



Precision Camshafts Limited

(100% EOU Division)

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



12th October, 2016

Sec/Oct/SE/N&B/03

BSE Limited,

Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400001

**The National Stock Exchange of India
Limited**

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

Ref: Precision Camshafts Limited (539636 /PRECAM)

Sub: Submission of Annual Report for the Financial Year 2015-16 of Precision Camshafts Limited

Dear Sir/Madam,

Pursuant to the provision of regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements), Regulation 2015 we are enclosing herewith Annual Report for the Financial Year 2015-16.

Details of the Annual General Meeting (AGM) are as follows:

Date of AGM: 28th September 2016

Commenced at - 3.00 p.m.

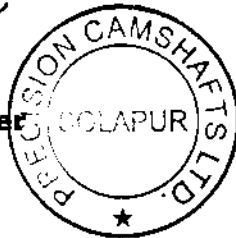
Concluded at - 4.30 p.m.

Kindly take the Annual Report on record.

Thanking you,
Yours faithfully,

For Precision Camshafts Limited


Swapneel Shrikant Kuberkar
Company Secretary &
Compliance Officer





PRECISION CAMSHAFTS LIMITED
SOLAPUR (INDIA)

24th
Annual Report
2015 -2016





24TH ANNUAL REPORT 2015-16

PRECISION CAMSHAFTS LIMITED

(CIN: U24231PN1992PLC067126)

SOLAPUR (INDIA)

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COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Yatin S. Shah, Chairman & Managing Director.
Dr. Mrs. Suhasini Y. Shah, Executive Director.
Mr. Ravindra R. Joshi, Director & CFO.
Mr. Jayant V. Aradhya, 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.

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Swapneel Kuber

AUDITORS

M/s. SRBC & Co. LLP
Chartered Accountants, Pune

SECRETARIAL AUDITORS

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

BANKERS

1. Bank of India,
Mid Corporate Branch, Shivaji Nagar, Pune
2. Bank of Baroda
2, Moledina Road, Pune Camp Branch, Pune

REGISTERED OFFICE

E - 102/103, M. I. D. C.,
Akkalkot Road, Solapur- 413006.
Tel: 3295433, 34, 35, Fax: (0217) 2653398
E-mail: info@pclindia.in
Website: www.pclindia.in
CIN: U24231PN1992PLC067126

FACTORIES

- 1) E 90, M. I. D. C., Akkalkot Road, Solapur- 413 006
- 2) E 102/103, M. I. D. C., Akkalkot Road, Solapur- 413 006
- 3) D 5, MIDC Chincholi, Solapur- 413255 (EOU Division)
- 4) D 6, D 7, D 7-1 MIDC, Chincholi, Solapur- 413255 (EOU Division)

CHAIRMAN'S MESSAGE

Dear Shareholders,

It gives me immense pleasure to share an update on the overall performance of your Company for the financial year 2015-16 and apprise you of the opportunities ahead.

As you are aware fiscal 2016 was a very trying period for business and economy across the globe. In advanced economies the recovery was modest and largely uneven. The scenario for emerging markets and developing economies too was not uniform. The collapse of Brazilian economy, slowdown and rebalancing of the Chinese economy, low commodity prices and geopolitical tensions in West Asia continued to weigh on growth prospects. India's position was relatively better, though the pace of recovery was rather sluggish and fragile.

In a challenging external environment, your Company remained focused on margin improvement, cost control, better working capital management, and performed admirably well enhancing profitability despite drop in turnover. Even while the company continued to enjoy an uptrend in many a global region because of its pre-eminent position in the camshafts market, disturbances in Chinese market and also reduced supplies to General Motors (GM) in Russia due to political reasons did affect the Company's top line growth during the latter half last fiscal. While China and Russia have taken the sheen away in the year under report, we are hopeful of having better times ahead. The situation in China seems to be improving from March of 2016 and we are seeing positive signs at GM Russia too.

Your Company is poised to procure major contracts from global OEMs for recent technologies that it has introduced - namely - DUCTILE IRON/HYBRID CAMSHAFTS and ASSEMBLED CAMSHAFTS. The Company has presented some unique cost advantages to global OEMs besides ensuring sustainable supplies over the long run. You will be glad to note that, for the first time, PCL is emerging as a SINGLE SOURCE for GLOBAL PROJECTS! In May 2016, we have established 'ENGINEERING CENTERS' manned with international experts in the US and Europe to sustain the growth. This team would help PCL harness the best of technology going forward.

Your Company remains very focused on its strategy in increasing sale of machined camshafts that strengthens the profitability and this is evident from the sale of machined camshafts in the first quarter of current fiscal (100,000 nos) vis-à-vis Q1-16 (60000 nos). This would protect/enhance our margins even as sales of AS CAST camshafts remain muted. Our plan is to more than double the current annual machining capacity of 2.2 million camshafts by 2021.

Also, your Company is planning to put up a new facility for manufacturing larger variety of camshafts that go into large stationary engines besides catering to the locomotive industry, as there is a growing market for these specialized products in India and abroad. The Company also plans to cater to the two wheeler market - a space that has not been tapped till now. Both these segments should help the Company mitigate risks.

India's auto-components industry has experienced sustainable growth in the last few years on account of high demand from end-user market, improved consumer sentiment and rising vehicle demand. The country has become an automobile component sourcing hub for major OEMs and exports to five continents. Europe accounts for the largest share, followed by Asia and North America. With global auto component players adopting a dual-shore manufacturing model, India is poised to emerge as an outsourcing hub.

Your Company has formed a special team of experts to pursue opportunities with Japanese OEMs given its breakthrough with Toyota and Suzuki for DUCTILE IRON camshafts. PCL is working with leading technology partners in Germany to acquire cutting edge technologies like SLIDING CAMS and CAM MODULES. This should help PCL emerge as ONE STOP SOLUTION for camshafts using all technologies which will make the Company unique worldwide.

CHAIRMAN'S MESSAGE

PCL is planning to diversify its products range and introduce critical components like Balancer Shafts to its products portfolio. As part of the growth strategy, PCL plans to set up its own manufacturing facilities in China and Brazil by end of 2018 to cater to local customers in those countries. Further, the Company is actively pursuing an acquisition in Europe which will not only add niche products to the current portfolio but will also strengthen the company's position with customers in Europe and the US. All these should transform PCL from a REGIONAL SPECIALIST to a TRUE GLOBAL PLAYER by 2020. PCL will continue to be a responsible corporate citizen wherever it operates, and is committed to delivering long-term value creation for all its stakeholders.

At PCL, we always believed in giving back to the society. Precision Foundation was formed in 2006 – much before CSR became mandatory under Companies Act, 2013 – with an objective to support the underprivileged in the society and to enrich their lives. Starting with making quality healthcare accessible and affordable to the workforce at PCL and their immediate family members, enabling the spread of education to the ward of workers, the Foundation's activities touch the lives of a large number of individuals.

Some of the notable initiatives already implemented by Precision Foundation are upkeep and maintenance of the crematorium and burial grounds at Solapur, running a battery operated vehicle at the railway station for the old and physically challenged, providing infrastructure and starting brain based education in a school in backward areas of Solapur, besides conducting medical camps, blood donation drives, etc. In fiscal 2016, we identified 14 schools in the vicinity of Solapur and provided computers and projectors to six of them. Computer labs were set up in 6 schools and infrastructure projects like construction of toilet blocks were undertaken in 2 schools. For the current fiscal we have identified projects in the area of education and health care.

Finally, I would like to take this opportunity to thank each and every employee whose commitment and hard work helped deliver a successful year. I would also like to thank all our customers, suppliers, vendors and lenders for their unstinted support to the company during the year. My deep appreciation to each one of you and your family members. We look forward to your continued partnership and co-operation.

Warm regards,

Yatin S. Shah
Chairman & Managing Director

DIRECTORS' REPORT

To,
The Members,
PRECISION CAMSHAFTS LIMITED

Your Directors are pleased to present the **TWENTY FOURTH ANNUAL REPORT** and the audited Accounts for the year ended 31st March 2016.

1. FINANCIAL RESULTS

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

(Rs. in Lakhs)

Financial Results	Standalone		Consolidated	
	For the Year ended 31 st March, 2016	For the Year ended 31 st March, 2015	For the Year ended 31 st March, 2016	For the Year ended 31 st March, 2015
Revenue from operations & other Income	45,511.19	52,491.82	49,423.14	54,274.89
Profit (Loss) before Interest, Tax & Depreciation (EBITDA)	13,450.10	14,850.70	15,116.50	15,116.40
Less: Interest	906.29	1,087.36	1,112.85	1,123.28
Less: Depreciation	3,899.91	3,913.44	4,271.44	4,122.33
Profit (Loss) After Depreciation & before Tax (EBIT)	8,643.90	9,849.90	9,732.21	9,870.78
Exceptional Item				
Tax Expenses				
- Taxation Current Year	3,721.74	3,760.03	3,915.44	3,920.30
- Tax relating to prior period	(180.48)	17.22	(180.48)	17.22
- Deferred Tax (written back)	388.15	(268.37)	(418.71)	(286.00)
Profit /(Loss) after tax	5,490.80	6,341.02	6,415.96	6,219.27
Prior Period Items	---	1,578.00	---	1,578.00
Profit/ (Loss) for the year	5,490.80	4,763.02	6,415.96	4,641.27
EPS (Basic)	6.55	5.82	7.65	5.67
EPS (Diluted)	6.53	5.82	7.63	5.67

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 211 (3C) of the Companies Act, 1956 (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of Rule 7 of The Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 1956 / Companies Act, 2013, as applicable.

The audited consolidated financial statement provided in the Annual Report is in accordance with the Companies Act, 2013 ("the Act") and Accounting Standard (AS) – 21 on Consolidated Financial Statements read with AS – 23 on Accounting for Investments in Associates and AS – 27 on Financial Reporting of Interests in Joint Ventures.

2. COMPANY'S FINANCIAL PERFORMANCE

Despite the challenging macroeconomic environment, the total revenue from operations of the Company was Rs. 493.23 Cr. as compared to previous fiscal to Rs. 542.74 Cr. Net Profit (before exceptional items) was Rs. 64.15 Cr. as compared to previous year Rs. 62.19 Cr.

3. DIVIDEND

Your Board of Directors in their meeting held on Wednesday, 16th March, 2016 declared and paid Interim Dividend of Rs. 1/- per equity share (i.e. 10%) for the Financial year 2015-16.

Your Directors do not recommend any final dividend for the Financial Year 2015-16.

4. INITIAL PUBLIC OFFER

Your Board is pleased to inform that the Company has successfully completed the Initial Public Offer (IPO) and equity shares of the Company were listed on both BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") with effect from 8th February 2016.

Initial Public Offering (IPO) of Company comprised of a fresh issue of 1,29,03,225 equity shares and an offer for sale of 91,50,000 equity shares by selling shareholders for Rs. 186/- per equity share (inclusive of premium of Rs. 176/- per share).

Consequently Paid up share capital of the Company increased from Rs. 81,84,16,000/- to Rs. 94,74,48,250/- after making allotment of fresh issue of share.

Issue Detail:

- »» **Issue Open:** From Jan 27, 2016 - To Jan 29, 2016
- »» **Issue Type:** Book Built Issue IPO
- »» **Issue Size:** 2,20,53,225 Equity Shares of Rs 10 aggregating up to Rs 410.00 Cr.
- »» **Face Value:** Rs 10/- Per Equity Share
- »» **Band Price:** Rs. 180/- Rs. 186 Per Equity Share
- »» **Market Lot for application:** in multiple of 80 Equity Shares
- »» **Listing At:** BSE, NSE
- »» **Oversubscription:** 1.91 times

IPO of your Company was the first issue of calendar year 2016 in the Capital market. It was also the first issue after SEBI shortened the IPO timeline to T+6 (that is time taken between IPO closing and the day of listing from 12 days to just 6) and also with 100% compulsory ASBA method.

5. SHARE ISSUE EXPENSES

Pursuant to the Initial Public Offering (IPO), equity shares having par value of Rs. 10/- per share were allotted at a price of Rs. 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 08th February, 2016. The Company has incurred expenses of Rs.12,52,33,959/- (net of service tax) relating to fresh issue of equity shares which has been adjusted to securities in terms of section 52 of the Companies Act, 2013.

Details of utilization of net IPO proceeds

(Rs. in Lakhs)

Particulars	Objects of the offer as per the prospectus	Total Spent / Utilization Upto March 31, 2016	Amount recovered from shareholders	Amount pending Utilisation
Establishment of a machine shop for ductile iron camshafts at the EOU unit	20,000	1,284	-	18,716
Offer related expenses	1,314	1,275	-	39
General Corporate Purposes	2,686	-	-	2,686
Amount recovered from the existing Shareholders towards their offer related expenses	-	-	1,028	1,028
Total	24,000	2,560	10,282	22,486

DIRECTORS' REPORT

Unspent amount is kept in fixed deposits with banks:

(Rs. in lakhs)

Particulars	Amount
Fixed deposits with banks	20,940
Amount lying at current account of the Company	1,528
Total	22,486

6. DIRECTORS & KMPs

Composition of Board of Directors of the Company:

Mr. Yatin S. Shah, Chairman and Managing Director
 Dr. Mrs. Suhasini Y. Shah, Executive Director
 Mr. Ravindra R. Joshi, Director & CFO
 Mr. Jayant V. Aradhya, 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. Swapneel S. Kuber, Company Secretary and Compliance Officer

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

During the year under review Mr. Vaibhav S. Mahajani, (DIN 00304851) was appointed as Independent Director of the Company vide Extra-ordinary General Meeting of the Company held on 8th June, 2015 for a term of 2 years i.e. up to the conclusion of the 25th Annual General Meeting of the Company.

In accordance with the Articles of Association of the Company and the provisions of the Companies Act, 2013, Mr. Jayant V. Aradhya (DIN - 00409341) retires in the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

The term of appointment of Mr. Pramod H. Mehendale (DIN 00026884) and Mr. Vedant V. Pujari (DIN 07032764) is ending on ensuing Annual General Meeting and it is proposed to renew the same for the next 5 years i.e. up to the 29th Annual General Meeting of the Company subject to the approval of the Shareholders.

The brief resumes and other details relating to the Directors who are proposed to be re-appointed, as required to be disclosed under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of the Notice of 24th Annual General Meeting.

7. DECLARATIONS FROM THE 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Pursuant to the provisions of the Companies Act, 2013, evaluation of every Director's performance was done by Nomination & Remuneration Committee. The performance evaluation of Non-Independent Directors and the Board as a

DIRECTORS' REPORT

whole, Committees thereof, and Chairman of the Company was carried out by the Independent Directors. Evaluation of Independent Directors was carried out by the entire Board of Directors, excluding the Director being evaluated.

Further SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandates that the Board shall monitor and review the Board evaluation framework. The Framework includes the evaluation of directors on various parameters such as –

- Board dynamics and relationships
- Information flows
- Decision-making
- Relationship with stakeholders
- Company performance and strategy
- Tracking Board and Committees' effectiveness

The performance of the Board was evaluated on the basis of criteria such as the Board composition and structure, effectiveness of Board processes, participation in assessment of annual operating plan, risks. etc.

Member of the Board carried out a formal review for the performance and effectiveness of the Board, committees of the Board and of all the directors including the Chairman of the Board.

For further details, please refer Report on Corporate Governance forming part of this Annual Report.

Disclosure of the ratio of the remuneration of each Director to the median employee's remuneration and other details as required pursuant to 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 in **Annexure E**.

The Details of remuneration paid to the Directors are given in the Form MGT-9 forming part of the Directors' Report.

9. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the year under review, the Company has not granted any Loan and Guarantee covered under Section 186 of the Companies Act, 2013.

10. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

All contracts/ arrangements/ transactions entered by the Company during financial year with related parties were on an arm's length basis and were in the ordinary course of business. The details of transactions entered with related parties during the year 2015-16 are enclosed herewith as **Annexure –A**.

11. 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 Identification and Mitigation Plans are discussed at the Audit Committee.

12. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company's guiding principle for CSR is to build its relationship with stakeholders and the community at large, and contribute to their long term social good and welfare. Your company, as a matter of duty, has been carrying out the CSR

activity since long even when there were no statutory requirements in this regard.

In compliance with the guidelines prescribed under section 135 of the Companies Act, 2013 your Company has constituted Corporate Social Responsibility (CSR) Committee comprising of Mr. Yatin Shah, Managing Director (Chairman); Dr. Mrs. Suhasini Shah, Director (Member); and Mr. Vedant Pujari, Independent Director (Member). The role of the CSR Committee is to formulate and recommend a CSR policy to the Board, to recommend amount of expenditure to be incurred on CSR activities, to monitor the CSR policy of the Company from time to time and to institute a transparent monitoring mechanism for implementation of CSR projects or programmes or activities undertaken by the Company.

Detailed information report on CSR policy developed and implemented by the Company on CSR initiatives taken during the year pursuant to Section 135 of the companies Act, 2013 is given as **Annexure –B** and is also disclosed on the website of the Company (www.pclindia.in).

13. VIGIL MECHANISM / WHISTLE BLOWER POLICY

Your Company has formulated a detailed policy on vigil mechanism. The vigil mechanism is overseen by the Audit Committee and provides a mechanism for directors and employees of the Company to report to the Chairman of the Audit Committee or Chairman of the Company in respect of any instance of unethical behavior, fraud, irregularities or violation of the Company's code of conduct.

14. EXTRACT OF ANNUAL RETURN

Extract of Annual Return in MGT - 9 has been enclosed as **Annexure - C**.

15. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

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

16. PARTICULARS OF EMPLOYEES

The ratio of remuneration of each Director to the median of employees' remuneration as per Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 and A Statement containing the details about top 10 employees under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 forms the part of the Board's Report as **Annexure-E**.

There were no employee(s) in receipt of remuneration of Rs. 1.02 Cr. or more per annum or in receipt of remuneration of Rs. 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.

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

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

No complaint was reported to the committee during the year ended on 31st March, 2016 in connection with the Sexual

Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

18. DEPOSITS

The Company has not accepted any deposits during the year under review. At the end of the year, there are no outstanding undisputed deposits that are matured and unpaid.

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

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

20. COMMISSION OR REMUNERATION FROM SUBSIDIARY

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

21. AUDITORS

1. STATUTORY AUDITORS

M/s. S R B C & Co. LLP, Chartered Accountants, Pune hold office until the conclusion of the ensuing Annual General Meeting. As required under the provisions of Section 139 and 141 of the Companies Act, 2013, the Company has received a written consent and certificate from M/s. S R B C & Co. LLP, Chartered Accountants stating that their appointment, if made, would be within the limits specified in said section and that they are not disqualified to be appointed as auditors of the Company. The Board has recommended to the shareholders re-appointment of M/s. S R B C & Co. LLP, Chartered Accountants as Auditors of the Company to hold the office up to the conclusion of 25th Annual General meeting to be held in the calendar year 2017.

2. SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s J. B. Bhavé & Co. Company Secretaries, Pune, to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit is attached herewith as an **Annexure - F** to this Report.

3. COST AUDITORS

The Cost Audit report for the Financial Year 2015-16 was filed with the Ministry of Corporate Affairs on August 10, 2016.

The Board of Directors, on the recommendation of Audit Committee, has appointed M/s. S. V. Vhatte, Cost Accountants, Solapur, [Firm Registration No. : 100280] as Cost Auditors to audit the cost accounts of the Company for the Financial Year 2016-17. As required under the Companies Act, 2013, a resolution seeking Member's approval for the remuneration payable to the Cost Auditors forms part of the Notice convening the 24th Annual General Meeting.

4. INTERNAL AUDITOR

The Company has appointed Internal Auditor. The scope and authority of the Internal Auditor is as per the terms

of reference approved by Audit Committee. The Internal Auditor monitors and evaluates the efficiency and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies of the Company. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

22. REPORT ON MANAGEMENT DISCUSSION AND ANALYSIS

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

23. CORPORATE GOVERNANCE

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

A certificate from the M/s J. B. Bhavé & 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 – I**.

24. DIRECTORS' RESPONSIBILITY STATEMENT

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

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

25. MATERIAL CHANGES AFTER CLOSE OF FINANCIAL YEAR

There is no significant change between closure of the financial year ended on March 31st, 2016 and the date of this report in respect of company's financial position, profitability, turnover, new business activity, suspension of any business activity, foreign collaborations, joint ventures etc.

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

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

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

27. CODE OF CONDUCT FOR BOARD AND SENIOR MANAGEMENT

The Company has adopted the Code of Conduct for the Directors and Senior Management and the same is available on the Company's website www.pclindia.in. All Directors and Senior Management Personnel have affirmed their compliance with the said Code. A declaration signed by Managing Director to this effect is annexed as a part of Directors' Report.

28. 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 also available on the website of the Company (www.pclindia.in).

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

The Board has, on the recommendation of the Nomination & Remuneration Committee, framed a policy for selection and appointment of Directors, Key Managerial Personnel, Senior Management and their remuneration. The Company pays remuneration by way of salary, perquisites, allowances, commission & retirement benefits to its Executive Directors. The remuneration to the Executive Directors is in accordance with the provisions of the Companies Act, 2013 and Rules thereof and is within the ceiling approved by the members by way of a Special Resolution.

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 & criticality of the job
2. Profile of the employee in terms of his / her qualification and experience
3. General trends in the industry & 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.

30. INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls with reference to the financial statement. The Audit Committee of the Board periodically reviews the internal control systems with the management, Internal Auditors and Statutory Auditors test the adequacy of internal audit function. During the year under review, these controls were tested and the observations of the Auditors were addressed by the Company after taking necessary steps to strengthen the financial controls and improve the systems.

31. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW

During the year 10 (Ten) Board Meetings were convened and held for which details are as follows:

1	Thursday 14 th May 2015	6	Wednesday 18 th November 2015
2	Tuesday 23 rd June 2015	7	Friday 15 th January 2016
3	Friday 3 rd July 2015	8	Monday 1 st February 2016
4	Tuesday 1 st September 2015	9	Thursday 4 th February 2016
5	Monday 7 th September 2015	10	Wednesday 16 th March 2016

The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013

32. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS

There are no qualifications, reservations or adverse remarks made by the either by the Auditors or by the Practicing Company Secretary in their respective reports.

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

During the year under review, there were no instances of frauds reported by Auditors under Section 143 (12) of the Companies Act, 2013

34. CAUTIONARY STATEMENTS

Statements in this report, particularly those which relate to MD&A, 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.

35. ACKNOWLEDGEMENTS

The Directors would like to place on record their appreciation of the contribution made and support provided to the Company by the Shareholders, Employees, Merchant Bankers, Bankers, Suppliers and Customers.

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

Yatin S. Shah
Chairman and Managing Director
(DIN 00318140)

Ravindra R. Joshi
Director and CFO
(DIN 0333814)

Date: 19th August, 2016
Place: Solapur

Form No. AOC-2

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

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

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

The Company has not entered in any transaction during the Financial Year 2015-16 which is not at Arm's length basis.

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

Name of Related Party	Nature of relationship	Nature of Transaction	Duration of contract	Silent terms of contract and arrangement & transaction value (Rs. in Lacs)	Date of approval by Board	Amount paid in advance in Rs.
Cams Technology Limited	Mr. Yatin Shah, Dr. Mrs. Suhasini Shah and Mr. Ravindra Joshi are common Directors	Jobwork charges and purchase of goods	On-going contract	Rs.84,50,667/-	16 th March 2016	NIL
PCL (Shanghai) Company Limited	Wholly Owned Subsidiary	Sale of goods	On-going contract	Rs.8,72,52,100/-	16 th March 2016	NIL
Ningbo Shenglong PCL Camshafts Company Limited	Associate Company	Sale of goods	On-going contract	Rs.57,61,69,702/-	16 th March 2016	NIL
		Tooling Income	On-going contract	Rs. 1,69,89,200/-	16 th March 2016	NIL
PCL Shenglong (Huzhou) Specialized Casting Co Ltd	Associate Company	Tooling Income	On-going contract	Rs. 3,48,99,163/-	16 th March 2016	NIL
Chitale Clinic Pvt. Ltd	Significant influence of Dr. Mrs. Suhasini Shah	Medical treatment of Workers	On-going contract	Rs. 1,50,895/-	16 th March 2016	NIL

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

Yatin S. Shah
(Chairman & Managing Director)
(DIN - 00318140)
Date: 19th August, 2016
Place: Solapur

The Annual Report on CSR Activities

1. The Composition of the CSR Committee.

The CSR Committee of the company consists of following members

Sr. No	Name of the Member	Category
1.	Mr. Yatin Shah	Chairman of Committee
2.	Dr. Mrs. Suhasini Shah	Member of the Committee
3.	Mr. Vedant Pujari	Member of the Committee

2. Average net profit of the company for last three financial years:

Sr. No	Financial Year	Amount of Expenditure (Rs.)
1.	2012-13	38,87,29,572/-
2.	2013-14	51,72,94,106/-
3.	2014-15	98,66,31,524/-
Average Net Profit		63,08,85,067/-

3. Details of CSR spent during the financial year.

(a) Total amount to be spent for the financial year: Rs. 1,26,17,701/-

(b) Amount unspent, if any: Rs. 91,84,433/-

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ANNEXURE TO DIRECTORS' REPORT
(c) Manner in which the amount spent during the financial year is detailed below.

S. No	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub – heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency
1	Precision and Foundation Medical Research Trust	Education/ Medicine	Local Area Solapur Dist.	NA	17.00	17.00	Through Foundation
2	Backward Class Girl's Hostel	Education	Solapur Dist.	NA	3.50	3.50	Through Foundation
3	ZP School, Construction of toilets	Education	Hotgi, Solapur Dist.	NA	1.90	1.90	Direct
4	Vivekanad Sanstha, Flooring work	Education	Shingadgaon, Solapur Dist.	NA	1.83	1.83	Direct
5	ZP Schools, Computer Lab,	Education	Solapur and Osmanabad Dist.	NA	4.52	4.52	Direct
6	Sane Guruji Prashala, LCD Projector with Desk Top	Education	MIDC Solapur	NA	0.76	0.76	Direct
7	Woronoco Highschool, LCD Projector with Desk Top	Education	Solapur City	NA	0.75	0.75	Direct
8	ZP Schools, LCD projects with Desktop	Education	Solapur and Osmanabad Dist.	NA	3.02	3.02	Direct
9	Swami Samarth Annachhatra Mandal	Food	Akkalkot, Solapur Dist.	NA	1.00	1.00	Direct
10	North Solapur Industries Association, CCTV Camera	Welfare	Mohol police Station, Solapur Dist.	NA	0.05	0.05	Direct
Total					34.33	34.33	

Total Expenditure on project "Learning Experience" : Your Company has covered 14 schools from Solapur and Osmanabad District and donated LCD projector in 6 schools and Computer Lad for 6 schools. You Company has also carried out Infrastructural work in 2 schools.

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

Company is in the process of identifying suitable projects for CSR activities to deploy the balance amount.

5. **A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company**

The CSR Committee members would like to state that they are in process of identifying the projects for the Company's CSR activities which would help the Company to comply with provisions of Companies Act, 2013 regarding its Corporate Social Responsibility.

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

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

**Date: 19th August, 2016
Place: Solapur**

Form No. MGT-9
EXTRACT OF ANNUAL RETURN

 As on the Financial Year ended on 31st March 2016

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

FORM NO. MGT 9		
EXTRACT OF ANNUAL RETURN		
As on financial year ended on 31.03.2016		
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014		
I. REGISTRATION & OTHER DETAILS:		
1	CIN	U24231PN1992PLC067126
2	Registration Date	08 th June 1992
3	Name of the Company	PRECISION CAMSHAFTS LIMITED
4	Category/Sub-category of the Company	Company Limited by shares Indian Non-Government Company
5	Address of the Registered office & contact details	E 102/103, MIDC Akkalkot Road, Solapur - 413006
6	Whether listed company	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Private Limited Block No 202, Akshay Complex, 2 nd floor, Near Ganesh Temple, Off Dhole Patil Road, Pune 411 001 Tel. No. 91-020-26161629, 020-26160084 Email: pune@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY			
(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)			
S. No.	Name and Description of main products / services	NIC Code of the the Product/service	% to total turnover of the company
1	manufacture of parts for motor vehicle	2930	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES					
(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)					
SN	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	PCL (Shanghai) Co. Limited	NA	Subsidiary Company	100	2(87)
2	Ningbo Shenglong PCL Camshafts Company Limited	NA	Associate Company	22.5	2(6)
3	PCL Shenglong (Huzhou) Specialized Castings Co. Ltd	NA	Associate Company	40	2(6)

ANNEXURE TO DIRECTORS' REPORT

IV. SHARE HOLDING PATTERN									
(Equity share capital breakup as percentage of total equity)									
(i) Category-wise Share Holding									
Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	5,06,27,600	-	5,06,27,600	61.86%	4,80,41,540	-	4,80,41,540	50.71%	-11.15%
b) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Bodies Corp.	8,03,940	1,52,74,860	1,60,78,800	19.65%	1,25,14,860	-	1,25,14,860	13.21%	-6.44%
e) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A) (1)	51,431,540	15,274,860	66,706,400	81.51%	60,556,400	-	60,556,400	63.92%	-17.59%
(2) Foreign									
a) NRI Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Other Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A) (2)	-	-	-	0.00%	-	-	-	0.00%	0.00%
TOTAL (A)	5,14,31,540	1,52,74,860	6,67,06,400	81.51%	6,05,56,400	-	6,05,56,400	63.92%	-17.59%
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	0.00%	1,47,56,573	-	1,47,56,573	15.58%	15.58%
b) Banks / FI	-	-	-	0.00%	100	-	100	0.00%	0.00%
c) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Insurance Companies	-	-	-	0.00%	-	-	-	0.00%	0.00%
g) FIs	-	-	-	0.00%	-	-	-	0.00%	0.00%
h) Foreign Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
i) Others (FPI)	-	-	-	0.00%	7,43,591	-	7,43,591	0.78%	0.78%
Sub-total (B)(1):	-	-	-	0.00%	1,55,00,264	-	1,55,00,264	16.36%	16.36%
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	-	-	0.00%	-	-	-	0.00%	0.00%
ii) Overseas	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	0.00%	46,46,260	-	46,46,260	4.90%	4.90%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1,49,35,200	2,00,000	15,135,200	18.49%	1,26,91,910	-	1,26,91,910	13.40%	-5.10%
c) Others (specify)									
Non Resident Indians	-	-	-	0.00%	29,072	-	29,072	0.03%	0.03%
Overseas Corporate Bodies	-	-	-	0.00%	8,57,858	-	8,57,858	0.91%	0.00%
Foreign Nationals	-	-	-	0.00%	-	-	-	0.00%	0.00%
Clearing Members	-	-	-	0.00%	1,15,414	-	1,15,414	0.12%	0.12%
Trusts	-	-	-	0.00%	-	-	-	0.00%	0.00%
HUF	-	-	-	0.00%	3,47,647	-	3,47,647	0.37%	0.37%
Foreign Bodies - D R	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub-total (B)(2):	1,49,35,200	2,00,000	1,51,35,200	18.49%	1,86,88,161	-	1,86,88,161	19.72%	1.23%
Total Public (B)	1,49,35,200	2,00,000	1,51,35,200	18.49%	3,41,88,425	-	3,41,88,425	36.08%	17.59%
C. Shares held by Custodian for GDRs & ADRs	-	-	-	0.00%	-	-	-	0.00%	0.00%
Grand Total (A+B+C)	6,63,66,740	1,54,74,860	8,18,41,600	100.00%	9,47,44,825	-	9,47,44,825	100.00%	0.00%

ANNEXURE TO DIRECTORS' REPORT

(ii) Shareholding of Promoter								
SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Mr. Yatin Shah	3,93,78,400	48.12%	0	3,73,40,000	39.41%	0	-8.70%
2	Dr. Mrs. Suhasini Shah	1,09,53,200	13.38%	0	1,04,05,540	10.98%	0	-2.40%

(iii) Change in Promoters' Shareholding (please specify, if there is no change)							
Name of the Promoter- Mr. Yatin Shah							
SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	At the beginning of the year	1/4/2015		3,93,78,400	48.12%	3,93,78,400	48.12%
	Changes during the year	4/2/2016	Offer for sale	(20,38,400)	-2.15%	3,73,40,000	39.41%
	At the end of the year			3,73,40,000	39.41%		

Name of the Promoter- Dr. Mrs. Suhasini Shah							
SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
2	At the beginning of the year	1/4/2015		1,09,53,200	13.38%	1,09,53,200	11.56%
	Changes during the year	4/2/2016	Offer for sale	(5,47,660)	-0.58%	1,04,05,540	10.98%
	At the end of the year			1,04,05,540	10.98%		

(iv) Shareholding Pattern of top ten Shareholders					
<i>(Other than Directors, Promoters and Holders of GDRs and ADRs):</i>					
SN	For each of the Top 10 shareholders	Shareholding at the beginning of the year (01 st April, 2015)		Shareholding at the end of the year (31 st March 2016)	
		No. of shares	% of total shares	No. of shares	% of total shares
1	IDFC Premier Equity Fund	-	0.00%	33,98,666	3.59%
2	SBI Magnum Balanced Fund	-	0.00%	32,99,999	3.48%
3	SBI Magnum Global Fund	-	0.00%	30,00,000	3.17%
4	Mr. Maneesh Jayant Aradhye	16,35,800	2.00%	16,35,800	1.73%
5	ICICI Prudential Exports and Other Services Fund	-	0.00%	9,48,634	1.00%
6	ICICI Prudential Midcap Fund	-	0.00%	9,06,560	0.96%
7	Dr. Mrs. Sunita Jayant Aradhye	8,17,000	1.00%	8,17,000	0.86%
8	HDFC Trustee Company Ltd HDFC MF Monthly Income Plan Long Term Plan	-	0.00%	8,06,480	0.85%
9	Kuwait Investment Authority Fund	-	0.00%	7,24,597	0.76%
10	Mrs. Rama Maneesh Aradhye	6,96,000	0.85%	6,96,000	0.73%

ANNEXURE TO DIRECTORS' REPORT

(v) Shareholding of Directors and Key Managerial Personnel:							
SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding details during the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Mr. Yatin Shah						
	At the beginning of the year	1/4/2015		3,93,78,400	48.12%	3,93,78,400	48.12%
	Changes during the year	4/2/2016	Offer for sale	(20,38,400)	-2.15%	3,73,40,000	39.41%
	At the end of the year	31/03/2016		3,73,40,000	39.41%		
2	Dr. Mrs. Suhasini Shah						
	At the beginning of the year	1/4/2015		10,953,200	13.38%	1,09,53,200	11.56%
	Changes during the year	4/2/2016	Offer for sale	(547,660)	-0.58%	1,04,05,540	10.98%
	At the end of the year			1,04,05,540	10.98%		
3	Mr. Jayant Aradhya						
	At the beginning of the year	1/4/2015		1,12,02,000	13.69%	1,12,02,000	13.69%
	Changes during the year		Offer for sale	(30,00,000)	-3.17%	82,02,000	8.66%
	At the end of the year			82,02,000	8.66%		
4	Mr. Ravindra Joshi						
	At the beginning of the year	1/4/2015			0.00%	-	0.00%
	Changes during the year		Allot	1,120	0.00%	1,120	0.00%
	At the end of the year	31/3/2016		1,120	0.00%		
5	Mr. Sarvesh Joshi						
	At the beginning of the year	1/4/2015		-	0.00%	-	0.00%
	Changes during the year				0.00%	-	0.00%
	At the end of the year	31/3/2016		-	0.00%		0.00%
6	Mr. Pramod Mehendale						
	At the beginning of the year	1/4/2015		-	0.00%	-	0.00%
	Changes during the year		Allot	80	0.00%	80	0.00%
	At the end of the year	31/3/2016		80	0.00%		0.00%
7	Mr. Vedant Pujari						
	At the beginning of the year	4/1/2014		-	0.00%	-	0.00%
	Changes during the year				0.00%	-	0.00%
	At the end of the year	31/3/2016		-	0.00%		0.00%
8	Mr. Vaibhav Mahajani						
	At the beginning of the year	1/4/2015		-	0.00%	-	0.00%
	Changes during the year				0.00%	-	0.00%
	At the end of the year	31/3/2016		-	0.00%		0.00%
9	Mr. Swapneel Kuber						
	At the beginning of the year	1/4/2015		-	0.00%	-	0.00%
	Changes during the year				0.00%	-	0.00%
	At the end of the year	31/3/2016		-	0.00%		0.00%

ANNEXURE TO DIRECTORS' REPORT

V- Indebtedness				
Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,84,38,76,484.75	-	-	1,84,38,76,484.75
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	95,39,044.00	-	-	95,39,044.00
Total (i+ii+iii)	1,85,34,15,528.75	-	-	1,85,34,15,528.75
Change in Indebtedness during the financial year				
* Addition	-	-	-	-
* Reduction	18,60,66,015.32	-	-	18,60,66,015.32
Net Change	18,60,66,015.32	-	-	18,60,66,015.32
Indebtedness at the end of the financial year				
i) Principal Amount	1,65,89,80,350.43	-	-	1,65,89,80,350.43
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	83,69,163.01	-	-	83,69,163.01
Total (i+ii+iii)	1,66,73,49,513.44	-	-	1,66,73,49,513.44

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole -time Directors and/or Manager:

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount (Rs/Lac)
		Mr. Yatin Shah	Mrs. Suhasini Shah	Mr. Ravindra Joshi	
	Name				
	Designation	CMD	WTD	WTD	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4,61,42,443.00	38,53,990.00	1,01,24,154.00	6,01,20,587.00
	(b) Value of perquisites u/s 17(2) Income -tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income - tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	2,50,00,000.00	2,50,00,000.00
	- others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (A)	4,61,42,443.00	38,53,990.00	3,51,24,154.00	8,51,20,587.00
	Ceiling as per the Act	within limit of the Companies Act, 2013			

B. Remuneration to other Directors

SN.	Particulars of Remuneration	Name of Directors					Total Amount (Rs/Lac)
		Jayant Aradhye	Sarvesh Joshi	Pramod Mehendale	Vedant Pujari	Vaibhav Mahajani	
1	Independent Directors						
	Fee for attending board committee meetings						
	Commission	-	5,00,000.00	5,00,000.00	5,00,000.00	5,00,000.00	20,00,000.00
	Others, please specify						
	Total (1)	-	5,00,000.00	5,00,000.00	5,00,000.00	5,00,000.00	20,00,000.00
2	Other Non-Executive Directors						
	Fee for attending board committee meetings						
	Commission	5,00,000.00	-	-	-	-	5,00,000.00
	Others, please specify						
	Total (2)	5,00,000.00	-	-	-	-	5,00,000.00
	Total (B)=(1+2)	5,00,000.00	5,00,000.00	5,00,000.00	5,00,000.00	5,00,000.00	25,00,000.00
	Total Managerial Remuneration						25,00,000.00

ANNEXURE TO DIRECTORS' REPORT

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD					
SN.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount (Rs.)
		Name		Mr. Swapneel Kuber	
	Designation	CEO	CFO	CS	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income -tax Act, 1961			5,20,437.00	5,20,437.00
	(b) Value of perquisites u/s 17(2) Income - tax Act, 1961				-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission				
	- as % of profit				
	- others, specify				
5	Others, please specify				
	Total	-	-	5,20,437.00	5,20,437.00

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:					
Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT	Appeal made, if any (give Details)
A. COMPANY					
Penalty	NA	-	-	-	-
Punishment	NA	-	-	-	-
Compounding	NA	-	-	-	-
B. DIRECTORS					
Penalty	NA	-	-	-	-
Punishment	NA	-	-	-	-
Compounding	NA	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	NA	-	-	-	-
Punishment	NA	-	-	-	-
Compounding	NA	-	-	-	-

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A) CONSERVATION OF ENERGY :

1. Persistent efforts have been taken to save energy, which include
 - a. Auto Power Factor unit which was installed has resulted in achieving unity in power factor throughout the year.
 - b. Installation of efficient LED lighting systems at EOU unit of the Company more particularly streets of the plants.
 - c. Avoidance of wastage of compressed air and electricity during idle time of machine, saving of enormous units.

B) TECHNOLOGY ABSORPTION AND RESEARCH & DEVELOPMENT :

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

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

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

1. Developed assembled fuel lobe on cast iron camshaft jointly with Ford, North America.
2. Company has succeeded in developing and supplying ductile iron camshafts for Toyota, India, Maruti.
3. Developed Dragon 1.2L PFI ductile iron camshafts
4. Developed Maverick FEU 2 - Exhaust camshaft castings

Benefits derived as result of the above R&D

1. Various new products developed as and when required by the Automotive companies
2. There is a continuous improvement in the existing production process
3. Some new processes are also developed with the help of R & D
4. First time quality with reduced development cycle time for new part development
5. Customers satisfactions
6. New business opportunities

C) FOREIGN EXCHANGE EARNINGS AND OUTGO :

1. Total Foreign Exchange Used and earned:	(Rs. Lacs)
Used	1,780.92
Earned	32,569.38

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

Yatin S. Shah
(Chairman & Managing Director)
(DIN - 00318140)
Date: 19th August, 2016
Place: Solapur

Annexure - E

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

1) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year

Sr. No.	Name of the Director	Designation	Ratio of Remuneration of each Director to Median Remuneration of Employees
1	Mr. Yatin S. Shah	Chairman & Managing Director	317.88
2	Dr. Mrs. Suhasini Y. Shah	Whole-time Director	26.69
3	Mr. Ravindra R. Joshi	Whole-time Director & CFO	243.78
4	Mr. Jayant V. Aradhya	Director	NA
5	Mr. Sarvesh N. Joshi	Independent Director	NA
6	Mr. Pramod H. Mehendale	Independent Director	NA
7	Mr. Vedant V. Pujari	Independent Director	NA
8	Mr. Vaibhav S. Mahajani	Independent Director	NA

* The remuneration includes wages, salary to onroll employees & Directors and variable pay to Executive Directors.

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

Sr. No.	Name of the Director	Designation	Percentage increase / (decrease) in Remuneration during FY 2015-16
1	Mr. Yatin S. Shah	Chairman & Managing Director	(54%)
2	Dr. Mrs. Suhasini Y. Shah	Whole-time Director	(88%)
3	Mr. Ravindra R. Joshi	Whole-time Director & CFO	(33%)
4	Mr. Jayant V. Aradhya	Director	NA
5	Mr. Sarvesh N. Joshi	Independent Director	NA
6	Mr. Pramod H. Mehendale	Independent Director	NA
7	Mr. Vedant V. Pujari	Independent Director	NA
8	Mr. Vaibhav S. Mahajani	Independent Director	NA
9	Mr. Swapneel S. Kuber*	Company Secretary & Compliance Officer	NA

* Joined during October 2014, hence not comparable however the details of the remuneration FY 2015-16 are available in the MGT -9 as Annexure C forming part of this Annual Report.

3) The percentage increase in the median remuneration of employees in the financial year	23.06%
--	--------

4) The number of permanent employees on the rolls of company as at 31 st March, 2016	1,488
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5) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	The average increase in remuneration of the employees other than managerial personnel was 39% as compared to the decrease in the managerial remuneration by 54%.
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The remuneration includes wages, salary to on roll employees & directors and variable pay to executive directors.

6) Affirmation that the remuneration is as per the remuneration policy of the company.	Yes
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ANNEXURE TO DIRECTORS' REPORT
Information as per Rule 5(2) of Chapter XIII, Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014

Employee Name	Designation	Educational Qualification	Age	Experience	Date of joining	Gross Remuneration	No. of Equity Share held	Relative of Director/ Manager	Previous employment and Designation
Yatin Shah	Chairman & Managing Director	B.com, MBA	55	29	Sep. 01, 1994	Rs. 4,53,61,353/-	3,73,40,000	Spouse of Dr. Suhasini Shah	Chetan Foundries, CEO
Ravindra Joshi	Director & CFO	B.com, DBM	52	28	May 11 2000	Rs.3,47,87,048/-	1,120	NA	Chetan Foundries, Manager Finance
Dr. Suhasini Shah	Director	MBBS, LLB	50	27	Apr 01, 1994	Rs.38,09,122/-	1,04,05,540	Spouse of Mr. Yatin Shah	Chetan Foundries
Ajit Jain	GM	BE	43	22	Feb 06, 2004	Rs.30,93,024/-	80	NA	Bajaj Auto Ltd., AM Projects
A V Gadre	GM	B.Sc	47	27	Aug 12, 1995	Rs.29,80,128/-	0	NA	Garware Wall Ropes Ltd. Pune
R K Kashid	GM, HR	MSW, LLB	50	26	Sep. 21, 2006	Rs.25,52,086/-	0	NA	Wheels India Pvt Ltd, Pune
M G Valase	GM	DME	54	31	Aug. 01, 2000	Rs. 16,11,488/-	0	NA	Shivaji Works Ltd., AM-Maintenance
S P Dhavale	AGM	DME	48	26	Apr. 12, 2015	Rs. 10,70,812/-	0	NA	Kalyani Forge, GM/Plant head
D P Kulkarni	AGM	DME	46	27	Jun. 08, 1992	Rs.12,95,307/-	0	NA	NA
P M Mahindrakar	Sr.Mang.	DME	47	28	Jan. 16, 1994	Rs.12,64,392/-	0	NA	Chetan Foundries, Engg. Maintenance

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

All Top Ten employees mentioned in above table are permanent in nature.

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

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

Date: 19th August, 2016
Place: Solapur

Form No. MR-3
SECRETARIAL AUDIT REPORT

For the financial year ended on 31st March, 2016
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members
PRECISION CAMSHAFTS LIMITED
E 102/103 MIDC AKKALKOT ROAD
SOLAPUR MH 413006 IN

We 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 year from 1st April 2015 to 31st March 2016, in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances of the Company and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2016 ("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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2016 according to the provisions of the following list of laws and regulations:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - 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;
 - e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **[Not applicable during the Audit Period]**
 - f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **[Not applicable during the Audit Period]**
 - g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations,

ANNEXURE TO DIRECTORS' REPORT

- 1993 regarding the Companies Act and dealing with client;
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **[Not applicable during the Audit Period]**

(vi) OTHER APPLICABLE LAWS:

- a) Factories Act, 1948
b) The Minimum Wages Act, 1948
c) Payment of Wages Act, 1936
d) Payment of Gratuity Act, 1972
e) Employees' Provident Fund & Miscellaneous Provisions Act, 1952
f) Employees' Compensation Act, 1923
g) Employees' State Insurance Act, 1948
h) Contract Labour (Regulation & Abolition) Act, 1970
i) Payment of Bonus Act, 1965
j) Equal Remuneration Act, 1976
k) Industrial Employment (Standing Orders) Act, 1946
l) Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959
m) Maternity Benefits Act, 1961
n) Sexual Harassment of Women at workplace (Prevention, Prohibition, Redressal) Act, 2013
o) Prevention of Child Labour Act

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
(ii) The Listing Agreement entered into by the Company with National Stock Exchange of India Limited and Bombay Stock Exchange Limited and SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to our observation as stated below-

*There were some lapses in compliance with Minimum Wages Act. The Company has obtained legal opinion in respect of payment of minimum wages paid by Employer to Employee that if the employer pays wages more than the prescribed minimum wages per month, then it is considered as appropriate compliance under the Minimum Wages Act because said payment of wages payable by the employer to the employee is more than the prevailing minimum wages applicable for the period January, 2016 to June, 2016. Further The wages paid by the contractor are paid more than the minimum wages. Hence in view of the ratio laid-down by the Honourable Supreme Court of India, it is appropriate compliance of the Minimum Wages Act by the employer i.e. contractor. Our report is not qualified in the matter.

*There were some lapses about payment in case of overtime by the factory labour as per the provisions of Factories Act. The Company has taken necessary steps to correct the lapses in complying with the provisions of Factories Act. Our report is not qualified in the matter.

We 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.

We 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.

We further report that during the audit period –

- (i) The Company has initial public offer of 2,20,53,225 equity shares of face value of Rs. 10 each at premium of Rs.176 per equity shares , aggregating to Rs.4,10,18,99,850/- which opened for subscription on January 27,2016 and closed on January ,29,2016.
- (ii) The Company has obtained Shareholders' approval in the Extra Ordinary General Meeting held on 08th June 2015 for the following transactions
 - a) Increase the limit of investment by foreign portfolio investor from 24% to 49% of paid up capital of the Company.
 - b) Appointment of Mr.Vaibhav Mahajani as an Independent Director

FOR J B BHAVE & CO.
COMPANY SECRETARIES

Sd/-
JAYAVANT BHAVE
PROPRIETOR
FCS No. 4266
CP No. 3068

Place :Pune
Date : 19th August 2016

Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.

ANNEXURE - A
(SECRETARIAL AUDIT REPORT)

To,
The Members
PRECISION CAMSHAFTS LIMITED
E 102/103 MIDC AKKALKOT ROAD
SOLAPUR MH 413006 IN

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We 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. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we 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. Our 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.

FOR J B BHAVE & CO.
COMPANY SECRETARIES

Sd/-
JAYAVANT BHAVE
PROPRIETOR
FCS No. 4266
CP No. 3068

Place :Pune
Date : 19th August, 2016

REPORT ON MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMIC REVIEW

The financial year 2015-16 witnessed significant volatility in global markets with commodities moving to historical low levels and the Chinese economy facing an unprecedented slowdown. Global macro growth has been fragile, despite some momentum at the start of the year. The US Federal Reserve finally increased the Fed Funds rate by 25 bps in its December 2015 Monetary Policy, and maintained a dovish tone for future. The Commodities market saw huge selling pressure in fiscal 2016 due to oversupply worries and muted demand in China. Brent Crude price touched a 12-year low of \$27.36 on the back of continued OPEC supply as well as expectation of increased production from Iran.

China's economy grew at its slowest rate in 25 years, increasing pressure on Beijing to address fears of a prolonged slowdown and ease the jitters affecting global markets. The European Central Bank cut interest rates in the Euro-zone to zero. The Bank of Japan also surprised markets by adopting negative interest rates in January more than a year and a half after the European Central Bank became the first major institution of its kind to venture below zero.

Comprehensively outperforming other Emerging Economies, India recorded a GDP growth of 7.5% which was marginally lower than initial Government projections. The CPI too significantly improved to 4.9% in FY16 as against 6.25% in FY15 on the back of a steep fall in Commodity and Crude prices and better food supply management, despite the second straight year of deficient rainfall. The CPI has been well within RBI's projected range, providing room for interest rate cuts and maintaining of an accommodative stance to aid growth. The IIP data has been erratic throughout the year, and did not yield any definite trend in manufacturing, though the Infrastructure Output Index showed a nascent recovery. Indian Rupee moved lower to September 2013 levels of 68.12 against the US Dollar, due to continued strengthening of the US Dollar and depreciation of the Yuan, though on relative basis it was one of the best performing currencies in the Emerging market.

INDUSTRY VIEW

India's automobile sector production grew marginally by 2.6% in fiscal 2016. Whereas passenger vehicle segment reportedly registered 5.97% growth, commercial vehicle segment accelerated 12.1% over the previous year. Overall, automobile exports grew by 1.9% during the year. The country's working population is likely to help stimulate the growing market for private vehicles. Moreover, rising affordability, growing urbanization and easier accessibility to finance are expected to positively propel vehicle consumption.

The auto-components industry has experienced sustainable growth in the last few years on account of high demand from end-user market, improved consumer sentiment and rising vehicle demand. The country has become an automobile component sourcing hub for major OEMs and exports to five continents. Europe accounts for the largest share, followed by Asia and North America. With global auto component players adopting a dual-shore manufacturing model, India is poised to emerge as an outsourcing hub.

Going forward, India's auto-components industry is set to become the world's third largest by 2025. The country's auto-component makers are well positioned to benefit from this sector's globalization as the exports potential is estimated to expand four folds to US\$ 40 billion by 2020.

COMPANY OVERVIEW

Precision Camshafts Limited is one of the world's leading manufacturers and suppliers of camshafts, a critical engine component, in the passenger vehicle segment based on the Company's estimated global market share by volume according to the ICRA Research Report. The Company supplies over 160 varieties of camshafts for passenger vehicles, tractors, light commercial vehicles and locomotive engine applications from its manufacturing facilities at Solapur, Maharashtra.

A bulk of revenue comes from export of camshafts to various Original Equipment Manufacturers (OEMs) directly and indirectly. The Company has long term relationships with several marquee global OEMs, such as General Motors, Ford Motors, Hyundai, Maruti Suzuki, Tata Motors and Mahindra & Mahindra. The Company has supplied over 9 mln units of camshafts during the last financial year and have serviced various customers across different geographies including the United States of America, Brazil, the United Kingdom, Germany, Austria, Hungary, South Korea, Spain, Uzbekistan, China besides India.

The Company currently has two state-of-the-art manufacturing facilities – an EOU unit and a domestic unit – both located at Solapur, Maharashtra. The EOU unit consists of four foundries and two machine shops and products manufactured at the EOU unit are primarily for overseas customers. The domestic unit consists of one foundry and one machine shop and it caters to domestic customers. The Company is also in the process of setting up a new machine shop at Solapur, Maharashtra specifically for ductile iron camshafts.

In order to strengthen the business operations in Asia, the Company has promoted two joint ventures in China with Ningbo Shenglong Powertrain Company Limited. The first one, namely Ningbo Shenglong PCL Camshafts Company Limited is for machining of camshafts. The second, PCL Shenglong (Huzhou) Specialised Casting Company Limited, is for setting up a foundry. The machine shop at Ningbo commenced production in April, 2013 and the foundry at Huzhou City is currently under implementation.

Your Company continues to invest in technologies, designing capabilities and research and development activities. The Company uses different technologies in engineering and manufacturing operations including "shell sand molding process" technology, special (Al2O3/ ceramic sand care) technology and GBQII process technology which provides a cost competitive advantage. The Company has also entered into an exclusive agreement with EMAG, a German machining and tooling process company, for transfer of certain know-how and technology in order to strengthen the foray into assembled camshafts and expand the business operations in the European market.

Significant Factors Affecting Results of Operations

Management of the Company believes that the following factors have significantly affected the results of operations and financial condition during the FY 2015-16, and may continue to affect the results of operations and financial condition in the future:

Market conditions and industry trends affecting the automobile and critical engine component industry

Sales of camshafts are directly related to the production and sales of automobiles, particularly in the passenger vehicle segment, which are impacted by general economic or industry conditions, including seasonal trends in the automobile manufacturing sector, volatile fuel prices, rising employee expenses and challenges in maintaining amicable labour relations as well as evolving regulatory requirements, government initiatives, trade agreements and other factors. For example, in accordance with ICRA Research Report, global sales of passenger cars had declined for two consecutive years by 1.8% and 0.60% in 2008 and 2009, respectively, post the global economic slowdown of 2008. Post 2010, while the automobile industry came back to the growth track, the rate of growth was different in different geographies – while the markets in China recovered in 2010 due to various fiscal incentives, the markets in Japan witnessed growth only in 2012 post the impact of Tsunami. Any economic downturn in the automobile manufacturing and sales, both globally and in regions, in which the Company operate, may significantly affect revenues across periods and geographies.

Customer specifications, terms of supply arrangements and pricing of the products

A majority of the income from operations is from sales to OEMs. Within OEM sales, the Company depends on a limited number of customers for a significant portion of the revenues. Significant customers, on a consolidated basis for FY 2015-16, include Ford and General Motors contributing approximately 42.93% and 25.89% of the net turnover across various geographical locations. The demand for camshafts from these customers has a significant impact on results of operations and financial condition, and sales are particularly affected by the inventory and production levels of these key OEM customers.

Contracts with key OEM customers are long term purchase contracts and these contracts provide for an estimated quantity of camshafts to be purchased by such customer. However, the actual quantity of camshafts to be supplied by your Company to such customer is specified in the delivery schedules issued by the customer periodically pursuant to such purchase contracts. There may be instances where customers have modified their requirements with little advance notice, which may either require your Company to increase production or decrease production and inventories at short notice and bear additional costs.

The purchase contracts provide for a fixed price for the camshafts to be provided to a specific location of the customers, however, in case of any unusual price escalation of raw materials, the Company enters into discussions with such customers and if agreed between both the parties, a revised purchase contract is executed with the revised price.

Raw materials cost

The Company's expenditure on raw materials consumed represented 34.19% of consolidated total expenses for FY 2015-16. Financial results are significantly impacted by the availability and cost of materials, particularly resin coated sand, pig iron and melting steel scrap ("MS scrap").

The Company procures all the raw materials from third party suppliers on a spot basis. While the Company is not significantly dependent on any single raw material supplier, raw material supply and pricing can be volatile due to a number of factors beyond its control, including global demand and supply, general economic and political conditions, transportation and labour costs, labour unrest, natural disasters, competition, import duties, tariffs and currency exchange rates, and there are inherent uncertainties in estimating such variables, regardless of the methodologies and assumptions that the Company may use. Therefore, the Company cannot assure that, it will be able to procure adequate supplies of raw materials in the future, as and when needed on commercially acceptable terms.

The volatility in commodity prices can significantly affect raw material costs. If the Company is not able to compensate for or pass on the increased costs to customers, such price increases could have a material adverse impact on the result of operations, financial condition and cash flows.

Foreign currency fluctuations

The Company's financial statements are presented in Indian Rupees. However, revenues and operating expenses and finance charges of the Company, Subsidiary and Joint Ventures are influenced by the currencies of those countries where the Company sells its products (for example, the United States, Europe and China). The exchange rate between the Indian Rupee and these currencies has fluctuated widely in the past and the results of operations have been impacted by such fluctuations in the past and such fluctuations may impact the future results.

The Company seeks to hedge foreign currency risk by entering into forward exchange contracts. The foreign exchange gains for FY 2015-16 amounted to Rs. 65.53 mln. As on March 31, 2016, total unhedged foreign currency receivables amounted to Rs. 591.45 mln, total unhedged foreign currency loans amounted to Rs. 1,539.38 mln, while total unhedged foreign currency payables amounted to Rs. 67.70 mln and the total value of outstanding forward exchange contracts amounted to

ANNEXURE TO DIRECTORS' REPORT

Rs. 118.50 mln, on standalone basis.

Highlights

Your Company has achieved operating margin in fiscal 2016 despite a setback in sales. For the whole year this has accelerated to 26.8% from 23.8% in the previous year.

On a consolidated basis, FY 2016 operating margin has soared to 28% (from 23.5%) which is incidentally the highest among auto ancillary majors. Export-dominated Company's operating revenue was affected in FY2016 partly on account of weakening Euro currency and largely due to slow down in economy of China and Russia. Your Company logged Rs. 46,475 Lakh consolidated sales in FY 2016 as against Rs 51,586 Lakh in FY 2015.

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

The Company's consolidated gross profit (EBDT) stood at Rs 14,003 Lakh in FY 2016 (Rs 12,415 Lakh in FY 2015). After providing Rs 4,271 Lakh, (Rs 4,122 Lakh) for depreciation and Rs 3,316 Lakh (Rs 3,651 Lakh) for tax, your Company has achieved a net profit of Rs. 6,416 Lakh. On the enlarged post-IPO equity capital, EPS works out to Rs. 6.77 as compared to Rs 5.67 in the previous year. Keeping in view of the Company's expansion project under implementation, the management has treated the interim dividend of Re. 1/- (i.e. 10%) paid in March 2016 as final for the year. Commendably, your Company has paid full dividend to all shareholders though the IPO investors were eligible for only two months pro-rata.

Consolidated financial review
(Rs. in Lakh)

Financial Position	2015-16	2014-15	% change
Net fixed assets	25,577	24,739	3.3%
Other assets:			
Inventory	4,435	4,434	0.0%
Trade receivables	9,587	10,488	(8.5%)
Cash and bank balances	32,386	9,453	242.5%
Other assets	10,930	10,371	5.3%
Total assets	82,917	59,486	39.3%
Liabilities (other than loans)	10,693	14,116	(24.2%)
Net assets	72,224	45,370	59.1%
Source of funding:			
Net worth	51,453	23,191	121.8%
Loans outstanding:			
Payable within one year	4,001	3,560	12.3%
Short term loans	7,196	6,390	12.6%
Long term loans	9,566	12,229	(21.7%)
Total loans	2,0763	2,2179	(6.3%)
Loans (net of cash and bank balances)	(11,622)	12,726	(191.3)
Capital expenditure (net of disposals)	4,637	6,130	(24.3%)

The cash and bank balances includes Rs. 20,940 Lakh unutilized IPO proceeds kept with scheduled commercial banks as Fixed Deposits as mentioned in the Offer Document.

The Company's debt has reduced by Rs. 1,415.89 Lakh due to repayment of loans during the year under review.

Consolidated financial results

(Rs. in Lakh)

Results	2015-16	2014-15	% Change
Sales	46,475	51,585	(9.9%)
Other operating income	1,198	1,656	(27.6%)
Cost of raw materials consumed	13,568	16,733	(18.9%)
(Increase) / decrease in inventories	(1)	5	(117.4%)
Employee benefits expense	6,065	6,905	(12.1%)
Other expenses	14,681	15,469	(5.0%)
PBIDT	13,367	14,681	(5.0%)
Depreciation and amortisation expense	4,271	4,122	3.6%
Finance costs	1,112	1,123	(0.9%)
(Other Income)	(1,749)	(1,032)	69.4%
Prior period items	-	1,578	(100.0%)
PBT	9,732	8,292	17.3%
PAT	6,415	4,641	38.2%
EPS – Diluted (Rs.)	7.63	5.67	34.6%

In FY 2015-16, total consolidated revenue decreased by Rs. 4,851 Lakh, i.e by 8.94%.

During the year the cost of raw materials consumed also reduced by Rs. 3,164 Lakh, i.e by 18.91%.

Standalone financial review

(Rs. in Lakh)

Financial Position	2015-16	2014-15	% change
Net fixed assets	20,528	20,920	(1.8%)
Other assets:			
Inventory	3,925	3,763	4.3%
Trade receivables	9,174	10,524	(12.8%)
Cash and bank balances	31,574	8,961	252.3%
Other assets	11,993	11,266	6.4%
Total assets	77,196	55,435	39.2%
Liabilities (other than loans)	9,607	13,365	(28.1%)
Net assets	67,589	42,070	60.6%
Source of funding:			
Net worth	50,999	23,632	115.8%
Loans outstanding:			
Payable within one year	3,539	2,669	31.2%
Short term loans	6,118	5,816	5.2%
Long term loans	6,931	9,925	(30.1%)
Total loans	16,589	18,438	(10.0%)
Loans (net of cash and bank balances)	(14,985)	9,476	(258.1%)
Capital expenditure (net of disposals)	3,036	2,686	13.0%

During the year, cash and bank balances has increased by Rs. 22,613 Lakh, which includes the unutilized IPO proceeds of Rs. 20,940 Lakh, kept with scheduled commercial banks as Fixed Deposits as mentioned in the Offer Document.

The Company's debt has reduced by Rs. 1,848.96 Lakh due to repayment of loans during the year under review.

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ANNEXURE TO DIRECTORS' REPORT
(Rs. in Lakh)

Results	2015-16	2014-15	% Change
Sales	42,436	49,779	(14.7%)
Other operating income	1,376	1,656	(16.9%)
Cost of raw materials consumed	13,293	16,411	(19.0%)
(Increase) / decrease in inventories	(216)	317	(168.0%)
Employee benefits expense	5,641	6,522	(13.5%)
Other expenses	13,342	14,389	(7.2%)
PBIDT	11,751	13,795	(14.8%)
Depreciation and amortisation expense	3,899	3,913	(0.3%)
Finance costs	906	1,087	(16.6%)
(Other Income)	(1,698)	(1,055)	60.8%
Prior period items	-	1,578	(100.0%)
PBT	8,643	8,271	4.5%
PAT	5,490	4,763	15.2%
EPS – Diluted (Rs.)	6.53	5.82	12.3%

In FY 2015-16, standalone basis the total revenue decreased by Rs. 6,980 Lakh, i.e. by 13.30%.

This decrease was primarily due to decrease in the supply of machined camshafts to General Motors Uzbekistan & due to slow down in China and Europe.

During the year the cost of raw materials consumed reduced by Rs. 3,118 Lakh, i.e. by 19.00%.

Cash flows

Set forth below is a table of selected information from the Company's consolidated statements of cash flows for the periods indicated.

(Rs. in Lakh)

Particulars	2015-16	2014-15
Net cash generated from operating activities	8,959	11,976
Net cash used in investing activities	(31,222)	(9,759)
Net cash generated from / (used in) financing activities	19,634	152
Net increase / (decrease) in cash and bank balances	(2,628)	2368
Opening cash and cash equivalents	5,353	2,955
Closing cash and cash equivalents	2,803	5,353

Standalone statement of cash flows for the periods indicated.

(Rs. in Lakh)

Particulars	2015-16	2014-15
Net cash generated from operating activities	7,651	12,032
Net cash used in investing activities	(30,046)	(6,859)
Net cash generated from / (used in) financing activities	19,450	(2,549)
Net increase / (decrease) in cash and bank balances	(2,944)	2,623
Opening cash and cash equivalents	4,861	2,209
Closing cash and cash equivalents	1,996	4,861

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Capital Expenditures

For the FY 2015-16, standalone capital expenditures were Rs. 3,036 Lakh.

The following is the break up for Fixed Assets after depreciation as at the period/ fiscal indicated.

(Rs. in Lakh)

Particulars	As on March 31, 2016	As on March 31, 2015
Land and buildings	6,123	6,065
Plant and machinery	12,453	13,473
Other fixed assets	508	499
Total	19,085	20,039

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

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

Date: 19th August, 2016
Place: Solapur

REPORT ON CORPORATE GOVERNANCE
1. Philosophy on code of governance

At Precision Camshafts Limited, the goal of Corporate Governance is to ensure fairness to every stakeholder. Company believes that sound corporate governance is important in order to enhance stakeholder's trust. Company believes that compliances with the requirements of the applicable regulations, including the Companies Act, the Equity Listing Agreements with the Stock Exchanges, SEBI Listing Regulations and the SEBI ICDR Regulations forms the part and parcel of Sound Corporate Governance. Company's corporate governance framework is based on an effective independent Board, separation of our Board's supervisory role from the executive management team and constitution of the committees of our Board, as required under law. Our Board is constituted in compliance with the provisions of the Companies Act and the SEBI Listing Regulations, as applicable. Our Board functions either directly, or through various committees constituted to oversee specific operational areas.

"Corporate Governance" pertains to framework of rules, systems and processes within and by which authority is exercised and controlled within the Company. At Precision Camshafts Limited, the philosophy of Corporate Governance is to ensure fairness to every stakeholder, enhancing shareholder value and protect interests of all stakeholders. Company believes that sound corporate governance is important in order to enhance stakeholder's trust. It ensures management through transparency, accountability and responsibility towards stakeholders.

The Company believes in complying with the requirements of the applicable regulations, including the Companies Act, the Equity Listing Agreements with the Stock Exchanges, SEBI Listing Regulations and the SEBI ICDR Regulations forms the part and parcel of Sound Corporate Governance. Company's corporate governance framework is based on an effective independent Board, separation of our Board's supervisory role from the executive management team and constitution of the committees of our Board, as required under law.

2. Board of Directors
a) Composition and category of directors

Company has eight Directors on Board, comprising three executive Directors, four Independent Directors and one Non-Executive Non-Independent Director.

Mr. Yatin S. Shah, Chairman & Managing Director

Dr. Mrs. Suhasini Y. Shah, Executive Director

Mr. Ravindra R. Joshi, Director & CFO

Mr. Jayant V. Aradhya, 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

b) Attendance of each Director at the meeting of the board of directors and the last Annual General Meeting

Sr. No	Name of Director	Category	No. of Board Meeting held during FY 2015-16		No. of directorship in other Companies	
			Held	Attended	Chairman	Member
1	Mr. Yatin S Shah	Chairman & Managing Director	10	09	0	4
2	Dr. Mrs. Suhasini Shah	Whole-time Director	10	09	0	3
3	Mr. Ravindra Joshi	Whole-time Director	10	10	0	1
4	Mr. Jayant Aradhya	Director	10	03	0	0
5	Mr. Pramod Mehendale	Independent Director	10	08	0	0
6	Mr. Vaibhav Mahajani	Independent Director	10	09	0	1
7	Mr. Vedant Pujari	Independent Director	10	07	0	0
8	Mr. Sarvesh Joshi	Independent Director	10	08	0	0

c) Disclosure of relationships between Directors inter-se

Sr. No.	Name of Director	Relationship
1	Mr. Yatin S Shah	Spouse of Dr. Mrs. Suhasini Shah
2	Dr. Mrs. Suhasini Y Shah	Spouse of Mr. Yatin S Shah
3	Mr. Ravindra R Joshi	No relationship with other Directors of the Company
4	Mr. Jayant V Aradhya	No relationship with other Directors of the Company
5	Mr. Pramod H Mehendale	No relationship with other Directors of the Company
6	Mr. Vaibhav S Mahajani	No relationship with other Directors of the Company
7	Mr. Vedant V Pujari	No relationship with other Directors of the Company
8	Mr. Sarvesh N Joshi	No relationship with other Directors of the Company

d) Number of shares and convertible instruments held by Non- Executive Directors

Sr. No.	Name of Director	No. shares held
1	Mr. Jayant V Aradhya	82,02,000 Eq. Share
2	Mr. Pramod H Mehendale	80 Eq. Share
3	Mr. Vaibhav S Mahajani	Nil
4	Mr. Vedant V Pujari	Nil
5	Mr. Sarvesh N Joshi	Nil

e) Web link where details of familiarization programme imparted to independent directors is disclosed.
http://www.pclindia.in/images/pdf/FAMILIARISATION_PROGRAMME.pdf

3. Audit committee

a) Brief description of terms of reference: All the recommendations made by the Audit Committee during the year were accepted by the Board. The Charter of the Committee available on the website of the Company. (www.pclindia.in)

b) Composition, name of members and chairperson;

1. Mr. Ravindra Joshi, Whole-time Director & CFO (Member)
2. Mr. Pramod Mehendale, Independent Director (Chairman);
3. Mr. Sarvesh Joshi, Independent Director (Member); and

(c) Meetings and attendance during the year.

Sr. no.	Name of member	Category	No. of Meeting held during FY 2015-16	
			Held	Attended
1	Mr. Ravindra Joshi	Member	3	3
2	Mr. Pramod Mehendale	Chairman	3	3
3	Mr. Sarvesh Joshi	Member	3	3

4. Nomination and Remuneration Committee:

a) Brief description of terms of reference: All the recommendations made by the Nomination and Remuneration Committee is accepted by the Board of Directors of the Company. Charter of the Committee is available on the website of the Company (www.pclindia.in).

b) Composition, name of members and chairperson;

1. Mr. Vedant Pujari, Independent Director (Chairman);
2. Mr. Sarvesh Joshi, Independent Director (Member); and
3. Mr. Pramod Mehendale, Independent Director (Member).

ANNEXURE TO DIRECTORS' REPORT

c) Meeting and attendance during the year;

Sr. no	Name of member	Category	No. of Meeting held during FY2015-16	
			Held	Attended
1	Mr. Vedant Pujari	Chairman	0	0
2	Mr. Pramod Mehendale	Member	0	0
3	Mr. Sarvesh Joshi	Member	0	0

* as Board members met and discussed the required agenda there was no specific agenda to call the Committee meeting hence there was no committee meeting during the year under review.

d) Performance evaluation criteria for independent directors.

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 and motivate and attract the talent and contribute in the growth of the Company.

During the year 2015-16 the Company paid the Commission of Rs. 5,00,000/- each to its Non-executive Directors for their Contribution in the growth journey of the Company. The said commission is decided on the basis of the contribution made by the non – executive Directors of the Company for overwhelming efforts made during the year under review.

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

Sr. No	Name of Director	Relationship
1	Mr. Pramod Mehendale	There is no pecuniary relationship with the Company and have not entered into any transaction with the Company except payment of Commission of Rs. 5 Lacs for the Financial year 2015 -2016
2	Mr. Vaibhav Mahajani	There is no pecuniary relationship with the Company and have not entered into any transaction with the Company except payment of Commission of Rs. 5 Lacs for the Financial year 2015 -2016
3	Mr. Vedant Pujari	There is no pecuniary relationship with the Company and have not entered into any transaction with the Company except payment of Commission of Rs. 5 Lacs for the Financial year 2015 -2016
4	Mr. Sarvesh Joshi	There is no pecuniary relationship with the Company and have not entered into any transaction with the Company except payment of Commission of Rs. 5 Lacs for the Financial year 2015 -2016
5	Mr. Jayant Aradhye	There is no pecuniary relationship with the Company and have not entered into any transaction with the Company except payment of Commission of Rs. 5 Lacs for the Financial year 2015 -2016

Sr. No	Name of Director with term	Salary	Commission	ESPS
1	Mr. Yatin S Shah	Rs. 5,13,00,931/-	0	0
2	Dr. Mrs. Suhasini Shah	Rs. 43,20,972/-	0	0
3	Mr. Ravindra Joshi	Rs. 1,08,01,619/-	Rs. 2,50,00,000/-	0

6. Stakeholders' grievance committee:

The Company has constituted Stakeholders Relationship Committee in the Board Meeting held on 27th January 2015 and composition of the same is as follows:

1. Mr. Vedant Pujari, Non-Executive Director (Chairman);
2. Dr. Mrs. Suhasini Shah, (Member); and
3. Mr. Pramod Mehendale, (Member)

ANNEXURE TO DIRECTORS' REPORT

Sr.no	Name of member	Category	No. of Meeting held during FY 2015-16	
			Held	Attended
1	Mr. Vedant Pujari	Independent Director	1	1
2	Dr. Mrs. Suhasini Shah	Whole-time Director	1	1
3	Mr. Pramod Mehendale	Whole-time Director	1	1

a) name and designation of compliance officer:

Mr. Swapneel Kuber – Company Secretary & Compliance Officer

b) Investors' complaints received and redressed during the financial year

Sr No	Opening Balance	Received	Resolved	Closing Balance
1	0	6	6	0

7. General body meetings:

a) location and time, where last three Annual General Meetings held:

Sr. No	Financial Year	Date	Time	Venue
1	2014-15	30 th Sep. 2015	11.30 a.m.	D-5, Chincholi MIDC, Solapur
2	2013-14	30 th Sep. 2014	11.00 a.m.	D-5, Chincholi MIDC, Solapur
3	2012-13	30 th Sep. 2013	10.00 a.m.	E 102/103, MIDC, Akkalkot Road, Solapur

b) whether any special resolutions passed in the previous three annual general meetings;

Sr. No	Date of AGM	Relevant Section	Details
1	2014-2015	NA	NA
2	2013-2014	NA	NA
3	2012-2013	Section 198, 269, 302, 309, 310 of Companies Act, 1956	Approval of Remuneration of Dr. Mrs. Suhasini Shah
		Section 198, 269, 302, 309, 310 of Companies Act, 1956	Approval of Remuneration of Mr. Ravindra R Joshi
		Section 31 of the Companies Act, 1956	Alteration of Articles of Association

c) whether any special resolution passed last year through postal ballot – details of voting pattern: **No**

d) person who conducted the postal ballot exercise: **NA**

e) whether any special resolution is proposed to be conducted through postal ballot: **NA**

f) procedure for postal ballot: **NA**

8. Means of communication:

The website of the Company www.pclindia.in acts as the key source of information regarding the operations of the Company.

The quarterly, half-yearly and annual results of the Company are published in leading newspapers in India viz. Business Standard, Economic Times and Tarun Bharat. The results are also displayed on the Company's website www.pclindia.in. Press Releases made by the Company from time to time and the presentations if any made to the institutional investors / analysts are also displayed on the website. The Financial Results, Press Releases and various compliance reports / information in accordance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are made available on the websites of the Stock Exchanges i.e. BSE Limited (www.bseindia.com) and the National Stock Exchange of India Limited (www.nseindia.com).

9. General shareholder information:

a) Annual General Meeting :

Date and Timing	28 th September, 2016 at 03.00 p.m.
Venue	Precision Camshafts Limited, D-5, Chincholi MIDC, Solapur- 413255

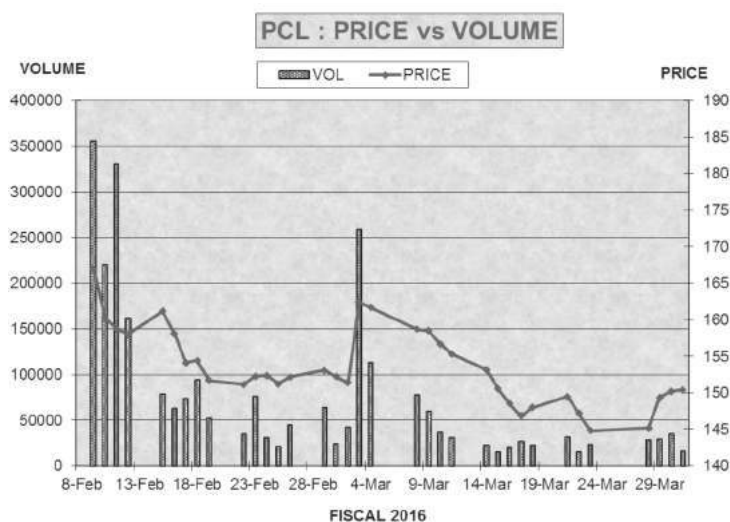
ANNEXURE TO DIRECTORS' REPORT

- b) Financial year: **01st April, 2015 to 31st March 2016**
- c) Dividend payment date: **30th March, 2016**
- d) The name and address of each stock exchange(s) at which the listed entity's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange(s);

- i) **BSE Limited**
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400001
- ii) **National Stock Exchange of India Limited**
Exchange Plaza, Bandra kurla Complex,
Bandra (E) Mumbai 400051

Listing fees for Fiscal 2016 have been paid for above both the exchanges in India.

- e) stock code: **BSE: 539636 | NSE: PRECAM | ISIN: INE484I01029**
- f) Market price data- high, low during each month in last financial year;



Month	NSE		BSE	
	High	Low	High	Low
Feb- 2016	185.00	145.10	184.70	145.95
Mar-2016	169.50	139.00	168.20	140.60

- g) Performance in comparison to broad-based indices such as BSE Sensex, NSE Index etc - **NA**
- h) In case the securities are suspended from trading, the Directors' report shall explain there as on thereof; **NA**
- i) 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 411001
Tel: +91 20 2616 0084, 2616 1629 Fax: +91 20 2616 3503
Contact Person: Bhagavant Sawant
pune@linkintime.co.in

ANNEXURE TO DIRECTORS' REPORT

j) Share transfer system;

99.99% of the equity Shares of the Company are in electronic form. Transfer of these shares are done through the depositories with no involvement of the Company. As regards transfer of shares held in physical form the transfer documents can be lodged with Link Intime India Private Limited at the above mentioned address.

k) Distribution of shareholding;

No. of Shares	No. of Shareholders	Percentage to total shareholders	Shares	Percentage to Capital
1-500	62,130	99.48	50,68,619	5.34
501-1000	131	0.20	96,516	0.10
1001-2000	73	0.11	1,00,698	0.10
2001-3000	31	0.04	78,374	0.08
3001-4000	7	0.01	24,551	0.02
4001-5000	11	0.01	50,941	0.05
5001-10000	18	0.02	1,28,723	0.13
10001- above	53	0.08	9,81,96,403	94.14

l) Dematerialization of shares and liquidity: **As on 31st of March 2016 all the shares were under the demat mode.**

(m) Outstanding global depository receipts or American depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity; : **NA**

n) Commodity price risk or foreign exchange risk and hedging activities:

Appropriate disclosure is given in Note 31 of the Notes to the Standalone Financial Statements

(o) Plant locations

- 1) E 90, M. I. D. C., Akkalkot Road, Solapur: 413 006
- 2) E 102/103, M. I. D. C., Akkalkot Road, Solapur: 413 006
- 3) D 5, MIDC Chincholi, Solapur 413255 (EOU Division)
- 4) D 6, D 7, D 7-1 MIDC, Chincholi, Solapur 413255 (EOU Division)

(p) Address for correspondence

Precision Camshafts Limited
Gurukrupa, Plot No. 70,
Shivaji Housing Soc.
Off Senapati Bapat Road,
Pune - 411016
Tel. No. 020 - 69401114

10. Other Disclosures:

- a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large: **NA**
- b) Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the Board or any statutory authority, on any matter related to capital markets, during the last three years: **NA**
- c) Details of establishment of vigil mechanism, whistle blower policy, and affirmation that no personnel has been denied access to the audit committee: **NA**
- d) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements-**The Company has complied with all the mandatory requirements.**
- e) Web link where policy for determining material' subsidiaries is disclosed: **<http://www.pclindia.in/investor-relations/corporate-governance/policies.html>**
- f) Web link where policy on dealing with related party transactions: **as per 10 (e)**
- g) Disclosure of commodity price risks and commodity hedging activities: **As per MD & A report**

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

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

**Yatin S. Shah
(Chairman & Managing Director)
(DIN - 00318140)
Date: 19th August 2016
Place: Solapur**

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

To
The Members of PRECISION CAMSHAFTS LIMITED

We have examined the compliance of conditions of corporate governance by Precision Camshafts Limited, for the year ended on March 31st, 2016, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our 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 our opinion and to the best of our information and according to the explanations given to us, we 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.

We 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**

Sd/-
Jayavant Bhave
Proprietor
FCS: 4266 CP: 3068

Date: 19th August 2016
Place: Pune

**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- AOC 1

Part A – Subsidiaries	Name of the subsidiary	PCL Shanghai Co. Ltd
Reporting period for the subsidiary concerned, if Different from the holding company's reporting period		1 st January 2015 to 31 st December 2015
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries i.e. 31 st March 2016		Currency - RMB Exchange rate – 10.25
Share Capital		Rs. 1,10,48,275
Reserves and Surplus		(Rs. 89,20,530)
Total assets		Rs. 6,07,72,102
Total Liabilities		Rs. 5,86,44,356
Investment		Nil
Turnover		Rs. 12,78,49,606
Profit/(Loss) before Tax		(Rs. 93,42,071)
Provision for tax		Nil
Profit after Tax		(Rs. 93,42,071)
Proposed Dividend		Nil
% of Shareholding		100%

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

Name of associates/Joint Ventures	Ningbo Shenglong PCL Camshafts Co Ltd	PCL Shenglong (Huzhou) Specialised Casting Co Ltd.
1. Latest audited Balance Sheet Date	31 st December 2015	31 st December 2015
Shares of Associate/Joint Ventures held by the company on the year end	22.50%	40.00%
Amount of Investment in Associates/Joint Venture	Rs. 02,02,13,205	Rs. 11,01,21,670
Extend of Holding%	22.50%	40.00%
Description of how there is significant Influence	N.A.	N.A.
Reason why the associate/joint venture is not consolidated	N.A.	N.A.
Net worth attributable to shareholding as per latest audited Balance Sheet	Rs. 18,69,57,124	Rs. 3,82,58,798
Profit/(Loss) for the year		
- Considered in Consolidation	Rs. 12,95,45,253	(Rs. 3,48,18,176)
- Not Considered in Consolidation	Rs. 44,72,90,431	(Rs. 1,87,78,292)

Note: Amounts mentioned in the Form - AOC 1 are for the year ended 31st March 2016.

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

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

Date: 19th August, 2016
Place: Solapur

BUSINESS RESPONSIBILITY REPORT

(As per Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

SECTION A : GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company - **U24231PN1992PLC067126**
2. Name of the Company - **PRECISION CAMSHAFTS LIMITED**
3. Registered address – **E 102/103 MIDC, Akkalkot road, Solapur-413006**
4. Website – **www.pclindia.in**
5. E-mail id – **info@pclindia.in**
6. Financial Year reported – **1st April 2015 to 31st March 2016**
7. Sector(s) that the Company is engaged in (industrial activity code-wise) - **manufacture of parts for motor vehicle, NIC Code of the Product/service - 2930**
8. List three key products/services that the Company manufactures/provides (as in balance sheet) – **Manufacturing of Camshafts**
9. Total number of locations where business activity is undertaken by the Company
 - a) Number of International Locations: **Not Applicable**
 - b) Number of National Locations:
 - 1) **E 90, M. I. D. C., Akkalkot Road, Solapur-413 006**
 - 2) **E 102/103, M. I. D. C., Akkalkot Road, Solapur-413 006**
 - 3) **D 5, MIDC Chincholi, Solapur-413255 (EOU Division)**
 - 4) **D 6, D 7, D 7-1 MIDC, Chincholi, Solapur-413255 (EOU Division)**
10. Markets served by the Company – Local/State/National/International

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (INR) – **Rs. 94,74,48,250/-**
2. Total Turnover (INR) – **Rs 4,55,11,19,079/-**
3. Total profit after taxes (INR) – **Rs 54,90,80,002/-**
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) – **0.54% of average profit for previous three years in respect of standalone of the Company (computation as prescribed by the Companies Act, 2013)**
5. List of activities in which expenditure in 4 above has been incurred:

Sr. No.	Particulars	Amount spent in Rs. Lakh
1	Education	Rs. 33.28/-
2	Food	Rs. 1.00/-
3	Welfare	Rs. 0.05/-

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company? - **Yes**
2. Do the Subsidiary Company participate in the BR Initiatives of the parent company?

Our Subsidiary is Located and Governed by the regulations of China Republic however Subsidiary Company do not participate in BR activity of the Company.

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? – **The Company does not mandate its suppliers/ distributors to participate in the**

Company's BR initiatives, but the Company aims to help suppliers understand the importance of sustainable development as well as create a platform for all stakeholders to discuss their concerns and challenges.

If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%] – **Not Applicable**

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR
 - a) Details of the Director/Director responsible for implementation of the BR policy/policies
 1. DIN Number – **(00318140)**
 2. Name – **Mr. Yatin Subhash Shah**
 3. Designation – Chairman and Managing Director

b) Details of the BR head

Sr No.	Particulars	Details
1	DIN	00318140
2	Name	Mr. Yatin Subhash Shah
3	Designation	Chairman and Managing Director
4	Telephone number	9168646531
5	e-mail id	info@pclindia.in

2. Principle-wise (as per NVGs) BR Policy/policies -
 - P1 – To conduct and govern themselves with Ethics, Transparency and Accountability.**
 - P2 – To provide goods and services that are safe and contribute to sustainability throughout their life cycle.**
 - P3 – To promote the well-being of all employees.**
 - P4 – To respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.**
 - P5 - To respect and promote human rights.**
 - P6 - To respect, protect, and make efforts to restore the environment.**
 - P7 - When engaged in influencing public and regulatory policy, should do so in a responsible manner.**
 - P8 – To support inclusive growth and equitable development.**
 - P9 – To engage with and provide value to their customers and consumers in a responsible manner.**

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

Sr. No.	Questions	P1	P2	P3	P4	P5	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for...	Y	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	Y
3	Does the policy conform to any National / international standards? If yes, specify? (50 words)	_____									
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner / CEO/ appropriate Board Director?	Yes									
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be Viewed online?	View restricted to employees of the Company									
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.									

BUSINESS RESPONSIBILITY REPORT

8	Does the company have in-house structure to implement the policy/ policies.	Y	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	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	Y

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

Sr. No.	Questions	P1	P2	P3	P4	P5	P5	P6	P7	P8	P9
1	The company has not understood the Principles	Not Applicable									
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles										
3	The company does not have financial or manpower resources available for the task										
4	It is planned to be done within next 6 Months										
5	It is planned to be done within the next 1 year										
6	Any other reason (please specify)										

3. Governance related to BR

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

This is first time the Company is publishing the Business Responsibility Report. The Business responsibilities performance will be reviewed annually by the management along with Managing Director of the Company.

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

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

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1 - TO CONDUCT AND GOVERN THEMSELVES WITH ETHICS, TRANSPARENCY AND ACCOUNTABILITY

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

The Corporate Principles and Code of Conduct cover the Company and are applicable to all the employees of the Company. The Company has Code of Conduct policies for Directors as well as for employees of the Company that completely cover all issues relating to ethics, bribery and corruption.

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

No complaints have been received during the year under review.

Principle 2 - TO 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. -

The Company is in process of identifying product having social or environmental concerns.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional): **Not Applicable**
 - a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?
Not Applicable
 - b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?
Not Applicable

3. Does the company have procedures in place for sustainable sourcing (including transportation)? – **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 both EOU and Domestic units are located at Solapur and having suppliers in close vicinity supplying Raw Material required for manufacturing process of Camshafts and nearly 60% of Supplier base is located within a 30 kilometers radius of the plants.

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

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? - **Yes**
 - a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

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

5. Does the company have a mechanism to recycle products and waste? - **No**

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.

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

Principle 3 - TO PROMOTE THE WELL-BEING OF ALL EMPLOYEES

1. Please indicate the total number of employees: **1488**
2. Please indicate the total number of employees hired on temporary/contractual/casual basis: **674**
3. Please indicate the number of permanent women employees: **23**
4. Please indicate the number of permanent employees with disabilities: **Nil**
5. Do you have an employee association that is recognized by management: **100%**

BUSINESS RESPONSIBILITY REPORT

6. What percentage of your permanent employees is members of this recognized employee association? **No.**
 7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year: **No**

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

Sr No.	Category	Safety Training	Skill Upgradation Training
1	Permanent Employees	16%	42%
2	Permanent Women Employees	76%	-
3	Casual/Temporary/Contractual Employees	16%	-

Principle 4 - TO RESPECT THE INTERESTS OF, AND BE RESPONSIVE TOWARDS ALL STAKEHOLDERS, ESPECIALLY THOSE WHO ARE DISADVANTAGED, VULNERABLE AND MARGINALIZED

- Has the company mapped its internal and external stakeholders? Yes/No - **Yes**
- Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders-**Yes**

The Company endeavors to bring in inclusive growth and the same are routed through the Precision Foundation Trust for Community Initiatives and development in various fields.

Company has taken initiatives in specific areas of social development in Solapur and Osmanabad District that would include primary and secondary education, skill development, vocational training, health and hygiene, sustainability, environment and ecological protection, charter building by opportunities in Sports and Cultural activities. Company continuously strive 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 would also be 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.

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

Principle 5 - TO RESPECT AND PROMOTE HUMAN RIGHTS

- Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others? –

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

- 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 was received in this financial year.

Principle 6 - TO RESPECT, PROTECT, AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT

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

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

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? - **Yes**

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

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

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

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**,

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

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

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

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 – WHEN ENGAGED IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A RESPONSIBLE MANNER.

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

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

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good?

Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

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

Principle 8 - BUSINESSES SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

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

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

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

The Programmes undertaken through own foundation called “Precision Foundation”

3. Have you done any impact assessment of your initiative? **Yes**
4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

The Company has spent an amount of Rs. 34.33 Lacs on CSR activities to promote Education and welfare of the Society.

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

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

Principle 9 - BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year: **Nil**
2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information): **NA. As Camshafts manufactures by the Company are assembled in the engine of the Car, hence there is no concept of product lable.**
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.**

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

Yatin S. Shah
(Chairman & Managing Director)
(DIN - 00318140)
Date: 19th August, 2016
Place: Solapur

COMPLIANCE CERTIFICATE

[Pursuant to Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

The Board of Directors,
Precision Camshafts Limited,
Solapur,

Dear members of the Board,

We, Yatin S Shah, Managing Director and Ravindra R Joshi, Director and Chief Financial Officer of Precision Camshafts Limited, to the best of our knowledge and belief, certify that:

1. We have reviewed financial statements and the cash flow statement for the year ended 31st March 2016 and that to the best of our knowledge and belief:
 - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) 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.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the 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.
4. We have indicated to the Auditors and the Audit committee
 - a) significant changes in internal control over financial reporting during the year;
 - b) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - c) instances of significant fraud of which we have become 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.

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

Ravindra R Joshi
(Director & Chief Financial Officer)
(DIN 0333814)

Date: 19th August, 2016
Place: Solapur

DECLARATION FOR COMPLIANCE WITH CODE OF CONDUCT

Pursuant to the regulation 26 (3) read with part D of the Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 I hereby declare that all Board members and senior management personnel have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management for the Financial Year ended March 31st, 2016.

For Precision Camshafts Limited

Sd/-

Yatin S. Shah
Chairman and Managing Director
(DIN 00318140)

Date: 19th August, 2016
Place: Solapur

INDEPENDENT AUDITOR'S REPORT

To the Members of Precision Camshafts Limited

Report on the Financial Statements

We have audited the accompanying standalone financial statements of Precision Camshafts Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("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 and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016. 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 the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, of its profit and its cash flows for the year ended on that date.

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 the Annexure 1; statement on the matters specified in paragraphs 3 and 4 of the Order.

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 purpose of our audit;

AUDITOR'S REPORT ON STANDALONE FINANCIAL STATEMENTS

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

(c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement 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 written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164 (2) of the Companies Act, 2013;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(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 financial statements Refer Note 29 to the financial statements;

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

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

For **SRBC & COLLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Paul Alvares

Partner

Membership Number: 105754

Place of Signature: Pune, India

Date: May 30, 2016

Annexure 1 referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date

Re: Precision Camshafts Limited (the "Company")

- i. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- c. According to the information and explanations given by the management, the title deeds of immovable properties included in fixed assets are held in the name of the Company.
- ii. The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- iv. In our opinion and according to the information and explanations given to us, provisions of section 186 of the Companies Act 2013 in respect of investments made have been complied with by the Company. There are no loans, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- v. In respect of deposits accepted, in our opinion and according to the information and explanations given to us, directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013, and the rules framed there under, to the extent applicable, have been complied with. We are informed by the management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture or service of camshafts, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- vii. a. Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in advance income tax payments during the year. None of these dues were outstanding as at the year-end for a period of more than six months from the date they became payable.
- b. According to the records of the Company, the dues outstanding of income-tax, sales-tax, , service tax, duty of custom, duty of excise , value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount (Rs)	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Excise duty	20,76,478	2007-08	CESTAT

ANNEXURE TO AUDITOR'S REPORT ON STANDALONE FINANCIAL STATEMENTS

- viii. Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a bank. The Company did not have any outstanding dues in the nature of loan or borrowings in respect of a financial institution or in respect of debenture holders or to government during the year.
- ix. In our opinion and according to the information and explanations given by the management, we report that monies raised by way of initial public offer in the nature of equity shares and term loans were applied for the purposes for which those were raised, though idle/surplus funds which were not required for immediate utilization have been gainfully invested in demand deposits with banks. The maximum amount of idle/surplus funds invested during the year was Rs. 2,09,40,00,000 of which Rs. 2,09,40,00,000 was outstanding at the end of the year.
- x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- xi. According to the information and explanations given by the management, we report that the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013 and the general circular no. 07/2015 dated 10th April, 2015 issued by the Ministry of Corporate Affairs.
- xii. In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- xiii. Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, reporting requirements under clause 3(xiv) of the Order are not applicable to the Company and hence not commented upon.
- xv. According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- xvi. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

Per Paul Alvares
Partner
Membership Number: 105754
Place of Signature: Pune, India
Date: May 30, 2016

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF PRECISION CAMSHAFTS LIMITED

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

We have audited the internal financial controls over financial reporting of Precision Camshafts Limited ("the Company") as of March 31, 2016, 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 over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

An audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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 qualified audit opinion on the internal financial controls over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be

ANNEXURE TO AUDITOR'S REPORT ON STANDALONE FINANCIAL STATEMENTS

detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified in the operating effectiveness of the Company's internal financial controls over financial reporting as at March 31, 2016:

- (a) The Company's information technology general controls with respect to maintenance of logs on certain program changes were not operating effectively which could result in potential misstatement in the financial statements.
- (b) The Company's internal financial controls over employee benefits expenses (including contract labour) and compliance with the relevant regulations were not operating effectively which could result in potential misstatement in the financial statements.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, the Company has, in all material respects, maintained adequate internal financial controls over financial reporting as of March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India, and except for the possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company's internal financial controls over financial reporting were operating effectively as of March 31, 2016.

Explanatory paragraph

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the standalone financial statements of Precision Camshafts Limited, which comprise the Balance Sheet as at March 31, 2016, and the related Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information. This material weakness was considered in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2016 standalone financial statements of Precision Camshafts Limited and this report does not affect our report dated May 30, 2016, which expressed an unqualified opinion on those financial statements.

For **SRBC & COLLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per **Paul Alvares**

Partner

Membership Number: 105754

Place of Signature: Pune, India

Date: May 30, 2016

STANDALONE FINANCIAL STATEMENTS

BALANCE SHEET AS AT 31 MARCH 2016

(All amounts in rupees unless otherwise stated)

	Notes	31 March 2016	31 March 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	94,74,48,250	81,84,16,000
Reserves and surplus	4	4,15,25,08,050	1,54,47,90,585
		5,09,99,56,300	2,36,32,06,585
Non-current liabilities			
Long-term borrowings	5	69,31,08,555	99,25,82,488
Deferred tax liabilities (net)	6	6,51,56,994	11,11,27,998
		75,82,65,549	1,10,37,10,486
Current liabilities			
Short-term borrowings	8	61,18,80,968	58,16,62,445
Trade payables	9		
- total outstanding dues of micro enterprises and small enterprises		9,16,08,553	9,12,11,272
- total outstanding dues of creditors other than micro enterprises and small enterprises		52,90,03,545	56,70,65,579
Other current liabilities	9	52,26,45,467	65,75,65,536
Short-term provisions	7	10,63,01,067	17,91,63,713
		1,86,14,39,600	2,07,66,68,545
TOTAL		7,71,96,61,449	5,54,35,85,616
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	10	1,90,52,07,175	2,00,18,21,140
Intangible assets	10	32,94,912	21,27,922
Capital work-in-progress	10	14,43,32,847	8,80,55,581
		2,05,28,34,934	2,09,20,04,643
Non-current investments	11	76,15,13,150	76,15,13,150
Long-term loans and advances	12	19,61,38,691	9,35,10,403
Other non-current assets	14	2,73,67,009	2,57,45,026
		3,03,78,53,784	2,97,27,73,222
Current assets			
Inventories	15	39,25,43,207	37,63,04,582
Trade receivables	13	91,74,71,862	1,05,24,25,685
Cash and bank balances	16	3,15,74,81,808	89,61,77,034
Short-term loans and advances	12	13,20,40,050	17,89,48,714
Other current assets	14	8,22,70,738	6,69,56,379
		4,68,18,07,665	2,57,08,12,394
TOTAL		7,71,96,61,449	5,54,35,85,616

Summary of significant accounting policies

2.1

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

As per our report of even date

For S R B C & CO LLP

ICAI Firm Registration Number: 324982E/E300003

Chartered Accountants

For and on behalf of the Board of Directors of

Precision Camshafts Limited

per Paul Alvares
Partner
Membership Number: 105754

Place: Pune, India

Date: May 30, 2016

Yatin S Shah
Managing Director
DIN. 00318140

Place: Paris, France

Date: May 30, 2016

Dr. Suhasini Y Shah
Director
DIN. 02168705

Place: Paris, France

Date: May 30, 2016

Ravindra R Joshi
Director
DIN. 03338134

Place: Pune, India

Date: May 30, 2016

Swapneel S Kuber
Company Secretary
M. No. 29707

Place: Pune, India

Date: May 30, 2016

STANDALONE FINANCIAL STATEMENTS
STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED 31 MARCH 2016
(All amounts in rupees unless otherwise stated)

	Notes	31 March 2016	31 March 2015
INCOME			
Revenue from operations (gross)	17	4,54,76,20,042	5,28,57,49,555
Less: excise duty	17	16,63,20,805	14,21,21,286
Revenue from operations (net)		4,38,12,99,237	5,14,36,28,269
Other income	18	16,98,19,842	10,55,53,536
Total (I)		4,55,11,19,079	5,24,91,81,805
EXPENSES			
Cost of raw materials consumed	19	1,32,93,26,528	1,64,11,33,162
(Increase)/decrease in inventories	20	(2,16,09,470)	3,17,79,794
Employee benefits expenses	21	56,41,69,863	65,22,62,667
Other expenses	22	1,33,42,22,233	1,43,89,35,898
Total (II)		3,20,61,09,154	3,76,41,11,521
Earnings before interest, tax, depreciation and amortisation (EBITDA) (I) - (II)		1,34,50,09,925	1,48,50,70,284
Depreciation and amortisation expenses	23	38,99,90,862	39,13,44,385
Finance costs	24	9,06,29,117	10,87,36,121
Profit before tax		86,43,89,946	98,49,89,778
Tax expense			
Current tax			
-Pertaining to profit for the current year		37,21,73,658	37,60,03,344
-Adjustment of tax relating to earlier years		(1,80,48,343)	17,21,680
Deferred tax credit		(3,88,15,371)	(2,68,36,771)
Total tax expense		31,53,09,944	35,08,88,253
Profit after tax and before prior period items		54,90,80,002	63,41,01,525
Prior period items (refer note 38)		-	15,78,00,000
Profit for the year		54,90,80,002	47,63,01,525

Earnings per equity share	25		
[nominal value of share Rs. 10 each (31 March 2015: Rs. 10 each)]			
Basic			
Computed on the basis of profit for the year		6.55	5.82
Diluted			
Computed on the basis of profit for the year		6.53	5.82

Summary of significant accounting policies 2.1

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

As per our report of even date
For S R B C & CO LLP
ICAI Firm Registration Number: 324982E/E300003
Chartered Accountants
For and on behalf of the Board of Directors of
Precision Camshafts Limited

per Paul Alvares
Partner
Membership Number: 105754
Place: Pune, India
Date: May 30, 2016

Yatin S Shah
Managing Director
DIN. 00318140
Place: Paris, France
Date: May 30, 2016

Dr. Suhasini Y Shah
Director
DIN. 02168705
Place: Paris, France
Date: May 30, 2016

Ravindra R Joshi
Director
DIN. 03338134
Place: Pune, India
Date: May 30, 2016

Swapneel S Kuber
Company Secretary
M. No. 29707
Place: Pune, India
Date: May 30, 2016

STANDALONE FINANCIAL STATEMENTS

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

(All amounts in rupees unless otherwise stated)

	31 March 2016	31 March 2015
Cash flow from operating activities		
Profit before tax and prior period items	86,43,89,946	98,49,89,778
Adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortisation expenses	38,99,90,862	39,13,44,385
Sundry creditors written back	(14,49,802)	-
Provision for doubtful debts written back	(8,03,662)	(41,94,874)
Loss on assets sold /discarded (net)	36,82,362	16,41,746
Dividend income on long-term investments	(16,864)	(15,600)
ESOP expense	1,97,80,830	33,61,698
Interest expense	6,95,36,004	7,54,16,456
Interest income	(9,11,93,526)	(5,45,65,801)
Unrealised exchange differences	1,37,13,386	(8,39,33,733)
	40,32,39,590	32,90,54,277
Operating profit before working capital changes	1,26,76,29,536	1,31,40,44,055
Movements in working capital :		
Increase/(decrease) in trade payables	(4,08,56,092)	3,20,24,888
Increase/(decrease) in short-term provisions	(21,75,319)	2,93,71,441
Increase/(decrease) in other current liabilities	(19,59,09,959)	11,73,12,796
Decrease in trade receivables	14,14,58,788	9,06,84,605
(Increase)/decrease in inventories	(1,62,38,626)	3,50,44,172
Increase in long-term loans and advances	(26,40,102)	(3,89,861)
(Increase)/decrease in short-term loans and advances	4,69,08,664	(4,33,07,278)
Increase in other current assets	(82,52,374)	(4,77,96,979)
Changes in working capital	(7,77,05,020)	21,29,43,784
Cash generated from operations	1,18,99,24,516	1,52,69,87,839
Direct taxes paid (net of refunds)	(42,48,12,642)	(32,37,24,196)
Net cash flow from operating activities (A)	76,51,11,874	1,20,32,63,643
Cash flow from investing activities		
Payments for purchase of fixed assets and intangible assets; capital advances and capital work in progress	(53,73,28,530)	(34,72,71,421)
Proceeds from sale of fixed assets	4,66,425	8,41,274
Investment in joint venture	-	(2,80,33,876)
Redemption of bank deposits (original maturity of more than three months)	12,14,17,271	80,00,000
Investment of bank deposits (original maturity of more than three months)	(2,67,27,50,676)	(37,18,53,970)
Interest received	8,35,64,163	5,23,71,430
Dividend received	16,864	15,600
Net cash used in investing activities (B)	(3,00,46,14,483)	(68,59,30,963)

STANDALONE FINANCIAL STATEMENTS
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2016
(All amounts in rupees unless otherwise stated)

	31 March 2016	31 March 2015
Cash flow from financing activities		
Proceeds from issue of equity shares (including securities premium)	2,39,99,99,850	-
Share issue expenses (net of service tax)	(21,40,40,471)	-
Share issue expenses recovered (net of service tax)	8,88,06,512	-
Repayment of long term borrowings	(15,49,43,758)	(30,39,49,962)
Proceeds of short term borrowings (net)	75,84,035	12,80,09,564
Interest paid	(6,82,81,542)	(7,40,67,481)
Final dividend paid on shares	-	(40,92,080)
Tax on final dividend paid	-	(8,33,066)
Interim dividend paid on shares	(9,47,44,825)	-
Tax on interim dividend paid	(1,92,87,817)	-
Net cash flow from/(used in) financing activities (C)	1,94,50,91,986	(25,49,33,025)
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(29,44,10,623)	26,23,99,655
Cash and cash equivalents as at beginning of year	48,61,53,424	22,09,05,478
Effect of exchange differences on cash and cash equivalents held in foreign currency	78,60,939	28,48,291
Cash and cash equivalents as at year end	19,96,03,740	48,61,53,424
Components of cash and cash equivalents:		
	31 March 2016	31 March 2015
Balances with banks:		
On current accounts	19,39,16,727	7,88,57,184
Deposit with original maturity of less than 3 months	50,32,886	40,67,38,487
On unpaid dividend account		
Cash in hand	6,54,127	5,57,753
Total cash and cash equivalents (refer note 16)	19,96,03,740	48,61,53,424

As per our report of even date
For S R B C & CO LLP
ICAI Firm Registration Number: 324982E/E300003
Chartered Accountants
For and on behalf of the Board of Directors of
Precision Camshafts Limited
per Paul Alvares
Partner
Membership Number: 105754
Place: Pune, India
Date: May 30, 2016
Yatin S Shah
Managing Director
DIN. 00318140
Place: Paris, France
Date: May 30, 2016
Dr. Suhasini Y Shah
Director
DIN. 02168705
Place: Paris, France
Date: May 30, 2016
Ravindra R Joshi
Director
DIN. 03338134
Place: Pune, India
Date: May 30, 2016
Swapneel S Kuber
Company Secretary
M. No. 29707
Place: Pune, India
Date: May 30, 2016

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

NOTE 1. CORPORATE INFORMATION

Precision Camshafts Limited ('the Company') is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is primarily engaged in the manufacture and sale of camshaft castings and machined camshafts to the Auto industry and the Railways.

NOTE 2. BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

NOTE 2.1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Change in accounting policies

Component accounting

The Company has adopted component accounting as required under Schedule II to the Companies Act, 2013, from 1 April 2015. The Company was previously not identifying components of fixed assets separately for depreciation purposes; rather, a single useful life/ depreciation rate was used to depreciate each item of fixed assets.

Due to application of Schedule II to the Companies Act, 2013, the company has changed the manner of depreciation for its fixed assets. Now, the Company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset. These components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset. The Company has used transitional provisions of Schedule II to adjust the impact of component accounting arising on its first application. If a component has zero remaining useful life on the date of component accounting becoming effective, i.e., 1 April 2015, its carrying amount, after retaining any residual value, is charged to the statement of profit and loss. The carrying amount of other components, i.e., components whose remaining useful life is not nil on 1 April 2015, is depreciated over their remaining useful lives.

There is no impact to the statement of Profit and Loss for the current year due to the applicability of component accounting. Further, on the date of component accounting becoming applicable, i.e. April 1, 2015, there was no component having zero remaining useful life. Hence, no amount has been directly adjusted against retained earnings.

(a) Use of estimates

The preparation of financial statements in conformity with the Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Difference between the actual result and estimates are recognised in the year in which the results are known / materialised. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(b) Tangible fixed assets

Fixed assets, are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

STANDALONE FINANCIAL STATEMENTS

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

From 1 April 2011, the company adjusts exchange differences arising on translation/settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset to the cost of the asset and depreciates the same over the remaining life of the asset. In accordance with MCA circular dated 9 August 2012, exchange differences adjusted to the cost of fixed assets are total differences, arising on long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset, for the period. In other words, the Company does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange differences.

Expenditure directly relating to construction activity is capitalised as part of the construction costs to the extent the expenditure can be attributable to construction activity or is incidental there to. Income earned during the construction period is deducted from the total of the expenditure capitalised.

Gains or losses arising from derecognition of fixed assets 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.

The Company has determined residual values at the rate of 2% to 5% of cost of assets, based on management estimation in accordance with the nature and size of operations, as per the requirements of Schedule II of Companies Act 2013.

The company identifies and determines cost of asset significant to the total cost of the asset having useful life that is materially different from that of the remaining life.

(c) Depreciation on tangible fixed assets

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

The identified components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset. The company has used the following useful lives to provide depreciation on its fixed assets.

Description of asset group	Useful lives as per management's estimate from April 1, 2014 (SLM)
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

(d) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Intangible asset - Computer Softwares are amortized over a period of two years on a straight line basis from the date the asset is available to the Company for its use. Intangible assets not yet available for use are tested for impairment annually, either individually or at the cash-generating unit level. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net

STANDALONE FINANCIAL STATEMENTS

disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

(e) Leases

Where the Company is lessee

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

(f) Borrowing costs

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

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 respective asset. Ancillary cost incurred in connection with arrangement of long term borrowings are amortised on the period of respective long term borrowing. All other borrowing costs are expensed in the period they occur.

(g) Impairment of tangible and intangible 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) net selling price and its value in use. The 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. Where 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 net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses are recognised in the statement of profit and loss.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit'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 and loss.

(h) Investments

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or

STANDALONE FINANCIAL STATEMENTS

credited to the statement of profit and loss.

(i) Inventories

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

Semi-finished goods and finished goods are valued at lower of cost and net realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods and semi finished goods is determined on a weighted average basis. Cost of finished goods includes excise duty.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(j) Revenue recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and that the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership of the goods have been passed to the buyer. The Company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.

Income from services

Revenue from services is recognised as and when services are rendered. The Company collects service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the company. Hence, it is excluded from revenue.

Tooling Income

Tooling income is recognized when the tool has been developed and necessary completion approvals have been received from customers.

Interest

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

Dividends

Dividend income is recognised when the Company's right to receive dividend is established by the reporting date.

Export Benefits

Export incentive benefits are recognised as income on the basis of receipt of proof of export.

(k) Foreign currency translation

Foreign currency transactions and balances

(i) Initial recognition

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

(ii) Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

(iii) Exchange differences

From April 1, 2011, the Company accounts for exchange differences arising on translation/settlement of foreign currency monetary items as below:

1. Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalised and depreciated over the remaining useful life of the asset.
2. Exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortised over the remaining life of the concerned monetary item.
3. All other exchange differences are recognised as income or as expenses in the period in which they arise.

For the purpose of 1 and 2 above, the Company treats a foreign currency monetary item as "long-term foreign currency monetary item", if it has a term of 12 months or more at the date of its origination. In accordance with MCA circular dated 09 August 2012, exchange differences for this purpose, are total differences arising on long-term foreign currency monetary items for the period. In other words, the company does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange difference.

(iv) Forward exchange contracts entered into to hedge foreign currency risk of an existing asset/liability

The premium or discount arising at the inception of forward exchange contract is amortised and recognised as an expense/ income over the life of the contract. Exchange differences on such contracts, are recognised in the statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognised as income or as expense for the period. Any gain/ loss arising on forward contracts which are long-term foreign currency monetary items is recognized in accordance with paragraph (iii)(1) and (iii)(2).

(I) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expenditure, 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 recognized 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 recognized 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 plan in the form of gratuity for its employees. The cost of providing benefits under the plan is determined on the basis of actuarial valuation at each year-end. Actuarial valuation is carried out using the projected unit credit method. Actuarial gains and losses for the defined benefit plan are recognised in full in the period in which they occur in the statement of profit and loss.

Accumulated leave, which is expected to be utilised within the next 12 months, is treated as 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 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

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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.

(m) Income Tax

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

In the situations where the Company is entitled to a tax holiday, no deferred tax (asset or liability) is recognised in respect of timing differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognised in the year in which the timing differences originate. However, the Company restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

At each reporting date, the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

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 tax assets and deferred tax liabilities relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of MAT under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

(n) Earning Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a

rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(o) Provisions

A provision is recognised when the Company has a present obligation as a result of 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. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss, net of any reimbursement.

(p) 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 Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

(q) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise of cash at bank and in hand and short-term investments with an original maturity of three months or less.

(r) 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 costs and tax expense.

(s) Employee stock compensation cost

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 Guidance Note on Accounting for Employee Share-based Payments, the cost of equity-settled transactions is measured using the intrinsic value method. The cumulative expense recognized 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 recognized 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.

Where the terms of an equity-settled transaction award are modified, the minimum expense recognised is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total intrinsic value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

STANDALONE FINANCIAL STATEMENTS
NOTE 3: SHARE CAPITAL

	31 March 2016	31 March 2015
Authorised shares 10,00,00,000 (31 March 2015: 10,00,00,000) equity shares of Rs. 10 each (31 March 2015: Rs. 10 each)	1,00,00,00,000	1,00,00,00,000
	1,00,00,00,000	1,00,00,00,000
Issued, subscribed and fully paid-up shares 9,47,44,825 (31 March 2015: 8,18,41,600) Equity shares of Rs. 10 each (31 March 2015: Rs. 10 each)	94,74,48,250	81,84,16,000
Total issue, subscribed and fully paid up share capital	94,74,48,250	81,84,16,000

a. Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting period
Equity shares

	31 March 2016		31 March 2015	
	Numbers	% holding in the class	Numbers	% holding in the class
At the beginning of the year	8,18,41,600	81,84,16,000	4,09,208	4,09,20,800
Addition on account of share split	-	-	36,82,872	-
Bonus issue post share split	-	-	7,77,49,520	77,74,95,200
Issued during the year - initial public offering (see note below)	1,29,03,225	12,90,32,250	-	-
Outstanding at the end of the year	9,47,44,825	94,74,48,250	8,18,41,600	81,84,16,000

Pursuant to the Initial Public Offering (IPO), equity shares having par value of Rs. 10 per share were allotted at a price of Rs. 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 February 08, 2016. The Company has incurred expenses of Rs. 12,52,33,959 (net of service tax) relating to fresh issue of equity shares which has been adjusted to securities in terms of section 52 of the Companies Act, 2013.

During the year ended 31 March 2015, the Company had split the face value of equity shares from Rs. 100 per share to Rs. 10 per share. As a result, the number of equity shares increased from 4,09,208 equity shares having a face value of Rs. 100 each to 40,92,080 equity shares having a face value of Rs. 10 each. Post the share split, the Company further issued bonus shares in the ratio of 19 equity shares for 1 equity share held. The bonus issue was made out of the securities premium account, capital redemption reserve and partly out of general reserve. Post the bonus issue, the number of equity increased from 40,92,080 shares of Rs. 10 each to 8,18,41,600 shares of Rs. 10 each.

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share (31 March 2015: Rs. 10 per share). Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees.

During the year ended 31 March 2016, the amount of per share interim dividend recognised as distribution to equity share holders amounted to Rs. 1 per equity share.

During the year ended 31 March 2015, the amount of per share dividend recognised as distribution to equity shareholders was Rs. 0.05 per equity share.

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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.

c. Details of shareholders holding more than 5% shares in the Company

	31 March 2016		31 March 2015	
	Numbers	% holding in the class	Numbers	% holding in the class
Equity shares of Rs. 10 each fully paid				
Yatin Subhash Shah	2,45,11,200	25.87%	2,58,74,400	31.62%
Cams Technology Limited	1,25,14,860	13.21%	1,60,78,800	19.65%
Yatin Subhash Shah jointly with Dr. Suhasini Yatin Shah	1,28,28,800	13.54%	1,35,04,000	16.50%
Dr. Suhasini Yatin Shah	1,04,05,540	10.98%	1,09,53,200	13.38%
Jayant Vasudeo Aradhye	82,02,000	8.66%	1,12,02,000	13.69%
	6,84,62,400	72.26%	7,76,12,400	94.84%

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.

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

	31 March 2016	31 March 2015
Number of equity shares allotted as fully paid bonus shares by capitalisation of securities premium, capital redemption reserve and general reserve	-	7,77,49,520

e. Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company, please refer note 37.

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STANDALONE FINANCIAL STATEMENTS
NOTE 4 : RESERVES AND SURPLUS

	31 March 2016	31 March 2015
Capital reserve		
SICOM capital incentive subsidy	25,00,000	25,00,000
Securities premium account		
Balance as per last financial statements	-	43,04,26,684
Add: additions on ESOPs exercised	-	15,78,00,000
Add: premium on issue of fresh equity shares [refer note 3(a)]	2,27,09,67,600	-
Less: share issue expenses [refer note 3(a)] [net of tax benefit Rs. 71,55,633]	11,80,78,326	-
Less: amounts utilised towards issue of fully paid bonus shares	-	58,82,26,684
Closing balance	2,15,28,89,274	-
General reserve		
Balance as per last financial statements	4,72,20,715	5,57,20,031
Less: amounts utilised towards issue of fully paid bonus shares	-	84,99,316
Closing balance	4,72,20,715	4,72,20,715
Capital redemption reserve		
Balance as per last financial statements	-	18,07,69,200
Less: amounts utilised towards issue of fully paid bonus shares	-	18,07,69,200
Closing balance	-	-
Employee stock option outstanding		
Balance as per last financial statements	33,61,698	-
Add: compensation for options granted as per vesting during the year (net)	1,97,80,830	16,11,61,698
Less: transferred to securities premium account on exercise of stock options	-	15,78,00,000
Closing balance	2,31,42,528	33,61,698
Surplus in the statement of profit and loss		
Balance as per last financial statements	1,49,17,08,173	1,04,20,34,384
Add: Profit for the year	54,90,80,002	47,63,01,525
Less: Appropriations		
Proposed final dividend at Rs. Nil per share (31 March 2015: Rs 0.05 per share)	-	40,92,080
Tax on proposed dividend	-	8,33,066
Interim equity dividend at Rs. 1.00 Per share (31 March 2015: Rs Nil per share)	9,47,44,825	-
Tax on interim dividend	1,92,87,817	-
Adjustment to net block of fixed assets (net of tax) (refer note 10.1)	-	2,17,02,591
Total appropriations	11,40,32,642	2,66,27,737
Net surplus in the statement of profit and loss	1,92,67,55,533	1,49,17,08,172
Total reserves and surplus	4,15,25,08,050	1,54,47,90,585

NOTE 5: LONG-TERM BORROWINGS

	Non - current portion		Current maturities	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Term loans				
- Foreign currency loan from banks (secured)	69,31,08,555	99,25,82,488	35,39,90,828	26,96,31,551
	69,31,08,555	99,25,82,488	35,39,90,828	26,96,31,551
The above amount includes				
Secured borrowings	69,31,08,555	99,25,82,488	35,39,90,828	26,96,31,551
Unsecured borrowings	-	-	-	-
Amount disclosed under the head "other current liabilities" (refer note 9)			(35,39,90,828)	(26,96,31,551)
Net Amount	69,31,08,555	99,25,82,488	-	-

1. Foreign currency loan amounting to Rs. 90,35,84,000/- carries interest at the rate of LIBOR plus 380 bps p.a. The tenure of the loan is 7 years and the loan is repayable in 20 quarterly installments commencing after 24 months of the weighted average draw down date, viz 1 August 2013. The loan is secured by pari passu charge on all movable and immovable fixed assets and that created by the proposed loan and also all future fixed assets, mortgage of Plot No. D-7, MIDC Chincholi, Solapur. The loans has been secured by the personal guarantee of directors Mr. Yatin S. Shah and Dr. Suhasini Y. Shah.
2. Foreign currency loan amounting to Rs. 14,35,15,383/- carries interest at the rate of LIBOR plus 405 bps p.a. The tenure of the loan is 5 years and 2 months and the loan is repayable in 20 quarterly installments commencing after 7 months from the sanction of the loan by the bank. viz., 2 November 2013. The loan is secured by pari passu charge on all movable and immovable fixed assets and that created by the proposed loan and also all future fixed assets, mortgage of Plot No. D-7, MIDC Chincholi, Solapur. The loans has been secured by the personal guarantee of directors Mr. Yatin S. Shah and Dr. Suhasini Y. Shah.

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

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STANDALONE FINANCIAL STATEMENTS
NOTE 6: DEFERRED TAX LIABILITIES (NET)

	31 March 2016	31 March 2015
Deferred tax liability		
Fixed assets: impact of difference between tax depreciation and depreciation / amortisation for the financial reporting	20,77,26,332	24,60,53,523
Gross deferred tax liability	20,77,26,332	24,60,53,523
Deferred tax assets		
Provision for doubtful debts and advances	4,79,371	7,43,948
Employee related costs allowed for tax purposes on payment basis	2,50,11,323	2,36,25,790
Unrealised exchange loss capitalised in the books	10,43,68,314	9,93,80,646
Impact of adjustment to block of fixed assets (refer note 10.1)	-	1,11,75,141
VRS compensation	50,02,734	-
Share issue expenses adjusted to securities premium account	71,55,633	-
Others	5,51,963	-
Gross deferred tax assets	14,25,69,338	13,49,25,525
Net deferred tax liability	6,51,56,994	11,11,27,998
Deferred tax credit for the year		
Closing deferred tax liability (net)	6,51,56,994	11,11,27,998
Less: opening deferred tax liability (net)	11,11,27,998	14,91,39,910
Deferred tax movement for the year	(4,59,71,004)	(3,80,11,912)
Deferred tax (credit) / charge recorded in statement of profit and loss	(3,88,15,371)	(2,68,36,771)
Deferred tax credit recorded in securities premium account (refer note 4)	(71,55,633)	-
Deferred tax credit recorded in reserves and surplus	-	(1,11,75,141)
Deferred tax credit for the year	(3,88,15,371)	(2,68,36,771)

NOTE 7: PROVISIONS

	Long-term		Short-term	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Term loans				
Provision for employee benefits				
Provision for gratuity (refer note 26)	-	-	1,84,79,019	1,88,24,983
Provision for leave benefits	-	-	3,19,58,627	3,18,64,534
	-	-	5,04,37,646	5,06,89,517
Other provisions				
Provision for income tax (net of advance taxes)	-	-	5,28,61,722	12,35,49,050
Proposed equity dividend	-	-	-	40,92,080
Provision for tax on interim dividend	-	-	30,01,699	-
Provision for tax on proposed equity dividend	-	-	-	8,33,066
	-	-	5,58,63,421	12,84,74,196
	-	-	10,63,01,067	17,91,63,713

STANDALONE FINANCIAL STATEMENTS

NOTE 8: SHORT-TERM BORROWINGS

	31 March 2016	31 March 2015
Cash credit from banks (secured)	1,81,23,957	2,94,93,279
Overdraft against fixed deposits (secured)	10,14,77,164	5,02,36,302
Packing credit in foreign currency (secured)	49,22,79,847	50,19,32,864
	61,18,80,968	58,16,62,445

1. Cash credit and packing credit in foreign currency are secured by first pari passu charge by way of hypothecation of current assets including stocks and book debts. 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.s 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, MIDC, Solapur. Also, the facilities have been secured by the personal guarantee of directors Mr. Yatin Shah and Dr. Suhasini Shah. The cash credit is repayable on demand and carries interest at the rate of 11.35% to 13.25% p.a. (31 March 2015 : 11.70% to 13.25% p.a.). Packing credit in foreign currency carries interest at the rate of 2.55% to 3.05% p.a. (31 March 2015 : 2.86% to 3.86% p.a.).
2. Overdraft against fixed deposits is secured by fixed deposit of Rs. 11,05,00,000 made with Bank of India and carries interest at the rate of 10.05% p.a.

NOTE 9: TRADE PAYABLES AND OTHER CURRENT LIABILITIES

	Non - current portion		Current maturities	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Trade payables				
- total outstanding dues of micro enterprises and small enterprises (refer note 32 for details)	-	-	9,16,08,553	9,12,11,272
- total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	52,90,03,545	56,70,65,579
Other liabilities				
Current maturities of long-term borrowings (refer note 5)	-	-	35,39,90,828	26,96,31,551
Interest accrued but not due on borrowings	-	-	83,69,163	95,39,044
Unpaid matured deposits and interest accrued thereon	-	-	1,37,29,570	1,37,29,570
Advances from customers	-	-	90,98,552	2,97,15,967
Sundry payables for capital goods purchased	-	-	5,25,56,564	7,47,56,070
Employee benefits payable (including commission)	-	-	4,15,39,957	10,83,87,594
Book overdraft	-	-	2,65,64,317	10,38,97,125
Tax deducted at source payable	-	-	1,29,14,839	4,79,01,018
Value added tax payable	-	-	7,597	7,597
Amount due to selling shareholders (refer note 30(C))	-	-	38,74,080	-
	-	-	52,26,45,467	65,75,65,536
TOTAL	-	-	1,14,32,57,565	1,31,58,42,387

STANDALONE FINANCIAL STATEMENTS
NOTE 10: FIXED ASSETS AND INTANGIBLE ASSETS

Particulars	Tangible assets						Intangible assets	
	Leasehold land	Buildings	Plants and machinery	Office equipments	Furniture and fixtures	Vehicles	Total tangible assets	Computer software
At Cost								
At 1 April 2014	186,03,119	6885,42,520	23411,79,192	2,55,11,560	2,15,76,015	2,84,04,506	3,12,38,16,912	1,63,66,362
Additions	-	-	1226,37,012	26,80,025	47,53,219	1,69,23,295	14,69,93,551	20,29,607
Disposals	-	-	(198,78,125)	(5,21,187)	-	-	(2,03,99,312)	-
Other adjustment	-	-	424,52,995	-	-	-	5,54,65,996	-
- Exchange differences	-	130,13,001	-	-	-	-	-	-
At 31 March 2015	186,03,119	7015,55,521	24863,91,074	2,76,70,398	2,63,29,234	4,53,27,801	3,30,58,77,147	1,83,95,969
Additions	192,48,400	-	2023,02,893	1,17,91,231	10,71,714	16,39,877	23,60,54,115	24,67,660
Disposals	-	-	(499,34,641)	(2,56,998)	-	(10,84,523)	(5,12,76,162)	-
Other adjustment	-	-	460,50,506	-	-	-	6,01,70,899	-
- Exchange differences	-	141,20,393	-	-	-	-	-	-
At 31 March 2016	378,51,519	7156,75,914	26848,09,832	3,92,04,631	2,74,00,948	4,58,83,155	3,55,08,25,999	2,08,63,629
Particulars	Land	Buildings	Plants and machinery	Office Equipments	Furniture and fixtures	Vehicles	Total	Computer software
Depreciation/ amortisation								
At 1 April 2014	22,25,660	7,90,52,368	78,76,13,156	1,32,38,886	83,02,928	92,21,120	89,96,54,118	1,43,64,111
Charge for the year	2,07,493	2,29,03,391	27,34,52,092	84,56,380	37,69,085	34,40,268	31,22,28,709	21,97,409
Additional depreciation on account of change in estimate (refer note 1 below)	6,719	91,82,844	9,50,98,720	10,61,036	30,26,185	17,13,968	11,00,89,472	(2,93,473)
Disposals	-	-	(1,72,04,467)	-	(4,82,974)	(2,28,851)	(1,79,16,292)	-
At 31 March 2015	24,39,872	11,11,38,603	1,13,89,59,501	2,27,56,302	1,46,15,224	1,41,46,505	1,30,40,56,007	1,62,68,047
Charge for the year	3,09,849	2,73,02,664	34,68,12,986	45,24,809	44,13,669	53,26,215	38,86,90,192	13,00,670
Disposals	-	-	(4,62,89,892)	(2,56,998)	-	(5,80,485)	(4,71,27,375)	-
At 31 March 2016	27,49,721	13,84,41,267	1,43,94,82,595	2,70,24,113	1,90,28,893	1,88,92,235	1,64,56,18,824	1,75,68,717
Net Block								
At 31 March 2016	3,51,01,798	57,72,34,647	1,24,53,27,237	1,21,80,518	83,72,055	2,69,90,920	1,90,52,07,175	32,94,912
At 31 March 2015	1,61,63,247	59,04,16,918	1,34,74,31,573	49,14,096	1,17,14,010	3,11,81,296	2,00,18,21,140	21,27,922
CWIP for the year								
At 31 March 2016								14,43,32,847
At 31 March 2015								8,80,55,581

Note 10.1: The management had re-estimated useful lives and residual values of all its fixed assets as at March 31, 2015, to comply with the requirements of Schedule II of the Companies Act, 2013 which was effective from April 1, 2014. As a result of this change, the depreciation charge for the year ended March 31, 2015 was higher by Rs.10,97,95,999. In respect of assets whose useful life is already exhausted as on April 1, 2014, depreciation of Rs.2,17,02,591 (net of deferred tax impact of Rs. 1,11,75,141) has been adjusted in surplus in statement of profit and loss for the year ended March 31, 2015 in accordance with the requirement of Schedule II of the Act.

NOTE 11: NON-CURRENT INVESTMENTS

	31 March 2016	31 March 2015
Trade investment (at cost) (Unquoted equity instruments)		
Investment in subsidiary PCL (Shanghai) Co. Ltd. (Investment of USD 230,000 as paid up capital) (31 March 2015: USD 230,000 as paid up capital)	1,10,48,275	1,10,48,275
Investment in joint ventures Ningbo Shenglong PCL Camshafts Co. Ltd. (Investment of USD 375,000 as paid up capital) (31 March 2015: USD 375,000 as paid up capital)	2,02,13,205	2,02,13,205
PCL Shenglong (Huzhou) Specialised Casting Co. Ltd. (Investment of USD 1,760,000 as paid up capital) (31 March 2015: USD 1,313,245 as paid up capital)	11,01,21,670	11,01,21,670
Unquoted preference shares Cams Technology Limited (6,20,00,000 5% redeemable non convertible preference shares of Rs. 10 each fully paid up) (31 March 2015: 6,20,00,000 5% redeemable non convertible preference shares of Rs. 10 each fully paid up)	62,00,00,000	62,00,00,000
Non-trade investments (at cost) (Unquoted equity instruments)		
Shares of Laxmi Co-op. Bank Limited (5,000 Equity shares of Rs. 25 each fully paid-up) (31 March 2015: 5,000 Equity shares of Rs. 25 each fully paid-up)	1,25,000	1,25,000
Shares of Solapur Janata Sahakari Bank Limited (500 Equity shares of Rs. 10 each fully paid-up) (31 March 2015: 500 Equity shares of Rs. 10 each fully paid-up)	5,000	5,000
Aggregate amount of unquoted investments	76,15,13,150	76,15,13,150

The Company holds 6,20,00,000 5% redeemable non convertible preference shares of Cams Technology Limited (CTL) as at March 31, 2016.

The Management, based on a legal opinion is of the view that CTL is not a subsidiary under the provisions of the Companies Act, 2013. Accordingly, the accounting treatment and disclosures in the financial statements have been made assuming that CTL is not a subsidiary.

STANDALONE FINANCIAL STATEMENTS
NOTE 12: LOANS AND ADVANCES
(Unsecured, considered good)

	Non - current		Current	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Capital advances	16,76,44,481	6,76,56,295	-	-
Security deposit	1,95,38,198	1,71,27,598	2,06,00,000	-
Advances recoverable in cash or kind	48,54,268	46,24,766	2,92,42,223	7,92,58,280
Other loans and advances				
Income tax deposited with tax authorities	28,90,000	28,90,000	-	-
Balances with statutory/government authorities	-	-	8,21,97,827	9,96,90,434
Other advances (refer note 29(b))	12,11,744	12,11,744	-	-
	41,01,744	41,01,744	8,21,97,827	9,96,90,434
TOTAL	19,61,38,691	9,35,10,403	13,20,40,050	17,89,48,714

NOTE 13: TRADE RECEIVABLES

		Current	
		31 March 2016	31 March 2015
Outstanding for a period exceeding six months from the date they are due for payment			
- Unsecured, considered good		1,12,10,663	48,171
- Doubtful		18,209	5,15,760
		1,12,28,872	5,63,931
Less: provision for doubtful receivables		18,209	5,15,760
	(A)	1,12,10,663	48,171
Other receivables			
- Unsecured, considered good		90,62,61,199	1,05,23,77,514
- Doubtful		13,66,855	16,72,966
		90,76,28,054	1,05,40,50,480
Less: provision for doubtful receivables		13,66,855	16,72,966
	(B)	90,62,61,199	1,05,23,77,514
TOTAL	(A+B)	91,74,71,862	1,05,24,25,685

NOTE 14: OTHER ASSETS
(Unsecured, considered good)

	Non - current		Current	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Non-current bank balance (refer note 16)	2,63,94,335	2,29,15,388	-	-
Unamortised expenditure (ancillary cost of borrowings)	9,72,674	28,29,638	16,82,957	22,50,336
Interest accrued on fixed deposits	-	-	1,16,98,864	40,69,500
Income accrued on export incentives	-	-	6,19,37,154	4,97,91,339
Forward contract receivables	-	-	27,37,750	43,03,809
CST balance receivables	-	-	42,14,013	65,41,395
TOTAL	2,73,67,009	2,57,45,026	8,22,70,738	6,69,56,379

STANDALONE FINANCIAL STATEMENTS

NOTE 15: INVENTORIES

	31 March 2016	31 March 2015
(At lower of cost and net realisable value)		
Raw materials and components	237,40,503	235,48,691
Stores, spares and packing materials	467,21,403	522,84,060
Semi-finished goods	462,06,665	622,89,252
Finished goods	2758,74,636	2381,82,579
	3925,43,207	3763,04,582

NOTE 16: CASH AND BANK BALANCES

	Non - current		Current	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Cash and cash equivalents				
Balance with banks:				
On current accounts	-	-	19,39,16,727	7,88,57,184
Deposits with original maturity of less than 3 months	-	-	50,32,886	40,67,38,487
Cash in hand	-	-	6,54,127	5,57,753
	-	-	19,96,03,740	48,61,53,424
Other bank balances				
Deposits with original maturity for more than 12 months*	2,63,94,335	2,29,15,388	40,24,74,509	-
Deposits with original maturity for more than 3 months but less than 12 months	-	-	2,55,54,03,559	41,00,23,610
	2,63,94,335	2,29,15,388	2,95,78,78,068	41,00,23,610
Amount disclosed under non current assets (refer note 14)	2,63,94,335	2,29,15,388	-	-
TOTAL	-	-	3,15,74,81,808	89,61,77,034

*Includes Rs.5,93,05,740 (31 March 2015: Rs. 2,98,35,035) held as lien by banks against bank guarantees.

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STANDALONE FINANCIAL STATEMENTS
NOTE 17: REVENUE FROM OPERATIONS

	31 March 2016	31 March 2015
Sale of finished goods	4,39,32,35,726	5,09,26,90,810
Sale of services	1,67,32,607	2,73,87,137
Other operating revenue		
Tooling income	7,34,23,902	4,08,32,931
Scrap sales	15,38,428	17,75,324
Export incentives	6,26,89,379	12,30,63,353
Revenue from operations (gross)	4,54,76,20,042	5,28,57,49,555
Less: excise duty	16,63,20,805	14,21,21,286
Revenue from operations (net)	4,38,12,99,237	5,14,36,28,269
Details of finished goods sold		
Casting camshafts	3,13,10,10,543	3,60,42,49,847
Machined camshafts	1,26,22,25,183	1,48,84,40,963
	4,39,32,35,726	5,09,26,90,810
Details of services rendered		
Job work charges	1,67,32,607	2,73,87,137
	1,67,32,607	2,73,87,137

NOTE 18: OTHER INCOME

	31 March 2016	31 March 2015
Interest income on		
Bank deposits	8,93,61,923	5,31,63,981
Others	18,31,604	14,01,820
Dividend income on long-term investments	16,864	15,600
Exchange differences (net)	6,55,31,832	-
Sundry creditors written back	14,49,802	-
Excess provision for doubtful debts written back	-	41,94,874
Technical support fee (refer note 30(C))	-	1,98,05,117
Compensation from customer	1,16,23,506	2,37,71,229
Miscellaneous income	4,311	32,00,915
	16,98,19,842	10,55,53,536

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STANDALONE FINANCIAL STATEMENTS

NOTE 19: COST OF RAW MATERIALS CONSUMED

	31 March 2016	31 March 2015
Inventory at the beginning of the year	2,35,48,691	2,76,56,421
Add: purchases	1,32,95,18,340	1,63,70,25,432
	1,35,30,67,031	1,66,46,81,853
Less: inventory at the end of the year	2,37,40,503	2,35,48,691
Cost of raw materials consumed	1,32,93,26,528	1,64,11,33,162
Detail of raw material consumed		
Resin coated sand	58,69,33,411	68,56,82,921
Pig iron	34,96,59,053	42,42,56,791
M S scrap	16,84,00,476	23,98,09,413
Others	22,43,33,588	29,13,84,037
	1,32,93,26,528	1,64,11,33,162
Detail of Inventory		
Resin coated sand	40,32,171	28,15,052
Pig iron	65,61,774	55,90,220
M S scrap	36,37,561	18,75,792
Others	95,08,997	1,32,67,627
	2,37,40,503	2,35,48,691

NOTE 20: (INCREASE) / DECREASE IN INVENTORIES

	31 March 2016	31 March 2015
Opening stock:		
Finished goods	23,81,82,579	27,02,39,511
Semi-finished goods	6,22,89,252	6,20,12,114
	30,04,71,831	33,22,51,625
Closing stock:		
Finished goods	27,58,74,636	23,81,82,579
Semi-finished goods	4,62,06,665	6,22,89,252
	32,20,81,301	30,04,71,831
(Increase)/decrease in inventories	(2,16,09,470)	3,17,79,794
Detail of Inventory		
Semi-finished goods		
Casting camshafts	2,72,20,673	4,07,51,771
Machined camshafts	1,89,85,992	2,15,37,481
	4,62,06,665	6,22,89,252
Finished Goods		
Casting camshafts	23,69,56,990	21,17,11,450
Machined camshafts	3,89,17,646	2,64,71,129
	27,58,74,636	23,81,82,579

STANDALONE FINANCIAL STATEMENTS
NOTE 21: EMPLOYEE BENEFITS EXPENSES

	31 March 2016	31 March 2015
Salaries, wages, bonus and commission (refer note 30(C))	49,68,50,908	58,18,83,526
Employee stock option scheme	1,97,80,830	33,61,698
Contribution to provident fund and other funds	2,80,02,178	2,88,00,689
Gratuity expense (refer note 26)	68,54,129	2,72,51,409
Staff welfare expenses	1,26,81,818	1,09,65,345
	56,41,69,863	65,22,62,667

NOTE 22: OTHER EXPENSES

	31 March 2016	31 March 2015
Consumption of components and spares	26,23,04,907	29,78,38,520
Packing materials consumed	5,84,97,714	6,37,25,645
Increase / (decrease) in excise duty on inventory	38,57,062	(70,698)
Power and fuel expenses	48,07,48,590	53,84,77,105
Job work expenses	7,31,41,020	8,10,93,990
Freight outward charges	15,93,65,613	14,31,78,383
Rent	13,98,400	9,99,000
Rates and taxes	58,24,319	1,10,58,584
Insurance	91,11,564	83,97,315
Repairs and maintenance		
Plant and machinery	4,17,89,538	7,82,86,298
Building	1,71,24,048	51,08,053
Others	2,02,59,007	1,93,81,646
Advertisement and sales promotion	5,95,351	11,37,002
CSR expenditure (refer note below)	34,33,268	35,02,000
Sales commission	5,16,26,521	4,16,35,151
Travelling and conveyance	4,25,32,588	4,39,49,248
Communication costs	31,61,521	33,48,371
Legal and professional fees	2,10,47,310	1,62,47,642
Auditors' remuneration and expenses		
Statutory audit	23,00,000	30,00,000
Out of pocket expenses	4,40,898	2,10,258
Provision for doubtful debts (net of write backs)	(8,03,662)	-
Exchange differences (net)	-	81,99,194
Loss on fixed assets sold /discarded (net)	36,82,362	16,41,746
Miscellaneous expenses	7,27,84,294	6,85,91,445
	1,33,42,22,233	1,43,89,35,898
CSR expenditure		
Gross amount required to be spent during the year	1,26,17,701	78,29,558
Amount spent during the year in cash	34,33,268	35,02,000
Amount spend during the year includes contribution to a trust significantly influenced by key management personnel or their relatives (refer note 30(C))	20,50,000	31,00,000

STANDALONE FINANCIAL STATEMENTS

NOTE 23: DEPRECIATION AND AMORTISATION EXPENSES

	31 March 2016	31 March 2015
Depreciation of tangible assets	38,86,90,192	38,95,31,991
Amortisation of intangible assets	13,00,670	18,12,394
	38,99,90,862	39,13,44,385

NOTE 24: FINANCE COSTS

	31 March 2016	31 March 2015
Interest on borrowings	6,95,36,004	7,54,16,456
Interest on current tax	46,73,710	1,52,34,589
Other borrowing costs	24,24,342	27,17,035
Bank charges	1,39,95,061	1,53,68,041
	9,06,29,117	10,87,36,121

NOTE 25: EARNING PER SHARE

The following reflects the profit and share data used in the basic and diluted EPS computation

	31 March 2016	31 March 2015
Total operations for the year		
Profit after tax	54,90,80,002	47,63,01,522
Net profit for calculation of basic EPS	54,90,80,002	47,63,01,522
Net profit as above	54,90,80,002	47,63,01,522
Net profit for calculation of diluted EPS	54,90,80,002	47,63,01,522
Weighted average number of equity shares in calculating basic EPS	8,38,51,119	8,18,41,600
Effect of dilution:		
Stock option granted	1,91,220	26,466
Weighted average number of equity shares in calculating diluted EPS	8,40,42,338	8,18,68,066
Earnings per share (basic) (Rupees/share)	6.55	5.82
Earnings per share (diluted) (Rupees/share)	6.53	5.82

NOTE 26: GRATUITY

The disclosures as per AS 15, Employee benefits notified under the rules are as follows:

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Life Insurance Corporation of India in the form of a qualifying insurance policy.

Changes in the present value of the defined benefit obligation are as follows:

Particulars	31 March 2016	31 March 2015
Defined benefit obligation at the beginning of the year	6,15,55,638	3,91,29,417
Current service cost	83,14,531	1,08,76,271
Interest cost	45,51,339	32,26,551
Actuarial (gain)/loss on obligation	(24,33,300)	1,63,63,487
Past service cost	-	-
Benefits paid	(59,82,304)	(80,40,088)
Defined benefit obligation at the end of the year	6,60,05,904	6,15,55,638

STANDALONE FINANCIAL STATEMENTS
Changes in the fair value of plan assets are as follows:

Particulars	31 March 2016	31 March 2015
Fair value of plan assets at the beginning of the year	4,27,30,655	3,97,47,536
Adjustment to opening balance	(5,84,903)	(10,65,518)
Expected return on plan assets	34,20,284	34,21,153
Contribution by employer	71,97,906	88,73,825
Benefits paid	(59,82,304)	(80,40,088)
Actuarial gain/(loss) on plan assets	7,45,247	(2,06,253)
Fair value of plan assets at the end of the year	4,75,26,885	4,27,30,655

The Company expects to contribute Rs. 41,30,037 (Rs.72,00,093) to its defined benefit gratuity plan in 2016-17.

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

Particulars	31 March 2016	31 March 2015
Investment with insurer (Life Insurance Corporation of India)	100%	100%

Balance Sheet
Benefit asset/liability

Particulars	31 March 2016	31 March 2015
Defined benefit obligation	6,60,05,904	6,15,55,638
Fair value of plan assets	4,75,26,885	4,27,30,655
Plan asset / (liability)	(1,84,79,019)	(1,88,24,983)

Net employee benefit expense recognised in the statement of profit and loss:

Particulars	31 March 2016	31 March 2015
Current Service cost	83,14,531	1,08,76,271
Interest cost on benefit obligation	45,51,339	32,26,551
Net actuarial (gain) / loss recognised in the year	(31,78,547)	1,65,69,740
Expected return on plan assets	(34,20,284)	(34,21,153)
Contribution by employer	-	-
Net benefit expense	62,67,039	2,72,51,409
Actual return on plan assets	41,65,531	32,14,900

Amounts for the current and previous four periods are as follows:

Particulars	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Defined benefit obligation	6,60,05,904	6,15,55,638	3,91,29,417	4,27,89,943	2,90,26,609
Plan assets	4,75,26,885	4,27,30,655	3,97,47,536	3,27,14,466	2,91,52,924
Surplus / (deficit)	(1,84,79,019)	(1,88,24,983)	6,18,119	(1,00,75,477)	1,26,315
Experience adjustments on plan liabilities	(52,39,454)	93,461	(54,14,017)	22,37,571	(11,86,258)
Experience adjustments on plan assets	7,45,247	(2,06,253)	1,96,611	1,29,674	1,77,805

STANDALONE FINANCIAL STATEMENTS

The principal assumptions used in determining defined benefit obligation are shown below:

Particulars	31 March 2016	31 March 2015
Discount rate	7.46%	7.77%
Expected rate of return on plan asset	8.00%	8.75%
Increase in compensation cost	8.00%	8.00%
Employee turnover	3.00%	3.00%

The estimated increase in compensation cost, considered in actuarial valuation, takes into account the effect of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The overall expected rate of return on plan assets is determined based on the market prices prevailing as on balance sheet date, applicable to the period over which the obligation is to be settled.

NOTE 27: VALUE OF IMPORTS CALCULATED ON CIF BASIS

Particulars	31 March 2016	31 March 2015
Raw materials	2,14,33,843	1,97,13,849
Components and spare parts	4,42,57,641	2,93,10,846
Capital goods	11,06,10,179	4,29,93,199
	17,63,01,663	9,20,17,894

NOTE 28: CAPITAL AND OTHER COMMITMENTS

Particulars	31 March 2016	31 March 2015
Estimated value of contracts remaining to be executed on capital account and not provided for (net of advances)	19,39,53,623	7,40,49,469

NOTE 29: CONTINGENT LIABILITIES

- A. The Collector of Stamps, Solapur has demanded payment of stamp duty of Rs. 31,78,389 (March 31, 2015: Rs. 31,78,389) 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 Rs.24,23,488 (March 31, 2015: Rs. 24,23,488). The Company has deposited an amount of Rs. 12,11,744 (March 31, 2015: Rs.12,11,744) under protest which has been shown under 'Loans and Advances'.
- 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 Rs. 20,76,478 (March 31, 2015: Rs. 20,76,478) on sales tax retained under sales tax deferral scheme. The Company has deposited an amount of Rs. 1,55,736 (March 31,2015: Nil) under protest.
- D. The Company has received an showcause from Commissioner, Central Excise Solapur for inadmissible cenvat credit amounting to Rs. 9,65,186 and Rs. 2,38,329 on outward transportation for the financial years 2015-16 and 2014-15 respectively.
In all cases the cases mentioned above outflow is not probable, and hence not provided by the Company.

NOTE 30: RELATED PARTY DISCLOSURE

A Names of the related party and related party relationship:

- a) Related party where control exists**
- i) Subsidiary**
PCL (Shanghai) Co. Ltd
- b) Related parties under 'Accounting Standard 18- Related Party Disclosures', with whom transactions have taken place during the period**
- i) Key management personnel (KMP)**
Mr. Yatin S Shah , Managing Director
Dr. Suhasini Y Shah, Director
Mr. Ravindra R. Joshi, Director
- ii) Relatives of key management personnel (RKMP)**
Mr. Karan Y Shah, son of Mr. Yatin S Shah
Ms. Tanvi Y Shah, daughter of Mr. Yatin S Shah
Dr. Manjiri Chitale, mother of Dr. Suhasini Y Shah
Late Dr. Vinayak Chitale, father of Dr. Suhasini Y Shah
- iii) Enterprises owned or significantly influenced by key management personnel or their relatives:**
Kimaya Construction Private Limited
Chitale Clinic Private Limited
Precision Foundation & Medical Research Trust
Yatin S. Shah (HUF)
Cams Technology Limited
- iv) Individual having significant influence:**
Mr. Jayant Aradhya
- v) Relative of individual having significant influence:**
Mr. Maneesh Aradhya, son of Mr. Jayant Aradhya
Dr. Sunita Aradhya, wife of Mr. Jayant Aradhya
Mrs. Rama Aradhya, wife of Mr. Maneesh Aradhya
Mr. Vijay Aradhya, brother of Mr. Jayant Aradhya
- vi) Joint venture**
Ningbo Shenglong PCL Camshaft Co Ltd.
PCL Shenglong (Huzhou) Specialized Casting Co Ltd.
- c) Additional related parties as per Companies Act, 2013 with whom transactions have taken place during the year**
- i) Company secretary**
Mr. Swapneel S Kuber

STANDALONE FINANCIAL STATEMENTS

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		Subsidiary		Joint venture		Individual having significant influence		Relative of individual having significant influence		
		31 March 2016	31 March 2015	31 March 2016	31 March 2015	31 March 2016	31 March 2015	31 March 2016	31 March 2015	31 March 2016	31 March 2015	31 March 2016	31 March 2015	31 March 2016		
1	Remuneration* (including commission)	9,21,38,194	19,20,84,965	-	-	-	-	-	-	-	-	-	-	-	-	
2	ESOP Cost	-	13,19,20,800	-	-	-	-	-	-	-	-	-	-	-	-	
3	Final dividend paid on equity shares	-	25,16,580	14,800	-	8,03,940	-	-	-	-	-	5,60,100	-	1,57,440	-	
4	Interim dividend paid on equity shares	4,77,45,540	-	2,96,000	-	1,25,14,860	-	-	-	-	-	82,02,000	31,48,800	-	-	
5	Investment in equity shares	-	-	-	-	-	-	-	-	2,80,33,876	-	-	-	-	-	
6	Repayment of deposits	-	-	31,00,000	-	-	-	-	-	-	-	-	-	-	-	
7	Interest paid on deposits	-	-	3,72,000	-	-	-	-	-	-	-	-	-	-	-	
8	Rent paid	-	2,40,000	-	-	-	-	-	-	-	-	-	-	-	-	
9	Sale of goods	-	-	-	-	-	-	8,72,52,100	16,84,13,898	57,61,69,702	53,75,30,010	-	-	-	-	
10	Toolling income	-	-	-	-	-	-	-	-	5,18,88,363	1,98,05,117	-	-	-	-	
11	Technical support fee received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
12	CSR expenditure	-	-	20,50,000	-	31,00,000	-	-	-	-	-	-	-	-	-	
13	Purchases of goods, material or services	-	-	86,01,562	-	51,97,651	-	-	-	-	-	-	-	-	-	
14	Purchases of material/services for fixed assets	-	-	-	-	8,53,596	-	-	-	-	-	-	-	-	-	
15	Advance Received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
16	Share issue expenses recovered from existing share holders	2,90,57,789	-	-	-	4,00,45,558	-	-	-	-	-	3,37,08,950	-	-	-	
17	Equity shares issued- Bonus	-	47,81,50,200	28,12,000	-	-	15,27,48,600	-	-	-	-	-	10,64,19,000	-	3,18,13,600	
Balances outstanding																
1	Remuneration payable	1,65,02,500	1,297,67,763	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Amount due to selling shareholders	10,94,930	-	-	-	15,01,959	-	-	-	-	-	12,77,191	-	-	-	-
3	Trade receivables	-	-	-	-	-	-	5,10,52,396	7,21,19,854	13,75,83,630	15,99,99,042	-	-	-	-	
4	Trade and other payables	-	-	-	-	52,31,236	17,79,355	-	-	-	-	-	-	-	-	-
5	Creditors for capital goods	-	-	-	-	8,53,596	11,58,809	-	-	-	-	-	-	-	-	-
6	Advance from customers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Investment in equity shares	-	-	-	-	-	-	1,10,48,275	1,10,48,275	13,03,34,875	13,03,34,875	-	-	-	-	
8	Investment in preference shares	-	-	-	-	62,00,00,000	62,00,00,000	-	-	-	-	-	-	-	-	-

* As the liabilities for gratuity and leave encashment are provided on an actuarial basis for the company as a whole, the remuneration does not include the same.

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

Sr. No.	Particulars	Relationship	31 March 2016	31 March 2015
1	Remuneration*			
	Mr. Yatin Shah	Key management personnel	5,13,00,931	10,57,47,723
	Dr. Suhasini Shah	Key management personnel	43,20,972	3,28,39,188
	Mr. Ravindra Joshi	Key management personnel	3,59,70,173	5,32,63,956
	Mr. Swapneel S Kuber	Key management personnel	5,46,118	2,34,099
2	ESOP Cost			
	Mr. Yatin Shah	Key management personnel	-	7,89,00,000
	Dr. Suhasini Shah	Key management personnel	-	5,30,20,800
3	Interim dividend paid on equity shares			
	Cams Technology Limited	Entities where KMP / RKMP have significant influence	1,25,14,860	-
	Mr. Yatin Shah	Key management personnel	2,45,11,200	-
	Mr. Jayant Aaradhye	Individual having significant influence	82,02,000	-
	Mr Yatin Shah Jointly held with Dr. Suhasini	Key management personnel	1,28,28,800	-
	Dr. Suhasini Shah	Key management personnel	1,04,05,540	-
4	Final dividend paid on equity shares			
	Cams Technology Limited	Entities where KMP / RKMP have significant influence	-	8,03,940
	Mr. Yatin Shah	Key management personnel	-	12,93,720
	Mr. Jayant Aaradhye	Individual having significant influence	-	5,60,100
	Mr Yatin Shah	Key management personnel	-	6,75,200
	Jointly held with Dr. Suhasini			
	Dr. Suhasini Shah	Key management personnel	-	5,47,660
5	Investment in equity shares			
	PCL Shenglong (Huzhou) Specialized Casting Co Ltd	Joint Venture	-	2,80,33,876
6	Repayment of deposits			
	Dr. Manjiri Chitale	Relatives of key management personnel	-	6,00,000
	Late Dr. Vinayak Chitale	Relatives of key management personnel	-	8,00,000
	Ms. Urmila Shah	Relatives of key management personnel	-	-
	Mr. Karan Shah	Relatives of key management personnel	-	10,50,000
	Ms. Tanvi Shah	Relatives of key management personnel	-	6,50,000
7	Interest paid on deposits			
	Ms. Tanvi Shah	Relatives of key management personnel	-	39,000
	Mr. Karan Shah	Relatives of key management personnel	-	63,000
	Dr. Manjiri Chitale	Relatives of key management personnel	-	36,000
	Late Dr. Vinayak Chitale	Relatives of key management personnel	-	48,000
	Ms. Urmila Shah	Relatives of key management personnel	-	-
8	Rent paid			
	Mr. Yatin Shah	Key management personnel	-	2,40,000
9	Sale of goods			
	PCL (Shanghai) Co. Ltd.	Subsidiary	8,72,52,100	16,84,13,898
	Ningbo Shenglong PCL	Joint Venture	57,61,69,702	53,75,30,010
	Camshafts Co Ltd			

STANDALONE FINANCIAL STATEMENTS

Sr. No.	Particulars	Relationship	31 March 2016	31 March 2015
10	Tooling Income			
	Ningbo Shenglong PCL Camshafts Co Ltd	Joint Venture	1,69,89,200	-
	PCL Shenglong (Huzhou) Specialized Casting Co Ltd	Joint Venture	3,48,99,163	-
11	Technical support fee received			
	PCL Shenglong (Huzhou) Specialized Casting Co Ltd	Joint Venture	-	1,98,05,117
12	CSR expenditure			
	Precision Foundation & Medical Research Trust	Entities where KMP / RKMP have significant influence	20,50,000	31,00,000
13	Purchases of goods, material or Services			
	Kimaya Construction Private Limited	Entities where KMP / RKMP have significant influence	-	2,81,544
	Cams Technology Limited	Entities where KMP / RKMP have significant influence	84,50,667	47,89,552
	Chitale Clinic Pvt Ltd	Entities where KMP / RKMP have significant influence	1,50,895	1,47,888
14	Purchases of material/services for fixed assets			
	Kimaya Construction Private Limited	Entities where KMP / RKMP have significant influence	-	12,09,917
	Cams Technology Limited	Entities where KMP / RKMP have significant influence	8,53,596	-
15	Advance received			
	PCL Shenglong (Huzhou) Specialized Casting Co Ltd.	Joint venture	-	1,66,15,431
	Ningbo Shenglong Pcl Camshafts Co Ltd	Joint venture	-	52,47,680
16	Share issue expenses recovered from existing share holders (refer note 41)			
	Mr .Yatin Shah	Key management personnel	2,29,04,108	
	Dr. Suhasini Shah	Key management personnel	61,53,681	-
	Mr. Jayant Aaradhye	Individual having significant influence	3,37,08,950	-
	Cams Technology Limited	Entities where KMP / RKMP have significant influence	4,00,45,558	-
17	Issue of equity shares- bonus			
	Mr. Yatin Shah	Key management personnel	-	24,58,06,800
	Dr. Suhasini Shah	Key management personnel	-	10,40,55,400
	Cams Technology Limited	Entities where KMP / RKMP have significant influence	-	15,27,48,600
	Mr Yatin Shah jointly held with Dr. Shashini	Key management personnel	-	12,82,88,000
	Mr. Jayant Aradhye	Individual having significant influence	-	10,64,19,000
	Mr. Maneesh Aradhye	Relative of individual having significant influence	-	1,55,40,100
	Dr. Sunita Aradhye	Relative of individual having significant influence	-	77,61,500
	Mrs. Rama Aradhye	Relative of individual having significant influence	-	66,12,000
	Dr. Manjiri Chitale	Relatives of key management personnel	-	27,74,000
	Mr. Vijay Aradhye	Relative of individual having significant influence	-	19,00,000

STANDALONE FINANCIAL STATEMENTS

Sr. No.	Particulars	Relationship	31 March 2016	31 March 2015
	Balances outstanding			
1	Remuneration payable			
	Mr. Yatin Shah	Key management personnel	-	5,76,74,561
	Dr. Suhasini Shah	Key management personnel	-	2,88,37,281
	Mr. Ravindra Joshi	Key management personnel	1,65,02,500	4,32,55,921
2	Amount due to selling share holders			
	Mr. Yatin Shah	Key management personnel	8,63,052	-
	Dr. Suhasini Shah	Key management personnel	2,31,878	-
	Mr. Jayant Aaradhye	Individual having significant influence	12,77,191	-
	Cams Technology Limited	Entities where KMP / RKMP have significant influence -	15,01,959	-
3	Trade receivables			
	PCL (Shanghai) Co. Ltd.	Subsidiary	5,10,52,396	7,21,19,854
	Ningbo Shenglong PCL Camshafts Co Ltd	Joint venture	13,75,83,630	15,99,99,042
4	Trade and other payables			
	Kimaya Construction Private Limited	Entities where KMP / RKMP have significant influence	-	2,75,913
	Cams Technology Limited	Entities where KMP / RKMP have significant influence	52,27,926	15,03,442
	Chitale Clinic Pvt Ltd	Entities where KMP / RKMP have significant influence	3,310	-
5	Creditors for capital goods			
	Kimaya Construction Private Limited	Entities where KMP / RKMP have significant influence	-	11,58,809
	Cams Technology Limited	Entities where KMP / RKMP have significant influence	8,53,596	-
6	Advance from customers			
	PCL Shenglong (Huzhou) Specialized Casting Co Ltd.	Joint venture	-	1,66,15,431
	Ningbo Shenglong Pcl Camshafts Co Ltd.	Joint venture	-	52,47,680
7	Investment in equity shares			
	PCL (Shanghai) Co. Ltd.	Subsidiary	1,10,48,275	1,10,48,275
	Ningbo Shenglong PCL Camshafts Co Ltd.	Joint Venture	2,02,13,205	2,02,13,205
	PCL Shenglong (Huzhou) Specialized Casting Co Ltd.	Joint Venture	11,01,21,670	11,01,21,670
8	Investment in preference shares			
	Cams Technology Ltd	Entities where KMP / RKMP have significant influence	62,00,00,000	62,00,00,000

* As the liabilities for gratuity and leave encashment are provided on an actuarial basis for the company as a whole, the remuneration does not include the same.

STANDALONE FINANCIAL STATEMENTS

NOTE 31: DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE

(a) Derivatives outstanding as at the balance sheet date

Year ended	Currency type	Foreign currency	INR amount	Purpose
March 31, 2016	USD	4,75,000	3,12,45,500	Hedge of trade receivables
	EUR	10,50,000	7,78,47,000	Hedge of trade receivables
	GBP	1,00,000	94,12,000	Hedge of trade receivables
March 31, 2015	USD	10,00,000	6,19,50,000	Hedge of trade receivables
	EUR	3,00,000	1,99,05,000	Hedge of trade receivables
	GBP	3,75,000	3,42,67,500	Hedge of trade receivables

(b) Particulars of unhedged foreign currency exposure as at balance sheet date

Category	Currency type	31 March 2016		31 March 2015	
		Foreign currency	INR amount	Foreign currency	INR amount
Borrowings	USD	1,63,59,275	1,08,69,10,231	2,08,90,525	1,31,56,85,244
	EUR	59,94,555	45,24,68,999	65,37,153	44,84,48,694
Import payables	USD	1,16,562	77,44,358	1,12,429	70,80,777
	EUR	1,59,093	1,20,08,343	62,137	42,62,608
	GBP	6,988	6,67,593	13,111	12,27,179
	JPY	4,65,63,333	2,76,63,276	8,15,40,400	4,30,94,101
Other current liabilities	USD	1,78,111	1,18,33,682	5,08,152	3,14,98,821
	EUR	1,08,263	77,79,998	1,00,289	76,26,871
	GBP	-	-	2,454	2,25,984
Investment in overseas entities	USD	23,65,000	14,13,83,150	23,65,000	14,13,83,150
Capital advance	USD	55,000	43,25,750	55,000	43,25,750
Trade receivables	USD	35,40,991	23,29,26,418	55,37,441	34,30,44,490
	EUR	36,91,883	27,37,16,230	46,45,250	30,82,12,349
	GBP	9,01,015	8,48,03,533	15,28,269	13,96,53,192
Cash and bank balances	USD	10,29,931	6,77,48,844	4,84,090	2,99,89,364
	GBP	83,118	78,23,070	1,78,326	1,62,95,397
	EUR	19,074	14,14,141	40,030	26,56,020

NOTE 32: DETAIL OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER MSMED ACT, 2006

Particulars	31 March 2016	31 March 2015
(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	9,16,08,553	9,12,11,272
Interest due on above	5,55,231	12,02,613
(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.	Nil	Nil
(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.	64,48,288	Nil
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	Nil	Nil
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	2,76,06,692	2,64,04,079

Interest payable as per section 16 of the Micro, Small and Medium Enterprises Act, 2006 is Rs. 3,46,10,211 (31 March 2015: Rs. 2,76,06,692) and same is not accrued in the books of accounts.

STANDALONE FINANCIAL STATEMENTS
NOTE 33: EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)

Particulars	31 March 2016	31 March 2015
Travelling and conveyance	27,10,059	62,81,120
Interest expense	6,34,17,380	7,36,21,649
Bank charges	7,33,952	32,66,602
Sales commission	4,60,25,544	3,90,49,698
Legal and professional fees	39,11,665	-
Rework and shot blasting charges	22,16,554	6,40,698
Freight outward charges	1,23,74,861	62,93,256
Repairs and maintenance	46,57,229	-
Fees and forms	61,566	16,98,679
Research and development Expenses	-	67,50,975
Others	3,10,853	-
	13,64,19,663	13,76,02,677

NOTE 34: IMPORTED AND INDIGENOUS RAW MATERIALS, COMPONENTS AND SPARE PARTS CONSUMED

Particulars	% of total consumption 31 March 2016	Value 31 March 2016	% of total consumption 31 March 2015	Value 31 March 2015
Raw material				
Imported	1.78%	2,36,22,425	1.21%	1,97,78,228
Indigenously obtained	98.22%	1,30,57,04,103	98.79%	1,62,13,54,934
	100.00%	1,32,93,26,528	100.00%	1,64,11,33,162
Components and spare parts				
Imported	6.88%	1,80,49,666	7.50%	2,23,24,814
Indigenously obtained	93.12%	24,42,55,241	92.50%	27,55,13,706
	100.00%	26,23,04,907	100.00%	29,78,38,520

NOTE 35: EARNING IN FOREIGN CURRENCY (ACCRUAL BASIS)

Particulars	31 March 2016	31 March 2015
F.O.B. value of exports	3,18,07,14,016	3,99,17,68,136
Technical support fee	-	1,98,05,117
Tooling income	6,46,00,378	3,84,23,120
Compensation from customer	1,16,23,506	2,37,71,229

NOTE 36: INTEREST IN JOINT VENTURE

The Company has interests in two joint ventures, both in China.

The Company holds 22.5% interest in Ningbo Shenglong PCL Camshafts Co. Limited, situated at Ningbo, China. The joint venture entity is involved in machining and sale of camshafts.

The Company holds 40% interest in PCL Shenglong (Huzhou) Specialized Casting Co Ltd. Situated at Huzhou, China.

The Joint venture entity is involved in manufacture and sale of camshafts.

STANDALONE FINANCIAL STATEMENTS

The Company's share of the assets, liabilities, income and expenses in the jointly controlled entities for the year ended 31 March 2016 are as follows:

Particulars	31 March 2016	31 March 2015
Current assets	24,42,63,976	21,91,64,351
Non- current assets	53,52,88,271	40,69,86,015
Current liabilities	25,15,42,711	16,93,88,167
Non- current liabilities	30,27,93,614	33,69,02,622
Equity	22,52,15,922	11,98,59,577
Revenue	50,01,21,093	30,79,74,297
Cost of raw material consumed	15,65,46,491	11,81,93,097
Depreciation and amortisation expense	3,71,52,930	2,08,89,017
Employee benefits expenses	4,03,48,618	3,49,05,146
Other expenses	14,14,08,628	10,69,90,084
Profit before tax	12,46,64,426	2,69,96,953
Income tax expense	1,93,70,115	1,42,63,389
Profit after tax	10,52,94,311	1,27,33,564

The Company's share of contingent liability and capital commitments in the jointly controlled entities for the year ended 31 March 2016 are as follows:

Particulars	31 March 2016	31 March 2015
Contingent liabilities that the Company has incurred in relation to its interests in joint ventures and its Share in each of the contingent liabilities which have been incurred jointly with other venturers	Nil	Nil
Share of the contingent liabilities of the joint ventures themselves for which the Company is contingently liable	Nil	Nil
Capital commitments of the Company in relation to its interests in joint ventures	Nil	Nil
Company's share in capital commitments that have been incurred jointly with other venturers	Nil	Nil
Company's share of the capital commitments of the joint ventures themselves	Nil	Nil

NOTE 37: EMPLOYEE STOCK OPTION SCHEME

The Company provides share-based payment schemes to its employees. During the year ended 31 March 2016, an employee stock option plan (ESOP) was in existence. The relevant details of the scheme and the grant are as below.

On 6 February 2015, the board of directors approved the PCL Employee Stock Option Scheme 2015 (PCL ESOS 2015) for issue of stock options to the employees of the Company. According to the PCL ESOS 2015, the employee selected by the 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 other relevant terms of the grant are as below:

	PCL ESOS 2015
Date of share holders approval	6 February 2015
Number of options granted	3,82,950
Exercise price per option	Rs. 10
Intrinsic value	Rs. 125.78
Vesting period	3 years
Exercise period	3 years

STANDALONE FINANCIAL STATEMENTS

The details of activity under the PCL ESOS 2015 are summarized below:

Particulars	31 March 2016	31 March 2015
Outstanding at the beginning of the year	3,82,950	-
Granted during the year	-	3,82,950
Forfeited during the year	49,100	-
Exercised during the year	-	-
Outstanding at the end of the year	3,33,850	3,82,950
Exercisable at the end of the year	3,33,850	3,82,950

Effect of employee share based payment plans on the statement of profit and loss and its financial position is as follows:

Particulars	31 March 2016	31 March 2015
Compensation cost of equity settled employee shared based payment plan (opening balance)	4,09,76,253	4,43,37,951
Charged during the year (net of forfeiture)	1,97,80,830	33,61,698
Cost to be deferred over balance vesting period	2,11,95,423	4,09,76,253

Note on additional ESOP cost

The weighted average remaining contractual life for the stock options outstanding as at 31 March 2016 is 2 years.

The weighted average fair value of stock options granted was Rs. 125.78. The 'Black Scholes' valuation model has been used for computing the weighted average fair value considering the following inputs:

Particulars	31 March 2016	31 March 2015
Dividend yield (%)	10.00%	10.00%
Expected volatility	56.25%	56.25%
Risk-free interest rate	7.82%	7.82%
Weighted average share price (Rs.)	125.78	125.78
Weighted average exercise price (Rs.)	10.00	10.00
Expected life of options granted in years	3	3

The expected life of the stock 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 also not necessarily be the actual outcome.

The Company measures the cost of ESOP using the intrinsic value method. Had the company used the fair value model to determine compensation, its profit after tax and earnings per share as reported would have changed to the amounts indicated below:

Particulars	31 March 2016	31 March 2015
Profit after tax as reported	54,90,80,002	47,63,01,525
Add: ESOP cost using the intrinsic value method	1,97,80,830	33,61,698
Less: ESOP cost using the fair value method	1,97,73,579	33,60,225
Proforma profit after tax	54,90,87,253	47,63,02,998
Earnings per share		
Basic		
- As reported	6.55	5.82
- Proforma	6.55	5.82
Diluted		
- As reported	6.53	5.82
- Proforma	6.53	5.82

NOTE 38: OTHER NOTES

Prior period expenses of Rs. 15,78,00,000 pertains to shortfall in employee stock option expenses not accounted for in the year ended March 31, 2014 due to an error in determination of intrinsic value for its equity shares, adjusted in the year ended March 31, 2015.

NOTE 39: SEGMENT REPORTING

The Company's operations comprise of only one segment. i.e. Camshafts. In view of the same, separate primary business segmental information is not required to be disclosed as per the requirement of Accounting Standard 17.

Secondary Segment: Geographical Segment

The Company's secondary segments are based on the geographic distribution of activities. Revenue and receivables are specified by location of customers while the other geographic information is specified by location of the assets.

a) Details of segment revenue

Particulars	31 March 2016	31 March 2015
Sales within India	1,08,54,12,177	1,11,33,85,237
Sales outside India	3,29,58,87,060	4,03,02,43,032
	4,38,12,99,237	5,14,36,28,269

b) Details of carrying amount of segment assets by geographical locations

Particulars	31 March 2016	31 March 2015
Within India	3,12,72,28,766	2,90,15,51,956
Outside India	63,80,25,310	90,85,16,139
	3,76,52,54,076	3,81,00,68,095

c) Total cost incurred during the year to acquire segment assets (fixed assets including intangible assets) that are expected to be used for more than one year

Particulars	31 March 2016	31 March 2015
Within India	39,38,54,597	38,40,59,813
Outside India	-	-
	39,38,54,597	38,40,59,813

NOTE 40: OPERATING LEASE

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

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

Particulars	31 March 2016	31 March 2015
Within one year	14,00,640	10,82,400
After one year but not more than five years	5,32,400	17,23,040
More than five years	-	-
	19,33,040	28,05,440

STANDALONE FINANCIAL STATEMENTS
NOTE 41: UTILISATION OF MONEY RAISED THROUGH PUBLIC ISSUE

During the year ended 31 March 2016, the Company has raised Rs. 2,39,99,99,850 through public issue of fresh equity shares (refer note 3(a)), mainly with an objective of setting-up a new manufacturing facility of ductile Iron Camshafts at Solapur, Maharashtra. The Company has incurred expenses aggregating Rs 23,87,33,579 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 Rs. 10,28,12,297 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.

Particulars	31 March 2016	31 March 2015
Amount raised through public issue	2,39,99,99,850	-
Amounts recovered from existing share holders towards share issue expenses including taxes (refer note 30 (B))	10,28,12,297	-
Less: amount utilized during the year		-
Payment towards share issue expenses	12,75,27,197	-
Payment towards project expenditure relating to new manufacturing facility	12,84,46,350	-
Unutilized amount at the end of the year	2,24,68,38,600	-

Details of short-term investments made from unutilized portion of public issue raised during the year ended 31 March 2016

Particulars	31 March 2016	31 March 2015
Balance amount in current account	15,28,38,600	-
Investment in fixed deposits of banks	2,09,40,00,000	-

NOTE 42: PREVIOUS YEAR FIGURES

Previous year figures have been regrouped/ reclassified wherever necessary to confirm to this year's classification.

As per our report of even date
For S R B C & CO LLP
ICAI Firm Registration Number: 324982E/E300003
Chartered Accountants
For and on behalf of the Board of Directors of
Precision Camshafts Limited

per Paul Alvares
 Partner
 Membership Number: 105754

Place: Pune, India

Date: May 30, 2016

Yatin S Shah
 Managing Director
 DIN. 00318140

Place: Paris, France

Date: May 30, 2016

Dr. Suhasini Y Shah
 Director
 DIN. 02168705

Place: Paris, France

Date: May 30, 2016

Ravindra R Joshi
 Director
 DIN. 03338134

Place: Pune, India

Date: May 30, 2016

Swapneel S Kuber
 Company Secretary
 M. No. 29707

Place: Pune, India

Date: May 30, 2016

INDEPENDENT AUDITOR'S REPORT

To the Members of Precision Camshafts Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Precision Camshafts Limited (hereinafter referred to as "the Holding Company"), and its subsidiaries (the Holding Company and its subsidiary together referred to as "the Group") and jointly controlled entities, comprising of the consolidated Balance Sheet as at March 31, 2016, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms with the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group and jointly controlled entities in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and jointly controlled entities 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 control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph (a) of the Other Matters below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group, and jointly controlled entities as at March 31, 2016, their consolidated profit, and their consolidated cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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 purpose of our audit of the aforesaid consolidated financial statements;
- (b) In our opinion proper books of account as required bylaw relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss, and consolidated Cash Flow Statement dealt with by this Report are in agreement with the 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, 2016 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company incorporated in India is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act. The Holding Company did not have any subsidiary or an associate company in India and did not exercise joint control over any entity incorporated in India.
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company, its subsidiary and jointly controlled entities incorporated in India, since none of the subsidiary and jointly controlled companies are incorporated in India , no separate report on internal financial controls over financial reporting of the Holding Company is being issued. Also refer Annexure 2 to the independent auditors' report dated May 30, 2016, issued on the standalone financial statements of the Holding Company regarding Internal Controls Over Financial Reporting.
- (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 consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, and its jointly controlled entities - Refer Note 29 to the consolidated financial statements;

AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

- ii. The Group and its jointly controlled entities did not have any material foreseeable losses In 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.

Other Matter

- (a) The accompanying consolidated financial statements include total assets of Rs. 6,07,72,102 as at March 31, 2016, and total revenues and net cash outflows of Rs. 12,78,49,606 and Rs. 89,02,119 for the year ended on that date, in respect of a subsidiary, which have been audited by other auditors, whose financial statements, other financial information and auditor's report have been furnished to us by the Management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary in so far as it relates to the aforesaid subsidiary is based solely on the report of such other auditors. The subsidiary company is incorporated outside India and hence, the reporting requirements in accordance with the sub-section (3) of Section 143 of the Act are not applicable.
- (b) The accompanying consolidated financial statements include total assets of Rs. 77,55,21,354 as at March 31, 2016, and total revenues and net cash outflows of Rs. 49,29,08,394 and Rs. 2,26,28,418 for the year ended on that date, in respect of two jointly controlled entities, which have not been audited, and whose financial statements and other unaudited financial information have been furnished to us by the Management of the Holding Company. Our opinion, in so far as it relates amounts and disclosures included in respect of these jointly controlled entities is based solely on such unaudited financial statement and other unaudited financial information. Both the jointly controlled entities are incorporated outside India and hence, the reporting requirements in accordance with the sub-section (3) of Section 143 of the Act are not applicable. In our opinion and according to the information and explanations given to us by the Management of the Holding Company, these financial statements and other financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements above, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Paul Alvares
Partner
Membership Number: 105754

Place of Signature: Pune, India
Date: May 30, 2016

CONSOLIDATED FINANCIAL STATEMENTS
BALANCE SHEET AS AT 31 MARCH 2016
(All amounts in rupees unless otherwise stated)

	Notes	31 March 2016	31 March 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	94,74,48,250	81,84,16,000
Reserves and surplus	4	4,19,79,27,232	1,50,06,87,138
		5,14,53,75,482	2,31,91,03,138
Non-current liabilities			
Long-term borrowings	5	95,66,28,308	1,22,29,37,516
Deferred tax liabilities (net)	6	6,51,56,994	11,11,27,998
Other long term liabilities	9	3,10,76,581	53,00,137
		1,05,28,61,883	1,33,93,65,651
Current liabilities			
Short-term borrowings	8	71,96,58,601	63,90,21,133
Trade payables	9		
- total outstanding dues of micro enterprises and small enterprises		9,16,08,553	9,12,11,272
- total outstanding dues of creditors other than micro enterprises and small enterprises		55,76,00,058	60,37,27,732
Other current liabilities	9	61,76,74,816	77,06,91,895
Short-term provisions	7	10,63,01,067	18,55,70,116
		2,09,28,43,095	2,29,02,22,148
TOTAL		8,29,10,80,460	5,94,86,90,937
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	10	2,32,87,19,933	2,30,90,30,889
Intangible assets	10	36,25,767	24,84,291
Capital work-in-progress	10	22,54,31,286	16,24,39,880
		2,55,77,76,986	2,47,39,55,060
Non-current investments	11	62,01,30,000	62,01,30,000
Long-term loans and advances	12	19,92,96,615	11,69,03,798
Deferred tax asset	6.1	48,08,751	17,63,700
Other non-current assets	14	3,19,98,943	2,57,45,026
		3,41,40,11,295	3,23,84,97,584
Current assets			
Inventories	15	44,35,60,137	44,34,54,739
Trade receivables	13	95,87,53,872	1,04,88,13,239
Cash and bank balances	16	3,23,86,41,679	94,53,45,271
Short-term loans and advances	12	14,96,83,719	20,41,88,264
Other current assets	14	8,64,29,758	6,83,91,840
		4,87,70,69,165	2,71,01,93,353
TOTAL		8,29,10,80,460	5,94,86,90,937

Summary of significant accounting policies

2.1

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

As per our report of even date
For S R B C & CO LLP

ICAI Firm Registration Number: 324982E/E300003

Chartered Accountants

For and on behalf of the Board of Directors of

Precision Camshafts Limited

 per Paul Alvares
 Partner
 Membership Number: 105754

Place: Pune, India

Date: May 30, 2016

 Yatin S Shah
 Managing Director
 DIN. 00318140

Place: Paris, France

Date: May 30, 2016

 Dr. Suhasini Y Shah
 Director
 DIN. 02168705

Place: Paris, France

Date: May 30, 2016

 Ravindra R Joshi
 Director
 DIN. 03338134

Place: Pune, India

Date: May 30, 2016

 Swapneel S Kuber
 Company Secretary
 M. No. 29707

Place: Pune, India

Date: May 30, 2016

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2016

(All amounts in rupees unless otherwise stated)

		31 March 2016	31 March 2015
INCOME			
Revenue from operations (gross)	17	4,93,37,05,524	5,46,63,90,868
Less: excise duty	17	16,63,20,805	14,21,21,286
Revenue from operations (net)		4,76,73,84,719	5,32,42,69,582
Other income	18	17,49,29,693	10,32,19,689
Total (I)		4,94,23,14,412	5,42,74,89,271
EXPENSES			
Cost of raw materials consumed	19	1,35,68,42,088	1,67,33,09,797
(Increase)/decrease in inventories	20	(8,71,873)	50,05,400
Employee benefits expenses	21	60,65,28,833	69,05,84,827
Other expenses	22	1,46,81,65,788	1,54,69,49,546
Total (II)		3,43,06,64,836	3,91,58,49,570
Earnings before interest, tax, depreciation and amortisation (EBITDA) (I) - (II)		1,51,16,49,576	1,51,16,39,701
Depreciation and amortisation expenses	23	42,71,43,790	41,22,33,397
Finance costs	24	11,12,85,129	11,23,27,896
Profit before tax		97,32,20,657	98,70,78,408
Tax expense			
Current tax			
Pertaining to profit for the current year		39,15,43,774	39,20,30,433
Adjustment of tax relating to earlier years		(1,80,48,343)	17,21,680
Deferred tax credit		(4,18,70,500)	(2,86,00,471)
Total tax expense		33,16,24,931	36,51,51,642
Profit after tax and before prior period items		64,15,95,726	62,19,26,766
Prior period items (refer note 36)		-	15,78,00,000
Profit for the year		64,15,95,726	46,41,26,766
Earnings per equity share	25		
nominal value of share Rs. 10 each (31 March 2015: Rs. 10 each)]			
Basic			
Computed on the basis of profit for the year		7.65	5.67
Diluted			
Computed on the basis of profit for the year		7.63	5.67

Summary of significant accounting policies

2.1

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

As per our report of even date

For S R B C & CO LLP

ICAI Firm Registration Number: 324982E/E300003
Chartered Accountants

For and on behalf of the Board of Directors of

Precision Camshafts Limited

per Paul Alvares
Partner
Membership Number: 105754
Place: Pune, India
Date: May 30, 2016

Yatin S Shah
Managing Director
DIN. 00318140

Place: Paris, France
Date: May 30, 2016

Dr. Suhasini Y Shah
Director
DIN. 02168705

Place: Paris, France
Date: May 30, 2016

Ravindra R Joshi
Director
DIN. 03338134

Place: Pune, India
Date: May 30, 2016

Swapneel S Kuber
Company Secretary
M. No. 29707

Place: Pune, India
Date: May 30, 2016

CONSOLIDATED FINANCIAL STATEMENTS
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2016
(All amounts in rupees unless otherwise stated)

	31 March 2016	31 March 2015
Cash flow from operating activities		
Profit before tax and prior period items	97,32,20,657	98,70,78,409
Adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortisation expenses	42,71,43,790	41,22,33,397
Provision for doubtful debts written back	(8,03,662)	(20,69,525)
Loss on assets sold /discarded (net)	36,82,362	1,73,43,226
Sundry creditors written back	(14,49,802)	-
Dividend income on long-term investments	(16,864)	(15,600)
ESOP expense	1,97,80,830	33,61,698
Interest expense	8,97,14,022	9,67,60,782
Interest income	(9,43,01,008)	(5,46,05,658)
Movement on foreign currency translation reserve	(29,93,095)	(34,89,293)
Unrealised exchange differences	1,37,03,744	(8,39,33,733)
	45,44,60,317	38,55,85,294
Operating profit before working capital changes	1,42,76,80,974	1,37,26,63,703
Movements in working capital :		
Increase/(decrease) in trade payables	(4,89,21,732)	1,35,24,359
Increase/(decrease) in short-term provisions	(21,75,318)	2,93,71,440
Increase/(decrease) in other current liabilities	(19,18,44,910)	13,16,82,728
Increase in other long-term liabilities	2,57,76,444	53,00,137
Decrease in trade receivables	9,65,73,975	8,76,21,942
(Increase)/decrease in inventories	(1,05,397)	(82,78,496)
(Increase)/decrease in long-term loans and advances	(30,14,666)	4,31,784
(Increase)/decrease in short-term loans and advances	5,45,04,544	(6,18,61,855)
Increase in other current assets	(1,19,52,525)	(3,73,07,769)
Changes in working capital	(8,11,59,585)	16,04,84,270
Cash generated from operations	1,34,65,21,389	1,53,31,47,973
Direct taxes paid (net of refunds)	(45,05,79,084)	(33,54,82,752)
Net cash flow from operating activities (A)	89,59,42,305	1,19,76,65,221
Cash flow from investing activities		
Payments for purchase of fixed assets and intangible assets; capital advances and capital work in progress	(66,04,45,650)	(66,44,34,441)
Proceeds from sale of fixed assets	22,86,528	8,41,275
Redemption of bank deposits (original maturity of more than three months)	12,14,17,271	80,00,000
Investment of bank deposits (original maturity of more than three months)	(2,67,32,11,773)	(37,18,53,970)
Interest received	8,76,48,235	5,14,34,694
Dividend received	16,864	15,600
Net cash used in investing activities (B)	(3,12,22,88,525)	(97,59,96,842)

CONSOLIDATED FINANCIAL STATEMENTS

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

(All amounts in rupees unless otherwise stated)

	31 March 2016	31 March 2015
Cash flow from financing activities		
Proceeds from issue of equity shares (including securities premium)	2,39,99,99,850	-
Share issue expenses (net of service tax)	(21,40,40,471)	-
Share issue expenses recovered (net of service tax)	8,88,06,512	17,25,18,956
Repayment of long term borrowings	(16,20,56,282)	(21,75,63,011)
Proceeds of short term borrowings (net)	5,80,02,981	16,11,33,002
Interest paid	(9,32,13,816)	(9,59,51,472)
Final dividend paid on shares	-	(40,92,080)
Tax on final dividend paid	-	(8,33,066)
Interim dividend paid on shares	(9,47,44,825)	-
Tax on interim dividend paid	(1,92,87,817)	-
Net cash flow from financing activities (C)	1,96,34,66,132	1,52,12,329
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(26,28,80,088)	23,68,80,708
Cash and cash equivalents as at beginning of year	53,53,21,661	29,55,92,663
Effect of exchange differences on cash and cash equivalents held in foreign currency	78,60,941	28,48,290
Cash and cash equivalents as at year end	28,03,02,514	53,53,21,661
Components of cash and cash equivalents:		
	31 March 2016	31 March 2015
Balances with banks:		
On current accounts	27,03,32,279	12,80,25,421
Deposit with original maturity of less than 3 months	93,16,108	40,67,38,487
Cash in hand	6,54,127	5,57,753
Total cash and cash equivalents (refer note 16)	28,03,02,514	53,53,21,661

As per our report of even date

For S R B C & CO LLP

ICAI Firm Registration Number: 324982E/E300003

Chartered Accountants

For and on behalf of the Board of Directors of

Precision Camshafts Limited

per Paul Alvares

Partner

Membership Number: 105754

Place: Pune, India

Date: May 30, 2016

Yatin S Shah

Managing Director

DIN. 00318140

Place: Paris, France

Date: May 30, 2016

Dr. Suhasini Y Shah

Director

DIN. 02168705

Place: Paris, France

Date: May 30, 2016

Ravindra R Joshi

Director

DIN. 03338134

Place: Pune, India

Date: May 30, 2016

Swapneel S Kuber

Company Secretary

M. No. 29707

Place: Pune, India

Date: May 30, 2016

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

1. Corporate information

Precision Camshafts Limited (hereinafter referred to as 'the Company') is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956, its subsidiary (together referred to as "the Group") and joint ventures are primarily engaged in the manufacture and sale of camshaft castings and machined camshafts to the Auto industry and the Railways.

2. Basis of consolidation

The consolidated financial statements of the Group and joint ventures have been prepared in accordance with AS 21, Consolidated Financial Statements and AS 27, Financial Reporting of Interests in Joint Ventures, specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. The accounting policies have been consistently applied by the Group and joint ventures and are in conformity with Indian Generally Accepted Accounting Principles ('Indian GAAP'). The consolidated financial statements of the Group and joint ventures have been prepared on the following basis:

- (i) The financial statements of the Company, its subsidiary and joint venture have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating all significant intra Group and joint ventures balances and intra Group and joint ventures transactions and unrealised profits. Unrealised losses resulting from intra Group and joint ventures transactions are eliminated unless cost cannot be recovered.
- (ii) The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and necessary adjustments required for deviations, if any, are made in the consolidated financial statements and are presented in the same manner as the Company's standalone financial statements.
- (iii) The financial statements of the joint venture entities have been combined by using proportionate consolidation method and accordingly, venturer's share of each of the assets, liabilities, income and expenses of jointly controlled entity is reported by way of a separate note in the consolidated financial statements.
- (iv) The financial statements of the entities used for the purpose of consolidation are drawn up to same reporting date as that of the Company i.e. period ended March 31, 2016.
- (v) The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained in 2.1.

The list of subsidiaries included in consolidation are mentioned below :

Subsidiary Name	Country of Incorporation	Proportion of ownership interest of the Company as on March 31, 2016	Proportion of ownership interest of the Company as on March 31, 2015
PCL (Shanghai) Co. Ltd	China	100%	100%

CONSOLIDATED FINANCIAL STATEMENTS

The list of Joint venture entities of the Company included in consolidation are mentioned below:

Name of the Joint Venture entity	Country of Incorporation	Proportion of ownership interest of the Company as on March 31, 2016	Proportion of ownership interest of the Company as on March 31, 2015
Ningbo Shenglong PCL Camshafts Co. Ltd	China	22.50%	22.50%
PCL Shenglong (Huzhou) Specialised Casting Co. Ltd.	China	40%	40%

2.1 Summary of significant accounting policies

Change in accounting policies

Component accounting

The Company has adopted component accounting as required under Schedule II to the Companies Act, 2013, from 1 April 2015. The Company was previously not identifying components of fixed assets separately for depreciation purposes; rather, a single useful life/ depreciation rate was used to depreciate each item of fixed assets.

Due to application of Schedule II to the Companies Act, 2013, the Company has changed the manner of depreciation for its fixed assets. Now, the Company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset. These components are depreciated separately over their useful lives and; the remaining components are depreciated over the life of the principal asset. The Company has used transitional provisions of Schedule II to adjust the impact of component accounting arising on its first application. If a component has zero remaining useful life on the date of component accounting becoming effective, i.e., 1 April 2015, its carrying amount, after retaining any residual value, is charged to the statement of profit and loss. The carrying amount of other components, i.e., components whose remaining useful life is not nil on 1 April 2015, is depreciated over their remaining useful lives.

There is no impact to the Consolidated Statement of Profit and Loss for the current year due to the applicability of component accounting. Further, on the date of component accounting becoming applicable, i.e. April 1, 2015, there was no component having zero remaining useful life. Hence, no amount has been directly adjusted against retained earnings.

(a) Use of estimates

The preparation of consolidated financial statements of the Group and joint ventures in conformity with the Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Difference between the actual result and estimates are recognised in the year in which the results are known / materialised. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

CONSOLIDATED FINANCIAL STATEMENTS

(b) Tangible fixed assets

Fixed assets, are stated at cost (net of cenvat), net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of consolidated profit and loss for the period during which such expenses are incurred.

From April 1, 2011, the Company adjusts exchange differences arising on translation/settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset to the cost of the asset and depreciates the same over the remaining life of the asset.

Expenditure relating to construction activity is capitalised as part of the construction costs to the extent the expenditure can be attributable to construction activity or is incidental there to. Income earned during the construction period is deducted from the total of the expenditure capitalised.

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

The Company has determined residual values at the rate of 2% to 5% of cost of assets, based on management estimation in accordance with the nature and size of operations, as per the requirements of Schedule II of Companies Act 2013.

The company identifies and determines cost of asset significant to the total cost of the asset having useful life that is materially different from that of the remaining life.

(c) Depreciation on tangible fixed assets

Depreciation on fixed asset is provided using straight line method as per the useful lives of assets estimated by the management or as per the useful lives prescribed under Schedule II of the Act (for asset balances from April 01, 2014).

In regard to fixed assets balances prior to April 01, 2014, depreciation is provided using straight line method as per the useful lives of assets estimated by the management or as per the useful lives prescribed under Schedule XIV of the Companies Act 1956, whichever is lower.

The identified components are depreciated over their useful lives and; the remaining asset is depreciated over the life of the principal asset.

CONSOLIDATED FINANCIAL STATEMENTS

The company has used the following useful lives to provide depreciation on its fixed assets.

Description of asset group	Useful lives as per management's estimate from April 1, 2014
Buildings	30-60 years
Internal roads	5-10 years
Plant & equipments	3-9.5 years
Office equipments	5-9.5 years
Furniture & fixture	5 years
Vehicles	8 years
Computers	3 years

Cost of leasehold land is amortised over the period of lease ranging from 20 years to 99 years.

(d) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the statement of consolidated profit and loss in the year in which the expenditure is incurred.

Intangible asset - Computer Softwares are amortized over a period of two years from the date the asset is available to the Company for its use. Intangible assets not yet available for use are tested for impairment annually, either individually or at the cash-generating unit level. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

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 consolidated profit and loss when the asset is derecognised.

(e) Leases

Where the group is lessee

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the statement of consolidated profit and loss on a straight-line basis over the lease term.

(f) Borrowing costs

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

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 respective asset. Ancillary costs incurred in connection with arrangement of long term borrowings are amortised over the period of the respective long term borrowing. All other borrowing costs are expensed in the period they occur.

(g) Impairment of tangible and intangible assets

The Group and joint ventures 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 and joint ventures estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The 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. Where 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 net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses are recognised in the statement of consolidated profit and loss.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group and joint ventures estimates the asset's or cash-generating unit'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 consolidated profit and loss.

(h) Investments

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of consolidated profit and loss.

(i) Inventories

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

Semi-finished goods and finished goods are valued at lower of cost and net realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods and semi-finished goods is determined on a weighted average basis. Cost of finished goods includes excise duty.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(j) Revenue recognition

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership of the goods have been passed to the buyer. The Group and joint ventures collect sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Group and joint ventures. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.

Income from services

Revenue from services is recognised as and when services are rendered. The Group and joint ventures collect service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the Group and joint ventures. Hence, it is excluded from revenue.

Tooling Income

Tooling income is recognised when the tool has been developed and necessary completion approvals have been received from customers.

Interest

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

Dividends

Dividend income is recognised when the Group and joint ventures right to receive dividend is established by the reporting date.

Export benefits

Export incentive benefits are recognized as income on the basis of receipt of proof of export.

(k) Foreign currency translation

Foreign currency transactions and balances

(i) Initial recognition

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

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(ii) Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

(iii) Exchange differences

The Group and joint ventures accounts for exchange differences arising on translation/settlement of foreign currency monetary items as below:

1. Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalised and depreciated over the remaining useful life of the asset. For this purpose, the Company treats a foreign monetary item as "long-term foreign currency monetary item", if it has a term of 12 months or more at the date of its origination.
2. Exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortized over the remaining life of the concerned monetary item.
3. All other exchange differences are recognized as income or as expenses in the period in which they arise.

(iv) Forward exchange contracts entered into to hedge foreign currency risk of an existing asset/liability

The premium or discount arising at the inception of forward exchange contract is amortised and recognised as an expense/ income over the life of the contract. Exchange differences on such contracts, are recognised in the statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognised as income or as expense for the period. Any gain/ loss arising on forward contracts which are long-term foreign currency monetary items is recognized in accordance with paragraph (1) and (2) above.

Translation of integral and non-integral foreign operation

The Group and joint ventures classifies all its foreign operations as either "integral foreign operations" or "non-integral foreign operations."

The financial statements of an integral foreign operation are translated as if the transactions of the foreign operation have been those of the Company itself.

The assets and liabilities of a non-integral foreign operation are translated into the reporting currency at the exchange rate prevailing at the reporting date. Their statement of profit and loss are translated at exchange rates prevailing at the dates of transactions or weighted average monthly rates, where such rates approximate the exchange rate at the date of transaction. The exchange differences arising on translation are accumulated in the foreign currency translation reserve. On disposal of a non-integral foreign operation, the accumulated foreign currency translation reserve relating to that foreign operation is recognised in the statement of profit and loss.

When there is a change in the classification of a foreign operation, the translation procedures applicable to the revised classification are applied from the date of the change in the classification.

(I) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation,

other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as expenditure, 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 recognized 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 recognized 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 plan in the form of gratuity for its employees. The cost of providing benefits under the plan is determined on the basis of actuarial valuation at each year-end. Actuarial valuation is carried out using the projected unit credit method. Actuarial gains and losses for the defined benefit plan are recognised in full in the period in which they occur in the statement of consolidated profit and loss.

Accumulated leave, which is expected to be utilised within the next 12 months, is treated as 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 Group and joint ventures treats accumulated leave expected to be carried forward beyond twelve months, as 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 at the year-end. Actuarial gains/losses are immediately taken to the statement of consolidated 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.

(m) Income taxes

Tax expenses comprise current and deferred taxes. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of consolidated profit and loss.

Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Group and joint ventures has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

In the situations where the Group and joint ventures is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognised in respect of timing differences which reverse during the tax holiday period, to the extent the Group's and joint ventures gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognised in the year in which the timing differences originate. However, the Group and joint ventures restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

At each reporting date, the Group and joint ventures re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may

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be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Group and joint ventures writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

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 tax assets and deferred tax liabilities relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the statement of consolidated profit and loss as current tax. The Group and joint ventures recognises MAT credit available as an asset only to the extent that there is convincing evidence that the Group and joint ventures will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group and joint ventures recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of consolidated profit and loss and shown as "MAT Credit Entitlement." The Group and joint ventures reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Group and joint ventures does not have convincing evidence that it will pay normal tax during the specified period.

(n) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(o) Provisions

A provision is recognised when the Group and joint ventures has a present obligation as a result of 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. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where the Group and joint ventures expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of consolidated profit and loss net of any reimbursement.

(p) 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 and joint

CONSOLIDATED FINANCIAL STATEMENTS

ventures or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group and joint ventures does not recognise a contingent liability but discloses its existence in the financial statements.

(q) Cash and cash equivalents

Cash and cash equivalents for the purposes of consolidated cash flow statement comprise of cash at bank and in hand and short-term investments with an original maturity of three months or less.

(r) Measurement of EBITDA

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

(s) Employee stock compensation cost

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 Guidance Note on Accounting for Employee Share-based Payments, the cost of equity-settled transactions is measured using the intrinsic value method. The cumulative expense recognized 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.

Where the terms of an equity-settled transaction award are modified, the minimum expense recognized is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total intrinsic value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

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CONSOLIDATED FINANCIAL STATEMENTS
NOTE 3: SHARE CAPITAL

	31 March 2016	31 March 2015
Authorised shares 10,00,00,000 (31 March 2015: 10,00,00,000) equity shares of Rs. 10 each (31 March 2015: Rs. 10 each)	1,00,00,00,000	1,00,00,00,000
	1,00,00,00,000	1,00,00,00,000
Issued, subscribed and fully paid-up shares 9,47,44,825 (31 March 2015: 8,18,41,600) Equity shares of Rs. 10 each (31 March 2015: Rs. 10 each)	94,74,48,250	81,84,16,000
Total issue, subscribed and fully paid up share capital	94,74,48,250	81,84,16,000

a. Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting period
Equity shares

	31 March 2016		31 March 2015	
	Numbers	% holding in the class	Numbers	% holding in the class
At the beginning of the year	8,18,41,600	81,84,16,000	4,09,208	4,09,20,800
Addition on account of share split	-	-	36,82,872	-
Bonus issue post share split	-	-	7,77,49,520	77,74,95,200
Issued during the year - initial public offering (see note below)	1,29,03,225	12,90,32,250	-	-
Outstanding at the end of the year	9,47,44,825	94,74,48,250	8,18,41,600	81,84,16,000

Pursuant to the Initial Public Offering (IPO), equity shares having par value of Rs. 10 per share were allotted at a price of Rs. 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 February 08, 2016. The Company has incurred expenses of Rs.12,52,33,959 (net of service tax) relating to fresh issue of equity shares which has been adjusted to securities in terms of section 52 of the Companies Act, 2013.

During the year ended 31 March 2015, the Company had split the face value of equity shares from Rs. 100 per share to Rs. 10 per share. As a result, the number of equity shares increased from 4,09,208 equity shares having a face value of Rs. 100 each to 40,92,080 equity shares having a face value of Rs. 10 each. Post the share split, the Company further issued bonus shares in the ratio of 19 equity shares for 1 equity share held. The bonus issue was made out of the securities premium account, capital redemption reserve and partly out of general reserve. Post the bonus issue, the number of equity increased from 40,92,080 shares of Rs. 10 each to 8,18,41,600 shares of Rs. 10 each.

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share (31 March 2015: Rs. 10 per share). Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees.

During the year ended 31 March 2016, the amount of per share interim dividend recognised as distribution to equity share holders amounted to Rs. 1 per equity share.

During the year ended 31 March 2015, the amount of per share dividend recognised as distribution to equity shareholders was Rs. 0.05 per equity share.

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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.

c. Details of shareholders holding more than 5% shares in the Company

	31 March 2016		31 March 2015	
	Numbers	% holding in the class	Numbers	% holding in the class
Equity shares of Rs. 10 each fully paid				
Yatin Subhash Shah	2,45,11,200	25.87%	2,58,74,400	31.62%
Cams Technology Limited	1,25,14,860	13.21%	1,60,78,800	19.65%
Yatin Subhash Shah jointly with Dr. Suhasini Yatin Shah	1,28,28,800	13.54%	1,35,04,000	16.50%
Dr. Suhasini Yatin Shah	1,04,05,540	10.98%	1,09,53,200	13.38%
Jayant Vasudeo Aradhye	82,02,000	8.66%	1,12,02,000	13.69%
	6,84,62,400	72.26%	7,76,12,400	94.84%

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.

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

	31 March 2016	31 March 2015
Number of equity shares allotted as fully paid bonus shares by capitalisation of securities premium account, capital redemption reserve and general reserve	-	7,77,49,520

e. Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company, please refer note 33.

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NOTE 4 : RESERVES AND SURPLUS

	31 March 2016	31 March 2015
Capital reserve		
SICOM capital incentive subsidy	25,00,000	25,00,000
Capital reserve in jointly controlled entities	18,87,834	-
	43,87,834	25,00,000
Securities premium		
Balance as per last financial statements	-	43,04,26,684
Add: additions on ESOPs exercised	-	15,78,00,000
Add: premium on issue of fresh equity shares [refer note 3(a)]	2,27,09,67,600	-
Less: share issue expenses [refer note 3(a)] [net of tax benefit Rs. 71,55,633]	11,80,78,326	-
Less: amounts utilised towards issue of fully paid bonus shares	-	58,82,26,684
Closing balance	2,15,28,89,274	-
General reserve		
Balance as per last financial statements	4,72,20,715	5,57,20,031
Less: amounts utilised towards issue of fully paid bonus shares	-	84,99,316
Closing balance	4,72,20,715	4,72,20,715
Capital redemption reserve		
Balance as per last financial statements	-	18,07,69,200
Less: amounts utilised towards issue of fully paid bonus shares	-	18,07,69,200
Closing balance	-	-
Employee stock option outstanding		
Balance as per last financial statements	33,61,698	-
Add: compensation for options granted as per vesting during the year (net)	1,97,80,830	16,11,61,698
Less: Transferred to securities premium on exercise of stock options	-	15,78,00,000
Closing balance	2,31,42,528	33,61,698
Statutory / surplus reserve		
Balance as per last financial statements	45,37,989	-
Addition during the year	1,04,16,141	45,37,989
Closing balance	149,54,130	45,37,989
Foreign Currency Translation Reserve (FCTR)		
Balance as per last financial statements	(60,14,435)	(25,25,142)
Addition during the year	(29,93,095)	(34,89,293)
Closing balance	(90,07,530)	(60,14,435)
Surplus in the statement of profit and loss		
Balance as per last financial statements	1,44,90,81,172	1,01,61,20,131
Add: Profit for the year	64,15,95,726	46,41,26,766
Less: Appropriations		
- Proposed final equity dividend Nil (31 March 2015: Rs 0.05 per share)	-	40,92,080
- Tax on proposed dividend	-	8,33,066
- Interim equity dividend at Rs. 1.00 Per share (March 31, 2015: Rs Nil per share)	9,47,44,825	-
- Tax on interim dividend	1,92,87,817	-
- Adjustment to net block of fixed assets (net of tax) (refer note 10.1)	-	2,17,02,591
- Transfer to statutory / surplus reserve for jointly controlled entity	1,04,16,141	45,37,989
- Transfer to capital reserve for jointly controlled entities	18,87,834	-
Total appropriations	12,63,36,617	3,11,65,726
Net surplus in the statement of profit and loss	1,96,43,40,281	1,44,90,81,171
Total reserves and surplus	4,19,79,27,232	1,50,06,87,138

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NOTE 5: LONG-TERM BORROWINGS

	Non - current portion		Current maturities	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Term loans				
- Foreign currency loan from banks (Note 1 and 2) (Secured)	69,31,08,555	99,25,82,488	35,39,90,828	26,96,31,551
- Loan from Import & Export Bank of China (Note 3) (Secured)	18,44,38,800	18,89,34,750	4,61,09,700	8,63,86,950
- Loan from Ningbo Shenglong Powertrain (Note 4) (Unsecured)	-	94,80,550	-	-
- Loan from Bank of China (Note 5) (Secured)	7,90,80,953	2,03,81,556	-	-
- Loan from Ningbo Shenglong PCL Camshafts Co Ltd (Note 6) (Unsecured)	-	1,15,58,172	-	-
	95,66,28,308	1,22,29,37,516	40,01,00,528	35,60,18,501
The above amount includes				
Secured borrowings	95,66,28,308	1,20,18,98,794	40,01,00,528	35,60,18,501
Unsecured borrowings	-	210,38,722	-	-
Amount disclosed under the head "other current liabilities" (refer note 9)	-	-	(40,01,00,528)	(35,60,18,501)
Net Amount	95,66,28,308	1,22,29,37,516	-	-

1 Foreign currency loan amounting to Rs. 90,35,84,000/- carries interest at the rate of LIBOR plus 380 bps p.a. The tenure of the loan is 7 years and the loan is repayable in 20 quarterly installments commencing after 24 months of the weighted average draw down date, viz., 1 August 2013. The loan is secured by pari passu charge on all movable and immovable fixed assets and that created by the proposed loan and also all future fixed assets, mortgage of Plot No. D-7, MIDC Chincholi, Solapur. The loans has been secured by the personal guarantee of directors Mr. Yatin S. Shah and Dr. Suhasini Y. Shah.

2 Foreign currency loan amounting to Rs. 14,35,15,383/- carries interest at the rate of LIBOR plus 405 bps p.a. The tenure of the loan is 5 years and 2 months and the loan is repayable in 20 quarterly installments commencing after 7 months from the sanction of the loan by the bank. viz., 2 November 2013. The loan is secured by pari passu charge on all movable and immovable fixed assets and that created by the proposed loan and also all future fixed assets, mortgage of Plot No. D-7, MIDC Chincholi, Solapur. The loans has been secured by the personal guarantee of directors Mr. Yatin S. Shah and Dr. Suhasini Y. Shah.

Ningbo Shenglong PCL Camshafts Co. Ltd ('SLPCL')

3 Secured Loan from Import & Export Bank of China and carries interest rate of 6.4%. The tenure of the loan is 5 years and the loan is repayable in 6 half yearly installments of RMB 10,000,000 each and 4 half yearly installment of RMB 15,000,000 each, and interest on loan is repayable on a monthly basis. The loan is secured by charge on land and building of Ningbo Shenglong Group Co. Ltd.

4 Unsecured term loan from Ningbo Shenglong Powertrain Co. Ltd, carries interest rate of China prime interest rate plus 20%. No maturity term has been specified by the lender, and interest on loan is repayable on a monthly basis.

PCL Shenglong (Huzhou) Specialised Casting Co Ltd. ('PCLSL')

5 Secured Term Loan from Bank of China, carries interest rate ranging from 6% to 6.4%. No maturity term has been specified by the lender, and interest on loan is repayable on a monthly basis. The loan is secured by charge on land and building of Ningbo Shenglong Group Co. Ltd.

6 Unsecured term loan has been obtained by PCL Shenglong (Huzhou) Specialised Casting Co. Ltd from Ningbo Shenglong PCL Camshafts Co. Ltd and carries interest rate of 6.9%. No maturity term has been specified by the lender, and interest on loan is repayable on a monthly basis.

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

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NOTE 6: DEFERRED TAX LIABILITIES (NET)

	31 March 2016	31 March 2015
Deferred tax liability		
Fixed assets: Impact of difference between tax depreciation and depreciation / amortisation for the financial reporting	20,77,26,332	24,60,53,523
Gross deferred tax liability	20,77,26,332	24,60,53,523
Deferred tax assets		
Provision for doubtful debts and advances	4,79,371	7,43,948
Employee related costs allowed for tax purposes on payment basis	2,50,11,323	2,36,25,790
Unrealised exchange loss capitalised in the books	10,43,68,314	9,93,80,646
Impact of adjustment to block of fixed assets (refer note 10.1)	-	1,11,75,141
VRS compensation	50,02,734	-
Share issue expenses adjusted to securities premium account	71,55,633	-
Others	5,51,963	-
Gross deferred tax assets	14,25,69,338	13,49,25,525
Net deferred tax liability	6,51,56,994	11,11,27,998
Deferred tax credit for the year		
Closing deferred tax liability (net)	6,51,56,994	11,11,27,998
Less: opening deferred tax liability (net)	11,11,27,998	14,91,39,910
Deferred tax movement for the year	(4,59,71,004)	(3,80,11,912)
Deferred tax credit recorded in statement of profit and loss	(3,88,15,371)	(2,68,36,771)
Deferred tax credit recorded in reserves and surplus	-	(1,11,75,141)
Deferred tax credit recorded in securities premium account (refer note 4)	(71,55,633)	-
Deferred tax credit from Joint venture (refer note 6.1) (including FCTR)	(30,45,051)	(17,63,700)
FCTR movement included above	(10,079)	-
Deferred tax credit for the year	(4,18,70,500)	(2,86,00,471)

NOTE 6.1: DEFERRED TAX ASSETS

	31 March 2016	31 March 2015
Deferred income- Government Grants	39,48,324	7,56,228
Provision for bad debts	7,70,194	8,43,152
Others	90,233	1,64,320
DEFERRED TAX ASSETS	48,08,751	17,63,700

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NOTE 7: PROVISIONS

	Long-term		Short-term	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Provision for employee benefits				
Provision for gratuity (refer note 27)	-	-	1,84,79,019	1,88,24,983
Provision for leave benefits	-	-	3,19,58,627	3,18,64,534
	-	-	5,04,37,646	5,06,89,517
Other provisions				
Provision for income tax	-	-	5,28,61,722	12,99,55,453
Proposed equity dividend	-	-	-	40,92,080
Provision for tax on proposed equity dividend	-	-	-	8,33,066
Provision for tax on interim dividend	-	-	30,01,699	-
	-	-	5,58,63,421	13,48,80,599
	-	-	10,63,01,067	18,55,70,116

NOTE 8: SHORT-TERM BORROWINGS

	31 March 2016	31 March 2015
Cash credit from banks (Note 1) (Secured)	1,81,23,957	2,94,93,279
Overdraft against fixed deposits (Note 2) (Secured)	10,14,77,164	5,02,36,302
Packing credit in foreign currency (Note 1) (Secured)	49,22,79,847	50,19,32,864
Loans from banks (Note 3 & 5) (Secured)	8,99,13,915	5,73,58,688
Loans from others (Note 4) (Unsecured)	1,42,77,408	-
Loan from Ningbo Shenglong PCL Camshafts Co Ltd (Note 6) (Unsecured) (refer note 30(C))	35,86,310	-
	71,96,58,601	63,90,21,133

- Cash credit and packing credit in foreign currency are secured by first pari passu charge by way of hypothecation of current assets including stocks and book debts. 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.s 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, MIDC, Solapur. Also, the facilities have been secured by the personal guarantee of Mr. Yatin Shah and Dr. Suhasini Shah. The cash credit is repayable on demand and carries interest at the rate of 11.35% to 13.25% p.a. (31 March 2015 : 11.70% to 13.25% p.a.). Packing credit in foreign currency carries interest at the rate of 2.55% to 3.05% p.a. (31 March 2015 : 2.86% to 3.86% p.a.).
- Overdraft against fixed deposits is secured by fixed deposit of Rs. 110,500,000 made with Bank of India and carries interest at the rate of 10.05% p.a.

Ningbo Shenglong PCL Camshafts Co. Ltd ('SLPCL')

- Secured loan is obtained from China Construction Bank & Industrial and Commercial Bank of China and carries interest ranging from 5.75 % to 6.60%. The loans are repayable on demand and the interest is payable on a monthly basis. The facilities have been secured by the guarantee of Ningbo Shenglong Group Co. Ltd.
- Loans from others as at March 31, 2016, represents extended credit facilities obtained from material vendors, which carry an interest rate of 3% and are repayable within six months from the actual due date scheduled for payment. The loan is repayable on demand and the interest is payable to the vendor on a monthly basis.

CONSOLIDATED FINANCIAL STATEMENTS
PCL Shenglong (Huzhou) Specialised Casting Co Ltd. ('PCLSL')

- 5 Secured loan is obtained from China Construction Bank carries an interest ranging from 5.75% to 6.00%. The loan is repayable on demand and the interest is payable on a monthly basis. The facilities have been secured by the guarantee of Ningbo Shenglong Group Co. Ltd.
- 6 Unsecured loan has been obtained from Ningbo Shenglong PCL Camshafts Co Ltd by PCL Shenglong (Huzhou) Specialised Casting Co Ltd. for its working capital requirements. It carries an interest of 5.90% p.a. The loan is repayable on demand and interest is payable on monthly basis.

NOTE 9: TRADE PAYABLES AND OTHER CURRENT LIABILITIES

	Non-current		Current	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Trade payables				
- total outstanding dues of micro enterprises and small enterprises (refer note 32 for details)	-	-	9,16,08,553	9,12,11,272
- total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	55,76,00,058	60,37,27,732
Other liabilities				
Current maturities of long-term borrowings (refer note 5)	-	-	40,01,00,528	35,60,18,501
Interest accrued but not due on borrowings	-	-	90,14,162	103,06,365
Unpaid matured deposits and interest accrued thereon	-	-	1,37,29,570	1,37,29,570
Advances from customers	-	-	92,69,879	2,20,64,996
Sundry payables for capital goods purchased	-	-	8,12,93,211	8,52,55,203
Employee benefits payable (including commission)	-	-	5,14,54,386	11,65,25,698
Book overdraft	-	-	2,65,64,317	10,38,97,125
Tax deducted at source payable	-	-	1,29,14,839	4,79,01,018
Value added tax payable	-	-	36,83,447	7,597
Amount due to selling shareholders (refer note 30(C))	-	-	38,74,080	-
Taxes payable	-	-	8,99,167	-
Deferred income - Government Grants	290,27,261	53,00,137	-	-
Deposits from vendor	20,49,320	-	-	-
Other payables	-	-	48,77,230	149,85,822
	3,10,76,581	53,00,137	61,76,74,816	77,06,91,895
TOTAL	3,10,76,581	53,00,137	1,26,68,83,427	1,46,56,30,899

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CONSOLIDATED FINANCIAL STATEMENTS

NOTE 10: FIXED ASSETS AND INTANGIBLE ASSETS

Particulars	Tangible assets							Intangible assets	
	Leasehold land	Buildings	Plants and machinery	Office equipments	Furniture and fixtures	Vehicles	Total tangible assets	Computer software	
At Cost									
At 1 April 2014	1,86,03,119	68,85,67,571	2,40,58,26,682	3,17,14,192	2,15,76,014	2,84,04,506	3,19,46,92,084	1,65,15,198	
Additions	2,88,36,261	-	26,07,72,450	54,18,667	47,53,219	1,69,23,295	31,67,03,892	22,59,765	
Additions due to increase in share at Joint Venture	-	-	8,07,96,826	76,03,936	-	-	8,84,00,762	-	
Disposals	-	-	(1,98,78,125)	(14,27,172)	-	-	(2,13,05,297)	-	
Other adjustment	-	-	4,24,52,995	-	-	-	5,54,65,996	-	
- Exchange differences	-	1,30,13,001	1,15,68,356	4,34,616	-	-	1,26,02,797	-	
- Foreign currency translation reserve	5,99,825	-	-	-	-	-	-	13,207	
At 31 March 2015	4,80,39,205	70,15,80,572	2,78,15,39,184	4,37,44,239	2,63,29,233	4,53,27,801	3,64,65,60,234	1,87,88,170	
Additions	1,92,48,400	8,67,45,095	26,56,34,687	1,52,83,465	10,71,714	16,39,877	38,96,23,238	24,94,971	
Disposals	-	-	(5,17,68,828)	(2,56,998)	-	(10,84,523)	(5,31,10,349)	-	
Other adjustment	-	-	4,60,50,506	-	-	-	6,01,70,899	-	
- Exchange differences	-	1,41,20,393	14,31,225	93,307	-	-	16,02,406	-	
- Foreign currency translation reserve	77,874	-	-	-	-	-	-	1,767	
At 31 March 2016	6,73,65,479	80,24,46,060	3,04,28,86,774	5,88,64,013	2,74,00,947	4,58,83,155	4,04,48,46,428	2,12,84,908	
Depreciation/ amortisation									
At 1 April 2014	22,25,660	7,90,52,368	79,23,40,924	1,37,37,442	83,02,928	92,21,120	90,48,80,442	1,43,87,225	
Charge for the year	9,90,916	2,29,03,390	29,20,18,420	99,85,655	37,69,085	34,40,268	33,31,07,734	22,07,397	
Additional depreciation on account of change in estimate (refer note below)	6,719	91,82,844	9,50,98,720	10,61,036	30,26,185	17,13,968	11,00,89,472	(2,93,473)	
Additions due to increase in share at Joint Venture	-	-	58,59,757	5,47,008	-	-	64,06,765	-	
Disposals	-	-	(1,72,04,467)	(3,43,917)	(4,82,974)	(2,28,851)	(1,82,60,209)	-	
Foreign currency translation reserve	16,340	-	11,97,753	91,048	-	-	13,05,141	2,730	
At 31 March 2015	32,39,635	11,11,38,602	1,16,93,11,107	2,50,78,272	1,46,15,224	1,41,46,505	1,33,75,29,345	1,63,03,879	
Charge for the year	11,18,349	3,01,58,381	37,79,12,749	68,59,197	44,13,669	53,26,215	42,57,88,560	13,55,230	
Disposals	-	-	(4,63,03,976)	(2,56,998)	-	(5,80,485)	(4,71,41,459)	-	
Foreign currency translation reserve	(1,047)	(17,423)	(29,490)	(1,991)	-	-	(49,951)	32	
At 31 March 2016	43,56,937	14,12,79,560	1,50,08,90,390	3,16,78,480	1,90,28,893	1,88,92,235	1,71,61,26,495	1,76,59,141	
Net Block									
At 31 March 2016	6,30,08,542	66,11,66,500	1,54,19,96,384	2,71,85,533	83,72,054	2,69,90,920	2,32,87,19,933	36,25,767	
At 31 March 2015	4,47,99,570	59,04,41,970	1,61,22,28,077	1,86,65,967	1,17,14,009	3,11,81,296	2,30,90,30,889	24,84,291	
At 31 March 2016	22,54,31,286								
At 31 March 2015	16,24,39,880								

Note 10.1: The management had re-estimated useful lives and residual values of all its fixed assets as at March 31, 2015, to comply with the requirements of Schedule II of the Companies Act, 2013 which was effective from April 1, 2014. As a result of this change, the depreciation charge for the year ended March 31, 2015 was higher by Rs.10,97,95,999. In respect of assets whose useful life is already exhausted as on April 1, 2014, depreciation of Rs.2,17,02,591 (net of deferred tax impact of Rs. 1,11,75,141) has been adjusted in surplus in consolidated statement of profit and loss for the year ended March 31, 2015 in accordance with the requirement of Schedule II of the Companies Act 2013.

CONSOLIDATED FINANCIAL STATEMENTS
NOTE 11: NON-CURRENT INVESTMENTS

	31 March 2016	31 March 2015
Trade investment (at cost) (Unquoted equity instruments)		
Unquoted preference shares Cams Technology Limited (6,20,00,000 5% redeemable non convertible preference shares of Rs 10 each fully paid up) (31 March 2015: 6,20,00,000 5% redeemable non convertible preference shares of Rs 10 each fully paid up)	62,00,00,000	62,00,00,000
Non-trade investments (at cost) (Unquoted equity instruments)		
Shares of Laxmi Co-op. Bank Limited (5,000 Equity shares of Rs. 25 each fully paid-up) (31 March 2015: 5,000 Equity shares of Rs. 25 each fully paid-up)	1,25,000	1,25,000
Shares of Solapur Janata Sahakari Bank Limited (500 Equity shares of Rs. 10 each fully paid-up) (31 March 2015: 500 Equity shares of Rs. 10 each fully paid-up)	5,000	5,000
Aggregate amount of unquoted investments	62,01,30,000	62,01,30,000

The Company holds 6,20,00,000 5% redeemable non convertible preference shares of Cams Technology Limited (CTL) as at September 30, 2015.

The Management, based on a legal opinion is of the view that CTL is not a subsidiary under the provisions of the Companies Act, 2013. Accordingly, the accounting treatment and disclosures in the financial statements have been made assuming that CTL is not a subsidiary

NOTE 12: LOANS AND ADVANCES

	Non - current portion		Current maturities	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
(Unsecured, considered good)				
Capital advances	17,04,27,842	9,10,49,690	-	-
Security deposit	1,99,12,761	1,71,27,598	2,06,00,000	-
Advances recoverable in cash or kind	48,54,268	46,24,766	3,21,80,000	8,31,14,586
Other loans and advances				
Income tax deposited with tax authorities	28,90,000	28,90,000	-	-
Balances with statutory/government authorities	-	-	9,69,03,719	12,10,73,678
Other advances (refer note 29(b))	12,11,744	12,11,744	-	-
	41,01,744	41,01,744	9,69,03,719	12,10,73,678
TOTAL	19,92,96,615	11,69,03,798	14,96,83,719	20,41,88,264

CONSOLIDATED FINANCIAL STATEMENTS

NOTE 13: TRADE RECEIVABLES

	Current	
	31 March 2016	31 March 2015
Outstanding for a period exceeding six months from the date they are due for payment		
- Unsecured, considered good	1,12,10,663	48,171
- Doubtful	18,209	5,15,760
	1,12,28,872	5,63,931
Less: provision for doubtful receivables	18,209	5,15,760
(A)	1,12,10,663	48,171
Other receivables		
- Unsecured, considered good	94,75,43,209	1,04,87,65,068
- Doubtful	13,66,855	16,72,966
	94,89,10,064	1,05,04,38,034
Less: provision for doubtful receivables	13,66,855	16,72,966
(B)	94,75,43,209	1,04,87,65,068
TOTAL	(A+B) 95,87,53,872	1,04,88,13,239

NOTE 14: OTHER ASSETS
(Unsecured, considered good)

	Non - current portion		Current maturities	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Non-current bank balance (refer note 16)	2,63,94,335	2,29,15,388	-	-
Unamortised expenditure	56,04,608	28,29,638	16,82,957	22,50,336
Interest accrued on fixed deposits	-	-	1,16,98,864	50,46,091
Income accrued on export incentives	-	-	6,19,37,154	4,97,91,339
Forward contract receivables	-	-	27,37,750	43,03,809
CST balance receivables	-	-	48,28,809	65,41,395
Other claims and advances	-	-	-	4,58,870
Advance tax (net of tax provision)	-	-	35,44,224	-
TOTAL	3,19,98,943	2,57,45,026	8,64,29,758	6,83,91,840

NOTE 15: INVENTORIES
(At lower of cost and net realisable value)

	Current	
	31 March 2016	31 March 2015
Raw materials and components	3,60,26,241	4,19,01,802
Stores, spares and packing materials	6,35,21,936	5,84,12,849
Semi-finished goods	4,78,01,793	6,47,98,414
Finished goods	29,62,10,167	27,83,41,674
	44,35,60,137	44,34,54,739

CONSOLIDATED FINANCIAL STATEMENTS
NOTE 16: CASH AND BANK BALANCES

	Non - current portion		Current maturities	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Balance with Banks:				
On current accounts	-	-	27,03,32,279	12,80,25,421
Deposits with original maturity of less than 3 months	-	-	93,16,108	40,67,38,487
Cash in hand	-	-	6,54,127	5,57,753
	-	-	28,03,02,514	53,53,21,661
Other bank balances				
Deposits with original maturity for more than 12 months*	2,63,94,335	2,29,15,388	40,24,74,509	-
Deposits with original maturity for more than 3 months but less than 12 months	-	-	2,55,58,64,656	41,00,23,610
	2,63,94,335	2,29,15,388	2,95,83,39,165	41,00,23,610
Amount disclosed under non current assets (refer note 14)	263,94,335	229,15,388	-	-
TOTAL	-	-	32386,41,679	9453,45,271

*Includes Rs.59,305,740 (31 March 2015: Rs. 2,98,35,035) held as lien by banks against bank guarantees.

NOTE 17: REVENUE FROM OPERATIONS

	31 March 2016	31 March 2015
Sale of finished goods	4,79,71,03,443	5,27,33,32,123
Sale of services	1,67,32,607	2,73,87,137
Other operating revenue		
Tooling income	5,56,41,667	4,08,32,931
Scrap sales	15,38,428	17,75,324
Export incentives	6,26,89,379	12,30,63,353
Revenue from operations (gross)	4,93,37,05,524	5,46,63,90,868
Less: Excise duty	16,63,20,805	14,21,21,286
Revenue from operations (net)	4,76,73,84,719	5,32,42,69,582
Details of finished goods sold		
Casting camshafts	3,17,16,08,048	3,77,04,37,746
Machined camshafts	1,62,54,95,395	1,50,28,94,377
	4,79,71,03,443	5,27,33,32,123
Details of services rendered		
Job work charges	1,67,32,607	2,73,87,137
	1,67,32,607	2,73,87,137

CONSOLIDATED FINANCIAL STATEMENTS

NOTE 18: OTHER INCOME

	31 March 2016	31 March 2015
Interest income on		
Bank deposits	9,24,59,548	5,31,63,981
Others	18,41,460	14,41,677
Dividend income on long-term investments	16,864	15,600
Exchange differences (net)	6,12,31,301	14,82,631
Sundry creditors written back	14,49,802	-
Excess provision for doubtful debts written back	-	20,69,525
Technical support fee (refer note 30(C))	-	1,18,83,070
Compensation from customer	1,16,23,506	2,37,71,229
Miscellaneous income	63,07,212	93,91,976
	17,49,29,693	10,32,19,689

NOTE 19: COST OF RAW MATERIALS CONSUMED

	31 March 2016	31 March 2015
Inventory at the beginning of the year	4,19,01,802	3,55,90,046
Add: purchases	1,35,09,66,527	1,67,96,21,553
	1,39,28,68,329	1,71,52,11,599
Less: inventory at the end of the year	3,60,26,241	4,19,01,802
Cost of raw materials consumed	1,35,68,42,088	1,67,33,09,797
Detail of raw material consumed		
Resin coated sand	58,69,33,411	68,56,82,921
Pig iron	34,96,59,053	42,42,56,791
M S scrap	16,84,00,476	23,98,09,413
Others	25,18,49,148	32,35,60,672
	1,35,68,42,088	1,67,33,09,797
Detail of Inventory		
Resin coated sand	40,32,171	28,15,052
Pig iron	65,61,774	55,90,220
M S scrap	36,37,561	18,75,792
Others	2,17,94,735	3,16,20,738
	3,60,26,241	4,19,01,802

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CONSOLIDATED FINANCIAL STATEMENTS
NOTE 20: (INCREASE) / DECREASE IN INVENTORIES

	31 March 2016	31 March 2015
Opening stock:		
Finished goods	27,83,41,673	28,56,63,159
Semi-finished goods	6,47,98,414	6,24,82,329
	34,31,40,087	34,81,45,488
Closing stock:		
Finished goods	29,62,10,167	27,83,41,674
Semi-finished goods	4,78,01,793	6,47,98,414
	34,40,11,960	34,31,40,088
(Increase)/decrease in inventories	(8,71,873)	50,05,400
Detail of Inventory		
Semi-finished goods		
Casting camshafts	2,72,20,673	4,07,51,771
Machined camshafts	2,05,81,120	2,40,46,643
	4,78,01,793	6,47,98,414
Finished Goods		
Casting camshafts	24,75,39,290	21,17,11,447
Machined camshafts	4,86,70,877	6,66,30,227
	29,62,10,167	27,83,41,674

NOTE 21: EMPLOYEE BENEFITS EXPENSES

	31 March 2016	31 March 2015
Salaries, wages, bonus and commission	53,86,13,593	61,94,04,437
Employee stock option scheme	1,97,80,830	33,61,698
Contribution to provident fund and other funds	2,80,02,178	2,88,00,689
Gratuity expense (refer note 27)	68,54,129	2,72,51,409
Staff welfare expenses	1,32,78,103	1,17,66,594
	60,65,28,833	69,05,84,827

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CONSOLIDATED FINANCIAL STATEMENTS

NOTE 22: OTHER EXPENSES

	31 March 2016	31 March 2015
Consumption of components and spares	29,95,32,231	31,45,92,053
Packing materials consumed	6,14,05,284	6,46,72,235
Increase / (decrease) in excise duty on inventory	38,57,062	(70,698)
Power and fuel expenses	49,58,22,736	54,55,47,860
Job work expenses	7,42,98,313	817,72,520
Freight outward charges	17,77,99,301	15,57,05,249
Rent	59,69,274	41,11,951
Rates and taxes	88,38,028	1,15,60,037
Insurance	91,58,358	85,62,860
Repairs and maintenance		
Plant and machinery	4,60,31,959	8,00,90,087
Building	1,71,24,048	51,08,053
Others	2,02,59,007	1,93,81,646
Advertisement and sales promotion	5,95,351	11,37,002
CSR expenditure (refer note below)	34,33,268	35,02,000
Sales commission	5,37,98,130	4,16,35,151
Travelling and conveyance	4,40,68,683	4,52,08,736
Communication costs	32,47,879	45,93,853
Legal and professional fees	3,45,34,685	2,34,57,792
Auditors' remuneration and expenses		
Statutory audit	23,00,000	30,00,000
Out of pocket expenses	4,40,898	2,10,258
Provision for doubtful debts (net of write backs)	(8,03,662)	-
Exchange differences (net)	-	81,99,194
Loss on fixed assets sold /discarded, net	36,82,362	2,15,00,309
R & D expenses	1,60,17,127	-
Miscellaneous expenses	8,67,55,466	10,34,71,398
	1,46,81,65,788	1,54,69,49,546
CSR expenditure		
Gross amount required to be spent during the year	1,26,17,701	78,29,558
Amount spent during the year in cash	34,33,268	35,02,000
Amount spend during the year includes contribution to a trust significantly influenced by key management personnel or their relatives (refer note 30(C))	20,50,000	31,00,000

NOTE 23: DEPRECIATION AND AMORTISATION EXPENSES

	31 March 2016	31 March 2015
Depreciation of tangible assets	42,57,88,560	41,04,11,016
Amortisation of intangible assets	13,55,230	18,22,381
	42,71,43,790	41,22,33,397

CONSOLIDATED FINANCIAL STATEMENTS
NOTE 24: FINANCE COSTS

	31 March 2016	31 March 2015
Interest on borrowings	8,97,14,022	9,40,43,747
Interest on current tax	46,73,710	-
Other borrowing costs	24,24,342	27,17,035
Bank charges	1,44,73,055	1,55,67,114
	11,12,85,129	11,23,27,896

NOTE 25: EARNING PER SHARE

The following reflects the profit and share data used in the basic and diluted EPS computation

	31 March 2016	31 March 2015
Total operations for the year		
Profit after tax	64,15,95,726	46,41,26,766
Net profit for calculation of basic EPS	64,15,95,726	46,41,26,766
Net profit as above	64,15,95,726	46,41,26,766
Net profit for calculation of diluted EPS	64,15,95,726	46,41,26,766
Weighted average number of equity shares in calculating basic EPS	8,38,51,119	8,18,41,600
Effect of dilution:		
Stock option granted	1,91,220	26,466
Weighted average number of equity shares in calculating diluted EPS	8,40,42,338	8,18,68,066
Earnings per share (basic) (Rupees/share)	7.65	5.67
Earnings per share (diluted) (Rupees/share)	7.63	5.67

NOTE 26: JOINT VENTURE

The list of joint venture which are included in the consolidation and the company's effective holdings therein are as under :

Name of the Company	Effective ownership as on 31 March, 2016	Effective ownership as on 31 March, 2015	Country of incorporation
List of joint venture			
Ningbo Shenglong PCL Camshafts Co. Ltd.	22.5%	22.5%	China
PCL Shenglong (Huzhou)	40%	40%	China
Specialised Casting Co. Ltd.			

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CONSOLIDATED FINANCIAL STATEMENTS

Details of the Company's Share in Subsidiary, Joint Ventures included in the consolidated financial statements are as follows (before inter-company eliminations) :

Particulars	31 March 2016	31 March 2015
(i) Assets		
Fixed Assets	50,49,07,429	38,18,28,920
Current Assets	24,42,63,976	21,91,64,351
(ii) Liabilities		
Long term borrowings	26,35,19,753	33,16,02,485
Non- Current Liabilities	3,10,76,581	53,00,137
Current Liabilities	25,97,39,991	16,93,88,167
(iii) Income	50,01,21,093	30,79,74,297
(iv) Expenses	39,18,48,208	29,52,40,732

NOTE 27: GRATUITY

The disclosures as per AS 15, Employee benefits notified under the Rules are as follows:

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Life Insurance Corporation of India in the form of a qualifying insurance policy.

Changes in the present value of the defined benefit obligation are as follows:

Particulars	31 March 2016	31 March 2015
Defined benefit obligation at the beginning of the year	6,15,55,638	3,91,29,417
Current service cost	83,14,531	1,08,76,271
Interest cost	45,51,339	32,26,551
Actuarial (gain)/loss on obligation	(24,33,300)	1,63,63,487
Past service cost	-	-
Benefits paid	(59,82,304)	(80,40,088)
Defined benefit obligation at the end of the year	6,60,05,904	6,15,55,638

Changes in the fair value of plan assets are as follows:

Particulars	31 March 2016	31 March 2015
Fair value of plan assets at the beginning of the year	4,27,30,655	3,97,47,536
Adjustment to opening balance	(5,84,903)	(10,65,518)
Expected return on plan assets	34,20,284	34,21,153
Contribution by employer	71,97,906	88,73,825
Benefits paid	(59,82,304)	(80,40,088)
Actuarial gain/(loss) on plan assets	7,45,247	(2,06,253)
Fair value of plan assets at the end of the year	4,75,26,885	4,27,30,655

The Company expects to contribute Rs. 41,30,037/- (Rs.72,00,093/-) to its defined benefit gratuity plan in 2016-17.

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

Particulars	31 March 2016	31 March 2015
Investment with insurer (Life Insurance Corporation of India)	100%	100%

CONSOLIDATED FINANCIAL STATEMENTS
Balance Sheet
Benefit asset/liability

Particulars	31 March 2016	31 March 2015
Defined Benefit Obligation	6,60,05,904	6,15,55,638
Fair value of plan assets	4,75,26,885	4,27,30,655
Plan asset / (liability)	(1,84,79,019)	(1,88,24,983)

Net employee benefit expense recognised in the statement of profit and loss:

Particulars	31 March 2016	31 March 2015
Current Service cost	83,14,531	1,08,76,271
Interest cost on benefit obligation	45,51,339	32,26,551
Net actuarial (gain) / loss recognised in the period/year	(31,78,547)	1,65,69,740
Expected return on plan assets	(34,20,284)	(34,21,153)
Contribution by employer	-	-
Net benefit expense	62,67,039	2,72,51,409
Actual return on plan assets	41,65,531	32,14,900

Amounts for the current and previous four periods are as follows :

Particulars	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Defined benefit obligation	6,60,05,904	6,15,55,638	3,91,29,417	4,27,89,943	2,90,26,609
Plan assets	4,75,26,885	4,27,30,655	3,97,47,536	3,27,14,466	2,91,52,924
Surplus / (deficit)	(1,84,79,019)	(1,88,24,983)	6,18,119	(1,00,75,477)	1,26,315
Experience adjustments on plan liabilities	(52,39,454)	93,461	(54,14,017)	22,37,571	(11,86,258)
Experience adjustments on plan assets	7,45,247	(2,06,253)	1,96,611	1,29,674	1,77,805

The principal assumptions used in determining defined benefit obligation are shown below:

Particulars	31 March 2016	31 March 2015
Discount rate	7.46%	7.77%
Expected rate of return on plan asset	8.00%	8.75%
Increase in compensation cost	8.00%	8.00%
Employee turnover	3.00%	3.00%

The estimated increase in compensation cost, considered in actuarial valuation, takes into account the effect of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The overall expected rate of return on plan assets is determined based on the market prices prevailing as on balance sheet date, applicable to the period over which the obligation is to be settled.

NOTE 28: CAPITAL AND OTHER COMMITMENTS

Particulars	31 March 2016	31 March 2015
Estimated value of contracts remaining to be executed on capital account and not provided for (net of advances)	19,39,53,623	7,40,49,469

NOTE 29: CONTINGENT LIABILITIES

- a. The Collector of Stamps, Solapur has demanded payment of stamp duty of Rs. 31,78,389 (March 31, 2015: Rs. 31,78,389) 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 Rs. 24,23,488 (March 31, 2015: Rs. 24,23,488). The Company has deposited an amount of Rs. 12,11,744 (March 31, 2015: Rs. 12,11,744) under protest which has been shown under 'Loans and Advances'.
- c. The Company has received an order from Commissioner of Central Excise Pune for the year 2002-03, 2003-04 and 2004-05 demanding excise duty amounting to Rs. 20,76,478 (March 31, 2015: Rs. 20,76,478) on sales tax retained under sales tax deferral scheme. The Company has deposited an amount of Rs. 1,55,736 (March 31, 2015: Nil) under protest through PLA
- d. The Company has received an showcause from Commissioner, Central Excise Solapur for inadmissible cenvat credit amounting to Rs. 9,65,186 and Rs. 2,38,329 on outward transportation for the financial years 2015-16 and 2014-15 respectively.

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NOTE 30: RELATED PARTY DISCLOSURE

A Names of the related party and related party relationship:

- a) Related party where control exists**
- i) Subsidiary**
PCL (Shanghai) Co. Ltd
- b) Related parties under 'Accounting Standard 18- Related Party Disclosures', with whom transactions have taken place during the period**
- i) Key management personnel (KMP)**
Mr. Yatin S Shah , Managing Director
Dr. Suhasini Y Shah, Director
Mr. Ravindra R. Joshi, Director
- ii) Relatives of key management personnel (RKMP)**
Mr. Karan Y Shah, son of Mr. Yatin S Shah
Ms. Tanvi Y Shah, daughter of Mr. Yatin S Shah
Dr. Manjiri Chitale, mother of Dr. Suhasini Y Shah
Late Dr. Vinayak Chitale, father of Dr. Suhasini Y Shah
- iii) Enterprises owned or significantly influenced by key management personnel or their relatives:**
Kimaya Construction Private Limited
Chitale Clinic Private Limited
Precision Foundation & Medical Research Trust
Yatin S. Shah (HUF)
Cams Technology Limited
- iv) Individual having significant influence:**
Mr. Jayant Aradhya
- v) Relative of individual having significant influence:**
Mr. Maneesh Aradhya, son of Mr. Jayant Aradhya
Dr. Sunita Aradhya, wife of Mr. Jayant Aradhya
Mrs. Rama Aradhya, wife of Mr. Maneesh Aradhya
Mr. Vijay Aradhya, brother of Mr. Jayant Aradhya
- vi) Joint venture**
Ningbo Shenglong PCL Camshaft Co Ltd.
PCL Shenglong (Huzhou) Specialized Casting Co Ltd.
- c) Additional related parties as per Companies Act, 2013 with whom transactions have taken place during the year**
- i) Company secretary**
Mr. Swapneel S Kuber

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CONSOLIDATED FINANCIAL STATEMENTS

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		Joint venture		Individual having significant influence		Relative of individual having significant influence	
		31 March 2016	31 March 2015	31 March 2016	31 March 2015	31 March 2016	31 March 2015	31 March 2016	31 March 2015	31 March 2016	31 March 2015	31 March 2016	31 March 2015
	Transactions												
1	Remuneration* (including commission)	9,21,38,194	19,20,84,966	-	-	-	-	-	-	-	-	-	-
2	ESOP Cost	-	13,19,20,800	-	-	-	-	-	-	-	-	-	-
3	Final dividend paid on equity shares	-	25,16,580	14,800	-	8,03,940	-	-	-	5,60,100	-	-	1,57,440
4	Interim dividend paid on equity shares	4,77,45,540	-	2,96,000	-	1,25,14,860	-	-	-	82,02,000	-	31,48,800	-
5	Repayment of deposits	-	-	-	31,00,000	-	-	-	-	-	-	-	-
6	Interest paid on deposits	-	-	-	3,72,000	-	-	-	-	-	-	-	-
7	Rent paid	-	2,40,000	-	-	-	-	-	-	-	-	-	-
8	Sale of goods	-	-	-	-	-	-	44,65,31,519	41,65,85,758	-	-	-	-
9	Tooling Income	-	-	-	-	-	-	3,41,06,128	1,18,83,070	-	-	-	-
10	Technical support fee received	-	-	-	-	-	-	-	-	-	-	-	-
11	CSR expenditure	-	-	-	-	20,50,000	31,00,000	-	-	-	-	-	-
12	Purchases of goods, material or services	-	-	-	-	86,01,562	51,97,651	-	-	-	-	-	-
13	Purchases of material/services for fixed assets	-	-	-	-	-	12,09,917	-	-	-	-	-	-
14	Advance Received	-	-	-	-	-	-	-	1,40,36,211	-	-	-	-
15	Equity shares issued- bonus	-	47,81,50,200	-	28,12,000	-	15,27,48,600	-	-	-	10,64,19,000	-	3,18,13,600
16	Share issue expenses recovered from existing share holders (refer note 35)	2,90,57,789	-	-	-	4,00,45,558	-	-	-	3,37,08,950	-	-	-
17	Loan taken by jointly controlled entity	-	-	-	-	-	-	35,86,310	-	-	-	-	-
	Balances outstanding												
1	Remuneration payable	1,65,02,500	12,97,67,763	-	-	-	-	-	-	-	-	-	-
2	Amount due to selling share holders	10,94,929	-	-	-	15,01,959	-	-	-	12,77,191	-	-	-
3	Trade receivables	-	-	-	-	-	-	10,77,74,643	12,39,99,257	-	-	-	-
4	Trade and other payables	-	-	-	-	52,31,236	17,79,355	-	-	-	-	-	-
5	Creditors for capital goods	-	-	-	-	8,53,596	11,58,809	-	-	-	-	-	-
6	Advance from customers	-	-	-	-	-	-	-	1,40,36,211	-	-	-	-
7	Investment in preference shares	-	-	-	-	62,00,00,000	62,00,00,000	-	-	-	-	-	-
8	Loan taken by jointly controlled entity	-	-	-	-	-	-	35,86,310	-	-	-	-	-

* As the liabilities for gratuity and leave encashment are provided on an actuarial basis for the company as a whole, the remuneration does not include the same.

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

Sr. No.	Particulars	Relationship	31 March 2016	31 March 2015
1	Remuneration*			
	Mr. Yatin Shah	Key management personnel	5,13,00,931	10,57,47,723
	Dr. Suhasini Shah	Key management personnel	43,20,972	3,28,39,188
	Mr. Ravindra Joshi	Key management personnel	3,59,70,173	5,32,63,956
	Mr. Swapneel S Kuber	Key management personnel	5,46,118	2,34,099
2	ESOP Cost			
	Mr. Yatin Shah	Key management personnel	-	7,89,00,000
	Dr. Suhasini Shah	Key management personnel	-	5,30,20,800
3	Final dividend paid on equity shares			
	Cams Technology Limited	Entities where KMP / RKMP have significant influence	-	8,03,940
	Mr. Yatin Shah	Key management personnel	-	12,93,720
	Mr. Jayant Aaradhya	Individual having significant influence	-	5,60,100
	Mr Yatin Shah Jointly held with Dr. Suhasini	Key management personnel	-	6,75,200
	Dr. Suhasini Shah	Key management personnel	-	5,47,660
4	Interim dividend paid on equity shares			
	Cams Technology Limited	Entities where KMP / RKMP have significant influence	1,25,14,860	-
	Mr. Yatin Shah	Key management personnel	2,45,11,200	-
	Mr. Jayant Aaradhya	Individual having significant influence	82,02,000	-
	Mr Yatin Shah Jointly held with Dr. Suhasini	Key management personnel	1,28,28,800	-
	Dr. Suhasini Shah	Key management personnel	1,04,05,540	-
5	Repayment of deposits			
	Dr. Manjiri Chitale	Relatives of key management personnel	-	6,00,000
	Late Dr. Vinayak Chitale	Relatives of key management personnel	-	8,00,000
	Ms. Urmila Shah	Relatives of key management personnel	-	-
	Mr. Karan Shah	Relatives of key management personnel	-	10,50,000
	Ms. Tanvi Shah	Relatives of key management personnel	-	6,50,000
6	Interest paid on deposits			
	Ms. Tanvi Shah	Relatives of key management personnel	-	39,000
	Mr. Karan Shah	Relatives of key management personnel	-	63,000
	Dr. Manjiri Chitale	Relatives of key management personnel	-	36,000
	Late Dr. Vinayak Chitale	Relatives of key management personnel	-	48,000
	Ms. Urmila Shah	Relatives of key management personnel	-	-
7	Rent paid			
	Mr. Yatin Shah	Key management personnel	-	2,40,000
8	Sale of goods			
	Ningbo Shenglong PCL Camshafts Co Ltd	Joint Venture	44,65,31,519	41,65,85,758
9	Tooling Income			
	Ningbo Shenglong PCL Camshafts Co Ltd	Joint Venture	1,31,66,630	-
	PCL Shenglong (Huzhou) Specialized Casting Co Ltd.	Joint Venture	2,09,39,498	-

CONSOLIDATED FINANCIAL STATEMENTS

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

Sr. No.	Particulars	Relationship	31 March 2016	31 March 2015
10	Technical support fee received PCL Shenglong (Huzhou) Specialized Casting Co Ltd	Joint Venture	-	1,18,83,070
11	CSR expenditure Precision Foundation & Medical Research Trust	Entities where KMP / RKMP have significant influence	20,50,000	31,00,000
12	Purchases of goods, material or Services Kimaya Construction Private Limited	Entities where KMP / RKMP have significant influence	-	2,81,544
	Cams Technology Limited	Entities where KMP / RKMP have significant influence	84,50,667	47,89,552
	Chitale Clinic Pvt Ltd	Entities where KMP / RKMP have significant influence	1,50,895	1,47,888
13	Purchases of material/services for Fixed Assets Kimaya Construction Private Limited	Entities where KMP / RKMP have significant influence	-	12,09,917
	Cams Technology Limited	Entities where KMP / RKMP have significant influence	8,53,596	-
14	Advance received PCL Shenglong (Huzhou) Specialized Casting Co Ltd.	Joint venture	-	99,69,259
	Ningbo Shenglong Pcl Camshafts Co Ltd	Joint venture	-	40,66,952
15	Issue of equity shares- bonus Mr. Yatin Shah	Key management personnel	-	2458,06,800
	Dr. Suhasini Shah	Key management personnel	-	1040,55,400
	Cams Technology Limited	Entities where KMP / RKMP have significant influence	-	1527,48,600
	Mr. Yatin Shah jointly held with Dr. Suhasini	Key management personnel	-	1282,88,000
	Mr. Jayant Aradhye	Individual having significant influence	-	1064,19,000
	Mr. Maneesh Aradhye	Relative of individual having significant influence	-	155,40,100
	Dr. Sunita Aradhye	Relative of individual having significant influence	-	77,61,500
	Mrs. Rama Aradhye	Relative of individual having significant influence	-	66,12,000
	Dr. Manjiri Chitale	Relatives of key management personnel	-	27,74,000
	Mr. Vijay Aradhye	Relative of individual having significant influence	-	19,00,000

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

Sr. No.	Particulars	Relationship	31 March 2016	31 March 2015
16	Share issue expenses recovered from existing share holders (refer note 35)			
	Mr. Yatin Shah	Key management personnel	2,29,04,108	-
	Dr. Suhasini Shah	Key management personnel	61,53,681	-
	Mr. Jayant Aaradhye	Individual having significant influence	3,37,08,950	-
	Cams Technology Limited	Entities where KMP / RKMP have significant influence	4,00,45,558	-
17	Loan taken by jointly controlled entity			
	Ningbo Shenglong PCL Camshafts Co Ltd	Joint venture	35,86,310	-
	Balances outstanding			
1	Remuneration payable			
	Mr. Yatin Shah	Key management personnel	-	5,76,74,561
	Dr. Suhasini Shah	Key management personnel	-	2,88,37,281
	Mr. Ravindra Joshi	Key management personnel	1,65,02,500	4,32,55,921
2	Amount due to selling shareholders			
	Mr. Yatin Shah	Key management personnel	8,63,052	-
	Dr. Suhasini Shah	Key management personnel	2,31,877	-
	Mr. Jayant Aaradhye	Individual having significant influence	12,77,191	-
	Cams Technology Limited	Entities where KMP / RKMP have significant influence -	15,01,959	-
3	Trade receivables			
	Ningbo Shenglong PCL Camshafts Co Ltd	Joint venture	10,77,74,643	12,39,99,257
4	Trade and other payables			
	Kimaya Construction Private Limited	Entities where KMP / RKMP have significant influence	-	2,75,913
	Cams Technology Limited	Entities where KMP / RKMP have significant influence	52,27,926	15,03,442
	Chitale Clinic Pvt Ltd	Entities where KMP / RKMP have significant influence	3,310	-
5	Creditors for capital goods			
	Kimaya Construction Private Limited	Entities where KMP / RKMP have significant influence	8,53,596	11,58,809
6	Advance from customers			
	PCL Shenglong (Huzhou) Specialized Casting Co Ltd.	Joint venture	-	99,69,259
	Ningbo Shenglong PCL Camshafts Co Ltd	Joint venture	-	40,66,952
7	Investment in preference shares			
	Cams Technology Ltd	Entities where KMP / RKMP have significant influence	62,00,00,000	62,00,00,000
8	Loan taken by jointly controlled entity			
	Ningbo Shenglong PCL Camshafts Co Ltd	Joint venture	35,86,310	-

* As the liabilities for gratuity and leave encashment are provided on an actuarial basis for the company as a whole, the remuneration does not include the same.

CONSOLIDATED FINANCIAL STATEMENTS

NOTE 31: DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE

(a) Derivatives outstanding as at the balance sheet date

Year ended	Currency type	Foreign currency	Amount	Purpose
March 31, 2016	USD	4,75,000	3,12,45,500	Hedge of trade receivables
	EUR	10,50,000	7,78,47,000	Hedge of trade receivables
	GBP	1,00,000	94,12,000	Hedge of trade receivables
March 31, 2015	USD	10,00,000	6,19,50,000	Hedge of trade receivables
	EUR	3,00,000	1,99,05,000	Hedge of trade receivables
	GBP	3,75,000	3,42,67,500	Hedge of trade receivables

(b) Particulars of unhedged foreign currency exposure as at balance sheet date

Category	Currency type	31 March 2016		31 March 2015	
		Foreign currency	INR amount	Foreign currency	INR amount
Borrowings	USD	1,63,59,275	1,08,69,10,231	2,08,90,525	1,31,56,85,244
	EUR	59,94,555	45,24,68,999	65,37,153	44,84,48,694
Import payables	USD	1,16,562	77,44,358	1,12,429	70,80,777
	EUR	1,59,093	1,20,08,343	62,137	42,62,608
	GBP	6,988	6,67,593	13,111	12,27,179
	JPY	4,65,63,333	2,76,63,276	8,15,40,400	4,30,94,101
Other current liabilities	USD	1,77,869	1,18,17,632	5,08,152	3,14,98,821
	EUR	94,498	78,52,855	1,00,289	76,26,871
	GBP	-	-	2,454	2,25,984
Capital advance	USD	55,000	43,25,750	55,000	43,25,750
Trade receivables	USD	35,40,991	23,29,26,418	55,37,441	34,30,44,490
	EUR	36,91,883	27,37,16,230	46,45,250	30,82,12,349
	GBP	9,01,015	8,48,03,533	15,28,269	13,96,53,192
Cash and bank balances	USD	10,29,931	6,77,48,844	4,84,090	2,99,89,364
	GBP	83,118	78,23,070	1,78,326	1,62,95,397
	EUR	19,074	14,14,141	40,030	26,56,020

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CONSOLIDATED FINANCIAL STATEMENTS
NOTE 32: DETAIL OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER MSMED ACT, 2006

Particulars	31 March 2016	31 March 2015
(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	9,16,08,553	9,12,11,272
Interest due on above	5,55,231	12,02,613
(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.	Nil	Nil
(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.	64,48,288	Nil
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	Nil	Nil
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	2,76,06,692	2,64,04,079

Interest payable as per section 16 of the Micro, Small and Medium Enterprises Act, 2006 is Rs. 3,46,10,211 (31 March 2015: Rs. 2,76,06,692) and same is not accrued in the books of accounts.

NOTE 33: EMPLOYEE STOCK OPTION SCHEME

The Company provides share-based payment schemes to its employees. During the year ended 31 March 2016, an employee stock option plan (ESOP) was in existence. The relevant details of the scheme and the grant are as below.

On 6 February 2015, the board of directors approved the PCL Employee Stock Option Scheme 2015 (PCL ESOS 2015) for issue of stock options to the employees of the Company. According to the PCL ESOS 2015, the employee selected by the 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 other relevant terms of the grant are as below:

	PCL ESOS 2015
Date of share holders approval	6 February 2015
Number of options granted	3,82,950
Exercise price per option	Rs. 10
Intrinsic value	Rs. 125.78
Vesting period	3 years
Exercise period	3 years

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The details of activity under the PCL ESOS 2015 are summarized below:

Particulars	31 March 2016	31 March 2015
Outstanding at the beginning of the period/year	3,82,950	-
Granted during the period/year	-	3,82,950
Forfeited during the period/year	49,100	-
Exercised during the period/year	-	-
Outstanding at the end of the period/year	3,33,850	3,82,950
Exercisable at the end of the period/year	3,33,850	3,82,950

Effect of employee share based payment plans on the statement of profit and loss and its financial position is as follows:

Particulars	31 March 2016	31 March 2015
Compensation cost of equity settled employee shared based payment plan (opening balance)	4,09,76,253	4,43,37,951
Charged during the period/year	1,97,80,830	33,61,698
Cost to be deferred over balance vesting period	2,11,95,423	4,09,76,253

Note on additional ESOP cost

The weighted average remaining contractual life for the stock options outstanding as at 31 March 2016 is 2 years. The weighted average fair value of stock options granted was Rs. 125.78. The 'Black Scholes' valuation model has been used for computing the weighted average fair value considering the following inputs:

Particulars	31 March 2016	31 March 2015
Dividend yield (%)	10.00%	10.00%
Expected volatility	56.25%	56.25%
Risk-free interest rate	7.82%	7.82%
Weighted average share price (Rs.)	125.78	125.78
Weighted average exercise price (Rs.)	10.00	10.00
Expected life of options granted in years	3	3

The expected life of the stock 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 also not necessarily be the actual outcome.

The Company measures the cost of ESOP using the intrinsic value method. Had the company used the fair value model to determine compensation, its profit after tax and earnings per share as reported would have changed to the amounts indicated below:

Particulars	31 March 2016	31 March 2015
Profit after tax as reported	64,15,95,726	46,41,26,766
Add: ESOP cost using the intrinsic value method	1,97,80,830	33,61,698
Less: ESOP cost using the fair value method	1,97,73,579	33,60,225
Proforma profit after tax	64,16,02,977	46,41,28,239
Earnings per share		
Basic		
- As reported	7.65	5.67
- Proforma	7.65	5.67
Diluted		
- As reported	7.63	5.67
- Proforma	7.63	5.67

CONSOLIDATED FINANCIAL STATEMENTS
NOTE 34: SEGMENT REPORTING

The Group and joint ventures' operations comprise of only one segment. i.e. Camshafts. In view of the same, separate primary business segmental information is not required to be disclosed as per the requirement of Accounting Standard 17.

Secondary Segment: Geographical Segment

The Group and joint ventures' secondary segments are based on the geographic distribution of activities. Revenue and receivables are specified by location of customers while the other geographic information is specified by location of the assets.

a) Details of segment revenue

Particulars	31 March 2016	31 March 2015
Sales within India	1,08,54,12,177	1,11,33,85,237
Sales outside India	3,68,19,72,542	4,21,08,84,345
	4,76,73,84,719	5,32,42,69,582

b) Details of carrying amount of segment assets by geographical locations

Particulars	31 March 2016	31 March 2015
Within India	3,11,77,90,609	3,08,29,07,544
Outside India	1,26,,02,26,914	1,26,26,12,969
	4,37,80,17,523	4,34,55,20,513

c) Total cost incurred during the year to acquire segment assets (fixed assets including intangible assets) that are expected to be used for more than one year

Particulars	31 March 2016	31 March 2015
Within India	39,38,54,597	38,40,59,813
Outside India	14,22,87,263	33,14,99,729
	53,61,41,860	71,55,59,542

NOTE 35: UTILISATION OF MONEY RAISED THROUGH PUBLIC ISSUE

During the year ended 31 March 2016, the Holding Company has raised Rs. 2,39,99,99,850 through public issue of fresh equity shares (refer note 3(a)), mainly with an objective of setting-up a new manufacturing facility of ductile Iron Camshafts at Solapur, Maharashtra. The Company has incurred expenses aggregating Rs 23,87,33,579 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 Rs. 10,28,12,297 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

Particulars	31 March 2016	31 March 2015
Amount raised through public issue	2,39,99,99,850	-
Amounts recovered from existing share holders towards share issue expenses including taxes (refer note 30 (B))	10,28,12,297	-
Less: amount utilized during the year		-
Payment towards share issue expenses	12,75,27,197	-
Payment towards project expenditure relating to new manufacturing facility	12,84,46,350	-
Unutilized amount at the end of the year	2,24,68,38,600	-

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Details of short-term investments made from unutilized portion of public issue raised during the year ended 31 March 2016

Particulars	31 March 2016	31 March 2015
Balance amount in current account	15,28,38,600	-
Investment in fixed deposits of banks	2,09,40,00,000	-

NOTE 36: OTHER NOTES

Prior period expenses of Rs. 15,78,00,000 pertains to shortfall in employee stock option expenses not accounted for in the year ended March 31, 2014 due to an error in determination of intrinsic value for its equity shares, adjusted in the year ended March 31, 2015.

NOTE 37: PREVIOUS YEAR FIGURES

Previous year figures have been regrouped/ reclassified wherever necessary to confirm to this year's classification.

As per our report of even date

For S R B C & CO LLP

ICAI Firm Registration Number: 324982E/E300003

Chartered Accountants

For and on behalf of the Board of Directors of

Precision Camshafts Limited

per Paul Alvares
Partner
Membership Number: 105754
Place: Pune, India
Date: May 30, 2016

Yatin S Shah Managing Director DIN. 00318140 Place: Paris, France Date: May 30, 2016	Dr. Suhasini Y Shah Director DIN. 02168705 Place: Paris, France Date: May 30, 2016	Ravindra R Joshi Director DIN. 03338134 Place: Pune, India Date: May 30, 2016	Swapneel S Kuber Company Secretary M. No. 29707 Place: Pune, India Date: May 30, 2016
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PRECISION CAMSHAFTS LIMITED
SOLAPUR (INDIA)

EOU Division	Domestic Division
D - 5, 6, 7, 7/1 MIDC, Chincholi	E - 90, 102 / 103, MIDC, Akkalkot Road
Solapur - 413 255	Solapur - 413 006
Ph. : 9168646531 / 32 / 33	Ph. : 9168646536 / 37