 31st March 2021	For the year ended 31st March 2020
Discount rate	1% increase	996.64	901.03
	1% decrease	1,330.86	1,213.38
Future salary increase	1% increase	1,322.64	1,205.83
	1% decrease	1,000.46	904.62

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligations as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The followings are the expected future benefit payments for the defined benefit plan :

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Within the next 12 months (next annual reporting period)	38.73	45.71
Between 2 and 5 years	210.39	196.37
Beyond 5 years	873.98	868.39
Total expected payments	**1,123.10**	**1,110.47**

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

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Gratuity	13.29 to 15	13.51 to 15

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

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Gratuity	81.19	60.00

Notes to the Consolidated Financial Statements for the Year ended 31st March 2021 (Contd.)

(All amounts in ₹ in Lakhs unless otherwise stated)

31. SHARE BASED PAYMENTS

The parent Company provides share-based payment schemes to its employees. During the year ended 31st March 2021, an employee stock option plan (ESOP) was in existence. The relevant details of the scheme and the grant are as below.

On 6th February 2015, the board of directors approved the PCL Employee Stock Option Scheme 2015 (PCL ESOS 2015) for issue of stock options to the employees of the Company. According to the PCL ESOS 2015, the employee selected by the remuneration committee from time to time will be entitled to options. The contractual life (comprising the vesting period and the exercise period) of options granted under PCL ESOS 2015 is 6 years.

The fair value of the share options is estimated at the grant date using Black Scholes pricing model, taking into account the terms and conditions upon which the share options were granted. The exercise price of the share options is the face value i.e. ₹ 10. The contractual term of each option granted is 6 years.

Particulars	As at 31st March 2021	As at 31st March 2020
Expense arising from equity-settled share-based payment transactions	-	-
Total expense arising from share-based payment transactions	-	-

There were no cancellations or modifications to the awards in 31st March 2021 or 31st March 2020.

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

Particulars	31st March 2021		31st March 2020	
	Number	WAEP	Number	WAEP
Outstanding at 1st April	21,090	₹10	68,090	₹10
Granted during the year	-	-	-	-
Forfeited during the year	-	₹10	-	₹10
Exercised during the year	-	₹10	-	₹10
Expired during the year	8,860	-	47,000	-
Outstanding at 31st March	**12,230**	₹10	**21,090**	₹10
Exercisable at 31st March	12,230	₹10	21,090	₹10

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

The weighted average remaining contractual life(Vesting & Exercise) for the share options outstanding as at 31st March 2021 was 1 month (31st March 2020: 13 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 2021 (Contd.)

(All amounts in ₹ in Lakhs unless otherwise stated)

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 2021, the Company had commitments of ₹ 535.32 Lakhs (31st March 2020: ₹ 778.03 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 2020: ₹ 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 2020: ₹ 24.23 Lakhs). The Company has deposited an amount of ₹ 12.12 Lakhs (31st March 2020: ₹ 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 2020: ₹ 20.76 Lakhs) on sales tax retained under sales tax deferral scheme.

d. The Company has received the Show Cause Notice from The Directorate General of Goods and Service Tax Intelligence, Gurgaon (Haryana) for The cost of drawing/desigin/specifications was not included in components at the time of supply to MSIL amounting to ₹ 83.95 Lakhs (31st March 2020: 83.95 Lakhs).

e. The Company has received order from Assessing Officer for demand of income tax amounting to ₹ 1,428.71 Lakhs (31st March 2020: 1,428.71 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.

Notes to the Consolidated Financial Statements for the Year ended 31st March 2021 (Contd.)

(All amounts in ₹ in Lakhs unless otherwise stated)

33. RELATED PARTY TRANSACTIONS

A Related parties under 'Ind AS 24- Related Party Disclosures', with whom transactions have taken place during the period

a) Related party where control exists

i) Key management personnel (KMP)

Mr. Yatin S. Shah , Managing Director
Dr. Suhasini Y. Shah, Non executive director & Director of subsidiary Company
Mr. Ravindra R. Joshi, Director
Mr. Sarvesh N. Joshi, Independent Director
Mr. Pramod H. Mehendale, Independent Director
Mr. Vedant V. Pujari, Independent Director
Mr. Vaibhav S. Mahajani, Independent Director
Mr. Shreyas S. Mokashi, Company Secretary of Memco (1st April 2019 to 15th February 2020)
Mr. Abhishek P. Phadke, Company Secretary of Memco (W.e.f 16th February 2020)
Mr. Karan Y. Shah
Mrs. Mayuri I. Kulkarni
Ms. Smita Mandem, Director of subsidiary
Ms. Romita Mehta, Director of subsidiary
Mrs. Savani A. Laddha, Independent Director (W.e.f. 10th February 2020)
Mr. Edwin Hobbel, Director (Emoss Mobile Systems B.V., Netherlands) (upto 24th July 2020)
Mr. Guido Glinski, Managing Director MFT Motoren Und Fahrzeughecnik GMBH (Germany) (upto 24th July 2020)
Mr. Thomas Koritke (w.e.f. 23rd July 2020)

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
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
Rewin Investments B.V. (upto 24th July 2020)
Kenbri Fire Fighting B.V. (upto 24th July 2020)
Hormiga Management B.V. (w.e.f. 8th September 2020)
M.A. Noordam Holding B.V. (w.e.f. 8th September 2020)
ENCONA GmbH (w.e.f. 23rd July 2020)

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 Limited, China. (upto 18th June 2020)
PCL Shenglong (Huzhou) Specialised Casting Co Limited, China. (upto 18th June 2020)

Notes to the Consolidated Financial Statements for the Year ended 31st March 2021 (Contd.)

(All amounts in ₹ in Lakhs unless otherwise stated)

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

Sr. No.	Particulars	Key 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 2021	31st March 2020	31st March 2021	31st March 2020	31st March 2021	31st March 2020	31st March 2021	31st March 2020	31st March 2021	31st March 2020	31st March 2021	31st March 2020
1	Remuneration* (including commission)	829.11	943.47	-	-	-	-	-	-	-	-	-	-
2	Final Dividend paid on equity shares	-	479.69	-	2.95	-	125.15	-	-	-	82.02	-	33.49
3	Interim dividend paid on equity shares	-	458.80	-	2.80	-	128.32	-	-	-	77.92	-	31.81
4	Management Fees Paid	-	-	-	-	505.75	196.61	-	-	-	-	-	-
5	Temporary Personnel Cost Paid	-	-	-	-	-	82.40	-	-	-	-	-	-
6	Loan Received	-	-	-	-	-	786.46	-	-	-	-	-	-
7	Loan Repaid	555.16	-	-	-	3,357.83	-	-	-	-	-	-	-
8	Interest on Loan Taken	7.77	15.51	-	-	71.20	118.57	-	-	-	-	-	-
9	Purchase of Assets	78.97	-	-	-	-	-	-	-	-	-	-	-
10	Loss recognised on the measurement to fair Value less cost to sale	-	-	-	-	-	-	44.04	-	-	-	-	-
11	Donation Paid	-	-	-	-	21.00	36.00	-	-	-	-	-	-
12	Purchases of goods, material or services	-	-	-	-	56.72	51.33	-	-	-	-	-	-
	Balances outstanding									-	-	-	-
1	Remuneration payable	54.01	59.70	-	-	-	-	-	-	-	-	-	-
2	Trade payables	-	-	-	-	15.40	19.05	-	-	-	-	-	-
3	Management Fees Payable	-	-	-	-	115.41	85.64	-	-	-	-	-	-
4	Outstanding Loan Balance	-	536.27	-	-	-	3,239.78	-	-	-	-	-	-
5	Interest on Loan Taken	-	16.21	-	-	-	149.58	-	-	-	-	-	-
6	Payable for Temporary Personnel	-	-	-	-	-	35.89	-	-	-	-	-	-

*The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key 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 2021 (Contd.)

(All amounts in ₹ in Lakhs unless otherwise stated)

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

Sr. No.	Particulars	Relationship	31st March 2021	31st March 2020
1	**Remuneration***			
	Mr. Yatin S. Shah	Key management personnel	343.48	344.25
	Dr. Suhasini Y. Shah	Key management personnel	22.50	30.00
	Mr. Ravindra R. Joshi	Key management personnel	300.46	308.81
	Mr. Karan Y. Shah	Key management personnel	51.69	74.30
	Mrs. Mayuri I. Kulkarni	Key management personnel	8.55	7.80
	Mr. Sarvesh N. Joshi	Key management personnel	5.00	5.00
	Mr. Pramod H. Mehendale	Key management personnel	5.00	5.00
	Mr. Vedant V. Pujari	Key management personnel	5.00	5.00
	Mr. Vaibhav S. Mahajani	Key management personnel	5.00	5.00
	Dr. Suhasini Y. Shah	Key management personnel	5.00	5.00
	Mrs. Savani A. Laddha	Key management personnel	5.00	0.50
	Mr. Guido Glinski	Key management personnel	54.96	135.50
	Ms. Smita Mandem	Key management personnel	10.42	9.44
	Ms. Romita Mehta	Key management personnel	3.89	3.77
	Mr. Shreyas S. Mokashi	Key management personnel	-	3.47
	Mr. Abhishek P. Phadke	Key management personnel	3.16	0.62
2	**Final dividend paid on equity shares**			
	Cams Technology Limited	Entities where KMP / RKMP having significant influence	-	125.15
	Mr. Yatin S. Shah	Key management personnel	-	247.31
	Mr. Jayant V. Aradhye	Individual having significant influence	-	82.02
	Mr. Yatin S. Shah Jointly held with Dr. Suhasini Y. Shah	Key management personnel	-	128.29
	Dr. Suhasini Y. Shah	Key management personnel	-	104.06
	Mr. Maneesh J. Aradhye	Relative of individual having significant influence	-	16.36
	Dr. Sunita J. Aradhye	Relative of individual having significant influence	-	8.17
	Ms. Rama M. Aradhye	Relative of individual having significant influence	-	6.96
	Mr. Vijay V. Aradhye	Relative of individual having significant influence	-	2.00
	Dr. Manjiri V. Chitale	Relatives of Key management personnel	-	2.92
	Mr. Ravindra R. Joshi	Key management personnel	-	0.01
	Mr. Karan Y. Shah	Key management personnel	-	0.02
	Ms. Tanvi Y. Shah	Relatives of Key management personnel	-	0.02
	Mrs. Mayura K. Shah	Relatives of Key management personnel	-	0.01

Notes to the Consolidated Financial Statements for the Year ended 31st March 2021 (Contd.)

(All amounts in ₹ in Lakhs unless otherwise stated)

Sr. No.	Particulars	Relationship	31st March 2021	31st March 2020
3	**Interim dividend paid on equity shares**			
	Cams Technology Limited	Entities where KMP / RKMP have significant influence	-	128.32
	Mr. Yatin S. Shah	Key management personnel	-	237.12
	Mr. Jayant Aaradhye	Individual having significant influence	-	77.92
	Mr. Yatin S. Shah Jointly held with Dr. Suhasini Y. Shah	Key management personnel	-	121.87
	Dr. Suhasini Y. Shah	Key management personnel	-	99.62
	Mr. Maneesh J. Aradhye	Relative of Individual having significant influence	-	15.54
	Dr. Sunita J. Aradhye	Relative of Individual having significant influence	-	7.76
	Mrs. Rama M. Aradhye	Relative of Individual having significant influence	-	6.61
	Mr. Vijay V. Aradhye	Relative of Individual having significant influence	-	1.90
	Dr. Manjiri V. Chitale	Relatives of Key management personnel	-	2.77
	Mr. Ravindra R. Joshi	Key management personnel	-	0.16
	Mr. Karan Y. Shah	Key management personnel	-	0.02
	Ms. Tanvi Y. Shah	Relatives of Key management personnel	-	0.02
	Mrs. Mayura K. Shah	Relatives of Key management personnel	-	0.01
4	**Loss recognised on the measurement to fair Value less cost to sale**			
	China Joint Ventures	Joint Venture	44.04	-
5	**Purchases of Assets**			
	Mr. Yatin S. Shah	Key management personnel	42.25	-
	Mr. Ravindra R. Joshi	Key management personnel	36.72	-
6	**Management Fees Paid**			
	Rewin Investments B.V.	Entities where KMP / RKMP have significant influence	65.46	49.15
	Kenbri Fire Fighting B.V.	Entities where KMP / RKMP have significant influence	-	147.46
	Hormiga Management B.V.	Entities where KMP / RKMP have significant influence	132.73	-
	M.A. Noordam Holding B.V.	Entities where KMP / RKMP have significant influence	132.73	-
	ENCONA GmbH	Entities where KMP / RKMP have significant influence	174.82	-

Notes to the Consolidated Financial Statements for the Year ended 31st March 2021 (Contd.)

(All amounts in ₹ in Lakhs unless otherwise stated)

Sr. No.	Particulars	Relationship	31st March 2021	31st March 2020
7	**Temporary Personnel Cost Paid**			
	Rewin Investments B.V.	Entities where KMP / RKMP have significant influence	-	20.60
	Kenbri Fire Fighting B.V.	Entities where KMP / RKMP have significant influence	-	61.80
8	**Loan Received**			
	Rewin Investments B.V. - 49%	Entities where KMP / RKMP have significant influence	-	786.46
9	**Loan Repaid**			
	Rewin Investments B.V. - 49%	Entities where KMP / RKMP have significant influence	3,357.83	-
	Mr. Guido Glinski	Key management personnel	555.16	-
10	**Interest on Loan**			
	Rewin Investments B.V. - 49%	Entities where KMP / RKMP have significant influence	71.20	118.57
	Mr. Guido Glinski (Germany)	Key management personnel	7.77	15.51
11	**Donation Paid**			
	Precision Foundation and Medical Research Trust	Entities where KMP / RKMP have significant influence	21.00	36.00
12	**Purchases of goods, material or Services**			
	Cams Technology Limited	Entities where KMP / RKMP have significant influence	56.51	51.09
	Chitale Clinic Private Limited	Entities where KMP / RKMP have significant influence	0.21	0.23
	Balances outstanding			
1	**Remuneration payable**			
	Mr. Ravindra R. Joshi	Key management personnel	5.56	7.65
	Mr. Yatin S. Shah	Key management personnel	10.97	11.84
	Dr. Suhasini Y. Shah	Key management personnel	2.50	2.50
	Mr. Karan Y. Shah	Key management personnel	3.94	4.11
	Mrs. Mayuri I. Kulkarni	Key management personnel	0.73	0.63
	Mr. Sarvesh N. Joshi	Key management personnel	5.00	5.00
	Mr. Pramod H. Mehendale	Key management personnel	5.00	5.00
	Mr. Vedant V. Pujari	Key management personnel	5.00	5.00
	Mr. Vaibhav S. Mahajani	Key management personnel	5.00	5.00
	Dr. Suhasini Y. Shah	Key management personnel	5.00	5.00
	Mrs. Avani A. Laddha	Key management personnel	5.00	0.50
	Mr. Guido Glinski	Key management personnel	-	7.17
	Mr. Abhishek P. Phadke	Key management personnel	0.31	0.29
2	**Trade payables**			
	Cams Technology Limited	Entities where KMP / RKMP have significant influence	15.40	19.05

Notes to the Consolidated Financial Statements for the Year ended 31st March 2021 (Contd.)

(All amounts in ₹ in Lakhs unless otherwise stated)

Sr. No.	Particulars	Relationship	31st March 2021	31st March 2020
3	**Management Fees Payable**			
	Rewin Investments B.V.	Entities where KMP / RKMP have significant influence	-	51.38
	Kenbri Fire Fighting B.V.	Entities where KMP / RKMP have significant influence	-	34.26
	Hormiga Management B.V.	Entities where KMP / RKMP have significant influence	26.51	-
	M.A. Noordam Holding B.V.	Entities where KMP / RKMP have significant influence	20.32	-
	ENCONA GmbH	Entities where KMP / RKMP have significant influence	68.58	-
4	**Outstanding Loan Balance**			
	Rewin Investments B.V. - 49%	Entities where KMP / RKMP have significant influence	-	3,239.78
	Mr. Guido Glinski	Key management Personnel	-	536.27
5	**Interest on Loan given by Shareholder**			
	Rewin Investments B.V. - 49%	Entities where KMP / RKMP have significant influence	-	149.58
	Mr. Guido Glinski	Key management Personnel	-	16.21
6	**Payable for Temporary Personnel**			
	Rewin Investments B.V.	Entities where KMP / RKMP have significant influence	-	21.53
	Kenbri Fire Fighting B.V.	Entities where KMP / RKMP have significant influence	-	14.36

* The liabilities for gratuity and leave encashment are provided for the Company as a whole, the remuneration does not include the same.

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for or from any related party receivables or payables.

Compensation of Key managerial personnel of the Company

Particulars	31st March 2021	31st March 2020
Short term employee benefits (Gross salary)	754.10	862.26
Post employment benefits (PF+Superannuation+Gratuity)	75.01	81.21
Total compensation paid to key management personnel	**829.11**	**943.47**

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

Notes to the Consolidated Financial Statements for the Year ended 31st March 2021 (Contd.)

(All amounts in ₹ in Lakhs unless otherwise stated)

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; 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	31st March 2021	31st March 2020
Within India	20,755.04	20,967.81
Outside India		
Asia (other than China)	4,477.21	8,927.83
China	443.73	2.17
Europe	40,175.03	38,463.38
Others	5,046.83	6,262.11
	50,142.80	**53,655.49**
Total revenue	**70,897.84**	**74,623.30**

The revenue information above is based on the locations of the customers.

Non-current operating assets*	31st March 2021	31st March 2020
Within India	28,076.44	39,488.78
Outside India		
Asia (other than China)	-	-
China	-	-
Europe	16,586.30	9,619.01
Others	-	-
	16,586.30	**9,619.01**
Total	**44,662.74**	**49,107.79**

* 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 2021 (Contd.)

(All amounts in ₹ in Lakhs unless otherwise stated)

35. FINANCIAL INSTRUMENTS - FAIR VALUES

Particulars of Financial Instruments by category of classification

	As at 31st March 2021		As at 31st March 2020	
	Carried at FVTPL	Carried at Amortised Cost	Carried at FVTPL	Carried at Amortised Cost
Financial assets				
Loans & Advances	-	246.44	-	245.34
Investments at FVTPL	19,642.26	-	13,037.95	-
Foreign exchange forward contracts	35.97	-	-	-
Other financial assets	-	356.70	-	1,087.20
Cash and cash equivalents	-	2,632.55	-	2,748.02
Term Deposits with Banks [Short Term + Long Term]	-	4,170.87	-	3,093.37
Trade receivables	-	15,428.79	-	17,195.32
Assets classified as held for sale	-	-	1,003.35	-
Total	**19,678.23**	**22,835.35**	**14,041.30**	**24,369.25**
Financial liabilities				
Foreign exchange forward contracts	-	-	77.87	-
Borrowings (Including current maturities of Long term borrowings)	-	17,414.41	-	19,952.17
Other financial liabilities	-	2,515.02	-	2,250.77
Trade payables	-	11,154.72	-	10,231.66
Total	**-**	**31,084.15**	**77.87**	**32,434.60**

36. FAIR VALUE HIERARCHY

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- **Level 1** - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2** - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- **Level 3** - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

A) The following table represents fair value hierarchy of assets and liabilities measured at fair value at a recurring basis Quantitative disclosures fair value measurement hierarchy for assets as at 31st March 2021:

	Fair value measurement using				
	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:					
Investments	31st March 2021	19,642.26	19,634.80	-	7.46
Foreign exchange forward contracts receivable	31st March 2021	35.97	-	35.97	-
Asset Classified as held for sale	31st March 2021	-	-	-	-

Notes to the Consolidated Financial Statements for the Year ended 31st March 2021 (Contd.)

(All amounts in ₹ in 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)
Liabilites measured at fair value:					
Foreign exchange forward contracts payable	31st March 2021	-	-	-	-

Quantitative disclosures fair value measurement hierarchy for Assets as at 31 March 2020

	Fair value measurement using				
	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:					
Investments	31st March 2020	13,037.95	13,030.49	-	7.46
Foreign exchange forward contracts receivable	31st March 2020	-	-	-	-
Asset Classified as held for sale	31st March 2020	-	-	1,003.35	-

	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)
Liabilites measured at fair value:					
Foreign exchange forward contracts payable	31st March 2020	77.87	-	77.87	-

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

➢ The fair values of the quoted mutual funds are based on price (i.e. the NAV of the mutual funds) quotations at the reporting date.

➢ The fair values of derivative forward contracts is determined using the marked-to-market valuation done by the banks.

➢ The fair values of Asset held for Sale is determined as per agreement between the company and the buyer.

➢ The Fair value of Level 3 is determined on the basis of best estimate & information available. The Fair value approximates its carrying Value.

B) Fair Value of financial assets and liabilities measured at amortised cost

The management assessed that cash and cash equivalents(including term deposits), trade receivables, trade payables, borrowings and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The amortized cost using effective interest rate (EIR) of non-current financial assets consisting of security and loans to subsidiary are not significantly different from the carrying amount.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Notes to the Consolidated Financial Statements for the Year ended 31st March 2021 (Contd.)

(All amounts in ₹ in Lakhs unless otherwise stated)

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.

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 35 and 36 for further disclosures.

Goodwill impairment:

The group tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of a cash generating unit (CGU) is determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth. These growth rates are consistent with forecasts included in industry reports specific to the industry in which each CGU operates.

Notes to the Consolidated Financial Statements for the Year ended 31st March 2021 (Contd.)

(All amounts in ₹ in Lakhs unless otherwise stated)

Revenue Recognition:

Tooling Contract-The Company has enforceable right to payment for tools developed when the tool is approved by the customer and accordingly the revenue from tooling is recognised at a point in time post approval by the customer.

Assets classified as held for sale:

Classification of investment in joint ventures as assets held for sale involves judgements of management that sale will be completed within 1 year and other conditions specified in Ind AS 105 - Non currents held for sale and discontinued operations are fulfilled. Due to Covid-19 there was procedural delay in closing the Subsidiary and the sale is completed for this joint ventures and the proceeds are realised on 18th June 2020.

38. GROUP INFORMATION

Information about subsidiary and step down subsidiaries

Name	Country of incorporation	Principal activities	% equity interest	
			31st March 2021	31st March 2020
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%	100%
MFT Motoren und Fahrzeugtechnik GmbH (Through Wholly owned subsidiary PCL (International) Holding B.V.)*	Germany	Manufacturing of camshafts as well as prismatic components	100%	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	100%	51%

* During the current year, i.e. on 3rd August 2020, PCL (International) Holding B.V. (PCL NL) has acquired balance 24% stake in MFT Motoren und Fahrzeugtechnik GmbH, Germany in addition to the existing 76% shareholding making it a Wholly Owned Subsidiary of the Company for a total consideration of € 0.55 million (₹ 4.82 Crores). PCL NL has also aquired balance 49% shareholding of EMOSS Mobile Systems B.V., Netherlands (EMOSS), in addition to the existing 51% shareholding making it a Wholly Owned Subsidiary of the Company for a total consideration of € 0.6 million (₹ 5.18 Crores) on 24th July 2020.

Notes to the Consolidated Financial Statements for the Year ended 31st March 2021 (Contd.)

(All amounts in ₹ in Lakhs unless otherwise stated)

39. MATERIAL PARTLY-OWNED SUBSIDIARIES

Financial information of subsidiaries that have material non-controlling interests is provided below:

Proportion of equity interest held by non-controlling interests:

Name	Country of operation	31st March 2021	31st March 2020
MFT Motoren und Fahrzeugtechnik GmbH (Through Wholly owned subsidiary PCL (International) Holding B.V.)	Germany	0%	24%
Emoss Mobile Systems B.V. (Through Wholly owned subsidiary PCL (International) Holding B.V.)	Netherlands	0%	49%

Information regarding non-controlling interest

	31st March 2021	31st March 2020
Accumulated balances of material non-controlling interest:		
MFT Motoren und Fahrzeugtechnik GmbH (Through Wholly owned subsidiary PCL (International) Holding B.V.)	-	1,045.47
Emoss Mobile Systems B.V. (Through Wholly owned subsidiary PCL (International) Holding B.V.)	-	2,171.87
Profit/(loss) allocated to material non-controlling interest:		
MFT Motoren und Fahrzeugtechnik GmbH (Through Wholly owned subsidiary PCL (International) Holding B.V.)	(146.38)	(144.71)
Emoss Mobile Systems B.V. (Through Wholly owned subsidiary PCL (International) Holding B.V.)	(160.06)	(787.71)

Acquisition of minority stake in MFT Motoren und Fahrzeugtechnik GmbH and EMOSS Mobile Systems B.V.

During the current year, i.e. on 3rd August 2020, PCL (International) Holding B.V. (PCL NL) has acquired balance 24% stake in MFT Motoren und Fahrzeugtechnik GmbH, Germany in addition to the existing 76% shareholding making it a Wholly Owned Subsidiary of the Company for a total consideration of € 0.55 million (₹ 4.82 Crores). PCL NL has also acquired balance 49% shareholding of EMOSS Mobile Systems B.V., Netherlands (EMOSS), in addition to the existing 51% shareholding making it a Wholly Owned Subsidiary of the Company for a total consideration of € 0.6 million (₹ 5.18 Crores) on 24th July 2020. The balance in the NCI has been transferred to retained earnings, computation of the same is as stated below.

Particulars	Amount (₹)	Amount (₹)
Value of NCI as on the date of acquisition		2,916.21
Purchase consideration paid:		
MFT Motoren und Fahrzeugtechnik GmbH	482.45	
EMOSS Mobile Systems B.V.	518.10	1,000.56
Amount transferred to Retained earnings on Acquisition		**1,915.65**

(All amounts in ₹ in Lakhs unless otherwise stated)

The summarized financial information of the subsidiaries are provided below. This information is based on amounts before inter-company eliminations.
During the Current Year Company has acquired remaining stake and became wholly owned subsidiary hence summarized information for the FY 20-21 has not reported.

Summarised statement of profit and loss for the year ended 31st March 2020:

Particulars	MFT Motoren und Fahrzeugtechnik GmbH	Emoss Mobile Systems B.V.
Revenue	16,595.74	9,679.94
Other income	351.56	26.48
Finance income		
Cost of raw material and components consumed	7,462.40	6,785.94
Depreciation and amortisation expense	1,300.74	260.34
Employee benefit expenses	4,332.19	2,050.42
Other expenses	4,105.01	970.41
Finance costs	293.07	235.15
Profit before tax	**(546.11)**	**(595.84)**
Income tax	-	-
Profit for the year:	**(546.11)**	**(595.84)**
Total comprehensive income	**(276.44)**	**(631.31)**

40. EXCEPTIONAL ITEMS

Exceptional item for the year ended 31st March 2021 and 31st March 2020 includes following:

Particulars	31st March 2021	31st March 2020
Compensation from customer	1,553.82	1,867.65
Amortisation of Goodwill on Consolidation	-	(2,083.28)
Gain/(Loss) on sale of investment in Joint Venture	(44.04)	-
Net Exceptional items	**1,509.78**	**(215.63)**

41. DISCONTINUED OPERATION

During the year ended 31st March 2019, the Directors of the Company decided to shut down its wholly owned subsidiary in China i.e. PCL (Shanghai) Co. Ltd. Consequently it has been reported as discontinued operation in the consolidated Ind AS financial statements in accordance with Ind AS 105. In standalone Ind AS financial statements of the Company, this investment had been fully impaired in FY 2016-17. The subsidiary was liquidated on 24th December 2019 and accordingly all the legal formalities have been complied with.

Financial Performance and net cashflow of discontinued operation

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Revenue	-	-
Expense	-	29.24
Profit before income Tax	**-**	**(29.24)**
Income Tax Expense	-	9.29
Profit after income Tax	**-**	**(38.53)**
Net decrease in cashflow from discontinued operation	**-**	**(38.53)**

* There are no asset & Liabilities as on March 31, 2020 for discontinued operations.

Notes to the Consolidated Financial Statements for the Year ended 31st March 2021 (Contd.)

(All amounts in ₹ in Lakhs unless otherwise stated)

42. 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 FY 2015-16 in order to raise funds for building an additional machine shop for Ductile iron camshafts.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio within 60%. The Group includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents, excluding discontinued operations.

Particulars	31st March 2021	31st March 2020
Borrowings other than non convertible preference shares (refer note 12)	17,414.41	19,952.16
Less: cash and cash balances (refer note 9)	(2,632.55)	(2,748.02)
Net debt	**14,781.86**	**17,204.15**
Equity	64,278.00	61,811.98
Capital and net debt	79,059.86	79,016.13
Gearing ratio	**19%**	**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.

(All amounts in ₹ in Lakhs unless otherwise stated)

43. DIVIDEND DISTRIBUTION MADE AND PROPOSED

The major components of income tax expense for the years ended 31st March 2021 and 31st March 2020 are:

Particulars	As at 31st March 2021	As at 31st March 2020
Cash dividends on equity shares declared and paid		
Final dividend for the year ended on 31st March 2021 (Mar 2020 - ₹ 1.00 per share for the FY 2018-19)	-	949.86
Tax on final dividend	-	195.25
Interim dividend for the year ended on 31st March 2021 (Mar 2020 - ₹ 0.95 per share)	-	902.37
Tax on final dividend	-	181.62
	-	**2,229.10**

The Board of Directors have recommended the dividend of ₹ 1 per share of the face value of ₹ 10 per share for the year ended 31st March 2021. The payment of dividend is subject to approval of the shareholders at the ensuing Annual General Meeting of the Company.

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.

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 2021 and 31st March 2020.

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.

Notes to the Consolidated Financial Statements for the Year ended 31st March 2021 (Contd.)

(All amounts in ₹ in Lakhs unless otherwise stated)

Sensitivity

Year	Increase/decrease in basis points	Effect on profit before tax
31st March 2021	50	93.42
	(50)	(93.42)
31st March 2020	50	103.79
	(50)	(103.79)

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 2021		31st March 2020	
		Amount in Curr	Amount in ₹	Amount in Curr	Amount in ₹
Trade Receivables	USD	69.65	5,052.96	110.69	8,285.01
	EUR	6.48	552.59	5.43	444.98
	GBP	-	-	4.69	431.90
Trade Payables	USD	1.68	123.97	2.04	154.36
	EUR	0.39	33.60	0.35	29.12
	JPY	191.88	128.35	96.00	67.68
Loan given to Subsidiaries	USD	-	-	-	-
	EUR	132.50	11,290.49	60.50	4,961.16
	GBP	-	-	-	-
Interest on Loan given to Subsidiaries	USD	-	-	-	-
	EUR	5.11	435.77	2.06	168.81
	GBP	-	-	-	-
Forward Contract	USD	0.47	34.74	0.96	71.68
	EUR	0.02	1.23	0.11	9.08
	GBP	-	-	(0.03)	(2.89)
EEFC	USD	0.10	7.58	0.33	25.06
	EUR	0.04	3.50	0.41	33.66
	GBP	-	-	-	-

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.

(All amounts in ₹ in Lakhs unless otherwise stated)

Sensitivity

Year	Change in USD rate	Effect on profit before tax
31st March 2021	5%	342.90
	-5%	(342.90)
31st March 2020	5%	543.92
	-5%	(543.92)

Year	Change in EUR rate	Effect on profit before tax
31st March 2021	5%	587.26
	-5%	(587.26)
31st March 2020	5%	292.45
	-5%	(292.45)

Year	Change in GBP rate	Effect on profit before tax
31st March 2021	5%	5.75
	-5%	(5.75)
31st March 2020	5%	34.07
	-5%	(34.07)

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 2021, 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.

Notes to the Consolidated Financial Statements for the Year ended 31st March 2021 (Contd.)

(All amounts in ₹ in Lakhs unless otherwise stated)

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 2021 and 31st March 2020 is the carrying amounts as illustrated in note 9.

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

Particulars	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year Ended 31st March 2021						
Non current Borrowings	-	-	-	8,020.47	-	8020.47
Current Borrowings	5,993.56	-	-	-	-	5,993.56
Other financial liabilities	200.89	2,066.04	2,893.80	754.67	-	5,915.40
Trade payables	-	11,154.72	-	-	-	11,154.72
	6,194.45	**13,220.76**	**2,893.80**	**8,775.14**	**-**	**31,084.15**

Particulars	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year Ended 31st March 2020						
Non current Borrowings	-	-	-	15,159.65	12.11	15,171.76
Current Borrowings	3,602.29	-	-	-	-	3,602.29
Other financial liabilities	141.86	1,648.54	1,453.88	262.48	-	3,506.76
Trade payables	-	10,231.66	-	-	-	10,231.66
	3,744.15	**11,880.20**	**1,453.88**	**15,422.13**	**12.11**	**32,512.47**

45. UTILISATION OF MONEY RAISED THROUGH PUBLIC ISSUE

During the year ended 31st March 2016, the Company had raised ₹ 24,000.00 Lakhs through public issue of fresh equity shares (refer note 10), mainly with an objective of setting-up a new machining facility of ductile Iron and other Camshafts at Solapur and for general corporate purposes. The Company had incurred expenses aggregating ₹ 2,387.33 Lakhs towards the initial public offering which included both issue of fresh equity shares as well as offer for sale of equity shares by existing share holders. Out of the same an amount of ₹ 1,028.12 Lakhs has been recovered from existing share holders in regard to offer for sale. Given below are the details of utilisation of proceeds raised through public issue. During the year ended 31st March 2017, the Company has transferred an amount equivalent to the recovery from selling share holders from IPO account to the normal bank accounts since the same was spent by the Company before such recovery.

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Unutilised amount at the beginning of the year	194.08	2,325.39
Interest received on fixed deposits matured during the year	-	-
Less: amount utilised during the year		
Payment towards project expenditure relating to new manufacturing facility	-	2,131.31
Payment towards general corporate purpose	194.08	-
Unutilised amount at the end of the year	**-**	**194.08**

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 2021

Particulars	31st March 2021	31st March 2020
Balance amount in current account	-	194.08
Investment in fixed deposits of banks	-	-

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 2020 the Company has fully utilised money raised from IPO for the purposes it was raised. Unutilised amount of ₹ 194.08 Lakhs pertains to interest received on IPO fund as on 1st April 2020 which has fully utilised towards general corporate purpose during the year & there were no unutilised amount againt it as on 31st March 2021.

Notes to the Consolidated Financial Statements for the Year ended 31st March 2021 (Contd.)

(All amounts in ₹ in Lakhs unless otherwise stated)

46. 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 2021:

Name of the Company	Balance as at		Maximum outstanding	
	31st March 2021	31st March 2020	31st March 2021	31st March 2020
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)	11,290.49	4,961.16	11,290.49	4,961.16

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 loan 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 2021:

Name of the Company	Balance as at		Maximum outstanding	
	31st March 2021	31st March 2020	31st March 2021	31st March 2020
To Subsidiary Companies				
MFT Motoren und Fahrzeugtechnik GmbH (MFT)- Germany EUR 36,74,494 & EUR 31,26,018 For March 2021 & March 2020 Respectively (Converted into INR using 85.21 Rs/Euro & Rs. 82.21 Rs./Euro for March 2021 & March 2020 Respectively)	3,131.04	2,570.03	3,131.04	2,570.03
Emoss Mobile Systems B.V., Netherlands EUR 79,58,000 & EUR 73,57,999.89 For March 2021 & March 2020 Respectively (Converted into INR using 85.21 Rs/Euro & Rs. 82.21 Rs./Euro for March 2021 & March 2020 Respectively)	6,781.01	6,049.33	6,781.01	6,049.33

Notes to the Consolidated Financial Statements for the Year ended 31st March 2021 (Contd.)

(All amounts in ₹ in Lakhs unless otherwise stated)

47. 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)	102.33%	65,776.00	-7733.60%	6,020.12	17.11%	50.57	2788.17%	6,070.68
Subsidiaries								
Indian:								
1. Memco Engineering Private Limited	3.33%	2,139.00	-146.95%	114.41	4.90%	14.49	59.20%	128.90
Foreign:								
PCL (International) Holding B.V. (Consolidated) (attributable to equity holders of parent)	-5.66%	(3,637.00)	7,585.95	(5,905.93)	77.99%	230.52	-2,606.63%	(5,675.41)
Non-controlling Interest in all subsidiaries Associates	0.00%	-	393.61%	(306.44)	0.00%	-	-140.74%	(306.44)
Total	**100.00%**	**64,278.00**	**100.00%**	**(77.85)**	**100.00%**	**295.58**	**100.00%**	**217.73**

48. STANDARDS ISSUED BUT NOT YET EFFECTIVE

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1st April 2021.

49. IMPACT OF COVID 19 PANDEMIC

The World Health Organisation announced a global health emergency because of a new strain of coronavirus ("COVID-19") and classified its outbreak as a pandemic on 11th March 2020. On 24th March 2020, the Indian government announced a strict 21-day lockdown across the country to contain the spread of the virus. This pandemic and response thereon have impacted most of the industries. Consequent to the nationwide lock down on 24th March 2020, the Group's operations were scaled down in compliance with applicable regulatory orders. Subsequenlty, during the year, the Group's operations have been scaled up in a phased manner taking into account directives from various Government authorities. The impact on future operations would, to a large extent, depend on how the pandemic further develops and it's resultant impact on the operations of the Group. The Group continues to monitor the situation and take appropriate action, as considered necessary in due compliance with the applicable regulations.

The management has made an assessment of the impact of COVID-19 on the Group's operations, financial performance and position as at and for the year ended 31st March 2021 and has concluded that no there is no impact which is required to be recognised in the financial statements. Accordingly, no adjustments have been made to the financial statements.

Notes to the Consolidated Financial Statements for the Year ended 31st March 2021 (Contd.)

(All amounts in ₹ in Lakhs unless otherwise stated)

50. SOCIAL SECURITY CODE

The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on 28th September 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on 13th November 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued.

The Group will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

51. PREVIOUS YEAR COMPARATIVES

Previous year's figures have been regrouped/reclassified to correspond with the current year's classification/disclosure.

The accompanying notes are an integral part of the financial statements

As per our report attached of even date

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

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

Nitin M. Jumani
Partner
Membership Number: 111700
Place: Pune
Date: 25th May 2021

Yatin S. Shah
Managing Director
DIN: 00318140
Place: Solapur
Date: 25th May 2021

Ravindra R. Joshi
Whole-time Director & CFO
DIN: 03338134
Place: Solapur
Date: 25th May 2021

Mayuri I. Kulkarni
Company Secretary
M. No. A32237
Place: Pune
Date: 25th May 2021

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: 25th May 2021

Dear Member,

You are cordially invited to attend the 29th Annual General Meeting (AGM) of Precision Camshafts Limited ('the Company' which is scheduled to be held on Tuesday, 27th July 2021 at 3:00 PM through Video Conferencing ("VC")/Other Audio-Visual Means("OAVM").

The Notice of the meeting, containing business to be transacted, along with Explanatory Statement thereon is enclosed herewith.

As per Section 108 of the Companies Act 2013, read with the related Rules and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide its members the facility to cast their vote by electronic means on all resolutions set forth in the Notice before or during the meeting. The instructions for e-voting are enclosed herewith AGM Notice.

Sincerely,

Yatin S. Shah

Chairman and Managing Director

(DIN: 00318140)

Enclosures -

- Notice of the 29th AGM

- Instructions for members for remote e-voting and joining Annual General Meeting.

- Instructions for members for e-voting on the day of the Annual General Meeting.

- Instructions for members for attending the Annual General Meeting through VC/OAVM.

- Explanatory Statement as per Section 102 of the Companies Act, 2013.

Notice

NOTICE is hereby given that the 29th (Twenty Ninth) Annual General Meeting (AGM) of the members of Precision Camshafts Limited will be held on Tuesday, 27th July 2021 at 03:00 PM through Video Conferencing (VC)/Other Audio-Visual Means (OAVM) to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt: -

   (a) the Audited Standalone Financial Statements of the Company for the Financial Year ended 31st March 2021 including Reports of the Board of Directors and Auditors thereon; and

   (b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March 2021 including the Reports of the Auditors thereon.

2. To declare dividend of ₹ 1/- (Rupee One) per equity Share of ₹ 10/- each for the Financial Year ended 31st March 2021.

3. To appoint a Director in place of Dr. Suhasini Y. Shah (DIN: 02168705), who retires by rotation, and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS:

4. **TO RATIFY THE REMUNERATION OF COST AUDITORS FOR THE FINANCIAL YEAR ENDING 31st MARCH 2021**

   To consider and if thought fit, to pass with or without modification(s), the following resolution(s) as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 148 of the Companies Act, 2013, read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and pursuant to the recommendation of the Audit Committee, the members of the Company hereby ratify the remuneration of ₹ 1,50,000/- (Rupees One Lac Fifty Thousand) plus taxes thereon, and out-of-pocket expenses incurred in connection with the audit, if any, chargeable extra on actual basis, payable to M/s. S. V. Vhatte & Associates, Cost Accountants (Membership No: 7501 Firm Registration No. 100280) who have been appointed as Cost Auditors by the Board of Directors of the Company, to conduct cost audit of the cost records of the Company for the Financial Year ending 31st March 2022.

   RESOLVED FURTHER THAT the Board of Directors (including any committee thereof) be and is hereby authorised to do or to authorise any person to do all such acts, deeds, matters and things as may be considered necessary, relevant, usual, customary, proper and/or expedient for giving effect to this resolution and for matters connected therewith or incidental thereto."

5. **TO CONSIDER RE-APPOINTMENT OF MRS. SAVANI ARVIND LADDHA (DIN: 03258295) ADDITIONAL DIRECTOR (INDEPENDENT DIRECTOR) AS DIRECTOR DESIGNATED AS INDEPENDENT WOMAN DIRECTOR OF THE COMPANY.**

   To consider and if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution:

   "RESOLVED THAT pursuant to provisions of Section 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 and read with Schedule IV to the Act rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, Mrs. Savani A. Laddha (DIN: 03258295) who holds office of Independent Director up to 9th February 2022 and who has submitted a declaration that she meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1)(b), 17(1)(a) and other applicable provision of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and in respect of whom the Company has received a notice in writing under Section 160 (1) of the Act from a Member signifying his intention to propose Mrs. Savani A. Laddha's candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of five consecutive years commencing from 10th February 2022 upto 9th February 2027.

RESOLVED FURTHER THAT the Board of Directors of the Company of the Company, be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, usual, proper or expedient to give effect to the aforesaid resolution.”

By order of the Board of Directors

For **Precision Camshafts Limited**

Mayuri Kulkarni

Company Secretary & Compliance Officer

Date: 25th May 2021

Place: Pune

CIN : L24231PN1992PLC067126

Website : www.pclindia.in

E-mail ID : cs@pclindia.in

Registered Office
E 102/103 MIDC
Akkalkot road, Solapur-413006,
Maharashtra, India
Phone: +91 9168646536/37

Corporate Office:
D-5 Chincholi, MIDC, Solapur-413255,
Maharashtra, India
Phone: +91 9168646531/32/33

Pune Office
Office No. 501/502,
Kanchanban “B”, Sunit Capital,
CTS No. 967, FP No. 397,
Senapati Bapat Road Pune 411016
Phone:-020-25673050

Notes

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated 8th April 2020, Circular No. 17/2020 dated 13th April 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated 5th May 2020, and Circular No. 02/2021 dated 13th January 2021 permitted the holding of the Annual general meeting ("AGM") through VC/OAVM, without physical presence of the members at common venue. In compliance of Securities and Exchanges Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("SEBI LODR") and MCA Circulars the AGM of the Company is being held through VC/OAVM. The detailed procedure for participating in the meeting though VC/OAVM is annexed herewith.
2. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 (the "Act"), setting out the material facts for each item of special business mentioned in items 4 to 8 of the Notice is annexed hereto. The relevant details, pursuant to Regulation 26 (4) and 36 (3) of the SEBI LODR and Secretarial Standard on General Meetings issued by the Institute of Companies Secretaries of India, in respect of Director seeking re-appointment at this AGM is annexed herewith.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from **Tuesday 20th July 2021 to Tuesday 27th July 2021** (both days inclusive).
4. Pursuant to the provisions of the Companies Act, 2013, a member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the Annual General Meeting and hence the Proxy Form and Attendance Slip are not annexed to the Notice.
5. Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.
6. AGM will be convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated 8th April 2020 and MCA Circular No. 17/2020 dated 13th April 2020 and MCA Circular No. 20/2020 dated 5th May 2020 and Circular No. 02/2021 dated 13th January 2021.
7. The attendance of the members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013. Members can attend and participate in the Annual General Meeting through VC/OAVM only.
8. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated 13th April 2020 and further extended by Circular No. 02/2021 dated 13th January 2021, the Notice of the AGM along with the Annual Report 2020-21 has been uploaded on the website of the Company at www.pclindia.in. The Notice of the Annual General Meeting along with the Annual Report for the Financial Year 2020-21 is being sent only by electronic mode to those Members whose email addresses are registered with the Company/Depositories in accordance with the aforesaid MCA Circulars and circular issued by SEBI dated 15th January 2021. The Notice is also available on the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of National Securities Depository Limited (NSDL) www.evoting.nsdl.com.
9. 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.
10. 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).
11. Notice convening 29th Annual General Meeting, Annual Report along are being sent to the members who have registered their email ID with the Company/Registrar or Transfer Agents/Depository Participant(s). For members who have not registered their email id so far, are requested to register their email IDs for receiving all communications including Annual Report, Notices from the Company electronically.
12. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated 8th April 2020, 13th April 2020 and 5th May 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with NSDL for facilitating voting through electronic means, as the authorised agency.
13. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorisation etc., authorising its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorisation shall be sent to the Scrutiniser by email through its registered email address at jbbhave@gmail.com and to the Company at cs@pclindia.in.

14. 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.
15. 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.
16. Pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the information about the Directors proposed to be appointed/re-appointed is given in the Annexure I to the Notice.
17. In case of joint holders, the members whose name appear first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
18. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is send through e-mail and holding shares as of the cut-off date i.e. 19th July 2021, may obtain the login ID and password by sending a request at evoting@nsdl.co.in" or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com or call on toll free no. 1800 1020 990 and 1800 22 44 30 . In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. 19th July 2021 may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-Voting system.
19. All the documents referred to in the Notice and Explanatory Statement along with other relevant documents will be made available for inspection by the Members on the website of the Company during the meeting.

INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING ANNUAL GENERAL MEETING ARE AS UNDER

The remote e-voting period begins on **24th July 2021 (Saturday) at 9:00 AM and ends on 26th July 2021 (Monday) at 05:00 PM** The remote e-voting module shall be disabled by NSDL for voting thereafter. The members, whose names appear in the Register of Members/Beneficial Owners as on the **record date (cut-off date) i.e. 19th July 2021 (Monday),** may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 19th July 2021.

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: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. If you are already registered for **NSDL IDeAS facility,** please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the **"Beneficial Owner"** icon under "Login" which is available under **"IDeAS"** section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on options available against Company name or **e-Voting service provider - NSDL** and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp
	3. 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. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against Company name or e-Voting service provider - NSDL and you will be redirected to **e-Voting website of NSDL** for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi/Easiest, they can login through their User ID and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi.
	2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of **e-Voting service provider i.e. NSDL.** Click on **NSDL** to cast your vote.
	3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration
	4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN Number from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. **NSDL** where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against Company name or **e-Voting service provider-NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B) Login Method for evoting and joining the virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to 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 'Shareholder/Member' section.

3. A new screen will open. You will have to enter your User ID, your Password/OTP 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. Password details for shareholders other than Individual shareholders 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, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**

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 etc.

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.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of Company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the voting page opens.
4. 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.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. 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 Scrutiniser 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 1020 990 and 1800 22 44 30 or send a request to (Mrs. Pallavi Mhatre - Manager) at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring User ID and password and registration of e mail IDs for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., email address, Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to cs@pclindia.in.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to cs@pclindia.in. If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholders/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated 9th December 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and

Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those members/shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

SPEAKER REGISTRATION

Members who would like to express their views/ask questions as a speaker at the Meeting may pre-register themselves by sending a request from their registered e-mail address mentioning their names, DP ID and Client ID/folio number, PAN and mobile number at between **20th July 2021 (9:00 AM IST) and 23rd July 2021 (5:00 PM IST)**. Only those Members who have pre-registered themselves as a speaker will be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system.** After successful login, you can see link of "VC/OAVM link" placed under **"Join General meeting"** menu against Company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in shareholder/member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at cs@pclindia.in. The same will be replied by the Company suitably.

By order of the Board of Directors

For **Precision Camshafts Limited**

Mayuri I. Kulkarni

Company Secretary &Compliance Officer

Date: 25th May 2021

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 AUDITOR:

The Board of Directors of the Company in their meeting held on 25th May 2021, approved the appointment and remuneration of M/s S. V. Vhatte & Associates, Cost Accountants [Firm Registration No.: 100280] as the Cost Auditors of the Company to conduct the audit of the cost records of the Company for the FY 2021-22 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 CONSIDER RE-APPOINTMENT OF MRS. SAVANI ARVIND LADDHA (DIN: 03258295) AS DIRECTOR DESIGNATED AS INDEPENDENT WOMAN DIRECTOR OF THE COMPANY.

Mrs. Savani A. Laddha, (DIN: 03258295) appointed as Independent Director of the Company pursuant to Section 149 of the Companies Act, 2013 ("the Act") read with Companies (Appointment and Qualification of Directors) Rules, 2014, by the Shareholders at the 28 Annual general meeting held on 30th July 2020 to hold office upto 9th February 2022 ("first term" as per the explanation to Section 149(10) and 149(11) of the Act.).

Mrs. Savani A. Laddha, has provided her willingness to be appointed for second term for 5 years as Independent Director, vide letter dated 12th May 2021.

The Nomination & Remuneration Committee at its Meeting held on 18th May 2021 after taking into account the performance evaluation of her as Independent Director, during their first term of Two years and considering the knowledge, acumen, expertise and experience in their respective fields and the substantial contribution made by these Directors during their tenure as an Independent Director since their appointment, has recommended to the Board that continued association of her as an Independent Director would be in the interest of the Company. Based on the above, the Nomination & Remuneration Committee and the Board has recommended the re-appointment of Mrs. Savani A. Laddha as Independent Director on the Board of the Company, to hold office for the second term of five consecutive years commencing from 10th February 2022 upto 9th February 2027 and not liable to retire by rotation.

The Company has also received declaration from Mrs. Savani A. Laddha that she meets the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013. She holds Nil shares of the Company. She is a member of Audit Committee of the Company.

The Company has also received a notice in writing pursuant to Section 160 of the Companies Act, 2013 from a member proposing the candidature of Mrs. Savani A. Laddha for her appointment to the office of Independent Director.

Brief profile of the above Independent Director is as under:

Mrs. Savani A. Laddha

Age: 45 Years

Chartered Accountant by profession, holds a Master's degree in commerce and is trained Information System Audit & Control by E & Y and Broker's Training & Examination conducted by National Insurance Academy by IRDA. She is dynamic professional with over 20 years of experience in wide spectrum including Statutory Compliances, Finance, Accounting, Taxation, Insurance.

capable of effectuating innovative strategies for Conducting and managing regular business processes and internal control system. She has worked for Budgeting, forecasting & planning for the profitability of an Organisation. Her area of work mainly included statutory compliances, apart from core practice like Audit taxation advisory. She has excellent communication, interpersonal, analytical & management skills with proven track record of achieving set goals.

The Company may not be able to hold another General Meeting till the expiry of her first term. Therefore, the Board has recommended to re-appoint Mrs. Savani A. Laddha for the second term of 5 years.

None of the Directors, Key Managerial Personnel and their relatives are in any way, concerned or interested in the Item no. 5 of the notice, except Mrs. Savani A. Laddha.

By order of the Board of Directors
For **Precision Camshafts Limited**

Mayuri I. Kulkarni

Company Secretary & Compliance Officer

Date: 25th May 2021
Place: Pune
CIN : L24231PN1992PLC067126
Website : www.pclindia.in
E-mail ID: cs@pclindia.in

ANNEXURE I TO ITEM NO. 03 & 05 OF THE NOTICE

Pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 issued by the Institute of Company Secretaries of India, following information is furnished about the Directors proposed to be appointed/re-appointed.

Name of Director	Dr. Suhasini Y. Shah	Mrs. Savani A. Laddha
DIN	02168705	03258295
Age	55 years	45 years
Date of First Appointment	19th May 2012	10th February 2020
Qualifications	MBBS, LLB	B. Com, M. Com, Chartered Accountant
Relationship with Director	Relative - Spouse of Mr. Yatin S. Shah and mother of Mr. Karan Y. Shah	None
Experience (including Expertise in Specific area/ Brief Resume)	Healthcare, Legal and Secretarial	Statutory Compliances, Finance, Accounting, Taxation, Insurance
Number of Board Meetings attended during the year	5	5
Board membership of Companies as of 31st March 2021	Precision Camshafts Limited	Precision Camshafts Limited
	Cams Technology Limited	Autus Corporate Mentors Private Limited
	Memco Engineering Private Limited	Autus Wealth Management Private Limited
	Chitale Clinic Private Limited	
Terms and Conditions of appointment/ re-appointment	Re-appointed as Non–Executive Director	Re-appointment for second term of 5 years

Name of Director	Dr. Suhasini Y. Shah	Mrs. Savani A. Laddha
Remuneration last drawn (including sitting fees, if any)	5 Lakhs	5 Lakhs
Remuneration proposed to be paid	Entitled for commission as may be approved by the Board of Directors	As decided by the Board of Directors from time to time
Membership/Chairmanship of Committee of other Boards as on 31st March 2021	Precision Camshafts Limited - member of CSR Committee and Stakeholder Relationship Committee	Precision Camshafts Limited - member of Audit Committee.
Number of Shares held in the Company as on 31st March 2021	1,04,86,461	0

Where Passion Meets Performance

PRECISION CAMSHAFTS LIMITED
Registered Office:
E - 102 / 103, MIDC Akkalkot Road
Solapur - 413 006, Maharshtra, India

Manufacturing Facilities:
D - 5, 6, 7, 7/1 MIDC, Chincholi
Solapur - 413 255
Ph.: 9168646531 / 32 / 33

E - 90, 102 / 103, MIDC, Akkalkot Road
Solapur - 413 006
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