PRECISION

where Passion
meets Performance

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CIN L24231PN1992PLC067126

PCL/SEC/23-24/035 **Date: 3rd July 2023**

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

Subject: Notice of 31st Annual General Meeting (AGM), Annual Report for Financial Year (FY) 2022-23 and Book Closure for AGM and dividend

Dear Sir/Madam,

This is to inform that 31st Annual General Meeting (AGM) of members of Precision Camshafts Limited is scheduled to be held on **Wednesday, 26th July 2023 at 3:00 PM (IST)** through Video Conferencing (VC)/ Other Audio-Visual Means (OAVM) in compliance with the applicable provisions of the Companies Act, 2013 read with Rules made thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with various circulars issued by the Ministry of Corporate Affairs and SEBI from time to time.

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 amended from time to time, please find attached herewith a copy of Annual Report for the FY 2022-23 along with the Notice of the 31st AGM, which has been sent through electronic mode to the Members of the Company. It is also available at the website of the Company www.pclindia.in.

Pursuant to Regulation 42 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Register of Members and Share Transfer Books will remain closed from **Wednesday, 19th July 2023** to **Wednesday, 26th July 2023** (both days inclusive) for the purpose of AGM and payment of dividend.

You are requested to take the same on record.

Thanking you,

For **Precision Camshafts Limited**

RAVINDRA RANGNATH JOSHI
Digitally signed by RAVINDRA RANGNATH JOSHI
Date: 2023.07.03 21:59:56 +05'30'

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

PRECISION CAMSHAFTS LIMITED

31st Annual Report

2022-23

PRECISION

where Passion meets Performance

STRONG ROOTS.

Stronger Tomorrow.

Contents

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

Investor Information

Market Cap as of 31st March, 2023:	₹ 1,259 Crores
CIN:	L24231PN1992PLC067126
ISIN:	INE484I01029
BSE Code:	539636
NSE Symbol:	PRECAM
Bloomberg Code:	PRECAM:IN
Dividend Declared:	₹ 1/- per equity share
AGM Date:	26th July, 2023
AGM Mode:	Video Conferencing/Other Audio-Visual Means

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

STRONG ROOTS.

Stronger Tomorrow.

With deeply integrated strong roots spanning three decades, our wealth of experience and proficiency empowers us to foster stability and agility in our business operations.

Over the years, we have emerged as a leading provider of camshaft solutions, seamlessly catering to the automotive and non-automotive sectors. Our products consistently meet approximately 70% of the domestic market's requirements, while also satisfying 9-10% of the global demand for passenger vehicle camshafts. This impressive accomplishment solidifies our position as a trusted industry leader.

Supported by a world-class infrastructure, we uphold the highest standards of quality, enabling us to surpass stringent norms set by customers worldwide. Our global reach extends to over 17 countries, further reinforcing our status as the preferred supplier and valued partner to marquee global OEMs.

Moving forward, we are geared toward a stronger tomorrow. In the camshaft business, we are determined to expand our scale and scope to strengthen our prominence. Additionally, we have made significant strides in the non-camshaft sector, developing India's first mid-size retrofitted E-Bus with the help of EMOSS technology. We are also eager to establish ourselves as a competitive solution provider for small e-LCVs. Furthermore, our Group is committed to sustainability, with a focus on the EV business in Europe and the expansion of our operations in India.

With our strong foundation and unwavering commitment to excellence, we continue to thrive in the industry, driving innovation and delivering unparalleled value to all our stakeholders.

KEY HIGHLIGHTS OF FY 2022-23

Performance snapshot for the year

FINANCIAL

₹ 626.34 Crores
REVENUE (on Standalone Basis)

₹ 117.97 Crores
EBITDA

18.71%
EBITDA MARGIN

₹ 60.95 Crores
PAT

9.04%
PAT MARGIN

0.05X
DEBT-TO-EQUITY

OPERATIONAL

79.20%
CAPACITY UTILISATION OF MACHINE CAMSHAFTS

79.80%
CAPACITY UTILISATION OF CAMSHAFTS CASTING

5.82 million
TOTAL CAMSHAFTS PRODUCED

1
NEW PRODUCT LAUNCHED

CORPORATE IDENTITY

Built to last

OUR ETHOS

OUR MISSION

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

OUR VISION

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

OUR VALUES

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

Precision Camshafts Limited ('PCL' or 'We') is a prominent global manufacturer of all types of camshafts under one roof.

Since our inception in 1992, we have emerged as the top contender in camshaft manufacturing, earning a distinguished status in the market as a paragon of excellence. Our unwavering adherence to our guiding principles allowed us to maintain our position as a trailblazer in the industry, consistently producing top-notch camshafts and solidifying our reputation.

PCL's roots are firmly anchored in Solapur, Maharashtra, with two plants, four foundries, and four machine shops, along with two additional plants situated in Nashik (India). Furthermore, we have expanded our footprint to Europe, demonstrating our commitment to serving a diverse clientele worldwide, with a plant based in Cunewalde (Germany) and another in Oosterhout (Netherlands). Currently, our esteemed customer base spans 17 countries, serving as a testament to our steadfast dedication to providing exceptional products.

Our unparalleled expertise dwells within our skill to offer a comprehensive range of camshafts under one roof, setting us apart as the sole provider of a unique and diverse product line across the globe. We manufacture an array of camshaft types, including chilled cast iron, ductile iron, hybrid, and assembled. Additionally, we are also a key supplier of critical injector components, balancer shafts, and specialty prismatic parts, in addition to complete electric drivelines, serving leading Original Equipment Manufacturers (OEMs) and customers worldwide.

OUR DNA

The Precision DNA is 'F.I.I.E.R.C.E' which stands for Forward-looking – Ingenious - Indomitable – Excellence - Result oriented – Competence – Energy.

Forward-Looking

Future-ready team with a progressive business approach

Ingenious

Solution-oriented, innovative, and resourceful problem solving

Indomitable

Raising the benchmark with a never say die attitude

Excellence

Constantly striving towards perfection

Result Oriented

Keen attention to detail with sharp focus on the finish line

Competence

Process-driven company with strong technical & manufacturing expertise

Energy

High level of enthusiasm and restless for challenges

We are a future-ready team with a progressive business approach providing solutions, raising benchmarks, constantly striving towards perfection with keen attention on timelines, backed with strong technical and manufacturing expertise boost with high level of enthusiasm.

25+
YEARS OF EXPERIENCE IN AUTOMOTIVE INDUSTRY

45+
CUSTOMERS ACROSS THE GLOBE

300+
ENGINEERS WITH EXTENSIVE PRODUCTION EXPERIENCE

150+
VARIANTS OF CAMSHAFTS, MAJORLY CATERING TO PASSENGER VEHICLES

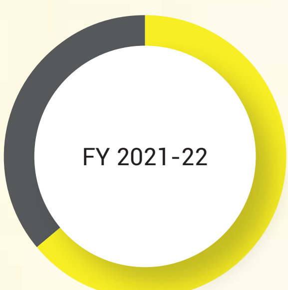
8 Facilities
INCLUDING **FOUR** FOUNDRIES AND **FOUR** MACHINE SHOPS IN SOLAPUR, MAHARASHTRA

~10
YEARS OF STRONG RELATION-SHIPS WITH OEMS

PERFORMANCE

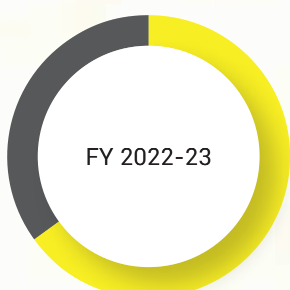
Volume Contribution

(in %)



MACHINE CAMSHAFTS
64

CAMSHAFTS CASTING
36

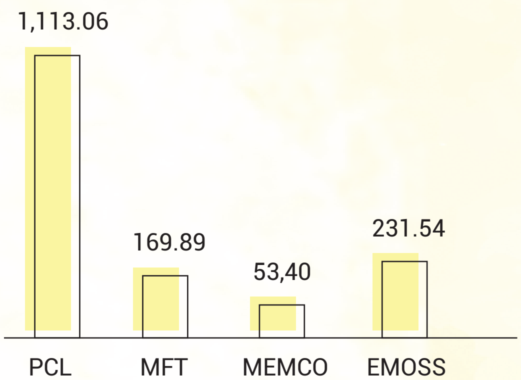


MACHINE CAMSHAFTS
65

CAMSHAFTS CASTING
35

Consolidated Revenue Contribution in FY 2022-23

(₹ In Crores)



PRESENCE

Geographic spread

We have successfully established a strong foothold in key markets worldwide, leveraging our expertise and resources to cater to our customers in different regions.

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

CUSTOMERS

Strong portfolio of clients

AUTOMOTIVE

COMMON

COMMON

E-MOBILITY

TRANSPORTATION (PRIVATE SECTOR)

ROAD SWEEPER (PUBLIC SECTOR)

WASTE MANAGEMENT

FIRE TRUCK (OEM)

JOURNEY

Progress across decades

- **1992** – Incorporated PCL
- **1997** – PE Investment – CDC
- **1999** – Entered into a JV in India with G Clancey Limited, UK
- **2006** – Acquired 51% Stake of G Clancey Limited in the JV
- **2008** – PE Investment – TATA Capital
- **2011** – Incorporated PCL (Shanghai) Company Limited
- **2012 & 2013** – Entered a JV in China with SLPCL & PCLSL
- **2016** – Launched IPO and got Listed on BSE and NSE

2017

Acquired 95% of Equity in MEMCO

2018

- Acquired 76% Stake – MFT
- Acquired 51% Stake – EMOSS

2019

- Acquired Balance 5% Equity – MEMCO
- Disinvested from JVs in China – SLPCL & PCLSL

2020

- Acquired Balance 49% stake – EMOSS
- Acquired Balance 24% stake – MFT

2021

- Developed India's first Retrofitted Electric Mid-size Bus – Oranje Tiger
- MOU with Solapur Municipal Corporation and Other Private Companies for Electric LCV
- Expansion of EMOSS BV in to Additional 2nd plant

2022

- Started development of retrofitted eLCV
- Diversification of product portfolio at PCL (other than Camshafts)

2023

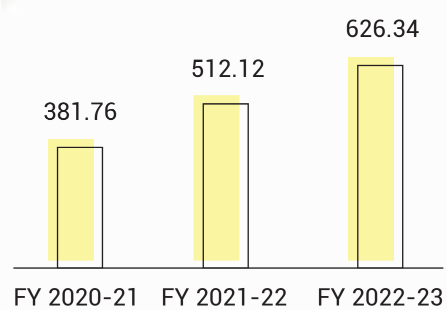
- MOU with prospective customers for eLCV
- Achieved a remarkable milestone, surpassing a turnover of ₹ 1,000 Crores by the Precision Group

KEY PERFORMANCE INDICATORS

Robust performance across years

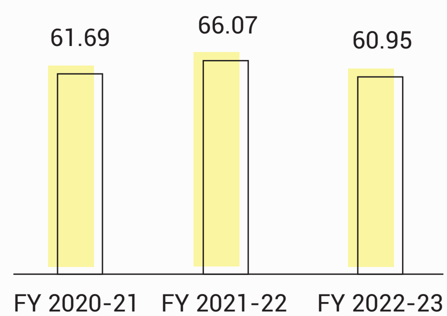
Revenue

(₹ In Crores)



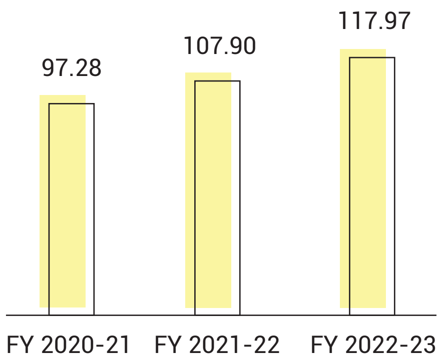
PAT

(₹ In Crores)



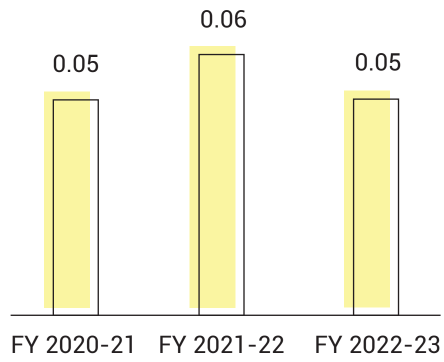
EBIDTA

(₹ In Crores)



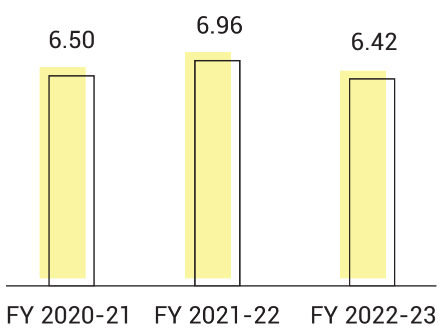
Debt to Equity Ratio

(X)



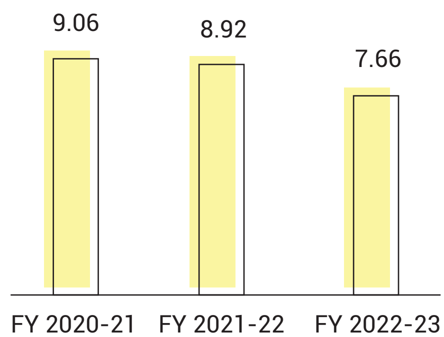
EPS

(₹)



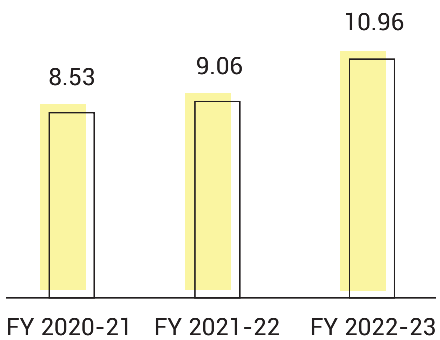
ROE

(%)



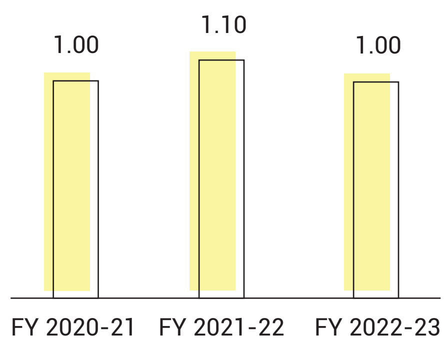
ROCE

(%)



Dividend Per Share

(₹)



CHAIRMAN & MANAGING DIRECTOR'S COMMUNIQUE

Sustainability begins with strong roots

> We are actively focused on developing an electric powertrain tailored for sub-four-ton LCVs, targeting the thriving Indian market. With over 2 million LCVs currently operating in India, and an annual addition of 5,00,000 vehicles, our efforts are poised to help us yield significant growth and enhance our market standing.

Dear Esteemed Shareholders,

I am delighted to share with you the Annual Report for FY 2022-23, underlining the progress and performance of the Precision Group. With great pleasure, I announce that the Precision Group has achieved a remarkable milestone, surpassing a turnover of ₹ 1,000 Crores during the FY 2022-23. We are committed to deliver sustained growth and success in the times ahead.

Operating Landscape

The FY 2022-23 posed significant challenges for the global economy, marked by geopolitical unrest and the ongoing effects of the pandemic, causing inflationary pressures worldwide. Central banks around the globe promptly implemented tighter monetary policies and rolled back the accommodation measures introduced during the pandemic. Despite signs of improvement in economic condition, the recovery witnessed was slower than anticipated. Towards the conclusion of the FY 2022-23, there were instances of banking instability, including the failure of several US banks and UBS's acquisition of Credit Suisse. But even with these challenges, India showcased remarkable resilience due to proactive government measures and regulatory foresight. As a result, India retained its position as one of the fastest-growing major economies, a distinction achieved during previous crises. With a commendable GDP growth rate of 7.2% in FY 2022-23, India once again solidified its position as the 'bright spot' in the global economy.

Industry Development

The global automotive industry has witnessed many ups and downs in the past two years. During the year under review, India's automotive industry registered encouraging growth with robust demand across automobile categories. This growth can be attributed to the introduction of new models and a shift in consumer preferences towards premium vehicles. According to the latest forecast by S&P Global Mobility, global new light vehicle sales are projected to reach nearly 83.6 million units in FY 2023, reflecting a 5.6% year-on-year increase. This forecast underscores a promising outlook for the automotive industry. As a company, we maintain a committed to and positive about playing an active role in India's growth narrative.

Company and Segment Overview

The Precision Group currently operates with 14 plants in 3 countries, catering to more than 50 renowned global customers and manufacturing over 15 diverse products for various industries, with a primary focus on automotive. With a global workforce of over 2,500 employees, we have consistently achieved a year-on-year growth of 22% despite the uncertain business environment. We have actively pursued developing, validating, and supplying new components and materials, expanding beyond camshafts to serve customers who are not dependent on internal combustion engines (ICE) and are agnostic towards power trains. To ensure future preparedness, we have formed a dedicated team focused on diversifying our product portfolio and expanding our customer base. By successfully expanding our camshaft business with existing customers and acquiring new camshaft customers, we continue to strengthen our client base, positioning ourselves for sustained growth in future. Addition to this, during the year, we have received two prestigious awards from Toyota for Zero Defect Supplies and Best Quality Supplier of the Year 2022.

Segmental Review

MEMCO, Nashik: MEMCO, Nashik, registered growth in total income compared to the previous year. Thus recording a total income of ₹ 53.4 Crores in FY 2022-23 compared to ₹ 51 Crores in FY 2021-22. The company is focused on adding new business from existing and new customers in the future.

MFT, Germany: MMT, Germany, also experienced growth in total income compared to the previous year, clocking in a total income of ₹ 171 Crores in FY 2022-23 compared to ₹ 162 Crores in FY 2021-22. MFT has managed to stabilise its business amidst the challenging environment. However, anticipated challenges lie ahead, particularly related to ongoing European conditions.

I am pleased to share that MFT has recently secured its first non-automotive business opportunity, including machining aluminium components for a prominent global manufacturer. The MFT team is dedicated to expanding its product portfolio by incorporating new non-engine components.

EMOSS, Netherlands: EMOSS, Netherlands, witnessed a rise in total income compared to the previous year, achieving a total income of ₹ 231.5 Crores in FY 2022-23, in contrast to ₹ 174 Crores in FY 2021-22. As the company gradually recovers from the supply chain disruption, efforts will be made to compensate for the revenue shortfall in the upcoming quarters. However, the company's order book for the next two to three years looks positive.

Financial Outcome in FY 2022-23

We achieved our highest-ever revenue from operations, reaching ₹ 1,113 Crores in FY 2022-23, representing a growth of 21.8%. The EBITDA for FY 2022-23 was ₹ 117.97 Crores, compared to ₹ 107.90 Crores in FY 2021-22, reflecting a growth of 9.33%. PAT was recorded at ₹ 60.95 Crores in FY 2022-23, compared to ₹ 66.07 Crores in FY 2021-22 a degrowth of 8%. In terms of exports, total exports accounted for 55% of the year's sales, while the remaining balance constituted domestic sales. We are optimistic and taking strategic actions to further strengthen our topline as well as bottomline, going ahead.

Eclectic Mobility

In line with the progress of e-mobility in India, we are actively focused on developing an electric powertrain tailored for sub-four-ton LCVs, targeting the thriving Indian market. With over 2 million LCVs currently operating in India, and an annual addition of 5,00,000 vehicles, our efforts are poised to help us yield significant growth and enhance our market standing. With a strong emphasis on delivering superior quality and reliability, we are dedicated to ensuring cost competitiveness through extensive localisation efforts, enabling effective market penetration in India.

We are in the process of establishing our first EV plant in Solapur – a significant milestone in the history of our Company. Our positive interactions with the state and city officials and private corporations have instilled great confidence in our E-mobility offerings in India. We are forging multiple supplier and customer partnerships in India, and we anticipate these collaborations will play a vital role in the swift development and implementation and furthering of our E-mobility initiatives. While we anticipate continued growth in our Indian operations over the next three to four years, we are also actively directing our attention towards the European market, which presents steady demand and promising order prospects.

Strong Roots. Stronger Tomorrow.

Backed by our strong foundation, we are confident about maintaining our market share in the camshaft business. A testament to our innovative approach is the recent order from an Indian original equipment manufacturer (OEM) for manufacturing technology-driven assembled camshafts, representing a unique offering in the Indian market. Further, we have notably progressed in the electric vehicle (EV) sector, starting with acquisition of EMOSS in 2017 and currently possess the necessary capabilities to meet future demands. With our focus on emerging and developing markets, we are well-prepared for electrification, aligning our EV business in India and Europe. Committed to the Make-in-India initiative, we are actively strengthening our supply chain to ensure timely delivery of electric commercial vehicles (ELCVs) within the next 5-6 years. Leveraging our strengths and demonstrating adaptability in the face of a resilient operating environment, our Company is optimally positioned to embrace the promising future.

Our People

We are committed to providing our employees with a safe and healthy work environment. We prioritise the development of our employees and hence invest in various training programmes, mentorship, and performance evaluations, fostering career growth and skill enhancement. Our focus is on employee engagement through team-building activities and recognition programmes and promoting a culture of diversity and inclusion, ensuring equal opportunities and a safe workplace environment. For us, safety is essential and we ensure adhering to stringent occupational health and safety regulations while providing appropriate training and maintaining robust safety protocols. Through these initiatives, we demonstrate our dedication to the well-being and professional advancement of our valued employees.

Committed Towards Sustainability

PCL understands and recognises the importance of safeguarding the environment. To this end, we have implemented a significant initiative to install a solar project and commission a 15 MW plant. This plant is estimated to supply nearly 50% of our energy consumption. We have also established our treatment plants and implemented in-house water treatment activities to recycle water. Additionally, we have created green covers across our facilities. In terms of CSR work, we have actively undertaken educational and healthcare activities for the betterment of the communities we operate within. We are dedicated to nurturing sustainable communities and fostering a future prioritising the environment.

Looking Forward

For the past three decades, Precision Camshafts has been known for our Company's excellence in quality, competitiveness, and customer focus. This has helped us earn global recognition as a leading manufacturer of camshafts for passenger cars. We hold over 70% market share for passenger vehicle camshafts in the Indian market alone. As we progress, we aspire to seize emerging opportunities in the industry and venture into electric vehicles.

I would like to express my deepest gratitude to my esteemed fellow Board members for their constant encouragement and support. Without them, our accomplishments would not have been possible. I sincerely appreciate our exceptional management team, dedicated staff, and reliable suppliers for their commitment and tireless efforts. Above all, I wish to extend my profound gratefulness to our stakeholders, whose undeterred belief, consistent trust, and invaluable contributions have taken us to new heights. I humbly urge them to continue supporting us and be part of our journey ahead.

Yours sincerely,

Yatin S. Shah
Chairman & Managing Director

OPERATING ENVIRONMENT

Navigating through an evolving landscape

1 ECONOMIC CONDITIONS

2 GOVERNMENT POLICIES

3 TRENDS & OPPORTUNITIES

4 CONTRIBUTING TO INDIA'S e-LCV DEVELOPMENT

ECONOMIC CONDITIONS 1

Emerging from the geopolitical turmoil, India has demonstrated remarkable resilience in FY 2022-23, by registering a growth rate of over 7%. In December 2022, India achieved a significant milestone by becoming the world's third-largest automobile market, surpassing Japan, and Germany in terms of sales. This development has not only boosted the country's overall economic landscape, but also augured well for the Indian camshaft industry. With increased support and a favourable business climate, we are poised to soar to new heights and achieve unprecedented success.

Our Efforts

At PCL, we have remained resilient and consistently worked on strategies that do not adversely affect our finances. Besides, our Company is continuously working on the electrification of the vehicles, and with our advanced R&D capabilities, we are well-positioned to cater to evolving customer preferences and emerging demand.

GOVERNMENT POLICIES

2

The Indian Government actively promotes foreign investment in the automobile sector and has permitted 100% FDI for the same under the automatic route.

BATTERY SWAPPING POLICY

The Government has implemented a battery-swapping policy that facilitates the swapping of depleted batteries for charged ones at designated charging stations, rendering electric vehicles a more feasible option for potential buyers

PRODUCTION LINKED INCENTIVE SCHEME (PLI)

As per the Ministry of Heavy Industries, the PLI Scheme introduced for the automotive and auto components sector has garnered impressive, proposed investments worth ₹ 67,690 Crores.

MAKE IN INDIA 2.0

The Make in India 2.0 initiative was launched with the aim of enabling investment, promoting innovation, and constructing state-of-the-art manufacturing infrastructure across various sectors, including the automotive industry. The inclusion of the automotive sector in this programme has led to a surge in demand for the Indian camshaft industry.

AUTOMOTIVE MISSION PLAN

The Automotive Mission Plan 2016-26 (AMP 2026) represents a joint vision of the Government of India and the Indian Automotive Industry for the future of vehicles, auto components, and the tractor industry in the upcoming decade. This comprehensive plan outlines a roadmap for the industries' growth pertaining to size, contribution to India's development, global presence, technological advancements, competitiveness, and institutional capabilities.

Our Efforts

Our Company, PCL, has built our infrastructure considering Government's regulations, installed cutting-edge machinery, and embedded technological capabilities to produce best-in-class camshafts for our customers.

TRENDS & OPPORTUNITIES

3

RISE OF DIGITAL SALES AND DEALERSHIP AGENCY MODEL

In today's era, customers have an increasing preference for transparency and convenience when it comes to purchasing a vehicle. In response to this trend, original equipment manufacturers (OEMs) are recognising the importance of digital platforms as a crucial sales channel. Certain OEMs have already made a successful shift from the traditional dealer-led sales model to an agency model, while others are exploring a hybrid model that blends elements of both approaches.

ALTERNATE MOBILITY AND OWNERSHIP

With the transition of work culture towards a more blended model and the consistent evolution of consumer preferences, the automotive sector is experiencing a surge in demand for vehicle leasing, subscription-based ownership, and innovative modes of mobility, such as ride-hailing and sharing.

FOCUS ON CUSTOMER EXPERIENCE AND QUALITY

Today's consumer demands a seamless and hassle-free experience throughout their automotive journey, from purchase to after-sales services. As a result, there has been a growing emphasis on enhancing the customer experience from OEMs, understanding its crucial importance in sustaining industry growth.

Our Efforts

With our robust R&D capabilities, we are continuously navigating trends. Our Company incorporates the latest inclinations into our camshafts and retrofitting kits efficiently, which adds value to our customers.

CONTRIBUTING TO INDIA'S e-LCV DEVELOPMENT

4

At PCL & EMOSS, we are committed to accomplishing the objective of electrification in an environmentally friendly manner. This is done by revitalising diesel commercial vehicles, giving them a new 'electric life', a process that we refer to as 're-powering.' Our Company's primary focus is on converting current internal combustion engine (ICE) automobiles into fully electric vehicles (EVs) before advancing towards becoming an OEM ourselves.

Following extensive research and data collection from potential customers in India, we have identified an Indian-made LCV with significant potential. Collaborating with the local team, the EV team in the Netherlands took the responsibility of converting a prototype vehicle to an electric vehicle. In a quick turnaround, they have successfully developed an electric LCV that is now ready for testing and demonstration in India.

Simultaneously, the team is on the verge of achieving complete localisation of the electric powertrain. This accomplishment supports the Make in India initiative, while also ensuring compatibility with Indian driving conditions and meeting commercial expectations.

Our Efforts

We have started with our first customer clinics who showed early confidence in signing MoUs with us. We will continue to hold these events at the end of 2023, by which we expect to have our fully certified Indian-made electric vehicle ready for commercial sales.

INVESTMENT CASE

Strengthening our value proposition

INDUSTRY OPPORTUNITIES

India is poised for strong growth in the future owing to an upswing middle-income consumption and a rising youth population.

9%

THE INDIAN PASSENGER CAR MARKET WAS VALUED AT USD 32.70 BILLION IN 2021, AND IT IS ANTICIPATED TO GROW TO USD 54.84 BILLION BY 2027, WITH AN UPTICK OF OVER 9% CAGR BETWEEN FY 2022-27.

₹ 50,000 Crores

THE ELECTRIC VEHICLE (EV) MARKET IS ESTIMATED TO REACH ₹ 50,000 CRORES (USD 7.09 BILLION) IN INDIA BY 2025.

MARKET LEADER IN CAMSHAFT MANUFACTURING INDUSTRY

Precision Camshafts has been a prominent leader in the camshaft manufacturing industry in India and internationally.

~70%

MARKET SHARE IN INDIA'S CAMSHAFT INDUSTRY

~9%

MARKET SHARE IN THE GLOBAL CAMSHAFT INDUSTRY

R&D AND TECHNOLOGY STEWARDSHIP

Our dedicated R&D team is navigating the recent trends in camshafts and electrification. They are developing cutting-edge products, enabling us to evolve and offer value-added components to meet the ever-changing industry landscape.

ROBUST FINANCIAL PROFILE

Our well-positioned, optimal financial structure enables us to pursue our ambitious growth targets. At PCL, our ability to maintain healthy cash and bank balances helps us achieve operational and strategic objectives.

COMMITMENT TO SHAREHOLDERS' RETURNS

Our commitment to enriching our shareholders is evident through our track record of consistent financial performance. This stability serves as a concrete validation of our well-defined business strategies, operational efficiency, and flexibility in embracing shifting market conditions.

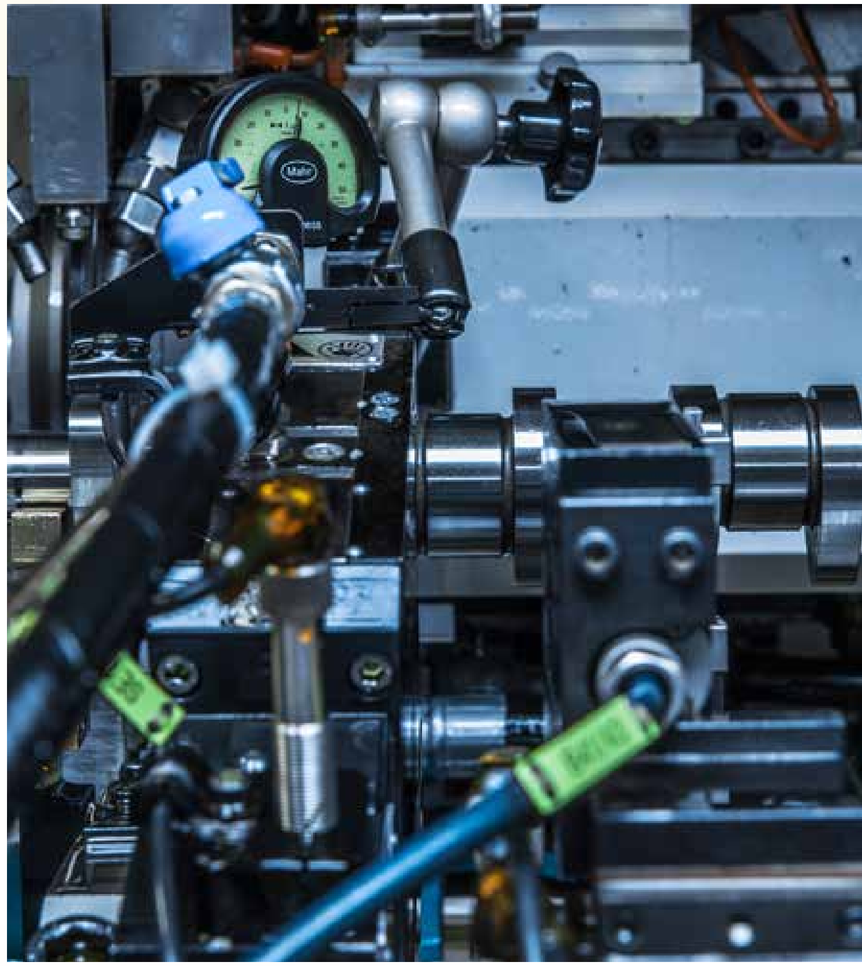
STRONG LEADERSHIP AND INDEPENDENT BOARD

6

INDEPENDENT DIRECTORS

80 Years +

CUMULATIVE EXPERIENCE OF LEADERSHIP TEAM



STAKEHOLDER ENGAGEMENT

Managing our relationships

We interact with our stakeholders consistently to identify and address issues that have a significant impact on our ability to create long-term value. Stakeholder engagement is a crucial element of our innovation journey, as it guides the design of products, services, and solutions with substantial growth potential.

CUSTOMERS

WHY THEY ARE IMPORTANT	KEY CONCERNS AND EXPECTATIONS	APPROACH OF ENGAGEMENT	FREQUENCY OF COMMUNICATION
Biggest supporters of our company	› Cost-competitive solution › Wide array of product portfolio › Enhanced customer satisfactions and repeat orders › Cost and delivery with zero field failures › Embracing new technologies and materials › Localisation	› Various physical and digital platforms › Information of PCL products › Complaint-handling and feedback system	› Need-based › Ongoing

SHAREHOLDERS

WHY THEY ARE IMPORTANT	KEY CONCERNS AND EXPECTATIONS	APPROACH OF ENGAGEMENT	FREQUENCY OF COMMUNICATION
Provide financial capital to our company	› Information on our Company's Performance › Our Company's Financial Health, Growth and Performance › Dividend Payments	› Annual general meetings › Quarterly investor presentation › Investor and analyst call and meets › Press releases	› Annually › Quarterly › Need-based › Ongoing

SUPPLIERS

WHY THEY ARE IMPORTANT	KEY CONCERNS AND EXPECTATIONS	APPROACH OF ENGAGEMENT	FREQUENCY OF COMMUNICATION
On time delivery of quality raw material depends on them	› transparency in business operations › Long-term partnerships with focus on quality › Material and services › Regular supply and timely delivery	› Suppliers meet › Face to face meetings › Conference, events, and workshops › Digital communication	› Need-based › Ongoing

WHY THEY ARE IMPORTANT	KEY CONCERNS AND EXPECTATIONS	APPROACH OF ENGAGEMENT	FREQUENCY OF COMMUNICATION

EMPLOYEES

WHY THEY ARE IMPORTANT	KEY CONCERNS AND EXPECTATIONS	APPROACH OF ENGAGEMENT	FREQUENCY OF COMMUNICATION
Core of operations, innovations, and design; productivity of our company depends on their knowledge and experience	Strong employee development programmes Training & development Performance evaluation, recognition Health and safe work environment	Flexible working hours Performance reviews Employee feedback Wellness and safety programmes	Need-based Ongoing

COMMUNITY

WHY THEY ARE IMPORTANT	KEY CONCERNS AND EXPECTATIONS	APPROACH OF ENGAGEMENT	FREQUENCY OF COMMUNICATION
Important for operation of social license	Serving the underserved segment Taking healthcare and education initiative Resolving social issues Community investment Environment preservation	Employee volunteering Organise medical or health camps Community development programmes Blood donation camps	Need-based Ongoing

GOVERNMENT

WHY THEY ARE IMPORTANT	KEY CONCERNS AND EXPECTATIONS	APPROACH OF ENGAGEMENT	FREQUENCY OF COMMUNICATION
Important for smooth running of business.	Compliance with laws and regulations Business ethics Collaborations Resolving all litigations and issues Effective governance Regular tax payments	E-mail and postal communications Regulatory reporting practices Industry platforms and meetings	Annually Need-based

ESG RESPONSIBILITY

Committed to sustainable operations

We are firmly dedicated to making a positive impact that leads to a more promising future. As a conscientious organisation, we give utmost importance to sustainability, uphold ethical values, empower our workforce, and demonstrate social responsibility. By doing so, we fulfil our obligation towards ESG initiatives with meticulous precision.

Our commitment to the environment is reflected in our operations, where we prioritise environmental initiatives and proactively work to reduce our carbon footprint. At PCL, we have established culture that promotes safety and well-being for our employees. Furthermore, we believe in contributing to our community through various initiatives, such as supporting education and healthcare, addressing social issues, and fostering art and culture.

ENVIRONMENTAL STEWARDSHIP

We prioritise environmental sustainability throughout our business operations, actively implementing strategies to minimise resource consumption, optimise resource utilisation, and reduce emissions. Our commitment to a cleaner and greener planet is evident through significant investments in environmental sustainability, which play a crucial role in our manufacturing processes.

We have dedicated ourselves to enhancing the efficiency of our processes and advancing our energy management practices in order to achieve our environmental sustainability goals. We continuously strive to increase the utilisation of renewable energy sources and strictly adhere to environmental regulations to protect and preserve the environment for future.

SDGs Impacted

GHG EMISSIONS – SCOPE 1, 2 & 3

Emission management is a significant focus for PCL, considering it a key aspect of the business. While achieving year-on-year energy reductions and CO_2 emissions savings has proven challenging, PCL has identified increased efficiency and fuel use changes as the primary areas for improvement in the future. We are planning to install new technologies to identify potential savings and explore innovative approaches to meet their emission reduction goals. PCL's sustainability vision and ongoing efforts have already resulted in a significant reduction in emissions, with a target of a 7% reduction in scope 1 and 2 emissions by 2030. We are actively planning for the implementation of renewable energy sources at their sites. Additionally, PCL is in the process of developing a GHG Management System, currently measuring scope 1, scope 2 (location-based), and scope 3 emissions, which includes factors like paper consumption, food waste, and employee transport.

87,712.71 Mt Co_2e

TOTAL GHG EMISSION

WATER AND ENERGY MANAGEMENT

Water is a vital aspect of the company's operations, serving various purposes such as domestic use and industrial processes like manufacturing, cooling, and cleaning. PCL is dedicated to promoting sustainable water usage within its facilities, focusing on efficient utilisation at both the process and domestic levels. Groundwater is the primary water source for PCL, and they continuously monitor and analyse water consumption to understand usage patterns and enhance their water management framework. Energy efficiency is another crucial concern for PCL, and the company strive to reduce energy consumption by 5% through the implementation of innovative technologies, energy conservation, and efficient project development. By adopting measures to reduce specific energy consumption, PCL aims to achieve its sustainability goals and targets.

66,099 m^3
WATER CONSUMPTION

9,70,93,018 kWh
REDUCTION IN ELECTRICITY CONSUMPTION

1,736 KL
REDUCTION IN WATER CONSUMPTION

USAGE OF RENEWABLE SOURCES OF ENERGY

Precision Camshafts is actively committed to using renewable energy sources and minimising energy consumption in its operations to ensure sustainable electricity usage for future generations. To fulfil this commitment, the company recently completed the installation of a 15MW solar power plant at its Faridabad facility in India. This solar power plant is expected to generate sufficient electricity to meet the facility's entire energy needs, while any surplus power will be supplied to the grid. This installation marks a significant milestone in Precision Camshafts' efforts to reduce carbon emissions by 20% before 2025. Besides contributing to environmental sustainability, the solar power plant is also projected to deliver cost savings, showcasing the mutually beneficial impact of this initiative on both Precision Camshafts and the environment.

36,000
INSTALLED SOLAR PANELS

22 million units
EXPECTED ELECTRICITY GENERATION

20%
REDUCED CARBON EMISSIONS BY 2025

WASTE MANAGEMENT

PCL recognises the importance of waste management and has implemented a robust framework to address sustainability challenges. Waste reduction is a significant focus for PCL. It conducts its material use and manufacturing processes with a conscious effort to minimise waste Going beyond compliance, they adhere to the principles of Reduce, Reuse, and Recycle to ensure effective waste management. The waste generated by their facilities adheres to local, regional, and national regulations. PCL's waste management strategy involves collection, segregation, management, and disposal. We have an in-house sewage treatment plant (STP) to treat wastewater, and the resulting biological and chemical sludge is utilised as fertiliser in gardening.

2,658.652 MT
SCRAP WASTE

358.596 MT
PAPER AND CARDBOARD WASTE

26.40%
REDUCTION IN E-WASTE DISPOSAL

EFFLUENT MANAGEMENT

Effluent management is a crucial component of PCL's waste management strategy, as the company strive to be a water-positive company. Our focus is on minimising effluents and maximising recycling and reusing practices within their facilities. Through continuous monitoring and review, PCL identifies and addresses gaps in their effluent management system. We have implemented an effluent treatment plant to handle the effluents generated, significantly reducing their impact on nearby water resources. In addition, an in-house sewage treatment plant is utilised to treat wastewater, and the resulting biological and chemical sludge is disposed of through landfilling. PCL also emphasises the recycling of domestic water by installing a sewage treatment plant at their manufacturing facility. The treated water is recycled and reused for purposes such as toilet flushing and gardening. More than 10% of the water used for gardening at PCL is sourced from their Effluent Treatment Plant.

140 CMD (m^3 per day)
COMBINED CAPACITY OF STP PLANT

18,989 m3
TREATED DOMESTIC EFFLUENT IN FY 2022-23

SOCIAL COMMITMENTS

Precision Camshafts is dedicated to fostering holistic growth and cultivating strong engagement with its employees and the community. The company firmly believes in inclusive growth and remains steadfast in upholding this core value in all aspects of its business operations.

SDGs Impacted

PEOPLE

Precision Camshafts prioritises fostering unity and enthusiasm among its employees as they work together towards achieving organisational goals. The company recognises that its employees are fundamental to its strategic thinking and are the driving force behind future growth. In order to create a supportive work environment, Precision Camshafts integrates employee engagement initiatives into their human resource management process, recognising the importance of actively involving and empowering their workforce.

Employee Diversity

PCL recognises the significance of employment as a key aspect of their business operations, and the company have established a robust framework to create and nurture an inspiring workplace with expertise from diverse fields. We prioritise attracting, developing, and retaining top talent in the industry, upholding values of trust, integrity, and respect. PCL's employment agenda offers ambitious growth plans, unmatched career opportunities, and comprehensive training and development programs to foster a workforce of passionate and well-rounded individuals. We are committed to developing a diverse and inclusive workforce, integrating diversity and inclusion into their employment processes and valuing meritocracy, fairness, and ethics in their people management strategy. PCL ensures equal opportunities for all employees, regardless of nationality, race, caste, gender, gender identity/expression, physical ability, religion, color, sexual orientation, disability, age, or marital status. We continuously implement initiatives to enhance the diversity and inclusion framework, striving to create an inclusive work environment.

1,320
TOTAL NUMBER OF EMPLOYEES

1,070
PERMANENT EMPLOYEES

250
OTHER THAN PERMANENT EMPLOYEES

23:32
MALE TO FEMALE RATIO

Employee Training and Development

We highly value training and development as crucial factors in improving the skills of our team members. Our focus is on promoting growth and increasing productivity by providing comprehensive training programs that cater to both organisational requirements and individual developmental needs. Supervisors play a vital role in overseeing the training calendar and facilitating various training initiatives, including capability building, competency development, and skill enhancement. Through structured career discussions and individual development plans, we have established a robust training framework that addresses the full spectrum of training requirements for our employees.

5,311
TOTAL HOURS OF TRAINING

Ethics and Human Rights

At the core of our values lies a deep commitment to ethics and human rights. We understand the importance of upholding human rights and treating individuals with dignity and respect. To safeguard the rights of our employees, we have implemented comprehensive policies, procedures, and control mechanisms throughout our operations, establishing robust frameworks for ethics management. As an organisation, we strongly condemn child labor, forced labor, and any form of compulsory labor. We have developed stringent policies and frameworks to proactively identify and eradicate any potential threats, enabling us to build a business founded on strong ethical principles.

Health and Safety

Occupational Health and Safety is a fundamental pillar of our business philosophy. We prioritise safety as a top priority and have implemented measures to ensure a secure and healthy work environment for all individuals within our premises. Our robust safety framework is designed to prevent incidents and maintain a high level of safety throughout the workplace. It involves ongoing monitoring, analysis, documentation, and review of safety conditions in all operational areas to identify and address potential risks effectively.

COMMUNITY

Being a responsible organisation, PCL recognises the significance of engaging in CSR (Corporate Social Responsibility) initiatives to enhance the well-being of our communities. Giving back to the communities is an integral aspect of our business strategy. We consistently align our community development programs with the United Nations Sustainable Development Goals to ensure meaningful impact. Through comprehensive scoping and needs assessments conducted in priority plant locations, we identify and prioritise the specific needs of the communities. Based on these findings, we establish effective implementation frameworks to initiate and carry out CSR activities.

Our CSR Intervention areas include activities pertaining to Healthcare, Education, Sustainability and Social.

₹ 1,55,69,473
TOTAL INVESTMENT IN CSR PROJECTS

24,701
TOTAL BENEFICIARIES IMPACTED THROUGH CSR PROJECTS

Healthcare

- PCL has provided Financial Assistance to Family Planning Association of India (FPAI) for conducting CSE (Comprehensive Sexuality Education) program in schools
- PCL has provided medicine supply for ART PLUS, Solapur center
- PCL has provided RO Plant for Hemodialysis Machines for Railway Hospital, Solapur
- The Company has sponsored the Aarogya Jagar weekly programme on Solapur Akashwani Kendra
- PCL has provided Hemodialysis Machines for Railway Hospital, Solapur

₹ 22,67,170
TOTAL SPEND ON HEALTHCARE

7,492
TOTAL BENEFICIARIES IMPACTED

Education

- PCL, in collaboration with BC Girl's hostel, sponsored Nursing & OT Assistant courses for economically disadvantaged girls
- PCL contributed towards the maintenance and improvement of Sonamata High School in Ramwadi, Solapur
- PCL has made a contribution to Seva Sahayog Foundation, an NGO working for the development and welfare of the underprivileged sections of society
- PCL, in association with Steam Learning, established Mini Science Centres in five schools, valued
- As part of the Password Campaign, PCL collaborated with Unique Features in Pune, providing support
- The Company has provided financial assistance for the education of the daughter of a demised ex-employee
- The Company has provided benches to Jawahar Vidyalay, Andur, Osmanabad
- The Company has provided financial assistance to Seva Sahyog Foundation- Vidyarthi Vikas Yojana, Mumbai, who has been working for the development and welfare of the underprivileged sections of society
- The Company has provided E Learning Kit for new 11 School Classrooms

₹ 65,71,872
TOTAL SPEND ON EDUCATION

14,737
TOTAL BENEFICIARIES IMPACTED

Sustainability

- PCL has installed roof top solar power plant at Vivekananda Kendra Training Institute for Excellence
- PCL has conducted tree plantation at Mahesh Nagar, Solapur
- PCL, in association with Bhagirath gram vikas sanstha, established a Goat Farming and Artificial Insemination Center in Zarap
- The Company has given donations to Bhagirath Gramvikas Pratishthan, which is undertaking projects for demonstrative biogas and training in villages

₹ 19,11,960
TOTAL SPEND ON SUSTAINABILITY

414
TOTAL BENEFICIARIES IMPACTED

Social Issues

- PCL has contributed towards the development of the Modi Smashan Bhoomi and at Karegoan, Solapur
- Hunger eradication initiatives were supported by PCL, including contributions to Paradhi Vikas Pratishthan, Mohol, and Sanskar Sanjivani
- In collaboration with V Excell School, PCL established the V-Excell School for special children
- PCL supported women empowerment and self-employment training programs in association with Mata Balak Utkarsh Pratishthan
- PCL has honored two NGO's with Precision Social Recognition Awards and has given a contribution to Jan – Adhar Sevabhavi Sanstha and Vatsalya Samajik Sanstha
- The Company has given donation to Mata Balak Utkarsh Pratishthan, Sangola – which is non-government organization working for transformation in rural society for women empowerment
- PCL has provided infrastructure support to Ajit Foundation an organization working on empowering the underprivileged section of our society
- PCL has provided Chaddar / Bedshits / Pillow covers for Lok Biradari Prakalp, Hemalkasa in Vidarbha region of Maharashtra
- PCL has provided Roti Making Machine, Utensils and RO plant to Solapur Jail

₹ 48,18,471

TOTAL SPEND ON SOCIAL ISSUES

2,058

TOTAL BENEFICIARIES IMPACTED

BOARD OF DIRECTORS DRIVING GOOD GOVERNANCE

MR. YATIN SHAH
Chairman & Managing Director

DR. SUHASINI SHAH
Non-Executive Director, PCL/
Chairperson, Precision Foundation

MR. RAVINDRA JOSHI
Whole-time Director and Group CFO

MR. KARAN SHAH
Whole-time Director
Business Development

MR. SARVESH JOSHI
Independent Director

MRS. SAVANI LADDHA
Independent Director

MR. AMEET DRAVID
Independent Director

MS. APURVA JOSHI
Independent Director

MR. SUHAS AHIRRAO
Independent Director

MRS. ANAGHA ANASINGARAJU
Independent Director

MANAGEMENT TEAM

MR. RAJKUMAR KASHID
GM – Human Resources

MR. VIPLAV ROY
DGM – Projects and Machine Shop

MR. DEEPAK KULKARNI
AGM – Projects

MS. AAROHI DEOSTHALI
AGM – Accounts

MR. OLIVER HELDT
Managing Director – MFT

MR. ANANTKUMAR MALEKAR
CFO-Emoss

MR. MARTIJN WILLEMS
CEO-Emoss

MR. PATRIK HEUTS
Chief CTO-Emoss

JACOB VAN RIJSWIJK
CSO-Emoss

HONOURS EMBRACED

TATA MOTORS (PVBU)
SUSTAINABILITY EXCELLENCE AWARD
FOR THE YEAR 2021-22

ZERO DEFECT SUPPLIES AWARD FROM TOYOTA INDUSTRIES ENGINE INDIA PRIVATE LIMITED, FOR THE YEAR 2020 AND 2022

TOYOTA INDUSTRIES ENGINE INDIA PRIVATE LIMITED AWARD FOR BEST QUALITY SUPPLIER 2022.

CORPORATE INFORMATION

Board Of Directors

Mr. Yatin S. Shah
Chairman and Managing Director

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

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

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

Mr. Sarvesh N. Joshi
Independent Director

Mrs. Savani A. Laddha
Independent Woman Director

Dr. Ameet N. Dravid
Independent Director

Ms. Apurva P. Joshi
Independent Director

Mrs. Anagha S. Anasingaraju
Independent Director

Mr. Suhas J. Ahirrao
Independent Director

Company Secretary & Compliance Officer

Mr. Gautam V. Wakankar
Resigned w.e.f. 30th April, 2023

Statutory Auditors

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

Secretarial Auditors

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

Registrar and Transfer Agent

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

Bankers

Bank of India
Bank of Baroda

Registered Office

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

Corporate Office

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

Factories

1. E 102/103, M.I.D.C., Akkalkot Road, Solapur – 413 006, Maharashtra, India
2. D 5, MIDC Chincholi, Solapur – 413255, Maharashtra, India
3. D 6, D 7, D 7-1 M.I.D.C., Chincholi, Solapur – 413255, Maharashtra, India

Board Committees as of 31st March 2023

Audit Committee

Mr. Sarvesh N. Joshi – Chairman (Independent Director)
Mr. Ravindra R. Joshi – Whole-time Director & CFO
Mr. Vaibhav S. Mahajani – Independent Director
Mrs. Savani A. Laddha – Independent Director
Mr Dr. Ameet N. Dravid – Independent Director
Ms. Apurva P. Joshi – Independent Director
Mrs. Anagha S. Anasingaraju – Independent Director
Mr. Suhas J. Ahirrao – Independent Director

Nomination Remuneration Committee

Mrs. Savani A. Laddha – Chairperson
Mr. Sarvesh N. Joshi – Independent Director
Dr. Ameet N. Dravid – Independent Director
Mrs. Anagha S. Anasingaraju – Independent Director
Ms. Apurva P. Joshi – Independent Director

CSR Committee

Yatin Shah – **Chairman** (Managing Director)
Dr. Suhasini Y. Shah – Non-Executive Non-Independent Director
Dr. Ameet N. Dravid – Independent Director
Ms. Apurva P. Joshi – Independent Director
Mr. Suhas J. Ahirrao – Independent Director

Stakeholder Relationship Committee

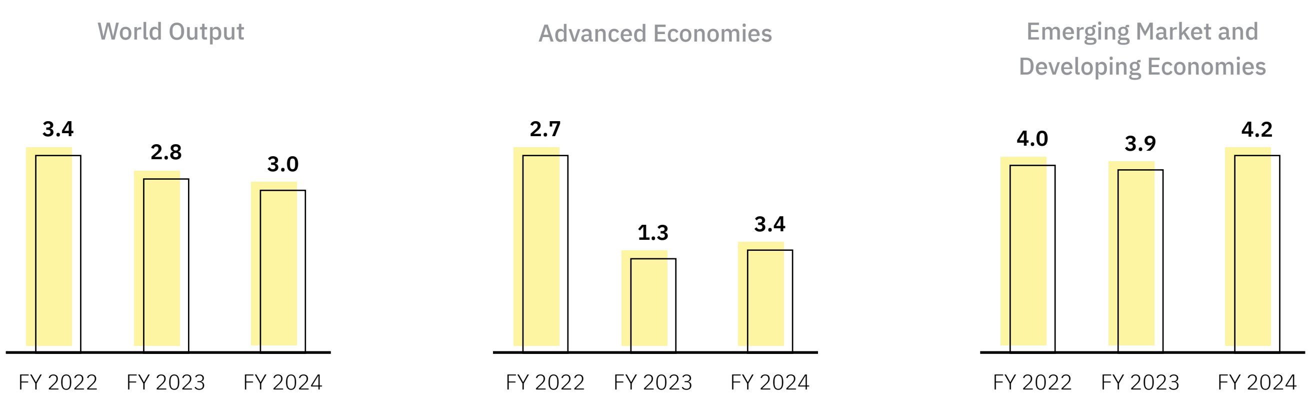
Dr. Suhasini Y. Shah – Chairperson (Non-Executive Non-Independent Director)
Dr. Ameet N. Dravid – Independent Director
Mr. Karan Y. Shah – Whole-time Director
Mrs. Anagha S. Anasingaraju – Independent Director

MANAGEMENT DISCUSSION AND ANALYSIS

Global Economy

According to the International Monetary Fund (IMF) April 2023 WEO report, the global economy is poised to experience a minor downturn with growth projected to be 2.8% in 2023 and anticipate a positive outlook for 2024 at a rise of 3.0%. Despite facing challenges like central bank rate hikes to combat inflation and Russia's war in Ukraine.

Growth Projections (%)



Estimate : FY 2022 Projections : FY 2023, FY 2024

The swift spread of the COVID-19 pandemic in China in 2022 acted as a hindrance to growth. However, the recent reopening has resulted in a faster-than-expected recovery. While global inflation is projected to decrease from 8.8% in 2022 to 6.6% in 2023 and 4.3% in 2024, it remains higher than pre-COVID-19 pandemic levels. Moreover, pent-up demand in many economies, or a more rapid decline in inflation could provide a more significant boost.

Despite the possibility of challenges like the escalation of Russia-Ukraine war, tightening global financing costs, or sudden market reactions to negative inflation news, the priority in most economies is to achieve sustained disinflation amid the cost-of-living crisis. Under such circumstances, it is crucial to employ macro-prudential tools. This will reinforce debt restructuring frameworks. Additionally, it will also mitigate the potential impacts of tighter monetary conditions and lower growth on financial and debt stability. Moreover, accelerating COVID-19 pandemic vaccinations in China could safeguard the recovery and positively impact cross-border spill overs. Targeted fiscal support should be provided to those most affected by elevated food and energy prices. And comprehensive fiscal relief measures should also be phased out.

To conclude, multi-lateral cooperation is necessary. This is to preserve the gains from the rules-based multi-lateral system and mitigate climate change by limiting emissions and increasing green investment. By prioritising the above measures, we can weather potential economic storms and come out stronger on the other side.

Outlook

While some countries, regions, and territories have experienced a robust recovery from the COVID-19 pandemic, the global economic outlook remains uneven. Unfortunately, for many nations, ongoing political and economic difficulties have hindered their efforts to regain lost ground. Despite the expectation of another period of challenging conditions and slowing activity, the projected downturn is expected to be moderate. Therefore, economies worldwide are likely to remain stable and experience minimal disruptions.

Indian Economy

In the face of the four Cs - COVID-19, (geopolitical) conflict, climate change and central bank action - the Indian economy has shown great resilience, mainly because there were no direct or large fiscal stimulus to consumption. However, there are two important features in the growth pattern. First, the economy has recovered faster in nominal terms than in real terms (due to high inflation). Second, revisions to official data released in February show that the economy has been more resilient than previously thought.

In a challenging global macroeconomic environment, Indian economic growth has been revised to 7.2% in FY 2022-23 maintaining the position of fastest growing nation. It is expected 6% growth rate in next fiscal. With all major sectors now above pre-COVID-19 pandemic levels, the recovery from the COVID-19 pandemic shock has been quite broad-based. This will be tested again by the slowdown in global growth, and the tightening of financial conditions at home.

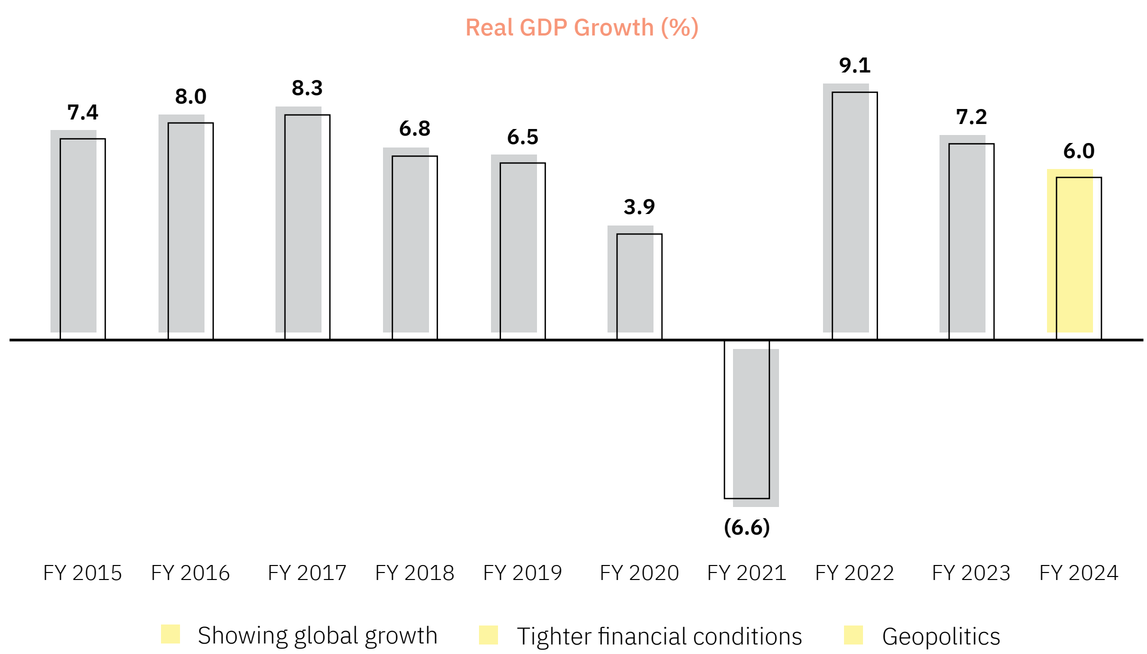
Although there has been a rapid rebound in domestic demand, particularly in contact-based services, there are emerging challenges. The global growth rate is decelerating, and tighter financial conditions may impede the progress of consumption recovery. Against this backdrop, more moderate domestic inflation could be a relief.

Outlook

On one side, corporate balance sheets look healthy. A robust banking system and the Government's capex thrust should create forward momentum and support fixed investment. The real GDP is anticipated to grow, but at a slower pace than in this fiscal. On the other side, slowing global growth will reduce demand for India's exports. This will also affect domestic industrial activity in those sectors. The complete ramifications of the Reserve Bank of India's tighter monetary policy, which usually takes time to fully manifest and is typically observed with a delay of 3-4 quarters, will become apparent in the upcoming months. Continued geopolitical strife is expected to keep commodity prices elevated compared to the years prior to the COVID-19 pandemic, which could create growth headwinds.

Going forward, we expect Government Capex support to moderate as there is increased pressure to achieve fiscal consolidation. Meanwhile, private Capex is expected to start seeing an uptick (more on this in the investment segment). Private consumption, which has been slow to recover compared to exports and fixed investment, has more recently been driven by a pick-up in contact-based services, some improvement in rural incomes, and resilience in urban demand (more on this in the consumption segment).

Three resons why India's GDP growth could slow to 6% next fiscal



(Source: rider-in-the-storm.pdf (crisil.com))

Industry Overview

Global Automotive Industry

The automotive industry is a significant contributing sector to the global economy. It accounts for 3% of the world's GDP output, and even higher in emerging markets, such as China and India. As of 2022, the worldwide automotive manufacturing market was valued at USD 2 trillion, and is currently experiencing a CAGR of 3.1% annually. This growth comes after a period of decline between 2017 and 2022, during which the market contracted by 0.6%.

(Source: https://www.azom.com/article.aspx?ArticleID=22236)

The global automotive industry experienced significant sales and was hit hard by the COVID-19 pandemic. As the market confidence waned, the easing of COVID-19 pandemic-related restrictions in 2022 resulted in an economic upturn. Notably, the demand for Electric Vehicles (EVs) and hybrid model cars in the automotive industry experienced a significant spike during this period. Electric Vehicle (EV) sales are projected to surpass the overall market growth by approximately 48% in 2022, with an estimated global sales volume of 9.4 million units. Furthermore, the upcoming 12-month period is expected to witness a return to pre-pandemic levels with a growth rate of around 9%. In 2023, EVs and hybrids are anticipated to continue their upward trajectory with a year-on-year growth rate of 29%, reaching a global sales volume of 12.1 million units.

It is anticipated that automotive corporations will concentrate more on sustainable practices in the coming years. These practices will include environment-friendly disposal of vehicles, particularly electric vehicle (EV) batteries, responsible sourcing of components, and greater utilisation of recyclable materials in their manufacturing.

(Source: https://www.automotiveworld.com/articles/what-can-we-expect-from-the-auto-industry-in-2023/)

Indian Automotive Industry

The Indian automotive industry is one of the main pillars of the economy. With strong backward and forward linkages, it is a key driver of growth. India is one of the world's largest tractors & two-wheeler manufacturers. And the country aims to double its auto industry size to ₹ 15 Lakhs Crores by 2024. The contribution of this sector to the National GDP has risen from 2.77% in 1992-93 to about 7.1% now. It provides direct and indirect employment to over 19 million people.

Currently valued at USD 222 billion, the automobile industry is projected to reach USD 300 billion by 2026. To boost domestic manufacturing of advanced automotive technology products, the PLI scheme, with an outlay of USD 3.5 billion, offers up to 18% financial incentives in the automotive sector. This scheme also aims to attract investments in the automotive manufacturing value chain. Incentives are applicable for determined sales of products manufactured in India from 1st April, 2022 for five consecutive years. The scheme closed on 9th January, 2022, with a total of 95 approved applicants: 20 under Champion OEM and 75 under Component Champion.

Over the past ten years, India has emerged as one of the most preferred locations in the world for manufacturing high-quality automotive components and vehicles of all kinds. In the process, India has narrowed its gap over several established locations.

Automobile Production Trends

The domestic industry produced a total of 2,59,31,867 vehicles including Passenger Vehicles, Commercial Vehicles, Three Wheelers, Two Wheelers, and Quadricycles in April 2022 to March 2023, as against 2,30,40,066 units in April 2021 to March 2022.

						(In Numbers)
Category	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Passenger Vehicles	4,020,267	4,028,471	3,424,564	30,62,280	36,50,698	45,78,639
Commercial Vehicles	895,448	1,112,405	756,725	6,24,939	8,05,527	10,35,626
Three Wheelers	1022,181	1,268,833	1,132,982	6,14,613	7,58,669	8,55,696
Two Wheelers	23,154,838	24,499,777	21,032,927	18,349,941	1,78,21,111	1,94,59,009
Total	2,90,92,734	3,09,09,486	2,63,47,198	2,26,51,773	2,30,36,005	2,59,28,970

Source: SIAM

Automobile Domestic Sales Trends

Domestic total Passenger Vehicle Sales rose from 30,69,523 to 38,90,114 units. Sales of Passenger Cars also increased from 14,67,039 to 17,47,376, Utility Vehicles from 14,89,219 to 20,03,718 and Vans 1,13,265 to 1,39,020 units, in FY 2022-23 as compared to the previous year. The overall Commercial Vehicles sales increased from 7,16,566 to 9,62,468 units. Sales of Medium and Heavy Commercial Vehicles increased from 2,40,577 to 3,59,003 units and Light Commercial Vehicles increased from 4,75,989 to 6,03,465 units, in FY 2022-23, compared to the previous year. Sales of Three Wheelers increased from 2,61,385 to 4,88,768 units, in FY 2022-23, compared to the previous year. Two Wheelers sales increased from 1,35,70,008 to 1,58,62,087 units, in FY 2022-23, compared to the previous year.

(In Numbers)

Category	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Passenger Vehicles	32,88,581	33,77,389	27,73,519	27,11,457	30,69,523	38,90,114
Commercial Vehicles	8,56,916	10,07,311	7,17,593	5,68,559	7,16,566	9,62,468
Three Wheelers	6,35,698	7,01,005	6,37,065	2,19,446	2,61,385	4,88,768
Two Wheelers	2,02,00,117	2,11,79,847	1,74,16,432	1,51,20,783	1,35,70,008	1,58,62,087
Total	2,49,81,312	2,62,65,552	2,15,44,609	1,86,20,245	1,76,17,482	2,12,03,437

Source: SIAM

Automobile Export Trends

Passenger Vehicle Exports increased from 5,77,875 to 6,62,891 units while Commercial Vehicle Exports decreased from 92,297 to 78,645 in April 2022 to March 2023. Three-Wheeler Exports decreased from 4,99,730 to 3,65,549 and Two Wheelers Exports decreased from 44,43,131 to 36,52,122 units during the same period last year.

(In Numbers)

Category	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Passenger Vehicles	7,48,366	6,76,192	6,62,118	4,04,397	5,77,875	6,62,891
Commercial Vehicles	96,865	99,933	60,379	50,334	92,297	78,645
Three Wheelers	3,81,002	5,67,683	5,01,651	3,93,001	4,99,730	3,65,549
Two Wheelers	28,15,003	32,80,841	35,19,405	32,82,786	44,43,131	36,52,122
Total	40,41,236	46,24,649	47,43,553	41,30,518	56,13,033	47,59,207

Source: SIAM

Growth Drivers

Growing Income

3X increase in average household income from USD 6,393 in 2010 to USD 18,448 in 2020

‘Youngest-Nation’ by 2025

India to become the youngest nation by 2025 with an average age of 25 years

Vehicle Penetration

Expected to reach 72 vehicles per 1000 people by 2025

Expanding Research & Development Hub

India accounts for 40% of the total USD 31 billion global engineering and research & development spend and 8% of the country’s research & development expenditure is in the automotive sector

‘Atmanirbhar Bharat Abhiyaan’ - Self-Reliant India

Special economic and comprehensive package of ₹ 20 Lakhs Crores towards promoting manufacturing in India

Outlook

The automotive industry is poised to undergo major changes on a global scale over the next ten years. These changes include a shift in demand for automobiles from developed countries to developing nations, particularly those in the BRICS group. Additionally, there will be a significant increase in the incorporation of electronics in automobiles. This will effectively turn them into ‘computers on wheels’ connected to the internet. Alongside this, there will be a persistent focus on achieving cost efficiencies through economies of scale and scope in the design and engineering of vehicles and their components. Furthermore, manufacturers will actively search for cost-effective manufacturing locations.

Auto Component Industry

Global

The global auto components industry comprises auto component manufacturers, aftermarket parts manufacturers, suppliers, dealers and retailers in all its diversity. China dominates the global manufacturing of auto components but is now gradually moving to other Asian nations, including India. This is due to higher market potential and the availability of low-cost manufacturing options. The global exports of auto components have grown over the past decade in most sub-categories.

The swiftly globalising world is opening up newer avenues for this industry, given the ongoing trend towards electric and hybrid cars. This trend will lead to a shift in business models with newer verticals and opportunities for auto-component manufacturers. In the short-term, it would also catalyse higher volumes of international trade, especially given that new technologies would take time to establish a manufacturing base in low-cost countries.

Indian

The Indian auto component industry is critical to the automobile OEM value chain. The organised segment of this industry mainly includes OEMs engaged in manufacturing high-value precision instruments. And, the unorganised segment mainly comprises low-valued products catering to aftermarket services. The industry is highly fragmented, with most Indian-originated firms and a relatively lower number of foreign firms and JVs operating in the segment. The various sub-sectors of the auto components industry in India are engine parts, electrical parts, drive transmission and steering parts, suspension and braking parts, and equipment, among others. A stable Government framework, increased purchasing power, a large domestic market, and a focus on infrastructure growth have made India a favourable destination for investment.

Despite the supply-side issues, the auto component industry performed well in FY 2021-22. OEMs, aftermarkets, and exports have contributed to the remarkable growth of the auto components sector in FY 2021-22 on account of increased value addition to meet regulatory compliance, recovery in external markets and traction in the domestic market. The industry also witnessed strong growth on the back of a surge in international demand, growth in OEM sales, and a low-base effect during FY 2021-22.

However, the automobile domestic sales and exports gradually gained traction in H1 FY 2023. The passenger vehicles, commercial vehicles and tractor segments have reached the pre-COVID-19 pandemic levels. However, the two-wheelers segment is lagging behind and is yet to reach the pre-COVID-19 pandemic levels. It has been impacted due to an increase in the cost of insurance and high inflation. Despite some moderation in the supply-side issues related to the availability of semi-conductors and input raw material costs in recent months, the automotive industry might get impacted due to the ongoing geopolitical situation, which remains an issue of concern to the industry.

(Source: Care Edge report: Auto Components October 2022)

Camshaft Industry

A vehicle's camshaft is one of the integral parts of the engine. Its primary purpose is to open or close the valves that allow fuel to enter and gas to exit efficiently. Camshafts play an important role in improving the basic functions of an engine. They are used extensively in modern overhead camshaft engines (OCH) as well as in older engines.

The automotive sector has been evolving at a rapid pace due to technological advancements, innovations and changing requirements and standards in the industry. The global automotive camshaft market is expected to reach USD 2,644.1 million in 2022, and further projected to reach USD 3,157.2 million in 2029 at a CAGR of 3.0% during the forecast period. As the automotive sector continues to focus on introducing lighter vehicles, improving fuel economy, and reducing carbon emissions, camshaft manufacturers are increasingly developing new products to meet these demands.

(Source: Vehicle Camshaft Market Demand By Manufacturers, Countries, (openpr.com))

Opportunities

Supporting Infrastructure and Expanding Research & Development Hub

India has emerged as a major destination for automotive research & development (R&D) in recent years, with several global players establishing their research & development centres in the country. The availability of a large and skilled workforce at a relatively low cost, government incentives, and cost advantages in setting up manufacturing facilities have all contributed to this trend.

In addition to these factors, India also offers a large domestic market for automotive products as well as access to neighbouring markets in Asia and the Middle East. This has led to increased investments in the Indian automotive sector by both domestic and international companies.

Moreover, the Indian Government has launched several initiatives to support the growth of the automotive industry, including the Automotive Mission Plan (AMP) 2026 and the National Electric Mobility Mission Plan (NEMMP) 2020, which aim to promote sustainable and environmentally friendly automotive technologies.

Demand of Electric Vehicles

Electric vehicles are serving as a major catalyst for innovation in the auto component industry. The growing adoption of electric vehicles is driving the transformation of automotive electrical distribution systems. The industry is moving towards vehicles with an increasing number of electrical components that are becoming more complex, necessitating electrification systems that can handle higher voltages. Over the past few years, electric vehicles have received increasing attention due to falling ownership costs and stricter government emissions regulations. The rising share of EV sales has the potential to present new opportunities for the auto components industry in India.

Favourable Government Policies

The Indian Government is focussing on promoting clean mobility and has implemented various measures to encourage the manufacturing and adoption of electric vehicles. One such initiative is the Faster Adoption and Manufacturing of Hybrid and Electric Vehicles in India (FAME II) scheme. Additionally, multiple production-linked incentive schemes are being introduced to establish a domestic manufacturing ecosystem. The aim is to encourage new investments in developing local supply chains for essential technologies, products and auto components. These efforts are expected to contribute to the growth of the electric vehicle industry in India.

Bridging the Local Manufacturing Void

There has been an increasing interest by the leading global manufacturers to start manufacturing auto components in India. The recently approved PLI scheme worth ₹ 18,100 Crores for battery manufacturing by the GOI, is expected to increase manufacturing capacities and reduce reliance on imports. This will significantly reduce battery costs, which forms a significant portion of EV cost. The Government of India has also proposed to provide incentives of ₹ 76,000 Crores for the development of semi-conductors to provide globally competitive incentive package to the companies for setting up plants in India.

Challenges

Semi-Conductor Shortage

The auto component industry faces multiple headwinds in the form of a semi-conductor shortage due to the current geopolitical tensions. These factors are impacting the operating margins of the OEMs. The industry has been impacted due to the shortage of semi-conductor chips for a long time now. The semi-conductors for automotive segments account for 11% of the overall semi-conductor demand. The use of electronics in vehicles has been continuously increasing. Currently, it accounts for 40% of average automobile usage, thus increasing higher dependence on semi-conductors. The semi-conductors used across various segments in vehicles include: -

- Interior and Exterior Lightening
- Safety Control-Related System and Chassis (ABS, Airbag, among others)
- Telematics Communication Systems
- Audio and Video-Based Infotainment System
- Interior Body Control System (Climate Control, Power System, Electric Power Steering, among others)
- Autonomous Driving System & Driver-Assistance
- Battery-Centred Driving System

The global impacts of the COVID-19 pandemic and geopolitical tensions have disrupted the OEM's supply chain. Moreover, the extended timeline of approximately 6 months from chip production to vehicle production has been further affected by the ongoing semi-conductor chip shortage, which is currently the industry's most significant global challenge. The timeline for a return to a more stable production rate remains uncertain and requires continued monitoring.

Steep rise in Commodity Prices

Automobile Original Equipment Manufacturers (OEMs) are grappling with the challenge of high raw material prices as a result of the current geopolitical tensions. Specifically, the cost of aluminum and steel has spiked significantly during H1 FY 2022, prompting OEMs to raise vehicle prices in response. Unfortunately, these steep increases in vehicle prices are likely to put a damper on consumer demand, potentially casting a pall over the industry's outlook.

Technical Changes

The automotive industry has faced various technological disruptions, such as emission regulations, safety standards, and the rise of electric and electronic mobility. The migration to BS-VI norms was particularly challenging for Indian auto component manufacturers due to the technology-intensive nature of the management modules.

Since most of the technology is imported, local players do not have a level playing field. Joint ventures with lead firms can help bridge this technology gap, giving Indian firms the access to new technologies, and a wider customer base. Indian and foreign firms have already made efforts towards technology upgradation. It includes the use of modular platforms and new materials, and platform sharing in India.

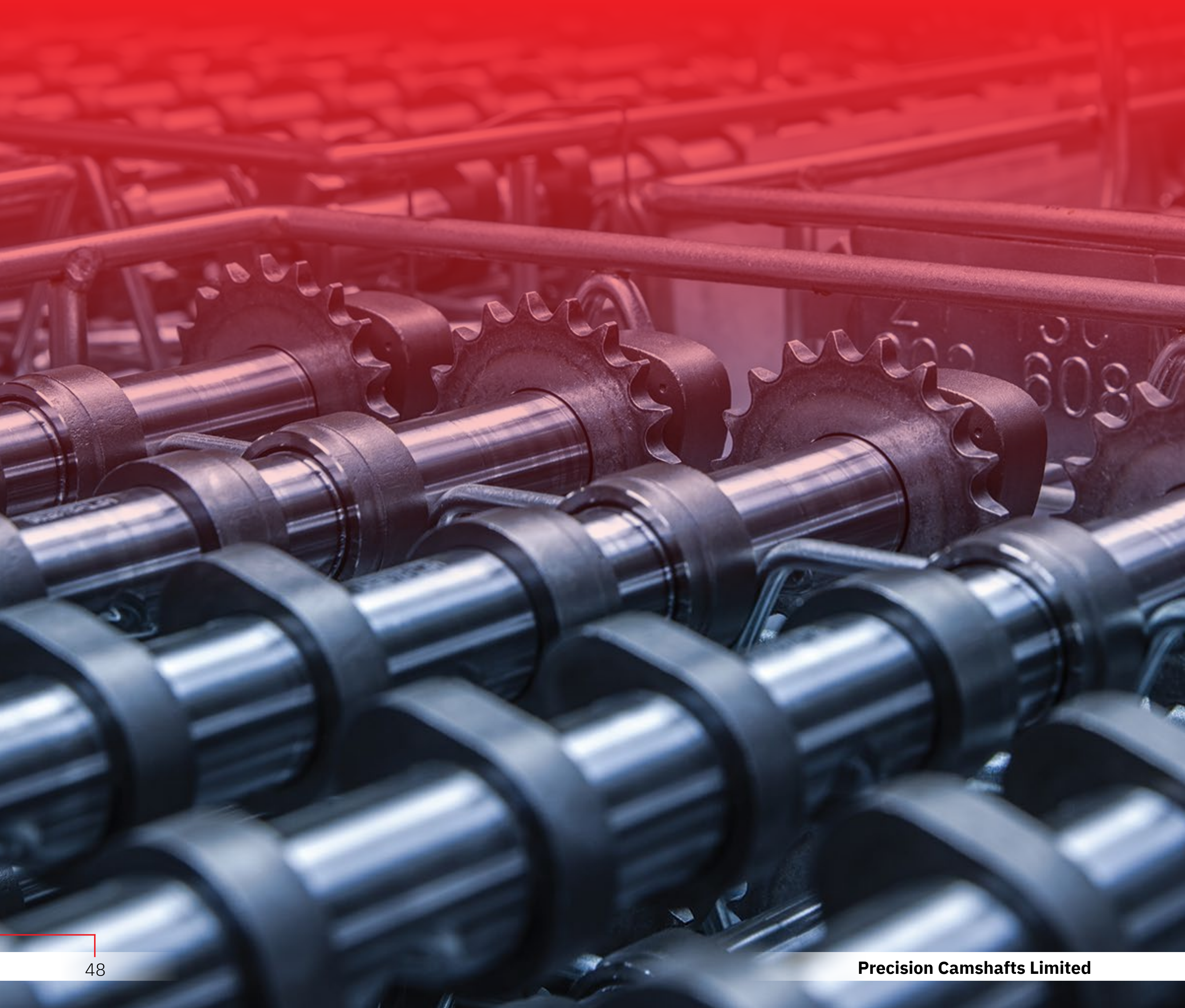
High and Non-Uniform Tax Rates

The auto components industry in India face challenges due to high and non-uniform tax rates, with some components taxed at 18% and 28% GST rates, along with compensation cess in the range of 1-22%. The lack of a uniform GST rate creates disincentives for enhancing domestic production in some sub-segments. Additionally, auto components for EVs also attract high GST rates, resulting in limited domestic production. Streamlining taxes and duties on auto components is necessary to promote indigenisation and attract investments in key areas, such as batteries and power electronics.

Company Overview

Precision Camshaft Limited ('PCL' or 'The Company') has established itself as a world-renowned manufacturer of camshafts, producing all types of camshafts under one roof. Since its establishment in 1992, the Company has emerged as a market leader in the manufacturing of camshafts. Its success can be attributed to its unwavering commitment to a robust quality management system, adherence to world-class production practices, and continuous improvement initiatives.

With an unwavering focus on engineering, and research & development, Precision Camshaft Limited has expanded its capabilities to become a self-sufficient provider of automotive solutions. The PCL group of companies includes Memco Engineering Private Limited, MFT Motoren und Fahrzeugtechnik GmbH and Emoss Mobile Systems B.V. This has enabled the Company to offer critical automotive and non-automotive parts as well as electric mobility solutions to top-tier automotive original equipment manufacturers (OEMs). The Company prides itself on meeting customer needs promptly. It values its employees and prioritises sustainability through its corporate social responsibility initiatives.



Performance Overview

Financial Overview

Standalone and Consolidated

Particulars	Standalone		Consolidated	
	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
Total Revenue	65,432.41	52,648.68	1,10,979.40	91,142.34
Total Expenses	53,635.16	41,858.58	96,953.17	78,109.24
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)	11,797.25	10,790.10	14,026.23	13,033.10
Profit Before Tax & Exceptional Items	8,341.06	7,336.97	6,027.80	3,353.05
Exceptional Items	0.00	1,277.50	0.00	2,741.39
Profit Before Tax	8,341.06	8,614.47	6,027.80	6.094.44
Total Tax Expenses	2,246.24	2,006.78	1,399.21	1,492.15
Profit / (Loss) for The Year	**6,094.82**	**6,607.69**	**4,628.59**	**4,602.29**
EPS (Basic)	6.42	6.96	4.87	4.85
EPS (Diluted)	6.42	6.96	4.87	4.85

Standalone

During the Financial Year under review, on a standalone basis your Company registered a total revenue of ₹ 65,432.41 Lakhs as against ₹ 52,648.68 Lakhs in the previous year. The profit after tax for the year stood at ₹ 6,094.82 Lakhs as against ₹ 6,607.69 Lakhs in the previous year.

Consolidated

On a consolidated basis, the total revenue was ₹ 110,979.40 Lakhs as against ₹ 91,142.34 Lakhs in the previous year. The profit after tax for the year stood at ₹ 4,628.59 Lakhs as against profit of ₹ 4,602.29 Lakhs in the previous year.

Disclosure of Accounting Treatment

During the preparation of the financial statements, the Company followed the treatment as prescribed in the applicable Accounting Standard, and therefore, no additional disclosure or explanation from management is required in the financial statements.

Key Financial Ratios on Standalone Basis

Ratio	FY 2022-23	FY 2021-22	% Change	Reasons for Change of 25% or More
Debtors / Trade Receivables Turnover Ratio	4.63	4.74	-2.38	NA
Creditors / Trade Payables Turnover Ratio	4.93	4.22	16.81	NA
Inventory Turnover Ratio	3.38	2.93	15.56	NA
Net Capital Turnover Ratio	2.08	1.72	21.25	NA
Return on Investment	4	5.00	-21.54	NA
Debt Service Coverage Ratio / Interest Coverage Ratio	43.50	56.19	-22.59	NA
Current Ratio	2.89	3.22	-10.12	NA
Debt Equity Ratio	0.05	0.06	-12.43	NA
Operating Profit Margin	14	16.32	-14.22	NA
Net Profit Ratio	10	13	-24.58	NA
Return on Net Worth	7.43	8.58	-13.40	NA

Risks and Concerns

Precision Camshaft Limited faces various risks that can impact both traditional and modern operations. To address these risks, the Company's board prioritises risk management and develops strategies for risk mitigation to ensure they can be managed effectively.

The Company has established a Risk Management Committee (RMC) as part of this approach. The RMC's primary responsibility is to identify and mitigate risks specific to the listed entity. These risks may include financial, operational, sectoral, sustainability (including ESG-related), information, cyber security, or any other risks the Committee determines. By proactively addressing risks, Precision Camshaft Limited aims to ensure its operations' continuity and protect its stakeholders' interests.

Risk	Impact	Mitigation
Economic Disruption	The Company's routine operations and plans for business expansion could be impeded by shifts in the social, geopolitical, legal, or economic landscape, whether they occur domestically or internationally.	To mitigate the risk, the Company diligently monitors the evolving business environment and takes proactive measures, including strategic adjustments, to safeguard its interests.
Technology Risk	The automotive industry is experiencing a profound shift due to Industry 4.0 and the pervasive digitisation of the entire value chain. Nevertheless, these recent changes also entail potential risks and hazards.	The Company utilises various strategies to mitigate the impact of market trends, focusing on innovating and implementing new products and services to enhance efficiency and safeguard its market position while promoting growth.
Procurement Risks	Procurement risks primarily stem from volatile raw material prices and suppliers' ability to meet delivery deadlines and maintain product quality. Unfavourable price fluctuations or supplier challenges can impact the Company's financial position and revenue.	The Company's procurement department emphasises quality, cost, and delivery performance to secure optimal supplies of goods and services. To mitigate risks, the Company actively identifies alternative sources and prioritises localisation efforts to reduce dependencies on single suppliers or regions.
Intense Competition	The automotive supplies industry is already fiercely competitive and expected to intensify further. Heightened competition could impact the Company's market share, margin structure, and negative return on invested capital.	The Company is well-positioned to mitigate this risk due to its market leadership, technological expertise, established strategic alliances, customer relationships, and early engagement with customers for design and development solutions.

Risk	Impact	Mitigation
Labour Dispute Risks	Industrial disputes lead to industrial action, which may impact the Company's ability to meet stakeholder demands.	The Company cultivates an open and constructive relationship with its employees, unions, subcontractors, and other stakeholders through consistent, ongoing, and transparent communication.
Climate Change	Global risks, including extreme weather events, failure in climate action, biodiversity loss, and man-made environmental disasters, pose significant threats worldwide.	The Company is committed to reducing its environmental footprint and consistently seeks to develop and implement new production techniques. Additionally, the Company's vehicle-related products are designed to promote lower fuel consumption, thereby contributing to overall environmental sustainability efforts.

Human Resource Development

Precision Camshaft Limited has a comprehensive HR policy covering areas, such as code of conduct, working hours, probation, internal transfers, promotion, and misconduct. The Company recognises that development must be inclusive of all stakeholders and strives to create a conducive work environment that fosters growth for everyone. Talent management and leadership development are essential to the Company's commitment to being a desirable workplace. To promote personal and professional growth, PCL conducts regular training and seminars to ensure employees develop their skills at all stages of their careers.
The Company aims to create a workplace that attracts and retains talent, enabling all employees to thrive. Additionally, PCL is committed to providing all employees equal opportunities, regardless of race, colour, religion, gender, marital status, age, ethnicity or disability. As of 31st March, 2023, the Company had a total of 1320 employees.

Internal Control System and their Adequacy

For proper financial management and circumventing fraud, PCL maintains an effective internal control system at par with its size and operations. Internal Control Systems, comprising policies and procedures, are designed to ensure orderly and efficient conduct of business, safeguard the assets of the business, prevent and detect fraud, ensure the completeness and accuracy of accounting records, and timely preparation of financial information. Furthermore, the system is reviewed and updated continually based on the recommendations made by the Statutory Auditors, Internal Auditors, and the Independent Audit Committee of the Board of Directors, of the Company.

The Company works under the SAP environment and helps gain control of every stage from procurement-manufacturing process to sales. Additionally, the Company has in place adequate controlling systems to curb production wastage and inculcate processing efficiency.

Some features of internal control systems include: -

- The Audit Committee of the Company comprises of Independent Directors and Executive Directors who regularly review the significant audit findings, adequacy of internal controls, compliance with accounting standards as well as reasons for changes in accounting policies and practices, if any.
- The Company consistently maintains a comprehensive information security and undertakes continuous upgrades to its IT systems. PCL's supplier relations management and customer relations management are also regulated well through connection of its different locations, dealers and vendors for efficient and convenient information exchange.
- The Company have the team of internal auditors who operates in line with best governance practices. It reviews and reports to management and the Audit Committee about compliance with internal controls and the efficiency and effectiveness of operations as well as the key process risks.
- The Company also maintains controls by keeping unpublished price sensitive information as confidential, all the directors of the Board, senior management, auditors (Internal, Statutory and Secretarial) team, employees of the Company listed as insiders comply with code of conduct of insider trading and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information

Cautionary Statement

The information and opinion expressed in this report as well as the Boards' Report describing the Company's objectives, projections, estimates, and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include a downtrend in the spend by the Government in agriculture and infrastructure, significant changes in political and economic environment in India, volatility in the prices of major raw materials and its availability, taxation laws, exchange rate fluctuations, interest, and other costs.

BOARD'S REPORT

To,

The Members,

Precision Camshafts Limited (Company)

The Board of Directors (Board) is pleased to present their **THIRTY FIRST ANNUAL REPORT** on the business and operations of the Company together with the Audited Standalone and Consolidated Financial Statements for the year ended 31st March, 2023.

1. FINANCIAL RESULTS

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

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
Total Revenue	65,432.41	52,648.68	1,10,979.40	91,142.34
Total Expenses	53,635.16	41,858.81	96,953.17	78,109.24
Earnings before interest, tax, depreciation and amortization (EBITDA)	11,797.25	10,790.10	14,026.23	13,033.10
Profit Before Tax & Exceptional Items	8 ,341.06	7 ,336.97	6,027.80	3,353.05
Exceptional items	0.00	1,277.50	0.00	2,741.39
Profit before tax	8 ,341.06	8,614.47	6,027.80	6,094.44
Total Tax Expenses	2,246.24	2,006.78	1 ,399.21	1,492.15
Profit/(Loss) for the year	**6,094.82**	**6,607.69**	**4 ,628.59**	**4,602.29**
EPS (Basic)	6.42	6.96	4.81	4.85
EPS (Diluted)	6.42	6.96	4.81	4.85

2. COMPANY'S FINANCIAL PERFORMANCE AND OUTLOOK

During the Financial Year under review, on a standalone basis your Company registered a total revenue of ₹ **65,432.41** Lakhs as against ₹ 52,648.68 Lakhs in the previous year. The profit after tax for the year stood at ₹ **6,094.82** Lakhs as against ₹ 6,607.69 Lakhs in the previous year.

On a consolidated basis, the total revenue was ₹ **1,10,979.40** Lakhs as against ₹ 91,142.34 Lakhs in the previous year. The profit after tax for the year stood at ₹ **4,628.59** Lakhs as against profit of ₹ 4,602.29 Lakhs in the previous year.

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

3. CHANGE IN NATURE OF BUSINESS, IF ANY

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

4. TRANSFER TO RESERVES

The Company do not propose transferring any amount to General Reserves.

5. DIVIDEND

Your Board is pleased to recommend a final dividend of ₹ 1/- per equity share (10%) for the Financial Year ended 31st March, 2023. If the dividend so recommended is declared by the members at the ensuing 31st Annual General Meeting, the total cash outflow towards dividend would be ₹ 949.85/- Lakhs.

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

2015 (SEBI LODR) the Company has formulated a Dividend Distribution Policy. The Dividend Distribution Policy of the Company is also hosted on the website of the Company at PCL – Dividend Distribution Policy .

6. SHARE CAPITAL

During the Financial Year under review, there was no change in the capital structure of the Company. Consequently, the issued, subscribed and paid-up equity share capital of the Company is ₹ 9,498.58 Lakhs divided into 9,49,85,835 Equity Shares of ₹ 10/- each. The Company has not allotted any Equity Shares under the exercise of stock options under Precision Camshafts Limited Employee Stock Option Scheme 2015 ("PCL ESOS 2015").

7. UTILIZATION OF IPO PROCEEDS

The proceeds of the IPO have been used for setting up of machine shop for machining of camshafts and offer related expenses and general corporate purposes of ₹ 240 Crores. There **is no deviation in use of proceeds from objects stated in the offer documents.** The details of utilization of money raised through public issue are stated in Note No. 41 of Notes to Standalone Financial Statements. The Company has utilised IPO Proceeds and last Statement of Deviation is submitted to Stock Exchange on 7th June, 2019 and is also available on the website of the Company.

8. CREDIT RATING

The recent Credit rating on standalone basis is: -

Facilities/instruments	Amount (₹ crore)	Rating	Rating action
Long-term bank facilities	2.05	CARE A; STABLE (SINGLE A; OUTLOOK: STABLE)	REAFFIRMED
Long-term / short-term bank facilities	10.00	CARE A; STABLE / CARE A1 (SINGLE A; OUTLOOK: STABLE/ A ONE)	REAFFIRMED
Short-term bank facilities	54.95	CARE A1 (A ONE)	REAFFIRMED
Total bank facilities	**67.00 (₹ Sixty-Seven Crores only)**		

9. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Changes in the composition of Board of Directors of the Company during the Financial year under review:

1. The members of the Company have approved re-appointment of Mr. Yatin S. Shah as Chairman and Managing Director for the period 1st April, 2022 till 31st March, 2027 by ordinary resolution through Postal Ballot on 10th June, 2022.
2. The members of the Company have approved the appointment of Mr. Madan M. Godse as Independent Director from 3rd September, 2021 till 2nd September, 2023 by Special Resolution through Postal Ballot on 10th June, 2022.
3. Dr. Ameet N. Dravid was appointed as Additional Director designated as Independent Director for the first term of two years from 10th August, 2022 till 9th August, 2024 subject to approval of members in the Board Meeting held on 10th August, 2022.
4. The members of the Company have approved the appointment of Dr. Ameet N. Dravid as Independent Director for the period of two years from 10th August, 2022 till 9th August, 2024 at the 30th Annual General Meeting held on 21st September, 2022.

5. Mr. Vaibhav Shashikant Mahajani (DIN: 00304851) ceased to be Independent Director of the Company pursuant to his retirement at the 30th AGM of the Company held on Wednesday, 21st September, 2022 after serving two consecutive terms.
6. Mr. Madan M. Godse resigned from the office of Independent Director with effect from 1st February, 2023 due to personal reasons.
7. Ms. Apurva P. Joshi, Mr. Suhas J. Ahirrao and Mrs. Anagha S. Anasingaraju were appointed as Additional Director designated as Independent Director for the first term from 29th March, 2023 till 30th September, 2024 subject to approval of members in the Board Meeting held on 29th March, 2023.

Changes in the composition of Board of Directors of the Company after the Financial year under review:

1. The members of the Company have approved appointment of Ms. Apurva P. Joshi, Mr. Suhas J. Ahirrao and Mrs. Anagha Anasingaraju as Independent Director for the first term from 29th March, 2023 till 30th September, 2024 each through Postal Ballot on 12th May, 2023.

Changes in Key Managerial Personnel of the Company during the Financial year under review:

There was no change in Key Managerial Personnel during the Financial Year under review.

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel (KMP) of your Company as on 31st March, 2023 are as mentioned below:-

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

***Mr. Gautam V. Wakankar, Company Secretary and Compliance Officer, resigned w.e.f. 30th April, 2023.**

Changes in the composition of Key Managerial Personnel of the Company after the Financial year under review:

1. Mr. Gautam V. Wakankar resigned from the post of Company Secretary & Compliance Officer w.e.f. 30th April, 2023.

As on 31st March, 2023, Non-Executive Directors on the Board are as mentioned below: -

Sr. No.	Name	Designation
1.	Dr. Suhasini Y. Shah	Non- Executive Non-Independent Director
2.	Mr. Sarvesh N. Joshi	Independent Director
3.	Mrs. Savani A. Laddha	Independent Woman Director
4.	Dr. Ameet N. Dravid	Independent Director
5.	Ms. Apurva P. Joshi	Additional Director designated as Independent Director
6.	Mr. Suhas J. Ahirrao	Additional Director designated as Independent Director
7.	Mrs. Anagha S. Anasingaraju	Additional Director designated as Independent Director

10. DECLARATION FROM INDEPENDENT DIRECTORS

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criterion of Independence as prescribed under Section 149 (6) of the Companies Act, 2013 (Act) and Regulation 16 (1) (b) of SEBI LODR.

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

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

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

11. A STATEMENT REGARDING OPINION OF THE BOARD WITH REGARD TO INTEGRITY, EXPERTISE AND EXPERIENCE (INCLUDING THE PROFICIENCY) OF THE INDEPENDENT DIRECTORS APPOINTED DURING THE YEAR.

The Board of Directors considered that Mr. Ameet N. Dravid, Ms. Apurva P. Joshi, Mr. Suhas J. Ahirrao and Mrs. Anagha S. Anasingaraju possess the requisite expertise and experience (including the proficiency) and they are persons of high integrity and repute and accordingly approved their appointment/re-appointment as Independent Director(s). Other than the above, there are no other appointments / re-appointments of Independent Directors of the Company in Financial Year 2022-23.

12. BOARD MEETINGS

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

During the Financial Year under review, 6 (Six) Board Meetings were convened and held on 9th May, 2022, 26th May, 2022, 10th August, 2022, 10th November, 2022, 10th February, 2023 and 29th March, 2023 respectively.

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

13. MEETING OF INDEPENDENT DIRECTORS

In compliance with the provisions of Schedule IV of the Act and Regulation 25(3) of SEBI LODR, a meeting of Independent Directors was held on 9th March, 2023 to review the performance as per Regulation 25(4) of SEBI LODR and Schedule IV of the Companies Act, 2013.

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

14. COMMITTEES OF BOARD

Details of all the Committees along with their charters, compositions and meetings held during the year are provided in the report on Corporate Governance which forms part of this Annual Report and is also available on the website of the Company at PCL - Corporate Governance.

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

The Company has in placed a Policy on Directors' appointment and remuneration of the Directors, Key Managerial Personnel (KMP) and other employees including criteria for determining qualifications, positive attributes, independence of a director and other matters. It is available on the website of the Company at PCL - Appointment and Remuneration of Directors, KMPs and employees.

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

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

1. Complexities and criticality of the jobs
2. Profile of the employee in terms of his / her qualification and experience

3. General trends in the industry and market for a similar talent

4. Incorporation of an element of motivation by way of remuneration linked to specific performances wherever applicable.

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

16. PARTICULARS OF EMPLOYEE REMUNERATION

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

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

17. COMMISSION OR REMUNERATION FROM SUBSIDIARY

During the Financial Year under review, Mr. Karan Y. Shah, Whole–time Director of the Company has received remuneration of ₹ 30,00,000 from MEMCO Engineering Private Limited – Wholly Owned Subsidiary (WOS) of the Company.

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

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

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

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

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

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

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

19. ANNUAL RETURN

Pursuant to Section 92(3) of Companies Act 2013, the copy of Annual Return for the Financial Year ended 31st March, 2023 is placed on the Company's website at **PCL – Annual Return FY 22-23.**

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

a. During the Financial Year under review, the Company has given to PCL (International) Holding B.V. of EUR 0.88 million and further invested EUR 2.5 million as equity.

b. The loan given to PCL (International) Holding B.V. of EUR 7.19 Million was converted into 71,95,000 equity shares of PCL (International) Holding B.V. at nominal value of EUR 1/- per equity share.

21. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All contracts/ arrangements/ transactions entered by the Company during Financial year ended 31st March, 2023 with related parties were on an arm's length basis and were in the ordinary course of business. There were no material related party transactions (RPTs) undertaken by the Company during the Financial Year that require Shareholders' approval under Regulation 23(4) of SEBI LODR or Section 188 of the Act.

The approval of the Audit Committee was sought for all RPTs. Certain transactions which were repetitive in nature were approved through omnibus route. All the transactions followed the applicable provisions of the Act and SEBI LODR. Therefore, the disclosure of related party transactions as required under Section 134 (3)(h) of Act in Form AOC-2 is not applicable to the Company and hence the same is not provided. (Please refer Note No. 34 to the Standalone Financial Statements).

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

There were no qualifications, reservations or adverse remarks made by the Statutory Auditors in the Audit Report on the Standalone and Consolidated Financial Statements for the Financial year ended 31st March, 2023.

The Report of Secretarial Auditors for the Financial Year ended 31st March, 2023 is also unmodified.

23. MATERIAL CHANGES AFTER THE CLOSURE OF FINANCIAL YEAR

There were no material changes after the closure of financial year.

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

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

25. SUBSIDIARIES AND ACQUISITIONS

The Company has 2 (Two) subsidiaries, 2 (Two) step down subsidiaries as on 31st March, 2023.

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

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

During the Financial Year under review, on Consolidated basis PCL NL registered a total revenue of ₹ 40,229.34 Lakhs as against ₹ 33,704.73 Lakhs in the previous year. The net loss for the year stood at ₹ 1,412.86 Lakhs as against net loss of ₹ 1,991.18 Lakhs in the previous year.

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

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

During the Financial Year under review, on MEMCO registered a total revenue of ₹ 5,339.19 Lakhs as against ₹ 5,102.05 Lakhs in the previous year. The Company has incurred a net loss of ₹. 24.42 Lakhs as against ₹ 474.17 Lakhs profit in the previous year.

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

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

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

EMOSS is a one-of-a-kind business that designs, develops, produces and supplies complete electric powertrains for trucks, busses, military vehicles and heavy equipment. EMOSS business model includes conversion of diesel trucks into ready to use electric trucks. The Company also manufactures "ready to assemble modular kits" which are assembled onto the chassis. EMOSS provides an end-to-end solution to its customers which includes research and development, engineering, production, testing, certification, delivery and post-sales service. EMOSS also provides real-time power management and tracking via an integrated cockpit setup. The trucks powered by Electric Drivelines can carry a maximum payload of 50 tons with a mobility of up to 350 km which may be extended beyond 500 km with long range extenders developed by EMOSS. Acquisition has paved access to electrical mobility markets such as Europe, North America, Australia and New Zealand. EMOSS enjoys the customer base of Heineken, Meyer & Meyer, TEDI, etc.

The Company has formulated a policy for determining "material" subsidiaries is available on the website of the Company at PCL - Policy for determining Material Subsidiaries

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

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

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

27. STATEMENT ON RISK MANAGEMENT POLICY

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

The Company has adopted a Risk Management Policy in accordance with the provisions of the Act and Regulation 21 of the Listing Regulations. Risk Management Policy is hosted on website of the Company at PCL - Risk Management Policy

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

During the Financial Year under review, there were no significant and material orders passed by regulators or courts or tribunals impacting the going concern status and Company's operation in future. Investigation under Section 210 of Companies Act 2013 has been initiated by Ministry of Corporate Affairs on 17th December, 2021. The investigation is under process.

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

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

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

30. DEPOSITS

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

31. SECRETARIAL AUDIT REPORT AND ANNUAL SECRETARIAL COMPLIANCE REPORT

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board appointed M/s. J B Bhave & Co., Company Secretaries, Pune as the Secretarial Auditors of the Company for the Financial Year 2022-2023. There are no qualifications/ observations/ remarks in the Secretarial Audit Report for the Financial Year ended 31st March, 2023 which is annexed herewith as an **Annexure H** to the Annual Report.

Pursuant to SEBI Circular CIR/CFD1/27/2019 dated 8th February, 2019 all listed entities shall, additionally, on annual basis, submit a report to the stock exchange(s) on compliance of all applicable SEBI Regulations and circulars / guidelines issued thereunder within 60 days of end of Financial Year. Such report shall be submitted by Company Secretary in practice to the Company in the prescribed format. The Company has received this report from M/s J.B. Bhave & Co., Company Secretaries, Pune for the Financial Year ended 31st March, 2023 and it has been submitted to the stock exchange(s) within the stipulated time. The said report form’s part this Annual Report as **Annexure I.**

32. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company’s guiding principle for CSR is to build its relationship with stakeholders and the community at large, and to contribute to their long term social good and welfare.

As on 31st March, 2023, the composition of Corporate Social Responsibility (CSR) Committee is as follows:

Sr. No.	Name	Designation
1.	Mr. Yatin S. Shah	Chairman
2.	Dr. Suhasini Y. Shah	Member
3.	Dr. Ameet N. Dravid	Member
4.	Ms. Apurva P. Joshi	Member
5.	Mr. Suhas J. Ahirrao	Member

Detailed Annual Report on CSR activities for the Financial Year ended 31st March, 2023 is given as **Annexure C** and CSR Policy is also disclosed on the website of the Company at PCL - CSR Policy.

The CSR committee was reconstituted in the Board Meeting held on 29th March, 2023.

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

During the Financial Year ended 31st March, 2023, in terms of PCL ESOS 2015, the Company has not allotted any Equity Shares on exercise of vested options and no fresh grant was made by the Company.

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

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

Disclosure under SEBI (Shared Based Employee Benefits) Regulation 2014 is available on the website of the Company at ESOP Disclosure 2022-23.

The certificate from J. B. Bhave & Co., Practicing Company Secretary, Pune, Secretarial Auditors of the Company, confirming that the scheme has been implemented in accordance with the aforesaid regulations and in accordance with the resolution passed by the Members of the Company would be placed before the Members at the ensuing Annual General Meeting.

34. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behavior. The Company has adopted a Whistle Blower Policy (Vigil mechanism) to provide a formal mechanism to the Directors and employees to report their concerns about unethical behaviorr, actual or suspected fraud, irregularities or violation of the Company's Code of Conduct. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee.

The detailed policy on Vigil mechanism is disclosed on the website of the Company at PCL - Vigil Mechanism Policy.

35. CORPORATE GOVERNANCE REPORT

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

A certificate from M/s J. B. Bhave & Co., Company Secretaries regarding compliance with conditions of corporate governance as required under SEBI LODR also forms part of this Annual Report as **Annexure F.**

A certificate from M/s J. B. Bhave & Co. Company Secretaries regarding compliance with Schedule V of SEBI LODR also forms part of this Annual Report as **Annexure G.**

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

The Company has in place a policy for Prevention of Sexual Harassment (PoSH) at workplace. This inter alia provides a mechanism for the resolution, settlement or prosecution of acts or instances of Sexual Harassment at work and ensures that all employees are treated with respect and dignity. The Company has also complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

No complaint was reported to the Committee during the year ended on 31st March, 2023 in connection with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

ICC Committee details are provided in Posh Policy which is available on website of the Company at PCL – Policy on Prevention of Sexual Harassment of Women at Workplace

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

During the Financial Year ended 31st March, 2023, there were no instances of fraud which were reported by the Statutory Auditors to the Audit Committee/ Board.

38. AUDITORS

(a) STATUTORY AUDITOR

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

(b) COST AUDITORS

The Board of Directors, on the recommendation of Audit Committee, had appointed M/s. S. V. Vhatte and Associates, Cost Accountants [Firm Registration No.: 100280] as Cost Auditors to audit the cost accounts of the Company for the Financial Year ended 31st March, 2023. The Cost Audit report for the Financial Year 2022-23 will be filed with the Ministry of Corporate Affairs on or before the due date.

The Board on recommendations of the Audit Committee have appointed M/s. S. V. Vhatte and Associates, Cost Accountants [Firm Registration No.: 100280] as Cost Auditors to audit the cost accounts of the Company for the Financial Year ended 31st March, 2024, subject to ratification of remuneration by the members at the ensuing AGM. The cost accounts and records of the Company are duly prepared and maintained as required under Section 148(1) of Act.

(c) INTERNAL AUDITORS

The Company had appointed M/s Unicus Risk Advisors LLP as Internal Auditors of the Company for the Financial Year ended 31st March, 2023. The scope and authority of the Internal Auditor is as per the terms of reference approved by the Audit Committee. The Internal Auditors monitor and evaluate the efficiency and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies of the Company. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Company.

39. REPORT ON MANAGEMENT DISCUSSION AND ANALYSIS

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

40. DIRECTORS RESPONSIBILITY STATEMENT

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

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

41. 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 website of the Company at PCL – Code of conduct for Board and Senior Management .

All Directors and Senior Management members have affirmed their compliance with the said Code. A declaration pursuant to the Regulation 26 (3) read with Part D of the Schedule V of the SEBI LODR, 2015 signed by Managing Director to this effect forms part of Corporate Governance Report of this Annual Report.

42. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

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

43. COMPLIANCE OF APPLICABLE SECRETARIAL STANDARDS

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

44. INVESTOR EDUCATION AND PROTECTION FUND

In accordance with the provisions of Sections 124 and 125 of the Act and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividends of a company which remain unpaid or unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account shall be transferred by the Company to the Investor Education and Protection Fund ("IEPF"). In terms of the foregoing provisions of the Act, no dividend amount or shares were required to be transferred to the IEPF by the Company during the Financial Year ended 31st March, 2023.

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

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

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

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

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

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

48. CAUTIONARY STATEMENTS

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

49. ACKNOWLEDGEMENTS

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

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

Yatin S. Shah	Ravindra R. Joshi
DIN: 00318140	DIN: 03338134
Chairman and Managing Director	Whole-time Director and CFO
Date: 26th May, 2023	Date: 26th May, 2023
Place: Pune	Place: Pune

ANNEXURE A

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

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

FORM NO. AOC-1

Part A – Subsidiary Companies of Precision Camshafts Limited

(Amt. in ₹ Lakhs)

Particulars	Name of Subsidiaries	
	PCL (International) Holding B.V., (Consolidated Basis)	MEMCO Engineering Private Limited
The date since when subsidiary was acquired	Not applicable	10th October, 2017
Reporting period for the subsidiary concerned, if Different from the holding company's reporting period	1st April, 2022 to 31st March, 2023	1st April, 2022 to 31st March, 2023
Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries i.e. 31st March, 2023	Euro Closing Rate 1 Euro = ₹88.74/- Average Rate 1 Euro = ₹83.64/-	₹ Exchange Rate -Not applicable
Share Capital	11,785.49	720.00
Reserves and Surplus	(10,508.07)	1,896.52
Total Assets	32,656.44	3,862.62
Total Liabilities (excluding share capital, reserves and surplus)	31,379.01	1,246.10
Investments	NIL	629.12
Turnover	40,122.33	5,279.32
Profit/(Loss) before Tax	(2,219.28)	(57.44)
Provision for tax	(806.42)	(33.02)
Profit after Tax	(1,412.86)	(24.42)
Proposed Dividend	-	-
% of Shareholding	100	100

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

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

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

Yatin S. Shah
DIN: 00318140
Chairman and Managing Director

Date: 26th May, 2023
Place: Pune

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

Date: 26th May, 2023
Place: Pune

ANNEXURE B

A. CONSERVATION OF ENERGY:

PCL has induced environmental sustainability as an integral part of its business operations and continues to find and apply measures that can optimise utilisation of available resources.

PCL at across all its manufacturing locations and business operations is relentlessly working on improving productivity, energy efficiency and maximising sustainability at our manufacturing facilities through usage of state-of-the-art technologies and processes. The Company is committed to bringing about continuous improvement in processes and products using energy efficiency interventions and renewable energy technologies.

The steps taken for energy conservation and its impact:

1. Installation of power factor improvement with Harmonic filters to improve power quality (Thyristor controlled automatic harmonic filter bank). The power factor is maintained at unity (0.995) at all plants. This will help the Company to save approximately ₹ 30 Lakhs every year.
2. The Company has converted electrical air heater ovens into Liquid Petroleum Gas (LPG) ovens for 4 shell moulding machines which will help in conservation of energy and product quality improvement.
3. The Company has converted 9 air compressors with special purpose motors used in the foundries into regular induction motors which will help the Company to save energy approximately worth ₹ 18 Lakhs. The Company is in the process of such conversion for 8 more motors used in Machine Shop.
4. The Company has ensured that the motors & pumps used are of the right capacity & has introduced temperature sensor feedback for fan motors on / off for cooling towers to save energy.
5. The Company has implemented energy-saving water cooled oil chillers instead of electrical oil chillers for furnace & carrack hyd. systems in the foundries.
6. To improve lumens & reduce power cost in manufacturing sheds & external areas of the Company, all lightings have been changed to LED lamps with improved Lux from 100 lux to 350 lux which will help the Company to save energy approximately ₹ 25 Lakhs annually.
7. Natural cool air ventilation system (Eco air cooling) has been installed on Knockout. Apart from saving energy, human working comfort has been achieved. Ambient temperature reduction by 2 to 3 deg Centigrade at knockout.
8. The Company has started installation of 15 MWp Solar Power Plant for Captive Consumption at Mangalvedha, Solapur which will help the Company to save energy cost. The said solar power plant will be capable of generating 1,80,00,000 units per annum on an average.

B. TECHNOLOGY ABSORPTION AND RESEARCH & DEVELOPMENT:

1. Efforts made in technology absorption and development of products.

1. Car track modification done in Foundry no. 2 with 2 moulds placing on one pallet instead of 1 mould has helped to reduce pouring time as well as saving of power consumption.
2. Development of SG Iron shaft with induction hardening root.
3. Development of new product with 8 cavities in one mould and 8 core in one core box.

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

1. The Company is planning is planning Automatic machine and Punching packing machine as well as Sand decoring machine instead of manual at the foundry. (Cost saving 16 Lakhs per year).
2. Current fettling i manual. We are planning install Auto fettling machine for Grinding & Trimming processes. (Cost saving 23.76 Lakhs per year).
3. Pouring area instead improvement planning to do Semi Auto pouring instead of manual pouring done currently. (Cost saving 15.84 Lakhs per year)
4. EFD 4 Station Induction hardening Machine with robotic automation implemented (Cost saving 21.12 Lakhs per year).
5. Yield improvement in YRA Maruti product by 3 %.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Particulars	(₹ in Lakhs)
Earnings	33,391.95
Outgo	1,896.80

ANNEXURE C

THE ANNUAL REPORT ON CSR ACTIVITIES FOR FY 2022-23

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

1. Brief outline on CSR Policy of the Company

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

2. Composition of CSR Committee

Sr. No	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Yatin S. Shah	Chairman and Managing Director	3	3
2	Dr. Suhasini Y. Shah	Non-executive Director		3
3	Mr. Vaibhav S. Mahajani*	Independent Director		1
3	Mr. Madan M. Godse**	Independent Director		2
3	Dr. Ameet N. Dravid***	Independent Director		NA
4	Ms. Apurva P. Joshi****	Independent Director		NA
5	Mr. Suhas J. Ahirrao****	Independent Director		NA

*Mr. Vaibhav S. Mahajani ceased to be member of the CSR committee pursuant to his retirement at the 30th Annual General Meeting.

**Mr. Madan Godse ceased to be member of CSR Committee w.e.f. 01st February 2023 due to his resignation.

***Dr. Ameet N. Dravid was appointed as Independent Director w.e.f. 10th August 2022 and was inducted into CSR Committee on 10th February 2023.

**** Ms. Apurva P. Joshi and Mr. Suhas J. Ahirrao were appointed as Independent Directors w.e.f. 29th March 2023 and were also inducted as members of CSR Committee.

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

Sr. No.	Display on Website	Links
1	Composition of the CSR Committee	Composition of CSR Committee
2	CSR Policy	Corporate Social Responsibility Policy
3	Projects Approved by the Board	PCL CSR activities

4. Provide the executive summary along with web-link(s) of **Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).** Not applicable

Annexure C (Contd.)

5. Details of CSR expenditure

Sr. No	Particulars	Amount (₹ in Lakhs)
a.	Average net profit of the Company as per sub-section (5) of section 135	7,773.48
b.	Two percent of average net profit of the Company as per sub-section (5) of section 135.	155.48
c.	Surplus arising out of the CSR Projects or programmes or activities of the previous financial years.	NIL
d.	Amount required to be set-off for the financial year, if any.	NIL
e.	Total CSR obligation for the financial year [(b)+(c)-(d)].	155.48

6. Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project).

Sr. No	Particulars	Amount (₹ in Lakhs)
a.	Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project).	**155.69**
b.	Amount spent in Administrative Overheads.	NIL
c.	Amount spent on Impact Assessment, if applicable.	N A
d.	**Total amount spent for the Financial Year [(a)+(b)+(c)].**	**155.69**

e. CSR amount spent or unspent for the financial year:

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

f. Excess amount of set-off, if any:

Sr. No	Particulars	Amount (₹ in Lakhs)
(i)	Two percent of average net profit of the Company as per section 135(5)	155.48
(ii)	Total amount spent for the Financial Year	**159.30** (Includes the amount excess spent for FY 2021-22 and excess amount spent for FY 2022-23)
(iii)	Excess amount spent for the financial year [(ii)-(i)]	3.83
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	**3.83**

Annexure C (Contd.)

7. **Details of Unspent CSR amount for the preceding three financial years: NA**

(₹ in Lakhs)

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

8. **Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in Financial Year:Yes**

If Yes, enter the number of Capital asset created/acquired : 1

Sr. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset (s)	Date of creation	Amount of CSR amount spent (₹ In Lakhs]	Details of entity/Authority/ beneficiary of the registered owner CSR registration Number; if any Name Registered Address		
(1)	(2)	(3)	(4)	(5)	(6)		
1	Installation of Roof Top Solar Plant	413004	08th July 2022	11.95	Registered Address: Plot No. 12 to 22, Pranav Nagari, Majrewadi, Jule Solapur, Solapur	Vivekanand Kendra Training Institute for Excellence	CSR registration Number: NA

9. **Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5): NA**

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

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

Date: 26th May, 2023
Place: Pune

ANNEXURE D

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

The remuneration in this Annexure is calculated on the basis of gross salary excluding bonus and variable pay.

1) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company and the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary for the Financial Year 2022-23:

Sr. No.	Name of the Director	Designation	Ratio of the Remuneration of each Director /to Median Remuneration of Employees	% increase in the remuneration of each Director/, Chief Financial Officer/ Company Secretary
1.	Mr. Yatin S. Shah	Chairman & Managing Director	134.19	0.00
2.	Mr. Ravindra R. Joshi	Whole-time Director & Chief Financial Officer	150.75	23.92
3.	Mr. Karan Y. Shah	Whole-time Director– Business Development	29.62	154.29
4.	Dr. Suhasini Y. Shah	Non-Executive Director	2.20	0.00
5.	Mr. Sarvesh N. Joshi	Independent Director	2.20	0.00
6.	Mr. Vaibhav S. Mahajani	Independent Director	1.10	(50.00)
7.	Mrs. Savani A. Laddha	Independent Director	2.20	0.00
8.	Mr. Madan M. Godse	Independent Director	1.85	(40.00)
9.	Mr. Gautam V. Wakankar	Company Secretary & Compliance Officer	4.49	4,081.63

2) Percentage increase in the median remuneration of employees in the Financial Year 2022-23:

During the Financial Year under review, there has been an increase of approximately **8.70%** in the median remuneration paid to the employees.

3) The number of permanent employees on the rolls of the Company as on 31st March, 2023: 1,395

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

There has been increase in the average remuneration of employees other than managerial personnel by 11.67% and increase in average managerial remuneration by 17.48%

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

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

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

Yatin S. Shah
Chairman & Managing Director
DIN: 00318140

Date: 26th May, 2023
Place: Pune

Annexure D (Contd.)

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

(₹ in Lakhs)

Name of the employee	Designation	Gross Remuneration	Nature of employment	Qualification and experience	Date of commencement of employment	Age	Last employment held and Designation	% of equity shares held in the Company	Relative of Director/ Manager
Yatin S. Shah	Chairman & Managing Director	343.53	Whole-time employee on roll of the Company	B.com, MBA 36 years of experience in business expansion and administration	08/06/1992	61	Chetan Foundries, CEO	39.78	Spouse of Dr. Suhasini Y. Shah and Father of Mr. Karan Y. Shah
Ravindra R. Joshi	Whole-time Director & CFO	353.99	Whole-time employee on roll of the Company	B.com, DBM 35 years of experience in the field of finance and accounting	11/05/2000	58	Chetan Foundries, Manager Finance	0.02	NA

*The remuneration is calculated on the basis of gross salary.

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

Yatin S. Shah
Chairman & Managing Director
DIN: 00318140

Date: 26th May, 2023
Place: Pune

ANNEXURE E

REPORT ON CORPORATE GOVERNANCE

Company's Philosophy on Code of Governance

The fundamental principle of Corporate Governance is achieving sustained growth ethically and in the best interest of all stakeholders. The governance philosophy embraces the tenets of transparency, independence, accountability, fair and timely disclosures, and ethical corporate citizenship as means for implementing its corporate governance framework in letter and spirit.

Corporate Governance framework

Our corporate governance framework ensures that we make timely disclosures and share accurate information regarding our financials and performance, as well as disclosures related to the leadership and governance of the Company. We believe that an active, well-informed and Independent Board is necessary to ensure the highest standard of Corporate Governance practice. At Precision Camshafts Limited, the Board is at core Corporate Governance practice. The Board oversees the management's functions and protects the long-term interests of our stakeholders.

Corporate Governance guidelines

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

The Company's Corporate Governance framework is based on an effective Independent Board, separation of our Board's supervisory role from the executive management team and constitution of the committees of our Board, as required under law. The Board of Directors, along with its Committees, provides leadership and guidance to the management and directs and supervises the performance of the Company, thereby enhancing stakeholders' value. Our Board is constituted in compliance with the provisions of the Companies Act,2013 and the SEBI LODR, as applicable. The Management presents before the Board of Directors and its corresponding committees all the Reports/Intimations filed to Stock Exchange from time to time. Our Board functions either directly, or through various committees constituted to oversee specific operational areas. Our Company also urges its Board Members and top management to abide by the Code of Corporate Governance.

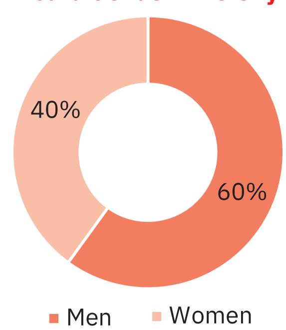
A report on compliance with the principles of Corporate Governance as prescribed by the SEBI in Chapter IV read with Schedule V of SEBI LODR is given below:

1. BOARD OF DIRECTORS

a) Composition and category of Directors:

A wide range of perspectives are critical to effective corporate governance. The Management believes that the Company's Board should comprise of an appropriate mix of Executive, Non-Executive and Independent Directors, to maintain its independence and diversity of perspectives, and lead to good management dynamics and better governance. The Board Diversity Policy adopted by the Board sets out its approach to diversity. The policy is available on our website at Policy on Board Diversity.

Board Gender Diversity



As on 31st March, 2023 our Board is comprised of **10 (Ten)** Directors. The composition of the Board is as follows with Mr. Yatin S. Shah as the Chairman:

Sr No.	Category of Directors	No. of Directors	Name of Director	DIN
1.	Executive Director Promoter	2	Mr. Yatin S. Shah	00318140
			Mr. Karan Y. Shah	07985441
2.	Non-Executive Director Promoter	1	Dr. Suhasini Y. Shah	02168705
3.	Executive Director	1	Mr. Ravindra R. Joshi	03338134
4.	Independent Non-Executive Director	6	Mr. Sarvesh N. Joshi	03264981
			Dr. Ameet N. Dravid	03264981
			Ms. Apurva P. Joshi	06608172
			Mr. Suhas J. Ahirrao	10090429
			Mrs. Anagha S. Anasingaraju	02513563
			Mrs. Savani A. Laddha	03258295
	Total	**10**		

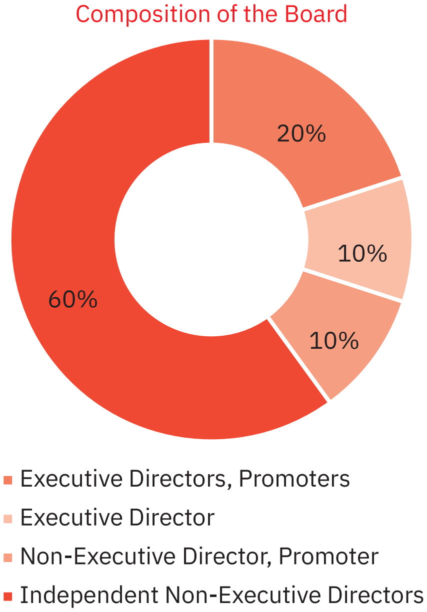
Notes: -

- Mr. Vaibhav S. Mahajani ceased to be an Independent Director of the Company pursuant to his retirement at the 30th Annual General Meeting of the Company held on 21st September, 2022 after serving two consecutive terms.
- The Members of the Company have approved the appointment of Dr. Ameet N. Dravid as an Independent Director for the period of two years from 10th August, 2022 till 9th August, 2024 at the 30th Annual General Meeting of the Company held on 21st September, 2022.
- Mr. Madan M. Godse, Independent Director of the Company resigned w.e.f 1st February, 2023 due to personal reasons.
- Ms. Apurva P. Joshi, Mr. Suhas J. Ahirrao and Mrs. Anagha S. Anasingaraju were appointed as Additional Directors designated as Independent Directors and inducted as members of various committees w.e.f. 29th March, 2023.

Composition of the Board as on 31st March, 2023:

The Composition of the Board of Directors is in conformity with Regulation 17 of the SEBI LODR read with Section 149 of the Companies Act, 2013. The composition as on 31st March, 2023 is summarized below -

Composition of the Board



All the Directors have made necessary disclosures regarding their directorships and other interests as required under Section 184 of the Companies Act, 2013 and the Committee positions held by them in other companies. The Company is in compliance with the provisions of Section 165 (1) of the Companies Act, 2013 and Regulation 17A of SEBI LODRi.e. None of the Director's on the Company's Board shall:

- hold the office of Director, including any alternate Directorship, in more than 20 (Twenty)Companies at the same time or
- hold Directorship in more than ten public companies,
- serves as a Director or as an Independent Directors (ID) in more than seven listed entities;

All the Independent Directors have confirmed that they meet the 'Independence' criteria as mentioned under Regulation 16 (1) (b) of the SEBI LODR and Section 149 (6) of the Companies Act, 2013 ("Act") and the Rules framed thereunder. In terms of Regulation 25(8) of the SEBI LODR, the Independent Directors have confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence. Based on the declarations received from the Independent Directors, the Board of Directors have confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management. Further, the Independent Directors have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014.

Pursuant to Clause VII of the Schedule IV (Code for Independent Directors) of the Companies Act, 2013 and Regulation 25(3) of SEBI LODR, separate meeting of Independent Directors was held on 9th March, 2023 without the attendance of Non-Independent Directors and members of management. All the Independent Directors were present at the meeting.

Annexure E (Contd.)

The Company is in compliance of Regulation 26 of the SEBI LODR, i.e. none of the Directors are members in more than 10 (Ten) Committees or act as a Chairperson of more than 5 (Five) committees, the committees being, Audit Committee and Stakeholders' Relationship Committee across all public limited companies, whether listed or not in which he/she is a Director. All the Directors except Independent Directors and Managing Director are liable to retire by rotation.

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

Pursuant to Regulation 27(2) of the SEBI LODR, the Company submits a quarterly Compliance Report on Corporate Governance to the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) within 21 days from the close of every quarter.

The Managing Director and Chief Financial Officer have certified to the Board on inter alia, the accuracy of the financial statements and adequacy of internal controls for financial reporting, in accordance with Regulation 17(8) read together with Part B of Schedule II of the SEBI LODR for the Financial Year ended 31st March, 2023. The said certificate forms part of this Annual Report as **Annexure J.**

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

Sr. No.	Director	Meetings held during the year						Number of Meetings attended during the year	30th Annual General Meeting
		9th May, 2022	26th May, 2022	10th August, 2022	10th November, 2022	10th February, 2023	29th March, 2023		21st September, 2022
1.	Mr. Yatin S. Shah	√	√	√	√	√	√	6	Yes
2.	Dr. Suhasini Y. Shah	√	√	√	√	√	√	6	Yes
3.	Mr. Ravindra R. Joshi	√	√	LOA	√	LOA	LOA	3	Yes
4.	Mr. Karan Y. Shah	LOA	√	√	√	√	√	5	Yes
5.	Mr. Sarvesh N. Joshi	√	LOA	√	√	√	√	5	Yes
6.	Mr. Vaibhav S. Mahajani	√	LOA	√	NA	NA	NA	2	Yes
7.	Mr. Savani A. Laddha	√	√	√	√	√	√	6	Yes
8.	Mr. Madan M. Godse	√	√	√	√	NA	NA	4	Yes
9.	Dr. Ameet N. Dravid	NA	NA	NA	√	LOA	√	2	Yes
10.	Ms. Apurva P. Joshi	NA	NA	NA	NA	NA	NA	NA	NA
11.	Mr. Suhas J. Ahirrao	NA	NA	NA	NA	NA	NA	NA	NA
12.	Mrs. Anagha S. Anasingaraju	NA	NA	NA	NA	NA	NA	NA	NA

(√- Attended, LOA-Leave of Absence, NA-Not Applicable)
Note: Refer notes given under Composition and Category of Directors for details of change in composition of Directors.

The gap between two meetings did not exceed 120 days and the Meetings were conducted in compliance with all applicable laws.

Annexure E (Contd.)

c) **Details of membership of Directors on other Companies Boards and their Committees as on 31st March, 2023**

Sr. No.	Name of Director	Number of Directorships in other Public Companies		Number of Committee Positions held in other Public Companies		Directorship in other listed entities	
		Chairperson	Member	Chairperson	Member	Name of the listed entity	Category of Directorship
1.	Mr. Yatin Y. Shah	Nil	2	Nil	Nil	Nil	Nil
2.	Dr. Suhasini Y. Shah	Nil	3	1	Nil	Nil	Nil
3.	Mr. Ravindra R. Joshi	Nil	2	Nil	Nil	Nil	Nil
4.	Mr. Karan Y. Shah	Nil	1	Nil	Nil	Nil	Nil
5.	Mr. Sarvesh N. Joshi	Nil	2	1	Nil	Nil	Nil
6.	Mrs. Savani A Laddha	Nil	Nil	Nil	Nil	Nil	Nil
7.	Dr. Ameet N. Dravid	Nil	Nil	Nil	Nil	Nil	Nil
8.	Ms. Apurva P. Joshi	Nil	5	1	4	1. Associated Alcohols& Breweries Limited 2. Quick Heal Technologies Limited 3. Fidel Softech Limited	Independent Director Independent Director Independent Director
9.	Mr. Suhas J. Ahirrao	Nil	Nil	Nil	Nil	Nil	Nil
10.	Mrs. Anagha S. Anasingaraju	Nil	Nil	Nil	Nil	Nil	Nil

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

Notes:

1. The Companies mentioned herein are Public Limited Companies and Deemed Public Companies, whether listed or not, and does not include other companies including Private Limited Companies, Foreign Companies, high valued debt listed and Companies under section 8 of the Companies Act, 2013.

d) **Number of Board Meetings**

During the Financial Year under review, 6 Board Meetings were held on 9th May, 2022, 26th May, 2022, 10th August, 2022, 10th November, 2022, 10th February, 2023 and 29th March, 2023.

e) **Disclosure of relationships between Directors inter-season 31st March, 2023**

Sr. No.	Name of Director	Relationship
1	Mr. Yatin S. Shah	Spouse of Dr. Suhasini Y. Shah, Father of Mr. Karan Y. Shah
2	Dr. Suhasini Y. Shah	Spouse of Mr. Yatin S. Shah, Mother of Mr. Karan Y. Shah
3	Mr. Karan Y. Shah	Son of Mr. Yatin S. Shah and Dr. Suhasini Y. Shah
4	Mr. Ravindra R. Joshi	No relationship with other Directors of the Company
5	Mr. Sarvesh N. Joshi	No relationship with other Directors of the Company
6	Mrs. Savani A. Laddha	No relationship with other Directors of the Company
7	Dr. Ameet N. Dravid	No relationship with other Directors of the Company
8	Ms. Apurva P. Joshi	No relationship with other Directors of the Company
9	Mr. Suhas J. Ahirrao	No relationship with other Directors of the Company
10	Mrs. Anagha S. Anasingaraju	No relationship with other Directors of the Company

Annexure E (Contd.)

f) Number of shares and convertible instruments held by Non-Executive Directors as on 31st March 2023.

Sr. No.	Name of Director	No. of equity shares held
1	Dr. Suhasini Y. Shah	1,07,78,461
2	Mr. Sarvesh N. Joshi	Nil
3	Mrs. Savani A. Laddha	Nil
4	Dr. Ameet N. Dravid	Nil
5	Ms. Apurva P. Joshi	Nil
6	Mr. Suhas J. Ahirrao	Nil
7	Mrs. Anagha S. Anasingaraju	Nil

g) Web link where details of familiarisation programme imparted to Independent Directors is disclosed.
Familiarisation Programme FY 2022-23.

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

The Company aims to cultivate a broad spectrum of demographic attributes and characteristics in the boardroom that elevates the Board's effectiveness to provide foresight and add value to the decision-making process. The Board of the Company comprises leaders and experts in their respective fields for achieving the objectives of the Company while operating effectively, responsibly and sustainably. The Members bring in the required skills, competence and expertise to the Board. The Directors are appointed based on well-defined selection criteria. The NRC considers, inter alia, key skills, qualifications, expertise and competencies, whilst recommending to the Board the candidature for appointment of Director. The Board of Directors, based on the recommendations of the NRC, identified the following core key skills/ expertise/ competencies of Directors as required in the context of business of the Company for its effective functioning which are currently possessed by the Board Members of the Company and mapped against each of the Directors:

Director	Area of Expertise							
	Leadership	Financial	Gender, ethnics, national, or other diversity	Global Business	Industry experience	Technology, R & D, IT	Board Services and Governance	Sales and Marketing
Mr. Yatin S. Shah	√	√	√	√	√	√	√	√
Dr.Suhasini Y. Shah	√	√	√	√	√	-	√	-
Mr. Ravindra R. Joshi	√	√	√	√	√	√	√	√
Mr. Karan Y. Shah	√	√	√	√	√	√	√	√
Mr. Sarvesh N. Joshi	√	√	√	√	-	-	√	-
Mrs. Savani A. Laddha	√	√	√	-	-	-	√	-
Dr. Ameet N. Dravid	√	√	√	-	-	-	√	-
Ms. Apurva P. Joshi	√	√	√	-	-	√	√	√
Mr. Suhas J. Ahirrao	√	√	√	-	√	-	√	-
Mrs. Anagha S. Anasingaraju	√	√	√	-	√	-	√	-

i) Board Independence:

Every Independent Director, at the first meeting of the Board in which he / she participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he / she meets the criteria of independence as provided under the law and that he / she is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his / her ability to discharge his / her duties with an objective independent judgement and without any external influence. In the opinion of the Board, the Independent Directors fulfil the conditions specified in SEBI LODR and are independent of the management.

j) **Resignation of Mr. Madan M. Godse, Independent Director**

The members of the Company have approved the appointment of Mr. Madan M. Godse as an Independent Director from 3rd September, 2021 till 2nd September, 2023 by Special Resolution through Postal Ballot on 10th June, 2022. However, he resigned from the office of Independent Director with effect from 1st February, 2023 due to personal reasons. He has confirmed that there are no other material reasons, other than those provided by him in his resignation letter. The Company has intimated the same to the Stock Exchanges and it is also available on the website of the Company at www.pclindia.in

2. AUDIT COMMITTEE

(a) Brief description of terms of reference:

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

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

Annexure E (Contd.)

13. Reviewing the adequacy of internal audit function, if any, including the structure of internal audit department, staffing, seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
14. Discussion with the internal auditors of any significant findings and follow-up thereon.
15. Reviewing the findings of any internal investigation by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
17. Looking into the reasons for substantial defaults in the payment of depositors (if any),debenture holders(if any), shareholders (in case of payment of declared dividends) and creditors.
18. Reviewing the functioning of the whistleblower mechanism.
19. Approval of appointment of CFO after accessing the qualifications, experience and background etc., of the candidate.
20. Reviewing the utilisation of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 Crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing.
21. Review of Management Discussion and analysis of financial condition and results of operations.
22. Review of Statement of significant related party transactions (as defined by the audit Committee) submitted by the Management.
23. Review of Management letter/letters of internal control weaknesses issued by the statutory auditors.
24. Review of Internal Audit reports relating to internal control weaknesses.
25. Review of appointment, removal and terms of remuneration of the Chief Internal Auditor.
26. Review of statement of deviations:
    a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
    b) annual statement of funds utilised for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7).
27. Carrying out any other function as is mentioned in terms of reference of the Audit Committee.

(b) Composition, Name of members and Chairperson:

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

The composition of Audit Committee as on 31st March, 2023 is as under:

Sr. No.	Name of Member	Designation	Position held in the Committee
1.	Mr. Sarvesh N. Joshi	Independent Director	Chairman
2.	Mr. Ravindra R. Joshi	Whole-time Director & CFO	Member
3.	Mrs. Savani A. Laddha	Independent Director	Member
4.	Dr. Ameet N. Dravid	Independent Director	Member
5.	Ms. Apurva P. Joshi	Independent Director	Member
6.	Mr. Suhas J. Ahirrao	Independent Director	Member
7.	Mrs. Anagha S. Anasingaraju	Independent Director	Member

(c) Meetings and attendance during the year:

The Committee met **6 (Six)** times during the year. The meetings were held on 9th May, 2022, 26th May, 2022, 10th August, 2022, 10th November, 2022, 10th February, 2023 and 15th March, 2023.

The details of the Audit Committee meetings and its attendance during the Financial Year ended 31st March, 2023 are as under:-

Sr No.	Name of Member	Meetings held during the year					
		9th May, 2022	26th May, 2022	10th August, 2022	10th November, 2022	10th February, 2023	15th March, 2023
1.	Mr. Ravindra R. Joshi	√	√	LOA	√	√	LOA
2.	Mr. Sarvesh N. Joshi	√	LOA	√	√	√	√
3.	Mr. Vaibhav S. Mahajani	√	LOA	√	NA	NA	NA
4.	Mrs. Savani A. Laddha	√	√	√	√	√	√
5.	Mr. Madan M. Godse	√	√	√	√	NA	NA
6.	Dr. Ameet N. Dravid	NA	NA	NA	NA	NA	NA
7.	Ms. Apurva P. Joshi	NA	NA	NA	NA	NA	NA
8.	Mr. Suhas J. Ahirrao	NA	NA	NA	NA	NA	NA
9.	Mrs. Anagha S. Anasingaraju	NA	NA	NA	NA	NA	NA

(√- Attended, LOA – Leave of Absence, NA-Not Applicable)

Notes:

1. Refer notes given under Composition and Category of Directors for details of change in composition of Directors.
2. The Company has reconstituted Audit Committee w.e.f. 29th March, 2023.

3. NOMINATION AND REMUNERATION COMMITTEE

a. Brief description of terms of reference:

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

1. Formulation of criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees. The Nomination and Remuneration Committee shall, while formulating the policy, ensure that—

   a. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;

   b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

   c. remuneration to Directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals:

   Provided that such policy shall be placed on the website of the Company, if any, and the salient features of the policy and changes therein, if any, along with the web address of the policy, if any, shall be disclosed in the Board's report.

Annexure E (Contd.)

2. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For identifying suitable candidates, the Committee may:
    a. use the services of an external agencies, if required;
    b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
    c. consider the time commitments of the candidates.
3. Formulate criteria for determining Board composition, Board effectiveness, Board succession, and independent functioning of the Board.
4. Recommend the appointment and removal of directorsfor approval at the AGM
5. Formulation of criteria for evaluation of performance of Independent Directors on the Board and of the Board of Directors;
6. Devising a policy on Board diversity;
7. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
8. Decide whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Director;
9. Recommend to the Board, all remuneration, in whatever form, payable to Senior Management;
10. Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or Overseas, including:
11. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 or
12. The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2013
13. Performing any other activities as may be delegated by the Board of Directors and/ or any statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee.

b. Composition, Name of members and Chairperson:

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

The composition of the NRC as on 31st March, 2023 is as under:

Sr. No.	Name of Member	Designation	Position held in the Committee
1.	Mrs. Savani A. Laddha	Independent Director	Chairperson
2.	Mr. Sarvesh N. Joshi	Independent Director	Member
3.	Dr. Ameet N. Dravid	Independent Director	Member
4.	Ms. Apurva P. Joshi	Independent Director	Member
5.	Mrs. Anagha S. Anasingaraju	Independent Director	Member

c. Meeting and attendance during the year:

The Committee met two times during the year. The meetings were held on 10th August, 2022 and 15th March, 2023.

The details of the NRC meetings and its attendance during the Financial Year ended 31st March, 2023 are as under:-

Sr No.	Name of Member	Meetings held during the year	
		10th August, 2022	15th March, 2023
1.	Mr. Vaibhav S. Mahajani	√	NA
2.	Mr. Sarvesh N. Joshi	√	√
3.	Mrs. Savani A. Laddha	√	√
4.	Mr. Madan M. Godse	√	NA
5.	Dr. Ameet N. Dravid	NA	√
6.	Ms. Apurva P. Joshi	NA	NA
7.	Mrs. Anagha S. Anasingaraju	NA	NA

(√- Attended, NA-Not Applicable)

Notes:

1. Refer notes given under Composition and Category of Directors for details of change in composition of Directors.
2. The Company has reconstituted NRC Committee w.e.f. 29th March, 2023.

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

d. Performance evaluation criteria for independent directors:

Pursuant to the provisions of the Companies Act, 2013 and the applicable provisions of the SEBI LODR, the Annual Performance Evaluation was carried out for the Financial Year 2022-23.

The Company has devised the criteria for evaluation of the performance of the Independent Directors. The said criteria specify certain parameters like strategic decisions, diligence, ethical behaviour, values, management skills, stakeholder relationship, communication inter se between board members, effective participation, domain knowledge, compliance with code of conduct.

4. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

(a) Name of the Non-Executive Director heading the committee: Dr. Suhasini Y. Shah

(b) Name and designation of the Compliance Officer as on 31st March, 2023:

Mr. Gautam V. Wakankar, Company Secretary and Compliance Officer
501-502, Kanchanban, "B" Wing, Sunit Capital,
CTS No. 967, FP No. 397, Senapati Bapat Road,
Pune – 411016, Maharashtra, India
Tel. No. 020 – 25673050
(Note : Resigned wef from 30th April 2023.)

(c) Brief description of terms of reference:

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

1. Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.
5. Carry out any other function contained in the equity listing agreement as and when amended from time to time or provided under the Companies Act, 2013 or SEBI LODR each as amended or by any other regulatory authority.

Annexure E (Contd.)

(d) Composition, Name of members and Chairperson

The Stakeholders' Relationship Committee (SRC)has been constituted by Board in compliance of Section 178 of the Companies Act,2013 and Regulation 20 of the SEBI LODR.

The composition of the SRC as on 31st March, 2023 is as under:

Sr. No.	Name of Member	Designation	Position held in the Committee
1.	Dr. Suhasini Y. Shah	Non-Executive, Non-Independent Director	Chairperson
2.	Mr. Karan Y. Shah	Whole-time Director	Member
3.	Dr. Ameet N. Dravid	Independent Director	Member
4.	Mrs. Anagha S. Anasingaraju	Independent Director	Member

(e) Meetings and attendance during the year:

The Committee met **3 (Three**) times during the year. The meetings were held on 26th May, 2022, 10th August, 2022 and 10th November, 2022.

The details of the SRC meetings and its attendance during the Financial Year ended 31st March, 2023 are as under:-

Sr No.	Name of Member	Meetings held during the year		
		26th May, 2022	10th August, 2022	10th November, 2022
1.	Dr. Suhasini Y. Shah	√	√	√
2.	Mr. Vaibhav S. Mahajani	LOA	√	NA
3.	Mr. Karan Y. Shah	√	√	√
4.	Mr. Madan M. Godse	√	√	√
5.	Dr. Ameet N. Dravid	NA	NA	NA
6.	Mrs. Anagha S. Anasingaraju	NA	NA	NA

(√- Attended, NA-Not Applicable)
Note : Refer notes given under Composition and Category of Directors for details of change in composition of Directors.

(f) Details of complaints received and attended to during the Financial Year 2022-23 are given below:

Opening Balance as on 1st April, 2022	Received during the year	Resolved during the year	Not Resolved during the year	Closing Balanceas on 31st March, 2023
0	0	0	0	0

5. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

(a) Terms of Reference:

1. Formulate and recommend to the Board, a Corporate Social Responsibility Policy which will indicate the activities to be undertaken by the Company in accordance with Schedule VII of the Companies Act, 2013, as amended from time to time and rules made thereunder.
2. Recommending the amount of expenditure to be incurred on CSR activities.
3. Monitor implementation and adherence to the CSR Policy of the Company from time to time.
4. Such other activities as the Board of Directors determine as they may deem fit in line with CSR Policy.
5. Performing such other duties and functions as the Board may require the CSR Committee to undertake, to promote the CSR activities of the Company or as may be required under the applicable laws.

The Board has adopted the CSR Policy as formulated and recommended by the Committee. The CSR Policy is available on the website of the Company at PCL - CSR Policy. The Annual Report on CSR activities Annexure C for the Financial Year 2022-23 forms part of the Board's Report.

(b) Composition:

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

The composition of the CSR Committee as on 31st March, 2023 is as under:

Sr. No.	Name of Member	Designation	Position held in the Committee
1.	Mr. Yatin S. Shah	Chairman and Managing Director	Chairman
2.	Dr. Suhasini Y. Shah	Non-Executive,Non-Independent Director	Member
3.	Dr. Ameet N. Dravid	Independent Director	Member
4.	Ms. Apurva P. Joshi	Independent Director	Member
5.	Mr. Suhas J. Ahirrao	Independent Director	Member

(c) Meetings and attendance during the year after meetings:

The Committee met **3(Three)**times during the year. The meetings were on 26th May, 2022, 10th August, 2022 and 10th November, 2022. Requisite quorum was present at the above Meetings.

The details of the CSR Committee meetings and its attendance during the Financial Year ended 31st March, 2023 are as under:

Sr No.	Name of Member	Meetings held during the year		
		26th May, 2022	10th August, 2022	10th November, 2022
1.	Mr. Yatin S. Shah	√	√	√
2.	Dr. Suhasini Y. Shah	√	√	√
3.	Mr. Vaibhav S. Mahajani	LOA	√	NA
4.	Mr. Madan M. Godse	NA	√	√
5.	Dr. Ameet N. Dravid	NA	NA	NA
6.	Ms. Apurva P. Joshi	NA	NA	NA
7.	Mr. Suhas J. Ahirrao	NA	NA	NA

(√- Attended, NA-Not Applicable)

Notes:

1. Refer notes given under Composition and Category of Directors for details of change in composition of Directors.
2. The Company has reconstituted SRC Committee w.e.f. 29th March, 2023.

6. RISK MANAGEMENT COMMITTEE

Regulation 21 of the SEBI LODR mandates top 1000 listed entities, determined on the basis of market capitalisation as at the end of the immediate previous financial year, to constitute a Risk Management Committee ('RMC'). The primary role of the RMC is that of assisting the Board of Directors in overseeing the Company's risk management processes and controls. The RMC, through Enterprise Risk Management in the Company, seeks to minimise adverse impact on the business objectives and enhance stakeholder value.

(a) Terms of Reference:

1. To formulate a detailed risk management policy which shall include:
   a. A framework for identification of internal and external risks specifically faced by the listed entity, including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
   b. Measures for risk mitigation including systems and processes for internal control of identified risks.
   c. Business continuity plan.
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

Annexure E (Contd.)

4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

5. To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken

6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

7. To coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the Board of Directors

8. To seek information from any employee of the Company, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

9. Balance risks and opportunities.

10. Nurture a healthy and independent risk management function in the Company.

11. Carry out any other functions as are referred by the Board from time to time.

12. And terms as mentioned in Risk Management Policy of the Company.

The Risk Management Policy is available on the website of the Company at PCL- Risk Management Policy

(b) Composition:

The composition of RMC as on 31st March, 2023 is as under:

Sr. No.	Name of Member	Designation	Position held in the Committee
1.	Mr. Yatin S. Shah	Chairman and Managing Director	Chairman
2.	Mr. Ravindra R. Joshi	Whole-time Director and Finance	Member
3.	Mr. Karan Y. Shah	Whole-time Director	Member
4.	Mr. Rajkumar K.Kashid	General Manager – Human Resources	Member
5.	Mrs. Savani A. Laddha	Independent Director	Member
6.	Mr. Suhas J. Ahirrao	Independent Director	Member

(c) Meetings and attendance during the year after meetings:

The Committee met **3(Three) times** during the year. The meetings were on 26th May, 2022, 10th August, 2022 and 31st January, 2023.

The details of the RMC meetings and its attendance during the Financial Year ended 31st March, 2023 are as under:

Sr No.	Name of Member	Risk Management Committee (RMC) Meetings held during the year		
		26th May, 2022	10th August, 2022	31st January, 2023
1.	Mr. Yatin S. Shah	√	√	LOA
2.	Mr. Ravindra R. Joshi	√	LOA	LOA
3.	Mr. Karan Y. Shah	√	√	√
4.	Mr. Vaibhav S. Mahajani	LOA	√	NA
5.	Mr. Rajkumar K.Kashid	√	√	√
6.	Mr. Indrajit K. Santra	√	√	NA
7.	Mr.Narayana Chittavarjula	√	√	√
8.	Mr. Madan M. Godse	NA	√	NA
9.	Mrs. Savani A. Laddha	NA	NA	NA
10.	Mr. Suhas J. Ahirrao	NA	NA	NA

(√- Attended, LOA- Leave of Absence, NA-Not Applicable)

Notes:

1. Refer notes given under Composition and Category of Directors for details of change in composition of Directors.
2. The Company has reconstituted RMC Committee w.e.f. 29th March, 2023.

7. REMUNERATION OF DIRECTORS

The remuneration policy of the Company is formulated to create best performance culture. It helps the Company to retain, motivate and attract talent and contributes towards the growth of the Company. The policy is uploaded on the website of the Company at www.pclindia.in

The Company does not pay sitting fees to the Directors for attending the meetings. The commission on profits is payable to Non-Executive Directors based on time and contribution. The shareholders of the Company had approved payment of commission on profits to Non-Executive Directors for a sum not exceeding 1% of the annual net profits of the Company for period of 3 Years (1st April, 2020 to 31st March, 2023) in accordance with the provisions the Companies Act, 2013 at the 28thAnnual General Meeting of the Company. The Board of Directors are authorised to decide the quantum within the limits.

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

Sr. No	Name of Director	Commission relating to FY 2021-22 (paid in FY 2022-23) ₹ in Lakhs	Relationship
1.	Dr. Suhasini Y. Shah	5.00	Spouse of Mr. Yatin S. Shah and Mother of Mr. Karan Y. Shah
2.	Mr. Sarvesh N. Joshi	5.00	There is no pecuniary relationship with the Company and have not entered into any transaction with the Company except payment of Commission for the Financial year and reimbursement of expenses.
3.	Mr. Vaibhav S. Mahajani	2.50	
3.	Mrs. Savani A Laddha	5.00	
4.	Mr. Madan M. Godse	4.20	
5.	Dr. Ameet N. Dravid	3.20	
6.	Ms. Apurva P. Joshi	NA	
7.	Mr. Suhas J. Ahirrao	NA	
8	Mrs. Anagha S. Anasingaraju	NA	

The policy on Criteria for making payment to non- executive directors is disseminated on the website of the Company at www.pclindia.in.

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

Given below are details pertaining to certain terms of appointment and payment of Managerial Remuneration to the Managing Director, Whole-time Directors and Chief Financial Officer for FY 2022-23:

(Amount in ₹ Lakhs)

Sr. No.	Name of Director	Basic Salary (₹)	Benefits, Perquisites and Allowances (₹)	Retirement benefits (₹)	Total (₹)
1	Mr. Yatin S. Shah Chairman and Managing Director	159.42	164.97	19.13	343.53
2	Mr. Ravindra R. Joshi Whole-time Director and Chief Financial Officer	136.26	183.67	34.06	353.99
3	Mr. Karan Y. Shah Whole-time Director – Business Development	35.98	31.21	10.47	77.66

Note:

The Company does not have any service contracts with its directors, nor any severance fees is payable to the Directors. Stock Options are not given to the Directors during the year.

Annexure E (Contd.)

8. GENERAL BODY MEETINGS:

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

Sr. No.	Financial Year	Date	Time	Venue	Special Resolutions passed at the AGM
1	FY 2021-22 30th Annual General Meeting	21st September, 2022	03.00 PM	Conducted via Video Conferencing (VC)/ Other Audio-Visual Means (OAVM) hosted from E 10/103, M.I.D.C., Akkalkot Road, Solapur – 413006, Maharashtra, India	To consider appointment of Dr. Ameet N. Dravid (DIN: 06806783) as an Independent Director of the Company.
2	FY 2020-21 29th Annual General Meeting	27th July, 2021	03:00 PM	Conducted via Video Conferencing (VC)/ Other Audio Visual Means (OAVM) hosted from 51 Sarvodaya Housing Society, Hotgi Road, Solapur – 413003, India	To consider re-appointment of Mrs. Savani Arvind Laddha (Din: 03258295) as Director designated as Independent Woman Director of the Company.
3	FY 2019-20 28th Annual General Meeting	30th July, 2020	03:30 PM	Conducted via Video Conferencing (VC)/ Other Audio-Visual Means (OAVM) hosted from 51 Sarvodaya Housing Society, Hotgi Road, Solapur – 413003, India	To approve remuneration of Mr. Yatin S. Shah (DIN: 00318140), as Chairman and Managing Director ofthe Company for theremaining term.

Special Resolution passed through Postal Ballot

During the Financial Year ended 31st March, 2023, appointment of Mr. Madan M. Godse as an Independent Director of the Company was approved by members of the Company through the Postal Ballot conducted through **E-voting process.**

In accordance with Section 110 of the Companies Act, 2013 ("the Act"), Rule 22 of the Companies (Management and Administration) Rules, 2014 ("the Rules") and other applicable provisionsof the Act and the Rules, General Circular Nos. 14/2020 dated 8th April, 2020, 17/2020 dated 13th April, 2020, 10/2021 dated 23rd June, 2021, 20/2021 dated 8th December, 2021 read with other relevant circulars, issued by the Ministry of Corporate Affairs ("MCA Circulars"), Regulation 44 and 17 (1C) of theSecurities and ExchangeBoardof India(Listing Obligations and DisclosureRequirements)Regulations,2015 ("Listing Regulations"), Secretarial Standard on General Meetings ("SS-2"), the resolution was proposed to be passed by means of Postal Ballot, only by way of remote e-voting process ("e-voting"). The Company had engaged the services of National Securities Depository Limited (NSDL) as the agency to provide e-voting facility. Mr. Jayavant B, Bhave, Proprietor of M/s J. B. Bhave & Co., Company Secretaries as a Scrutinizer for conducting the Postal Ballot in a fair and transparent manner. In accordance with the MCA Circulars, the Postal Ballot Notice dated 9th May, 2022, was sent only by electronic mode to those members whose names appeared in the Register of Members / List of Beneficial Owners as on Friday, 6th May, 2022 ("Cut-Off Date") received from the Depositories and whose e-mail addresses were registered with the Company/ Depositories. The e-voting period commenced at 9:00 a.m. (IST) on Thursday, 12th May, 2022 and ended on Friday, 10th June, 2023 5:00 p.m. (IST) on Friday, 10th June, 2022. The Scrutinizer submitted his report on 10th June, 2022 after completion of scrutiny and the result of the e-voting was announced on the same day. The summary of voting result is given below:

Particulars	% of total votes	Result
Votes in favour of the resolution	99.99	Passed with requisite majority
Votes against the resolution	00.01	

Special Resolutions passed after the closure of Financial Year ended 31st March, 2023 through Postal Ballot

After the closure of Financial Year ended 31st March, 2023, appointment of Ms. Apurva P. Joshi, Mr. Suhas J. Ahirrao and Mrs. Anagha S. Anasingaraju Independent Directors of the Company was approved by members of the Company through the Postal Ballot conducted through **E-voting process.**

In accordance with Section 110 read with Section 108 of the Companies Act, 2013 ("Act") and other applicable provisions, if any, of the Act and Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014 ("Rules"), Regulation 44 and 17 (1C) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India ("SS-2"), as amended from time to time, read with the General Circular Nos. 14/2020 dated 8th April, 2020, 17/2020 dated 13th April, 2020, 22/2020 dated 15th June, 2020, 33/2020 dated 28th September, 2020, 39/2020 dated 31st December, 2020, 10/2021 dated 23rd June, 2021, 20/2021 dated 8th December, 2021, 03/2022 dated 5th May, 2022 and 11/2022 dated 28th December, 2022 issued by the Ministry of Corporate Affairs ("MCA") (hereinafter collectively referred to as "MCA Circulars"), the resolutions were proposed to be passed by means of Postal Ballot, only by way of remote e-voting process ("e-voting"). The Company had engaged the services of National Securities Depository Limited (NSDL) as the agency to provide e-voting facility. Mr. Jayavant B, Bhave, Proprietor of M/s J. B. Bhave & Co., Company Secretaries as Scrutiniser for conducting the Postal Ballot in a fair and transparent manner. In accordance with the MCA Circulars, the Postal Ballot Notice dated 10th April, 2023, was sent only by electronic mode to those members whose names appeared in the Register of Members / List of Beneficial Owners as on Friday, 7th April, 2023 ("Cut-Off Date") received from the Depositories and whose e-mail addresses were registered with the Company / Depositories. The e-voting period commenced on Thursday 13th April, 2023 commenced at 9:00 a.m. (IST) on Thursday, 13th April, 2023 and ended at 5:00 p.m. (IST) on Friday, 12th May, 2023. The Scrutinizer submitted his report on 12th May, 2023 after completion of scrutiny and result of the e-voting was announced on the same day. The summary of voting result is given below:

Resolution	Particulars	% of total votes	Result
To consider appointment of Ms. Apurva P. Joshi (DIN: 06608172) as an Independent Director of the Company	Votes in favour of the resolution	99.9896	All the resolutions were passed with requisite majority.
	Votes against the resolution	0.0144	
To consider appointment of Mr.Suhas J. Ahirrao (DIN: 10090429) as an Independent Director of the Company	Votes in favour of the resolution	99.9859	
	Votes against the resolution	0.0141	
To consider appointment of Mrs. Anagha S. Anasingaraju (DIN: 02513563) as an Independent Director of the Company	Votes in favour of the resolution	99.9855	
	Votes against the resolution	0.0145	

There is no immediate proposal for passing any resolution through postal ballot. However, if required, the same shall be passed in compliance with the provisions of the Companies Act, 2013, the Listing Regulations or any other applicable laws.

9. MEANS OF COMMUNICATION:

The Company recognises communication as a key element to the overall Corporate Governance framework, and therefore emphasises prompt, continuous, efficient and relevant communication to all external constituencies.

Financial Results: The Quarterly, Half Yearly and Annual Financial Results are regularly submitted to the Stock Exchanges, in accordance with the SEBI LODR. The Results are generally published in Business Standard (English)Newspaper having nationwide circulation and Tarun Bharat (Marathi) Newspaper having circulation in Solapur.

Annexure E (Contd.)

Investors/ Analyst Meets: The Company hosts earnings call after the declaration of financial results for the Investors/ Analysts calls. The representatives of the Company address the concerns of the attendees in a precise manner.

Website: The Company's website (www.pclindia.in) is a comprehensive reference on its Leadership, Management, Vision&Mission, Product, Group Companies, and Investor Relations. The Stakeholders can access the details of the Board, its Committees, Financials, Presentations, Transcripts, Shareholding Pattern, Notices, Annual Report, Company Announcements, Corporate Governance, Policies, Terms of Appointment of Independent, Familiarisation Programme. In addition, various downloadable forms required to be executed by the shareholders have also been provided on the website of the Company.

Electronic Communication: During FY 2022-23 the Company sent Annual Reports by email to those shareholders whose email addresses were registered with the Depositories. In support of the 'Green Initiative' the Company encourages Members to register their email address with their Depository Participant, to receive soft copies of the Annual Report, Notices and other information disseminated by the Company, on a real-time basis without any delay.

10. GENERAL SHAREHOLDER INFORMATION:

a. Information:

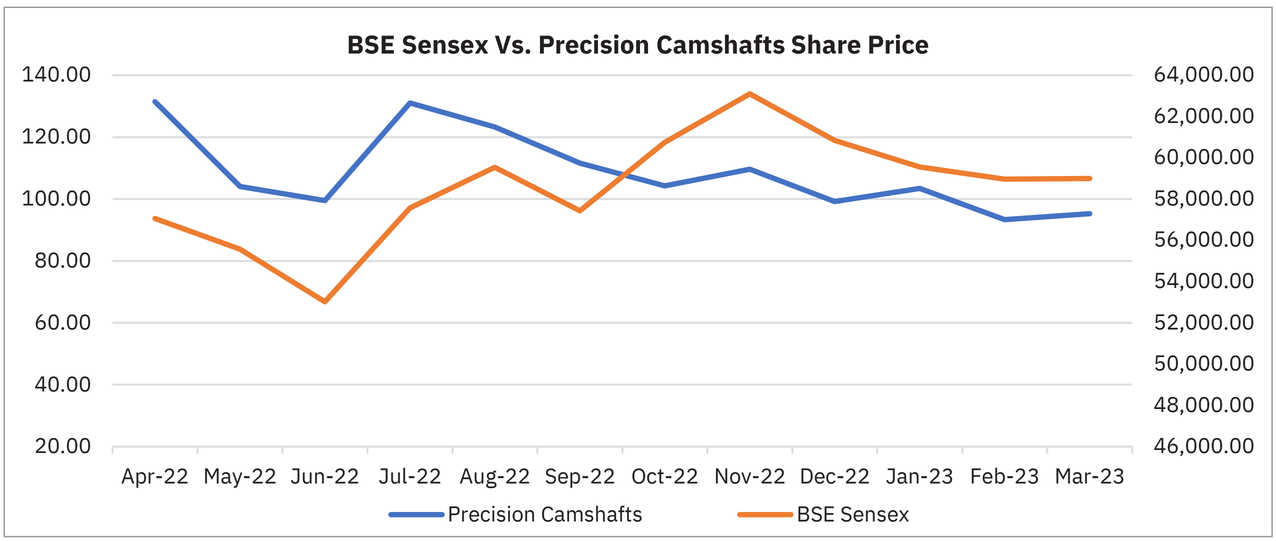
I.	Annual General Meeting – Date, Time and Venue	Wednesday, 26th July 2023, 03.00 PM (IST) via video conferencing/ other audio visual means (VC/OAVM)	
II.	Video Conference, If Yes, Link	Yes Link is provided in Notes to the AGM Notice	
III.	Financial Year	1st April, 2022 to 31st March, 2023	
IV.	Cut off for E – Voting and Dividend (if any)	18th July, 2023	
V.	Date of Dividend Payment	The Dividend, if declared at AGM will be paid on or before, 31st August 2023	
VI.	Dates of Book Closure	19th July, 2023 to 26th July, 2023	
VII.	E Voting Lines open	23rd July, 2023 to 25th July, 2023	
VIII.	The name and address of each stock exchange(s) at which the listed entity's securities are listed	**BSE Limited** Phiroze Jeejeebhoy Towers Dalal Street, Mumbai- 400001, Maharashtra, India Tel No: (022) 22721233/4, 91-22-66545695 Fax : (022) 22721919	**National Stock Exchange of India Limited,** Exchange Plaza, 5th Floor,Plot no.C-1,G Block, Bandra-Kurla Complex, BandraI, Mumbai-400051 Maharashtra, India Tel No: (022) 265981-0- 8114 Fax No: (022) 26598120
IX.	Stock Code	**539636**	**PRECAM**
X.	ISIN	INE484I01029	
XI.	Confirmation about payment of annual listing fee to each of such stock exchange(s);	The Company has paid Listing Fees for the financial year 2022-23 to each of the Stock Exchanges, where the equity shares of the Company are listed.	

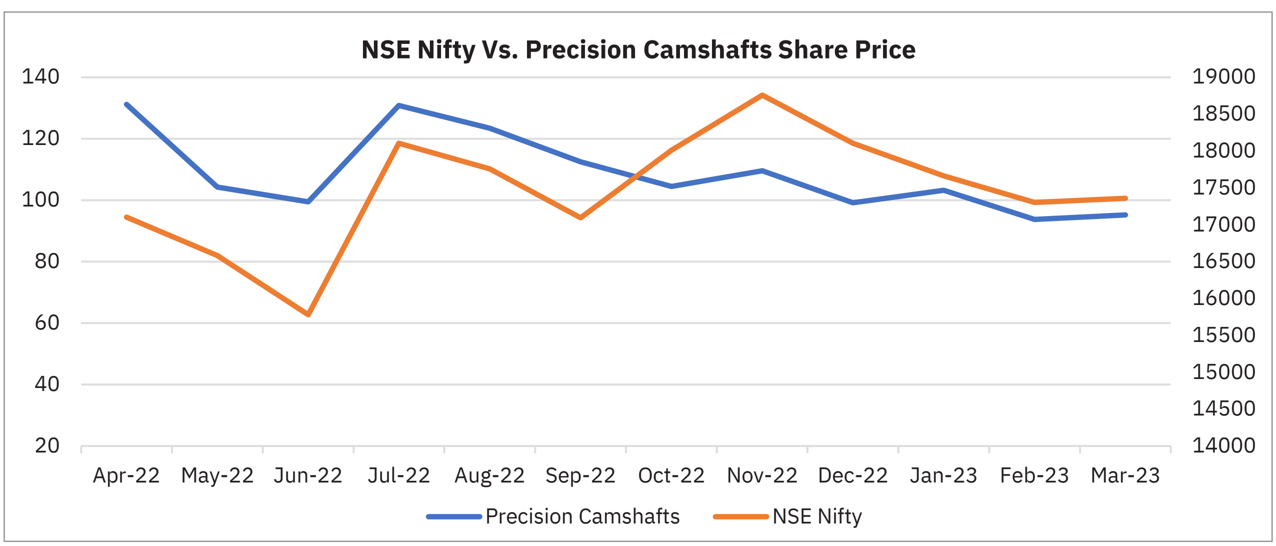
Annexure E (Contd.)

(b) Market price data- high, low during each month in last financial year:

Month	BSE		NSE	
	High Price	Low Price	High Price	Low Price
Apr-22	154.60	128.75	154.80	128.1
May-22	130.00	95.25	134.65	95.00
Jun-22	110.85	85.45	111.25	85.30
Jul-22	145.25	97.80	145.00	97.50
Aug-22	137.4	117.05	137.50	116.10
Sep-22	133.80	108.00	133.90	108.05
Oct-22	118.80	103.60	119.00	103.25
Nov-22	112.15	100.50	111.95	100.30
Dec-22	111.50	89.25	111.70	88.95
Jan-23	124.20	97.70	125.00	98.70
Feb-23	107.75	92.25	107.95	93.00
Mar-23	106.00	88.41	105.80	88.00

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





Annexure E (Contd.)

(d) **In case the securities are suspended from trading, the Directors' report shall explain the reasons there of**: NA

(e) **Registrar to an Issue and Share Transfer Agent**

Link Intime India Private Limited
Block No 202, 2nd floor, Akshay Complex,
Near Ganesh Temple, Off Dhole Patil Road,
Pune 411 001, Maharashtra, India.
Tel: - +91 20 2616 0084, 2616 1629
Fax: - +91 20 2616 3503
SEBI Registration: INR000004058

Contact Person:
Mr. Ashok Gupta, pune@linkintime.co.in,
website: www.linkintime.co.in

(f) **Share Transfer System:**

According to the SEBI LODR, no shares can be transferred unless they are held in dematerialized mode. Share transfers, dividend payments and all other investor-related activities are attended to and processed at the Office of the Company's Registrar and Share Transfer Agent. For lodgment of transfer deeds and any other documents or for any grievances/ complaints, kindly contact M/s. Link Intime India Private Limited at the above-mentioned address which are open from 10:00 AM to 5:00 PM between Monday to Friday (except on bank holidays).

(g) **Distribution of shareholding.**

No. of Shares	Shareholders		Equity shares held	
	No.of shareholders	% to Total	No. of shares	% to Total
1-500	48137	91.8242	49,09,011	5.1682
501-1000	2277	4.3435	18,33,336	1.9301
1001-2000	1003	1.9133	15,21,192	1.6015
2001-3000	330	0.6295	8,57,085	0.9023
3001-4000	154	0.2938	5,53,734	0.5830
4001-5000	157	0.2995	7,48,017	0.7875
5001-10000	198	0.3777	14,78,351	1.5564
10001- above	167	0.3186	8,30,85,109	87.4711
Total	**52423**	**100.0000**	**9,49,85,835**	**100.0000**

(h) Shareholding Summary as on 31st March, 2023:

Category	Total Shares	% to equity
Physical	2	0.0000
NSDL	8,50,28,168	89.5167
CDSL	99,57,665	10.4833

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

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

(k) Plant locations and Address for correspondence:

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

(l) **List of all credit ratings obtained by the Company during the financial year and revisions thereto, if an:**

Credit Rating on 5th January, 2023

Facilities ties/instruments	Amount (₹ Crores)	Rating1	Rating action
Long-term bank facilities	2.05	**CARE A; Stable (Single A; Outlook: Stable)**	**Reaffirmed**
Long-term / short-term bank facilities	10.00	**CARE A; Stable / CARE A1 (Single A; Outlook: Stable/ A One)**	**Reaffirmed**
Short-term bank facilities	54.95	**CARE A1 (A One)**	**Reaffirmed**
Total bank facilities	67.00		

11. OTHER DISCLOSURES:

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

(b) During the last three years, there were no instances of non-compliance by the Company and no penalty or strictures were imposed on the Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to the capital markets, except as given below:

Regulation	Quarter	Date of Submission with NSE and BSE	Days of Non-Compliance	Fine Amount per day		Date of payment	
				NSE	BSE	NSE	BSE
23(9) – *The listed entity shall submit within 30 days from the date of publication of its standalone and consolidated financial results for the half year, disclosures of related party transactions on a consolidated basis, in the format specified in the relevant accounting standards for annual results to the stock exchanges and publish the same on its website.*	Q-4 FY 2020-21-31st March, 2021	25th June, 2021	1	5000 +GST	5000 +GST	14th September, 2021	14th September, 2021

Annexure E (Contd.)

(c) The Company has laid down a Whistle Blower Policy, which includes Vigil Mechanism with detailed process for raising concerns by any of the employees, customers, vendors & investors, addressing the concerns and reporting to the Audit Committee/ Board. The Company affirms that no personnel had been denied access to the audit committee under Whistle Blower Policy.

(d) The Company has complied with all the mandatory requirements under SEBI LODR.The following non-mandatory requirement under Part E of Schedule II of the SEBI LODR to theextent they have been adopted are mentioned below:

Reporting of Internal Auditor: The Internal Auditor reports to the Audit Committee and participates in the meetings of the Audit Committee and presents Internal Audit observations to the Audit Committee.

(e) The policy for determining Material Subsidiaries formulated by the Board of Directors is disclosed on the Company's website at PCL – Policy for determining Material Subsidiaries

(f) The policy for transactions with related party formulated by the Board of Directors is disclosed on the Company's website at PCL – Policy on Related Party Transactions

(g) Disclosure of commodity price risks and commodity hedging activities: **NA**

(h) The Company has not raised funds through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of the SEBI LODR.

(i) The Company has obtained a certificate from Mr. Jayavant B. Bhave of M/s. J. B. Bhave & Co., Practicing Company Secretary that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority.

(j) The Board of Directors has accepted all recommendations of all committees of the Board, which is mandatorily required, in the Financial Year 2022-23.

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

Sr. No.	Particulars	Amount (₹ in Lakhs)
1	Fees for Audit FY 2022-23	30.00
3	Out of pocket expenses	1.98
	Total	**31.98**

(l) The Company has implemented policy for Prevention of Sexual Harassment of Women at Workplace.

a. Number of complaints filed during the year. NIL

b. Number of complaints disposed of during the year. NIL

c. Number of complaints pending as on end of financial year. NIL

12. Non-compliance of any requirement of corporate governance reportwith reasons thereof: There was delay of filing of disclosure of related party transactions on consolidated basis for the half year ended 31st March, 2021 due to misinterpretation of due date under Regulation 23 (9) of SEBI LODR.

13. The Company has complied with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46, except for non-compliance of Regulation 23(9) as mentioned in 12 (b).

14. The Company is in compliance with the disclosures required to be made under this report in accordance with Regulation 34(3) read together with Schedule V(C) to the SEBI LODR.

DECLARATION REGARDING COMPLIANCE WITH THE COMPANY'S CODE OF CONDUCT

Pursuant to the regulation 26 (3) read with part D of the Schedule V of the SEBI LODR , I, Yatin S. Shah, Chairman and Managing Director, hereby declare that the members of Board of Directors and Senior Management Personnel have affirmed compliance with the code of conduct of board of directors and senior management for the Financial Year ended 31st March, 2023.

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

Yatin S. Shah
Chairman & Managing Director
DIN: 00318140

Date: 26th May, 2023
Place: Pune

ANNEXURE F

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

To
The Members of
PRECISION CAMSHAFTS LIMITED
E 102/103 MIDC Akkalkot Road
Solapur – 413006
Maharashtra

I have examined the compliance of conditions of Corporate Governance by **PRECISION CAMSHAFTS LIMITED,** for the year ended on 31st March, 2023, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

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

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

Jayavant Bhave
Proprietor
FCS: 4266 CP: 3068
UDIN: F004266E000356301
PR.NO: 1238/2021

Date: 23rd May, 2023
Place: Pune

ANNEXURE G

SCHEDULE V OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS) 2015

COMPLIANCE CERTIFICATE

by Company Secretary in whole-time practice

To
Mr. Ravindra R. Joshi
Whole-time Director and Chief Financial Officer
PRECISION CAMSHAFTS LIMITED
E 102/103 MIDC, Akkalkot Road, Solapur-413006, Maharashtra

I have examined the details from the portal of Ministry of Corporate Affairs (MCA), website of Securities and Exchange Board of India (SEBI) and yearly disclosures provided by the directors of **PRECISION CAMSHAFTS LIMITED, ("the Company")** having **CIN: L24231PN1992PLC067126**, for the Financial year 2022-23 as stipulated in the Companies Act, 2013, Securities and Exchange Board of India Act, 1992 and the applicable SEBI Regulations.

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

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

S. No.	Name	Designation	DIN	Date of appointment in company
1	Yatin Subhash Shah	Chairman and Managing Director	00318140	8th June, 1992
2	Karan Yatin Shah	Whole Time Director	07985441	13th August, 2018
3	Suhasini Yatin Shah	Non-Executive- Non Independent Director	02168705	19th May, 2012
4	Ravindra Rangnath Joshi	Whole Time Director and Chief Financial Officer	03338134	30th September, 2010
5	Madan Madhusudan Godse	Non-Executive-Independent Director	06987767	3rd September, 2021*
6	Vaibhav Shashikant Mahajani	Non-Executive-Independent Director	00304851	17th February, 2015**
7	Sarvesh Nandlal Joshi	Non-Executive-Independent Director	03264981	31st August, 2013
8	Savani Arvind Laddha	Non-Executive-Independent Woman Director	03258295	10th February, 2020
9	Ameet Nandkumar Dravid	Non-Executive-Independent Director	06806783	10th August, 2022
10	Anagha Srinivas Rao Anasingaraju	Non-Executive-Independent Director	02513563	29th March, 2023
11	Apurva Pradeep Joshi	Non-Executive-Independent Director	06608172	29th March, 2023
12	Suhas Jagannath Ahirrao	Non-Executive-Independent Director	10090429	29th March, 2023

*Mr. Madan Madhusudan Godse ceased to be a Non-Executive and Independent director of the Company w.e.f. 1st February, 2023.
** Mr. Vaibhav Shashikant Mahajani ceased to be a Non-Executive and Independent director of the Company w.e.f. 21st September, 2022.

This certificate is issued on the request of the Company.

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

Jayavant Bhave
Proprietor
FCS: 4266 CP: 3068
UDIN: F004266E000356255
PR.NO: 1238/2021

Date: 23rd May, 2023
Place: Pune

ANNEXURE H

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE YEAR ENDED 31st MARCH, 2023

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

To,
Members,
PRECISION CAMSHAFTS LIMITED

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

Secretarial Audit was conducted for the period 1st April, 2022 to 31st March, 2023 in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances of the Company and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives, the explanations and clarifications given to us and representations made by the Management. I hereby report that in my opinion, the Company has, for the year ended 31st March, 2023 during the audit period ("Audit Period"), complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and legal compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the year ended 31stMarch, 2023 according to the provisions of the following list of laws and regulations:

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

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

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

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

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

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

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

c) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021**[Not applicable as the Company has not issued any further share capital during the period under review]**

d) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **[Not applicable as there was no reportable event during the period under review]**

e) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 **[Not applicable as the Company has not issued any further share capital during the period under review]**

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

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

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

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

(ii) SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Annexure H (Contd.)

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

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda are sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

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

1) The Company had passed following resolutions through postal ballot on 10th June, 2022 during the period under review-

    a. Re-appointment of Mr. Yatin S. Shah (DIN: 00318140) as Chairman and Managing Director of the Company and to fix his remuneration. (Ordinary Resolution)

    b. Appointment of Mr. Madan M. Godse (DIN: 06987767) as an Independent Director of the Company. (Special Resolution)

2) The Board of directors at their meeting held on 10th August, 2022 have co-opted Dr. Ameet Nandkumar Dravid (DIN-06806783) as an additional director designated as an Independent director of the Company.

    Further, the members at the AGM held on 21st September, 2022 have appointed Dr. Ameet Nandkumar Dravid (DIN-06806783) as an Independent director for a period of two years starting from 10th August, 2022.

3) Mr. Vaibhav S. Mahajani has ceased to be an Independent director of the Company with effect from 21st September, 2022 due to completion of his 2nd term as ID.

4) Mr. Madan Godse (DIN: 06987767) resigned as an Independent director of the Company w.e.f. 1st February, 2023 due to personal reasons.

5) The Company has converted the loan advanced to PCL (International) Holding B.V., (a wholly owned subsidiary) amounting to Euro 71,95,000 into 71,95,000 equity shares of Euro 1 each on 10th February, 2023.

6) The Board of directors have co-opted Ms. Apurva Joshi (DIN-06608172), Mr. Suhas Ahirrao (DIN-10090429) and Ms. Anagha Anasingaraju (DIN-02513563) as an Additional Independent director w.e.f. 29th March, 2023.

7) The Board of directors have reconstituted the following committees w.e.f. 29th March, 2023-

    a. Audit Committee

    b. Nomination and Remuneration Committee

    c. Corporate Social Responsibility Committee

    d. Stakeholders' Relationship Committee

    e. Risk Management Committee

8) Ministry of Corporate Affairs (MCA), through the office of the Registrar of Companies (ROC), Pune has initiated an investigation into the affairs of the Company under section 210 of Companies Act, 2013. The management of the Company has provided all the information, documents and data as sought by the Investigating Officers (IO). The IOs have recorded the statements of the directors and officers of the Company. As on the date of this report the Company is yet to receive interim/ final orders from MCA and as such the impact of the same could not be ascertained at this point of time.

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

Jayavant Bhave
Proprietor
FCS No. 4266
CP No. 3068
UDIN: F004266E000356112

Place: Pune
Date:23rd May 2023

ANNEXURE TO THE SECRETARIAL AUDIT REPORT OF STERLITE TECHNOLOGIES LIMITED (FY 2022-23)
AUDITORS' RESPONSIBILITY

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

In accordance with the ICSI Auditing Standards (CSAS1 to CSAS4) I wish to state as under-

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

Accordingly, I wish to state as under-

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards are the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

Jayavant Bhave
Proprietor
FCS No. 4266
CP No. 3068

Place: Pune
Date:23rd May 2023

ANNEXURE I

SECRETARIAL COMPLIANCE REPORT

for the financial year ended 31st March, 2023

[Pursuant to Regulation 24A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

I Jayavant B. Bhave, Proprietor of M/s. J B Bhave & Co, Company Secretaries, a company secretary in whole-time practice, have examined:

(a) all the documents and records made available to us and explanation provided by **Precision Camshafts Limited** ("the listed entity"),

(b) the filings/ submissions made by the listed entity to the stock exchanges,

(c) website of the listed entity,

(d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,for the year ended 31st March, 2023 ("Review Period") in respect of compliance with the provisions of:

I. the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars,guidelines issued thereunder; and

II. the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, Include the following, to the extent applicable:

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

ii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

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

iv. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018

v. The Securities and Exchange Board of India SEBI (Share Based Employee Benefits and Sweat Equity) Regulations 2021;

vi. Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations,

vii. 2021;

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

ix. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;

x. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021

xi. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and circulars/ guidelines issued thereunder;

I hereby report that, during the Review Period the compliance status of the listed entity is appended as below:

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations/ Remarks by PCS
1.	**Secretarial Standards:** The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI),as notified by the Central Government under section 118(10) of the Companies Act, 2013 and mandatorily applicable.	Yes	-

Annexure I (Contd.)

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations/ Remarks by PCS
2.	**Adoption and timely updation of the Policies:** • All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities. • All the policies are in conformity with SEBI Regulations and have been reviewed & updated on time, as per the regulations/circulars/guidelines issued by SEBI	Yes	-
3.	**Maintenance and disclosures on Website:** • The Listed entity is maintaining a functional website • Timely dissemination of the documents/ information under a separate section on the website • Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re- directs to the relevant document(s)/section of the website	Yes	-
4.	**Disqualification of Director:** None of the Director(s) of the Company is/ are disqualified under Section 164 of Companies Act, 2013as confirmed by the listed entity.	Yes	-
5.	**Details related to Subsidiaries of listed entities have been examined w.r.t.:** (a) Identification of material subsidiary companies (b) Disclosure requirement of material as well as other subsidiaries	NA	The Company does not have any material subsidiary as on 31st March, 2023
6.	**Preservation of Documents:** The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.	Yes	-
7.	**Performance Evaluation:** The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year/during the financial year as prescribed in SEBI Regulations.	Yes	-
8.	**Related Party Transactions:** (a) The listed entity has obtained prior approval of Audit Committee for all related party transactions; or (b) The listed entity has provided detailed reasons along with confirmation whether the transactionswere subsequently approved/ratified/rejected by the Audit Committee, in case no prior approval has been obtained.	Yes NA	- There is one instance with prior approval of the Audit Committee and hence not required to be reported
9.	**Disclosure of events or information:** The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	Yes	-

Annexure I (Contd.)

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations/ Remarks by PCS
10.	**Prohibition of Insider Trading:** The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015.	Yes	-
11.	**Actions taken by SEBI or Stock Exchange(s), if any:** No action(s) has been taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBIor by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder except as provided underseparate paragraph herein.	NA	No actions were taken by SEBI or Stock Exchanges
12.	**Additional Non-compliances, if any:** No additional non-compliance observed for any SEBIregulation/circular/ guidance note etc.	No	No non-compliance was observed

Compliances related to resignation of statutory auditors from listed entities and their material subsidiaries as perSEBI Circular CIR/ CFD/CMD1/114/2019 dated 18th October, 2019:

Sr. No.	Particulars	Compliance Status (Yes/ No/NA)	Observations / Remarks by PCS
1.	**Compliances with the following conditions while appointing/re-appointing an auditor**		
	i. If the auditor has resigned within 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter; or ii. If the auditor has resigned after 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter as well as the next quarter; or iii. If the auditor has signed the limited review/ audit report for the first three quarters of a financial year, the auditor before such resignation, has issued the limited review/ audit report for the lastquarter of such financial year as well as the auditreport for such financial year.	NA	There were no such instances of appointing / re-appointing the auditor during the review period. M/s. MSKA and Associates, Chartered Accountants, Pune [Firm registration No. 105047W] were appointed as the statutory auditors of the Company for a period of 5 years from 1st April, 2019 up to 31st March, 2024 in Annual General Meeting held on 25th September, 2019.

Sr. No.	Particulars	Compliance Status (Yes/ No/NA)	Observations / Remarks by PCS
2.	**Other conditions relating to resignation of statutory auditor**		
	i. Reporting of concerns by Auditor with respect to the listed entity/its material subsidiary to the Audit Committee: In case of any concern with the management of the listed entity/material subsidiary such as non-availability of information / non-cooperation by the management which has hampered the audit process, the auditor has approachedthe Chairman of the Audit Committee of the listed entity and the Audit Committee shall receive such concern directly and immediately without specifically waiting forthe quarterly Audit Committee meetings.	NA	There were no such instances of appointing / re-appointing the auditor during the review period. M/s. MSKA and Associates, Chartered Accountants, Pune [Firm registration No. 105047W] were appointed as the statutory auditors of the Company for a period of 5 years from 1st April, 2019 up to 31st March, 2024 in Annual General Meeting held on 25th September, 2019.
	a) In case the auditor proposes to resign, all concerns with respect to the proposed resignation, along with relevant documents has been brought to the notice of the Audit Committee. In cases where the proposed resignation is due to non-receipt of information/ explanation from the Company, the auditor has informed the Audit Committee the details of information/ Explanation sought and not provided by the management, as applicable. b) The Audit Committee / Board of Directors, as the case may be, deliberated on the matter on receipt of such information from the auditor relating to the proposal to resign as mentioned above and communicate its views to the management and the auditor. Disclaimer in case of non-receipt of information: The auditor has provided an appropriate disclaimer in its audit report, which is in accordance with the Standards of Auditing as specified by ICAI / NFRA, in case where the listed entity/ its material subsidiary has not provided information as required by the auditor.	NA	There were no such instances during the review period
3	The listed entity / its material subsidiary has obtained information from the Auditor upon resignation, in the format as specified in Annexure- A in SEBI Circular CIR/ CFD/CMD1/114/2019 dated October 18, 2019.	NA	There were no such instances during the review period

Annexure I (Contd.)

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

Sr. No.	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Regulation/ CircularNo.	Deviations	Action Takenby	Type of Action	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remarks
	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

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

Sr. No.	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Regulation/ CircularNo.	Deviations	Action Takenby	Type of Action	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remarks
	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

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

Jayavant B. Bhave
Proprietor
FCS No. 4266
CP No. 3068
UDIN: F004266E000356222
PR No.: 1238/2021

Place: Pune
Date:23rd May 2023

ANNEXURE TO THE SECRETARIAL COMPLIANCE REPORT (SCR)
AUDITORS' RESPONSIBILITY

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

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

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

Accordingly, I wish to state as under-

1. The SCR Audit for the financial year has been conducted as per the applicable Auditing Standards.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the secretarial records. I believe that the process and practices that I followed provide a reasonable basis for my opinion that the statements prepared, documents or Records maintained by the Company are free from misstatement.
3. My responsibility is limited to only express my opinion on the basis of evidences collected, information received and Records maintained by the Company or given by the Management. I have not verified the correctness and appropriateness of the financial records and books of accounts maintained by the Company.
4. Wherever required, I have obtained the Management Representation about compliance of laws, rules and regulations and happening of events, etc.
5. The Compliance of the provisions of the Corporate Laws, other applicable laws, rules, regulations and standards is the responsibility of the management. My examination is limited to verification of procedure on test basis.
6. This 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

Jayavant B. Bhave
Proprietor
FCS No. 4266
CP No. 3068

Place: Pune
Date:23rd May 2023

ANNEXURE J

To,
Board of Directors,
Precision Camshafts Limited
E-102/103, MIDC, Akkalkot road,
Solapur – 413006.

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

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

(a) We have reviewed the financial statements and the cash flow statements for the Financial Year ended 31st March 2023 and to the best of our knowledge and belief:

  1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  2. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) there are, to the best of our knowledge and belief, no transactions entered into by the Company during the Financial Year ended 31st March 2023 which are fraudulent, illegal or violative of the Company's code of conduct.

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

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

  1. There are no significant changes in internal controls over financial reporting during the Financial Year ended 31st March 2023.
  2. There are no significant changes in accounting policies during the Financial Year ended 31st March 2023, hence, the same is not disclosed in the notes to the financial statements and
  3. There are no instances of significant fraud of which we are aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

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

Yatin S. Shah
Chairman and Managing Director
DIN: 00318140
Place: London
Date: 26th May, 2023

Ravindra R. Joshi
Whole-time Director and CFO
DIN: 03338134
Place: Pune
Date: 26th May, 2023

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity:

1	Corporate Identity Number (CIN) of the Listed Entity	**L24231PN1992PLC067126**
2	Name of the Listed Entity	**Precision Camshafts Limited**
3	Year of incorporation	**1992**
4	Registered office address	**E 102/103 MIDC, Akkalkot Road, Solapur 413006**
5	Corporate address	**501/502, Kanchanban "B", Sunit Capital, Senapati Bapat Road, Pune 411016**
6	E-mail	**cs@pclindia.in**
7	Telephone	**020 – 25673050**
8	Website	**www.pclindia.in**
9	Financial year for which reporting is being done	**FY 2022-23**
10	Name of the Stock Exchange(s) where shares are listed	**National Stock Exchange (NSE)**
11	Paid-up Capital	**₹.94,98,58,350/-**
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	**Mr. Tanmay M. Pethkar** **Secretarial@pclindia.in** **020-25673050**
13	Reporting boundary	**Disclosures made in this report are on a standalone basis.**

II. Products/services:

1. Details of business activities (accounting for 90% of the turnover):

S.No.	Description of Main Activity	Description of Business Activity	% of Turnover of the Activity
1	Manufacturing	Metal and metal products	100

2. Products/services sold by the entity (accounting for 90% of the entity's turnover):

S. No.	Product/Service	NIC Code	% of Total Turnover Contributed
1	Manufacturing of Parts & Accessories for Motor Vehicles	2930	100

III. Operations:

3. Number of locations where plants and/or operations/ offices of the entity are situated:

Location	Number of Plants	Number of Offices	Total
National	11	1	12
International	3	1	4

4. Markets served by the entity:

a. Number of locations

Location	Number of Offices Total
National (No. of states)	1
International (No. of countries)	2

b. What is the contribution of exports as a percentage of the total turnover of the entity?

55 % of total turnover contributes to exports

c. A brief on types of customers:

Precision Camshafts is one of the world's leading manufacturers and supplier of camshafts, a critical engine component in the passenger vehicle segment. The Company supplies over 150 varieties of Camshafts for passenger vehicles, tractors, light commercial vehicles and locomotive engine applications from its manufacturing facilities in Solapur Maharashtra. The Company mainly caters to the passenger vehicle segment. Precision Camshafts is a complete solutions provider for camshafts manufactured by different technologies earning a major chunk of its revenue from the export of camshafts to various OEMs directly and indirectly. It is a niche player in the camshaft segment with a global market share of 8% to 9%. It is also the largest supplier in the domestic market with a market share of~70% and the preferred suppliers of casting camshaft to some of the global and domestic Original Equipment Manufacturers (OEM).

IV. Employees:

5. Details as at the end of Financial Year:

a. Employees (including differently abled):

S. No	Type of Employees	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
1	Permanent (D)	1,070	1,019	95.23%	51	4.77%
2	Other than Permanent (E)	12	12	100.00%	0	0.00%
3	Total Employees (D+E)	1,082	1,031	95.29%	51	4.71%
	Type of Workers					
1	Permanent (D)	250	250	100.00%	0	0.00%
2	Other than Permanent (E)	1,075	1,056	98.23%	19	1.77%
3	Total Employees (D+E)	1,325	1,306	98.57%	19	1.43%

b. Differently abled employees:

S. No	Type of Employees	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
1	Permanent (D)	1,070	0	0.00%	0	0.00%
2	Other than Permanent (E)	12	0	0.00%	0	0.00%
3	Total Employees (D+E)	1,082	0	0.00%	0	0.00%
	Type of Workers					
1	Permanent (D)	250	0	0.00%	0	0.0%
2	Other than Permanent (E)	1,075	0	0.00%	0	0.0%
3	Total Employees (D+E)	1,325	0	0.00%	0	0.0%

6. Participation/ Inclusion/ Representation of Women:

	Total (A)	Number & % of Females	
		No. (B)	% (B/A)
Board of Directors	4	0	0%
Key Management Personnel	30	2	7%

7. Turnover rate for permanent employees

	FY 2022-23			FY 2021-22			Number & % of Females		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	1019	51	1070	966	17	983	1021	17	1038
Permanent Workers	250	0	250	253	0	253	257	0	257
Turnover %	3	0	3	5	0	-	-	-	0

V. Holding, Subsidiary and Associate Companies (including joint ventures)

S. No.	Name of Holding/ Subsidiary/ Associate Companies/ Joint Ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of Share held by Entity	Does the entity indicated at column A, Participate in the Business Responsibility initiatives of the listed entity? (Yes/ No)
1	PCL (INTERNATIONAL) HOLDING B.V.	Subsidiary	100	NO
2	MEMCO ENGINEERING PVT LTD	Subsidiary	100	NO

VI. CSR Details:

8. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: **(Yes/ No): Yes**

(ii) Turnover (₹ in Lakhs): ₹ 5,12,12,31,549/-

(iii) Net worth (₹ in Lakhs): ₹ 7,69,92,25,013/-

VII. Transparency & Disclosures Compliances:

9. Complaints/ Grievances on any of the principles (Principles 1 to 9) under the national Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) *(If Yes, then provide web-link for grievance redress policy)*	FY 2022-23			FY 2021-22		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	https://pclindia.in/index.php/corporate-governance/	NO	NA	NO	NO	NA	NO
Investors (*other than shareholders*)	https://pclindia.in/index.php/corporate-governance/	NO	NA	NO	NO	NA	NO
Shareholders	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Employees & Workers	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Customers	https://pclindia.in/index.php/corporate-governance/	8	0	NO	9	0	NO
Value Chain Partners	https://pclindia.in/index.php/corporate-governance/	26	0	NO	9	0	NO

10. Overview of the entity's material responsible business conduct issues:

Please indicate material responsible business conduct & sustainability issues pertaining to environment & social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along with its financial implications, as per the following format.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	NA	NA	NA	NA	NA
2.	NA	NA	NA	NA	NA

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies & processes put in place towards adopting the NGRBC Principles & Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy & Management Processes									
a. Whether your entity's policy/policies **cover each principle & its** core elements of the NGRBCs. (*Yes/ No*)	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes
b. Has the policy been approved by the Board. (*Yes/ No*)	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes
c. Web link of the policies, if available.	https://pclindia.in/index.php/corporate-governance/								
Whether the entity has translated the policy into procedures.(*Yes/ No*)	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes
Do the enlisted policies extend to your value chain partners? (*Yes/ No*)	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes
Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, and Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	The Company's operations adhere to and are certified for ISO 9001. All manufacturing units are certified for adherence to ISO 14001 & ISO 45001. PCL is an IAFT 16949 certified Company. The Company's CSR policy follows the provisions of Section 135 of Companies Act, 2013								
Specific commitments, goals and targets set by the entity with defined timelines, if any.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Performance of the entity against the specific commitments, goals & targets along-with reasons in case the same are not met.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Governance leadership & oversight

1. **Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets & achievements (listed entity has flexible regarding the placement of this disclosure)**

   At Precision Camshafts Limited, sustainability forms the core of all activities. We endeavor to become the driving force in crafting a bright and confident future for the nation, serving our stakeholders responsibly, underpinned by resilience and future-readiness. Communities are a top priority and the Company's CSR activities in the areas of Education, Health and Hygiene, Environment and Rural Development are aimed at addressing concerns and challenges that affect the surrounding communities including underprivileged groups within the community. PCL takes efforts towards enhancement of communities around its operations. Therefore, specific efforts are taken to partner with small and local producers. PCL also invests in supplier development through measures to educate them on best practices that can lead to an improvement in operational and logistical efficiency. In the reporting year, we have created awareness with all our major suppliers about ESG and its relevance to our business. We are in the process of finalizing ESG concepts into our supplier assessment. We have targeted 15% of our suppliers to go for ESG assessment and rate them as per their performance.

At PCL we are cognizant of the importance of developing a diverse and inclusive work force. Diversity is one of the core components of our people philosophy. We have institutionalised diversity and inclusion into our employment processes-meritocracy, fairness and ethics being the pillars of our people management strategy. We believe that workplace diversity is a vital component in building an enabling and empowering workplace Keeping this in mind, we do not discriminate our current or prospective employees based on nationality, race, caste, gender, gender identity/expression, physical ability, religion, color, sexual orientation, disability, age or marital status. In our agenda to foster an inspiring workplace, we provide equal opportunities to all team members. We continually put in place several initiatives to further strengthen our diversity and inclusion framework.

At PCL, we recognise the importance of emission management in the industry, making it a key material aspect of our business. Over the past five years, we have better understood the difficulty in achieving year-on- year energy reductions and Scope 1 and 2 CO_2 emissions savings. Our best opportunities for further improvements are through increased efficiency and fuel use changes, and we will focus on these areas in the coming years. We will also install new technology to identify potential savings and explore new technologies to achieve our goals.

Our sustainability vision and our continual efforts have helped us reduce a considerable number of emissions. To manage our carbon impact and achieve our emission reduction goals, we have strategised a variety of measures including interventions such as replacing fossil fuel with Renewable Solar energy. We will have 7% reduction in scope 1 & 2 by 2030 from our reporting year calculations. We are planning for renewable energy at our sites in the coming years.

As a part of PCL long-term goal to build a cleaner and greener planet, we have invested in environmental sustainability, making it a key aspect in our manufacturing processes. We focus relentlessly on improving productivity, energy efficiency and maximising sustainability at our manufacturing facility through usage of state-of-the-art technologies and processes. Our technologies and processes help us continually monitor and analyse our environmental footprints in various locations. Resource efficiency and environmental impact reduction are at the core of our sustainability strategy, all our green targets being focused on these two aspects. ESG performance in the upcoming decade is a key focus area for PCL. Through its community development initiatives, deep vendor relationships, skilled team, and leading technologies PCL will continue to deliver on its ESG agenda while driving true stakeholder value.

2. Details of the highest authority responsible for implementation & oversight of the Business Responsibility policy (ies).	Mr. Yatin S. Shah Managing Director and Chairman
3 Does the entity have a specific Committee of the Board/ Directors responsible for decision making on sustainability related issues? **(Yes/ No)** **If Yes, Provide details.**	No

1. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director/ Committee of the Board/ Any other Committee									Frequency (Annually/ Half Yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies & follow up action	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Q	Q	Q	Q	Q	Q	Q	Q	Q
Compliance with statutory requirements of relevance to the principles, & rectification of any non-compliances	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Q	Q	Q	Q	Q	Q	Q	Q	Q

Subject for Review	**Frequency (Annually/ Half Yearly/ Quarterly/ Any other – please specify)**								
	P1	**P2**	**P3**	**P4**	**P5**	**P6**	**P7**	**P8**	**P9**
Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No) If Yes, provide name of the agency.	No	No	No	No	No	No	No	No	No

2. If answer to the question (1) above is "No" i.e. not all Principles are covered by a policy, reason to be stated:

Questions	**P1**	**P 2**	**P 3**	**P 4**	**P 5**	**P 6**	**P 7**	**P 8**	**P 9**
The entity does not consider the principles material to its business (Yes/ No)	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes
The entity is not at a stage where it is in a position to formulate & implement the policies on specified principles (Yes/ No)	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes
The entity does not have the financial or human & technical resources available for the task (Yes/ No)	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes
It is planned to be done in the next financial year (Yes/ No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Any other reason (please specify)	-	-	-	-	-	-	-	-	-

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorised as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1

Businesses should conduct & govern themselves with integrity, & in a manner that is Ethical, Transparent & Accountable:

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	**Total number of training & awareness programmes held**	**Topics / principles covered under the training and its impact**	**Percentage of persons in respective category covered by the awareness programmes**
Board of Directors	NIL		
Key Managerial Personnel			
Employees other than BoD and KMPs			

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	NIL	NIL	NA	NA	NA
Settlement	NIL	NIL	NA	NA	NA
Compounding Fee	NIL	NIL	NA	NA	NA

Non-Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	NIL	NIL	NA	NA
Punishment	NIL	NIL	NA	NA

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.
Not Applicable

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.
Yes

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:
NIL

6. Details of complaints with regard to conflict of interest:

	FY 2022-23	FY 2021-22
Directors	NIL	NIL
KMPs		
Employee		

Location	FY 2022-23		FY 2021-22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	NIL	NIL	NIL	NIL
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	NIL	NIL	NIL	NIL

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.
Not Applicable

PRINCIPLE 2

Businesses should provide goods and services in a manner that is sustainable and safe:

Essential Indicator

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Location	FY 2022-23	FY 2021-22	Details of improvements in environmental & social impacts
R & D	Not Applicable	Not Applicable	Not Applicable
Capex	Not Applicable	Not Applicable	Not Applicable

2. a. Does the entity have procedures in place for sustainable sourcing?
   No

   b. If yes, what percentage of inputs were sourced sustainably?
   Not Applicable

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.
   Not Applicable

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.
   Not Applicable

Leadership Indicator

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?
   No

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same

Name of Product / Service	Description of the risk / concern	Action Taken
Camshafts	No any social or environmental significant Risk	PCL have done Product Life Cycle Assessment

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2022-23	FY 2021-22
PP insert	0.06%	0.08%
Internal Generation	23471.25 MT	23465.55 MT
Returnable packaging material for Toyota camshaft	44.94 Lacs	82.68 Lacs

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format

Particulars	FY 2022-23			FY 2021-22		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	0	0	0	0	0	0
E-waste	0	0	0	0	0	0
Hazardous waste	0	0	0.92	0	0	1.25
Other waste	0	0	6.02	0	0	5.2

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
PP Insert	0
VCI Sheet	0
VCI bag	0
XF Bag	0
Corrugated box	0
Corrugated sheet	0
Packaging strip	0

*Note: The material is recyclable at customer's end.

PRINCIPLE 3

Businesses should respect and promote the well-being of all employees, including those in their value chains:

Essential Indicator

1. a. Details of measures for the well-being of employees:

Category	% of Employees Covered										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B/ A)	Number (C)	% (C/ A)	Number (D)	% (D/ A)	Number (E)	% (E/ A)	Number (F)	% (F/ A)
Permanent Employees											
Male	1,019	1,019	100%	1,019	100%	0	0	0	0%	0	0%
Female	51	51	100%	51	100%	51	100%	0	0%	0	0%
Total	1,070	1,070	100%	1,070	100%	51	100%	0	0%	0	0%
Other than Permanent Employees											
Male	12	12	100%	12	100%	0	0	0	0%	0	0%
Female	0	0	0%	0	0%	0	0	0	0%	0	0%
Total	12	12	100%	12	100%	0	0	0	0%	0	0%

Category	% of Workers Covered										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B/ A)	Number (C)	% (C/ A)	Number (D)	% (D/ A)	Number (E)	% (E/ A)	Number (F)	% (F/ A)
Permanent Employees											
Male	250	250	100%	250	100%	0	0	0	0	0	0
Female	0	0	0%	0	0%	0	0	0	0	0	0
Total	250	250	100%	250	100%	0	0	0	0	0	0
Other than Permanent Employees											
Male	1,056	1,056	100%	1,056	100%	0	0	0	0	0	0
Female	19	19	100%	19	100%	19	100%	0	0	0	0
Total	1,075	1,075	100%	1,075	100%	0	0	0	0	0	0

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2022-23		FY 2021-22	
	No. of employees covered as a % of total employees	Deducted and deposited with the authority (*Y/N/N.A.)*	No. of employees covered as a % of total employees	Deducted and deposited with the authority (*Y/N/N.A.)*
PF	**100%**	Y	**100%**	Y
Gratuity	**100%**	Y	**100%**	Y
ESI	NA	NA	NA	NA
Others – please specify	NA	NA	NA	NA

3. **Accessibility of workplaces**

   Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard:

   Yes

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

   No

5. Return to work and Retention rates of permanent employees and workers that took parental leave:

Gender	Permanent Employees	
	Return to Work Rate	Retention Rate
Male	NA	NA
Female	NA	NA
Total	NA	NA

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief:

	Yes/No (If yes, then give details of the mechanism in brief)
Permanent Employees	Yes, the employees can send their issues/grievances to Human Resource (HR) team Email, after which within 24 hours the issues are addressed and further actions are initiated.
Other than Permanent Employees	Non-Permanent employees can send their query to HR department or the Company Secretary's email ID.

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Categories	FY 2022-23			FY 2021-22		
	Total employees /workers in respective category (A)	No. of employees / worker's in respective category, who arepart of association(s) or Union (B)	% (B / A)	Total employees / workersin respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D/ C)
Total PermanentEmployees	1,070	100%	Yes	983	100%	Yes
Male	1,019	100%		966	100%	
Female	51	100%		17	100%	
Total Permanent Workers	250	100%	Yes	253	100%	Yes
Male	250	100%		253	100%	
Female	0			0	100%	

Business Responsibility & Sustainability Reporting (Contd.)

8. Details of training given to employees:

Category	FY Current Financial Year				FY Previous Financial Year				
	Total (A)	On Health and safety measures		On Skill upgradation	Total (A)		On Health and safety measures		On Skill upgradation
		No. (B)	% (B / A)	No. (C)	% (C / A)	Total (D)	No. (B)	% (B / A)	No. ©
Employees									
Male	1019	1019	100	1019	100	966	966	100	100
Female	51	51	100	51	100	17	17	100	100
Total	**1070**	**1070**	**100**	**1070**	**100**	**983**	**983**	**100**	**100**
Workers									
Male	250	250	100	250	100	253	253	100	100
Female	0	0	0	0	0	0	0	0	0
Total	**250**	**250**	**250**	**250**	**100**	**253**	**253**	**100**	**100**

9. Details of performance and career development reviews of employees:

Category	FY 2022-23			FY 2021-22		
Permanent Employee	**Total (A)**	**Total (B)**	**% (B/A)**	**Total (C)**	**Total (D)**	**% (C/D)**
Male	1,019	1,019	100	966	966	100
Female	51	51	100	17	17	100
Total	1,070	1,070	100	983	983	100

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? **(*Yes/ No*).**

If yes, the coverage such system? Yes, Environmental testing laboratory is accredited by ISO 45001: 2018, Occupational health and safety management systems. Quality manual and Procedure manual of ISO 45001: 2018 are being implemented.

YES, Covered (Scope) of all plants like 04 Foundry and 03 machine shops incl. whole factory campus

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

All processes, department activity's like melting, molding, quality, maintenance are studied with Hazard identification and Risk analysis

c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. **(*Y/N*) :**

Yes

d. This is not directly applicable given the nature of business. However, in light of the pandemic, PCL recognises the risks of infections occurring on company property. To reduce these risks, PCL took the necessary precautions at the offices, including sanitizing all office premises. PCL has organised vaccination camps for its employees in an endeavour to urge all employees and their families to get vaccinated. Do the employees of the entity have access to non-occupational medical and healthcare services? **(*Yes/ No*).**

Yes

11. Details of safety related incidents, in the following format:

Safety Incident/ Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	2.46	1.47
Total recordable work-related injuries	Employees	0	0
	Workers	10	6
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy work place:

- Safety at workplace - It's our motto and we provided Safe work practices, procedures and work instruction to work safely.
- We focused on Engineering controls, elimination of hazards and for that we carried out HIRA- Hazard identification and Risk analysis of all processes. We introduced "Safety suggestion scheme" for their best suggestions for improvements. Taken care of safe all guards.
- We are following Safety work permits for critical work activity. In factory premises we taken care of Road safety like Pedestrian ways, Zebra crossings, etc. We provided Occupational Health centre and Ambulance Van for easy and quick first aid and medical help.
- We displayed EHS policy on the shop floor, displayed safety- Do's and Don'ts for guidelines, and displayed safety posters. Also, we issued a Safety Booklet to all employees for education and effective communication. We are issuing all types of Personal Protective Equipment's (PPE) to employees.

13. Number of Complaints on the following made by employees and workers:

Particulars	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	NIL					
Health & Safety						

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

- Air pipe tubing found unsafe while in use and need to be rerouted through under trench and pipe- Action Taken and closed.
- Forklift no. 05 reverse horn not working and fumes from silencer also increased- Action Taken and issue closed.

Leadership Indicator

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).
   No

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.
   Yes

3. Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

<table>
<tr><th rowspan="3"></th><th colspan="4">Total no. of affected Employees/ Workers</th><th colspan="2">No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment</th></tr>
<tr><th colspan="2">Employees</th><th colspan="2">Workers</th><th rowspan="2">FY 2022-23</th><th rowspan="2">FY 2021-22</th></tr>
<tr><th>FY 2022-23</th><th>FY 2021-22</th><th>FY 2022-23</th><th>FY 2021-22</th></tr>
<tr><td>Employees</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td></tr>
<tr><td>Workers</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td></tr>
</table>

4. Does the entity provide transition assistance programmes to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)
   No

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners
   NA

PRINCIPLE 4

Businesses should respect the interests of and be responsive to all its stakeholders:

Essential Indicator

1. Describe the processes for identifying key stakeholder groups of the entity.

   The Company identifies individuals or groups of individuals or institutions that play an important role in the business as its key stakeholders and ensures that it engages with them regularly to understand their needs. The Company identifies employees including workers, shareholders and investors, customers, dealers and distributors, technical collaborators, banks, suppliers and vendors, society and local communities around the Company's manufacturing sites, professional bodies and regulators as its key stakeholders. Through regular interactions with our stakeholders across various channels, we have been able to strengthen our relationships and enhance our organisational strategy. We have identified key stakeholders group and each stakeholder continues to contribute in thier own way in creating a shared value.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of Communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, website, other)	Frequency of engagement (Annually/Half Yearly/Quarterly/ Others-please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagements
Employees	No	• Annual report • Press releases • Investor presentations • Corporate Website • Quarterly and Annual Results • Annual General Meetings	➢ Yearly ➢ Quarterly ➢ Quarterly ➢ Periodically ➢ Quarterly ➢ Yearly	• To stay abreast of developments in the Company; • To apprise of quarterly and annual results • Understanding Stakeholders expectations
Customers/ Clients	No	• Conferences • Training • Press releases • Investor presentations • Corporate Website • Quarterly and Annual Results	➢ Periodically ➢ Periodically ➢ Quarterly ➢ Quarterly ➢ Periodically ➢ Quarterly	• To stay in touch with the employees, listen to their needs and to address their concerns. • Learning Opportunities. • Career Management and Growth Prospectus. • To stay in touch with the employees, listen to their needs and to address their concerns. • Learning Opportunities. • Career Management and Growth Prospectus
Shareholders/ Investors	No (except a few small enterprises)	• one to one interactions/ meets • Conferences • Policies • Mass media & digital communications • Social media	➢ Periodically ➢ Periodically ➢ Periodically ➢ Annually ➢ Monthly	• Understanding client, industry and business challenges • Deciding on investment and capabilities required to fulfil demand • Ethical Behavior • Governance

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of Communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, website, other)	Frequency of engagement (Annually/Half Yearly/Quarterly/ Others-please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagements
Department Managers	No (except a few small enterprises)	• Supplier & Vendors Meet • Conferences • Policies • IT-enabled information-sharing tools and recognition platforms • Corporate Website	➢ Periodically ➢ Periodically ➢ Periodically ➢ Annually ➢ Quarterly	• Strong Partnership. • Creditworthiness • Ethical Behavior • Governance
Partners & Collaborators	No	• Official communication channels • Regulatory audits/ inspections Environmental compliance Policy intervention • Good governance	➢ Periodically ➢ Periodically ➢ Periodically	To discussions various regulations and amendments, inspections, approvals.

Leadership Indicator

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

   The board of director are notified regarding the issues relating the ESG by way of periodical reports and direct communication by senior management members or the person responsible for BRSR

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

   NA

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

   The PCL has always been in forefront in helping and up-lifitment of underserved and underprivileged groups of society. Company has taken initiatives in specific areas of social development in Solapur, Latur and Osmanabad (Dharashiv) Districts that include primary and secondary education, skill development, vocational training, health and hygiene, sustainability, environment and ecological protection, charter building by opportunities in Sports and Cultural activities. Company continuously strives to achieve total inclusiveness by encouraging people from all sections of the community irrespective of caste, creed or religion to benefit from our CSR initiatives which are also focused on communities that reside in the proximity of our Company's various manufacturing locations in the country.

PRINCIPLE 5

Businesses should respect and promote human rights:

Essential Indicator

1. Employees who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2022-23				FY 2021-22				
	Total (A)	No. of Employees(B)		% (B/ A)	Total (C)		No. of Employees (D)		% (D/ C)
				Employees					
Permanent	1,070	582	54%	983	0	0	966	100	100
Other than Permanent	12	12	100%	38	0	0	17	100	100
Total Employees	**1,082**	**594**	**55%**	**1,021**	**0**	**0**	**983**	**100**	**100**

Category	FY 2022-23				FY 2021-22				
	Total (A)	No. of Workers (B)		% (B/ A)	Total (C)		No. of Workers (D)		% (D/ C)
				Workers					
Permanent	250	120	48%	253	0	0	253	100	100
Other than Permanent	1,075	771	72%	1,010	0	0	0	0	0
Total Employees	**1,325**	**891**	**67%**	**1,263**	**0**	**0**	**253**	**100**	**100**

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2022-23					FY 2021-22				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/ A)	No. (C)	% (C/ A)		No. (E)	% (E/ D)	No. (F)	% (F/ D)
					Employees					
Permanent	1,070	0	0	0	0%	1,038	0	0	0	0%
Male	1,019	0	0	0	0%	1,021	0	0	0	0%
Female	51	0	0	0	0%	17	0	0	0	0%
Other than Permanent	12	0	0	12	100%	38	0	0	38	100%
Male	12	0	0	12	100%	38	0	0	38	100%
Female	0	0	0	0	0%	0	0	0	0	0%

3. Details of remuneration/salary/wages, in the following format:

Stakeholder Group	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	3	₹17.66 Lakhs	0	0
Key Managerial Personnel	30	₹ 1.08 Lakhs	2	₹ 1.12 Lakhs
Employees other than BoD and KMP	1,049	₹ 0.23 Lakhs	44	₹ 0.21 Lakhs
Workers	0	0	0	0

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business?
Yes.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.
Yes

6. Number of Complaints on the following made by employees and workers:

Category	FY 2022-23			FY 2021-22		
	Filed During the Year	Pending Resolution at the end of Year	Remarks	Filed During the Year	Pending Resolution at the end of Year	Remarks
Sexual Harassment	NIL			NIL		
Discrimination at Workplace						
Child Labour						
Forced Labour/ Involuntary Labour						
Wages						
Other Human Rights related issues						

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.
Yes

8. Do human rights requirements form part of your business agreements and contracts?
No

9. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child Labour	Nil
Forced/ Involuntary Labour	
Sexual Harassment	
Discrimination at workplace	
Wages	
Others – please specify	

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.
    - Annual Return filled to Factory Inspector office as part of statutory compliance.
    - Monitored through - Online Ascent system available - if age is below 18 years.
    - Wages / salary paid to employees are audited by third party auditors on monthly basis.

Leadership Indicator

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.
   No
2. Details of the scope and coverage of any Human rights due-diligence conducted.
   No
3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?
   Yes
4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	Nil
Discrimination at Workplace	
Child Labour	
Forced/ Involuntary Labour	
Wages	
Others – please specify	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above:
   - Annual Return filled to Factory Inspector office as part of statutory compliance.
   - Monitored through - Online Ascent system available - if age is below 18 years.
   - Wages / salary paid to employees are audited by third party auditors on monthly basis.

PRINCIPLE 6

Businesses should respect and make efforts to protect and restore the environment:

Essential Indicator

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2022-23	FY 2021-22
Total electricity consumption (A) (Unit-KWH)	7,51,79,061	6,39,24,229
Total fuel consumption (B1) (Diesel - KL)	17.27	15.8
Total fuel consumption (B2) (LPG - KL)	1,969	1,639.57
Total fuel consumption (B= B1+B2) (Unit- KL)	1,986.27	1,655.37
Energy consumption through other sources (C)	0	0
Total energy consumption (A+B+C)	7,51,81,047.27	6,39,25,884.37
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	1200.28	1254.49
Energy intensity (optional) – the relevant metric may be selected by the entity	NA	NA

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

   Not Applicable

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	0	0
(iii) Third party water	63,336	68,643
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	63,336	68,643
Total volume of water consumption (in kilolitres)	63,336	68,643
Water intensity per rupee of turnover (Water consumed / turnover)	1.01	0.7460
Water intensity (optional) – the relevant metric may be selected by the entity	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation:

   Installed STP plant : We have fully automated and well equipped Sewage Treatment plant (STP) for all shops domestic waste water treatment and we are using 100 % Treated water (Outlet / per day @ 75 CMD) for gardening, Lawn area and there is no any discharge to outside factory

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please Specify Unit	FY 2022-23	FY 2021-22
NOx	Kg/Annum	972.1	568.32
SOx	Kg/Annum	3,078.51	604.61
Particulate Matter (PM)	Kg/Annum	4,065.66	4,151.76

Note: In light of Covid-19 Pandemic, by virtue of its Care & Dignity Policy, PCL Employees were provided work from Home. Hence the data is not available for FY 2020-21

Note: *Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.*
No

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 1 Emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric Tonnes of CO2 Equivalent	8,116.27	5,324.69
Total Scope 2 Emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric Tonnes of CO2 Equivalent	76,145	64,644
Total Scope 1 and Scope 2 Emissions per Rupee of Turnover	62634.28 (Turnover)	1.35	1.36

Note: *Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.*
No

7. Does the entity have any project related to reducing Green House Gas emission?
NO

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2022-23	FY 2021-22
Plastic waste (A)	0	0
E-waste (B)	0.92	1.25
Bio-medical waste ©	0.045	0.039
Construction and demolition waste (D)	0	0
Battery waste (E)		
Radioactive waste (F)	0	0
Other Hazardous waste. Please (G) specify, if any. (G)		
Shot Blasting dust	5.94	5.14
Oil soaked cotton waste	0.08	0.060
Other Non-hazardous waste generated (H). Please specify, if any. (Resin Coated sand-20 %) (Break-up by composition i.e. by materials relevant to the sector)	9,751	10,595
Total (A+B + C + D + E + F + G + H)	9,757.99	10,601.49

For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled - (Waste Oil)	14.600	13.200
(ii) Re-used- (Resin coated sand)	39,004	42,380
(iii) Other recovery operations		
Total	39,018.600	42,393.200
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	0.08	0.06
(ii) Landfilling	5.94	5.14
(iii) Other disposal operations		
Total	6.02	5.2

Note: *Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.*

No

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes:
   - Waste collected by in house workers and hand over to Garbage collector vehicle of Solapur Municipal Corporation
   - No Hazardous or toxic chemicals or waste
10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. N.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
1	Chincholi MIDC area, Solapur	Engineering / Automobile	No, Not applicable

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

    Not applicable
12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, and Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

    Yes

Leadership Indicator

1. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	FY 2022-23	FY 2021-22
Total electricity consumption (A) (Unit-KWH)	7,51,79,061	6,39,24,229
Total fuel consumption (B1) (Diesel - KL)	17.27	15.8
Total fuel consumption (B2) (LPG - KL)	1,969	1,639.57
Total fuel consumption (B= B1+B2) (Unit- KL)	1,986.27	1,655.37
Energy consumption through other sources (C)	0	0
Total energy consumption (A+B+C)	7,51,81,047.27	6,39,25,884.37
Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees)	0.012	0.012
Energy intensity (optional) – the relevant metric may be selected by the entity	NA	NA

Note: *Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.*

Yes, Global Envirotech (Environmental Consultant)

2. Provide the following details related to water discharged:

Parameter	FY 2022-23	FY 2021-22
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	19,119	18,755
(ii) To Groundwater	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iii) To Seawater	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iv) Sent to third-parties	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(v) Others	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
Total water discharged (in kilolitres)	**19119**	**18755**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

   For each facility / plant located in areas of water stress, provide the following information:

   a. Name of the area

      PRECISION CAMSHAFTS LIMITED, PLOT NO-D-5,6,7,7/1, MIDC, CHINCHOLI, SOLAPUR

   b. Nature of operations

      Manufacturing of Camshafts

c. Water withdrawal, consumption and discharge in the following format:

	Parameter	FY 2022-23	FY 2021-22
	Water withdrawal by source (in kilolitres)		
(i)	Surface water	0	0
(ii)	Groundwater	0	0
(iii)	Third party water	63,336	68,643
(iv)	Seawater / desalinated water	0	0
(v)	Others	0	0
	Total volume of water withdrawal (in kilolitres)	63,336	68,643
	Total volume of water consumption (in kilolitres)	63,336	68,643
	Water intensity per rupee of turnover *(Water consumed / turnover)*	1.01	0.7460
	Water intensity *(optional)* – therelevant metric may be selected by the entity	NA	NA
	Water discharge by destination and level of treatment (in kilolitres)		
(i)	Into Surface water	0	0
	- No treatment	0	0
	- With treatment – please specify level of treatment	19,119	18,755
(ii)	Into Groundwater		
	- No treatment	0	0
	- With treatment – please specify level of treatment	0	0
(iii)	Into Seawater		
	- No treatment	0	0
	- With treatment – please specify level of treatment	0	0
(iv)	Sent to third-parties		
	- No treatment	0	0
	- With treatment – please specify level of treatment	0	0
(v)	Others		
	- No treatment	0	0
	- With treatment – please specify level of treatment	0	0
	Total water discharged (in kilolitres)	**19,119**	**18,755**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	2375	0
Total Scope 3 emissions per rupee of turnover	Metric tonnes of CO2 equivalent	0.04	0
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity		NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.
Yes, Global Envirotech Services (Environmental Consultant)

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Our Factory situated at Industrial area (Chincholi MIDC, Solapur) and there is no any ecologically sensitive areas and no issue of direct OR indirect negative impact on Biodiversity OR ecosystem.

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No	Initiative undertaken	Details of the initiative	Outcome of the initiative
1	No	No	No

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link:
Yes, the Company has Business Continuity Plan and Disaster management plan (Emergency preparedness).

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.
NA

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.
15 %

PRINCIPLE 7

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent:

Essential Indicator

1. a. Number of affiliations with trade and industry chambers/ associations: 3. (Three)

   b. List of top trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

Sr. No	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Mahratta Chamber of Commerce industries & Agriculture (MCCIA)	Maharashtra
2	Automotive Component Manufacturers Associations of India (ACMA)	India
3	Confederation of Indian Industry (CII)	India

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.
   Not Applicable

Leadership Indicator

1. Details of public policy positions advocated by the entity:
   No

PRINCIPLE 8

Businesses should promote inclusive growth and equitable development:

Essential Indicator

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.
   Not Applicable

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the format:
   Not Applicable

3. Describe the mechanisms to receive and redress grievances of the community.

   The Stakeholder Relationship Committee (SRC) looks into the grievances of the Shareholders related to transfer of shares, payment of dividend and non-receipt of annual report and recommends measure for expeditious and effective investor service etc. The Vigil Mechanism Policy provides for establishment of Vigil Mechanism for directors and employees to report genuine concerns or grievances. Web link of Policies of Company: https://pclindia.in/index.php/corporate-governance/

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:
   Not Applicable

Leadership Indicator

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):
   Not Applicable

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

Sr.	Project Type	Name of Projects	Name of beneficiary	Address	Amount
1	Social Issues	PCL Social Award	Vatsalya Samajik Sanstha	A/P- Mangrul , Tal- Tuljapur Dist- Osmanabad	Rs. 2,00,000/-
2	Education	Provided E- Learning Kit for schools	Eklavya Ashram School	A/P- Yamgarwadi , Tal- Tuljapur Dist- Osmanabad	Rs. 3,10,104/-

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)
   No

   (b) From which marginalized /vulnerable groups do you procure?
   No

   (c) What percentage of total procurement (by value) does it constitute?
   No

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:
   Not Applicable

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.:
   Not Applicable

6. Details of beneficiaries of CSR Projects:
   24,701 people from the CSR projects of the Company.

PRINCIPLE 9

Businesses should engage with and provide value to their consumers in a responsible manner:

Essential Indicator

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.
   To ensure active communication, there is a dedicated team of customer representatives in place, to address customer concerns and queries. The Customer representative acknowledges the complaint and registers the same within 24 hrs. Appropriate solution is provided to the Complainant after analyzing the root cause of the problem by using various techniques. The Company also has in place SOPs prepared for grievance redressal of the customers.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	Not Applicable
Safe and responsible usage	
Recycling and/or safe disposal	

3. Number of consumer complaints in respect of the following: NIL

Category	**FY 2021-22 Current Financial Year**		**Remarks**	**FY 2020-21 Previous Financial Year**		**Remarks**
	Received during the year-	**Pending resolution at end of year**		**Received during the year**	**Pending resolution at end of year**	
Data privacy	NIL			NIL		
Advertising						
Cyber-security						
Delivery of essential services						
Restrictive Trade Practices						
Unfair Trade Practices						
Other						

4. Details of instances of product recalls on account of safety issues:

Number	**Reasons for recall**
Voluntary recalls	Not Applicable
Forced recalls	

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? If available, provide a web-link of the policy:
   Yes

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.
   No

Leadership Indicator

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).
   Through **www.pclindia.in**

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.
   Not Applicable

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.
   Through **www.pclindia.in**

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole?
   Not Applicable

5. Provide the following information relating to data breaches:

   a. Number of instances of data breaches along-with impact:
      No Instances observed/recorded.

   b. Percentage of data breaches involving personally identifiable information of customers:
      0%

INDEPENDENT AUDITOR'S REPORT

To
the Members of
Precision Camshafts Limited

Report on the Audit of the Standalone Financial Statements

OPINION

We have audited the accompanying standalone financial statements of Precision Camshafts Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (Including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the year ended March 31, 2023. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr. No	Key Audit Matter	How the Key Audit Matter was addressed in our audit
1	**Provision for Impairment of Investment in subsidiaries** Refer Note 5A of Financial statement with respect to the disclosures of Investment in subsidiaries. On March 31, 2023, Investment in subsidiaries amounts to INR. 16270.84 lakhs against which provision of INR. Nil lakhs was made towards impairment in the books of account. In accordance with Ind AS 36-"Impairment of Assets", at each reporting period end, management assesses the existence of impairment indicators of investments in subsidiaries. The processes and methodologies for assessing and determining the recoverable amount of each investments are based on complex assumptions, that by their nature imply the use of the management's judgments & estimation uncertainty, in particular with reference to identification of impairment indicators, forecast of future cash flows relating to the period covered by the Company's strategic business plan, normalized cash flows assumed as a basis for terminal	Our audit procedures in respect of this area include but are not limited to: 1. Obtained an understanding of the Company's accounting policy on assessment of impairment of investments in subsidiaries and application of assumption used by the management, including design and implementation of controls over the same. 2. Tested the operating effectiveness of the internal controls over the process of valuation and impairment of investments in subsidiaries. 3. Obtained and reviewed the valuation report issued by the Company's independent valuation experts, and assessed the expert's competence, capability and objectivity. 4. Assessed the appropriateness of the valuation methodology applied and reasonableness of the assumptions used i.e. the discount rate and long-term growth rates used in the forecast.

Sr. No	Key Audit Matter	How the Key Audit Matter was addressed in our audit
	value, as well as the long-term growth rates and discount rates applied to such forecasted cash flows. Since the amount of provision for impairment is material and involves significant management judgement and estimation uncertainty, we have identified provision for impairment of investment in subsidiaries as a key audit matter.	5. Verified completeness, arithmetical accuracy and validity of the data used in the calculations 6. Assessed reasonableness of the future revenue and margin projections, by reviewing the historical accuracy of the Group's estimates and its ability to produce accurate long-term forecasts. 7. Assessed the Company's sensitivity analysis and evaluated whether any reasonably foreseeable change in assumptions could lead to impairment or material change in carrying value of Investment in Subsidiaries. 8. Assessed the completeness and accuracy of the disclosures in accordance with the requirements of the relevant Ind AS, which are included in Note 5A of the standalone financial statements.

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

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

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

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

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

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

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

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

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

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

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

   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".

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

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

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

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

      iv. a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

      b) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to us by the Management in this regard nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.

iv. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the companies Act 2013 to the extent it applies to payment of dividend.

The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend. (Refer Note 30 to the Standalone financial statements)

v. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

3. In our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.

For **M S K A & Associates**
Chartered Accountants
ICAI Firm Registration No. 105047W

Nitin Manohar Jumani
Partner
Membership No. 111700
UDIN: 23111700BGWHXP2203

Place: Pune
Date: May 26, 2023

ANNEXURE A

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the year ended March 31, 2023 and are therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For **M S K A & Associates**
Chartered Accountants
ICAI Firm Registration No. 105047W

Nitin Manohar Jumani
Partner
Membership No. 111700
UDIN: 23111700BGWHXP2203

Place: Pune
Date: May 26, 2023

ANNEXURE B

TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF PRECISION CAMSHAFTS LIMITEDFOR THE YEAR ENDED MARCH 31, 2023

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

i. (a) A. The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.

B. The Company has maintained proper records showing full particulars of intangible assets.

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

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than properties where the Company is the lessee, and the lease agreements are duly executed in favour of the lessee) as disclosed in the financial statements are held in the name of the Company.

(d) According to the information and explanations given to us, the Company has not revalued its property, plant and Equipment (including Right of Use assets) or intangible assets or both during the year. Accordingly, the requirements under paragraph 3(i)(d) of the Order are not applicable to the Company.

(e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988, as amended and rules made thereunder. Accordingly, the provisions stated in paragraph 3(i) (e) of the Order are not applicable to the Company.

ii. (a) The inventory (excluding stocks with third parties) has been physically verified by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency, coverage and procedure of such verification is reasonable. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories.

(b) The Company has been sanctioned working capital limits in excess of Rs. 5 crores in aggregate from Banks on the basis of security of current assets. Quarterly statements are filed with such Banks which are not in agreement with the books of account. Details of the same are as below.

(Amount in INR lakhs)

Quarter Ended	Name of the Bank	Particulars of Security Provided	Amount as per books of accounts	Amount as per quarterly statement	Difference	Reason for discrepancies
June 2022	Bank of India and Bank of Baroda	Trade Receivables	13,682.97	18,135.24	(4,452.27)	The difference is due to submissions were made to the bank before financial reporting closure process
		Inventory	6,928.58	2,614.18	4,314.40	
		Trade Payables *	7,689.94	7,570.25	119.69	
September 2022	Bank of India and Bank of Baroda	Trade Receivables	12,751.81	17,754.10	(4,882.29)	
		Inventory	6,815.68	2,783.59	4,032.09	
		Trade Payables *	6,798.50	6,708.54	89.96	
December 2022	Bank of India and Bank of Baroda	Trade Receivables	12,793.52	18,506.22	(5,712.70)	
		Inventory	7,082.63	2,858.85	4,223.78	
		Trade Payables *	7,120.94	6,884.86	236.08	
March 2023	Bank of India and Bank of Baroda	Trade Receivables	14,455.83	19,645.73	(5,189.90)	
		Inventory	6,810.99	2,837.19	3,973.80	
		Trade Payables *	8,388.18	8,255.97	132.21	

*(excluding provision for expenses and including capital payables)

ANNEXURE B (Contd.)

iii. (a) According to the information explanation provided to us, the Company has provided loans to any other entity.

(A) The details of such loans or advances and guarantees or security to subsidiaries, Joint Ventures and Associates are as follows:

Particulars	Loans (Amount in INR lakhs)
Aggregate amount granted/provided during the year - Subsidiaries	652.08
Balance Outstanding as at balance sheet date in respect of above cases - Subsidiaries	9,499.79

(b) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the terms and conditions in relation to grant of all loans are not prejudicial to the interest of the Company.

(c) In case of the loans, schedule of repayment of principal and payment of interest have been stipulated. The repayment of principal has not fallen due in the current year however, the borrower has not been regular in the payment of interest to the Company.

The details of the same are follows:

Name of the entity	Interest amount (Amount in INR lakhs)	Due Date	Date of Payment	Extent of delay (in days)	Remarks, if any
PCL International Holdings B.V.	50.67	January 31, 2021	May 31, 2022	486	
			October 04, 2022	612	
	290.89	January 31, 2022	October 04, 2022	247	
			November 11, 2022	284	
			December 14, 2022	318	
			January 09, 2023	344	
			February 08, 2023	374	
	279.19	January 31, 2023	February 08, 2023	9	
			March 01, 2023	30	
			March 27, 2023	56	
			March 29, 2023	58	

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the details of amount overdue for more than ninety days are as follows:

No. of Cases	Principal amount overdue	Interest overdue (Amount in INR Lakhs)	Total overdue (Amount in INR Lakhs)	Remarks (Specify whether reasonable steps have been taken by the Company for recovery of principal amount and interest)
1.	-	13.73	13.73	The overdue interest is receivable from wholly owned subsidiary and based on the discussion with management, the Company is in the process of collecting the interest amount.

(e) According to the information explanation provided to us, the loan granted has not fallen due during the year. Hence, the requirements under paragraph 3(iii) (e) of the Order are not applicable to the Company.

(f) According to the information explanation provided to us, the Company has granted loans during the year. These are not repayable on demand and have stipulated the schedule for repayment of principal and interest. Hence, the requirements under paragraph 3(iii)(f) of the Order are not applicable to the Company.

iv. According to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, in respect of loans given and investment made.

v. According to the information and explanations given to us, there are no amounts outstanding which are in the nature of deposits as on March 31, 2023 and the Company has not accepted any deposits during the year.

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

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

According to the information and explanations given to us no undisputed amounts payable in respect of Goods and Services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, cess, and other statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

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

Name of the statute	Nature of dues	Amount in INR Lakhs	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Central Excise Act, 1994	Excise Duty	20.76	2002-05	Commissioner of Central Excise	
Central Excise Act, 1994	Excise Duty	83.95	2013-17	Directorate General of Goods and Service Tax Intelligence	
Collector of Stamps Solapur	Stamp duty	31.79	2007-08	Controlling Revenue Authority, Pune	
Employee Provident Funds and Miscellaneous Provision Act, 1952	Provident Fund (excluding interest)	24.23	2003-06	Hon'ble High Court of Judicature Bombay	The Company has deposited INR 12.12 lakhs under protest
Income-tax Act, 1961	Income tax on ESOP expense and other disallowance	1,428.71	2013-14	CIT (Appeals)	Company has paid INR 200 lakhs under protest

ANNEXURE B (Contd.)

Name of the statute	Nature of dues	Amount in INR Lakhs	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Income-tax Act, 1961	Penalty for under reporting of income for incremental disallowance	3.47	2017-18	CIT (Appeals)	Company has paid INR 0.70 lakhs under protest
The Maharashtra Recognized Trade Union and Unfair Labor Practices Act, 1971	Compensation on employee dispute	42.00	2014	Hon'ble High Court of Judicature at Bombay – Civil Appellate Jurisdiction	

viii. According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Tax Assessment of the Company. Also, there are no previously unrecorded income which has been now recorded in the books of account. Hence, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.

ix. (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information explanation provided to us, no money was raised by way of term loans. Accordingly, the provision stated in paragraph 3(ix)(c) of the Order is not applicable to the Company.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information explanation given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from an any entity or person on account of or to meet the obligations of its subsidiaries.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries. Hence, reporting under the Clause 3(ix)(f) of the order is not applicable to the Company.

x. (a) In our opinion and according to the information explanation given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Hence, the provisions stated in paragraph 3 (x) (a) of the Order are not applicable to the Company.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully, partly, or optionally convertible debentures during the year. Hence, the provisions stated in paragraph 3 (x)(b) of the Order are not applicable to the Company.

xi. (a) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we report that no material fraud by the Company nor on the Company has been noticed or reported during the course of our audit.

(b) We have not come across of any instance of material fraud by the Company or on the Company during the course of audit of the standalone financial statement for the year ended March 31, 2023, accordingly the provisions stated in paragraph (xi)(b) of the Order is not applicable to the Company.

(c) We have taken into consideration the whistle-blower complaints received by the Company during the year while determining the nature, timing, and extent of audit procedures.

xii. The Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) (a) to (c) of the Order are not applicable to the Company.

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

xiv. (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered internal audit reports of the Company issued till date, for the period under audit.

xv. According to the information and explanations given to us, in our opinion, during the year the Company has not entered into non-cash transactions with directors or persons connected with its directors and hence, provisions of Section 192 of the Act are not applicable to Company.

xvi. (a) The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph 3 (xvi)(a) of the Order are not applicable to the Company.

(b) The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph 3 (xvi)(b) of the Order are not applicable to the Company.

(c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Hence, the reporting under paragraph 3 (xvi)(c) of the Order are not applicable to the Company.

(d) The Group does not have more than one CIC as a part of its group. Hence, the provisions stated in paragraph 3 (xvi)(d) of the Order are not applicable to the Company.

xvii. Based on the overall review of standalone financial statements, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Hence, the provisions stated in paragraph 3 (xvii) of the Order are not applicable to the Company.

xviii. There has been no resignation of the statutory auditors during the year. Hence, the provisions stated in paragraph 3 (xviii) of the Order are not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. According to the information and explanations given to us and based on our verification, the provisions of Section 135 of the Act are applicable to the Company. The Company has made the required contributions during the year and there are no unspent amounts which are required to be transferred either to a Fund or to a

ANNEXURE B (Contd.)

Special Account as per the provisions of Section 135 of the Act read with schedule VII. Accordingly, reporting under Clause 3(xx)(a) and Clause 3(xx)(b) of the Order is not applicable to the Company.

xxi. The reporting under Clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said Clause has been included in the report.

For **M S K A & Associates**
Chartered Accountants
ICAI Firm Registration No. 105047W

Nitin Manohar Jumani
Partner
Membership No. 111700
UDIN: 23111700BGWHXP2203

Place: Pune
Date: May 26, 2023

ANNEXURE C

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

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Precision Camshafts Limited on the Financial Statements for the year ended March 31, 2023]

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

Opinion

We have audited the internal financial controls with reference to standalone financial statements of Precision Camshafts Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023, based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls With reference to Standalone Financial Statements

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

ANNEXURE C (Contd.)

and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls With reference to Standalone financial statements

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

For **M S K A & Associates**
Chartered Accountants
ICAI Firm Registration No. 105047W

Nitin Manohar Jumani
Partner
Membership No. 111700
UDIN: 23111700BGWHXP2203

Place: Pune
Date: May 26, 2023

STANDALONE BALANCE SHEET

As at 31st March, 2023

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

Particulars	Note No.	As at 31st March, 2023	As at 31st March, 2022
ASSETS			
I. NON-CURRENT ASSETS			
(a) Property, plant and equipment	3	18,180.29	20,483.11
(b) Capital work-in-progress	3	8,020.86	3,272.75
(c) Intangible assets	4	11.28	9.71
(d) Intangible assets under development	4	45.00	45.00
(e) Financial assets			
(i) Investments	5A	16,272.14	7,957.99
(ii) Loans	5B	9,499.79	14,317.99
(iii) Other financial assets	5C	332.84	364.49
(e) Other non-current assets	6	891.74	1,764.58
TOTAL NON-CURRENT ASSETS		**53,253.94**	**48,215.62**
II. CURRENT ASSETS			
(a) Inventories	7	6,810.99	6,283.70
(b) Financial assets			
(i) Investments	5A	17,113.94	18,141.32
(ii) Trade receivables	8	14,455.83	12,300.47
(iii) Cash and cash equivalents	9	544.19	638.94
(iv) Bank balance other than (iii) above	9	4,186.69	3,925.28
(v) Others financial assets	5C	103.23	489.12
(c) Other current assets	6	1,927.21	1,706.86
TOTAL CURRENT ASSETS		**45,142.08**	**43,485.69**
TOTAL ASSETS		**98,396.02**	**91,701.31**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	10	9,498.58	9,498.58
(b) Other equity	11	72,552.59	67,493.67
TOTAL EQUITY ATTRIBUTABLE TO THE EQUITY SHAREHOLDERS OF THE COMPANY		**82,051.17**	**76,992.25**
LIABILITIES			
I. NON-CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Lease liabilities	13A	-	5.74
(b) Deferred tax liabilities (net)	27	264.75	434.06
(c) Provisions	16	468.99	753.50
TOTAL NON-CURRENT LIABILITIES		**733.74**	**1,193.30**
II. CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Borrowings	12	4,157.01	4,454.14
(ii) Lease liabilities	13A	5.56	12.54
(iii) Trade and other payables	14		
- Dues of micro & small enterprises		1,438.13	1,380.82
- Others		7,703.11	5,987.29
(iv) Other financial liabilities	13	1,801.20	1,273.07
(b) Other current liabilities	15	256.39	207.20
(c) Provisions	16	185.09	98.91
(d) Current tax liabilities (net)	17	64.62	101.79
TOTAL CURRENT LIABILITIES		**15,611.11**	**13,515.76**
TOTAL LIABILITIES		**16,344.85**	**14,709.06**
TOTAL EQUITY AND LIABILITIES		**98,396.02**	**91,701.31**
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements

As per our report attached of even date

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

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

Nitin Manohar Jumani
Partner
Membership Number: 111700
Place: Pune
Date: 26th May, 2023

Yatin S. Shah
Managing Director
DIN: 00318140
Place: Pune
Date: 26th May, 2023

Ravindra R. Joshi
Whole-time Director & CFO
DIN: 03338134
Place: Pune
Date: 26th May, 2023

Karan Y. Shah
Whole-time Director
DIN. 07985441
Place: Pune
Date: 26th May, 2023

STANDALONE STATEMENT OF PROFIT AND LOSS

for the year ended 31st March, 2023

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

Particulars	Note No.	For the year ended 31st March, 2023	For the year ended 31st March, 2022
INCOME			
Revenue from operations	18	62,634.38	51,212.32
Other income	19	2,798.03	1,436.36
TOTAL INCOME (I)		**65,432.41**	**52,648.68**
EXPENSES			
Cost of raw materials and components consumed	20	22,200.58	17,824.21
(Increase) / decrease in inventories of finished goods, work-in-progress	21	(67.89)	(993.89)
Employee benefits expense	22	8,000.65	6,353.16
Other expenses	23	23,501.82	18,675.10
TOTAL EXPENSES (II)		**53,635.16**	**41,858.58**
EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (EBITDA) (I) - (II)		**11,797.25**	**10,790.10**
Finance costs	24	372.12	259.43
Finance income	25	(550.48)	(516.19)
Depreciation and amortisation expense	26	3,634.55	3,709.89
PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS		**8,341.06**	**7,336.97**
EXCEPTIONAL ITEMS	26A	-	1,277.50
PROFIT BEFORE TAX		**8,341.06**	**8,614.47**
TAX EXPENSE			
Current tax	27	2,444.24	2,163.78
(Excess) / short provision of tax relating to earlier years	27	134.52	(138.56)
Deferred tax	27	(332.52)	(18.44)
TOTAL TAX EXPENSE		**2,246.24**	**2,006.78**
PROFIT FOR THE YEAR (A)		**6,094.82**	**6,607.69**
OTHER COMPREHENSIVE INCOME			
OTHER COMPREHENSIVE INCOME NOT TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS:			
Re-measurement gains on defined benefit plans	28	18.15	140.29
Income tax effect		(4.57)	(35.31)
TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX [B]		**13.58**	**104.98**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX (A+B)		**6,108.40**	**6,712.67**
PROFIT FOR THE YEAR		**6,094.82**	**6,607.69**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**6,108.40**	**6,712.67**
Earning per share [nominal value per share ₹10/- (31st March, 2022: ₹10/-)	29		
Basic, computed on the basis of profit attributable to equity share holders of the Company		6.42	6.96
Diluted, computed on the basis of profit attributable to equity share holders of the Company		6.42	6.96

Summary of significant accounting policies 2

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

As per our report attached of even date

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

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

Nitin Manohar Jumani
Partner
Membership Number: 111700

Place: Pune
Date: 26th May, 2023

Yatin S. Shah
Managing Director
DIN: 00318140

Place: Pune
Date: 26th May, 2023

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

Place: Pune
Date: 26th May, 2023

Karan Y. Shah
Whole-time Director
DIN. 07985441

Place: Pune
Date: 26th May, 2023

STATEMENT OF STANDALONE CASH FLOWS

for the year ended 31st March, 2023

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

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	8,341.06	8,614.47
ADJUSTMENTS TO RECONCILE PROFIT BEFORE TAX TO NET CASH FLOWS:		
Depreciation and impairment of property, plant and equipment	3,620.82	3,693.66
Amortisation and impairment of intangible assets	13.73	16.23
Net foreign exchange loss/(gain) differences (unrealised)	(725.12)	190.39
Sundry creditors written back	-	(9.48)
Net loss on disposal of property, plant and equipment	2.36	19.14
Gain on mutual fund (realised and unrealised)	(735.54)	(987.48)
Finance income (including fair value change in financial instruments)	(550.48)	(516.19)
Finance costs (including fair value change in financial instruments)	372.12	259.43
Liabilities written back	-	(34.00)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	**10,338.95**	**11,246.17**
WORKING CAPITAL ADJUSTMENTS:		
Increase/(decrease) in provisions	(180.17)	(31.82)
(Increase) / decrease in other assets	(140.68)	744.47
(Increase)/ decrease in other financial assets	(27.82)	30.52
Increase/ (decrease) in other current liabilities	(38.76)	46.38
Increase/ (decrease) in other financial liabilities	175.58	210.46
(Increase)/ decrease in trade and other receivables and prepayments	(2,108.62)	(3,151.51)
(Increase)/ decrease in inventories	(527.30)	(1,060.18)
Increase/ (decrease) in trade and other payables	1,684.17	(85.63)
CASH GENERATED FROM OPERATIONS	**9,175.35**	**7,948.86**
Income tax paid	(2,432.51)	(2,090.70)
NET CASH FLOWS FROM OPERATING ACTIVITIES (A)	**6,742.84**	**5,858.16**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	-	17.58
Purchase of property, plant and equipment	(4,924.61)	(5,631.90)
Investment in mutual fund	(2,211.63)	(5,797.18)
Proceeds from sale of mutual fund	3,974.57	7,638.52
Investment in subsidiaries (equity and debt)	(2,615.20)	(3,340.56)
(Investment)/proceeds in relation to term deposits	(205.85)	46.29
Interest received (finance income)	862.03	553.56
NET CASH FLOWS USED IN INVESTING ACTIVITIES (B)	**(5,120.69)**	**(6,513.69)**

Statement of Standalone Cash Flows **(Contd.)**

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from exercise of share options		
Interest paid	(372.12)	(259.43)
(Repayment)/proceeds of short term borrowings (net)	(297.13)	761.31
Final dividend paid on shares	(1,034.16)	(949.86)
Payment of lease obligation	(13.49)	(5.31)
NET CASH FLOWS USED IN FINANCING ACTIVITIES (C)	**(1,716.90)**	**(453.29)**
Net decrease in cash and cash equivalents	(94.75)	(1,108.82)
Net foreign exchange difference	-	(0.72)
Cash and cash equivalents at the beginning of the year	638.94	1,748.48
CASH AND CASH EQUIVALENTS AS AT YEAR END	**544.19**	**638.94**
COMPONENTS OF CASH AND CASH EQUIVALENTS:		
Balances with banks:		
On current accounts	491.33	586.43
Deposit with original maturity of less than 3 months	50.46	50.44
Cash in hand	2.40	2.07
CASH AND CASH EQUIVALENTS AT YEAR END	**544.19**	**638.94**

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

As per our report attached of even date
For **MSKA & Associates**
Chartered Accountants
Firm Regn. Number: 105047W

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

Nitin Manohar Jumani
Partner
Membership Number: 111700

Place: Pune
Date: 26th May, 2023

Yatin S. Shah
Managing Director
DIN: 00318140

Place: Pune
Date: 26th May, 2023

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

Place: Pune
Date: 26th May, 2023

Karan Y. Shah
Whole-time Director
DIN. 07985441

Place: Pune
Date: 26th May, 2023

STANDALONE STATEMENT OF CHANGES IN EQUITY

for the year ended 31st March, 2023

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

A Equity share capital

EQUITY SHARES OF 10 EACH ISSUED, SUBSCRIBED AND FULLY PAID (REFER NOTE 10)	Number	Amount
AT 1ST APRIL, 2021	**9,49,85,835**	**9,498.58**
Issued during the year - employee share option scheme	-	-
AT 31ST MARCH, 2022	**9,49,85,835**	**9,498.58**
Issued during the year - employee share option scheme	-	-
AT 31ST MARCH, 2023	**9,49,85,835**	**9,498.58**

B Other equity

Attributable to the owners of the Company (refer note no 11)

Particulars	Reserve and surplus					Total equity
	Securities premium	General reserve	Retained earnings	Share based payments	Other items of other comprehensive income / (loss) - Re-mesurement gains /(losses) on defined benefit plans	
AT 1ST APRIL, 2021	21,751.56	472.21	39,525.17	14.39	(25.14)	61,738.19
Profit for the year	-	-	6,607.69	-	-	6,607.69
other comprehensive income for the year	-	-	-	-	104.98	104.98
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**-**	**-**	**6,607.69**	**-**	**104.98**	**6,712.67**
Deferred tax charge on share issue expenses	(7.33)	-	-	-	-	(7.33)
transferred from ESOS reserve against lapsed options	-	-	14.39	(14.39)	-	-
Final dividend for the year ended 31st March, 2021	-	-	(949.86)	-	-	(949.86)
AT 31ST MARCH, 2022	**21,744.23**	**472.21**	**45,197.39**	**-**	**79.84**	**67,493.67**
AT 1ST APRIL, 2022	**21,744.23**	**472.21**	**45,197.39**	**-**	**79.84**	**67,493.67**
Profit for the year	-	-	6,094.82	-		6,094.82
other comprehensive income for the year	-	-	-	-	13.58	13.58
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**-**	**-**	**6,094.82**	**-**	**13.58**	**6,108.40**
Deferred tax charge on share issue expenses	(4.64)	-	-	-		(4.64)
Final dividend for the year ended 31st March, 2022	-	-	(1,044.84)	-		(1,044.84)
AT 31ST MARCH, 2023	**21,739.59**	**472.21**	**50,247.37**	**-**	**93.42**	**72,552.59**

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

As per our report attached of even date

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

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

Nitin Manohar Jumani
Partner
Membership Number: 111700

Place: Pune
Date: 26th May, 2023

Yatin S. Shah
Managing Director
DIN: 00318140

Place: Pune
Date: 26th May, 2023

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

Place: Pune
Date: 26th May, 2023

Karan Y. Shah
Whole-time Director
DIN. 07985441

Place: Pune
Date: 26th May, 2023

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March, 2023

1. CORPORATE INFORMATION

The financial statements comprise of financial statements of Precision Camshafts Limited ('the Company') for the year ended 31st March, 2023.

Precision Camshafts Limited is a Public Limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The shares of the Company are listed in two stock exchanges in India. The Company is primarily engaged in the manufacture and sale of camshaft castings and machined camshafts to the auto industry and the railways. The Company has its office registered at E 102/103 MIDC Akkalkot road Solapur, Maharashtra, 413006.

The financial statements were authorised for issue in accordance with the resolution of the Board of Directors of the Company on 26th May, 2023.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended thereafter. ("the Rules")

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

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

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

Disclosure of EBITDA

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

Measurement of EBITDA

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

2.2 Summary of significant accounting policies

a) Current versus non-current classification

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

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

b) Foreign currencies

The Company's standalone financial statements are presented in Indian Rupees, which is also the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

(i) Initial recognition

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

(ii) Conversion

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

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

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

c) Fair value measurement

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

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

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

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

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

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

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

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

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

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

Disclosures for valuation methods, significant estimates and assumptions (refer note 39).

Quantitative disclosures of fair value measurement hierarchy (refer note 37)

Financial instruments (including those carried at amortised cost) (refer note 5, 8, 9, 12, 13, 14, 25, 36)

d) Revenue recognition

The Company is a leading manufacturer and supplier of automobile camshafts - for passenger vehicles, tractors, LCVs, locomotive engines, railways.

Majority of the camshafts are sold to OEMs. Effective 1st April, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised.

Camshafts are developed according to the requirements of customer. There are three types of contracts entered into by the customers with company. • **Tooling contract:** for development of pattern used in manufacturing of camshafts. • **Purchase contract:** for purchase of camshafts. • **Job work contract:** for machining of camshafts.

For purchase contracts, the Company has identified a single performance obligation i.e. supply of camshaft, which gets completed at point in time.

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

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

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.

Interest

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

EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability.

When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Interest income is included in finance income in the statement of profit and loss.

Dividends

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

Export incentives

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

e) Taxes

i) Current income tax

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

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

ii) Deferred tax

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

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

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

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

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

When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction

that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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

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

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

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

f) Property, plant and equipment

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

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

Depreciation on property, plant and equipment is calculated on a straight-line basis based on the useful lives estimated by the management.

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

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

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

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

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

g) Intangible assets

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

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

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

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level.

The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

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

h) Borrowing costs

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

i) Leases

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

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

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

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

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

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

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

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Company is contractually required to dismantle, remove or restore the leased asset

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

When the Company revises its estimate of the term of any lease, it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease

liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

j) Inventories

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

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

Cost of raw material is determined on a weighted average basis.

Finished goods and semi finished goods are valued at lower of cost and net realisable value cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on a weighted average basis.

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

k) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years.

For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss in those expense catagories consistent with the function of the impaired assets

For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the CGU level, as appropriate and when circumstances indicate that the carrying value may be impaired.

l) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

m) Retirement and other employee benefits

a) Short term employee benefits

The distinction between short term and long term employee benefits is based on expected timing of settlement rather than the employee's entitlement benefits. All employee benefits payable within twelve months of rendering the service are classified as short term benefits.

Such benefits include salaries, wages, bonus, short term compensated absences, awards, ex-gratia, performance pay, etc. and are recognised in the period in which the employee renders the related service.

b) Post employement benefits

Retirement benefit in the form of provident fund and superannuation is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund and superannuation scheme. The Company recognises contribution payable to the scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Company operates a defined benefit gratuity plan , which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.

Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

I The date of the plan amendment or curtailment, and

II The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

I Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and

II Net interest expense or income

Accumulated leave, which is expected to be utilised within the next 12 months, is treated as a short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as a long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method as at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

n) Share-based payments

Employees of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made, using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met.

Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

o) Investments in subsidiaries:

Investments in subsidiaries are measured at cost as per Ind AS 27 –Separate Financial Statements.

p) Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

At initial recognition, financial asset is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

➢ Debt instruments at amortised cost

➢ Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)

➢ Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to loans. trade receivables and other financial assets. For more information on receivables, refer note 5A, 5B, 5C and 8.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortised cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL.

However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has designated certain investments at FVTPL. (refer note 5)

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the P&L.

Equity instrument

All equity instruments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the P&L.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

➢ The rights to receive cash flows from the asset have expired, or

➢ The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

i) Financial assets that are debt instruments, and are measured at amortised cost e.g. deposits, loans,trade receivables, bank balance and other financial assets.

ii) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115;

iii) Loan commitments which are not measured as at FVTPL.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables.

The application of simplified approach does not require the group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on twelve-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The twelve-month ECL is a portion of the lifetime ECL which results from default events that are possible within twelve months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the statement of profit and loss. The balance sheet presentation for ECL on financial assets measured at amortised cost is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss; loans and borrowings; payables as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings, lease liabilities and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR (effective interest rate) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

q) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the financial statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

r) Cash dividend

The Company recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

s) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

t) Segment reporting

Operating segments are reporting in a manner consistent with the internal reporting to the chief operating decision maker (CODM).

The board of directors of the group assess the financial performance and position of the group and makes strategic decisions.

The Board of Directors, which are identified as a CODM, consists of , chief financial officer and all other executive directors.

The group is engaged in manufacturing of autocomponents (camshafts.& others) based on similarity of activities/products, risk and reward structure, organisation structure and internal reporting systems, the Company has structured its operations into a single operating segment;

however based on the geographic distribution of activities, the CODM has identified India and outside India as two reportable geographical segments. Refer Note No 35 for segment information presented.

u) Earnings per share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the parent company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements, if any, in equity shares issued during the year and excluding treasury shares.

Diluted EPS adjusts the figures used in the determination of basic EPS to consider :

- The after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares

v) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the group.

A contingent liability can arise for obligations that are possible, but it is yet to be confirmed whether there is present obligation that could lead to an outflow of resources embodying economic benefits.

The Company does not recognise a contingent liability but only makes disclosures for the same in the financial statements when the Company has:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; or
- present obligation arising from past events, when no reliable estimate is possible; or
- a possible obligation arising from past events where the probability of outflow of resources is not remote

Contingent liabilities are reviewed at each balance sheet date.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

w) Standards issued but not yet effective

The Ministry of Corporate Affairs ("MCA") has notified Companies (Indian Accounting Standard) Amendment Rules, 2023 dated 31st March, 2023 to amend certain Ind ASs which are effective from 1st April, 2023. Below is a summary of such amendments:

(i) Disclosure of Accounting Policies - Amendment to Ind AS 1 Presentation of financial statements

The MCA issued amendments to Ind AS 1, providing guidance to help entities meet the accounting policy disclosure requirements. The amendments aim to make accounting policy disclosures more informative by replacing the requirement to disclose 'significant accounting policies' with 'material accounting policy information'. The amendments also provide guidance under what circumstance, the accounting policy information is likely to be considered material and therefore requiring disclosure. The amendments are effective for annual reporting periods beginning on or after 1st April, 2023.

The Company is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

(ii) Definition of Accounting Estimates – Amendments to Ind AS 8 Accounting policies, changes in accounting estimates and errors

The amendment to Ind AS 8, which added the definition of accounting estimates, clarifies that the effects of a change in an input or measurement technique are changes in accounting estimates, unless resulting from the correction of prior period errors. These amendments clarify how entities make changes in accounting estimates are applied prospectively to the distinction between changes in accounting estimate, changes in accounting policy and prior period errors. The distinction is important, because future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

The amendments are effective for annual reporting periods beginning on or after 1st April, 2023. The amendments are not expected to have a material impact on the Company's financial statements.

(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to Ind AS 12 Income taxes

The amendment to Ind AS 12, requires entities to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities.

The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- right-of-use assets and lease liabilities, and
- decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

The cumulative effect of recognising these adjustments is recognised in retained earnings, or another component of equity, as appropriate. Ind AS 12 did not previously address how to account for the tax effects of on-balance sheet leases and similar transactions and various approaches were considered acceptable. Some entities may have already accounted forsuch transactions consistent with the new requirements. These entities will not be affected by the amendments.

The Company is currently assessing the impact of the amendments.

iv) The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

w) Standards that became effective during the year

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated 23rd March, 2022 to amend the following Ind AS which are effective from 1st April, 2022 :

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

(i) Onerous Contracts- Cost of Fulfilling a Contract - Amendments to Ind AS 37

Ind AS 37 defines an onerous contract as a contract in which the unavoidable costs (costs that the Company has committed to pursuant to the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

The amendments to Ind AS 37 clarify, that the costs relating directly to the contract consist of both:

- The incremental costs of fulfilling that contract- e.g. direct labour and material; and
- An allocation of other costs that relate directly to fulfilling contracts: e.g. Allocation of depreciation charge on property, plant and equipment used in fulfilling the contract.

(ii) References to the Conceptual Framework - Amendments to Ind AS 103

The amendments update a reference to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations. The amendment also add a new exception in Ind AS 103 for liabilities and contingent liabilities.

(iii) Property, Plant and Equipment: Proceeds Before Intended Use- Amendment to Ind AS 16

The amendment to Ind AS 16 clarifies that any excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

These amendments had no impact on the year-end financial statements of the Company as there were no sales of such items.

(iv) Ind AS 109 Financial Instruments - Fees in the '10 %' test for derecognition of financial liability

The amendment clarifies which fees an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

These amendments had no impact on the financial statements of the Company as there were no modifications of the Company's financial instruments during the year.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

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

3. PROPERTY, PLANT AND EQUIPMENT

Particulars	Leasehold land	Freehold land	Buildings	Right of use asset (building)	Plant and machinery	Office equipment	Furniture and fixtures	Vehicles	Capital work in progress	Total
AT 1ST APRIL, 2021	**354.12**	**-**	**9,057.13**	**-**	**36,189.02**	**273.14**	**222.26**	**261.16**	**569.36**	**46,926.19**
Additions	-	442.66	-	23.60	1,099.92	11.71	0.65	80.41	3,803.79	5,462.74
Disposals	-	-	-	-	(388.64)	-	-	(66.20)	-	(454.84)
Capitalised during year	-	-	-	-	-	-	-	-	(1,100.40)	(1,100.40)
AT 31ST MARCH, 2022	**354.12**	**442.66**	**9,057.13**	**23.60**	**36,900.30**	**284.85**	**222.91**	**275.37**	**3,272.75**	**50,833.69**
Additions	-	-	11.62	-	1,242.88	40.94	7.33	17.59	6,004.31	7,324.67
Disposals	-	-	-	-	(98.06)	-	-	-	-	(98.06)
Capitalised during year	-	-	-	-	-	-	-	-	(1,256.20)	(1,256.20)
AT 31ST MARCH, 2023	**354.12**	**442.66**	**9,068.75**	**23.60**	**38,045.12**	**325.79**	**230.24**	**292.96**	**8,020.86**	**56,804.10**
DEPRECIATION										
AT 1ST APRIL, 2021	**23.55**	**-**	**1,955.53**	**-**	**21,279.42**	**244.00**	**189.25**	**109.17**	**-**	**23,800.92**
Charge for the year	4.09	-	357.16	6.88	3,258.24	19.67	18.33	29.29	-	3,693.66
Disposals	-	-	-	-	(380.39)	-	-	(36.36)	-	(416.75)
AT 31ST MARCH, 2022	**27.64**	**-**	**2,312.69**	**6.88**	**24,157.27**	**263.67**	**207.58**	**102.10**	**-**	**27,077.83**
Charge for the year	4.09	-	352.94	11.80	3,198.85	17.48	5.34	30.32	-	3,620.82
Disposals	-	-	-	-	(95.70)	-	-	-	-	(95.70)
AT 31ST MARCH, 2023	**31.73**	**-**	**2,665.63**	**18.68**	**27,260.42**	**281.15**	**212.92**	**132.42**	**-**	**30,602.95**
NET BOOK VALUE										
AT 31ST MARCH, 2023	**322.39**	**442.66**	**6,403.12**	**4.92**	**10,784.70**	**44.64**	**17.32**	**160.54**	**8,020.86**	**26,201.15**
AT 31ST MARCH, 2022	**326.48**	**442.66**	**6,744.44**	**16.72**	**12,743.03**	**21.18**	**15.33**	**173.27**	**3,272.75**	**23,755.86**

Exchange differences on borrowing costs

Company has continued the policy of capitalising exchange differences arising from translation of long-term foreign currency monetary items as per exemption available under Ind AS 101- First time Adoption of Indian Accounting Standards

Asset under construction

Capital work-in-progress (CWIP) comprises cost of assets that are not yet installed and ready for their intended use at the balance sheet date. Capital work in progress as at 31st March, 2023 comprises expenditure for the Solar Plant & building in the course of construction. Balance of CWIP as at 31st March,2023 amounts to ₹ 8,020.86 Lakhs (31st March, 2022: ₹ 3,272.75 Lakhs)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

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

4. INTANGIBLE ASSETS

Particulars	Computer software	Intangible asset under development
AT 1ST APRIL, 2021	**134.86**	**-**
Additions	3.88	45.00
Disposals	-	-
AT 31ST MARCH, 2022	**138.74**	**45.00**
Additions	15.30	-
Disposals	-	-
AT 31ST MARCH, 2023	**154.04**	**45.00**
AMORTISATION		
AT 1ST APRIL, 2021	**112.80**	**-**
Charge for the year	16.23	-
Disposals	-	-
AT 31ST MARCH, 2022	**129.03**	**-**
Charge for the year	13.73	-
Disposals	-	-
AT 31ST MARCH, 2023	**142.76**	**-**
NET BOOK VALUE		
AT 31ST MARCH, 2023	**11.28**	**45.00**
AT 31ST MARCH, 2022	**9.71**	**45.00**

5. FINANCIAL ASSETS

5A) Investments

Particulars	As at 31st March, 2023	As at 31st March, 2022
(I) AT COST		
INVESTMENTS IN EQUITY INSTRUMENTS		
INVESTMENT IN SUBSIDIARIES		
> PCL International Holding B V	11,785.49	3,471.34
1,40,19,800 equity shares of EUR 1 each fully paid-up (100%) (31st March, 2022 : 43,24,800 equity shares)		
> Memco Engineering Private Limited	4,485.35	4,485.35
7,20,000 equity shares of ₹ 10 each fully paid-up (100%) (31st March, 2022 : 7,20,000 equity shares)		
	16,270.84	**7,956.69**
(II) AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)		
A) INVESTMENTS IN EQUITY INSTRUMENTS		
OTHER INVESTMENTS		
> Shares of Laxmi Co-Op. Bank Limited	1.25	1.25
5000 equity shares of ₹ 25 each fully paid-up (31st March, 2022: 5,000 equity shares)		
> Shares of Solapur Janata Sahakari Bank Limited	0.05	0.05
500 equity shares of ₹ 10 each fully paid-up (31st March, 2022: 500 equity shares)		

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

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

Particulars	As at 31st March, 2023	As at 31st March, 2022
B) INVESTMENTS IN MUTUAL FUNDS		
QUOTED MUTUAL FUNDS		
HDFC corporate bond fund - growth	502.16	482.86
HDFC ultra short term- regular growth	-	320.72
ICICI prudential saving fund-growth	2,359.48	2,235.06
ICICI prudential banking and PSU bebt fund - growth	457.97	434.49
ICICI prudential corporate bond fund - growth	782.60	741.35
ICICI prudential short term fund-growth	183.15	173.21
Nippon india short term fund - growth plan - growth option	110.39	106.48
Nippon India low duration fund - growth plan- growth option	223.30	213.23
ABSL corporate Bond fund-growth	890.73	851.10
ABSL sun life low duration fund	-	1.92
ABSL saving fund growth	237.40	514.45
ABSL Nifty SDL PSU Bond Sept	417.00	-
Axis short term fund-growth	736.83	706.30
Axis bluechip fund - growth	230.02	248.50
Axis banking & PSU debit fund - growth	441.36	124.43
Axis all seasons debt fund of funds regular growth	226.47	216.92
Axis treasury advantage fund - regular growth (TA-GP)	517.29	1,043.66
Axis Nifty AAA Bond Plus SDL Apr 2026 50:50 ETF FoF - Regular Growth	207.86	-
Bandhan Corporate Bond Fund Regular Plan- Growth (erstwhile IDFC Corporate Bond Fund Regular Plan-Growth)	623.28	603.99
Bandhan Bond Fund-Short Term Plan-Growth- (Regular Plan) (erstwhile IDFC Bond Fund-Short Term Plan-Growth-Regular Plan)	555.92	536.29
Bandhan Ultra Short Term Fund Regular Plan- Growth (erstwhile IDFC Ultra Short Term Fund Regular Plan-Growth)	3.37	3.20
Bandhan Low Duration Fund-Growth-(ReguIar Plan) (erstwhile IDFC Low Duration Fund-Growth- Regular Plan)	648.56	1,373.04
Tata short term bond fund Reg Plan-growth	-	104.15
TATA banking & PSU debt fund regular plan	160.77	154.97
Kotak low duration fund std growth (regular Plan)	2,171.20	2,074.14
Kotak Nifty SDL APR 2027 top 12 Equal Weight Index Fund Regular	207.68	-
Kotak savings growth fund	12.88	12.25
Kotak banking and PSU debt fund	574.22	550.40
Kotak bond fund short term growth	442.99	427.64
Kotak corporate bond fund standard - growth	1,098.42	1,054.10
Kotak floating rate fund growth - regular plan	558.61	536.35
Baroda BNP paribas multi cap fund	401.42	421.61
SBI magnum ultra short duration fund regular growth	120.45	114.56
SBI short term debt fund regular Plan	178.85	171.69
SBI magnum low duration fund regular growth	-	1,171.93
Sundaram Large And Mid Cap Fund - Regular Growth (Erstwhile principal emerging blue chip fund- regular plan growth)	160.91	166.63
Motilal oswal most focused multicap 35 fund	-	122.61
Canara robeco force collection a/c	133.87	127.09
Canara Robeco Blue chip equity Fund	122.17	-
Edelweiss Mutual Fund	414.36	-
TOTAL	17,115.24	18,142.62

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

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

Particulars	As at 31st March, 2023	As at 31st March, 2022
NON-CURRENT	16,272.14	7,957.99
CURRENT	17,113.94	18,141.32
	33,386.08	26,099.31
Aggregate book value of quoted investments	17,113.94	18,141.32
Aggregate market value of quoted investments (refer note 36 fair value)	17,113.94	18,141.32
Aggregate book value of unquoted investments	16,272.14	7,957.99

5B) Loans

Particulars	As at 31st March, 2023	As at 31st March, 2022
Loan to PCL International Holdings B V (wholly owned subsidiary)	9,499.79	14,317.99
TOTAL	**9,499.79**	**14,317.99**
NON-CURRENT	9,499.79	14,317.99
CURRENT	-	-
	9,499.79	**14,317.99**
BREAK-UP FOR LOAN DETAILS:		
- Secured, considered good	-	-
- Unsecured, considered good	9,499.79	14,317.99
- Doubtful	-	-
- Which have significant increase in credit risk	-	-
- Credit impaired	-	-
TOTAL	**9,499.79**	**14,317.99**

Loan given to PCLNL; which generate interest at the rate of 1.5% to 2% for the Company

5C) Other financial assets

Particulars	As at 31st March, 2023	As at 31st March, 2022
(i) Derivative instruments		
Foreign-exchange forward contracts *	-	78.25
(ii) Others		
(a) Bank deposits with more than 12 months maturity	120.74	176.30
(b) Interest accrued on fixed deposits	7.27	1.09
(c) Interest accrued others (Mainly includes interest on loan given to PCLNL & on security deposit)	92.05	409.78
(d) Security deposits #	216.01	188.19
TOTAL	**436.07**	**853.61**
NON-CURRENT	332.84	364.49
CURRENT	103.23	489.12
	436.07	**853.61**

* The Company entered into foreign exchange forward contracts with the intention to reduce the risk in foreign exchange exposure of trade receivables and trade payables. These forward contracts are not designated in hedging relationship and hence measured at fair value through profit or loss.

Security deposit is with electricity department; which generate interest at the rate of 4% to 5% for the Company.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

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

Break up of financial assets carried at amortised cost

Particulars	As at 31st March, 2023	As at 31st March, 2022
Loans	9,499.79	14,317.99
Trade receivables (refer note 8)	14,455.83	12,300.47
Cash and cash equivalents (refer note 9)	544.19	638.94
Other bank balances (refer note 9)	4,186.69	3,925.28
Other financial assets (refer note 5C)	436.07	775.36
TOTAL FINANCIAL ASSETS CARRIED AT AMORTISED COST	**29,122.57**	**31,958.04**

6. OTHER ASSETS

Particulars	As at 31st March, 2023	As at 31st March, 2022
Capital advances	651.53	1,510.18
Prepaid expense	228.31	496.56
Advance for purchase of materials	102.92	8.56
Income tax deposited with tax authorities (under protest)	199.61	228.51
Other advances with provident fund authorities (under protest)	12.12	12.12
Balances with statutory/government authorities	1,421.16	1,007.66
Income accrued on export incentives	203.30	207.85
TOTAL	**2,818.95**	**3,471.44**
NON-CURRENT	891.74	1,764.58
CURRENT	1,927.21	1,706.86
	2,818.95	**3,471.44**

7. INVENTORIES

Particulars	As at 31st March, 2023	As at 31st March, 2022
Raw materials and components (at cost)	485.60	334.89
Stores, spares and packing materials (at cost)	927.66	618.97
Semi-finished goods (at cost)	1,198.74	701.81
Finished goods (at lower of cost and net realisable value) *	4,198.99	4,628.03
TOTAL	**6,810.99**	**6,283.70**

During the year ended 31st March, 2023 ₹ 51.42 Lakhs (31st March, 2022 ₹ 81.53 Lakhs) was written down as provision towards slow/ non moving of inventories.

*Finished goods includes goods in transit ₹ 3,689.74 Lakhs (31st March, 2022 ₹ 4,114. 83 Lakhs)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

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

8. TRADE RECEIVABLES

Particulars	As at 31st March, 2023	As at 31st March, 2022
Trade receivables	14,455.83	12,300.47
Total	**14,455.83**	**12,300.47**
Break-up for security details:		
- Secured, considered good	-	-
- Unsecured, considered good	14,455.83	12,300.47
- Doubtful	-	-
- Which have significant increase in credit risk	-	-
- Credit impaired	-	-
Total	**14,455.83**	**12,300.47**

The net carring value of trade receivables is considered a reasonable approximation of fair value
Trade receivables are non-interest bearing and are generally on terms of 30 to 150 days.

Ageing of trade receivables as on 31st March, 2023

Particulars	Current							
	Unbilled dues	Not due	Outstanding for following periods from due date of receipts					
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed trade receivables – considered good	-	5,058.58	9,346.40	48.30	2.55		-	14,455.83
(ii) Undisputed trade receivables –which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed trade receivables– considered good	-	-	-	-	-	-	-	-
(v) Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed trade receivables – credit impaired	-	-	-	-	-	-	-	-
Less: Allowance for bad and doubtful debts (disputed + undisputed)	-	-	-	-	-	-	-	-
	-	**5,058.58**	**9,346.40**	**48.30**	**2.55**	**-**	**-**	**14,455.83**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

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

Ageing of trade receivables as on 31st March, 2022

Particulars	Current							
	Unbilled dues	Not due	Outstanding for following periods from due date of receipts					
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed trade receivables – considered good	-	4,383.16	7,913.00	4.31	-	-	-	12,300.47
(ii) Undisputed trade receivables –which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed trade receivables– considered good	-	-	-	-	-	-	-	-
(v) Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed trade receivables – credit impaired	-	-	-	-	-	-	-	-
Less: Allowance for bad and doubtful debts (disputed + undisputed)	-	-	-	-	-	-	-	-
	-	**4,383.16**	**7,913.00**	**4.31**	**-**	**-**	**-**	**12,300.47**

9. CASH AND BANK BALANCES

Particulars	As at 31st March, 2023	As at 31st March, 2022
CASH AND CASH EQUIVALENTS		
Balance with banks		
Current accounts	491.33	586.43
Deposits with original maturity of less than three months	50.46	50.44
Cash on hand	2.40	2.07
TOTAL CASH AND CASH EQUIVALENTS	**544.19**	**638.94**
OTHER BANK BALANCES		
Deposits with maturity for more than 3 months but less than 12 months from the balance sheet date	4,170.45	3,919.73
Unclaimed dividend accounts	16.24	5.55
TOTAL OTHER BANK BALANCES	**4,186.69**	**3,925.28**
TOTAL	**4,730.88**	**4,564.22**

Cash at banks earns interest at fixed rates based on fixed deposit receipts made by the Company. Fixed deposits are made for varying periods of between 1 month to 48 months, depending on the immediate cash requirements of the Company, and earn interest at the respective short term / long term deposit rates.

Deposits with bank of ₹ 140.30 Lakhs (31st March, 2022 : ₹ 59.52 Lakhs) held as lien by banks against bank guarantees.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

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

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

Particulars	As at 31st March, 2023	As at 31st March, 2022
CASH AND CASH EQUIVALENTS		
Balance with banks		
Current accounts	491.33	586.43
Deposits with original maturity of less than three months	50.46	50.44
Cash on hand	2.40	2.07
TOTAL CASH AND CASH EQUIVALENTS	**544.19**	**638.94**

10. SHARE CAPITAL

Authorised share capital

Particulars	Equity shares	
	Number	In ₹
At 1st April, 2021	10,00,00,000	10,000.00
Increase/ (decrease) during the year	-	-
At 31st March, 2022	10,00,00,000	10,000.00
Increase/ (decrease) during the year	-	-
At 31st March, 2023	10,00,00,000	10,000.00

TERMS/RIGHTS ATTACHED TO EQUITY SHARES

The Company has only one class of equity shares having a par value of ₹ 10 per share (31st March, 2022: ₹ 10 per share).

Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees.

The Board of Directors, in their meeting on 10th August, 2022, proposed a final dividend of ₹ 1.10 per equity share and the same was approved by the shareholders at the Annual General Meeting held on 21st September, 2022. The amount was recognised as distributions to equity shareholders during the year ended 31st March, 2023 and the total appropriation was ₹ 1044.84 Lakhs.

The Board of Directors, in their meeting on 26th May, 2023, proposed a final dividend of ₹ 1.00 per equity share for the year ended 31st March, 2023. The payment of diviidend is subject to approval of shareholders at the ensuing Annual General Meeting of the Company.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts.The distribution will be in proportion to the number of equity shares held by the shareholders.

ISSUED, SUBSCRIBED AND FULLY PAID-UP

EQUITY SHARES OF INR 10 EACH AT PAR VALUE

Particulars	Number	In ₹
AT 1ST APRIL, 2021	9,49,85,835	9,498.58
Issued during the year	-	-
AT 31ST MARCH, 2022	9,49,85,835	9,498.58
Issued during the year	-	-
AT 31ST MARCH, 2023	9,49,85,835	9,498.58

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

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

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

Particulars	31st March, 2023		31st March, 2022	
	No. of shares	% holding in the class	No. of shares	% holding in the class
EQUITY SHARES OF ₹ 10 EACH FULLY PAID				
Yatin S. Shah	3,77,88,717	39.78%	3,77,88,717	39.78%
Cams Technology Limited	1,35,07,685	14.22%	1,35,07,685	14.22%
Suhasini Y. Shah	1,07,78,461	11.35%	1,04,86,461	11.04%
Jayant V. Aradhye	82,02,000	8.63%	82,02,000	8.63%
	7,02,76,863	**73.98%**	**6,99,84,863**	**73.67%**

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.

Details of shares held by promoters at the end of the year

Promoter name	31st March, 2023			31st March, 2022		
	No. Of Shares	% of total shares	% Change during the year	No. Of Shares	% of total shares	% Change during the year
Yatin S. Shah	3,77,88,717	39.78%	-	3,77,88,717	39.78%	-
Cams Technology Limited	1,35,07,685	14.22%	-	1,35,07,685	14.22%	-
Suhasini Y. Shah	1,07,78,461	11.35%	0.31%	1,04,86,461	11.04%	-
Jayant V. Aradhye	82,02,000	8.63%	-	82,02,000	8.63%	-
Total	**7,02,76,863**	**73.98%**	**0.31%**	**6,99,84,863**	**73.67%**	**-**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

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

11. OTHER EQUITY

Particulars		In ₹
A)	**SECURITIES PREMIUM**	
	AT 1ST APRIL, 2021	**21,751.56**
	Less:	
	Reversal of tax benefit (deferred tax)	(7.33)
	AT 31ST MARCH, 2022	**21,744.23**
	Less:	
	Reversal of tax benefit (deferred tax)	(4.64)
	AT 31ST MARCH, 2023	**21,739.59**
B)	**GENERAL RESERVE**	
	AT 1ST APRIL, 2021	**472.21**
	Increase/ (decrease) during the year	**-**
	AT 31ST MARCH, 2022	**472.21**
	Increase/ (decrease) during the year	**-**
	AT 31ST MARCH, 2023	**472.21**
C)	**SHARE BASED PAYMENTS**	
	AT 1ST APRIL, 2021	**14.39**
	Increase/ (decrease) during the year	
	Less: transferred to retained earnings against lapsed options	(14.39)
	AT 31ST MARCH, 2022	**-**
	Increase/ (decrease) during the year	**-**
	AT 31ST MARCH, 2023	**-**

Employees (including senior executives) of the Company receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

In accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the IND AS 102 Share based payments, the cost of equity-settled transactions is measured using the fair value method. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognised in the statement of profit and loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Refer to note 32 for further details of these plans.

Particulars		In ₹
D)	**RETAINED EARNINGS**	
	AT 1ST APRIL, 2021	**39,525.17**
	Add: Profit for the year	**6,607.69**
	Less: Final equity dividend at ₹ 1 per share paid	(949.86)
	Add: transferred from ESOS reserve against lapsed options	14.39
	AT 31ST MARCH, 2022	**45,197.39**
	Add: Profit for the year	**6,094.82**
	Less: Final equity dividend at ₹ 1.10 per share paid	(1,044.84)
	AT 31ST MARCH, 2023	**50,247.37**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

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

E) OTHER ITEMS OF OTHER COMPREHENSIVE INCOME / (LOSS) - RE-MESUREMENT GAINS /(LOSSES) ON DEFINED BENEFIT PLANS

Particulars	In ₹
At 1st April, 2021	**(25.14)**
Add: Other comprehensive income for the year	104.98
At 31st March, 2022	**79.84**
Add: Other comprehensive income for the year	13.58
At 31st March, 2023	**93.42**
Other Equity	**72,552.59**

Nature and purpose of reserves:

Securities premium account

The amount received in excess of face value of the equity shares is recognised in securities premium. In case of equity settled share based payment transactions, the difference between fair value on grant date , exercise price and nominal value of share is accounted as securities premium.

General reserve

The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013.

Share based payments

Share-based payments reserve represents amount of fair value, as on the date of grant, of unvested options and vested options not exercised till date, that have been recognised as expense in the statement of profit and loss till date.

Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders and any other adjustments.

12. SHORT TERM BORROWINGS

Particulars	Rate of interest	As at 31st March, 2023	As at 31st March, 2022
From bank			
Cash credit from banks (secured)	9.50%	71.14	24.02
Packing credit in INR (secured) -BOI	4.8% to 9.35%	1,925.37	3,430.12
Packing credit in INR (secured)- BOB	3.50% to 5.5%	2,160.50	1,000.00
TOTAL		**4,157.01**	**4,454.14**
AGGREGATE SECURED LOANS		**4,157.01**	**4,454.14**

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

Cash credit and packing credit are secured by first pari passu charge by way of hypothecation of current assets including inventories and trade receivables. Further, the facilities are collaterally secured by extension of pari passu charge by way of hypothecation of plant and machinery and equitable mortgage of factory land and building situated at Plot No D5 to D7, MIDC Chincholi, Solapur, Unit I situated at Plot No. E-102, 103, Akkalkot Road, MIDC, Solapur and Unit II situated at Plot No. E-90, Akkalkot road, Solapur. The loan has been secured by the personal guarantee of directors Mr. Yatin S. Shah and Dr. Suhasini Y. Shah.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

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

13. OTHER FINANCIAL LIABILITIES

Particulars	As at 31st March, 2023	As at 31st March, 2022
FINANCIAL LIABILITY AT FVTPL		
Foreign-exchange forward contracts *	41.54	-
OTHER FINANCIAL LIABILITIES AT AMORTISED COST		
Unpaid matured deposits and interest accrued thereon	137.30	137.30
Employee benefit liabilities	1,007.34	831.76
Sundry payables for capital goods purchased	598.28	297.96
Unclaimed dividend	16.24	5.55
Deposits received from others	0.50	0.50
TOTAL	**1,801.20**	**1,273.07**
NON - CURRENT	-	-
CURRENT	1,801.20	1,273.07
	1,801.20	1,273.07

* The Company entered into foreign exchange forward contracts with the intention to reduce the risk in foreign exchange exposure of trade receivables and trade payables. These forward contracts are not designated in hedging relationship and hence measured at fair value through profit or loss.

13 (A): Lease liabilities

Particulars	As at 31st March, 2023	As at 31st March, 2022
Lease liability	5.56	18.28
TOTAL	**5.56**	**18.28**
NON - CURRENT	-	5.74
CURRENT	5.56	12.54
	5.56	**18.28**

14. TRADE AND OTHER PAYABLES

Particulars	As at 31st March, 2023	As at 31st March, 2022
Trade payables		
- total outstanding dues of micro enterprises and small enterprises	1,438.13	1,380.82
- total outstanding dues of creditors other than micro enterprises and small enterprises	7,703.11	5,987.29
TOTAL TRADE PAYABLES	9,141.24	7,368.11
NON-CURRENT	-	-
CURRENT	9,141.24	7,368.11
	9,141.24	**7,368.11**

Terms and conditions of the above financial liabilities:

Trade payables are non-interest bearing and are normally settled on 90 day terms

Trade payables include dues to related parties, refer to note 34

For explanations on the Company's credit risk management processes, refer note 40.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

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

Trade payable ageing as on 31st March, 2023

Particulars	Current						
	Unbilled dues	Payables not due	Outstanding for following periods from due date of payment				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	1,393.67	44.46	-	-	-	1,438.13
(ii) Disputed dues – MSME	-	-	-	-	-	-	-
(iii) Others	-	5,166.42	2,536.38	0.31	-		7,703.11
(iv)Disputed dues - others	-	-	-	-	-	-	-
	-	**6,560.09**	**2,580.84**	**0.31**	**-**	**-**	**9,141.24**

Trade payable ageing as on 31st March, 2022

Particulars	Current						
	Unbilled dues	Payables not due	Outstanding for following periods from due date of payment				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	1,306.41	74.41	-	-	-	1,380.82
(ii) Disputed dues – MSME	-	-	-	-	-	-	-
(iii) Others	-	5,051.49	935.80	-	-	-	5,987.29
(iv)Disputed dues - others	-	-	-	-	-	-	-
	-	**6,357.90**	**1,010.21**	**-**	**-**	**-**	**7,368.11**

Disclosure relating to suppliers registered under MSMED Act based on the information available with the Company

	Particulars	As at 31st March, 2023	As at 31st March, 2022
i)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
	Principal amount due to micro and small enterprises	1,438.13	1,380.82
	Interest due on above	0.01	-
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	9,599.89	8,955.46
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	-	-
iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
v)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	0.01	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

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

Break up of financial liabilities carried at amortised cost

Particulars	As at 31st March, 2023	As at 31st March, 2022
Borrowings (current) (refer note 12)	4,157.01	4,454.14
Trade payables (refer note 14)	9,141.24	7,368.11
Other financial liabilities (refer note 13)	1,759.67	1,273.07
Lease liabilities (refer note 13 (A))	5.56	18.28
TOTAL FINANCIAL LIABILITIES CARRIED AT AMORTISED COST	**15,063.48**	**13,113.60**

15. OTHER CURRENT LIABILITIES

Particulars	As at 31st March, 2023	As at 31st March, 2022
Advances from customers	93.51	5.54
Statutory dues payable	162.88	201.66
TOTAL	**256.39**	**207.20**

16. PROVISIONS

Particulars	As at 31st March, 2023	As at 31st March, 2022
Employee benefits obligations:		
Gratuity	128.11	398.79
Compensated absences	525.97	453.62
TOTAL	**654.08**	**852.41**
NON-CURRENT	468.99	753.50
CURRENT	185.09	98.91
	654.08	**852.41**

Also refer note 31 for detailed disclosure.

17. CURRENT TAX LIABILITIES (NET)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Provision for income tax (net of advance taxes)	64.62	101.79
TOTAL	**64.62**	**101.79**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

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

18. REVENUE FROM OPERATIONS

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
REVENUE FROM CONTRACTS WITH CUSTOMERS		
Sale of products	61,615.31	49,867.31
Sale of services	0.35	3.36
TOTAL SALE OF PRODUCTS AND SERVICES	**61,615.66**	**49,870.67**
OTHER OPERATING INCOME		
Tooling income	129.52	720.99
Scrap sales	132.27	77.43
Export incentives	756.93	543.23
TOTAL OTHER OPERATING INCOME	**1,018.72**	**1,341.65**
TOTAL REVENUE FROM OPERATIONS	**62,634.38**	**51,212.32**

19. OTHER INCOME

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Trade payable no longer required written back	-	9.48
Foreign exchange differences (net)	1,984.22	378.08
Fair value gain on mutual funds at fair value through profit or loss	650.16	334.06
Realised gain on sale of mutual funds	85.38	653.42
Profit on sale of fixed asset	-	3.58
Miscellaneous income	78.27	57.74
TOTAL OTHER INCOME	**2,798.03**	**1,436.36**

20. COST OF RAW MATERIAL AND COMPONENTS CONSUMED

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Inventory at the beginning of the year	334.89	361.99
Add: Purchases	22,351.29	17,797.11
	22,686.18	18,159.10
Less: Inventory at the end of the year	485.60	334.89
COST OF RAW MATERIAL AND COMPONENTS CONSUMED	**22,200.58**	**17,824.21**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

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

21. (INCREASE) / DECREASE IN INVENTORIES

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Opening stock:		
Finished goods	4,628.03	3,546.72
Semi-finished goods	701.81	789.23
	5,329.84	**4,335.95**
Closing stock:		
Finished goods	4,198.99	4,628.03
Semi-finished goods	1,198.74	701.81
	5,397.73	**5,329.84**
(INCREASE) / DECREASE IN INVENTORIES	**(67.89)**	**(993.89)**

22. EMPLOYEE BENEFIT EXPENSES

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Salaries, wages, bonus and commission	7,243.73	5,645.95
Contribution to provident fund and other funds	617.99	607.16
Staff welfare expenses	138.93	100.05
TOTAL EMPLOYEE BENEFIT EXPENSES	**8,000.65**	**6,353.16**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

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

23. OTHER EXPENSES

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Consumption of components and spares	6,526.90	4,690.73
Packing materials consumed	804.78	715.83
Power and fuel expenses	8,572.67	6,665.60
Job work expenses	1,057.78	727.40
Freight outward charges	2,374.75	2,527.74
Rent	48.15	84.50
Rates and taxes	557.95	117.91
Insurance	64.66	65.47
Repairs and maintenance	-	
Plant and machinery	1,189.65	705.31
Building	70.90	91.25
Others	597.52	581.74
Advertisement and sales promotion	13.05	11.65
CSR expenditure (refer note 43)	155.69	142.85
Donation	36.90	28.50
Sales commission	175.14	356.84
Travelling and conveyance	586.83	436.91
Communication costs	10.08	9.12
Legal and professional fees	271.35	227.89
Statutory audit	30.00	30.00
Out of pocket expenses	3.24	4.29
Loss on fixed assets sold /discarded	2.36	22.72
Miscellaneous expenses	351.47	430.85
TOTAL OTHER EXPENSES	**23,501.82**	**18,675.10**

Payment to auditors

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
AS AUDITOR		
Audit fees (Including limited reviews)	30.00	30.00
Out of pocket expenses	3.24	4.29

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

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

24. FINANCE COSTS

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Interest on borrowings	232.24	188.23
Interest on delay in payment of taxes	37.47	10.08
Bank charges	101.64	60.37
Other finance cost	0.77	0.75
TOTAL FINANCE COSTS	**372.12**	**259.43**

25. FINANCE INCOME

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Interest income on		
Bank deposits	223.90	201.39
Loan given to foreign subsidiary	295.17	271.92
Others	31.41	42.88
TOTAL FINANCE INCOME	**550.48**	**516.19**

26. DEPRECIATION AND AMORTISATION EXPENSE

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Depreciation on property, plant & equipments	3,620.82	3,693.66
Amortisation of intangible assets	13.73	16.23
TOTAL DEPRECIATION AND AMORTISATION EXPENSE	**3,634.55**	**3,709.89**

26A Exceptional items

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Compensation from customer	-	1,277.50
TOTAL EXCEPTIONAL ITEMS	**-**	**1,277.50**

For FY 2021-22

During the previous year ended 31st March, 2022, the Company has settled to receive compensation for cancellation of order from a customer amounting to ₹ 1277.50 Lakhs. The Company has recognised the stated income as an exceptional item for the previous year ended 31st March, 2022.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

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

27. INCOME TAX

The major components of income tax expense for the years ended 31st March, 2023 and 31st March, 2022 are:

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
CURRENT INCOME TAX:		
Current income tax charge	2,444.24	2,163.78
(Excess) / short provision of tax relating to earlier years	134.52	(138.56)
DEFERRED TAX:		
Relating to origination and reversal of temporary differences	(332.52)	(18.44)
INCOME TAX EXPENSE REPORTED IN THE STATEMENT OF PROFIT OR LOSS	**2,246.24**	**2,006.78**

OCI section

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
TAX EFFECT ON:		
Net loss/(gain) on remeasurements of defined benefit plans	(4.57)	(35.31)
DEFERRED TAX (EXPENSE)/ CREDIT CHARGED TO OCI	**(4.57)**	**(35.31)**

Reconciliation of closing balance of deferred tax liability

Particulars	As at 31st March, 2023	As at 31st March, 2022
DEFERRED TAX LIABILITY		
Fixed assets: impact of difference between tax depreciation and depreciation / amortisation for the financial reporting	235.72	480.76
Current Investment (Investment in mutual fund)	410.25	337.27
Forward contracts	-	19.69
GROSS DEFERRED TAX LIABILITY	**645.97**	**837.72**
DEFERRED TAX ASSETS		
Employee related costs allowed for tax purposes on payment basis	305.28	335.96
VRS compensation	-	6.62
Share issue expenses adjusted to securities premium account	0.47	5.10
Asset held for sale [capital loss]	56.53	47.52
Deduction U/s 80JJAA	7.24	7.24
Forward contracts	10.47	-
Others	1.23	1.22
GROSS DEFERRED TAX ASSETS	**381.22**	**403.66**
NET DEFERRED TAX LIABILITY	**264.75**	**434.06**
DEFERRED TAX (CREDIT) / CHARGE FOR THE YEAR		
Closing deferred tax liability (net)	264.75	434.06
Less: opening deferred tax liability (net)	434.06	409.86
Deferred tax movement for the year	(169.31)	24.20
Deferred tax charge recorded in securities premium account (refer note 11)	4.64	7.33
Deferred tax (credit) / charge recorded in statement of profit and loss	(173.95)	16.87
Deferred tax charge recorded in OCI (refer note 28)	(4.57)	(35.31)
Adjustments in respect of deferred tax for earlier years	(154.00)	-
DEFERRED TAX (CREDIT) / CHARGE FOR THE YEAR	**(332.52)**	**(18.44)**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

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

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31st March, 2023 and and 31st March, 2022

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Accounting profit before tax	8,341.06	8,614.47
ACCOUNTING PROFIT BEFORE INCOME TAX	**8,341.06**	**8,614.47**
Tax at India's statutory tax rate 25.168% (31st March, 2022 25.168%)	**2,099.28**	**2,168.09**
On mutual fund gain due to indexation benefit	(52.59)	(205.61)
On assets held for sale	-	135.46
On permanent disallowance	48.60	43.12
Deduction U/s 80JJAA	-	7.64
Adjustments in respect of taxation for earlier year(includes deferred tax adjustment of INR 154 Lakhs for earlier year)	134.52	(138.56)
Other items	16.43	(3.36)
INCOME TAX REPORTED IN THE STATEMENT OF PROFIT AND LOSS	**2,246.24**	**2,006.78**

Reconciliation of deferred tax liabilities (net):

Particulars	As at 31st March, 2023	As at 31st March, 2022
Opening balance as of 1st April,	434.06	409.86
Tax (income)/ expense during the period recognised in profit or loss	(332.52)	(18.44)
Tax (income)/ expense during the period recognised in equity	4.64	7.33
Tax (income)/ expense during the period recognised in OCI	4.57	35.31
Adjustments in respect of deferred tax for earlier years	154.00	-
CLOSING BALANCE AS AT 31ST MARCH,	**264.75**	**434.06**

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets & current tax liabilties and the deferred tax assets & liabilities relate to income taxes levied by the same tax authority.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

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

Deferred tax

Deferred tax relates to the following

Particulars	Balance Sheet		Profit & Loss	
	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022
Accelerated depreciation for tax purposes	235.72	480.76	(245.04)	(218.62)
Fair valuation for the purpose of financial reporting	410.25	337.27	72.98	29.50
Voluntary retirement scheme allowed as deduction over period of 5 Years	-	(6.62)	6.62	35.68
Preliminary expenses incurred on initial public offering, allowed as dedctuion over period of 5 Years	(0.47)	(5.10)	-	-
Employee benefit expenses allowed on payment basis U/s 43B	(305.28)	(335.96)	30.68	16.61
Forward contracts & others	(10.47)	19.69	(30.16)	10.64
On assets held for sale	(56.53)	(47.52)	(9.02)	135.41
Deduction U/s 80JJAA	(7.24)	(7.24)	-	7.64
Unrealised forex loss - to be adjsuted from WDV U/s 43A	(1.23)	(1.22)	(0.01)	0.01
Amount to be (charged)/credit in Statement of OCI	-	-	(4.57)	(35.31)
Adjustments in respect of deferred tax for earlier years	-	-	(154.00)	-
	264.75	**434.06**	**(332.52)**	**(18.44)**

28. COMPONENTS OF OCI

During the year ended 31st March, 2023

Particulars	Amount
Re-measurement gains (losses) on defined benefit plans	18.15
Income tax effect	(4.57)
	13.58

During the year ended 31st March, 2022

Particulars	Amount
Re-measurement gains (losses) on defined benefit plans	140.29
Income tax effect	(35.31)
	104.98

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

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

29. EARNINGS PER SHARE (EPS)

Basic EPS amounts are calculated by dividing the profits for the year attributable to equity share holders of the company by weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity share holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

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

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Profit attributable to equity shareholders of the Company	6,094.82	6,607.69
Weighted average number of equity shares in calculating basic EPS	9,49,85,835	9,49,85,835
Effect of dilution:	-	-
Weighted average number of equity shares in calculating diluted EPS	9,49,85,835	9,49,85,835
Earnings per share (basic) (Rupees/share)	6.42	6.96
Earnings per share (diluted) (Rupees/share)	6.42	6.96

30. DIVIDEND DISTRIBUTION MADE AND PROPOSED

Particulars	31st March, 2023	31st March, 2022
Final dividend for the year ended on 31st March, 2022 (INR 1.10 per share)	1,044.84	-
Final dividend for the year ended on 31st March, 2021 (INR 1.00 per share)	-	949.86
	1,044.84	**949.86**

The Board of Directors, in their meeting on 25th May, 2021, proposed a final dividend of ₹ 1 per equity share and the same was approved by the shareholders at the Annual General Meeting held on 27th July, 2021. Subsequently, the dividend has been paid by the Company in FY 2021-22.

The Board of Directors, in their meeting on 10th August, 2022, proposed a final dividend of ₹ 1.10 per equity share and the same was approved by the shareholders at the Annual General Meeting held on 21st September, 2022. Subsequently, the dividend has been paid by the Company during current year.

The Board of Directors, in their meeting on 26th May, 2023, proposed a final dividend of ₹ 1.00 per equity share for the year ended 31st March, 2023. The payment of diviidend is subject to approval of shareholders at the ensuing Annual General Meeting of the Company.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

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

31. DISCLOSURE PURSUANT TO EMPLOYEE BENEFITS

A. Defined contribution plans:

Amount of ₹478.69 Lakhs (31st March, 2022: ₹ 442.08 Lakhs) is recognised as expenses and included in note no. 22 "Employee benefit expense"

B. Defined benefit plans:

The Company has following post employment benefits which are in the nature of defined benefit plans:

Gratuity

The Company has a defined benefit gratuity plan in India (funded). The Company's defined benefit gratuity plan which requires contributions to be made to a separately administered fund.

The gratuity plan is governed by the payment of gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age.

Plan assets - gratuity fund ₹ 1246.58 Lakhs

Net benefit expense 31st March, 2023 (recognised in statement of profit or loss)	31st March, 2023	31st March, 2022
Current service cost	128.11	136.16
Interest cost on benefit	11.07	28.29
	139.18	**164.45**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

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

31st March, 2023 : changes in defined benefit obligation and plan assets

Particulars	1st April, 2022	Gratuity cost charged to statement of profit and loss			Benefit paid	Remeasurement gains/(losses) in other comprehensive income					Contributions by employer	31st March, 2023
		Service cost	Net interest (expense) / income	Sub-total included in statement of profit and loss (refer note 22)		Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI		
GRATUITY												
Defined benefit obligation	(1,187.55)	(128.11)	(85.65)	(213.76)	59.76	-	-	(20.94)	47.80	26.86	-	(1,314.69)
Fair value of plan assets	848.76	-	74.58	74.58	(59.76)	(8.71)	-	-	-	(8.71)	391.71	1,246.58
BENEFIT LIABILITY	**(338.79)**	**(128.11)**	**(11.07)**	**(139.17)**	**-**	**(8.71)**	**-**	**(20.94)**	**47.80**	**18.15**	**391.71**	**(68.11)**

31st March, 2022 : changes in defined benefit obligation and plan assets

Particulars	1st April, 2021	Gratuity cost charged to statement of profit and loss			Benefit paid	Remeasurement gains/(losses) in other comprehensive income					Contributions by employer	31st March, 2022
		Service cost	Net interest (expense) / income	Sub-total included in statement of profit and loss (refer note 22)		Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI		
GRATUITY												
Defined benefit obligation	(1,148.59)	(136.16)	(75.81)	(211.97)	33.13	-	-	102.18	37.70	139.88	-	(1,187.55)
Fair value of plan assets	658.21	-	47.52	47.52	(33.13)	0.41	-	-	-	0.41	175.75	848.76
BENEFIT LIABILITY	**(490.38)**	**(136.16)**	**(28.29)**	**(164.45)**	**-**	**0.41**	**-**	**102.18**	**37.70**	**140.29**	**175.75**	**(338.79)**

As at 31st March, 2023 & 31st March, 2022 the amount of gratuity provision also includes gratuity provision of ₹ 60 Lakhs & 60 Lakhs respectively provided for promotor director whose gratuity payment is not considered for acturial valuations.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

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

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

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Type of asset: group gratuity scheme of LIC of India		
Fair Value of total plan assets	1,246.58	848.76
(%) of total plan assets	100%	100%

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

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Discount rate	7.22%	7.35%
Future salary increase	8.00%	8.00%
Expected rate of return on plan assets	6.76%	6.86%
Expected average remaining working lives (in years)	15.66	15.69

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

Gratuity

Particulars	Effect on defined benefit obligation (impact)	For the year ended 31st March, 2023 In ₹	For the year ended 31st March, 2022 In ₹
Discount rate	1% increase	1,165.33	1,051.93
	1% decrease	1,493.22	1,350.02
Future salary increase	1% increase	1,486.51	1,343.48
	1% decrease	1,167.95	1,054.35

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligations as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Pension, Post retirement medical scheme and Long-term award scheme

The followings are the expected future benefit payments for the defined benefit plan :

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Within the next 12 months (next annual reporting period)	54.38	44.52
Between 2 and 5 years	225.84	198.93
Beyond 5 years	441.93	415.50

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

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Gratuity	12.64	12.77

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

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Gratuity	100.00	150.00

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

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

32. SHARE BASED PAYMENTS

The Company provides share-based payment schemes to its employees. During the year ended 31st March, 2023, an employee stock option plan (ESOP) was in existence. The relevant details of the scheme and the grant are as below.

On 6th February, 2015,the board of directors approved the PCL employee stock option scheme 2015 (PCL ESOS 2015) for issue of stock options to the employees of the Company. According to the PCL ESOS 2015,the employee selected by the remuneration committee from time to time will be entitled to options. The contractual life (comprising the vesting period and the exercise period) of options granted under PCL ESOS 2015 is 6 years.

The fair value of the share options is estimated at the grant date using Black Scholes pricing model, taking into account the terms and conditions upon which the share options were granted. The exercise price of the share options is the face value i.e. ₹ 10. The contractual term of each option granted is 6 years.

Net benefit expense 31st March, 2023 (recognised in statement of profit or loss)	31st March, 2023	31st March, 2022
Expense arising from equity-settled share-based payment transactions	-	-
Total expense arising from share-based payment transactions	**-**	**-**

There were no cancellations or modifications to the awards in 31st March, 2023 and 31st March, 2022.

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

Particulars	31st March, 2023		31st March, 2022	
	Number	WAEP	Number	WAEP
Outstanding at 1st April,	-	₹ 10	12,230	₹ 10
Granted during the year	-	-	-	-
Forfeited during the year	-	₹ 10	-	₹ 10
Exercised during the year	-	₹ 10	-	₹ 10
Expired during the year	-	-	12,230	-
OUTSTANDING AT 31ST MARCH,	**-**	-	**-**	₹ 10
Exercisable at 31st March,	-	-	-	₹ 10

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

The weighted average remaining contractual life (vesting & exercise) for the share options outstanding as at 31st March, 2023 and 31st March, 2022 was nil as the share options (vesting and exercise) period had expired in FY 2021-22.

The following tables list the inputs to the models used for the plans :

Dividend yield (%)	0.00%
Expected volatility (%)	56.25%
Risk–free interest rate (%)	7.82%
Expected life of share options (years)	3
Weighted average share price (₹)	10
Model used	Black Scholes

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur.

The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

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

33. COMMITMENTS AND CONTINGENCIES

a. Commitments

(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances): at 31st March, 2023, the Company had commitments of ₹ 1875.75 Lakhs (31st March, 2022 : ₹ 1,198.80 Lakhs)

b. Contingent liabilities

(i) Claims against the Company not acknowledged as debts (legal claims)

a. The Collector of stamps, Solapur has demanded payment of stamp duty of ₹ 31.79 Lakhs (31st March, 2022: ₹ 31.79 Lakhs) for cancellation and issue of equity shares after amalgamation of Precision Valvetrain Components Limited (PVPL) with the Company in FY 2007-08. The Company has filed an appeal against demand made by the Collector of Stamps, Solapur with controlling revenue authority, Pune.

b. The Company had received an order from the Commisioner of Provident fund for the year May 2003 to May 2006 demanding PF liability amounting to ₹ 24.23 Lakhs (31st March, 2022: ₹ 24.23 Lakhs) excluding interest. The Company had filed writ petition with the Hon'ble High court Mumbai against the said order and had paid ₹ 12.12 under protest.

c. The Company had received an order from the Commissioner of Central Excise Pune for the year 2002-03, 2003-04 and 2004-05 demanding excise duty amounting to ₹ 20.76 Lakhs (31st March, 2022: ₹ 20.76 Lakhs) on sales tax retained under sales tax deferral scheme. The Company had filed apperial against the order with CESTAT and CESTAT via its order transfer the said case to the jurisdiction commissionerate

d. The Company had received the show cause notice from The Directorate General of Goods and Service Tax Intelligence, Gurgaon (Haryana) for the cost of drawing/desigin/specifications was not included in components at the time of supply to MSIL for the year 2013-14 to 2017-18 amounting to ₹ 83.95 Lakhs. (31st March, 2022 ₹ 83.95 Lakhs). The Company had filed a reply aginst said show cause notice to the Directorate General of Goods and Service Tax Intelligence, Gurgaon (Haryana) . The assessment order yet to receive from the respective authority.

e. The Company had received order from Assessing Officer for the assessment year 2014-15 for demand of income tax amounting to ₹ 1,428.71 Lakhs (31st March, 2022 ₹ 1,428.71 Lakhs) towards disallowance of ESOP expenditures and other disallowances. The Company has filed appeal against the above order with commissioner of income tax (Appeals) and has paid ₹ 200.00 Lakhs under protest.

f During the year ended 31st March, 2022, the Company had received an order from Assessing Officer for the assessment year 18-19 for demand of income tax amounting to ₹ 7.08 Lakhs towards disallownce u/s 14A of the Act. The Company has paid the said demand within due date specified by the department. Further assessing officer has passed an order u/s 270A imposing a penalty for ₹ 3.47 Lakhs (31st March, 2022 ₹ 3.47 Lakhs) Lakhs for under reporting of income for incremental disallowance made u/s 14A of the act. The Company had filed appeal agianst the penalty order with Commissioner of Income Tax (Appeals) and has paid ₹ 0.70 Lakhs under protest.

g During the year ended 31st March, 2022, the Company had received an order from Industrial Court, Solapur towards employees dispute and allowed 4 workers reinstatement with full back wages from 2014 for demand of ₹ 42 Lakhs (31st March, 2022 ₹ 36 Lakhs). The Company had filed writ petition with the Hon'ble High court Mumbai against the said order

In all the cases mentioned above outflow is not probable, and hence not provided by the Company.

(ii) Corporate guarantees

The Company had given corporate guarantee of € 19.6 million (₹ 14,900 Lakhs) to Bank of Baroda, London in respect of term loan given by Bank of Baroda to its wholly owned subsidiary company PCL International Holdings, B.V. Netherlands for strategic acquisitions in FY 2017-18.

Subsequently due to cancellation of bank guarantee & repayment of loans the amount of corporate guarantee is nil (31st March, 2022- 2,292.84 Lakhs).

The Company has also given corporate gurantee of it's wholly owned subsidiary Memco Engineering Limited Limited to the lender bank. The outstanding amount of corporate guranteee is ₹ 468.3 7 Lakhs (31st March, 2022 ₹ 453.55 Lakhs).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

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

34. RELATED PARTY TRANSACTIONS

A Names of the related party and related party relationship:

a) Related party where control exists

i) Subsidiary

PCL (International) Holdings B.V. (Netherlands)

Memco Engineering Limited Limited (Nashik)

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

MFT Motoren Und Fahrzeughecnik GMBH (Germany)

Emoss Mobile Systems B.V., Netherlands

b) Related parties under 'Ind AS 24- Related Party Disclosures', with whom transactions have taken place during the period

PCL (International) Holdings B.V. (Netherlands)
Chitale Clinic Private Limited
Cams Technology Limited
MFT Motoren Und Fahrzeughecnik GMBH (Germany)
Emoss Mobile Systems B.V.
Precision Foundation & Medical Research Trust

c) Key management personnel (KMP)

Mr. Yatin S. Shah , Managing Director
Mr. Ravindra R. Joshi, Director
Mr. Karan Y. Shah, Director
Mrs. Mayuri I. Kulkarni (upto 18th March, 2022)
Mr. Sarvesh N. Joshi, Independent Director
Mr. Pramod H. Mehendale, Independent Director (upto 27th July, 2021)
Mr. Vedant V. Pujari, Independent Director (upto 27th July, 2021)
Mr. Vaibhav S. Mahajani, Independent Director (upto 21st September, 2022)
Dr. Suhasini Y. Shah, Non executive Director
Mrs.Savani A. Laddha Independent Director
Mr. Gautam V. Wakankar (w.e.f. 19th March, 2022 up to 30th April, 2023)
Mr. Madan M. Godse, Independent Director (w.e.f. 3rd September, 2021 up to 1st February, 2023)
Mr. Ameet N Dravid, Independent Director (w.e.f. 10th August, 2022)
Mr. Suhas J. Ahirrao, Independent Director (w.e.f. 29th March, 2023)
Ms. Apurva P. Joshi, Independent Director (w.e.f. 29th March, 2023)
Mrs. Anagha S. Anasingaraju, Independent Director (w.e.f. 29th March, 2023)

d) Relatives of key management personnel (RKMP)

Ms. Tanvi Y. Shah, daughter of Mr. Yatin S. Shah
Late Dr. Manjiri V. Chitale, mother of Dr. Suhasini Y. Shah
Mrs. Mayura K. Shah, Wife of Mr. Karan Y. Shah

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

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

f) Individual having significant influence

Mr. Jayant V. Aradhye

g) Relative of individual having significant influence

Mr. Maneesh J. Aradhye, son of Mr. Jayant V. Aradhye
Dr. Sunita J. Aradhye, wife of Mr. Jayant V. Aradhye
Mrs. Rama M. Aradhye, wife of Mr. Maneesh J. Aradhye
Mr. Vijay V. Aradhye, brother of Mr. Jayant V. Aradhye

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

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

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

Sr. No.	Particulars	Key management personnel		Relatives of key management personnel		Entities where KMP / RKMP have significant influence		Individual having significant influence		Relative of individual having significant influence		Subsidiary	
	Transactions	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022
1	Remuneration*	811.40	821.41	-	-	-	-	-	-	-	-	-	-
2	Final dividend paid on equity shares	534.60	483.08	0.03	2.95	148.58	135.08	90.36	82.02	35.07	33.49	-	-
3	Loss recognised on the measurement to fair value less cost to sale	-	-	-	-	-	-	-	-	-	-	-	-
4	Donation paid	-	-	-	-	36.90	28.50	-	-	-	-	-	-
5	Purchases of goods, material or services	-	-	-	-	63.08	49.92	-	-	-	-	21.55	313.12
6	Investment in equity shares	-	-	-	-	-	-	-	-	-	-	8,314.15	-
7	Purchases of assets	-	-	-	-	-	-	-	-	-	-	-	-
8	Loan given to subsidiaries	-	-	-	-	-	-	-	-	-	-	652.08	3,333.18
9	Interest on loan given to subsidiaries	-	-	-	-	-	-	-	-	-	-	295.17	271.92
	Balances outstanding												
1	Remuneration payable	112.57	119.87	-	-	-	-	-	-	-	-	-	-
2	Trade and other payables	-	-	-	-	23.18	16.02	-	-	-	-	25.01	326.21
3	Investment in equity shares	-	-	-	-	-	-	-	-	-	-	16,270.84	7,956.69
4	Interest on loan given to subsidiaries	-	-	-	-	-	-	-	-	-	-	84.76	402.64
5	Loan given to subsidiaries	-	-	-	-	-	-	-	-	-	-	9,499.79	14,317.99

The Company had given corporate gurantee in the previous years on behalf of it's wholly owned subsidiary PCL (International) Holding B.V. Netherlands to the lender bank.The outstanding amount of corporate gurantee is ₹ nil (31st March, 2022 ₹ 2,292.84 Lakhs approx.)

The Company had given corporate gurantee of it's wholly owned subsidiary Memco Engineering Limited Limited to the lender bank. The outstanding amount of corporate guranteee is ₹ 468.37 Lakhs (31st March, 2022 ₹ 453.55 Lakhs)

* The liabilities for gratuity and leave encashment are provided for the Company as a whole, the remuneration does not include the same.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

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

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

Sr. No.	Particulars	Relationship	31st March, 2023	31st March, 2022
1	**REMUNERATION***			
	Mr.Yatin S. Shah	Key management personnel	343.53	385.61
	Mr. Ravindra R. Joshi	Key management personnel	353.99	355.00
	Mr. Karan Y. Shah	Key management personnel	77.66	40.75
	Mrs. Mayuri I. Kulkarni (upto 18th March, 2022)	Key management personnel	-	9.79
	Mr. Sarvesh N. Joshi	Key management personnel	5.00	5.00
	Mr. Pramod H. Mehendale (upto 27th July, 2021)	Key management personnel	-	3.50
	Mr. Vedant V. Pujari (upto 27th July, 2021)	Key management personnel	-	3.50
	Mr. Vaibhav S. Mahajani (upto 21st September, 2022)	Key management personnel	2.50	5.00
	Dr.Suhasini Y. Shah	Key management personnel	5.00	5.00
	Mrs.Savani A. Laddha	Key management personnel	5.00	5.00
	Mr. Madan M. Godse (w.e.f. 3rd September, 2021 up to 1st Febuary, 2023)	Key management personnel	4.20	3.00
	Mr. Ameet N Dravid (w.e.f. 10th August, 2022)	Key management personnel	3.20	-
	Mr. Gautam V. Wakankar (w.e.f. 19th March, 2022 up to 30th April, 2023)	Key management personnel	11.32	0.26
2	**FINAL DIVIDEND PAID ON EQUITY SHARES**			
	Cams Technology Limited	Entities where KMP / RKMP have significant influence	148.58	135.08
	Mr.Yatin S. Shah	Key management personnel	415.68	377.89
	Mr. Jayant V. Aradhye	Individual having significant influence	90.36	82.02
	Dr. Suhasini Y. Shah	Key management personnel	118.56	104.86
	Mr. Maneesh J. Aradhye	Relative of individual having significant influence	16.77	16.36
	Dr Sunita J. Aradhye	Relative of individual having significant influence	8.99	8.17
	Ms. Rama M. Aradhye	Relative of individual having significant influence	7.66	6.96
	Mr. Vijay V. Aradhye	Relative of individual having significant influence	1.65	2.00
	Late Dr Manjiri V. Chitale	Relative of key management personnel	-	2.92
	Mr. Ravindra R. Joshi	Key management personnel	0.19	0.17
	Mr. Karan Y. Shah	Key management personnel	0.16	0.15
	Ms. Tanvi Y. Shah	Relative of key management personnel	0.02	0.02
	Ms. Mayura K. Shah	Relative of key management personnel	0.01	0.01
	Mr. Pramod H. Mehendale (upto 27.07.2021)	Key management personnel	0.00	0.00
	Mr. Vaibhav S. Mahajani (upto 21.09.2022)	Key management personnel	0.01	0.01
	Mr. Kaustubh P. Mehendale	Relative of key management personnel	0.00	0.00

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

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

Sr. No.	Particulars	Relationship	31st March, 2023	31st March, 2022
3	**DONATION PAID**			
	Precision Foundation & Medical Research Trust	Entities where KMP / RKMP have significant influence	36.90	28.50
4	**PURCHASES OF GOODS, MATERIAL OR SERVICES (EXCLUSIVE OF TAXES)**			
	Cams Technology Limited	Entities where KMP / RKMP have significant influence	62.74	49.92
	Chitale Clinic Limited Limited	Entities where KMP / RKMP have significant influence	0.34	-
	MFT Motoren Und Fahrzeughecnik Gmbh (Germany)	Step down Subsidiary	-	313.12
	Emoss Mobile Systems B.V.	Step down Subsidiary	21.55	-
5	**INVESTMENT IN EQUITY SHARES**			
	PCL (International) Holdings B.V. (Netherlands)	Subsidiary	8,314.15	-
6	**LOAN GIVEN TO SUBSIDIARIES**			
	PCL (International) Holdings B.V. (Netherlands)	Subsidiary	652.08	3,333.18
7	**INTEREST ON LOAN GIVEN TO SUBSIDIARIES**			
	PCL (International) Holdings B.V. (Netherlands)	Subsidiary	295.17	271.92
BALANCES OUTSTANDING				
1	**REMUNERATION PAYABLE (EXCLUSIVE OF TAXES)**			
	Mr.Yatin S. Shah	Key management personnel	33.77	43.44
	Mr. Ravindra R. Joshi	Key management personnel	52.25	39.28
	Mr. Karan Y. Shah	Key management personnel	3.44	9.50
	Mrs. Mayuri I. Kulkarni (upto 18th March, 2022)	Key management personnel	-	0.42
	Mr. Sarvesh N. Joshi	Key management personnel	4.50	4.50
	Mr. Pramod H. Mehendale (upto 27.07.2021)	Key management personnel	-	3.15
	Mr. Vedant V. Pujari (upto 27.07.2021)	Key management personnel	-	3.15
	Mr. Vaibhav S. Mahajani (upto 21.09.2022)	Key management personnel	2.25	4.50
	Dr.Suhasini Y. Shah	Key management personnel	4.50	4.50
	Mrs.Savani A. Laddha	Key management personnel	4.50	4.50
	Mr. Madan M. Godse (w.e.f. 03.09.2021 up to 01.02.2023)	Key management personnel	3.78	2.70
	Mr. Ameet N Dravid (w.e.f. 10.08.2022)	Key management personnel	2.88	-
	Mr. Gautam V. Wakankar (w.e.f. 19.03.2022 up to 30.04.2023)	Key management personnel	0.70	0.23
2	**TRADE AND OTHER PAYABLES**			
	Cams Technology Limited	Entities where KMP / RKMP have significant influence	23.18	16.02
	Emoss Mobile Systems B.V.	Step down Subsidiary	25.01	2.30
	MFT Motoren Und Fahrzeutechnik GMBH	Step down Subsidiary	-	323.91
3	**INVESTMENT IN EQUITY SHARES**			
	PCL (International) Holdings B.V. (Netherlands)	Subsidiary	11,785.49	3,471.34
	Memco Engineering Limited Limited (Nashik)	Subsidiary	4,485.35	4,485.35
4	**INTEREST ON LOAN GIVEN TO SUBSIDIARIES**			
	PCL (International) Holdings B.V. (Netherlands)	Subsidiary	84.76	402.64
5	**LOAN GIVEN TO SUBSIDIARIES**			
	PCL (International) Holdings B.V. (Netherlands)	Subsidiary	9,499.79	14,317.99

* The liabilities for gratuity and leave encashment are provided for the Company as a whole, the remuneration does not include the same.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

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

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions.

Outstanding balances at the year-end are unsecured and interest free (except for loan given to subsidiaries) and settlement occurs in cash.

Compensation of key managerial personnel of the Company

Particulars	31st March, 2023	31st March, 2022
Short term employee benefits (gross salary)	747.20	752.49
Post employment benefits (PF + superannuation)	64.20	68.92
TOTAL COMPENSATION PAID TO KEY MANAGEMENT PERSONNEL	**811.40**	**821.41**

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

35. SEGMENT INFORMATION

The Company is engaged in manufacturing of camshafts. Based on similarity of activities/products, risk and reward structure, organisation structure and internal reporting systems, the Company has structured its operations into a single operating segment; however based on the geographic distribution of activities, the chief operating decision make identified India and outside India as two reportable geographical segments.

Revenue from customers	31st March, 2023	31st March, 2022
WITHIN INDIA	**29,242.43**	**23,169.62**
OUTSIDE INDIA		
Asia (other than China)	7,469.45	6,366.32
China	-	73.53
Europe	12,484.33	12,893.44
Others	13,438.17	8,709.41
	33,391.95	**28,042.70**
TOTAL REVENUE	**62,634.38**	**51,212.32**

The revenue information above is based on the locations of the customers.

Non-current operating assets*	31st March, 2023	31st March, 2022
WITHIN INDIA	**31,968.67**	**30,426.29**
OUTSIDE INDIA		
Investment in subsidiary		
Europe	11,785.49	3,471.34
Loan given		
Europe	9,499.79	14,317.99
	21,285.28	**17,789.33**
TOTAL	**53,253.95**	**48,215.62**

* As defined in paragraph 33 (b) of Ind AS 108 "Operating segments" non current assets excludes financial instruments, deferred tax assets and post-employment benefit assets.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

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

36. FAIR VALUES

Particulars of financial insturments by category of classification

Financial assets	31st March, 2023		31st March, 2022	
	Carried at FVTPL	Carried at ammortised cost	Carried at FVTPL	Carried at ammortised cost
Loans & advances	-	9,499.79	-	14,317.99
Investment in mutual fund & other financial instruments	17,115.24	-	18,142.62	-
Forward contracts receivable	-	-	78.25	-
Term deposits with banks [short term + long term] & unclaimed dividend	-	4,307.43	-	4,101.58
Other financial assets	-	315.33	-	599.06
Trade receivable	-	14,455.83	-	12,300.47
Cash & cash equivalents	-	544.19	-	638.94
TOTAL	**17,115.24**	**29,122.57**	**18,220.87**	**31,958.04**

Financial liabilites	31st March, 2023		31st March, 2022	
	Carried at FVTPL	Carried at ammortised cost	Carried at FVTPL	Carried at ammortised cost
Borrowings	-	4,157.01	-	4,454.14
Trade payable	-	9,141.24	-	7,368.11
Other financial liabilities	41.54	1,759.67	-	1,273.07
Lease liability	-	5.56	-	18.28
TOTAL	**41.54**	**15,063.48**	**-**	**13,113.60**

37. FAIR VALUE HIERARCHY

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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

• Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

• Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

A) The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

Quantitative disclosures fair value measurement hierarchy for assets as at 31st March, 2023:

	Fair value measurement using				
	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
ASSETS MEASURED AT FAIR VALUE:					
Investments	31st March, 2023	17,115.24	17,113.94	-	1.30

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

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

Quantitative disclosures fair value measurement hierarchy for liabilities as at 31st March, 2023:

	Fair value measurement using				
	Date of valuation	**Total**	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
LIABILITIES MEASURED AT FAIR VALUE:					
Foreign exchange forward contracts	31st March, 2023	41.54	-	41.54	-

Quantitative disclosures fair value measurement hierarchy for assets as at 31st March, 2022:

	Fair value measurement using				
	Date of valuation	**Total**	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
ASSETS MEASURED AT FAIR VALUE:					
Investments	31st March, 2022	18,142.62	18,141.32	-	1.30
Foreign exchange forward contracts	31st March, 2022	78.25	-	78.25	-

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

- The fair values of the quoted mutual funds are based on price (i.e. the NAV of the mutual funds) quotations at the reporting date.
- The fair values of derivative forward contracts is determined using the marked-to-market valuation done by the banks.
- The Fair value of Level 3 is determined on the basis of best estimate & information available.

B) Fair value of financial assets and liabilities measured at amortised cost

The management assessed that cash and cash equivalents (including term deposits), trade receivables, trade payables, borrowings, lease liability and other financial liabilities approximate their carrying amounts because of the short term nature of these financial instruments.

The amortised cost using effective interest rate (EIR) of non-current financial assets consisting of security deposit, loans to subsidiary and term deposit with more than 12 months are not significantly different from the carrying amount.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

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

38. CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value and to ensure the Company's ability to continue as a going concern.The Company manages its capital structure and makes adjustments for compliance with the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders. The Company monitors gearing ratio i.e. total debt in proportion to its overall financing structure, i.e. equity and debt. Total debt comprises of short term borrowing which represents packing credit and cash credit taken from bank. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets

REVENUE FROM CUSTOMERS	31st March, 2023	31st March, 2022
Borrowings (refer note 12)	4,157.01	4,454.14
Less: cash and cash equivalent (refer note 9)	544.19	638.94
NET DEBT (I)	**3,612.82**	**3,815.20**
Equity	82,051.17	76,992.25
TOTAL EQUITY (II)	**82,051.17**	**76,992.25**
OVERALL FINANCING (III) = (I) + (II)	**85,663.99**	**80,807.45**
GEARING RATIO = (I) / (III)	**4.22%**	**4.72%**

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March, 2023 and 31st March, 2022.

39. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Share-based payments

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an Black and Scholes valuation model. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 32.

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

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for the plans ,the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates. Further details about gratuity obligations are given in note 31.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See note 36 and 37 for further disclosures.

Revenue Recognition:

For tooling contracts, The Company has enforceable right to payment for tools developed when the tool is approved by the customer and accordingly the revenue from tooling is recognised at a point in time post approval by the customer.

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities, other than derivatives, comprise of short term borrowings; and trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, investments in mutual funds and cash and cash equivalents that derive directly from its operations and loan given to subsidiary.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, and derivative financial instruments.

The sensitivity analysis in the following sections relate to the position as at 31st March, 2023 and 31st March, 2022.

The analysis exclude the impact of movements in market variables on the carrying values of gratuity and other post retirement obligations and provisions.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

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

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's short-term debt obligations with floating interest rates.

Sensitivity

Year	Increase/(decrease) in basis points	Effect on profit before tax In ₹
31ST MARCH, 2023	50.00	(15.77)
	(50.00)	15.77
31ST MARCH, 2022	50.00	(15.99)
	(50.00)	15.99

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency) and loan given to subsidiary.

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure.

For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

Foreign currency exposure

Nature of exposure	Currency	31st March, 2023		31st March, 2022	
		Amount in F.C.	Amount in INR	Amount in F.C.	Amount in INR
Trade receivables	USD	115.58	9,442.54	104.74	7,888.06
	EUR	9.50	843.21	5.56	465.56
Trade payables	USD	1.17	96.43	1.28	97.01
	EUR	0.25	22.14	3.94	336.10
	JPY	35.98	22.45	46.02	28.79
	GBP	0.02	2.46	-	-
Loan given to subsidiaries	EUR	107.05	9,499.79	171.00	14,317.99
Interest on loan given to subsidiaries	EUR	0.96	84.76	4.86	402.64
Forward contract	USD	85.00	7,051.00	88.70	6,831.69
	EUR	1.60	146.74	-	-

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, EUR ,GBP and JPY exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives and embedded derivatives.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

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

Sensitivity

Year	Change in USD rate	Effect on profit before tax In ₹
31ST MARCH, 2023	5%	819.86
	(5)%	(819.86)
31ST MARCH, 2022	5%	731.14
	(5)%	(731.14)

Year	Change in EUR rate	Effect on profit before tax In ₹
31ST MARCH, 2023	5%	527.39
	(5)%	(527.39)
31ST MARCH, 2022	5%	742.73
	(5)%	(742.73)

Year	Change in GBP rate	Effect on profit before tax In ₹
31ST MARCH, 2023	5%	(0.12)
	(5)%	0.12
31ST MARCH, 2022	5%	-
	(5)%	-

Year	Change in JPY rate	Effect on profit before tax In ₹
31ST MARCH, 2023	5%	(1.12)
	(5)%	1.12
31ST MARCH, 2022	5%	(1.44)
	(5)%	1.44

Commodity risk

The Company is affected by the price volatility of certain commodities. Its operating activities require the ongoing manufacture of camshafts and therefore require a continuous supply majorly of pig iron, MS scrap and resin coated sand.

The Company's exposure to the risk of exchange in key raw material prices are mitigated by the fact that the price increases/ decreases from the vendors are passed on to the customers based on understanding with the customers. Hence the fluctuation of prices of key raw materials do not materially affect the statement of profit and loss. Also as at 31st March, 2023, there were no open purchase commitments/ pending material purchase order in respect of key raw materials. Accordingly, no sensitivity analysis have been performed by the management.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade receivables

Customer credit risk is managed subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

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

An impairment analysis is performed at each reporting date on an individual basis for major clients. The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables disclosed in note 8. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy.

The investment of surplus funds is made in mutual funds and fixed deposits which are approved by the Director.

The Company's maximum exposure to credit risk for the components of the balance sheet at 31st March, 2023 and 31st March, 2022 is the carrying amounts as illustrated in note 9.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligation as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liability when due.

The table below summarises the maturity profile of the Company's financial liabilities:

Particulars	Less than 1 year	1 to 5 years	> 5 years	Total
YEAR ENDED 31ST MARCH, 2023				
Current borrowings	4,157.01	-	-	4,157.01
Other financial liabilities	1,801.20	-	-	1,801.20
Trade payables	9,141.24	-	-	9,141.24
Lease liabilities	-	-	-	-
	15,099.45	**-**	**-**	**15,099.45**

Particulars	Less than 1 year	1 to 5 years	> 5 years	Total
YEAR ENDED 31ST MARCH, 2022				
Current borrowings	4,454.14	-	-	4,454.14
Other financial liabilities	1,273.07	-	-	1,273.07
Trade payables	7,368.11	-	-	7,368.11
Lease liabilities	12.54	5.74	-	18.28
	13,107.86	**5.74**	**-**	**13,113.60**

42. DISCLOSURE PURSUANT TO SCHEDULE V READ WITH REGULATIONS 34(3) AND 53(F) OF THE SEBI(LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS,2015

A) Amount of loans / advances in nature of loans outstanding from subsidiaries as at 31st March, 2023:

Name of the Company	Balance as at		Maximum outstanding	
	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022
TO SUBSIDIARY COMPANIES				
PCL (International) Holding B.V.	9,499.79	14,317.99	14,970.07	14,317.99

B) Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount: Nil (other than subsidiaries as mention above)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

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

C) Investments by the loanee in the shares of parent company and subsidiary company, when the Company has made a loan or advance in the nature of loan as at 31st March, 2023

Name of the Company	Balance as at		Maximum outstanding	
	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022
TO SUBSIDIARY COMPANIES				
MFT Motoren und Fahrzeugtechnik GmbH (MFT)- Germany	3,260.75	3,076.65	3,260.75	3,076.65
EUR 36,74,494 & EUR 36,74,494 For March 2023 & March 2022 respectively				
(Converted into INR using 88.74 ₹/ Euro & ₹ 83.73 ₹/Euro for March 2023 & March 2022 respectively)				
Emoss Mobile Systems B.V., Netherlands	7,061.93	6,663.23	7,061.93	6,663.23
EUR 79,58,000 & EUR 79,58,000 For March 2023 & March 2022 respectively				
(Converted into INR using 88.74 ₹/ Euro & ₹ 83.73 ₹/Euro for March 2023 & March 2022 respectively)				

43. CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are health care, education, sustainability, social issues. A CSR committee has been formed by the Company as per the Act. The funds are utilised through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

Particulars		31st March, 2023	31st March, 2022
A	Gross amount required to be spent as per Section 135 of the Act	155.48	142.85
	Add: amount unspent from previous years	-	-
	Total gross amount required to be spent during the year	**155.48**	**142.85**
B	Amount approved by the board to be spent during the year	155.48	142.85
C	**AMOUNT SPENT DURING THE YEAR ON**		
	(i) Construction/acquisition of an asset	-	-
	(ii) On purposes other than (i) above *	155.69	146.47
* The expense considered for FY 2021-22 is ₹ 142.85 Lakhs and balance has been transferred to prepaid expense.			
D	**DETAILS RELATED TO AMOUNT SPENT**		
	Contribution to PM CARES Fund	-	-
	Spent on CSR activities(healthcare, education, sustainability, social issues)	155.69	146.47
	TOTAL	**155.69**	**146.47**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

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

E **Details of excess CSR expenditure**

Particulars	Balance excess as at 1st April, 2022	Amount required to be spent during the year	Amount spent during the year	Balance excess as at 31st March, 2023
NATURE OF ACTIVITY				
Spent on CSR activities (healthcare, education, sustainability, social issues)	(3.62)	155.48	155.69	(3.83)

Particulars	Balance excess as at 1st April, 2021	Amount required to be spent during the year	Amount spent during the year	Balance excess as at 31st March, 2022
NATURE OF ACTIVITY				
Spent on CSR activities (healthcare, education, sustainability, social issues)	-	142.85	146.47	(3.62)

44. TITLE DEEDS OF IMMOVABLE PROPERTIES NOT HELD IN NAME OF THE COMPANY

There are no title deeds of immovable property which are not held within the name of the Company.

45. LEASES WHERE COMPANY IS A LESSEE

During FY 2021-22, company has obtained office premises on lease from Redbrick Offices Limited for a period of 3 years. Payment of lease rentals has been made in accordance with the rentals specified in Schedule. Lease liabiliy has been recognised in the books of accounts by company at present value of lease payments and Right of use asset at cost in accordance with the requirements of IND AS 116.

(ia) Changes in the carrying value of Right-of-use Assets

Particulars	Category of ROU Asset Land and Building
BALANCE AS AT 1ST APRIL, 2021	-
Additions	23.60
Deletion	-
Depreciation	6.88
BALANCE AS AT 31ST MARCH, 2022	**16.72**
Additions	-
Deletion	-
Depreciation	11.80
BALANCE AS AT 31ST MARCH, 2023	**4.92**

(ib) Changes in the Lease liabilities

Particulars	Category of ROU Asset Land and Building
BALANCE AS AT 1ST APRIL, 2021	
Additions	23.60
Interest on lease liability	0.75
Lease Payments	6.07
BALANCE AS AT 31ST MARCH, 2022	**18.28**
Additions	-
Interest on lease liability	0.77
Lease Payments	13.49
BALANCE AS AT 31ST MARCH, 2023	**5.56**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

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

(ii) Break-up of current and non-current lease liabilities

Particulars	31st March, 2023	31st March, 2022
Current Lease Liabilities	5.56	12.54
Non-current Lease Liabilities	-	5.74

(iii) Maturity analysis of lease liabilities

Particulars	31st March, 2023	31st March, 2022
Less than one year	5.56	12.54
One to five years	-	5.74
More than five years	-	-
Total	**5.56**	**18.28**

(iv) Amounts recognised in statement of Profit and Loss account

Particulars	31st March, 2023	31st March, 2022
Interest on Lease Liabilities	0.77	0.75
Depreciation on ROU asset	11.80	6.88
Total	**12.57**	**7.63**

(v) Amounts recognised in statement of Cash Flows

Particulars	31st March, 2023	31st March, 2022
Total Cash outflow for leases	13.49	5.32

46. Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are:

Type of Borrower	Loans/ Advances granted Individually or Jointly with other	Repayable on demand (Yes / No)	Terms/ Period of repayment is specified (Yes / No)	31st March, 2023		31st March, 2022	
				Amount outstanding as at the balance sheet date	% of Total	Amount outstanding as at the balance sheet date	% of Total
Promoter	-	-	-	-	-	-	-
Directors	-	-	-	-	-	-	-
KMPs	-	-	-	-	-	-	-
Related Parties				-	-	-	-
i) PCL (International) Holdings B.V. (Netherlands) (wholly owned subsidiary)	Individually	No	Yes	9,499.79	100%	14,317.99	100%
Total of Loan and Advances in the nature of Loan (Refer Note 5B and 34)				**9,499.79**	100%	**14,317.99**	100%

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

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

47. AGEING OF CWIP

(a) For Capital-work-in progress ageing schedule

31st March, 2023

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	4,920.86	3,100.00	-	-	**8,020.86**
Projects temporarily suspended	-	-	-	-	-

31st March, 2022

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	3,272.75	-	-	-	**3,272.75**
Projects temporarily suspended	-	-	-	-	-

(b) In case of the following projects (CWIP), where completion is overdue or has exceeded its cost compared to its original plan:

31st March, 2023

CWIP	To be completed in				Remarks
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress (here the completion is overdue and the cost is exceeded compared to its original plan)	5,886.17	-	-	-	Approval has been obtained with respect to additional cost in the Audit Committee Meeting held on 15th March, 2023. Also, certain approvals have been pending from authorities resulting in delay in capitalisation.

48. AGEING OF INTANGIBLE ASSET UNDER DEVELOPMENT

(a) Intangible assets under development ageing schedule

31st March, 2023

INTANGIBLE ASSETS UNDER DEVELOPMENT	Amount in Intangible under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	45.00	-	-	**45.00**
Projects temporarily suspended	-	-	-	-	**-**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

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

31st March, 2022

INTANGIBLE ASSETS UNDER DEVELOPMENT	Amount in Intangible Assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	45.00	-	-	-	**45.00**
Projects temporarily suspended	-	-	-	-	**-**

(b) In case of the following projects (IAUD), where completion is overdue or has exceeded its cost compared to its original plan:

31st March, 2023

INTANGIBLE ASSETS UNDER DEVELOPMENT	To be completed in				Remarks
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress (here the completion is overdue)	45.00	-	-	-	There are certain technical issues relating to implementation of SAP, resulting in delay in capitalisation.

49. DETAILS OF BENAMI PROPERTY HELD

The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.

50. RECONCILIATION OF QUARTERLY RETURNS OR STATEMENTS OF CURRENT ASSETS FILED WITH BANKS OR FINANCIAL INSTITUTIONS

31st March, 2023

Quarter	Name of bank	Particulars of Securities Provided	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference	Reason for material discrepancies
Jun-22	Bank of India and Bank of Baroda	Trade Receivables	13,682.97	18,135.24	(4,452.27)	The difference is due to the submission to the Banks were made before financial reporting closure process
		Trade Payables *	7,689.94	7,570.25	119.69	
		Inventories	6,928.58	2,614.18	4,314.40	
Sep-22	Bank of India and Bank of Baroda	Trade Receivables	12,751.81	17,574.10	(4,822.29)	
		Trade Payables *	6,798.50	6,708.54	89.96	
		Inventories	6,815.68	2,783.59	4,032.09	
Dec-22	Bank of India and Bank of Baroda	Trade Receivables	12,793.52	18,506.22	(5,712.70)	
		Trade Payables *	7,120.94	6,884.86	236.08	
		Inventories	7,082.63	2,858.85	4,223.78	
Mar-23	Bank of India and Bank of Baroda	Trade Receivables	14,455.83	19,645.73	(5,189.90)	
		Trade Payables *	8,388.18	8,255.97	132.21	
		Inventories	6,810.99	2,837.19	3,973.80	

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

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

31st March, 2022

Quarter	Name of bank	Particulars of Securities Provided	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference	Reason for material discrepancies
Jun-21	Bank of India and Bank of Baroda	Trade Receivables	8,261.32	12,900.98	(4,639.66)	The difference is due to the submission to the Banks were made before financial reporting closure process
		Trade Payables *	5,109.00	5,122.47	(13.47)	
		Inventories	5,087.76	2,049.26	3,038.50	
Sep-21	Bank of India and Bank of Baroda	Trade Receivables	8,038.39	12,643.49	(4,605.10)	
		Trade Payables *	4,581.85	4,503.95	77.90	
		Inventories	5,268.75	2,117.61	3,151.14	
Dec-21	Bank of India and Bank of Baroda	Trade Receivables	9,820.24	14,568.68	(4,748.44)	
		Trade Payables *	5,554.93	5,465.30	89.63	
		Inventories	5,470.11	2,273.08	3,197.03	
Mar-22	Bank of India and Bank of Baroda	Trade Receivables	12,300.47	18,175.13	(5,874.66)	
		Trade Payables *	6,546.24	6,438.80	107.44	
		Inventories	6,283.70	2,048.46	4,235.24	

* Excluding provision for expenses and including capital payables.

51. WILFUL DEFAULTER

The Company has not being declared as wilful defaluter by any bank or financials instiution or any government authority.

52. RELATIONSHIP WITH STRUCK OFF COMPANIES UNDER SECTION 248 OF THE COMPANIES ACT, 2013 OR SECTION 560 OF COMPANIES ACT, 1956

The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

53. REGISTRATION OF CHARGES OR SATISFACTION WITH REGISTRAR OF COMPANIES

The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

54. COMPLIANCE WITH NUMBER OF LAYERS OF COMPANIES

The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

55. UTILISATION OF BORROWED FUNDS AND SHARE PREMIUM:

(i) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the Intermediary shall:

  (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (ultimate beneficiaries) or

  (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

(ii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

  (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or

  (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries,

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

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

56. RATIOS

S. no.	Ratio	Particulars		Ratio as on 31st March, 2023	Ratio as on 31st March, 2022	Variation	Reason (If variation is more than 25%)
		Numerator	Denominator				
(a)	Current ratio	Current assets	Current Liabilities	2.89	3.22	(10.12)%	
(b)	Debt-equity ratio	Debt= All borrowings	Shareholder's equity	0.05	0.06	(12.43)%	
(c)	Debt service coverage ratio	Net Operating Income= Net profit after taxes + Non-cash operating expenses + finance cost	Debt Service = Interest & Lease Payments + Principal Repayments (Excluding Working capital borrowings)	43.50	56.19	(22.59)%	
(d)	Return on equity ratio	Net income= net profits after taxes	Average shareholder's equity	7.66%	8.92%	(14.03)%	
(e)	Inventory turnover ratio	Cost of goods sold	Average Inventory	3.38	2.93	15.56%	
(f)	Trade receivables turnover ratio	Revenue from sale of products and services = total revenue from operations less export incentives	Average trade receivables	4.63	4.74	(2.38)%	
(g)	Trade payables turnover ratio	Purchases for raw material, stores and conumables, packing material	Average trade payables (trade payable relating to purchases and consumables)	4.93	4.22	16.81%	
(h)	Net capital turnover ratio	Revenue from sale of products and services = total revenue from operations less export incentives	Average working capital	2.08	1.72	21.25%	
(i)	Net profit ratio	Net profit	Revenue from operations	10%	13%	(24.58)%	
(j)	Return on capital employed	EBIT= earnings before interest and taxes	Capital employed= Total asset-current liability	11%	9%	21.00%	
(k)	Return on investment	Gain on Mutual fund(including unrealised gain)	(Opening Investment in Mutual Fund + Closing investment in mutual fund)/2	4%	5%	(21.54)%	

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

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

57. UNDISCLOSED INCOME

The Company does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year (previous year) in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.)

58. DETAILS OF CRYPTO CURRENCY OR VIRTUAL CURRENCY

The Company has not traded or invested in crypto currency or virtual currency during the financial year.

59. CASUAL VACANCY OF COMPANY SECRETARY

The Company is in the process of filling up the vacancy for the position of Company Secretary who resigned on 30th April, 2023.

60. PREVIOUS YEAR COMPARATIVES

Previous year's figures have been regrouped/reclassified to correspond with the current year's classification/disclosure.

The accompanying notes are an integral part of the financial statements

As per our report attached of even date

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

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

Nitin Manohar Jumani
Partner
Membership Number: 111700

Place: Pune
Date: 26th May, 2023

Yatin S. Shah
Managing Director
DIN: 00318140

Place: Pune
Date: 26th May, 2023

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

Place: Pune
Date: 26th May, 2023

Karan Y. Shah
Whole-time Director
DIN. 07985441

Place: Pune
Date: 26th May, 2023

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Precision Camshafts Limited

Report on the Audit of the Consolidated Financial Statements

OPINION

We have audited the accompanying consolidated financial statements of Precision Camshafts Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2023, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of reports of other auditors on separate financial statements and on the other financial information of subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS") and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at 31st March, 2023, of consolidated profit and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by Institute of Chartered Accountant of India ("ICAI"), and the relevant provisions of the Act and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and on consideration of audit reports of other auditors referred to in paragraph of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended 31st March, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr. No	Key Audit Matter	How the Key Audit Matter was addressed in our audit
1	**Impairment of Goodwill** Refer Note 4 to the consolidated financial statements The Group has carrying value of Goodwill amounting to INR. 1657.35 lakhs as on 31st March, 2023 which represents 1.49% of the total asset of the Group. The group performed its annual impairment test of goodwill and has provided for impairment amount to INR. Nil lakhs. The carrying value of Goodwill is tested annually for impairment provision by reference to value in use. In determining the value in use of the business unit,	Our procedure included, but not limited to the following: 1. Obtained an understanding of the Group's policy on assessment of impairment of Goodwill and the key assumption used by the Management, including design and implementation of controls over preparation of annual budgets and future forecasts for business units and the approach followed for annual impairment and validation of Management review controls. 2. Tested the operating effectiveness of the controls over process of preparation of annual budgets and future forecasts for business units and the approach followed for annual impairment.

Sr. No	Key Audit Matter	How the Key Audit Matter was addressed in our audit
	the Group has applied judgment in estimating future revenues, profitability cash flow, growth rate and discount rates. Due to the significance of the carrying value of goodwill and impairment provision thereon, and high degree of management judgments & estimation uncertainty involved in performing impairment testing & provisioning, we have identified provision for impairment of goodwill as a key audit matter.	3. Obtained the and reviewed valuation report issued by the Holding Company's independent valuations experts, and assessed the expert's competence, capability and objectivity. 4. Assessed the appropriateness of the valuation methodology applied and reasonableness of the assumptions used i.e. the discount rate and long-term growth rates used in the forecast. 5. Verified completeness, arithmetical accuracy and validity of the data used in the calculations 6. Assessed reasonableness of the future revenue and margins projections, by reviewing the historical accuracy of the Group's estimates and its ability to produce accurate long-term forecasts. 7. Assessed the Holding Company's sensitivity analysis and evaluated whether any reasonably foreseeable change in assumptions could lead to impairment or material change in carrying value of Goodwill. 8. Evaluated the appropriateness and adequacy of disclosures given in the consolidated financial statements, including disclosure of significant assumptions and judgements, in accordance with applicable Indian Accounting Standards.

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

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

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

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

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

OTHER MATTERS

We did not audit the financial statements of 4(four) subsidiaries, whose financial statements reflect total assets of INR. 53,365.45 lakhs as at 31st March, 2023, total revenues of INR. 45,745.43 lakhs and net cash inflows amounting to INR. 714.90 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

    a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

    b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

    c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

    d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

    e. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2023 taken on record by the Board of

Directors of the Holding Company and the reports of the statutory auditor of its subsidiary company, incorporated in India, none of the directors of the Group companies incorporated in India are disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

f. With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

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

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group– Refer Note 32(b) to the consolidated financial statements.

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India.

iv. 1. The respective Managements of the Holding Company and its subsidiary, which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of such subsidiary respectively that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary to or in any other person(s) or entity(ies), including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that such parties shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

2. The respective Managements of the Holding Company and its subsidiary, which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of such subsidiary respectively that, to the best of their knowledge and belief, no funds have been received by the Holding Company or any of such subsidiary from any person(s) or entity(ies), including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Holding Company or any of such subsidiary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

3. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditor of the subsidiary which is an Company incorporated in India whose financial statements have been audited under the Act, and according to the information and explanations provided to us by the Management of the Holding company in this regard nothing has come to our or other auditors' notice that has caused us or the other auditor to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.

v. On the basis of our verification and on consideration of the report of the statutory auditor of subsidiary that is an Indian Company under the Act, we report that:

The final dividend paid by the Holding Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.

The Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of their respective members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend. (Refer Note 42 to the consolidated financial statements)

vi. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Holding Company, and its subsidiary company incorporated in India only w.e.f. April 1, 2023, reporting under this clause is not applicable.

2. In our opinion, according to information, explanations given to us, the remuneration paid by the Holding Company, to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder except in case of 1(one) subsidiary company incorporated in India, as the provision of the aforesaid section is not applicable to private company.

3. According to the information and explanations given to us and based on the CARO reports issued by us for the Holding Company and on consideration of CARO reports issued by the statutory auditor of subsidiary included in the consolidated financial statements of the Group to which reporting under CARO is applicable, we report that there are no Qualifications/adverse remarks.

For **M S K A & Associates**
Chartered Accountants
ICAI Firm Registration No. 105047W

Nitin Manohar Jumani
Partner
Membership No. 111700
UDIN: 23111700BGWHXQ9246

Place: Pune
Date: May 26, 2023

ANNEXURE A

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

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

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

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

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended 31st March, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For **M S K A & Associates**
Chartered Accountants
ICAI Firm Registration No. 105047W

Nitin Manohar Jumani
Partner
Membership No. 111700
UDIN: 23111700BGWHXQ9246

Place: Pune
Date: May 26, 2023

ANNEXURE B

TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF PRECISION CAMSHAFTS LIMITEDFOR THE YEAR ENDED 31st March, 2023

[Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Precision Camshafts Limited on the consolidated Financial Statements for the year ended 31st March, 2023

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2023, we have audited the internal financial controls reference to consolidated financial statements of Precision Camshafts Limited (hereinafter referred to as "the Holding Company") and its subsidiary company, which is incorporated in India, as of that date.

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary company, which is incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at 31st March, 2023, based on the internal financial controls with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI").

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company and its subsidiary company, which is incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding company and its subsidiary company, which is incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary company which is incorporated in India.

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

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

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

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

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to 1 subsidiary company, which is incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **M S K A & Associates**
Chartered Accountants
ICAI Firm Registration No. 105047W

Nitin Manohar Jumani
Partner
Membership No. 111700
UDIN: 23111700BGWHXQ9246

Place: Pune
Date: May 26, 2023

CONSOLIDATED BALANCE SHEET

As at 31st March, 2023

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

Particulars	Note No.	As at 31st March, 2023	As at 31st March, 2022
ASSETS			
I. NON-CURRENT ASSETS			
(a) Property, plant and equipment	3	27,475.89	30,866.52
(b) Capital work-in-progress	3	8,127.35	3,373.23
(c) Goodwill on consolidation	4	1,657.35	1,640.51
(d) Other intangible assets	4	1,952.99	3,497.85
(e) Intangible assets under development	4	45.00	45.00
(f) Financial assets			
(i) Investments	5A	7.46	7.46
(ii) Other financial assets	5B	449.70	389.63
(g) Deferred tax assets (net)	29	915.80	226.48
(h) Other non-current assets	6	891.74	1,764.58
TOTAL NON-CURRENT ASSETS		**41,523.28**	**41,811.26**
II. CURRENT ASSETS			
(a) Inventories	7	22,453.23	19,275.30
(b) Financial assets			
(i) Investments	5A	17,736.90	19,418.47
(ii) Trade receivables	8	20,625.04	16,411.52
(iii) Cash and cash equivalents	9	1,864.55	1,244.39
(iv) Bank balances other than (iii) above	9	4,186.69	3,948.44
(v) Other financial assets	5B	317.64	808.83
(c) Other current assets	6	2,346.90	3,021.38
TOTAL CURRENT ASSETS		**69,530.95**	**64,128.33**
TOTAL ASSETS		**1,11,054.23**	**1,05,939.59**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	10	9,498.58	9,498.58
(b) Other equity	11	62,153.84	58,666.66
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF HOLDING COMPANY		**71,652.42**	**68,165.24**
NON CONTROLLING INTEREST		-	-
TOTAL EQUITY		**71,652.42**	**68,165.24**
LIABILITIES			
I. NON-CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Borrowings	12	1,796.92	3,160.20
(ii) Lease Liabilities	14	750.69	967.79
(b) Provisions	17	579.75	1,003.47
(c) Deferred tax liabilities (net)	29	839.12	1,322.04
TOTAL NON-CURRENT LIABILITIES		**3,966.48**	**6,453.50**
II. CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Borrowings	12	7,491.11	10,089.63
(ii) Lease Liabilities	14	428.81	386.15
(iii) Trade payables	15		
- total outstanding dues of micro enterprises and small enterprises		1,521.22	1,415.43
- total outstanding dues of creditors other than micro enterprises and small enterprises		11,194.38	8,159.93
(iv) Other financial liabilities	13	2,153.00	1,829.03
(b) Other current liabilities	16	12,334.30	9,202.66
(c) Provisions	17	206.89	115.56
(d) Current tax liabilities (net)	18	105.62	122.46
TOTAL CURRENT LIABILITIES		**35,435.33**	**31,320.85**
TOTAL LIABILITIES		**39,401.81**	**37,774.35**
TOTAL EQUITY AND LIABILITIES		**1,11,054.23**	**1,05,939.59**

Summary of significant accounting policies 2

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

As per our report attached of even date

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

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

Nitin Manohar Jumani
Partner
Membership Number: 111700
Place: Pune
Date: 26th May, 2023

Yatin S. Shah
Managing Director
DIN: 00318140
Place: Pune
Date: 26th May, 2023

Ravindra R. Joshi
Whole-time Director & CFO
DIN: 03338134
Place: Pune
Date: 26th May, 2023

Karan Y. Shah
Whole-time Director
DIN. 07985441
Place: Pune
Date: 26th May, 2023

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31st March, 2023

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

Particulars	Note No.	For the year ended 31st March, 2023	For the year ended 31st March, 2022
INCOME			
Revenue from operations	19	1,08,014.49	89,502.10
Other income	20	2,964.91	1,640.24
TOTAL INCOME (I)		**1,10,979.40**	**91,142.34**
EXPENSES			
Cost of raw materials and components consumed	21	49,955.10	40,095.94
(Increase) / decrease in inventories of finished goods and work-in-progress	22	(1,931.81)	(4,255.31)
Employee benefits expenses	23	17,904.40	15,845.47
Other expenses	24	31,025.48	26,423.14
TOTAL EXPENSES (II)		**96,953.17**	**78,109.24**
EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (EBITDA) (III)= (I) - (II)		**14,026.23**	**13,033.10**
Finance costs	25	823.43	729.24
Finance income	20A	(348.03)	(252.53)
Depreciation and amortisation expense	26	7,523.03	9,203.34
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX		**6,027.80**	**3,353.05**
EXCEPTIONAL ITEMS	39	-	**2,741.39**
PROFIT BEFORE TAX		**6,027.80**	**6,094.44**
TAX EXPENSE			
Current tax	29	2,617.05	2,376.86
(Excess) / short provision of tax relating to earlier years		121.59	(138.56)
Deferred tax	29	(1,339.43)	(746.15)
TOTAL TAX EXPENSES		**1,399.21**	**1,492.15**
PROFIT FOR THE YEAR		**4,628.59**	**4,602.29**
OTHER COMPREHENSIVE INCOME			
A. OTHER COMPREHENSIVE INCOME NOT TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS:			
Re-measurement gains / (losses) on defined benefit plans	27	46.07	149.49
Income tax effect		(11.60)	(37.62)
		34.47	**111.87**
B. OTHER COMPREHENSIVE INCOME TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS:			
Exchange differences on translation of foreign operations	27	(126.39)	130.27
		(126.39)	**130.27**
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX [A+B]		**(91.92)**	**242.14**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		**4,536.67**	**4,844.43**
PROFIT FOR THE YEAR ATTRIBUTABLE TO:			
Equity holders of the Holding Company		4,628.59	4,602.29
Non controlling interests			-
		4,628.59	**4,602.29**
OTHER COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO:			
Equity holders of the Holding Company		(91.92)	242.14
Non controlling interests		-	-
		(91.92)	**242.14**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO:			
Equity holders of the Holding Company		4,536.67	4,844.43
Non controlling interests		-	-
		4,536.67	**4,844.43**
EARNING PER SHARE [NOMINAL VALUE PER SHARE ₹10 (31ST MARCH, 2022: ₹10)]	28		
a) Basic		4.87	4.85
b) Diluted		4.87	4.85

Summary of significant accounting policies 2

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

As per our report attached of even date

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

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

Nitin Manohar Jumani
Partner
Membership Number: 111700

Place: Pune
Date: 26th May, 2023

Yatin S. Shah
Managing Director
DIN: 00318140

Place: Pune
Date: 26th May, 2023

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

Place: Pune
Date: 26th May, 2023

Karan Y. Shah
Whole-time Director
DIN. 07985441

Place: Pune
Date: 26th May, 2023

STATEMENT OF CONSOLIDATED CASH FLOWS

for the year ended 31st March, 2023

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

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	6,027.80	6,094.44
ADJUSTMENTS TO RECONCILE PROFIT BEFORE TAX TO NET CASH FLOWS:		
Depreciation amortisation and impairment of property, plant and equipment and intangible assets	7,523.03	9,203.34
Net foreign exchange loss/(gain) differences (unrealised)	155.63	(122.66)
Sundry creditors written back	-	(9.71)
Liabilities written back	-	(34.00)
Gain on mutual fund	(788.62)	(1,022.98)
Net loss on disposal of property, plant and equipment	-	19.14
Finance income (including fair value change in financial instruments)	(348.03)	(252.53)
Finance costs (including fair value change in financial instruments)	823.43	729.24
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	**13,393.24**	**14,604.28**
WORKING CAPITAL ADJUSTMENTS:		
Increase/(decrease) in provisions	(286.33)	(11.41)
(Increase) / decrease in other assets	(166.95)	60.01
(Increase)/ decrease in other financial assets	302.72	(604.18)
Increase/ (decrease) in other current liabilities	296.83	(220.21)
Increase/ (decrease) in other financial liabilities	(28.57)	193.56
(Increase)/ decrease in trade and other receivables and prepayments	(1,420.95)	5,444.42
(Increase)/ decrease in inventories	(3,177.94)	(6,855.57)
Increase/ (decrease) in trade and other payables	3,994.27	(1,543.76)
CASH GENERATED FROM OPERATIONS	**12,906.32**	**11,067.14**
Income tax paid (net of refunds)	(2,593.99)	(2,312.39)
NET CASH FLOWS FROM OPERATING ACTIVITIES (A)	**10,312.33**	**8,754.75**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	-	18.83
Purchase of property, plant and equipment	(6,201.97)	(5,640.68)
Purchase of financial instruments	(182.69)	(6,399.22)
Proceeds from sale of financial instruments	2,470.19	7,684.64
Interest received (finance income)	342.54	256.32
NET CASH FLOWS USED IN INVESTING ACTIVITIES (B)	**(3,571.93)**	**(4,080.11)**

Statement of Consolidated Cash Flows **(Contd.)**

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(823.43)	(683.06)
(Repayment)/proceeds in relation to borrowings (net)	(3,961.83)	(4,164.55)
Final dividend paid on shares	(1,034.16)	(949.86)
Payment of lease obligation	(174.43)	(343.54)
NET CASH FLOWS USED IN FINANCING ACTIVITIES (C)	**(5,993.85)**	**(6,141.01)**
Net increase / (decrease) in cash and cash equivalents	746.55	(1,466.37)
Effect of exchange differences on translation of foreign currency on cash and cash equivalents	(126.39)	131.00
Cash and cash equivalents at the beginning of the year	1,244.39	2,579.76
CASH AND CASH EQUIVALENTS AS AT YEAR END	**1,864.55**	**1,244.39**
COMPONENTS OF CASH AND CASH EQUIVALENTS:		
Balances with banks:		
On current accounts	1,811.19	1,188.75
Deposit with original maturity of less than 3 months	50.46	50.44
Cash in hand	2.90	5.20
CASH AND CASH EQUIVALENTS AT YEAR END	**1,864.55**	**1,244.39**

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

As per our report attached of even date
For **MSKA & Associates**
Chartered Accountants
Firm Regn. Number: 105047W

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

Nitin Manohar Jumani
Partner
Membership Number: 111700

Place: Pune
Date: 26th May, 2023

Yatin S. Shah
Managing Director
DIN: 00318140

Place: Pune
Date: 26th May, 2023

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

Place: Pune
Date: 26th May, 2023

Karan Y. Shah
Whole-time Director
DIN. 07985441

Place: Pune
Date: 26th May, 2023

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31st March, 2023

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

A Equity share capital

EQUITY SHARES OF ₹ 10 (REFER NOTE 10) EACH ISSUED, SUBSCRIBED AND FULLY PAID	Number	Amount
AT 1ST APRIL, 2021	9,49,85,835	9,498.58
Issued during the year	-	-
AT 31ST MARCH, 2022	9,49,85,835	9,498.58
Issued during the year	-	-
AT 31ST MARCH, 2023	9,49,85,835	9,498.58

B Other equity

Attributable to the equity holders of the Holding Company (refer note 11)

Particulars	Reserves and Surplus							Total equity
	Securities premium account	General Reserve	Retained Earnings	Share based payments	Capital Reserve	Other comprehensive income / (loss)	Foreign currency translation reserve	
AS AT 1ST APRIL, 2021	**21,751.56**	**472.21**	**30,716.78**	**14.39**	**1,412.02**	**9.95**	**402.51**	**54,779.42**
Profit for the year	-	-	4,602.29	-	-	-	-	4,602.29
Other comprehensive income for the year, net of tax	-	-	-	-	-	111.87	-	111.87
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	-	**4,602.29**	-	-	**111.87**	-	4,714.15
Reversal of tax benefit (deferred tax)	(7.33)	-	-	-	-	-	-	(7.33)
Transferred from ESOS Reserve against lapsed options	-	-	14.39	(14.39)	-	-	-	-
Exchange differences on translation of foreign operation	-	-	-	-	-	-	130.27	130.27
Final dividend for year ended 31st March, 2021	-	-	(949.86)	-	-	-	-	(949.86)
AS AT 31ST MARCH, 2022	**21,744.23**	**472.21**	**34,383.60**	-	**1,412.02**	**121.82**	**532.78**	**58,666.66**
Profit for the year	-	-	4,628.59	-	-	-	-	4,628.59
Other comprehensive income for the year, net of tax	-	-	-	-	-	34.47	-	34.47
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	-	**4,628.59**	-	-	**34.47**	-	4,663.06
Reversal of tax benefit (deferred tax)	(4.64)	-	-	-	-	-	-	(4.64)
Exchange differences on translation of foreign operation	-	-	-	-	-	-	(126.39)	(126.39)
Final dividend for year ended 31st March, 2022	-		(1,044.84)	-	-	-	-	(1,044.84)
AS AT 31ST MARCH, 2023	**21,739.59**	**472.21**	**37,967.35**	-	**1,412.02**	**156.29**	**406.39**	**62,153.84**

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

As per our report attached of even date
For **MSKA & Associates**
Chartered Accountants
Firm Regn. Number: 105047W

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

Nitin Manohar Jumani
Partner
Membership Number: 111700

Place: Pune
Date: 26th May, 2023

Yatin S. Shah
Managing Director
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DIN: 03338134

Place: Pune
Date: 26th May, 2023

Karan Y. Shah
Whole-time Director
DIN. 07985441

Place: Pune
Date: 26th May, 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2023

1. CORPORATE INFORMATION

The consolidated financial statements comprise of financial statements of Precision Camshafts Limited ("the Company" or 'the Holding Company or "the parent company") and its subsidiaries (collectively, 'the Group') for the year ended 31st March, 2022. Precision Camshafts Limited is a Public Limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The shares of the Company are listed on two stock exchanges in India. The Company is primarily engaged in the manufacture and sale of camshaft castings and machined camshafts to the Auto industry and the Railways. The Company has its office registered at E 102/103 MIDC Akkalkot road Solapur, Maharashtra, 413006.

The Consolidated financial statements were authorised for issue in accordance with the resolution of the Board of Directors of the Company on May 26, 2023.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The Consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 ("the Rules").

The consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments,
- Certain financial assets and liabilities measured at fair value (refer accounting policy Note 'p' of summary of significant accounting policies regarding financial instruments),
- Share based payment transactions

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

Disclosure of EBITDA

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

Measurement of EBITDA

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

2.2 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiary as at 31st March, 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and .
- The ability to use its power over the investee to affect its returns

The Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on March 31.

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiary.

(b) Offset (eliminate) the carrying amount of the parent's investment in subsidiary and the parent's portion of equity of subsidiary.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full).However intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests if any, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiary to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2.3 Summary of significant accounting policies

a) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held Primarily for the Purpose of Trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

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

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

b) Foreign currencies

The Group's consolidated financial statements are presented in INR which is the Group's presentation currency and the functional currency.

(i) Initial recognition

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

(ii) Conversion

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.Exchange differences arising on settlement or translation of monetary items are recognised in statement of profit and loss. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.(i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively). The Group has continued the accounting policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items (paragraph 46A of AS 11 : The Effects of Changes in Foreign Exchange Rates under previous GAAP) in the consolidated financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the Indian GAAP.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

c) Fair value measurement

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

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

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

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

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

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

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

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

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

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

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

Disclosures for valuation methods, significant estimates and assumptions (refer note 37)

Quantitative disclosures of fair value measurement hierarchy (refer note 36)

Financial instruments (including those carried at amortised cost) (refer note 5, 8, 9, 12, 13, 14, 35)

d) Revenue recognition

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

Camshafts are developed according to the requirements of customer. There are three types of contracts entered into by the customers with company. • **Tooling contract**: for development of pattern used in manufacturing of camshafts. • **Purchase contract**: for purchase of camshafts. • **Job work contract**: for machining of camshafts.

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

Goods and Service Tax (GST applicable from 1st July 2017) and all other applicable taxes is not received by the Group on its own account. Accordingly, it is excluded from revenue.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the company as part of the contract.

Interest

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

Dividends

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

Export Incentives

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

e) Taxes

Current income tax

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

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

Deferred tax

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

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

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

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

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

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

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

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

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

f) Property, plant and equipment

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

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

The Group has measured land and buildings of susbidiary Memco Engineering Private Limited (Memco) and step down subsidiary MFT Motoren Und Fahrzeughecnik GMBH (Germany) (MFT) classified as property, plant and equipment at fair values as required under Ind AS-103 "Business Combination". The Group engaged independent valuation specialists to assess fair value for land and buildings as at October 10, 2017 for Memco and March 31,2018 for MFT . Land and buildings were valued by reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the property as at the date of revaluation.

The Group has measured IP Software, IP Technology Customer Relationships & Residual as Goodwill of step down subsidiary EMOSS Mobile Systems B.V. (EMOSS) classified as Intangibles at fair values as required under Ind AS-103 "Business Combination". The Group engaged independent valuation specialists to assess fair value for land and buildings as at October 10, 2017 for EMOSS .Land and buildings were valued by reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the property as at the date of revaluation.

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

In case of subsidiary; Memco Engineering Private Limited, the depreciation is on a written down value basis based on the useful lives estimated by the management of subsidiary.

Description of asset group	Useful lives as per management's estimate
Buildings	30 - 60 years
Internal roads	5 - 10 years
Plant & equipment	3 - 15 years
Office equipment	5 years
Furniture & fixture	5 to 10 years
Vehicles	5 - 8 years
Electrical Installation	10 years
Computers	3 - 5 years

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

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

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

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

g) Intangible assets

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

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles are not capitalised except customer- supplier reletionship, technical know how and R & D which are measured at fair value in accordance with Ind AS 103 “Business Combination” and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred. The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets are amortised over its useful life on a straight line basis.

Description of asset group	Useful lives as per management's estimate
Computer Software	2 - 5 years
Development	5 years
Corporate Design & New Homepage	5 years
Customer/Supplier Relationship	10 years
Tech know how	7 years
R&D	3 years

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

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

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

h) Borrowing costs

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

i) Leases

Effective 1st April, 2019, the Group adopted IND AS 116 “Leases” under the modified retrospective approach without restatement of comparatives. The Group elected to apply the practical expedient to not reassess whether a contract is or contains a lease at the date of initial application.

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

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

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

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

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

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

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

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the group is contractually required to dismantle, remove or restore the leased asset

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

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

j) Inventories

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

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

- ➢ Raw materials are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories is not written down below cost of the finished product in which they will be incorporated are expected to be sold at or above cost. Cost of raw material is determined on a weighted average basis.
- ➢ Finished goods and semi finished goods: Finished goods aare valued at lower of cost and net realizable Value. cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on a weighted average basis.
- ➢ Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

k) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the consolidated statement of profit and loss.

For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss.

l) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

m) Retirement and other employee benefits

i) Short term employee benefits

The distinction between short term and long term employee benefits is based on expected timing of settlement rather than the employee's entitlement benefits. All employee benefits payable within twelve months of rendering the service are classified as short term benefits. Such benefits include salaries, wages, bonus, short term compensated absences, awards, ex-gratia, performance pay, etc. and are recognised in the period in which the employee renders the related service.

ii) Post employment benefits

Retirement benefit in the form of provident fund and superannuation is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund and superannuation scheme. The Group recognizes contribution payable to the scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

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 Group operates a defined benefit gratuity plan , which requires contributions to be made to a separately administered fund. The subsidiary; Memco Engineering Private Limited, which has been acquired on 10th October 2017 operates gratuity plan which is unfunded. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

I The date of the plan amendment or curtailment, and

II The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

I Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and

II Net interest expense or income

Accumulated leave, which is expected to be utilised within the next 12 months, is treated as a short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as a long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method as at the year-end. Actuarial gains/ losses are immediately taken to the statement of profit and loss and are not deferred. The Group presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

n) Share-based payments

Employees of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made, using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/ or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

o) Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

At initial recognition, financial asset is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Subsequent measurement

- Debt instruments at amortised cost
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other financial assets. For more information on receivables, refer note 5 and 8.

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has designated certain investments at FVTPL. (refer note 5).

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the consolidated statement of profit and loss.

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit & loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

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Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated balance sheet) when:

- ➢ The rights to receive cash flows from the asset have expired, or
- ➢ The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

i) Financial assets that are debt instruments, and are measured at amortised cost e.g. loans, deposits, trade receivables, bank balance and other financial assets.

ii) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115

iii) Loan commitments which are not measured as at FVTPL

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on twelve-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The twelve-month ECL is a portion of the lifetime ECL which results from default events that are possible within twelve months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for ECL on

- ➢ Financial assets measured at amortised cost is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans, borrowings and derivative financial instruments.

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR (effective interest rate) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

p) Assets classified as held for sale

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets classified as held or sale are measured at the lower of their carrying amount and the fair value less costs to sell (except for financial instruments, which are measured at fair value). The criteria for held for sale classification is regarded met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the plan for sale will be made or that the plan will be withdrawn. Management must be committed to the sale expected within one year from the date of classification. Assets and liabilities classified as held for sale are presented separately as current items in the Balance Sheet.

q) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the financial statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, are considered to be an integral part of the Group's cash management.

r) Cash dividend

The Company recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

s) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

t) Segment reporting

Operating segments are reporting in a manner consistent with the internal reporting to the chief operating decision maker (CODM). The board of directors of the

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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Group assess the financial performance and position of the group and makes strategic decisions. The Board of Directors, which are identified as a CODM, consists of chief executive officer, chief financial officer and all other executive directors.

The Group is engaged in manufacturing of autocomponents (camshafts.& others) Based on similarity of activities/products, risk and reward structure, organisation structure and internal reporting systems, the Company has structured its operations into a single operating segment ; however based on the geographic distribution of activities, the CODM has identified India and outside India as two reportable geographical segments. Refer note 34 for segment information presented.

u) Earnings per share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the parent company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements, if any, in equity shares issued during the year and excluding treasury shares.

Diluted EPS adjusts the figures used in the determination of basic EPS to consider :

- The after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares

v) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group.

A contingent liability can arise for obligations that are possible, but it is yet to be confirmed whether there is present obligation that could lead to an outflow of resources embodying economic benefits.

The Group does not recognise a contingent liability but only makes disclosures for the same in the financial statements when the company has:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; or
- present obligation arising from past events, when no reliable estimate is possible; or
- a possible obligation arising from past events where the probability of outflow of resources is not remote

Contingent liabilities are reviewed at each Balance Sheet date.

w) Accounting for Business Combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises

- the fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the group; and
- fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the

- consideration transferred;
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

w) Standards issued but not yet effective

The Ministry of Corporate Affairs ("MCA") has notified Companies (Indian Accounting Standard) Amendment Rules, 2023 dated 31st March, 2023 to amend certain Ind ASs which are effective from 1st April, 2023. Below is a summary of such amendments:

(i) Disclosure of Accounting Policies - Amendment to Ind AS 1 Presentation of financial statements

The MCA issued amendments to Ind AS 1, providing guidance to help entities meet the accounting policy disclosure requirements. The amendments aim to make accounting policy disclosures more informative by replacing the requirement to disclose 'significant accounting policies' with 'material accounting policy information'. The amendments also provide guidance under what circumstance, the accounting policy information is likely to be considered material and therefore requiring disclosure. The amendments are effective for annual reporting periods beginning on or after 1st April, 2023. The Company is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

(ii) Definition of Accounting Estimates – Amendments to Ind AS 8 Accounting policies, changes in accounting estimates and errors

The amendment to Ind AS 8, which added the definition of accounting estimates, clarifies that the effects of a change in an input or measurement technique are changes in accounting estimates, unless resulting from the correction of prior period errors. These amendments clarify how entities make changes in accounting estimates are applied prospectively to the distinction between changes in accounting estimate, changes in accounting policy and prior period errors. The distinction is important, because future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

The amendments are effective for annual reporting periods beginning on or after 1st April, 2023. The amendments are not expected to have a material impact on the Company's financial statements.

(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to Ind AS 12 Income taxes

The amendment to Ind AS 12, requires entities to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities.

The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entitiesshould recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliestcomparative period for all deductible and taxable temporary differences associated with:

- right-of-use assets and lease liabilities, and
- decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

The cumulative effect of recognising these adjustments is recognised in retained earnings, or another component of equity, as appropriate.

Ind AS 12 did not previously address how to account for the tax effects of on-balance sheet leases and similar transactions and various approaches were considered acceptable. Some entities may have already accounted forsuch transactions consistent with the new requirements. These entities will not be affected by the amendments. The Company is currently assessing the impact of the amendments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

iv) **The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.**

w) Standards that became effective during the year

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated March 23, 2022 to amend the following Ind AS which are effective from 1st April, 2022 :

(i) Onerous Contracts- Cost of Fulfilling a Contract - Amendments to Ind AS 37

Ind AS 37 defines an onerous contract as a contract in which the unavoidable costs (costs that the Company has committed to pursuant to the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The amendments to Ind AS 37 clarify, that the costs relating directly to the contract consist of both:

- The incremental costs of fulfilling that contract- e.g. direct labour and material; and
- An allocation of other costs that relate directly to fulfilling contracts: e.g. Allocation of depreciation charge on property, plant and equipment used in fulfilling the contract.

(ii) References to the Conceptual Framework - Amendments to Ind AS 103

The amendments update a reference to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations. The amendment also add a new exception in Ind AS 103 for liabilities and contingent liabilities.

(iii) Property, Plant and Equipment: Proceeds Before Intended Use- Amendment to Ind AS 16

The amendment to Ind AS 16 clarifies that any excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.These amendments had no impact on the year-end financial statements of the Company as there were no sales of such items.

(iv) Ind AS 109 Financial Instruments - Fees in the '10 per cent' test for derecognition of financial liability

The amendment clarifies which fees an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. These amendments had no impact on the financial statements of the Company as there were no modifications of the Company's financial instruments during the year.

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

3. PROPERTY, PLANT AND EQUIPMENT

Particulars	Leasehold land	Freehold land	Buildings	Plants and equipment	Office equipment	Furniture and fixtures	Vehicles	Electrical installation	Computer-hardware	Right of use asset	Total	Capital work in progress
AT COST												
AT 1ST APRIL, 2021	**941.37**	**283.02**	**13,143.09**	**63,388.13**	**3,035.89**	**231.61**	**299.63**	**21.69**	**181.77**	**1,105.34**	**82,631.54**	**880.27**
Additions	-	442.66	-	1,639.94	143.14	4.68	176.06	0.72	95.18	740.00	3,242.38	3,962.84
Disposals	-	-	-	(1,074.84)	-	-	(66.20)	-	-	-	(1,141.04)	(80.49)
Capitalised during year	-	-	-	-	-	-	-	-	-	-	-	(1,389.39)
Other adjustment												
- Foreign currency translation reserve	-	(1.24)	212.52	(424.51)	(47.86)	-	(0.30)	-	(8.00)	(16.94)	(286.33)	
AT 31ST MARCH, 2022	**941.37**	**724.44**	**13,355.61**	**63,528.72**	**3,131.17**	**236.29**	**409.19**	**22.41**	**268.95**	**1,828.40**	**84,446.55**	**3,373.23**
Additions	-	-	11.62	1,596.77	121.38	7.33	84.38	16.54	50.96	180.91	2,069.89	6,004.31
Disposals	-	-	-	(196.69)	-	-	(3.92)	-	-	-	(200.61)	-
Capitalised during year	-	-	-	-	-	-	-	-	-	-	-	(1,256.20)
Other adjustment												
- Exchange differences												
- Foreign currency translation reserve	-	-	(129.76)	1,501.94	169.87	-	6.73	-	32.78	100.21	1,681.77	6.01
AT 31ST MARCH, 2023	**941.37**	**724.44**	**13,237.47**	**66,430.74**	**3,422.42**	**243.62**	**496.38**	**38.95**	**352.69**	**2,109.52**	**87,997.60**	**8,127.35**
DEPRECIATION AND IMPAIRMENT												
AT 1ST APRIL, 2021	**49.67**	-	**4,199.58**	**41,100.35**	**2,544.71**	**194.58**	**143.31**	**12.43**	**105.43**	**212.67**	**48,562.73**	-
Charge for the year (refer note 26)	11.64	-	515.75	4,907.06	213.56	19.07	35.44	1.05	53.93	332.10	6,089.60	-
Disposals	-	-	-	(817.61)	-	-	(36.36)	-	-	-	(853.97)	-
Foreign currency translation reserve	-	-	(39.87)	(111.67)	(46.54)	-	(0.45)	-	(7.31)	(12.49)	(218.33)	-
AT 31ST MARCH, 2022	**61.31**	-	**4,675.46**	**45,078.13**	**2,711.73**	**213.65**	**141.94**	**13.48**	**152.05**	**532.28**	**53,580.03**	-
Charge for the year (refer note 26)	11.64	-	500.68	4,563.96	164.24	6.48	52.88	2.91	63.55	429.07	5,795.41	-
Disposals	-	-	-	(116.82)	-	-	(3.73)	-	-	-	(120.55)	-
Foreign currency translation reserve	-	-	103.39	928.08	155.08	-	2.59	-	25.88	51.80	1,266.82	-
AT 31ST MARCH, 2023	**72.95**	-	**5,279.53**	**50,453.35**	**3,031.05**	**220.13**	**193.68**	**16.39**	**241.48**	**1,013.15**	**60,521.71**	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

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

Particulars	Leasehold land	Freehold land	Buildings	Plants and equipment	Office equipment	Furniture and fixtures	Vehicles	Electrical installation	Computer-hardware	Right of use asset	Total	Capital work in progress
NET BLOCK												
AT 31ST MARCH, 2023	**868.42**	**724.44**	**7,957.94**	**15,977.39**	**391.37**	**23.49**	**302.70**	**22.56**	**111.21**	**1,096.37**	**27,475.89**	**8,127.35**
AT 31ST MARCH, 2022	**880.06**	**724.44**	**8,680.15**	**18,450.59**	**419.44**	**22.64**	**267.25**	**8.93**	**116.90**	**1,296.12**	**30,866.52**	**3,373.23**

NET BOOK VALUE	**31st March, 2023**	**31st March, 2022**
Plant, property and equipment	27,475.89	30,866.52
Capital work in progress	8,127.35	3,373.23

Asset under construction

Capital work-in-progress (CWIP) comprises cost of assets that are not yet installed and ready for their intended use as at the balance sheet date. Capital work in progress as at 31st March, 2023 comprises expenditure for the Solar plant in the course of construction. Balance of CWIP as at 31st March, 2023 amounts to ₹ 8127.35 Lakhs (31st March, 2022: ₹ 3373.23 Lakhs).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

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

4. INTANGIBLE ASSETS

Particulars	Computer software	Corporate Design & New Homepage	Customer Realtions	R&D	Technical Knowhow	Development	IP Technology	Total	Intangible asset under development	Goodwill on consolidation
AT COST										
AT 1ST APRIL, 2021	**546.31**	**68.18**	**2,554.78**	**340.00**	**4,333.36**	**604.67**	**3,791.54**	**12,238.84**	**-**	**3,728.77**
Additions	74.02	-	-	-	-	-	-	74.02	45.00	-
Disposals	-	-	-	-	-	(604.67)	-	(604.67)	-	-
Foreign currency translation reserve	6.09	-	-	-	(67.65)	-	(66.39)	(127.95)	-	(4.98)
AT 31ST MARCH, 2022	**626.42**	**68.18**	**2,554.78**	**340.00**	**4,265.71**	**-**	**3,725.15**	**11,580.24**	**45.00**	**3,723.79**
Additions	22.16	-	-	-	-	-	-	22.16	-	-
Disposals	-	-	-	-	-	-	-	-	-	-
Foreign currency translation reserve	29.88	-	-	-	-	38.10	-	67.98	-	16.84
AT 31ST MARCH, 2023	**678.46**	**68.18**	**2,554.78**	**340.00**	**4,265.71**	**38.10**	**3,725.15**	**11,670.38**	**45.00**	**3,740.63**
AMORTISATION AND IMPAIRMENT										
AT 1ST APRIL, 2021	**335.66**	**68.17**	**995.22**	**340.00**	**1,802.35**	**225.42**	**1,536.92**	**5,303.74**	**-**	**2,083.28**
Charge for the year (refer note 26)	44.99	-	1,576.48	-	868.89	-	623.38	3,113.74	-	-
Disposals	-	-	-	-	-	(213.56)	-	(213.56)	-	-
Foreign currency translation reserve	(14.18)	-	(16.92)	-	(30.99)	(11.86)	(47.58)	(121.53)	-	-
AT 31ST MARCH, 2022	**366.47**	**68.17**	**2,554.78**	**340.00**	**2,640.25**	**-**	**2,112.72**	**8,082.39**	**-**	**2,083.28**
Charge for the year (refer note 26)	107.66	-	-	-	815.06	-	804.90	1,727.62	-	-
Disposals	-	-	-	-	-	-	-	-	-	-
Foreign currency translation reserve	5.14	-	-	-	(67.74)	38.10	(67.12)	(91.62)	-	-
AT 31ST MARCH, 2023	**479.27**	**68.17**	**2,554.78**	**340.00**	**3,387.57**	**38.10**	**2,850.50**	**9,718.39**	**-**	**2,083.28**
NET BLOCK										
AT 31ST MARCH, 2023	**199.19**	**0.01**	**-**	**-**	**878.14**	**-**	**874.65**	**1,951.99**	**45.00**	**1,657.35**
AT 31ST MARCH, 2022	**259.95**	**0.01**	**-**	**-**	**1,625.46**	**-**	**1,612.43**	**3,497.85**	**45.00**	**1,640.51**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

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

5. FINANCIAL ASSETS

5A) Investments

Particulars		As at 31st March, 2023	As at 31st March, 2022
(I)	**AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)**		
A)	**INVESTMENTS IN EQUITY INSTRUMENTS**		
	OTHER INVESTMENTS		
	Shares of Laxmi Co-op. Bank Limited	1.25	1.25
	5000 Equity shares of ₹ 25 each fully paid-up		
	(31st March, 2022: 5,000 equity shares)		
	Shares of Solapur Janata Sahakari Bank Limited	0.05	0.05
	500 Equity shares of ₹ 10 each fully paid-up		
	(31st March, 2022: 500 equity shares)		
	Shares of Thane Janata Bank	4.63	4.63
	9259 Equity shares of ₹ 50 each fully paid-up		
	(31st March, 2022: 9259 equity shares)		
	Shares of Janlaxmi Bank	1.30	1.30
	5198 Equity shares of ₹ 25 each fully paid-up		
	(31st March, 2022: 5198 equity shares)		
	Shares of Mahila Bank	0.21	0.21
	850 Equity shares of ₹ 25 each fully paid-up		
	(31st March, 2022: 850 equity shares)		
	Shares of Godavari Bank	0.01	0.01
	10 Equity shares of ₹100 each fully paid-up		
	(31st March, 2022: 10 equity shares)		
	Shares of NAMCO Bank	0.01	0.01
	28 Equity shares of ₹ 25 each fully paid-up		
	(31st March, 2022: 28 equity shares)		
B)	**INVESTMENTS IN MUTUAL FUNDS**		
	QUOTED MUTUAL FUNDS		
	HDFC Corporate Bond Fund - Growth	502.16	523.07
	HDFC Ultra Short Term- Regular Growth	-	463.58
	ICICI Prudential Saving Fund-Growth	2,359.48	2,253.10
	ICICI Prudential Banking and PSU Debt Fund - Growth	457.97	486.42
	ICICI Prudential Corporate Bond Fund - Growth	782.60	741.35
	ICICI Prudential Short term Fund-Growth	183.15	443.05
	Nippon india short term fund - growth plan - growth option	110.39	106.48
	Nippon India low duration fund - growth plan- growth option	223.30	213.23
	ABSL Corporate Bond Fund-Growth	890.73	851.10
	ABSL Sun life Low duration Fund	114.04	167.23
	ABSL Saving Fund Growth	237.40	514.45
	ABSL Nifty SDL PSU Bond Sept	417.00	-
	Axis Short Term Fund-Growth	736.83	706.30
	Axis Bluechip Fund - Growth	230.02	248.50
	Axis Banking & PSU Debit Fund - Growth	441.36	124.43

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

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

Particulars	As at 31st March, 2023	As at 31st March, 2022
Axis All Seasons Debt Fund of Funds Regular Growth	226.47	216.92
Axis Treasury Advantage Fund - Regular Growth (TA-GP)	517.29	1,043.66
Axis Nifty AAA Bond Plus SDL Apr 2026 50:50 ETF FoF - Regular Growth	207.86	-
Bandhan Corporate Bond Fund Regular Plan- Growth (erstwhile IDFC Corporate Bond Fund Regular Plan-Growth)	623.28	603.99
IDFC Ultra Short Term Fund-Growth(Reg Plan)	555.92	-
IDFC Super Saver income Fund-Short Term	-	536.29
IDFC Ultra Short Term - Growth	3.37	3.20
IDFC Low Duration Fund - Growth	648.56	1,373.04
Tata Short Term Bond Fund Reg Plan-Growth	-	104.15
TATA banking & PSU debt fund regular plan	160.77	154.97
Kotak Low Duration Fund Std Growth (Regular Plan)	2,171.20	2,074.14
Kotak Nifty SDL APR 2027 top 12 Equal Weight Index Fund Regular	207.68	-
Kotak banking and PSU debt fund	574.22	550.40
Kotak Savings Growth Fund	12.88	12.25
Kotak Bond Fund short term Growth	442.99	427.64
Kotak Corporate Bond Fund standard - Growth	1,098.42	1,054.10
Kotak Floating Rate Fund Growth - Regular plan	558.61	536.35
Baroda Bnp Paribas Multi Cap Fund	401.42	421.61
SBI Magnum ultra short duration fund Regular Growth	120.45	114.56
SBI Short term debt Fund Regular Plan	178.85	171.69
SBI Magnum Low Duration Fund Regular Growth	-	1,171.93
Principal Emerging Bluechip Fund - Regular Plan Growth	160.91	166.63
Motilal Oswal Most Focused Multicap 35 Fund	-	122.61
Canara Robeco Force Collection A/C	133.87	127.06
Canara Robeco Blue chip equity Fund	122.17	-
ICICI Prudential Floating Interest Fund	163.80	134.30
UTI Floater Fund - Regular Growth Plan	111.75	162.64
Aditya Birla Sun Life Floating Rate Fund	-	50.93
ICICI PRUDENTIL FUND	63.10	-
HDFC Banking and PSU Debt Fund	65.42	220.00
HDFC Equity saving Fund	63.00	-
HDFC Credit Risk Debt Fund	41.85	21.12
Edelweiss Mutual Fund	414.36	-
TOTAL INVESTMENTS AT FVTPL	**17,744.36**	**19,425.93**
NON-CURRENT	**7.46**	**7.46**
CURRENT	**17,736.90**	**19,418.47**
	17,744.36	**19,425.93**
TOTAL INVESTMENTS	**17,744.36**	**19,425.93**
Aggregate book value of quoted investments	17,736.90	19,418.47
Aggregate market value of quoted investments (refer note 35)	17,736.90	19,418.47
Aggregate book value of unquoted investments	7.46	7.46
Aggregate amount of impairment in value of investments		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

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

5B) Other financial assets

Particulars	As at 31st March, 2023	As at 31st March, 2022
(i) Derivative instruments		
Foreign-exchange forward contracts*	-	78.25
(ii) Others		
(a) Bank deposits with more than 12 months maturity	120.74	176.30
(b) Interest accrued on fixed deposits	8.26	3.20
(c) Income accrued on others	7.29	6.93
(d) Other receivable	373.21	718.45
(e) Security deposits#	257.84	215.33
Total	**767.34**	**1,198.46**
NON-CURRENT	**449.70**	**389.63**
CURRENT	**317.64**	**808.83**
	767.34	**1,198.46**

* The holding company entered into foreign exchange forward contracts with the intention to reduce the risk in foreign exchange exposure of trade receivables and trade payables. These forward contracts are not designated in hedging relationship and hence measured at fair value through profit or loss.

Security deposit is with electricity department; which generate interest at the rate of 4% to 5% for the company.

Break up of financial assets carried at amortized cost

Particulars	As at 31st March, 2023	As at 31st March, 2022
Trade receivables (refer note 8)	20,625.04	16,411.52
Cash and Cash equivalents (refer note 9)	1,864.55	1,244.39
Other Bank balances (refer note 9)	4,186.69	3,948.44
Other financial assets	767.34	1,120.21
TOTAL FINANCIAL ASSETS CARRIED AT AMORTIZED COST	**27,443.62**	**22,724.56**

6. OTHER ASSETS

Particulars	As at 31st March, 2023	As at 31st March, 2022
Capital advances	651.53	1,510.18
Prepaid expense	539.45	791.72
Advances for purchase of materials	110.66	959.31
Income tax deposited with tax authorities (under protest)	199.61	228.51
Other advances with provident fund authorities (under protest)	12.12	12.12
Income accrued on export incentives	203.30	207.85
Balances with statutory/government authorities	1,421.15	1,033.01
Other receivables	78.89	43.26
Advance tax (net of provision for taxation)	21.93	-
TOTAL	**3,238.64**	**4,785.96**
NON-CURRENT	891.74	1,764.58
CURRENT	2,346.90	3,021.38
	3,238.64	**4,785.96**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

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

7. INVENTORIES

Particulars	As at 31st March, 2023	As at 31st March, 2022
Raw materials and components (at cost)	6,768.40	6,073.65
Stores, spares and packing materials (at cost)	3,009.91	2,458.54
Semi-finished goods (at cost)	7,943.32	5,290.91
Finished goods (at lower of cost and net realisable value)*	4,731.60	5,452.20
TOTAL	**22,453.23**	**19,275.30**

During the year ended 31st March, 2023 ₹ 51.42 lakhs (31st March, 2022 ₹ 81.53 lakhs) was written down as a provision towards slow moving/ non moving of inventories.

*Includes finished goods in transit ₹ 3,689.74 lakhs (31st March, 2022 ₹ 4,114.83 lakhs)

8. TRADE RECEIVABLES

Particulars	As at 31st March, 2023	As at 31st March, 2022
Trade receivables	20,625.04	16,411.52
TOTAL	**20,625.04**	**16,411.52**
BREAK-UP FOR SECURITY DETAILS:		
- Secured, considered good	-	-
- Unsecured, considered good	20,625.04	16,411.52
- Doubtful	-	-
- Which have significant increase in credit risk	-	-
- Credit impaired	223.50	72.58
TOTAL	**20,848.54**	**16,484.10**
IMPAIRMENT ALLOWANCE (ALLOWANCE FOR BAD AND DOUBTFUL DEBTS)		
- Doubtful	(223.50)	(72.58)
TOTAL	**20,625.04**	**16,411.52**

The net carring value of trade receivables is considered a reasonable approximation of fair value

Trade receivables are non-interest bearing and are generally on terms of 30 to 150 days.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

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

Ageing of trade receivables as on 31st March, 2023

Particulars	Unbilled dues	Not due	Outstanding for following periods from due date of receipts					
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed trade receivables – considered good	-	8,815.73	11,760.57	48.30	0.44	-	-	20,625.04
(ii) Undisputed trade receivables –which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed trade receivables – credit impaired	-	-	-	220.22	3.28	-	-	223.50
(iv) Disputed trade receivables– considered good	-	-	-	-	-	-	-	-
(v) Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed trade receivables – credit impaired	-	-	-	-	-	-	-	-
Less: Allowance for bad and doubtful debts (disputed + undisputed)	-	-	-	(220.22)	(3.28)	-	-	(223.50)
	-	**8,815.73**	**11,760.57**	**48.30**	**0.44**	**-**	**-**	**20,625.04**

Ageing of trade receivables as on 31st March, 2022

Particulars	Unbilled dues	Not due	Outstanding for following periods from due date of receipts					
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed trade receivables – considered good	-	5,540.93	10,707.60	159.40	3.59	-	-	16,411.52
(ii) Undisputed trade receivables –which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed trade receivables – credit impaired	-	-	27.02	20.22	0.19	25.15	-	72.58
(iv) Disputed trade receivables– considered good	-	-	-	-	-	-	-	-
(v) Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed trade receivables – credit impaired	-	-	-	-	-	-	-	-
Less: Allowance for bad and doubtful debts (disputed + undisputed)	-	-	(27.02)	(20.22)	(0.19)	(25.15)	-	(72.58)
	-	**5,540.93**	**10,707.60**	**159.40**	**3.59**	**-**	**-**	**16,411.52**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

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

9. CASH AND BANK BALANCES

Particulars	As at 31st March, 2023	As at 31st March, 2022
CASH AND CASH EQUIVALENTS		
Balance with banks		
Current accounts	1,811.19	1,188.75
Deposits with original maturity of less than three months	50.46	50.44
Cash on hand	2.90	5.20
TOTAL CASH AND CASH EQUIVALENTS	**1,864.55**	**1,244.39**
OTHER BANK BALANCES		
Deposits with maturity for more than 3 months but less than 12 months from the balance sheet date	4,170.45	3,942.89
Unclaimed dividend accounts	16.24	5.55
TOTAL OTHER BANK BALANCES	**4,186.69**	**3,948.44**
TOTAL	**6,051.24**	**5,192.83**

Cash at banks earns interest at fixed rates based on fixed deposit receipts made by the Group. Fixed deposits are made for varying periods of between 1 month to 48 months, depending on the immediate cash requirements of the Group, and earn interest at the respective short term / long term deposit rates.

Deposits with bank of ₹ 140.30 lakhs (31st March, 2022: ₹ 59.52 lakhs) held as lien by banks against bank guarantees.

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following

Particulars	As at 31st March, 2023	As at 31st March, 2022
CASH AND CASH EQUIVALENTS		
Balance with banks		
Current accounts	1,811.19	1,188.75
Deposits with original maturity of less than three months	50.46	50.44
Cash on hand	2.90	5.20
TOTAL CASH AND CASH EQUIVALENTS	**1,864.55**	**1,244.39**

10. SHARE CAPITAL

Authorised share capital

Particulars	Equity shares	
	Number	**In ₹**
AT 1ST APRIL, 2021	10,00,00,000	10,000.00
Increase/ (decrease) during the year	-	-
AT 31ST MARCH, 2022	10,00,00,000	10,000.00
Increase/ (decrease) during the year	-	-
AT 31ST MARCH, 2023	10,00,00,000	10,000.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

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

TERMS/RIGHTS ATTACHED TO EQUITY SHARES

The Holding Company has only one class of equity shares having a par value of ₹ 10 per share (31st March, 2022: ₹ 10 per share). Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees.

The Board of Directors, in their meeting on August 10, 2022, proposed a final dividend of ₹ 1.10 per equity share and the same was approved by the shareholders at the Annual General Meeting held on September 21 2022. The amount was recognized as distributions to equity shareholders during the year ended 31st March, 2023 and the total appropriation was ₹ 1044.84 lakhs.

The Board of Directors, in their meeting on 26th May, 2023, proposed a final dividend of ₹ 1.00 per equity share for the year ended 31st March, 2023. The payment of diviidend is subject to approval of shareholders at the ensuing Annual General Meeting of the Company.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

B) ISSUED, SUBSCRIBED AND FULLY PAID-UP

EQUITY SHARES OF INR 10 EACH AT PAR VALUE

Particulars	Number	In ₹
AT 1ST APRIL, 2021	9,49,85,835	9,498.58
Issued during the year	-	-
AT 31ST MARCH, 2022	9,49,85,835	9,498.58
Issued during the year	-	-
AT 31ST MARCH, 2023	9,49,85,835	9,498.58

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

Particulars	31st March, 2023		31st March, 2022	
	No. of shares	% holding in the class	No. of shares	% holding in the class
EQUITY SHARES OF ₹ 10 EACH FULLY PAID				
Yatin S. Shah	3,77,88,717	39.78%	3,77,88,717	39.78%
Cams Technology Limited	1,35,07,685	14.22%	1,35,07,685	14.22%
Suhasini Y. Shah	1,07,78,461	11.35%	1,04,86,461	11.04%
Jayant V. Aradhye	82,02,000	8.63%	82,02,000	8.63%
	7,02,76,863	**73.98%**	**6,99,84,863**	**73.67%**

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

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

Details of shares held by promoters at the end of the year

Promoter name	31st March, 2023			31st March, 2022		
	No. Of Shares	% of total shares	% Change during the year	No. Of Shares	% of total shares	% Change during the year
Yatin S. Shah	3,77,88,717	39.78%	-	3,77,88,717	39.78%	-
Cams Technology Limited	1,35,07,685	14.22%	-	1,35,07,685	14.22%	-
Suhasini Y. Shah	1,07,78,461	11.35%	0.31%	1,04,86,461	11.04%	-
Jayant V. Aradhye	82,02,000	8.63%	-	82,02,000	8.63%	-
TOTAL	**7,02,76,863**	**73.98%**	**0.31%**	**6,99,84,863**	**73.67%**	**-**

11. OTHER EQUITY

Particulars	In ₹
A) SECURITIES PREMIUM	
AT 1ST APRIL, 2021	**21,751.56**
Less: Reversal of tax benefit (deferred tax)	(7.33)
AT 31ST MARCH, 2022	**21,744.23**
Less: Reversal of tax benefit (deferred tax)	(4.64)
AT 31ST MARCH, 2023	**21,739.59**
B) GENERAL RESERVE	
AT 1ST APRIL, 2021	**472.21**
Increase/ (decrease) during the year	**-**
AT 31ST MARCH, 2022	**472.21**
Increase/ (decrease) during the year	**-**
AT 31ST MARCH, 2023	**472.21**
C) SHARE BASED PAYMENTS	
AT 1ST APRIL, 2021	**14.39**
Increase/ (decrease) during the year	
Less: transferred to Retained Earnings against Lapsed Options	(14.39)
AT 31ST MARCH, 2022	**-**
Increase/ (decrease) during the year	**-**
AT 31ST MARCH, 2023	**-**
Increase/ (decrease) during the year	**-**
AT 31ST MARCH, 2023	**-**

Employees (including senior executives) of the Company receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

In accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the IND AS 102 Share based payments, the cost of equity-settled transactions is measured using the fair value method. The cumulative expense 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 consolidated statement of profit and loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Refer to note 31 for further details of these plans.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

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

Particulars		In ₹
D)	**RETAINED EARNINGS**	
	AT 1ST APRIL, 2021	**30,716.78**
	Add: Profit for the year	4,602.29
	Less: Final equity dividend at ₹ 1.00 per share paid	(949.86)
	Add: transferred from ESOS Reserve against lapsed options	14.39
	AT 31ST MARCH, 2022	**34,383.60**
	Add: Profit for the year	4,628.59
	Less: Final equity dividend at ₹ 1.10 per share paid	(1,044.84)
	AT 31ST MARCH, 2023	**37,967.35**
D)	**OTHER RESERVES**	
	AT 1ST APRIL, 2021	**9.95**
	Add: Other comprehensive income for the year	111.87
	AT 31ST MARCH, 2022	**121.82**
	Add: Other comprehensive income for the year	34.47
	AT 31ST MARCH, 2023	**156.29**
E)	**CAPITAL RESERVES**	
	AT 1ST APRIL, 2021	**1,412.02**
	Increase/ (decrease) during the year	-
	AT 31ST MARCH, 2022	**1,412.02**
	Increase/ (decrease) during the year	-
	AT 31ST MARCH, 2023	**1,412.02**
F)	**OTHER RESERVES**	
	FOREIGN CURRENCY TRANSLATION RESERVE	
	AT 1ST APRIL, 2021	**402.51**
	Add: Exchange differences on translation of foreign operations	130.27
	AT 31ST MARCH, 2022	**532.78**
	Add: Exchange differences on translation of foreign operations	(126.39)
	AT 31ST MARCH, 2023	**406.39**
	OTHER EQUITY	**62,153.84**

Nature and purpose of reserves:

Securities premium account

The amount received in excess of face value of the equity shares is recognised in Securities Premium. In case of equity-settled share based payment transactions, the difference between fair value on grant date, exercise price and nominal value of share is accounted as securities premium.

General reserve

The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013.

Share based payments

Share-based payments reserve represents amount of fair value, as on the date of grant, of unvested options and vested options not exercised till date, that have been recognised as expense in the statement of profit and loss till date

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

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

Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders and any other adjustments.

Capital reserve

The company had recognized excess of the identifiable assets and liabilities acquired over the consideration paid for acquisition of subsidiary referred to as bargain purchase on acquisition in capital reserve.

Foreign currency translation reserve

Exchange differences arising on translation of foreign operations are recognised in other comprehensive income and are accumulated in separate reserve within equity. The cumulative amount is reclassified to profit and loss, when the investment is disposed off.

12. FINANCIAL LIABILITIES - BORROWINGS

Particulars	Rate of interest	Maturity	As at 31st March, 2023	As at 31st March, 2022
A) NON CURRENT BORROWINGS				
Term loan				
I. FROM BANK (SECURED)				
Foreign currency loan 3	EUROBOR + 190 bps		-	956.90
Foreign currency loan 4	2 to 6% in Euro		1,703.52	2,006.10
BANK II				
Term loan 4- 005	9.75%	Sep-24	26.95	67.51
Term loan 5- 006	9.75%	Sep-24	2.80	7.27
Term loan 6- 007	9.75%	Sep-24	4.99	12.95
Citi bank loan A/C - loan initiation-D06LCRR191920001	9.75%	May-25	58.64	105.61
II. FROM FINANCIAL INSTITUTION (SECURED)	2 to 6% in Euro		0.02	3.86
TOTAL NON CURRENT BORROWINGS			**1,796.92**	**3,160.20**
CURRENT MATURITY OF LONG TERM LOANS				
Foreign currency loan 3 (secured)	EUROBOR + 190 bps		-	1,317.53
Foreign currency loan 4 (secured)	2 to 6% in Euro		768.25	1,783.91
BANK II				
Term loan 2- 003	9.75%	Dec-22	-	6.48
Term loan 3- 004	9.75%	Jun-22	-	15.98
Term loan 4- 005	9.75%	Sep-24	41.17	39.54
Term loan 5- 006	9.75%	Sep-24	4.58	4.44
Term loan 6- 007	9.75%	Sep-24	8.10	7.78
Term loan 7- 008	9.75%	May-22	-	2.74
Citi bank loan A/C - loan initiation-D06LCRR191920001	9.75%	May-25	46.98	46.99
			869.08	**3,225.39**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

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

Particulars	Rate of interest	Maturity	As at 31st March, 2023	As at 31st March, 2022
B) SHORT TERM BORROWINGS				
Cash credit from banks (secured)	1.5% to 3.5%	On Demand	2,190.86	2,273.84
Cash credit from banks (secured)	9.50%	On Demand	71.14	24.02
Cash credit from banks (secured)	9.50%	On Demand	274.16	136.26
Packing credit in INR (Secured) - BOI	4.8% to 7.8%	On Demand	1,925.37	3,430.12
Packing credit in INR (Secured) - BOB	4.8% to 7.8%	On Demand	2,160.50	1,000.00
SHORT TERM BORROWINGS			**7,491.11**	**10,089.63**
AGGREGATE VALUE OF SECURED LOANS			**9,288.03**	**13,249.83**
AGGREGATE UNSECURED LOANS			-	-

Foreign currency loan 3 (secured) carries interest at the rate of EUROBOR plus 190 bps p.a . The tenure of the loan is 7 years. The loan is secured by pledging of shares of the acquired companies in favour of Bank of Baroda London Branch & Corporate Guarantee of holding company Precision Camshafts Limited.

Foreign currency loan 4 (secured) carries the rate of interest rate from 2% to 6% in Euro p.a. The loan is secured by mortgage on commercial property, equipments, machines & inventories, in Cunewalde, Germany. The loan matures in 5 to 10 years.

From financials institutions -carries the rate of interest rate from 2% to 6 % in Euro p.a. The loan is secured by mortgage on commercial property, equipments, machines & inventories, in Cunewalde, Germany. The shareholders loan of Euro 26,55,000 is subordinated.

Term loan 2-003:

Term loan 2 of Bank II carries interest at the rate of 9.75% p.a. The tenure of the loan is 51 months. The loan is repayable in 51 monthly instalments commencing from October 2018. The loan is secured by existing and future moveable and immoveable fixed assets of plot no F-5, MIDC, Satpur as collateral security. The loans has been secured by the corporate guarantee of holding company Precision Camshafts Limited.

Term loan 3-004:

Term loan 3 of Bank II carries interest at the rate of 9.75% p.a. The tenure of the loan is 44 months. The loan is repayable in 44 monthly instalments commencing from November 2018. The loan is secured by existing and future moveable and immoveable fixed assets of plot no F-5, MIDC, Satpur as collateral security. The loans has been secured by the corporate guarantee of holding company Precision Camshafts Limited.

Term loan 4-005:

Term loan 4 of Bank II carries interest at the rate of 9.75% p.a. The tenure of the loan is 72 months. The loan is repayable in 72 monthly instalments commencing from October 2018. The loan is secured by existing and future moveable and immoveable fixed assets of plot no F-5, MIDC, Satpur as collateral security. The loans has been secured by the corporate guarantee of holding company Precision Camshafts Limited.

Term loan 5-006:

Term loan 5 of Bank II carries interest at the rate of 9.75% p.a. The tenure of the loan is 72 months. The loan is repayable in 72 monthly instalments commencing from October 2018. The loan is secured by existing and future moveable and immoveable fixed assets of plot no F-5, MIDC, Satpur as collateral security. The loans has been secured by the corporate guarantee of holding company Precision Camshafts Limited

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

Term loan 6-007:

Term loan 6 of Bank II carries interest at the rate of 9.75% p.a. The tenure of the loan is 72 months. The loan is repayable in 72 monthly instalments commencing from October 2018. The loan is secured by existing and future moveable and immoveable fixed assets of plot no F-5, MIDC, Satpur as collateral security. The loans has been secured by the corporate guarantee of holding company Precision Camshafts Limited

Term loan 7-008:

Term loan 7 of Bank II carries interest at the rate of 9.75% p.a. The tenure of the loan is 44 months. The loan is repayable in 44 monthly instalments commencing from October 2018. The loan is secured by existing and future moveable and immoveable fixed assets of plot no F-5, MIDC, Satpur as collateral security. The loans has been secured by the corporate guarantee of holding company Precision Camshafts Limited

Citi bank loan A/C - loan initiation-D06LCRR191920001

Term loan from citi bank carries interest at the rate of 9.75% p.a. The tenure of the loan is 70 Months. The loan is repayble in 20 quarterly instalments commencing from September 2020. The loan is secured by existing and future moveable and immoveable fixed assets of plot no F-5, MIDC, Satpur as collateral security. The loans has been secured by the corporate guarantee of holding company Precision Camshafts Limited.

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

Cash credit from banks:

Packing credit ₹ 4,085.87 Lakhs and cash credit ₹ 71.14 lakhs in INR are secured by first pari passu charge by way of hypothecation of current assets including inventories and trade receivables. Further, the facilities are collaterally secured by extension of pari passu charge by way of hypothecation of plant and machinery and equitable mortgage of factory land and building situated at Plot No. D5 to D7, MIDC Chincholi, Solapur, Unit I situated at Plot No. E-102, 103, Akkalkot Road, MIDC, Solapur and Unit II situated at Plot No. E-90, Akkalkot road, Solapur.

Cash credit of ₹ 274.16 lakhs is secured by hypothecation of current assets of the Company.. Cash credit has also been secured by collateral securities of existing and future moveable and immoveable fixed assets of plot no F-5, MIDC, Satpur. The cash credit has been secured by corporate guarantee of Holding Company Precision Camshaft Limited. The cash credit has also been secured by Demand promissory note and letter of continuity for ₹ 50 Million.

Cash credit of ₹ 2,190.86 Lakhs is secured by hypothecation of current assets of the Company. Cash credit has also been secured by collateral securities of existing and future moveable and immoveable fixed assets of Köblitzer Str. 7, 02733 Cunewalde, Germany.

The carrying amounts of property, plant and eqiupment pledged as security for non-current borrowings are disclosed in note 3. And carrying amount of inventories, trade receivables and fixed deposits are pledged as security for short term borrowings.

Term loan from banks contain certain covenants relating to debt service coverage ratio, total debt gearing ratio, interest Coverage ratio, Fixed asset coverage ratio. All the ratios mentioned above are within the level stipulated by the banks in its prescribed sanctions. The Company has also satisfied all other debt covenants prescribed in the terms of bank loan.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

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

13. OTHER FINANCIAL LIABILITIES

Particulars	As at 31st March, 2023	As at 31st March, 2022
FINANCIAL LIABILITY AT FVTPL		
Foreign-exchange forward contracts*	41.54	-
OTHER FINANCIAL LIABILITIES AT AMORTISED COST		
Unpaid matured deposits and interest accrued thereon	137.30	137.30
Employee benefit liabilities	1,359.15	1,387.73
Sundry payables for capital goods purchased	598.28	297.96
Unclaimed dividend	16.24	5.55
Other payables	0.49	0.49
TOTAL	**2,153.00**	**1,829.03**
NON - CURRENT	-	-
CURRENT	2,153.00	1,829.03
	2,153.00	**1,829.03**

* The holding company entered into foreign exchange forward contracts with the intention to reduce the risk in foreign exchange exposure of trade receivables and trade payables. These forward contracts are not designated in hedging relationship and hence measured at fair value through profit or loss.

14. LEASE LIABILITIES

Particulars	As at 31st March, 2023	As at 31st March, 2022
Lease liabilities	1,179.50	1,353.94
TOTAL	**1,179.50**	**1,353.94**
NON - CURRENT	750.69	967.79
CURRENT	428.81	386.15

15. TRADE PAYABLES

Particulars	As at 31st March, 2023	As at 31st March, 2022
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises	1,521.22	1,415.43
- Total outstanding dues of creditors other than micro enterprises and small enterprises	11,194.38	8,159.93
TOTAL	**12,715.60**	**9,575.36**
NON-CURRENT	-	-
CURRENT	**12,715.60**	**9,575.36**
TOTAL	**12,715.60**	**9,575.36**

Terms and conditions of the above financial liabilities:

Trade payables are non-interest bearing and are normally settled on 90 days term

Trade payables include dues to related parties, refer to note 33

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

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

Trade payable ageing as on 31st March, 2023

Particulars	Current						
	Unbilled dues	Payables not due	Outstanding for following periods from due date of Payment				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	1,393.67	127.55	-	-	-	1,521.22
(ii) Disputed dues – MSME	-	-	-	-	-	-	-
(iii) Others	-	5,277.73	5,843.81	72.84	-	-	11,194.38
(iv)Disputed dues - Others	-	-	-	-	-	-	-
	-	**6,671.40**	**5,971.36**	**72.84**	**-**	**-**	**12,715.60**

Trade payable ageing as on 31st March, 2022

Particulars	Current						
	Unbilled dues	Payables not due	Outstanding for following periods from due date of payment				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	1,306.41	109.02	-	-	-	1,415.43
(ii) Disputed dues – MSME	-	-	-	-	-	-	-
(iii) Others	-	6,145.25	2,010.06	4.62	-	-	8,159.93
(iv)Disputed dues - Others	-	-	-	-	-	-	-
	-	**7,451.66**	**2,119.08**	**4.62**	**-**	**-**	**9,575.36**

Disclosure relating to suppliers registered under MSMED Act based on the information available with the company

	Particulars	As at 31st March, 2023	As at 31st March, 2022
(i)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
	Principal amount due to micro and small enterprises	1,521.22	1,415.43
	Interest due on above	0.01	-
(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.	9599.89	8,955.46
(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.	-	-
(iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
(v)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	0.01	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

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

Break up of financial liabilities carried at amortised cost

Particulars	As at 31st March, 2023	As at 31st March, 2022
Borrowings (non-current) (refer note 12)	1,796.92	3,160.20
Borrowings (current) (refer note 12)	7,491.11	10,089.63
Lease liabilities (refer note 14)	1,179.50	1,353.94
Trade payables (refer note 14)	12,715.60	9,575.36
Other financial liabilities (refer note 13)	2,111.46	1,829.03
TOTAL FINANCIAL LIABILITIES CARRIED AT AMORTISED COST	**25,294.59**	**26,008.16**

16. OTHER CURRENT LIABILITIES

Particulars	As at 31st March, 2023	As at 31st March, 2022
Advances from customers	10,627.89	7,794.10
Statutory dues payable	370.64	941.39
Other payables	1,335.77	467.17
TOTAL	**12,334.30**	**9,202.66**

17. PROVISIONS

Particulars	As at 31st March, 2023	As at 31st March, 2022
EMPLOYEE BENEFITS OBLIGATIONS:		
Gratuity	224.35	604.05
Compensated absences	562.29	514.98
TOTAL	**786.64**	**1,119.03**
NON CURRENT	579.75	1,003.47
CURRENT	206.89	115.56
	786.64	**1,119.03**

Also refer note 30 for detailed disclosure of gratuity.

18. CURRENT TAX LIABILITIES (NET)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Provision for income tax (net of advance taxes)	105.62	122.46
TOTAL	**105.62**	**122.46**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

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

19. REVENUE FROM OPERATIONS

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Sale of products	1,05,612.57	86,177.62
Sale of parts	-	529.69
Sale of services	911.67	824.73
TOTAL SALE OF PRODUCTS AND SERVICES	**1,06,524.24**	**87,532.04**
OTHER OPERATING INCOME		
Tooling income	129.52	720.99
Scrap sales	426.40	370.82
Export incentives	756.93	543.23
Other operating income	177.40	335.02
TOTAL OTHER OPERATING INCOME	**1,490.25**	**1,970.06**
TOTAL REVENUE FROM OPERATIONS	**1,08,014.49**	**89,502.10**

20. OTHER INCOME

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Fair value gain on financial instruments at fair value through profit or loss	703.25	369.55
Realised gain on sale of mutual funds	85.38	653.42
Foreign exchange differences (net)	1,984.22	378.08
Trade payable no longer required written back	-	9.71
Incomes from electricity and energy tax	34.82	44.36
Profit on fixed assets sold /discarded (net)	-	3.58
Miscellaneous income	157.24	181.54
TOTAL OTHER INCOME	**2,964.91**	**1,640.24**

20A: Finance income

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Interest income on		
Bank deposits	225.14	202.81
Others	122.89	49.72
TOTAL FINANCE INCOME	**348.03**	**252.53**

21. COST OF RAW MATERIALS AND COMPONENTS CONSUMED

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Inventory at the beginning of the year	6,073.65	2,831.51
Add: purchases	50,649.85	43,338.08
	56,723.50	46,169.59
Less: inventory at the end of the year	6,768.40	6,073.65
COST OF RAW MATERIALS AND COMPONENTS CONSUMED	**49,955.10**	**40,095.94**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

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

22. (INCREASE) / DECREASE IN INVENTORIES

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Opening stock:		
Finished goods	5,452.20	4,046.73
Semi-finished goods	5,290.91	2,441.07
	10,743.11	**6,487.80**
Closing stock:		
Finished goods	4,731.60	5,452.20
Semi-finished goods	7,943.32	5,290.91
	12,674.92	**10,743.11**
(INCREASE)/DECREASE IN INVENTORIES	**(1,931.81)**	**(4,255.31)**

23. EMPLOYEE BENEFIT EXPENSES

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Salaries, wages, bonus and commission	15,488.42	13,444.56
Contribution to provident fund and other funds	2,186.41	2,176.74
Staff welfare expenses	229.57	224.17
TOTAL EMPLOYEE BENEFIT EXPENSES	**17,904.40**	**15,845.47**

24. OTHER EXPENSES

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Consumption of components and spares	8,029.21	5,988.06
Packing materials consumed	857.74	769.32
Power and fuel expenses	9,813.03	7,764.10
Job work expenses	1,843.39	1,883.66
Freight outward charges	2,428.23	2,611.65
Rent	271.28	350.43
Rates and taxes	572.15	158.02
Insurance	259.04	229.18
Repairs and maintenance		
Plant and machinery	1,535.10	1,075.02
Building	141.29	153.99
Others	908.55	877.30
Advertisement and sales promotion	282.95	182.26
Donation	41.87	32.10
CSR expenditure (refer note below)	162.19	142.85
Sales commission	175.14	356.84
Travelling and conveyance	861.57	628.88
Communication costs	72.88	62.32
Legal and professional fees	806.86	665.05

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

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

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Auditors' remuneration and expenses		
Statutory audit	134.91	85.39
Out of pocket expenses	3.24	4.29
Bad debts written off	2.60	-
Loss on fixed assets sold /discarded (net)	2.36	22.72
Management fees	291.66	428.29
Write off of research and development expenses	72.04	702.19
Warranty Expenses	452.39	377.51
Miscellaneous expenses	1,003.81	871.72
TOTAL OTHER EXPENSES	**31,025.48**	**26,423.14**

CSR expenditure

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Amount required to be spent by the group during the year	161.98	142.85
Amount of expenditure incurred	162.19	146.47
Amount of shortfall for the year	-	-
Amount of Excess Expenditure for the year	(0.21)	(3.62)
Amount of cumulative excess expenditure at the end of the year	(3.83)	(3.62)

25. FINANCE COSTS

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Interest on borrowings	609.15	641.11
Interest on delay in payment of taxes	37.47	10.08
Bank charges	170.21	69.37
Other finance costs	6.60	8.68
TOTAL FINANCE COSTS	**823.43**	**729.24**

26. DEPRECIATION AND AMORTISATION EXPENSE

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Depreciation of property, plant and equipment	5,795.41	6,089.60
Amortisation of intangible assets	1,727.62	3,113.74
TOTAL DEPRECIATION & AMORTISATION EXPENSES	**7,523.03**	**9,203.34**

During the previous year ended 31st March, 2022, amortization of intangible asset has increased significantly due to reassessment of useful life by management.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

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

27. COMPONENTS OF OTHER COMPREHENSIVE INCOME (OCI)

During the year ended 31st March, 2023

Particulars	Foreign currency translation reserve	Other item of other comprehensive income	Total
Re-measurement gains (losses) on defined benefit plans	-	46.07	46.07
Income tax effect	-	(11.60)	(11.60)
Foreign exchange translation differences	(126.39)	-	(126.39)
TOTAL	**(126.39)**	**34.47**	**(91.92)**

During the year ended 31st March, 2022

Particulars	Foreign currency translation reserve	Other item of other comprehensive income	Total
Re-measurement gains (losses) on defined benefit plans	-	149.49	149.49
Income tax effect	-	(37.62)	(37.62)
Foreign exchange translation differences	130.27	-	130.27
TOTAL	**130.27**	**111.87**	**242.14**

28. EARNINGS PER SHARE (EPS)

Basic EPS amounts are calculated by dividing the profits for the year attributable to equity holders of the Holding Company by weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Holding Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

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

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF HOLDING COMPANY	4,628.59	4,602.29
Weighted average number of equity shares in calculating basic EPS	9,49,85,835	9,49,85,835
Effect of dilution on account of options outstanding under ESOP Scheme *	-	-
Weighted average number of equity shares in calculating diluted EPS	9,49,85,835	9,49,85,835
Earnings per share (basic) (Rupees/share)	4.87	4.85
Earnings per share (diluted) (Rupees/share)	4.87	4.85

* ESOP's are considered to be anti-dilutive as the excercise price is out of money.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

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

29. INCOME TAX

The major components of income tax expense for the years ended 31st March, 2023 and 31st March, 2022 are:

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
CURRENT INCOME TAX:		
Current income tax charge	2,617.05	2,376.86
(Excess) / short provision of tax relating to earlier years	121.59	(138.56)
DEFERRED TAX:		
Relating to origination and reversal of temporary differences	(1,339.43)	(746.15)
INCOME TAX EXPENSE REPORTED IN THE STATEMENT OF PROFIT OR LOSS	**1,399.21**	**1,492.15**

OCI section

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Tax effect on:		
Net loss/(gain) on remeasurements of defined benefit plans	(11.60)	(37.62)
DEFERRED TAX (EXPENSE)/CREDIT CHARGED TO OCI	**(11.60)**	**(37.62)**

Reconciliation of closing balance of Deferred tax liability/(asset)

Particulars	As at 31st March, 2023	As at 31st March, 2022
PPE: impact of difference between tax depreciation and depreciation /		
amortization for the financial reporting	691.80	1,214.90
Liability due to fair valuation of mutual fund	410.25	337.27
Others	10.96	75.59
GROSS DEFERRED TAX LIABILITY	**1,113.01**	**1,627.76**
DEFERRED TAX ASSETS		
Employee related costs allowed for tax purposes on payment basis	350.31	417.32
VRS compensation	189.85	51.44
Share issue expenses adjusted to securities premium account	0.47	5.10
Asset Held for Sale [Capital Loss]	56.53	47.52
Deduction U/s 80JJAA	7.24	7.24
Deferred tax on accumulated loss	570.89	-
Others	14.40	3.58
GROSS DEFERRED TAX ASSETS	**1,189.69**	**532.20**
NET DEFERRED TAX LIABILITY/(ASSET)	**(76.68)**	**1,095.56**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

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

Reconciliation of deferred tax assets

Deferred tax assets are not offset with above deferred tax liability since the Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities (deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority)

Particulars	As at 31st March, 2023	As at 31st March, 2022
DEFERRED TAX CREDIT FOR THE YEAR		
Closing deferred tax liability/(asset) (net)	(76.68)	1,095.56
Less: opening deferred tax liability (net)	1,095.56	1,804.48
Deferred tax movement for the year (a)	(1,172.24)	(708.92)
Deferred tax charge recorded in securities premium account (b)	4.64	7.33
Deferred tax (credit) / charge for the year (c = a-b)	(1,176.88)	(716.25)
Deferred tax charge considered in OCI (d)	(11.60)	(37.62)
Foreign Exchange (gain)/loss (e)	3.05	7.72
Adjustments in respect of deferred tax for earlier years	(154.00)	-
Deferred Tax Written off During Current Year (f)	-	-
Deferred tax credit for the year to be charged to statement of profit or loss (c+d+e+f)	**(1,339.43)**	**(746.15)**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31st March, 2023 and 31st March, 2022

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Accounting profit before tax	6,027.80	6,094.44
ACCOUNTING PROFIT BEFORE INCOME TAX	**6,027.80**	**6,094.44**
At India's statutory tax rate 25.17% (31st March, 2022 - 25.17%)	1,517.08	1,533.85
Deduction claimed U/s 80JJAA in Current year& DTA Created on 80JJAA	-	7.64
DTA created on Assets held for sale	-	135.41
On Mutual fund Gain due to indexation benefit & different rate of taxation	(52.59)	(205.61)
On Permanent Disallowance	48.60	43.12
Effect of differential tax rate of subsidiary	116.32	124.99
Other items	10.78	(8.69)
Deferred tax asset not recognised on carried forward losses	208.32	-
Deferred tax asset recognised on carried forward lossess	(570.89)	-
Adjustments in respect of current income tax of previous year	121.59	(138.56)
AT THE EFFECTIVE INCOME TAX RATE OF 23.21% (31ST MARCH, 2022 - 24.48%)	**1,399.21**	**1,492.15**
Income tax reported in the consolidated statement of profit and loss	1,399.21	1,492.15

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

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

Reconciliation of deferred tax liabilities/(asset) (net):

Particulars	As at 31st March, 2023	As at 31st March, 2022
Opening balance as of 1st April	1,095.56	1,804.48
Tax (income)/expense during the period recognized in profit or loss	(1,339.43)	(746.15)
Tax (income)/expense during the period recognized in Equity	4.64	7.33
Tax (income)/expense during the period recognized in OCI	11.60	37.62
Foreign Exchange Gain/(loss)	(3.05)	(7.72)
Adjustments in respect of deferred tax for earlier years	154.00	-
CLOSING BALANCE AS AT 31ST MARCH	**(76.68)**	**1,095.56**

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Deferred tax relates to the following

Particulars	Balance Sheet		Consolidated Statement of Profit and Loss	
	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022
Accelerated depreciation for tax purposes	691.80	1,214.90	(523.10)	(955.28)
Fair value of mutual fund	410.25	337.27	72.98	22.02
Voluntary retirement scheme allowed as deduction over a period of five years	(189.85)	(51.44)	(138.41)	3.65
Preliminary expenses incurred on initial public offering, allowed as deduction over a period of five years	(0.47)	(5.10)	-	-
Employee benefit expenses allowed on payment basis under Sec 43B	(350.31)	(417.32)	67.01	12.82
Other	(3.44)	72.01	(75.45)	57.49
Amount to be charged in Statement of OCI	-	-	(11.60)	(37.62)
Loss on assets held for sale	(56.53)	(47.52)	(9.01)	135.41
Additional deduction U/s 80JJAA	(7.24)	(7.24)	-	7.64
On Accumulated losses	(570.89)	-	(570.89)	-
Foreign Exchange adjustment	-	-	3.04	7.72
Adjustments in respect of deferred tax for earlier years	-	-	(154.00)	-
	(76.68)	**1,095.56**	**(1,339.43)**	**(746.15)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

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

30. DISCLOSURE PURSUANT TO EMPLOYEE BENEFITS

A. Defined contribution plans:

Amount of ₹ 1935.76 lakhs (31st March, 2022: ₹ 1849.14 lakhs) is recognized as expenses and included in Note No. 23 "Employee benefit expense"

B. Defined benefit plans:

The Company has following post employment benefits which are in the nature of defined benefit plans:

Gratuity

The Holding Company has a defined benefit gratuity plan in India (funded). The Holding Company's defined benefit gratuity plan requires contributions to be made to a separately administered fund. The gratuity plan governed by the Payment of Gratuity Act, 1972. As per the Act, an employee who has completed five years of service is entitled to specific benefits. The level of benefits provided depends on the member's length of service and salary at retirement age.

The Indian subsidiary has a defined benefit gratuity plan in India and the same is unfunded.

Plan assets - gratuity fund of holding company is ₹ 1246.58 lakhs

Net benefit expense 31st March, 2023 (recognized in profit or loss)	31st March, 2023	31st March, 2022
Current service cost	143.00	150.63
Interest cost on benefit	25.99	41.62
	168.99	**192.25**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

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

31st March, 2023: Changes in defined benefit obligation and plan assets

Particulars	1st April, 2022	Gratuity cost charged to statement of profit and loss			Benefit paid	Remeasurement gains/(losses) in other comprehensive income					Contributions by employer	31st March, 2023
		Service cost	Net interest (expense) / income	Sub-total included in statement of profit and loss (refer note 22)		Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI		
GRATUITY												
Defined benefit obligation	(1,392.81)	(143.00)	(100.57)	(243.57)	170.67	-	0.62	(19.01)	73.17	54.78	-	(1,410.93)
Fair value of plan assets	848.76	-	74.58	74.58	(59.76)	(8.71)	-	-	-	(8.71)	391.71	1,246.58
BENEFIT LIABILITY	**(544.05)**	**(143.00)**	**(25.99)**	**(168.99)**	**110.91**	**(8.71)**	**0.62**	**(19.01)**	**73.17**	**46.07**	**391.71**	**(164.35)**

31st March, 2022 : changes in defined benefit obligation and plan assets

Particulars	1st April, 2021	Gratuity cost charged to statement of profit and loss			Benefit paid	Remeasurement gains/(losses) in other comprehensive income					Contributions by employer	31st March, 2022
		Service cost	Net interest (expense) / income	Sub-total included in statement of profit and loss (refer note 22)		Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI		
GRATUITY												
Defined benefit obligation	(1,341.75)	(150.63)	(89.14)	(239.77)	39.63	-	(0.08)	111.96	37.20	149.08	-	(1,392.81)
Fair value of plan assets	658.21	-	47.52	47.52	(33.13)	0.41	-	-	-	0.41	175.75	848.76
BENEFIT LIABILITY	**(683.54)**	**(150.63)**	**(41.62)**	**(192.25)**	**6.50**	**0.41**	**(0.08)**	**111.96**	**37.20**	**149.49**	**175.75**	**(544.05)**

As at 31st March, 2023 & 31st March, 2022 the amount of gratuity provision also includes gratuity provision of ₹60 lakhs & 60 lakhs respectively provided for promotor director in the books of holding company whose gratuity payment is not considered for acturial valuations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

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

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

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Type of asset: Group gratuity scheme of LIC of India		
Fair value of total plan assets	1,246.58	848.76
(%) of total plan assets	100%	100%

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

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Discount rate	7.22% to 7.50%	7.27% to 7.35%
Future salary increase	8.00%	8.00%
Expected rate of return on plan assets	6.76%	6.86%
Expected average remaining working lives (in years)	14 to 15.66	15 to 15.69

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

Gratuity

Particulars	Sensitivity level	Effect on defined benefit obligation (impact)	
		For the year ended 31st March, 2023	For the year ended 31st March, 2022
Discount rate	1% increase	1,161.37	1,064.19
	1% decrease	1,497.48	1,363.40
Future salary increase	1% increase	1,490.73	1,356.70
	1% decrease	1,163.99	1,066.58

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligations as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The followings are the expected future benefit payments for the defined benefit plan :

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Within the next 12 months (next annual reporting period)	68.53	48.50
Between 2 and 5 years	241.98	232.59
Beyond 5 years	626.78	981.38
TOTAL EXPECTED PAYMENTS	**937.29**	**1,262.47**

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

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Gratuity	10 to 12.64	12.77 to 14

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

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Gratuity	100.00	150.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

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

31. SHARE BASED PAYMENTS

The Holding company provides share-based payment schemes to its employees. During the year ended 31st March, 2023, 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 of Holding company approved the PCL Employee Stock Option Scheme 2015 (PCL ESOS 2015) for issue of stock options to the employees of the Holding Company. According to the PCL ESOS 2015, the employee selected by the remuneration committee from time to time will be entitled to options. The contractual life (comprising the vesting period and the exercise period) of options granted under PCL ESOS 2015 is 6 years.

The fair value of the share options is estimated at the grant date using Black Scholes pricing model, taking into account the terms and conditions upon which the share options were granted. The exercise price of the share options is the face value i.e. ₹10. The contractual term of each option granted is 6 years.

Net benefit expense 31st March, 2023 (recognised in statement of profit or loss)	31st March, 2023	31st March, 2022
Expense arising from equity-settled share-based payment transactions	-	-
Total expense arising from share-based payment transactions	-	-

There were no cancellations or modifications to the awards in 31st March, 2023 and 31st March, 2022.

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

Particulars	31st March, 2023		31st March, 2022	
	Number	WAEP	Number	WAEP
Outstanding at 1st April,	-	₹ 10	12,230	₹ 10
Granted during the year	-	-	-	-
Forfeited during the year	-	₹ 10	-	₹ 10
Exercised during the year	-	₹ 10	-	₹ 10
Expired during the year	-	-	12,230	-
OUTSTANDING AT 31ST MARCH,	-	-	-	₹ 10
Exercisable at 31 March	-	-	-	₹ 10

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

The weighted average remaining contractual life(vesting & exercise) for the share options outstanding as at 31st March, 2023 and as at 31st March, 2022 was nil as the share options (vesting and exercise) period had expired in FY 2021-22.

The following tables list the inputs to the models used for the plans :

Dividend yield (%)	0.00%
Expected volatility (%)	56.25%
Risk–free interest rate (%)	7.82%
Expected life of share options (years)	3
Weighted average share price (₹)	10
Model used	Black Scholes

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

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

32. COMMITMENTS AND CONTINGENCIES

a. Commitments

(i) Estimated amount of contracts remaining to be executed on capital account and material not provided for (net of advances): At 31st March, 2023, the Company had commitments of ₹1,875.75 lakhs (31st March, 2022: ₹ 1,198.80 lakhs)

b. Contingent liabilities

(i) Claims against the company not acknowledged as debts (Legal claims)

a. The Collector of Stamps, Solapur has demanded payment of stamp duty of ₹ 31.79 Lakhs (31st March, 2022: ₹31.79 Lakhs) for cancellation and issue of equity shares after amalgamation of Precision Valvetrain Components Limited (PVPL) with the Holding 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 Holding Company had received an order from the Commisioner of Provident fund for the year May 2003 to May 2006 demanding PF liability amounting to ₹24.23 lakhs (31st March, 2022: ₹24.23 lakhs) excluding interest. The Holding Company had filed writ petition with the Hon'ble High court Mumbai against the said order and had paid ₹12.12 under protest.

c. The Holding Company had received an order from the Commissioner of Central Excise Pune for the year 2002-03, 2003-04 and 2004-05 demanding excise duty amounting to ₹ 20.76 lakhs (31st March, 2022: ₹ 20.76 lakhs) on sales tax retained under sales tax deferral scheme. The Holding Company had filed apperial against the order with CESTAT and CESTAT via its order transfer the said case to the jurisdiction commissionrate.

d. The Holding Company had received the show cause notice from The Directorate General of Goods and Service Tax Intelligence, Gurgaon (Haryana) for the cost of drawing/desigin/specifications was not included in components at the time of supply to MSIL for the year 2013-14 to 2017-18 amounting to ₹ 83.95 lakhs. (31st March, 2022 ₹83.95 lakhs). The Holding Company had filed a reply aginst said show cause notice to the Directorate General of Goods and Service Tax Intelligence, Gurgaon (Haryana) . The assessment order yet to receive from the respective authority.

e. The Holding Company had received order from Assessing Officer for the assessment year 2014-15 for demand of income tax amounting to ₹ 1,428.71 lakhs (31st March, 2022 ₹ 1,428.71 lakhs) towards disallowance of ESOP expenditures and other disallowances. The Holding Company has filed appeal against the above order with commissioner of income tax (Appeals) and has paid ₹ 200.00 lakhs under protest.

f. During the year ended 31st March, 2022, the Holding Company had received an order from Assessing Officer for the assessment year 18-19 for demand of income tax amounting to ₹ 7.08 lakhs towards disallownce u/s 14A of the Act. The Holding Company has paid the said demand within due date specified by the department. Further assessing officer has passed an order u/s 270A imposing a penalty for ₹ 3.47 lakhs (31st March, 2022 ₹3.47 lakhs) for under reporting of income for incremental disallowance made u/s 14A of the act. The Holding Company had filed appeal agianst the penalty order with Commissioner of Income Tax(Appeals) and has paid ₹0.70 lakhs under protest.

g. During the year ended 31st March, 2022, the Holding Company had received an order from Industrial Court, Solapur towards employees dispute and allowed 4 workers reinstatement with full back wages from 2014 for demand of 42 lakhs (31st March, 2022 ₹ 36 lakhs). The Holding Company had filed writ petition with the Hon'ble High court Mumbai against the said order.

In all the cases mentioned above, outflow is not probable, and hence not provided by the company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

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

33. RELATED PARTY TRANSACTIONS

A Names of the related party and related party relationship:

a) Related parties under 'Ind AS 24- Related Party Disclosures', with whom transactions have taken place during the period

i) Key management personnel (KMP)

Mr. Yatin S. Shah , Managing Director

Dr. Suhasini Y. Shah, Non executive director & Director of subsidiary company

Mr. Ravindra R. Joshi, Director

Mr. Karan Y. Shah, Director

Mr. Sarvesh N. Joshi, Independent Director

Mr. Pramod H Mehendale, Independent Director (upto 27.07.2021)

Mr. Vedant V Pujari, Independent Director (upto 27.07.2021)

Mr. Vaibhav S. Mahajani, Independent Director (upto 21.09.2022)

Mr. Abhishek P. Phadke, Company Secretary of subsidiary (upto 05.11.2021)

Shriram N. Kulkarni, Company Secretary of subsidiary (w.e.f 10.02.2022)

Mrs. Mayuri I. Kulkarni (upto 18.03.2022)

Ms. Smita N. Mandem, Director of subsidiary

Ms. Romita Mehta, Director of subsidiary

Mrs. Savani A. Laddha, Independent Director

Mr. Thomas Koritke, Director (upto 31.12.2022)

Mr. Heldt Oliver, Managing Director of step down subsidiary (w.e.f - 01.07.2021)

Mr. Madan M. Godse, Independent Director (w.e.f. 03.09.2021 up to 01.02.2023)

Mr. Gautam V. Wakankar (w.e.f. 19.03.2022 up to 30.04.2023)

Mr. Suhas J. Ahirrao, Independent Director (w.e.f. 29.03.2023)

Ms. Apurva P. Joshi, Independent Director (w.e.f. 29.03.2023)

Mrs. Anagha S. Anasingaraju, Independent Director (w.e.f. 29.03.2023)

ii) Relatives of key management personnel (RKMP)

Ms. Tanvi Y. Shah, daughter of Mr. Yatin S. Shah

Late Dr. Manjiri V. Chitale, mother of Dr. Suhasini Y. Shah

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

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

Chitale Clinic Private Limited

Precision Foundation & Medical Research Trust

Yatin S. Shah (HUF)

Cams Technology Limited

Hormiga Management B.V. (upto 31.12.2022)

M.A. Noordam Holding B.V. (upto 31.12.2022)

ENCONA GmbH (upto 31.12.2022)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

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

iv) Individual having significant influence

Mr. Jayant V. Aradhye

iv) Relative of individual having significant influence

Mr. Maneesh J. Aradhye, son of Mr. Jayant V. Aradhye

Dr. Sunita J. Aradhye, wife of Mr. Jayant V. Aradhye

Mrs. Rama M. Aradhye, wife of Mr. Maneesh J. Aradhye

Mr. Vijay V. Aradhye, brother of Mr. Jayant V. Aradhye

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

Sr. No.	Particulars	Key management personnel		Relatives of key management personnel		Entities where KMP / RKMP have significant influence		Individual having significant influence		Relative of individual having significant influence	
	Transactions	**31st March, 2023**	**31st March, 2022**	**31st March, 2023**	**31st March, 2022**	**31st March, 2023**	**31st March, 2022**	**31st March, 2023**	**31st March, 2022**	**31st March, 2023**	**31st March, 2022**
1	Remuneration* (including commission)	1,040.08	1,011.97	-	-	-	-	-	-	-	-
2	Final dividend paid on equity shares	534.60	483.08	0.03	2.95	148.58	135.08	90.36	82.02	35.07	33.49
3	Management fees paid	-	-	-	-	302.95	480.12	-	-	-	-
4	Donation paid	-	-	-	-	36.90	28.50	-	-	-	-
5	Purchases of goods, material or services	-	-	-	-	63.08	49.92	-	-	-	-
	BALANCES OUTSTANDING							-	-	-	-
1	Remuneration payable	130.43	137.30	-	-	-	-	-	-	-	-
2	Trade payables	-	-	-	-	23.18	16.02	-	-	-	-

*The amounts disclosed in the table are the amounts recognized as an expense during the reporting period related to key management personnel.

*The liabilities for gratuity and leave encashment are provided for the Company as a whole, the remuneration does not include the same.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

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

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

Sr. No.	Particulars	Relationship	31st March, 2023	31st March, 2022
1	**REMUNERATION***			
	Mr.Yatin S. Shah	Key management personnel	343.53	385.61
	Dr. Suhasini Y. Shah	Key management personnel	35.00	35.00
	Mr. Ravindra R. Joshi	Key management personnel	353.99	355.00
	Mr. Karan Y. Shah	Key management personnel	107.66	70.75
	Mrs. Mayuri I. Kulkarni (upto 18.03.2022)	Key management personnel	-	9.79
	Mr. Sarvesh N. Joshi	Key management personnel	5.00	5.00
	Mr. Pramod H. Mehendale (upto 27.07.2021)	Key management personnel	-	3.50
	Mr. Vedant V. Pujari (upto 27.07.2021)	Key management personnel	-	3.50
	Mr. Vaibhav S. Mahajani (upto 21.09.2022)	Key management personnel	2.50	5.00
	Mrs.Savani A. Laddha	Key management personnel	5.00	5.00
	Mr. Madan M. Godse (w.e.f. 03.09.2021 up to 01.02.2023)	Key management personnel	4.20	3.00
	Mr. Ameet N Dravid (w.e.f. 10.08.2022)	Key management personnel	3.20	-
	Mr. Gautam V. Wakankar (w.e.f. 19.03.2022 up to 30.04.2023)	Key management personnel	11.32	0.26
	Ms. Smita Mandem	Key management personnel	16.57	10.62
	Ms. Romita Mehta	Key management personnel	4.42	4.02
	Mr. Heldt Oliver, Managing Director of step down subsidiary (w.e.f - 01.07.2021)	Key management personnel	145.51	112.76
	Abhishek P. Phadke (upto 05.11.2021)	Key management personnel	-	2.43
	Shriram N. Kulkarni (w.e.f 10.02.2022)	Key management personnel	2.18	0.73
2	**FINAL DIVIDEND PAID ON EQUITY SHARES**			
	Cams Technology Limited	Entities where KMP / RKMP having significant influence	148.58	135.08
	Mr.Yatin S. Shah	Key management personnel	415.68	377.89
	Mr. Jayant V. Aradhye	Individual having significant influence	90.36	82.02
	Dr. Suhasini Y. Shah	Key management personnel	118.56	104.86
	Mr. Maneesh J. Aradhye	Relative of individual having significant influence	16.77	16.36
	Dr Sunita J. Aradhye	Relative of individual having significant influence	8.99	8.17
	Ms. Rama M. Aradhye	Relative of individual having significant influence	7.66	6.96
	Mr. Vijay V. Aradhye	Relative of individual having significant influence	1.65	2.00
	Late Dr Manjiri V. Chitale	Relatives of Key management personnel	-	2.92
	Mr. Ravindra R. Joshi	Key management personnel	0.19	0.17
	Mr. Karan Y. Shah	Key management personnel	0.16	0.15
	Ms. Tanvi Y. Shah	Relatives of Key management personnel	0.02	0.02
	Ms. Mayura K. Shah	Relatives of Key management personnel	0.01	0.01

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

Sr. No.	Particulars	Relationship	31st March, 2023	31st March, 2022
	Mr. Pramod H. Mehendale (upto 27.07.2021)	Key management personnel	0.00	0.00
	Mr. Vaibhav S. Mahajani (upto 21.09.2022)	Key management personnel	0.01	0.01
	Mr. Kaustubh Mehendale	Relatives of Key management personnel	0.00	0.00
3	**MANAGEMENT FEES PAID**			
	Hormiga Management B.V. (upto 31.12.2022)	Entities where KMP / RKMP have significant influence	150.71	212.47
	M.A. Noordam Holding B.V. (upto 31.12.2022)	Entities where KMP / RKMP have significant influence	152.24	215.81
	ENCONA GmbH (upto 31.12.2022)	Entities where KMP / RKMP have significant influence	-	51.84
4	**DONATION PAID**			
	Precision Foundation and Medical Research Trust	Entities where KMP / RKMP have significant influence	36.90	28.50
5	**PURCHASES OF GOODS, MATERIAL OR SERVICES (EXCLUSIVE OF TAXES)**			
	Cams Technology Limited	Entities where KMP / RKMP have significant influence	62.74	49.92
	Chitale Clinic Pvt Ltd	Entities where KMP / RKMP have significant influence	0.34	-
BALANCES OUTSTANDING				
1	**REMUNERATION PAYABLE (EXCLUSIVE OF TAXES)**			
	Mr. Ravindra R. Joshi	Key management personnel	52.25	39.28
	Mr.Yatin S. Shah	Key management personnel	33.77	43.44
	Dr. Suhasini Y. Shah	Key management personnel	7.00	7.00
	Mr. Karan Y. Shah	Key management personnel	5.94	12.00
	Mrs. Mayuri I. Kulkarni (upto 18.03.2022)	Key management personnel	-	0.42
	Mr. Sarvesh N. Joshi	Key management personnel	4.50	4.50
	Mr. Pramod H. Mehendale (upto 27.07.2021)	Key management personnel	-	3.15
	Mr. Vedant V. Pujari (upto 27.07.2021)	Key management personnel	-	3.15
	Mr. Vaibhav S. Mahajani (upto 21.09.2022)	Key management personnel	2.25	4.50
	Mrs. Savani A. Laddha	Key management personnel	4.50	4.50
	Shriram N. Kulkarni (w.e.f 10.02.2022)	Key management personnel	-	0.34
	Mr. Heldt Oliver, Managing Director of step down subsidiary (w.e.f - 01.07.2021)	Key management personnel	12.86	12.09
	Mr. Madan M. Godse (w.e.f. 03.09.2021 up to 01.02.2023)	Key management personnel	3.78	2.70
	Mr. Ameet N Dravid (w.e.f. 10.08.2022)	Key management personnel	2.88	-
	Mr. Gautam V. Wakankar (w.e.f. 19.03.2022 up to 30.04.2023)	Key management personnel	0.70	0.23
2	**TRADE PAYABLES**			
	Cams Technology Limited	Entities where KMP / RKMP have significant influence	23.18	16.02

* The liabilities for gratuity and leave encashment are provided for the company as a whole, the remuneration does not include the same.

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for the year ended 31st March, 2023 (Contd.)

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

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for or from any related party receivables or payables.

Compensation of Key managerial personnel of the Company

Particulars	31st March, 2023	31st March, 2022
Short term employee benefits (Gross salary)	975.88	943.04
Post employment benefits (PF+Superannuation)	64.20	68.93
TOTAL COMPENSATION PAID TO KEY MANAGEMENT PERSONNEL	**1,040.08**	**1,011.97**

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

34. SEGMENT INFORMATION

The Group is engaged in manufacturing of Camshafts. Based on similarity of activities/products, risk and reward structure, organisation structure and internal reporting systems, the Group has structured its operations into single operating segment; however based on the geographic distribution of activities, the chief operating decision make identified India and outside India as two reportable geographical segments.

REVENUE FROM CUSTOMERS	31st March, 2023	31st March, 2022
WITHIN INDIA	34,521.75	28,223.98
OUTSIDE INDIA		
Asia (other than China)	7,469.45	6,366.32
China	-	73.53
Europe	52,585.12	46,128.86
Others	13,438.17	8,709.41
	73,492.74	**61,278.12**
TOTAL REVENUE	**1,08,014.49**	**89,502.10**

The revenue information above is based on the locations of the customers.

NON-CURRENT OPERATING ASSETS*	31st March, 2023	31st March, 2022
WITHIN INDIA	30,601.07	28,984.15
OUTSIDE INDIA		
Europe	10,006.41	12,600.63
	10,006.41	**12,600.63**
TOTAL	**40,607.48**	**41,584.78**

* As defined in paragraph 33 (b) of Ind AS 108 "Operating segments" non current assets excludes financial instruments, deferred tax assets and post-employment benefit assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

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

35. FINANCIAL INSTRUMENTS - FAIR VALUES

Particulars of Financial Insturments by category of classification

Financial assets	31st March, 2023		31st March, 2022	
	Carried at FVTPL	Carried at ammortised cost	Carried at FVTPL	Carried at ammortised cost
Investments at FVTPL	17,744.36	-	19,425.93	-
Foreign exchange forward contracts	-	-	78.25	-
Other financial assets	-	646.60	-	943.91
Cash and cash equivalents	-	1,864.55	-	1,244.39
Term deposits with banks [short term + long term]	-	4,307.43	-	4,124.74
Trade receivables	-	20,625.04	-	16,411.52
TOTAL	**17,744.36**	**27,443.62**	**19,504.18**	**22,724.56**

Financial liabilites	31st March, 2023		31st March, 2022	
	Carried at FVTPL	Carried at ammortised cost	Carried at FVTPL	Carried at ammortised cost
Borrowings(Including current maturities of Long term borrowings)	-	9,288.03	-	13,249.83
Other financial liabilities	41.54	2,111.46	-	1,829.03
Lease liability		1,179.50		1,353.94
Trade payables	-	12,715.60	-	9,575.36
TOTAL	**41.54**	**25,294.59**	**-**	**26,008.16**

36. FAIR VALUE HIERARCHY

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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

• Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

• Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

A) The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

Quantitative disclosures fair value measurement hierarchy for assets as at 31st March, 2023:

	Fair value measurement using				
	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
ASSETS MEASURED AT FAIR VALUE:					
Investments	31st March, 2023	17,744.36	17,736.90	-	7.46

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for the year ended 31st March, 2023 (Contd.)

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

Quantitative disclosures fair value measurement hierarchy for liabilities as at 31st March, 2023:

	Fair value measurement using				
	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
LIABILITIES MEASURED AT FAIR VALUE:					
Investments	31st March, 2023	41.54	-	41.54	-

Quantitative disclosures fair value measurement hierarchy for assets as at 31st March, 2022:

	Fair value measurement using				
	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
ASSETS MEASURED AT FAIR VALUE:					
Investments	31st March, 2022	19,425.93	19,418.47	-	7.46
Foreign exchange forward contracts receivable	31st March, 2022	78.25	-	78.25	-

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

- The fair values of the quoted mutual funds are based on price (i.e. the NAV of the mutual funds) quotations at the reporting date.
- The fair values of derivative forward contracts is determined using the marked-to-market valuation done by the banks.
- The fair values of Asset held for sale is determined as per agreement between the company and the buyer.
- The Fair value of Level 3 is determined on the basis of best estimate & information available.

B) Fair Value of financial assets and liabilities measured at amortised cost

The management assessed that cash and cash equivalents (including term deposits), trade receivables, other receivables, trade payables, Short term borrowings, lease liability and other financial liabilities approximate their carrying amounts because of the short term nature of these financial instruments.

The amortized cost using effective interest rate (EIR) of non-current financial assets consisting of security deposit, and term deposit with more than 12 months and in case of non current financial liabilities consisting of long term borrowings and non current lease liability are not significantly different from the carrying amount.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

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for the year ended 31st March, 2023 (Contd.)

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

37. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Accounting judgements, estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Share-based payments

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an Black and Scholes valuation model. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 31.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for the plans ,the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity obligations are given in note 30.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using other valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See note 35 and 36 for further disclosures.

Goodwill impairment:

The group tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of a cash generating unit (CGU) is determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth. These growth rates are consistent with forecasts included in industry reports specific to the industry in which each CGU operates.

Revenue Recognition:

Tooling Contract-The Company has enforceable right to payment for tools developed when the tool is approved by the customer and accordingly the revenue from tooling is recognized at a point in time post approval by the customer.

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for the year ended 31st March, 2023 (Contd.)

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

38. GROUP INFORMATION

Information about subsidiary and step down subsidiaries

Name	Country of incorporation	Principal activities	% equity interest	
			31st March, 2023	31st March, 2022
PCL (International) Holding B.V.	Netherlands	Finance, marketing and sales	100%	100%
Memco Engineering Private Limited	India	Manufacturing of parts of diesel engine, break parts and parts of measuring instruments	100%	100%
MFT Motoren und Fahrzeugtechnik GmbH (Through Wholly owned subsidiary PCL (International) Holding B.V.)*	Germany	Manufacturing of camshafts as well as prismatic components	100%	100%
Emoss Mobile Systems B.V., Netherlands (Through Wholly owned subsidiary PCL (International) Holding B.V.)*	Netherlands	Designing, developing, producing and suppling complete electric powertrains for trucks, busses, military vehicles and heavy equipment	100%	100%

39. EXCEPTIONAL ITEMS

Exceptional item for the year ended 31st March, 2023 & 31st March, 2022 includes following:

Particulars	31st March, 2023	31st March, 2022
Compensation from customer	-	2,741.39
NET EXCEPTIONAL ITEMS	**-**	**2,741.39**

40. CAPITAL MANAGEMENT

For the purpose of the group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the group's capital management is to maximise the shareholder value and to ensure the group's ability to continue as a going concern. The group manages its capital structure and makes adjustments for compliance with the requirements of the financial covenants. To maintain or adjust the capital structure, the group may adjust the dividend payment to shareholders, return capital to shareholders. The group monitors gearing ratio i.e. total debt in proportion to its overall financing structure, i.e. equity and debt. Total debt comprises of long term and short term borrowing which represents term loans, packing credit and cash credit taken from banks and financial institution. The group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

	31st March, 2023	31st March, 2022
Borrowings (refer note 12)	9,288.03	13,249.83
Less: cash and cash equivalents (refer note 9)	(1,864.55)	(1,244.39)
NET DEBT	7,423.48	12,005.44
Equity	71,652.42	68,165.24
Total Equity	71,652.42	68,165.24
OVERALL FINANCING	79,075.90	80,170.68
GEARING RATIO	**9.39%**	**14.97%**

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March, 2023 and 31st March, 2022.

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

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings; trade and other payables, lease liability and other financial liabilities. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include loans, trade and other receivables, investments in mutual funds and cash and cash equivalents that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, and derivative financial instruments.

The sensitivity analysis in the following sections relate to the position as at 31st March, 2023 and 31st March, 2022.

The analysis exclude the impact of movements in market variables on the carrying values of gratuity and other post retirement obligations and provisions.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term and short-term debt obligations with floating interest rates.

Sensitivity

Year	Increase/decrease in basis points	Effect on profit before tax
31ST MARCH, 2023	50	(4.64)
	(50)	4.64
31ST MARCH, 2022	50	(66.25)
	(50)	66.25

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency).

When a derivative is entered into for the purpose of being a hedge, the Group negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

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

Foreign currency Exposure

Nature of exposure	Currency	31st March, 2023		31st March, 2022	
		Amount in Curr	Amount in INR	Amount in Curr	Amount in INR
Trade Receivables	USD	115.58	9,442.54	104.74	7,888.06
	EUR	9.50	843.21	5.56	465.56
Trade Payables	USD	1.17	96.43	1.28	97.01
	EUR	0.25	22.14	3.94	336.10
	JPY	35.98	22.45	46.02	28.79
	GBP	0.02	2.46	-	-
Forward Contract	USD	85.00	7,051.00	88.70	6,831.69
	EUR	1.60	146.74	-	-

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, EUR, GBP and JPY exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives and embedded derivatives. The impact on the Group's pre-tax equity is due to changes in the fair value of forward exchange contracts designated as cash flow hedges and net investment hedges. The Group's exposure to foreign currency changes for all other currencies is not material.

Sensitivity

Year	Change in USD rate	Effect on profit before tax
31ST MARCH, 2023	5%	819.86
	-5%	(819.86)
31ST MARCH, 2022	5%	731.14
	-5%	(731.14)

Year	Change in EUR rate	Effect on profit before tax
31ST MARCH, 2023	5%	527.39
	-5%	(527.39)
31ST MARCH, 2022	5%	742.73
	-5%	(742.73)

Year	Change in GBP rate	Effect on profit before tax
31ST MARCH, 2023	5%	(0.12)
	-5%	0.12
31ST MARCH, 2022	5%	-
	-5%	-

Year	Change in JPY rate	Effect on profit before tax
31ST MARCH, 2023	5%	(1.12)
	-5%	1.12
31ST MARCH, 2022	5%	(1.44)
	-5%	1.44

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

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

Commodity risk

The Group is affected by the price volatility of certain commodities. Its operating activities require the ongoing manufacture of Camshafts, parts of diesel engine, break parts and parts of measuring instruments and therefore require a continuous supply majorly of Pig iron, MS Scrap, Resin coated sand and steel bars.

The Group's exposure to the risk of exchange in key raw material prices are mitigated by the fact that the price increases/ decreases from the vendors are passed on to the customers based on understanding with the customers. Hence the fluctuation of prices of key raw materials do not materially affect the consolidated statement of profit and loss. Also as at 31st March, 2023, there were no open purchase commitments/ pending material purchase order in respect of key raw materials.

Accordingly, no sensitivity analysis have been performed by the management.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade receivables

Customer credit risk is managed subject to the company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis for major clients. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 8. The Group does not hold collateral as security. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy.

The investment of surplus funds is made in mutual funds and fixed deposits which are approved by the Director.

The Group's maximum exposure to credit risk for the components of the balance sheet at 31st March, 2023 and 31st March, 2022 is the carrying amounts as illustrated in note 9.

Liquidity risk

Liquidity risk is the risk that the group's will not be able to meet its financial obligation as they become due. The group's manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liability when due.

The table below summarises the maturity profile of the company's financial liabilities:

Particulars	Less than 1 year	1 to 5 years	> 5 years	Total
YEAR ENDED 31ST MARCH, 2023				
Non current borrowings	-	1,796.92	-	1,796.92
Current borrowings	7,491.11	-	-	7,491.11
Lease liability	428.81	750.69	-	1,179.50
Other financial liabilities	2,153.00	-	-	2,153.00
Trade payables	12,715.60	-	-	12,715.60
	22,788.52	**2,547.61**	**-**	**25,336.13**

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

Particulars	Less than 1 year	1 to 5 years	> 5 years	Total
YEAR ENDED 31ST MARCH, 2022				
Non current borrowings	-	3,160.20	-	3,160.20
Current borrowings	10,089.63	-	-	10,089.63
Lease liability	386.15	967.79		1,353.94
Other financial liabilities	1,829.03	-	-	1,829.03
Trade payables	9,575.36	-	-	9,575.36
	21,880.17	**4,127.99**	**-**	**26,008.16**

42. DIVIDEND DISTRIBUTION MADE AND PROPOSED

Particulars	31st March, 2023	31st March, 2022
Final dividend for the year ended on 31st March, 2022 (INR 1.10 per share)	1,044.84	-
Final dividend for the year ended on 31st March, 2021 (INR 1.00 per share)	-	949.86
	1,044.84	**949.86**

The Board of Directors of holding company, in their meeting on May 25, 2021, proposed a final dividend of ₹ 1 per equity share and the same was approved by the shareholders at the Annual General Meeting held on July 27 2021. Subsequently, the dividend has been paid by the company in FY 2021-22.

The Board of Directors of holding company, in their meeting on August 10, 2022, proposed a final dividend of ₹ 1.10 per equity share and the same was approved by the shareholders at the Annual General Meeting held on September 21, 2022. Subsequently, the dividend has been paid by the company during current year.

The Board of Directors, of holding company in their meeting on May 26, 2023, proposed a final dividend of ₹ 1.00 per equity share for the year ended 31st March, 2023. The payment of diviidend is subject to approval of shareholders at the ensuing Annual General Meeting of the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

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

43. ADDITIONAL INFORMATION REQUIRED BY SCHEDULE III OF THE COMPANIES ACT 2013.

Name of the Entity	Net Assets i.e. total assets minus total liabilities		Share in profit or loss		Share in Other Comprehensive Income (OCI)		Share in Total comprehensive Income (TCI)	
	As % of conso. net assets	Amt	As % of conso. P&L	Amt	As % of conso. OCI	Amt	As % of TCI	Amt
PARENT								
Precision Camshafts Limited ((including effect of consolidation elimination and adjustment effects)	114.51%	82,051.17	131.68%	6,094.82	-14.77%	13.58	134.64%	6,108.40
SUBSIDIARIES								
Indian:								
Memco Engineering Private Limited	3.65%	2,616.52	-0.53%	(24.42)	-22.73%	20.89	-0.08%	(3.53)
Foreign:								
PCL (International) Holding B.V. (Consolidated) (attributable to equity holders of parent)	1.78%	1,277.43	-30.52%	(1,412.86)	137.49%	(126.39)	-33.93%	(1,539.25)
CONSOLIDATION ELIMINATION AND ADJUSTMENT EFFECTS	-19.95%	(14,292.70)	-0.63%	(28.95)	-	-	-0.64%	(28.95)
TOTAL	**100.00%**	**71,652.42**	**100.00%**	**4,628.59**	**100.00%**	**(91.92)**	**100.00%**	**4,536.67**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

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

44. LEASES WHERE COMPANY IS A LESSEE

Changes in the carrying value of Right-of-use Assets

Particulars	Asset Class 1 (Land and Building)
BALANCE AS AT 1ST APRIL, 2021	**892.67**
Additions	740.00
Deletion	-
Depreciation	(332.10)
Foreign Curreny translation reserve	(4.45)
BALANCE AS AT 31ST MARCH, 2022	**1,296.12**
Additions	180.91
Deletion	-
Depreciation	(429.07)
Foreign Curreny translation reserve	48.41
BALANCE AS AT 31ST MARCH, 2023	**1,096.37**

Changes in the Lease liabilities

Particulars	Category of ROU Asset
	Land and Building
BALANCE AS AT 1ST APRIL, 2021	**910.75**
Movement during the year	443.19
BALANCE AS AT 31ST MARCH, 2022	**1,353.94**
Movement during the year	(174.44)
BALANCE AS AT 31ST MARCH, 2023	**1,179.50**

Break-up of current and non-current lease liabilities

Particulars	31st March, 2023	31st March, 2022
Current Lease Liabilities	428.81	386.15
Non-current Lease Liabilities	750.69	967.79

Maturity analysis of lease liabilities

Particulars	31st March, 2023	31st March, 2022
Less than one year	428.81	386.15
One to five years	750.69	967.79
More than five years	-	-
TOTAL	**1,179.50**	**1,353.94**

Amounts recognised in statement of Profit and Loss account

Particulars	31st March, 2023	31st March, 2022
Interest on Lease Liabilities	49.05	46.44
Depreciation on ROU asset	429.07	132.37
TOTAL	**478.12**	**178.81**

Amounts recognised in statement of Cash Flows

Particulars	31st March, 2023	31st March, 2022
Total Cash outflow for leases	174.43	343.54

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

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

45. AGEING OF CWIP

(a) For Capital-work-in progress ageing schedule

31st March, 2023

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	4,920.86	3,206.49	-	-	8,127.35
Projects temporarily suspended	-	-	-	-	-

31st March, 2022

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	3,373.23	-	-	-	3,373.23
Projects temporarily suspended	-	-	-	-	-

(b) In case of the following projects (CWIP), where completion is overdue or has exceeded its cost compared to its original plan:

31st March, 2023

CWIP	To be completed in				Remarks
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress (here the completion is overdue and the cost is exceeded compared to its original plan	5,886.17	-	-	-	Approval has been obtained with respect to additional cost in the Audit Committee Meeting held on March 15, 2023. Also, certain approvals have been pending from authorities resulting in delay in capitalisation.

46. AGEING OF INTANGIBLE ASSET UNDER DEVELOPMENT

(a) Intangible assets under development ageing schedule

31st March, 2023

INTANGIBLE ASSETS UNDER DEVELOPMENT	Amount in Intangible under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	45.00	-	-	45.00
Projects temporarily suspended	-	-	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

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

31st March, 2022

INTANGIBLE ASSETS UNDER DEVELOPMENT	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	45.00	-	-	-	45.00
Projects temporarily suspended	-	-	-	-	-

(b) **In case of the following projects (IAUD), where completion is overdue or has exceeded its cost compared to its original plan:**

31st March, 2023

INTANGIBLE ASSETS UNDER DEVELOPMENT	To be completed in				Remarks
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress (here the completion is overdue)	45.00	-	-	-	There are certain technical issues relating to implementation of SAP, resulting in delay in capitalisation.

47. RECONCILIATION OF QUARTERLY RETURNS OR STATEMENTS OF CURRENT ASSETS FILED BY THE HOLDING COMPANY WITH BANKS OR FINANCIAL INSTITUTIONS

31st March, 2023

Quarter	Name of bank	Particulars of Securities Provided	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference	Reason for material discrepancies
Jun-22	Bank of India and Bank of Baroda	Trade Receivables	13,682.97	18,135.24	(4,452.27)	The difference is due to the submission to the Banks were made before financial reporting closure process
		Trade Payables *	7,689.94	7,570.25	119.69	
		Inventories	6,928.58	2,614.18	4,314.40	
Sep-22	Bank of India and Bank of Baroda	Trade Receivables	12,751.81	17,574.10	(4,822.29)	
		Trade Payables *	6,798.50	6,708.54	89.96	
		Inventories	6,815.68	2,783.59	4,032.09	
Dec-22	Bank of India and Bank of Baroda	Trade Receivables	12,793.52	18,506.22	(5,712.70)	
		Trade Payables *	7,120.94	6,884.86	236.08	
		Inventories	7,082.63	2,858.85	4,223.78	
Mar-23	Bank of India and Bank of Baroda	Trade Receivables	14,455.83	19,645.73	(5,189.90)	
		Trade Payables *	8,388.18	8,255.97	132.21	
		Inventories	6,810.99	2,837.19	3,973.80	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

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

31st March, 2022

Quarter	Name of bank	Particulars of Securities Provided	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference	Reason for material discrepancies
Jun-21	Bank of India and Bank of Baroda	Trade Receivables	8,261.32	12,900.98	(4,639.66)	The difference is due to the submission to the Banks were made before financial reporting closure process
		Trade Payables *	5,109.00	5,122.47	(13.47)	
		Inventories	5,087.76	2,049.26	3,038.50	
Sep-21	Bank of India and Bank of Baroda	Trade Receivables	8,038.39	12,643.49	(4,605.10)	
		Trade Payables *	4,581.85	4,503.95	77.90	
		Inventories	5,268.75	2,117.61	3,151.14	
Dec-21	Bank of India and Bank of Baroda	Trade Receivables	9,820.24	14,568.68	(4,748.44)	
		Trade Payables *	5,554.93	5,465.30	89.63	
		Inventories	5,470.11	2,273.08	3,197.03	
Mar-22	Bank of India and Bank of Baroda	Trade Receivables	12,300.47	18,175.13	(5,874.66)	
		Trade Payables *	6,546.24	6,438.80	107.44	
		Inventories	6,283.70	2,048.46	4,235.24	

* Excluding provision for expenses and including capital payables.

48. DETAILS OF BENAMI PROPERTY HELD

The group does not have any benami property, where any proceeding has been initiated or pending against the group for holding any benami property.

49. WILFUL DEFAULTER

The group has not being declared as wilful defaluter by any bank or financials instiution or any government authority.

50. RELATIONSHIP WITH STRUCK OFF COMPANIES UNDER SECTION 248 OF THE COMPANIES ACT, 2013 OR SECTION 560 OF COMPANIES ACT, 1956

The group does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

51. COMPLIANCE WITH NUMBER OF LAYERS OF COMPANIES

The group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

55. UTILISATION OF BORROWED FUNDS AND SHARE PREMIUM:

(i) The group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the Intermediary shall:

  (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or

  (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

(ii) The group has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

  (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or

  (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries,

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2023 (Contd.)

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

53. UNDISCLOSED INCOME

The group does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year (previous year) in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.)

54. DETAILS OF CRYPTO CURRENCY OR VIRTUAL CURRENCY

The group has not traded or invested in crypto currency or virtual currency during the financial year.

55. CASUAL VACANCY OF COMPANY SECRETARY

The holding company is in the process of filling up the vacancy for the position of Company Secretary who resigned on April 30, 2023.

56. PREVIOUS YEAR COMPARATIVES

Previous year's figures have been regrouped/reclassified to correspond with the current year's classification/disclosure.

The accompanying notes are an integral part of the financial statements

As per our report attached of even date
For **MSKA & Associates**
Chartered Accountants
Firm Regn. Number: 105047W

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

Nitin Manohar Jumani
Partner
Membership Number: 111700

Place: Pune
Date: 26th May, 2023

Yatin S. Shah
Managing Director
DIN: 00318140

Place: Pune
Date: 26th May, 2023

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

Place: Pune
Date: 26th May, 2023

Karan Y. Shah
Whole-time Director
DIN. 07985441

Place: Pune
Date: 26th May, 2023

PRECISION CAMSHAFTS LIMITED

CIN: L24231PN1992PLC067126
Regd. Office: E 102/103, M.I.D.C., Akkalkot Road, Solapur - 413006. Maharashtra, India.
Tel.: +91 -9168646536/37Fax: +91 (217) 2357645
Website: www.pclindia.in E-mail: info@pclindia.in;

Date: 26th May 2023

Dear Member,

You are cordially invited to attend the 31st Annual General Meeting (AGM) of Precision Camshafts Limited ('the Company') which is scheduled to be held on Wednesday, 26th July 2023 at 3.00 PM (IST) through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM").

The Notice of the meeting, containing business to be transacted, along with Explanatory Statement thereon is enclosed herewith.

As per Section 108 of the Companies Act 2013, read with the related Rules and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide its members the facility to cast their vote by electronic means on all resolutions set forth in the Notice before and during the meeting. The instructions for e-voting are enclosed herewith in AGM Notice.

Yours Sincerely,
For **Precision Camshafts Limited**

Yatin S. Shah
Chairman and Managing Director
DIN: 00318140

Enclosures-
- Notice of the 31st AGM.
- Instructions for members for remote e-voting and joining Annual General Meeting.
- Instructions for members for e-voting on the day of the Annual General Meeting.
- Instructions for members for attending the Annual General Meeting through VC/OAVM.
- Explanatory Statement as per Section 102 of the Companies Act, 2013.

NOTICE

NOTICE is hereby given that the 31st Annual General Meeting (AGM) of Precision Camshafts Limited will be held on Wednesday, 26th July, 2023 at 3.00 PM (IST) through Video Conferencing (VC)/Other Audio-Visual Means (OAVM) to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt: -

(a) The Audited Standalone Financial Statements of the Company for the Financial Year ended 31st March, 2023 including Reports of the Board of Directors and Auditors thereon; and

(b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2023 including the Reports of the Auditors thereon

2. To declare final dividend of ₹. 1 per equity share of ₹ 10/- each for the Financial Year ended 31st March, 2023

3. To appoint a Director in place of Mr. Karan Y. Shah (DIN: 07985441), who retires by rotation, and being eligible, offers himself for re-appointment

SPECIAL BUSINESS

4. TO RATIFY THE REMUNERATION OF COST AUDITORS FOR THE FINANCIAL YEAR ENDING 31st MARCH, 2024.

To consider and if thought fit, to pass with or without modification(s), the following resolution(s) as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 148 of the Companies Act, 2013, read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 **and other applicable provisions, if any, (**including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the members of the Company hereby ratify the remuneration of ₹.1,50,000/- (Rupees One Lakh Fifty Thousand Only) plus taxes thereon, and out-of-pocket expenses incurred in connection with the audit, if any, chargeable extra on actual basis, payable to M/s. S. V. Vhatte & Associates, Cost Accountants (Membership No: 7501 Firm Registration No. 100280) who have been appointed as Cost Auditors by the Board of Directors of the Company, to conduct cost audit of the cost records of the Company for the Financial Year ending 31st March, 2024.

RESOLVED FURTHER THAT the Board of Directors (including any committee thereof) be and is hereby authorised to do or to authorise any person to do all such acts, deeds, matters and things as may be considered necessary, relevant, usual, customary, proper and/ or expedient for giving effect to this resolution and for matters connected therewith or incidental thereto."

5. TO CONSIDER APPOINTMENT OF MR. KARAN Y. SHAH (DIN: 07985441) WHOLE-TIME DIRECTOR FOR THE PERIOD STARTING FROM 13th AUGUST, 2023 TILL 31st MARCH, 2027 AND TO FIX HIS REMUNERATION

To consider and if thought fit, to pass with or without modification(s), the following resolution(s) as an **Ordinary Resolution**:

"**RESOLVED THAT** in accordance with the provisions of Section 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force), as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, consent of the members of the Company be and is hereby accorded for re-appointment of Mr. Karan S. Shah (DIN: 07985441) as Whole-time Director of the Company for the period starting from 13th August, 2023 to 31st March, 2027.

RESOLVED FURTHER THAT pursuant to the provisions of Section 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof), recommendation of Nomination and Remuneration Committee and approval of Board of Directors, Mr. Karan Y. Shah be paid fixed annual remuneration of ₹ 78,00,000/- (Rupees Seventy-Eight Lakhs Only) for the period 13th August, 2023 to 31st March, 2027 inclusive of all allowances, perquisites and statutory contributions as per the policy of the Company in accordance with the applicable provisions of Income Tax Act 1961.

RESOLVED FURTHER THAT in the event of overall ceiling of Managerial Remuneration being higher than the actual remuneration of ₹ 78,00,000/-(Rupees

Seventy-Eight Lakhs Only), Mr. Karan Y. Shah shall be eligible for variable pay which shall be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, over and above the actual remuneration, but not exceeding individually 5% and overall ceiling limit of 10% of net profits for remuneration payable to all Managing Directors, Whole-time Directors and Managers taken together, as stated in Section 197 of the Companies Act, 2013.

RESOLVED FURTHER THAT notwithstanding anything herein above stated, where in any financial year during the tenure of Mr. Karan Y. Shah as Whole-time Director of the Company, the Company incurs a loss or its profits are inadequate, the Company shall pay such remuneration as may be mutually agreed by the Company and Mr. Karan Y. Shah but not exceeding limits prescribed under Schedule V of Companies Act, 2013.

RESOLVED FURTHER THAT Mr. Karan Y. Shah shall be entitled for the reimbursement of actual entertainment, traveling, boarding, and lodging expenses and such other expenses incurred by him in connection with the Company's business which shall not be considered as part of remuneration.

RESOLVED FURTHER THAT Nomination and Remuneration Committee and/or Board of Directors be and are hereby authorised to revise, amend, alter and/or vary the terms and conditions of appointment and remuneration and delegate authority to Human Resource – General Manager to determine components of remuneration, subject to the same not exceeding the limits as specified under Section 197, read with Schedule V of the Companies Act, 2013 or any statutory modifications or re-enactment thereof."

6. PAYMENT OF COMMISSION TO NON-EXECUTIVE DIRECTORS

To consider and if thought fit, to pass with or without modification(s), the following resolution(s) as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 197 and any other applicable provisions of the Companies Act, 2013 (hereinafter referred to as the "Act") and the rules made thereunder read with Regulation 17 of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the members be and is hereby accorded to the payment of commission of a sum not exceeding one percent of the annual net profits of the Company computed in accordance with the provisions of Section 197 read with Section 198 of the Act, to such Directors of the Company (other than Executive Directors) in such proportion and manner as may be decided by the Board of Directors, for a period of four (4) years and such payment shall be made in respect of the profits of the Company for the financial years commencing from 1st April, 2023 to 31st March, 2027.

RESOLVED FURTHER THAT the above remuneration shall be in addition to the reimbursement of expenses for participation in the Board and other meetings."

By the Order of the Board of Directors
For **Precision Camshafts Limited**

Yatin S. Shah
Chairman and Managing Director
DIN: 00318140

Date: 26th May, 2023
Place: Pune

CIN : L24231PN1992PLC067126
Website : www.pclindia.in
E-mail ID: cs@pclindia.in

Registered Office
E 102/103 MIDC
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Phone: +91 9168646536/37

Corporate Office:
D-5 Chincholi, MIDC, Solapur-413255,
Maharashtra, India
Phone: +91 9168646531/32/33

Pune Office
Office No. 501/502,
Kanchanban "B", Sunit Capital,
CTS No. 967, FP No. 397,
Senapati Bapat Road Pune 411016
Phone: -020-25673050

NOTES:

1. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 (the "Act"), setting out the material facts for each item of special business mentioned in items enumerated above of the Notice to be transacted at the Annual General Meeting ("AGM") is annexed and forms an integral part of the Notice.

2. In terms of the MCA and SEBI Circulars, physical attendance of the Members to the AGM venue is not required and general meeting be held through video conferencing (VC) or other audio-visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.

3. In terms of the MCA and SEBI Circulars, the Annual General Meeting is conducted through VC/OAVM, and since physical attendance of member is dispensed with, there is no requirement of appointment of proxies. Therefore, the facility for appointment of Proxy by the Members is not available for this AGM and hence Proxy Form and Attendance Slip including Route Map are not annexed to this Notice. Members attending through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

4. In accordance with the Secretarial Standard – 2 on General Meetings issued by the Institute of Company Secretaries of India ("ICSI"), read with clarification/guidance note on applicability of Secretarial Standards – 1 and 2, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be deemed to be the venue of the AGM.

5. If the final dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend subject to deduction of Tax at Source (TDS) will be made within the statutory time limit. As it is important for the Company to receive the relevant information from members to determine the rate of tax deduction, the members are requested to furnish relevant documentation in the prescribed manner on the portal of Registrar and Transfer Agent ("RTA") on or before cut-off date i.e. Tuesday, 18th July, 2023. The applicable TDS rate for dividends and documents to be furnished by each category of members is given in the **Annexure II**. The format of relevant documents can be downloaded at Forms for TDS. The relevant documents can be uploaded on the RTA's portal at https://web.linkintime.co.in. The information given in the Annexure may not be exhaustive and the members should evaluate on their own about the category for which they should furnish the documents. In absence of all the relevant documents, the Company shall determine TDS rate based on information available with the RTA (for shares held in physical form) and the Depository Participants ("DPs") (for shares held in dematerialized form). Please note that the duly completed & signed documents should be uploaded on the portal of the RTA on or before 18th July, 2023. Ambiguous, incomplete and/or unsigned forms and declarations will not be considered by the Company. No communication on the tax determination/deduction shall be considered after the above-mentioned date & time. Members are also requested to update changes in their Residential Status, if any, with the RTA (for shares held in physical form) & the DPs (for shares held in dematerialized form), along with the supporting documents. If the Permanent Account Number ("PAN") is not as per the database of the Income-tax portal, it would be considered as an invalid PAN. Further, individual members are requested to link their Aadhaar number with the PAN. In case, TDS is deducted at a higher rate in the absence of receipt of the specified details/documents, you would still have the option of claiming refund of the excess tax paid at the time of filing your income tax return, only in case your valid PAN is registered with the RTA (for shares held in physical form) and the DPs (for shares held in dematerialized form). No claim shall lie against the Company for such taxes deducted. Members should note that any document/form not uploaded on the portal will not be considered for the purpose of processing and shall be rejected, therefore, it should be uploaded on the portal only. In case of any queries, please write to us at tds.dividend@pclindia.in or rnt.helpdesk@linkintime.co.in.

6. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

7. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

8. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and relevant MCA circulars and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorised agency.

9. Members holding shares in dematerialised mode are requested to intimate all changes pertaining to their bank details, ECS mandates, email addresses, nominations, power of attorney, change of address/ name etc. to their Depository Participant (DP) only and not to the Company or its Registrar and Transfer Agent. Any such changes effected by the DPs will automatically reflect in The Company's subsequent records.

10. The Company's Registrar and Transfer Agents for its Share Registry work (physical and electronic) are Link Intime India Private Limited (Block No. 202, 2nd Floor, Akshay Complex, Dhole Patil Road, Pune – 411001.)

11. Members can avail of the nomination facility by filing Form SH-13, as prescribed under Section 72 of the Companies Act, 2013 and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, with the Company.

12. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 and various circulars issued by the Ministry from time to time.

ELECTRONIC DISPATCH OF NOTICE AND ANNUAL REPORT AND PROCESS FOR REGISTRATION OF EMAIL ID FOR OBTAINING COPY OF ANNUAL REPORT:

13. In accordance with, the General Circular No. 20/2020 dated 5th May, 2020, General Circular No. 02/2021 dated 13th January, 2021 and General Circular No. 10/2022 dated 28th December, 2022 issued by MCA and Circular No. SEBI /HO /CFD /CMD1/CIR/P/2020/79 dated 12th May, 2020, Circular No. SEBI/HO/CFD/CMD2/ CIR/P/ 2021/11 dated 15th January, 2021 and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13th May, 2022 and SEBI/HO/CFD/PoD2/P/CIR/2023/4 dated 5thJanuary, 2023 issued by SEBI, the financial statements (including Report of Board of Directors, Auditor's report or other documents required to be attached therewith), including the Notice of AGM are being sent only in electronic mode to Members whose e-mail address is registered with the Company/Registrar and Transfer Agent ("RTA") or Depository Participant(s) ("DP"). The Company will not be dispatching physical copies of such statements and Notice of AGM to any member.

14. Members are requested to register their email address, in respect of their demat holding with their respective DP's.

15. A copy of the Notice of this AGM along with Annual Report for the FY 2022-23, is available on the website of the Company at https://www.pclindia.in and on the website of Stock Exchanges i.e. BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE) at www.bseindia.com and www.nseindia.com respectively, and on the website of NSDL at www.evoting.nsdl.com

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER: -

1. The remote e-voting period begins on Sunday, 23rd July, 2023 at 9.00 AM (IST) at ends on Tuesday, 25th July, 2023 at 5.00 PM (IST). The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the **(cut-off date) i.e. Tuesday, 18th July, 2023,** may cast their vote electronically.

2. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Tuesday, 18th July, 2023.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in demat mode. In terms of SEBI circular dated 9th December, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play
Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.

Type of shareholders	Login Method
	4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/ CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 - 4886 7000 and 022 - 2499 7000.
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.

3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company. For example, if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

For example, if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. **Password details for shareholders other than Individual shareholders are given below:**

   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

   (i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

   (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".

3. Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer by e-mail to jbbhave@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 and 022 - 2499 7000 or send a request to Mrs. Pallavi Mhatre at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to (Company email id).

2. In case shares are held in demat mode, please provide DPID-CLID (16-digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar

Card) to (Company email id). If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

3. Alternatively, shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

4. In terms of SEBI circular dated 9th December, 2020, on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.

3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders who would like to express their views/ have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at (company email id). The same will be replied by the Company suitably.

DETAILS OF SCRUTINIZER

1. M/s. Jayavant B. Bhave, Proprietor, J.B.Bhave & Co., Practicing Company Secretary, Pune, (ICSI Membership No FCS-4266, CP-3068) has been appointed as a Scrutiniser to scrutinise the e-voting process in a fair and transparent manner.

2. The Scrutiniser after scrutinising the votes cast by remote e-voting and e-voting during the meeting will make a consolidated Scrutinisers Report and submit the same to the Chairman or the Company Secretary and Compliance Officer of the Company or persons authorised by him who shall countersign the same and declare the results of voting forthwith.

3. The Results declared along with a Scrutiniser's Report shall be hosted on the Company's website at https://www.pclindia.in and on the website of NSDL at www.evoting.nsdl.com immediately after the result is declared by the Chairman or a person authorised by him. The results shall simultaneously be communicated to the Stock Exchanges viz. BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) at www.bseindia.com and www.nseindia.com respectively.

PROCEDURE FOR SPEAKER REGISTRATION, SUBMISSION OF QUESTIONS / QUERIES:

1. As the AGM is being conducted through VC/OAVM, for the smooth conduct of proceedings of the AGM, members are requested to express their views/send their queries in advance mentioning their name, demat account number / folio number, email id, mobile number, their queries/views/questions at secretarial@pclindia.in.

2. Members holding shares as on the cut-off date i.e. **Tuesday, 18th July, 2023**, and who would like to speak or express their views or ask questions during the AGM may register themselves as speakers by sending an email to secretarial@pclindia.in during, **19th July, 2023 from 9.00 AM (IST) upto 21st July, 2023 5.00 PM.** Those members who have registered themselves as speaker will only be allowed to speak/express their views/ask questions during the AGM.

3. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

By the Order of the Board of Directors
For **Precision Camshafts Limited**

Yatin S. Shah
Chairman and Managing Director
DIN: 00318140

Date: 26th May, 2023
Place: Pune

EXPLANATORY STATEMENT AS PER SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4

RATIFICATION OF REMUNERATION TO M/S. S. V. VHATTE & ASSOCIATES, COST ACCOUNTANTS AS COST AUDITOR:

The Board of Directors of the Company in their meeting held on 26th May, 2023, approved the appointment and remuneration of M/s S. V. Vhatte & Associates, Cost Accountants [Firm Registration No.: 100280] as the Cost Auditors of the Company to conduct the audit of the cost records of the Company for the Financial Year 2023-24 at a remuneration of ₹ 1,50,000/- (Rupees One Lakh Fifty Thousand only) plus taxes thereon and out-of-pocket expenses to be incurred during the Audit, subject to the approval of members at General Meeting.

In terms of the provisions of Section 148 (3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is to be ratified by the members of the Company.

The Directors recommend that the remuneration payable to the Cost Auditor in terms of the resolution set out at Item No. 4 of the Notice be ratified by the members.

None of the Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the Resolution set out at Item No. 4 of the Notice.

The Board recommends the Resolution set out in Item No. 4 for approval of members as ordinary resolution.

Item No. 5

TO CONSIDER APPOINTMENT OF MR. KARAN Y. SHAH (DIN: 07985441) WHOLE-TIME DIRECTOR FOR THE PERIOD 13th AUGUST, 2023 TILL 31st MARCH, 2027 AND TO FIX HIS REMUNERATION

Mr. Karan Y. Shah (DIN: 07985441) was appointed as Whole-time Director for a period of five years from 13th August, 2018 to 13th August, 2023 in the 26th AGM held on 26th September, 2018. The shareholders in the 30th AGM had approved the fixed annual remuneration of ₹ 78,00,000/- to Mr. Karan Y. Shah for the period 1st April, 2022 to 12th August, 2023.

On the recommendation of Nomination and Remuneration Committee, the Board of Directors at its meeting held on 26th May, 2023 provided its consent to reappoint Mr. Karan Y. Shah as a Whole-time Director, Business Development and to pay Mr. Karan Y. Shah fixed annual remuneration of ₹ 78,00,000/- p.a. for a period starting from 13th August, 2023 till 31st March, 2027, subject to the approval of members.

This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013

The relevant details pursuant to Secretarial Standard on General Meetings issued by the Institute of Companies Secretaries of India are provided in the “Annexure 1” to the Notice.

None of the Directors, Key Managerial Personnel and their relatives other than Mr. Karan Y. Shah and his relatives, are in any way, concerned or interested in the Item no. 5 of the notice.

The Board recommends the Resolution set out in Item No. 5 for approval of shareholders as ordinary resolution.

Item No. 6

APPROVAL FOR PAYMENT OF COMMISSION TO NON-EXECUTIVE DIRECTORS OF THE COMPANY.

The members of the Company at the 28th Annual General Meeting held on 30th July, 2020 approved by way of an Ordinary Resolution under Section 197 of the Companies Act, 2013, the payment of remuneration by way of commission to the Non-Executive Directors of the Company, of a sum not exceeding 1% per annum of the net profits of the Company, calculated in accordance with the provisions of the Companies Act, 2013 for the period of 1st April, 2020 to 31st March, 2023.

It is proposed to renew the said approval for a further period of 4 years commencing from 1st April, 2023 to 31st March, 2027. It is proposed that the Non-Executive Directors be paid remuneration in form of commission as may be decided by the Board of Directors subject to such aggregate commission amount not exceeding 1% per annum of the net profits of the Company computed in accordance with the applicable provisions of the Companies Act, 2013 as well as Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This remuneration will be distributed amongst Non-Executive Directors in accordance with the directions given by the Board of Directors and subject to any other applicable requirements under the Companies Act, 2013 as well as Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This remuneration shall be in addition to reimbursement of expenses for participation in the Board and other meetings.

Non-Executive Directors and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 6 of the Notice

The Board recommends the Resolution set out in Item No. 6 for approval of shareholders as ordinary resolution.

By the Order of the Board of Directors
For **Precision Camshafts Limited**

Yatin S. Shah
Chairman and Managing Director
DIN: 00318140

Date: 26th May, 2023
Place: Pune

ANNEXURE I TO ITEM NO. 05 OF THE NOTICE

Pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 issued by the Institute of Company Secretaries of India, following information is furnished about the Director proposed to be re-appointed:

Name of Director	**Mr. Karan Y. Shah**
DIN	07985441
Age	33 Years
Date of First Appointment	13th August, 2018
Qualifications	Bachelor's in mechanical engineering (Purdue University, USA) Master of Business Administration (Harvard Business University, USA)
Relationship with Directors	Son of Mr. Yatin S. Shah and Dr. Suhasini Y. Shah
Experience (including Expertise in Specific area/ Brief Resume)	Business Development, Strategic planning, Engineering
Number of Board Meetings attended during the year	5 Meetings
Directorship of Other Board as on date of notice / Committee membership of Companies as of 31st March, 2023	Mr. Karan Y. Shah is Director in below mentioned Companies: 1. Mayura Davda Shah Ventures Private Limited 2. Precision Camshafts Limited 3. MEMCO Engineering Private Limited 4. PCL (International) Holding B.V. 5. EMOSS Mobile Systems B.V. He is not a member in Committees of other Companies.
Names of other listed Companies in which the person also holds the directorship and the membership of Committees of the Board viz. Audit Committee and Stakeholders Relationship Committee	NIL
Membership/Chairmanship of Committee of other Boards as on date of notice	NIL
Terms and Conditions of re-appointment	As set out in the resolution.
Remuneration last drawn (including sitting fees, if any)	₹ 67,19,284
Remuneration proposed to be paid	₹ 78,00,000
Number of equity shares held in the Company as on 31st March, 2023.	14,500

ANNEXURE II – TDS ON DIVIDEND

Companies paying dividend are required to withhold tax at the applicable tax rates (unless otherwise exempted, TDS rate is 10% for resident members with valid PAN, 20% for resident members without PAN or invalid PAN and rates prescribed under the Act or Tax Treaty, read with Multilateral Instruments, if applicable, for non-resident members). **No withholding of tax is applicable** if the dividend payable to resident individual members is less than ₹5,000/- p.a.

Section 206AB has been introduced by the Finance Act, 2021, whereby TDS will be higher of the following:

i. Twice the rate specified in the relevant provision of the Act; or

ii. Twice the rate or rates in force; or

iii. the rate of 5%; in case a person has not filed his/her Return of Income for each of the two preceding financial years and the aggregate of TDS including Tax Collected at Source ("TCS") in his/her case is ₹50,000/- or more in each of these two financial years. The aggregate amount of TDS/TCS of ₹50,000/- in a year is not limited to TDS only on dividend income received by the member but will include all TDS/TCS transactions of the member during the relevant financial year. These provisions are effective from 1st July, 2022. The status of filing of Return of Income by the members would be verified from the functionality provided by the Indian Income Tax authorities. The Company would solely rely on the information available on the Income Tax portal in this regard.

   In order to provide exemption from TDS or apply lower rate of TDS or consider benefit of relevant Double Taxation Avoidance Agreement ("DTAA") with India as may be applicable, the documents prescribed for each category of member (as per the eligibility) must be uploaded on the portal of RTA at https://web.linkintime.co.in.. The format of relevant documents are available Forms for TDS. If the documents are found in accordance with the provisions of the Act the same shall be considered while deducting the taxes.

   If the dividend income is assessable to tax in the hands of a person other than the registered member as on the Record Date, the registered member is required to furnish a declaration to the Company containing the name, address, PAN, beneficiary account no. (16 digits), number of shares of the person to whom TDS credit is to be given and reasons for giving credit to such person on or before 5th September, 2022.

1. **Resident individual member**
   a. Form 15G or Form 15H;
   b. Any other documents as prescribed under the Act for lower withholding of taxes; and
   c. PAN or documentary evidence if you are exempt from obtaining PAN.

2. **Resident non-individual member** (Company, Firms, HUF, AOP, Trust)
   a. Lower withholding tax certificate for the financial year 2022-23, if any, obtained from the Income Tax authorities; and
   b. PAN.

3. **Resident mutual fund member**
   a. Copy of relevant registration documents;
   b. A declaration that the mutual fund is governed by the provisions of Section 10 (23D) of the Act; and
   c. PAN.

4. **Resident insurance Company member**
   a. Copy of relevant registration documents;
   b. A declaration that the insurance Company is beneficial owner of the shares held; and
   c. PAN.

5. **Alternative Investment Fund ("AIF")**
   a. Copy of registration documents;
   b. A declaration that its income is exempt under Section 10 (23FBA) of the Act and AIF is established as Category I or Category II AIF under the SEBI Regulations; and
   c. PAN.

6. **Non-resident member**

   All the documents given below should be attested by self/authorised signatory:
   a. Copy of Tax Residency Certificate ("TRC") for the financial year 2022-23 obtained from the revenue authorities of the country of residence;
   b. Form 10F for financial year 2022-23;
   c. Self-declaration of Beneficial Ownership;
   d. Self-declaration for not having Permanent Establishment in India in accordance with the applicable Tax Treaty;
   e. PAN; and
   f. Any other documents as prescribed under the Act for lower withholding of taxes, if applicable.

The Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction/withholding on dividend amounts. Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by non-resident members.

NOTES

where Passion
meets Performance

PRECISION CAMSHAFTS LIMITED

Registered Office:
E - 102 / 103, MIDC Akkalkot Road
Solapur - 413 006, Maharashtra, India

Manufacturing Facilities:
D - 5, 6, 7, 7/1 MIDC, Chincholi
Solapur - 413 255
Ph.: 9168646531 / 32 / 33

E - 90, 102 / 103, MIDC, Akkalkot Road
Solapur - 413 006
Ph.: 9168646536 / 37