where Passion meets Performance

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CIN L24231PN1992PLC067126

PCL/SEC/22-23/036

Date: 30th August 2022

To,	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**	**BSE Limited,** Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001 **BSE Scrip Code – 539636**

Subject: Notice of 30th Annual General Meeting (AGM), Annual Report for Financial Year 2021-22 and Book Closure for AGM and dividend

Dear Sir/Madam,

This is to inform that 30th Annual General Meeting (AGM) of members of Precision Camshafts Limited is scheduled to be held on **Wednesday, 21st September 2022 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 2021-22 along with the Notice of the 30th 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, 14th September 2022** to **Wednesday, 21st September 2022** (both days inclusive) for the purpose of AGM and payment of dividend.

The above information is for your record.

Thanking You.

Yours Faithfully,
For **Precision Camshafts Limited**

PRECISION CAMSHAFTS LIMITED SOLAPUR

Gautam

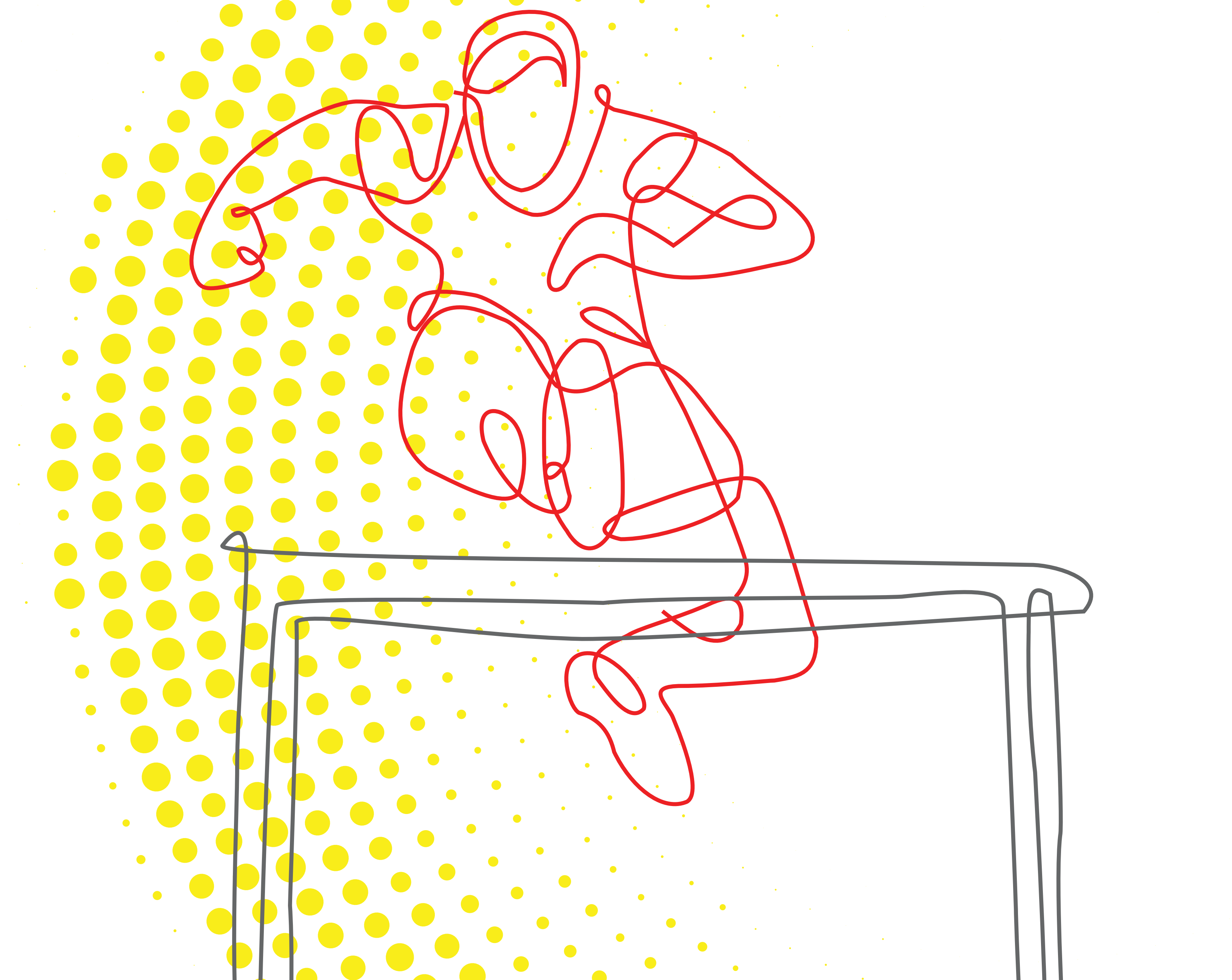
Gautam V. Wakankar
Company Secretary & Compliance Officer

PRECISION CAMSHAFTS LIMITED

30th Annual Report 2021-22

PRECISION

where Passion meets Performance



RESPONSIBLE RESILIENT READY

WHAT'S INSIDE...

1 Corporate Overview

2 Statutory Reports

3 Financial Statements

Investor Information

Market Capitalisation as at 31st March, 2022: ₹ **1,259 Crores**

CIN: **L24231PN1992PLC067126**

ISIN: **INE484I01029**

BSE Code: **539636**

NSE Symbol: **PRECAM**

Bloomberg Code: **PRECAM:IN**

Dividend Recommended: ₹ **1.10/- (11%) per equity share**

AGM Date: **21st September, 2022, 3:00 PM IST**

AGM Mode: **Video Conferencing (VC)/ Other Audio-Visual Means (OAVM)**

For more investor-related information, please visit https://pclindia.in/index.php/financials_new/
Or Simply Scan to view the online version of the Report

At Precision Camshafts Limited, sustainability forms the core of all activities. We endeavour 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.

We are at the forefront of change and in pursuit of shaping the future of motion and mobility. Our growth, goals and objectives are inextricably connected with being 'Responsible, Resilient, and Ready'.

RESPONSIBLE: Our efforts, as a responsible citizen, are focused on accomplishing long-term business goals and ensuring growth and well-being for all present in the eco-system.

RESILIENT: Our ability to defy challenges in pursuit of consistent growth is a testimony of our resilient and efficient foundation, which renders us higher endurance to stand high even amid complications.

READY: Our endeavours, to constantly build on our capabilities and competencies, help strengthen our skills while preparing us for the times to come.

OUR RESILIENT JOURNEY

1992

- Incorporated PCL

1997

- PE Investment – CDC

1999

- Entered into a JV in India, with G Clancey Ltd, UK

2016

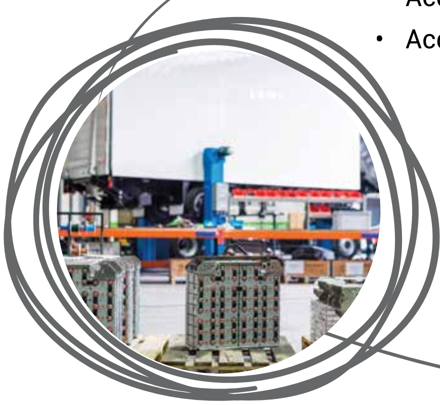
- Launched IPO and got listed on BSE and NSE

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

2006

- Acquired 51% stake of G Clancey Ltd in the JV

2008

- PE Investment – TATA Capital

2011

- Incorporated PCL (Shanghai) Company Ltd

2012 & 2013

- Entered a JV in China with SLPCL & PCLSL

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

OUR STORY OF BEING RESPONSIBLE, RESILIENT AND READY

WHAT WE DO?

As the parent company of the Group, PCL manufacture premium quality camshafts, a critical engine component, in India since 1992. We are built on the solid foundation and emerged as one of the market leaders in the Camshaft manufacturing. PCL is the only supplier in the world to offer all camshafts technologies under one roof.

WHERE WE ARE?

We are headquartered in Solapur, Maharashtra, with two plants situated in Solapur (India) (4 foundries and 4 machine shops), two plants situated in Nashik (India), one plant in Cunewalde (Germany) and one plant situated in Oosterhout (Netherlands). At present, our customer base spans across 17 countries.

WHAT WE MAKE?

We are one of the few leading global camshafts manufacturers, equipped with technological capabilities in manufacturing cast iron, ductile iron, hybrid and assembled camshaft. Moreover, we are also a significant supplier of vital injector components, balancer shafts and other speciality prismatic parts, as well as complete electric drive lines, to leading Original Equipment Manufacturers (OEMs) and end-customers, worldwide.

WHAT ARE WE KNOWN FOR?

We attain market distinction primarily by being the:

- Provider of one-stop solution for niche machined components, including Camshafts, Balancer Shafts and Injectors
- Leading supplier partner to marquee global OEMs

WHAT SETS US APART?

- State-of-the-art manufacturing capabilities
- Passionate engineering expertise combined with strong performance

Our Values

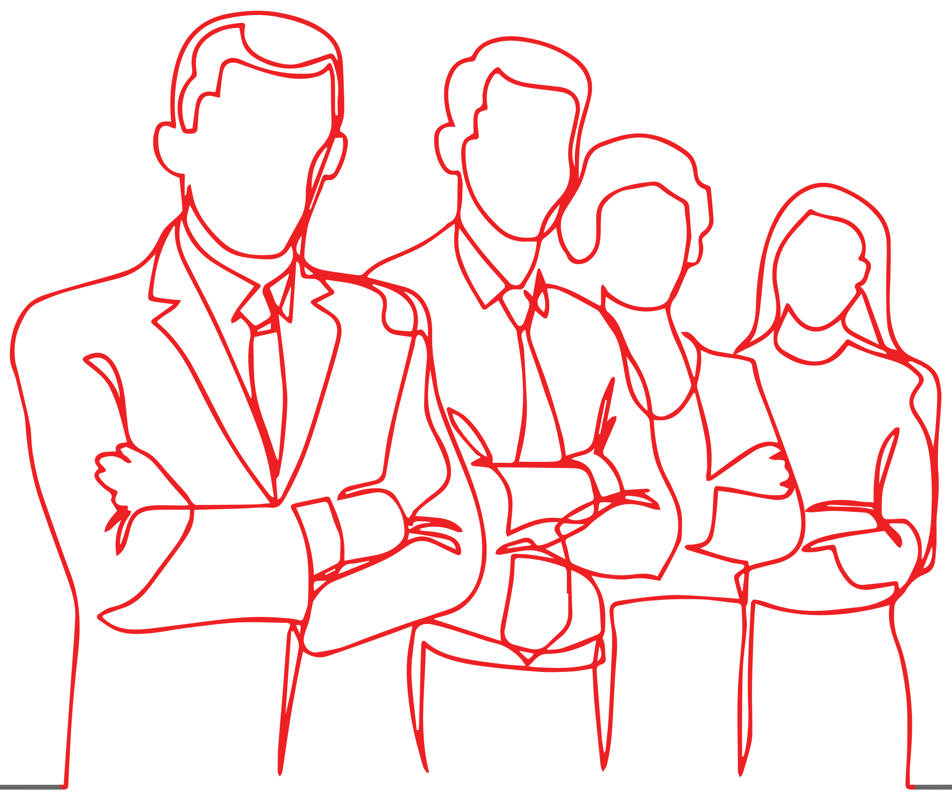
We operate on the principle of "C.R.E.A.T.E" – Customer Focus, Respect, Excellence, Agility, Teamwork, Entrepreneurship. An acronym for an exemplary set of principles that are perceptible in every interaction and interface with PCL employees.

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 DNA

The Precision DNA is **"FIIERCE"** 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 details 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 rich experience in the automotive industry

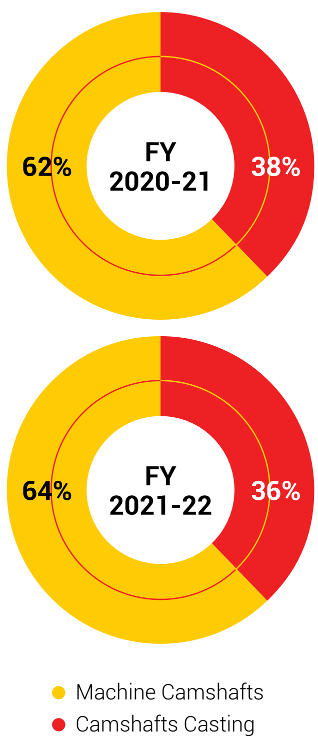
300+ ENGINEERS
driving extensive production experience

~150+ VARIANTS
of camshafts, majorly catering to passenger vehicles

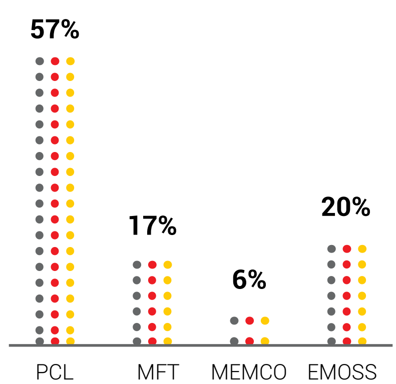
45+ CUSTOMERS
across the globe

8 FACILITIES
comprising four foundries and four machine shops in Solapur, Maharashtra

VOLUME CONTRIBUTION



CONSOLIDATED REVENUE CONTRIBUTION



OUR READINESS TESTIFIED BY OUR REACH

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

OUR RESILIENCE SUPPORTED BY OUR MARQUEE CLIENTELE

COMMON

COMMON

TRANSPORTATION (PRIVATE SECTOR)

ROAD SWEEPER (PUBLIC SECTOR)

ROAD SWEEPER (PUBLIC SECTOR)

FIRE TRUCK (OEM)

OUR RESPONSIBILITY REFLECTED IN OUR STAKEHOLDER ENGAGEMENT

STAKEHOLDERS	KEY EXPECTATIONS	MODE OF ENGAGEMENT
Customers	• 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
Shareholders	• Information on Company's performance • Company's financial health, growth and performance • Dividend payments	• Annual General Meetings • Quarterly Investor Presentation • Investor and analyst call and meets • Press releases
Employees	• Strong employee development programmes • Training & development • Performance evaluation, recognition • Health and safe work environment	• Flexible working hours • Performance reviews • Employee feedback • Wellness and safety Programs
Government	• 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
Supplier	• Transparency in business operations • Long term partnerships with focus on quality • Material and services • Regular supply and timely delivery	• Supplier meet • Face to face meetings • Conference, events and workshops • Digital communication
Community	• 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

FREQUENCY

- Need-based
- Ongoing

- Annually
- Quarterly
- Need-based
- Ongoing

- Need-based
- Ongoing

- Annually
- Need-based

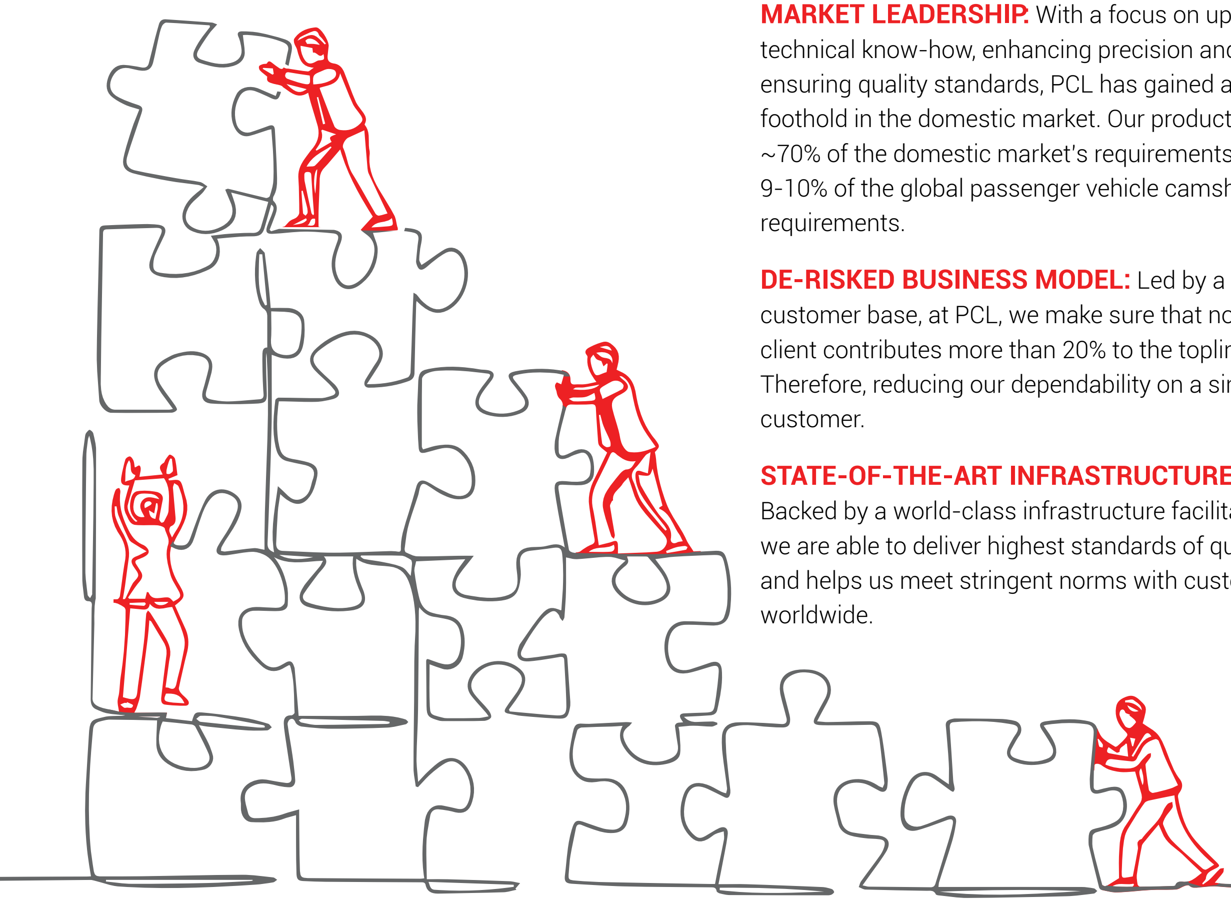
- Need-based
- Ongoing

- Need-based
- Ongoing

SDGS IMPACTED

OUR RESILIENCE DRIVEN BY OUR STRONG COMPETENCIES

PCL is led by the fundamentals of continuous enhancement and advancement, for enduring challenges with resilience. This helps us to consistently deliver upon our commitment to offer customised solutions, meeting current industry demands while identifying future prospects.



ONE-STOP SOLUTION PROVIDER: Initially a single-product manufacturer, PCL emerged as a leading camshaft solution provider alongside other automotive and non-automotive components to OEMs globally. Over the years, we also developed our capabilities to offer end-to-end solutions for electrification of heavy and light commercial vehicles.

QUALITY EDGE: Since inception, PCL has been committed to offering quality products and services. By investing in advanced technology and modernising machinery, we leverage our expertise to ensure that the production remains at par with global standards and regulations.

MARKET LEADERSHIP: With a focus on upskilling technical know-how, enhancing precision and ensuring quality standards, PCL has gained a strong foothold in the domestic market. Our products meet ~70% of the domestic market's requirements and 9-10% of the global passenger vehicle camshaft requirements.

DE-RISKED BUSINESS MODEL: Led by a strong customer base, at PCL, we make sure that no single client contributes more than 20% to the topline. Therefore, reducing our dependability on a single customer.

STATE-OF-THE-ART INFRASTRUCTURE: Backed by a world-class infrastructure facilitates, we are able to deliver highest standards of quality and helps us meet stringent norms with customers worldwide.

GLOBAL FOOTPRINT: Our global reach covering 17+ countries testifies for our capabilities, rendering us an optimistic outlook and confidence to add on to our success stories.

RICH EXPERIENCE: Our three-decades-long rich experience integrated with proficiency, enables us to facilitate stability and agility in our business. The knowledge gained over the years helps us to navigate through crisis, for an uninterrupted focus on pursuing consistent progress.

LONG-LASTING RELATION WITH CUSTOMERS: We maximise our unique value proposition while network of customers through constant advancement. Thereby, retaining and strengthening our position as the leading supplier partners to marquee global OEMs. As a result of PCL's over a decade-long journey, we are associated with more than 45 customers today.

INTEGRATED GROWTH: The three major companies acquired by PCL, have grown multi-fold since the first phase of acquisition. Eventually, emerging as a global automotive player. The consolidation over the years has allowed us to capitalise on each other's strengths, reduce dependency on a few customers and cross-sell our products.

ENTERPRISING MANAGEMENT: Our management team brings along clarity of purpose and objective analytical thinking as reflected in our endeavours. The flexible and dynamic approach thereon, plays a pivotal role in expanding the wings of the organisation.

ENHANCING OUR READINESS TO TAP INDUSTRY PROSPECTS

Backed by our preparedness, PCL identifies and remains agile in tapping potential opportunities while building further possibilities. Although the globe is still catching up in meeting climate goals for transportation, the Government's and automakers' speedy adoption and removal of roadblocks to EV revolution, is leading to better industry prospects.

PCL has been the front-runner and always believed in growing and evolving towards a smarter future, overcoming and transforming risks into opportunities. We take proactive steps to amplify growth across all our businesses, while partnering in enhancing the future of EV mobility.

PCL INDIA: ON THE MOVE

We actively started development and validation of new components and materials, alongside manufacturing of camshafts for customers who are powertrain agnostic. The new team at PCL is dedicated and focused on diversifying the product portfolio and customer footprint, ensuring the business' future readiness.

E-MOBILITY DRIVE IN INDIA

Though EV is in a nascent stage in India, PCL has achieved a major milestone in this space. We have retrofitted a mid-size passenger bus into a 100% electric bus in India. It was tested on the roads of Maharashtra across Pune and Solapur. The PCL Group designed and developed the electric driveline at EMOSS, Netherlands, but built it ground up in India. The initial integration works alongside the thorough testing is being conducted in close association with the Automotive Research Association of India, based in Pune. PCL has already localised 60% of the electric driveline in the very first attempt and is further exploring possibilities for indigenisation of the upcoming vehicles. The aim was to gain first-hand knowledge and experience, and understand the landscape to explore possibilities of localisation. Our team size has also increased and is completely focused on electrification.

PCL has signed a Memorandum of Understanding with the Solapur Municipal Corporation to develop 100% Retrofitted Electric Vehicles for waste collection.

PCL's management met the Government of Maharashtra Officials to introduce its first mid-size retrofitted E-bus.

WAY FORWARD

Focus on LCVs: PCL is developing an electric driveline for a sub 4-ton LCV for the Indian market.

What's in store?
There are over 2 million such LCV's currently plying on Indian roads with approximately half a million new ones added annually for various applications like last-mile delivery, waste collection, and postal services, among others.

What we are doing?
PCL is focused on bringing premium quality reliable products to the Indian market combined with cost competitiveness & high localisation. We are in the process of setting up our first EV plant in Solapur and have signed agreements with large customers.

Our two-pronged growth strategy includes: 'Deal conversion', wherein the owner hands over the fleet to the business for conversion; and the second option wherein PCL is considering purchase of either used or new LCVs on fleet owner's behalf and retrofitting it with an electric system.

Diversification: In an attempt towards enhancing our industrial and geographical presence, we emphasise on improving and widening our offerings. By 2025, we expect 20% to 25% business from our non-camshaft business. Using the existing facilities of foundries and machining units, we are set to dive and diversify our product portfolio, expanding into newer geographies, serving more customers.

Braking System: We have received order from a major OEM, for developing Braking System for commercial vehicles. The Braking Systems components will be casted in our foundries and machined in-house using majority available equipment. The development was done in record time of 16 weeks as compared to one year in general. This is a big achievement for PCL, given the presence of a select few companies in this space.

https://www.autocarpro.in/news-national/precision-targets-lcvs-for-retrofitment--with-electric-camshafts-81085

EMOSS: READY TO FLY

While the Indian markets are gradually gaining momentum, we remain focused on penetrating deeper in the European markets. This market offers not just better growth opportunities but our current presence therein has fetched us robust order position, keeping us booked till 2024 and beyond.

We are witnessing exponential growth in our subsidiary EMOSS, based in Netherlands. PCL has witnessed multi-fold growth in EMOSS over the last two years. Since our 100% acquisition in July 2020, we constantly endeavoured to increase our customer base, adopting modern technologies to suit evolving customer needs.

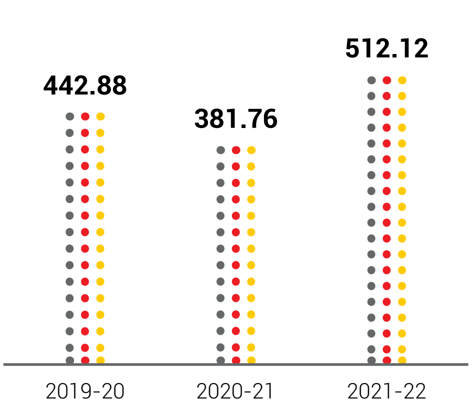
There is gradual shift from the traditional business of retrofitting medium and heavy commercial vehicles to serving and partnering with several niche OEMs across Europe. We provide them with ready-to-assemble electric driveline kits indigenously manufactured to suit their requirements. EMOSS has acquired additional space to meets its increasing business requirement in vicinity of its existing facility.

THE TRANSFORMATION

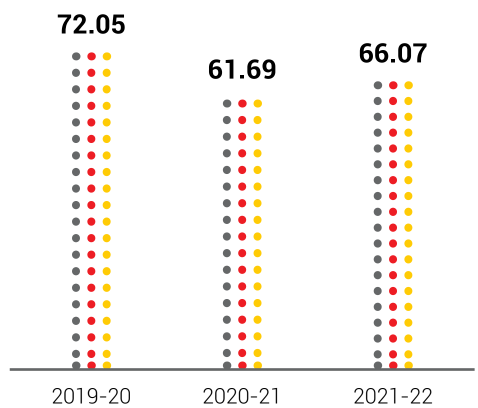
Today, almost 50% to 55% of our business is from the driveline kits and OEM sales have doubled, and revenue from retrofits is 80% higher compared to what it was three years ago. Therefore, resulting in higher profitability owing to boost in sales.

NUMBERS THAT ADD TO OUR RESILIENCE

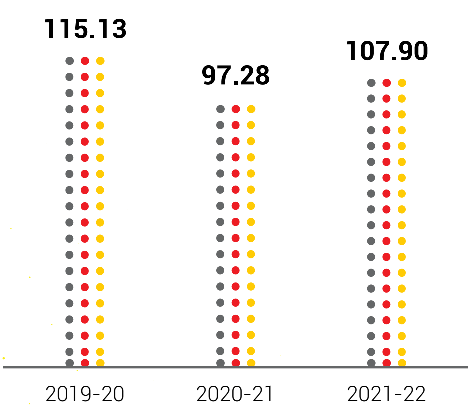
FINANCIAL CAPABILITIES



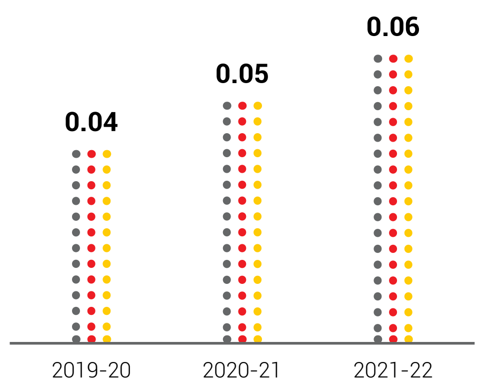
Revenue from Operations
(₹ in Crores)



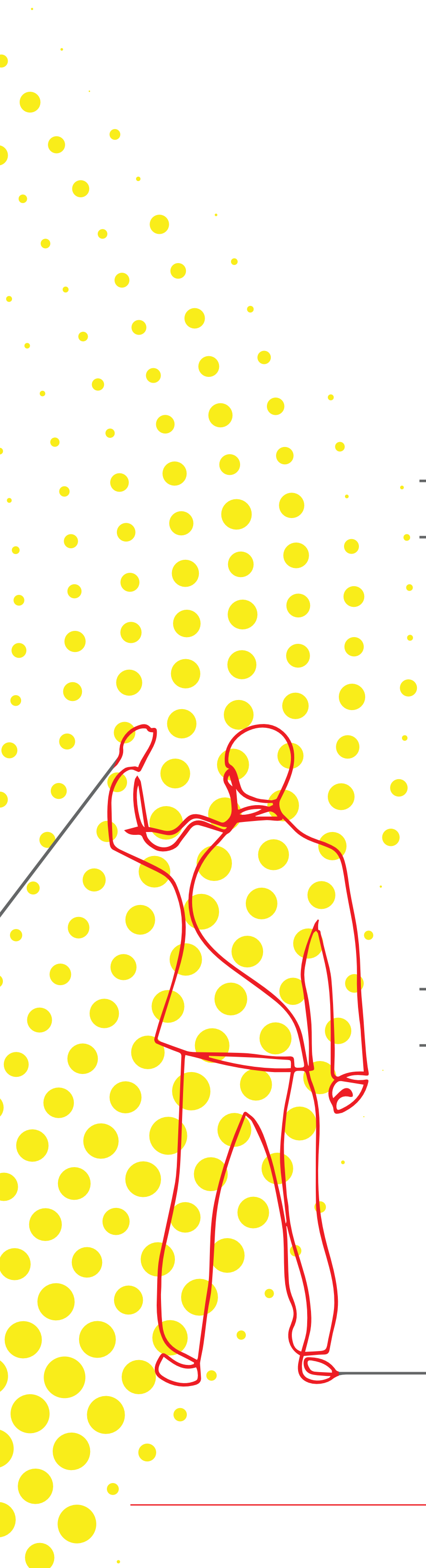
Profit After Tax
(₹ in Crores)

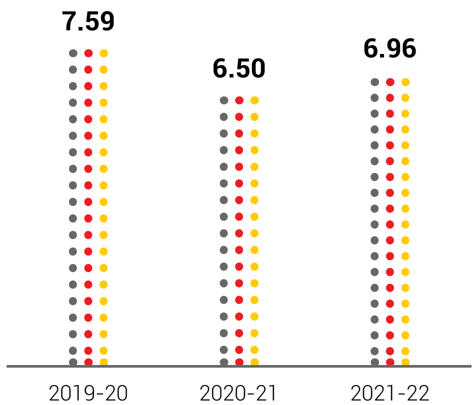


EBITDA[1]
(₹ in Crores)

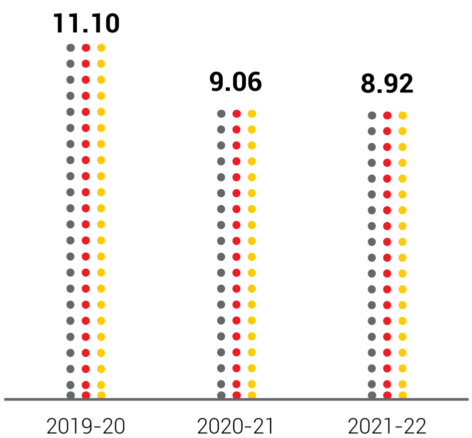


Debt-to-Equity
(X)

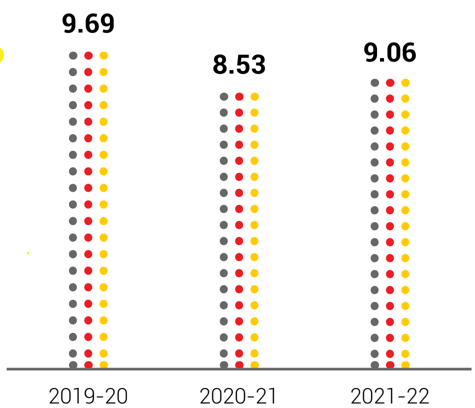




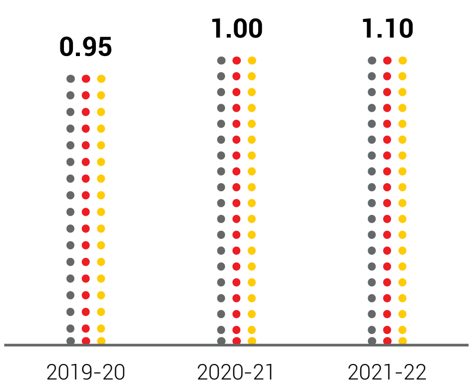
Earnings Per Share
(₹)



ROE[2]
(%)



ROCE[3]
(%)

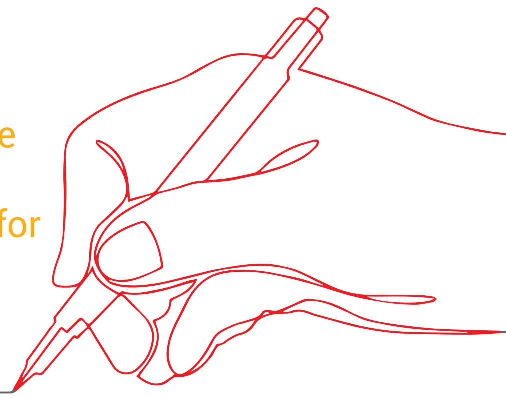


Dividend Per Share
(₹)

Standalone Results
1: Earnings before Interest, Taxes, Depreciation and Amortization
2: Return on Equity
3: Return on Capital Employed

FROM THE CHAIRMAN'S DESK

PCL is one of the largest global camshaft manufacturers and suppliers. We operate on the fundamentals of 'Responsibility' – catering to future needs responsibly, 'Resilience' – enduring volatility and turmoil and 'Readiness' – preparing ourselves for tapping opportunities. Thereby, pursuing expansion, diversification, and strong business growth despite external and internal hiccups.



Dear Shareholders,

The year 2022 will be known as the year of recovery from the challenges of Covid-19 pandemic. The outbreak of Covid-19 urged every organisation to restructure and reconsider its plans while bringing higher flexibility to adapt better. Today, as I present to you PCL's performance for FY 2021-22, the global economy is going through a turnaround. The recovery in global growth resulted from the reduction in inflation rates and rebound of economic activities. India faced and overcame several challenges imposed by the pandemic through mass vaccination drives and measures to generate demand for goods & services. With growth in major Indian sectors, gross GST collections reached an all-time high. On the other side, Gross Domestic Product (GDP) rose 8.7%, making India one of the fastest-growing major economies.

The global automotive industry is still facing the consequences of the pandemic and the ongoing rise in geopolitical tensions, enduring supply constraints of semiconductor chips, higher commodity prices, and increased logistics costs. The global automobile OEMs and all auxiliary companies have been put under pressure owing to such external factors. Backed by optimism, resilience and preparedness, we delivered to our commitments responsibly. Thereby, dealing with unforeseen calamities with better capabilities, aiding us in consistently providing best-in-class products to our customers globally.

THE OPERATING ENVIRONMENT

The automobile industry is poised to experience better growth, underpinned by Government support of rolling out finances, backing up localisation to reduce import discrepancies, and companies tapping the rural market. The two-wheelers, trucks, cars, buses, and three-wheelers are vital for the country's economic development. The two-wheeler segment dominates the market owing to the growing middle-class and rising population of youngsters, wherein India is a prominent exporter. The country, thus, has strong growth expectations way forward. By 2030, India could become a leader in the mobility space, with a shift to the adoption of E-Mobility.

We are committed to offer high-quality, reliable products in the Indian market, alongside cost competitiveness through strong localisation. During the year, PCL recorded an increase in topline as a Group, and also managed to protect the margin as compared to the previous year. The synergies resulting from our three major acquisitions are leading to better visibility for our Company in the industry We are moving into E-Mobility, especially in West Europe and North America. Alongside, we are

also improving the internal supply chain mechanism to cater to the increase in the number of clients.

FINANCIAL PERFORMANCE

I am delighted to successfully march into the 30th year of our industry presence, resulting from our resilient, responsible and future-ready attributes. We recorded a revenue growth from ₹ 403.60 Crores to ₹ 526.48 Crores, which is 30.44% year-on-year on a standalone basis. On the consolidated basis, the revenue grew from ₹ 732.04 Crores to ₹ 911.42 Crores, approximately 24.50% year-on-year basis. Our Group companies have performed well as reflected in the resultant financial numbers. MEMCO, MFT and EMOSS attained revenue of ₹ 51.02 Crores, ₹ 162.65 Crores, and ₹ 174.39 Crores, respectively.

SEGMENT REVIEW

The Group's automotive component business is now well-diversified in terms of product and customer base, marking consistent growth in topline and margins.

MEMCO, Nashik:

Due to the pent-up demand in the CV market, PCL witnessed continuous demand in recent months. As a result, the business generated solid topline and bottomline results, maintaining consistency in growth as per the previous quarters. Speaking of FY 2022-23, we're concentrating on gaining new clients to achieve better and stronger business expansion.

MFT, Germany:

PCL facilitated commercial stabilisation even amid challenges. However, the Russia-Ukraine conflict remains a key concern for our expansion plans for the European market. To mitigate this, our team is focusing on expanding the business of non-engine component range.

EMOSS, Netherlands:

After the 100% acquisition in July 2020, we have experienced substantial business growth, as we acquire new clients. While our core business of retrofitting medium and heavy commercial vehicles continues, we are now embarking on an exciting venture by partnering with some specialised OEMs around Europe to supply ready-to-assemble electric driveline kits to them.

We believe that growth and evolution are integral to fostering a smarter future. This would be led by agility, endurance, advancement and commitment to pursue robust business progress. We are focusing on expanding our capabilities in the non-camshafts business to better tap potential opportunities owing to demand for E-Mobility. Basis strong growth pillars and expertise in manufacturing premium-quality camshafts, we facilitate higher reliability in our offerings.

THIS IS HOW WE REMAIN RESPONSIBLE, RESILIENT AND READY

We believe that growth and evolution are integral to fostering a smarter future. This would be led by agility, endurance, advancement and commitment to pursue robust business progress. We are focusing on expanding our capabilities in the non-camshafts business to better tap potential opportunities, owing to demand for E-Mobility. Basis strong growth pillars and expertise in manufacturing premium-quality camshafts, we facilitate higher reliability in our offerings. Our successful endeavours toward protecting the business' topline and margins reflect our resilience. A successful growth trajectory, further testifies our responsible nature in serving our commitment bound within PCL's strong values. We have started developing and validating new components in new materials, apart from camshafts, for customers who are power agnostic and not dependent on IC engines. As we tread along our course of growth, we are focusing on a two-pronged strategy, involving electrification of IC Engine vehicle into EV, and/or buying a used LCV from the market to convert and sell it as EV. Such well-planned endeavours speak for PCL's readiness to achieve larger market share and better future growth. By 2025, we expects to grow 20% to 25% business from the non-camshaft business.

OUR TAKE ON ESG

Environment

We prioritise taking care of the environment. In the same direction, we emphasised installing solar plants – setting up 15 MW captive – to aid us in saving power costs and achieving sustainability goals. We have also initiated a rooftop solar project at MEMCO. At PCL, we do recycling of water and use it for gardening and tree plantation. Over 40% of campus is covered with greenery.

Social

Being a responsible corporate, we are increasingly trying to improve our communities lives under the slogan of 'Impacting Lives.. Uplifting Societies'. Our CSR activities are touching millions of people and we are working in the areas of healthcare, education, social issues and sustainability — helping people with water management and installing solar power. We remain at the forefront of helping our community by many means.

Governance

Our growth over the years speaks for our efficient governance. We follow best governance practices which benefit our organisation and society as a whole. Our objective is to remain ethical and deliver the best, earning trust and respect from our stakeholders along the way.

TEAM

PCL has reinforced our Company's management team over the last year with the addition of senior level personnel from global OEMs. Our new COO along with a new team in New Product Development as well as Business Development will allow us to achieve our growth aspirations.

STRATEGIES GOING AHEAD

PCL is focusing on the non-camshafts business. We developed India's first mid size retrofitted E-Bus with the help of EMOSS technology and also achieved this vehicle is 60% localisation on the very vehicle. We are keen to become a competitive solution provider for small e-LCVs. Going ahead, our Group is now looking forward to becoming sustainable, remaining focused on the EV business in Europe and expanding its business in India.

In India, currently ~2 million of LCVs are already running on our roads, a significant part of which are used by companies in the e-commerce space, logistics and retailers. We are attempting to position PCL as a solution provider for retrofitting of light commercial vehicles and offer better growth opportunities. Most of these vehicle's production and development will happen in one of our existing facilities in Solapur. To develop the E-LCVs, we are collaborating closely with our counterparts in the Netherlands and working with several suppliers in India to achieve high degree of localisation. Marking a promising start, PCL has signed a Memorandum of Understanding with the Solapur Municipal Corporation to develop 100% Retrofitted Electric Vehicles for waste collection.

OUTLOOK

In this changing and evolving business environment, the automotive camshafts market is poised to experience incremental growth in the future. With a strategic business plan aligned to our focus on the non-camshafts business and capturing a large market share in EV, PCL is ready to reach new heights.

OUR GRATITUDE

I'd like to thank my fellow Board members for their encouragement and support and the management team, staff, and suppliers for their hard work and dedication. Most significantly, I want to express my gratitude to all our stakeholders, without whom we would not have been able to thrive.

Your Sincerely,
Yatin S. Shah
Chairman & Managing Director

NURTURING SOCIETAL DEVELOPMENT, FULFILLING RESPONSIBILITIES

At Precision Camshafts Limited (PCL), we have always believed in giving back to the society, much before CSR became mandatory under Companies Act, 2013 with an objective to support and enrich the lives of the underprivileged in the society. Our mission is to create a positive impact on society through our initiatives in the areas of healthcare, education, social causes, environmental sustainability and art & culture.

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

A HELPING HAND TOWARDS THE SOCIETY IN COVID-19 PANDEMIC

- Distribution of medical equipments for COVID Care Centre at Pandharpur
- Financial assistance for installation of Oxygen Generation Plant in Osmanabad M.I.D.C
- Financial assistance for installation of Oxygen Generation Plant in Nagpur
- Distribution of oxygen concentrators in rural areas

1,62,492
People benefited

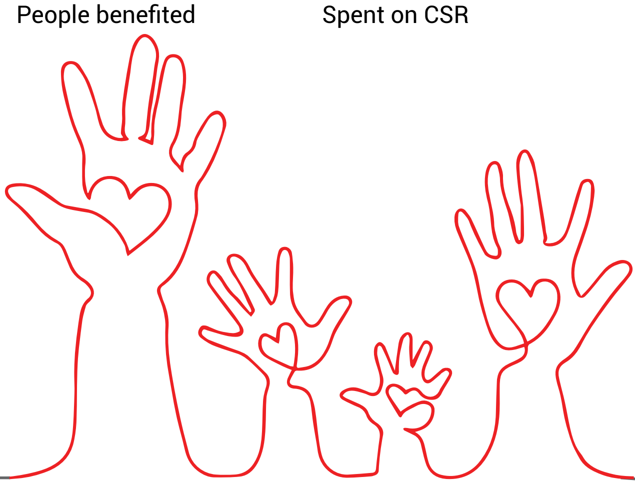
₹ 23,70,560
Spent on CSR

HEALTHCARE

We have distributed BiPAP Ventilators at hospitals for patients availing free medical treatment

1,200
People benefited

₹ 28,00,000
Spent on CSR



EDUCATION

We believe education is the most powerful tool that can uplift the livelihood of people for generations to come. To better the lives of people surrounding us, we engaged in:

- Financial assistance for Nursing Assistant Course and Operation Theatre Assistant Course
- Distribution of stationery for students and financial assistance for upkeep of Sonamata School
- Setup of Mini Science Centre for students in five rural schools
- Implementation of 'Password Project' for inculcating reading habit & development of students in eight rural schools

4,349
People benefited

₹ 40,79,293
Spent on CSR

SUSTAINABILITY

The need of the hour is paving way towards sustainability and long-term growth. As an effort we undertook:

- Installation of Solar-powered Street Lighting at Chinchani Village in Pandharpur Taluka
- Financial assistance for Goat farming project for creating livelihood opportunities

564
People benefited

₹ 22,45,038
Spent on CSR

SOCIAL ISSUES

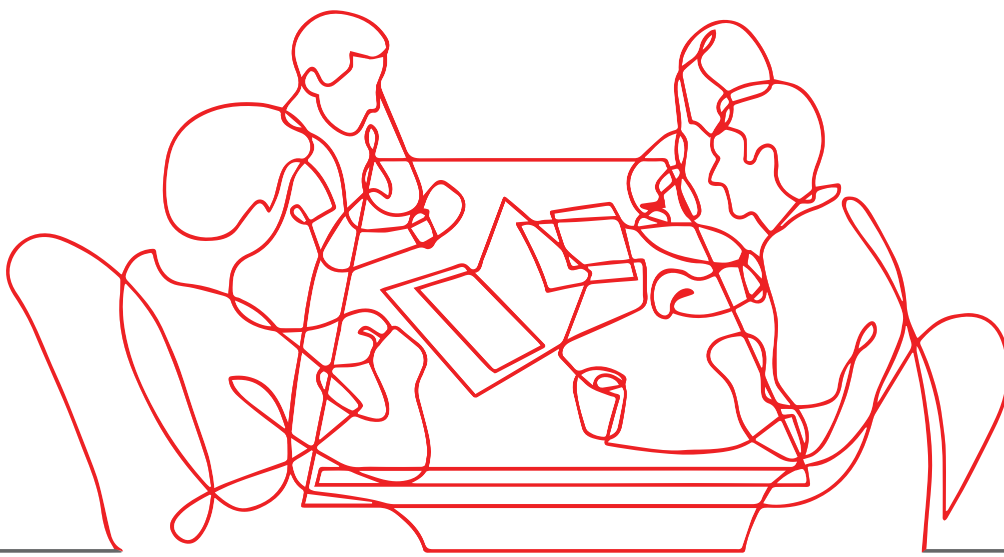
For us, societal gratefulness is more important than personal growth. We tried to address the social issues with:

- Repair and renovation of Electric Crematorium at Solapur
- Distribution of food grains to poor children in Ashram schools for hunger eradication
- Financial assistance for supporting physiotherapy & vocational training to specially-abled children
- Empowerment and skill development of women from rural areas
- Distribution of domestic appliances and equipment for the shelter for orphan boys and girls
- Distribution of computer and printers at Police Stations

22,652
People benefited

₹ 31,51,848
Spent on CSR

MANAGEMENT DISCUSSION AND ANALYSIS



GLOBAL ECONOMY

The outbreak of COVID-19 first in China, then worldwide—substantially reduced travel and dented global industrial activity. The prices of energy and metal were fallen which had significant impact on commodities. During the Pandemic, the global economy faced disruption in supply chain due to temporary trade restrictions and shortages of pharmaceuticals, critical medical supplies, and other products. As a consequence of all this, manufacturers worldwide are under greater political and competitive pressures to increase their domestic production, grow employment in their home countries, reduce or even eliminate their dependence on sources.

The emergence of new Covid-19 variants could prolong the pandemic and induce renewed economic disruptions. To address many of the difficulties faced by the world economy, it is vital to break the hold of the pandemic. This will require a global effort to ensure widespread vaccination, testing, and access to therapeutics, including the newly developed anti-viral medications.

(Source: Care Edge Research Report)

OUTLOOK

After a negative growth of 4.5% in CY20, advanced economies group is projected to grow by 5.0% in CY21 and 3.9% in CY22 which is revised down from its forecast of 5.2% and 4.9% made in October 2021 for the respective years. With the ongoing geopolitical tension between Russia-Ukraine, the economic consequences are

anticipated to be serious in near to medium term. Surge in Energy and commodity prices have added pressure to the existing global inflation. In Asia, the biggest impact is expected to be felt among oil importers of Association of Southeast Asian Nations (ASEAN) economies, India and frontier economies including some Pacific Islands. The other impact is likely to be seen in the neighboring economies due to disrupted trade and supply chains. Further, the reduced business confidence and higher investor uncertainty will weigh on asset prices, tightening financial conditions and potentially spurring capital outflows from emerging markets. Due to these factors, the growth forecasts is likely to be revised down in the upcoming outlook by IMF.

(Source- IMF- World Economic Outlook)

INDIAN ECONOMY

FY22 started with the country being hit by the second wave of the pandemic which saw lockdowns and restrictions being re-imposed across states for 2 - 3 months. This impeded economic output in Q1FY21 and led to a year-on-year (Y-o-Y) decline of 23.8% in GDP. The Indian economy bounced back strongly in Q1FY22 with 20.3% Y-o-Y growth due to low base. The easing of lockdowns and restrictions across states since June coupled with the decline in Covid-19 cases and higher vaccination rate facilitated higher economic activity at a faster than expected clip and this was reflected in the GDP for the Q2FY22 which grew annually by 8.5%.

(Source: Care Edge Research Report)

A POSITIVE OUTLOOK

The pick-up in non-food bank credit, supportive monetary and liquidity conditions, sustained buoyancy in merchandise exports, improving capacity utilisation and stable business outlook augur well for aggregate demand. Global financial market volatility, elevated international commodity prices, especially crude oil, and continuing global supply-side disruptions pose downside risks to the outlook. Taking all these factors into consideration, the real GDP growth for 2022-23 is projected at 7.8% by the Reserve Bank of India.

(Source: Care Edge Research Report)

In its 'Global Macro Outlook 2022-23 (March 2022 Update), Moody's stated that economic Growth will suffer as fallout from Russia's invasion of Ukraine builds' report, the rating agency said Russia's invasion of Ukraine has significantly altered the global economic backdrop through three main channels -- spike in commodities prices, risks to global economy from financial and business disruption and dent in sentiment due to heightened geopolitical risks.

(Source: https://economictimes.indiatimes.com/news/economy/indicators/moodys-slashes-2022-india-growth-estimate-to-9-1/articleshow/90284639.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)

OUTLOOK

With the economy reviving and remaining restrictions now being lifted due to improvement in the COVID-19 situation, the country is on its way to normalcy. The Indian economy grew 8.2 per cent in the 2021 calendar year, after a 6.7 per cent contraction in 2020 -- the year of COVID outbreak.

With regard to India, Moody's said in its 'Global Macro Outlook 2022-23 (March 2022 Update) that India is particularly vulnerable to high oil prices, given that it is a large importer of crude oil and high fuel and potentially fertilizer costs would weigh on government finances down the road. Thus, the agency has lowered the 2022 growth forecasts for India by 0.4 percentage point and now expects the economy to grow by 9.1 per cent this year.

Additionally, the agency said that its forecast growth for 2023 shall be 5.3 per cent and the year-end inflation for India has been projected at 6.6 per cent in 2022.

GLOBAL AUTOMOTIVE INDUSTRY

A PARADIGM SHIFT

As of FY 2021, the auto ancillary market accounts for ~2.3% share of India's gross domestic product (GDP) and employs more than 5.5 million people. The auto ancillary market in India was valued at ₹ 3,615.78 Bn in FY 2021 and is expected to reach ₹ 7756.98 Bn by FY 2027, expanding at a compound annual growth rate (CAGR) of ~15.35% during the FY 2022-FY 2027 forecast period. Factors such as increasing exports, technological advancements in the automobile sector, growing preference for electric vehicles, and favourable government initiatives are expected to drive market growth

(Source: Auto Ancillary Market in India 2021- Part II Report)

DRIVERS

Enforcement of BS-VI standards

Government's policy support

Cost-effective manufacturing base

CHALLENGES

Fall in overall consumption level

Lack of R&D infrastructure

Lack of quality standards

IMPACT OF COVID-19

The pandemic caused by the novel coronavirus arrived in India at a time when the economy and the automotive industry were hoping for recovery. As the auto ancillary market is directly dependent on the automotive industry, it experienced a huge loss in revenue due to the production side losses.

However, as the lockdown in the country comes to an end, businesses are steadily resuming operations across all aspects like cash and liquidity management, employee engagement, sales, and marketing, hence the market for auto ancillary has also started reviving.

INDIAN AUTOMOTIVE INDUSTRY

The automotive industry is considered to be one of the major drivers of economic growth due to its linkages with multiple industries. The growth of this sector benefits commodity sector as vehicle manufacturing require steel, aluminum, plastic, etc. It also holds importance for the NBFC/Banks in form of automobile financing. Moreover, it is a crucial source of demand for oil & gas industry. The automobile industry in India is one of the largest in the world with domestic sales of about 18.6 million units in FY21. Its contribution to the GDP of India stand at around 6.43%. There has been a consistent decline in sales over the past two years: FY20 was impacted by the consumption slowdown and FY21 was impacted by the Covid-19 induced lockdown restrictions apart from an overall economic slowdown.

Besides growth prospects, India's favourable Foreign Direct Investment (FDI) policy with 100% FDI through automatic route, relatively low cost of manufacturing, adequate manpower pool has attracted several foreign OEMs of the industry to invest in India and set-up manufacturing footprint.

The Indian automobile OEMs are on a slow recovery path in their domestic sales. But their exports increased manifold by 52% in 9MFY22 compared to 9MFY21 owing to low base of the last year, the lower impact of COVID on India's major export markets like Africa and Latin America, and better overseas shipments with improved pandemic situation in other international markets.

(Source: Care Edge Research Report)

AUTO COMPONENTS INDUSTRY

The auto components industry is a critical path of the automobile OEM value chain. Global exports of auto components have seen an upward trend over the past decade in most sub-categories like gear boxes, drive axles, steering wheels, road wheels, suspension shock absorbers, clutches, bumpers, radiators and brakes and servo-brakes

The turnover of the auto components industry, in the last decade has grown steadily, except for the past two years of FY20 and FY21, due to the slowdown in automobile sector in FY20 and the outbreak of Covid-19 in FY21. The economic slowdown of FY20, compounded by the challenges of Covid-19 led national lockdowns in FY21, resulted in the decline in automobiles production and demand-supply mismatch. While the first quarter of FY21 was a complete washout, the industry gained significant pace from second quarter onwards due to pent up demand and restoration of supply chains. The automobile sales and production improved with every consecutive month from the second quarter of FY21. Overall, the industry declined marginally in FY21. The second wave of Covid-19 in the first quarter of FY22 again led to disruptions in the entire value chain of automobile sector. However, the lockdowns were regional with lesser mobility restrictions, resulting in lesser adverse impact. In H1FY22, the industry witnessed strong growth on back of surge in international demand, growth in sales to OEMs and low base effect. Europe and North America showed highest exports from India accounting for 63% of total auto component exports as per ACMA.

(Source: Care Edge Research Report)

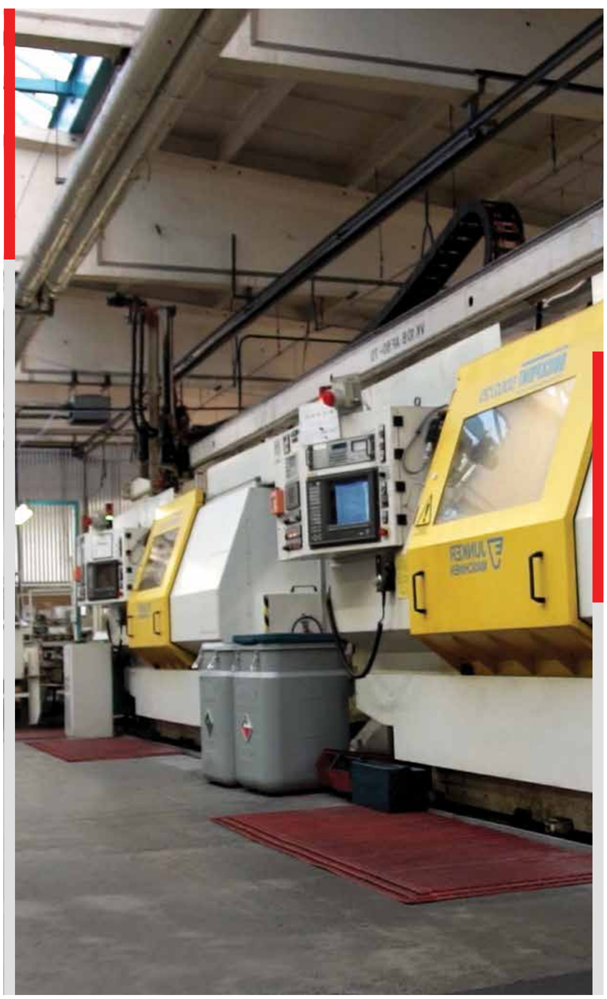
OUTLOOK

According to credit rating agency, ICRA, the Indian auto components industry is expected to clock 8-10 per cent growth in FY 23, owing to easing of supply-chain issues and commodity inflation in the second half of the year. The agency further said that for 2021-22, the revenue growth of the industry is pegged at 13-15 per cent, driven by domestic OEM, replacement, export volumes and pass-through of commodity prices and that the healthy volume growth will, however, come on a low base of FY2021.

ICRA also mentioned that Operating margins for auto ancillaries are likely to be impacted in the near term with elevated raw material, fuel and freight prices. While the semiconductor situation has been improving in the last 1-2 months, the Russia-Ukraine conflict could stress the globalised chip value chain

(Source: https://economictimes.indiatimes.com/industry/auto/auto-components/auto-component-industry-likely-to-clock-8-10-pc-growth-in-fy23-report/articleshow/90561537.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)

The auto components industry is expected to cash into this evolving ecosystem as well, with more access to spare parts and accessories online.



CAMSHAFT INDUSTRY

Camshafts play an important role in enhancing the fundamental functioning of an engine. Camshafts are extensively used in both modern-day overhead-cam (OCH) engines as well as older engines. There is a significant increase in the number of commercial vehicles, especially in the Asia Pacific region. Thus, demand is expected to be augmented for automotive camshafts. Also, rising sales and production of passenger cars in the developed and developing countries is likely to boost the demand for camshafts.

Additionally, government bodies across the world are imposing restrictions to curb environmental degradation. Going forward, the global automotive camshaft market is expected to exhibit moderate growth in the upcoming years.

The future seems bright for the camshaft industrialists, due to the changing demands after the COVID-19 pandemic and constant innovations and developments in the field.

OPPORTUNITIES

Despite being a preferred supplier in the auto component industry, India still faces competition from its peers Asian countries like China, Vietnam, Indonesia, Thailand and Taiwan. Here are some opportunities which will boost the growth of the industry:-

INDIA'S GROWING AUTOMOTIVE AND COMPONENTS INDUSTRY

Indian automotive manufacturers have been very successful across segments in the local market as the population becomes more and more upwardly mobile. Globally, India's automotive industry is at the forefront of many segments—by volumes, it ranks number 1 in two-wheelers, segment A cars and tractors. India is renowned as a global hub for frugal and scalable engineering. Busy automotive clusters across India drive the industry—especially the three major clusters of Mumbai–Pune–Nasik–Aurangabad in the West, Chennai–Bangalore–Hosur in the South, and Delhi–Gurgaon–Faridabad in the North, as well as upcoming areas like Sri City, Anantapur and Sanand.

(Source: McKinsey Report)

PRODUCT LINKED INCENTIVE SCHEME (PLI SCHEME)

The Union Cabinet chaired by the Prime Minister, Shri Narendra Modi announced the Production-Linked Incentive (PLI) Scheme in the Automobile and Auto Components sectors. The PLI scheme (outlay of USD 3.5 billion) for the automobile sector proposes financial incentives of up to 18% to boost domestic manufacturing of advanced automotive technology products and attract investments in the automotive manufacturing value chain. Incentives are applicable for determined sales of products manufactured in India from 1st April, 2022, for a period of five consecutive years. Total 95 applicants have been approved under this PLI scheme: 20 under Champion OEM and 75 under Component champion.

(Source: https://www.investindia.gov.in/sector/auto-components)

PRODUCT LINKED INCENTIVE SCHEME FOR EV ADOPTION

There are several policy measures with regard to EV adoption such as extension of FAME-2 scheme, the PLI on Advanced Chemistry Cell (ACC) battery, the policy initiative on battery swapping and energy among others. These technological advancements in the automotive supply chain in India will make the market globally competitive.

A PROMISING FUTURE

According to a report from Mckinsey about the auto component industry in India, the Indian automotive OEM industry is already in a strong position. Globally, it is at the forefront of many segments—leading in two-wheelers, segment A cars, and tractors. The industry aspires to nearly triple vehicle sales by 2026, from 26 million to 65 million to 76 million vehicles, across segments. These could be definitive tailwinds for the Indian automotive components industry, which has ambitions of its own by 2026—to double the contribution to manufacturing GDP with a four-fold growth in size and a six-fold growth in exports. While industry turnover has more than tripled (in Rupee terms) in the past decade, India's contribution to global turnover is approximately 3 percent. Clearly, there is substantial scope for growth in an industry being shaped by a variety of trends.

INDIA- MANUFACTURERS' FAVOURITE DESTINATION

India is one of the most attractive investment destination and many manufacturers suggest "manufacturing" as the nature of business activity they are planning in India. Thus, this is the right time for India's automotive and auto component industry to display its resilience and capabilities on the global stage.

LATEST TECHNOLOGICAL SOLUTIONS

As digital technologies penetrate all industries, companies that excel at "big data" could gain a strong competitive advantage. This would hold true for auto component manufacturers as well. Auto component manufacturers could collect customer, vehicle and machine data to build deep consumer insights and develop new use cases. These could act as important inputs in fine-tuning operations, building customer leads, boosting sales and predictive maintenance. These insights can be equally useful to penetrate the aftermarket segment.

SUPPORTING INFRASTRUCTURE AND R&D HUB

India is gradually positioning itself as a global automotive R&D hub with several market players entering the automotive development and manufacturing space. Additionally, a lot of support has been received from various factors like availability of low-cost workforce, favourable government schemes, cost advantages in setting up manufacturing facilities and access to large customer base.

THREATS

SHIFTING MARKET DYNAMICS

The automotive industry has to keep in mind the constantly shifting market dynamics due to changing manufacturing locales, customer demands, operating models and priorities. The changing needs of OEMs who are likely to want different, more agile and rapid component inputs as demand, timelines and processes keep shifting. Moreover, technological improvements and discontinuities that are already starting to change revenue pools, trigger new competition and invite new forms of cooperation along with an evolving regulatory and trade environment forming the backdrop for it all.

SEMI-CONDUCTOR SHORTAGE

According to a research report by Care Edge, the auto component industry is facing multiple headwinds in the form of shortage of semi-conductors due to the current geopolitical tensions. These factors are impacting the operating margins of the OEMs. The industry has been impacted due to shortage of semi-conductor chips for a long time now. The production volumes have been under pressure and OEMs had to take significant production cuts. The semi-conductors for automotive segments accounts for 11% to the overall semiconductor demand. The use of electronics in vehicles have been continuously increasing. Currently it accounts for 40% of average automobile usage, thus increasing higher dependence on semi-conductor.

INCREASE IN COMMODITY PRICES

Due to the current geopolitical tensions, OEMs across the automobile industry are facing challenges of high raw material prices. Moreover, the prices of aluminium and steel have seen a steep increase during H1FY22 which consequently led the OEMs to increase the prices of their vehicles. Such a steep hike in prices can affect demand sentiments anytime and ultimately the industry may have to face the brunt of it.

HIGH AND NON-UNIFORM TAX RATES

Another challenge that the auto components industry faces is of the high and non-uniform tax rates. Some auto components are taxed at the higher GST rates of 18% and 28% in India. Apart from this, the compensation cess levied on these items is in the range of 1-22%, which makes internal combustion engine (ICE) based vehicles one of the highest taxed manufactured product in India. The auto component industry also faces the challenge of two separate GST rates. While nearly 60% of auto components face a GST rate of 18%, the remaining face 28% GST. The lack of a uniform GST rate for auto components sector creates disincentives for enhancing greater domestic production in some of the sub-segments with higher GST rates. Also, the auto components for EVs attract a high GST rates at 18%

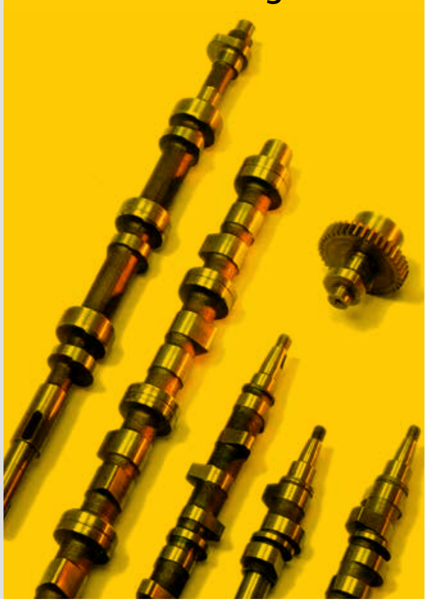
and 28%. Therefore, there is limited domestic production with about 75% of the EV components being imported, including batteries and power electronics. In order to promote indigenisation of auto components by attracting investments in key areas such as batteries and domestic power electronics, it is important to streamline the taxes and duties on auto components.

(Source: Care Edge Research Report)

COMPANY REVIEW

Precision Camshaft Limited is one of the largest camshaft manufacturers in the world, manufacturing all types of camshafts under one roof. Since its incorporation in 1992, the Company has emerged as one of the market leaders in camshaft manufacturing. The Company has always maintained a comprehensive quality management system that is aligned with world-class production practices and an adherence to a constant state of improvement.

Precision Camshaft Limited is one of the largest camshaft manufacturers in the world, manufacturing all types of camshafts under one roof. Since its incorporation in 1992, the Company has emerged as one of the market leaders in camshaft manufacturing.



PCL group companies comprise Memco Engineering Pvt. Ltd., MFT Motoren und Fahrzeugtechnik GmbH and Emoss Mobile Systems B.V. The Company is proficient in providing critical automotive, non-automotive parts and electric mobility solutions to world-class automotive OEMs.

Leveraging its engineering and R&D excellence, the Company has meticulously expanded to become a self-sufficient provider of automotive solutions. Today, the Company is popularly known for meeting customer requirements in a timely manner, being people-centric and also ensuring sustainability through its corporate actions that intend to give back to the society.

PERFORMANCE REVIEW

FINANCIAL OVERVIEW

Consolidated and Standalone (₹ in Lakhs)

Particulars	Standalone		Consolidated	
	For the Year ended 31st March 2022	For the Year ended 31st March 2021	For the Year ended 31st March 2022	For the Year ended 31st March 2021
Total Revenue	52,648.68	40,360.24	91,142.34	73,204.42
Total Expenses	41,858.58	30,631.81	78,109.24	64,753.44
Earnings before interest, tax, depreciation and amortisation (EBITDA)	10,790.10	9,728.43	13,033.10	8,450.98
Profit Before Tax & Exceptional Items	7,336.97	6,578.42	3,353.05	38.10
Exceptional items	1,277.50	1,509.78	2,741.39	1,509.78
Profit before tax	8,614.47	8,088.20	6,094.44	1,547.88
Total Tax Expenses	2,006.78	1,918.74	1,492.15	1,625.73
Profit/ (Loss) for the year	**6,607.69**	**6,169.46**	**4,602.29**	**(77.85)**
EPS (Basic)	6.96	6.50	4.85	0.24
EPS (Diluted)	6.96	6.50	4.85	0.24

STANDALONE

During the Financial Year under review, on standalone basis, your Company registered a total revenue of ₹ 52,648.68 Lakhs as against ₹ 40,360.24 Lakhs in the previous year. The profit after tax stood at ₹ 6,607.69 Lakhs as against ₹ 6,169.46 Lakhs in the previous year. Your Company reported increase in top-line by 30.45% as compared to previous year.

CONSOLIDATED

On consolidated basis, the total revenue stood at ₹ 91,142.34 Lakhs as against ₹ 73,204.42 Lakhs in the previous year. The Profit after tax for the year stood at ₹ 4,602.29 Lakhs as against loss of ₹ 77.85 Lakhs in the previous year. Your Company reported increase in top-line by 24.50% over the previous year.

DISCLOSURE OF ACCOUNTING TREATMENT

While preparing the financial statements, no different treatment, used from that prescribed in an Accounting Standard has been followed. Hence, no such fact shall be required to be disclosed in the financial statements, together with management's explanation.

KEY FINANCIAL RATIOS ON STANDALONE BASIS

Ratio	FY 2021-22	FY 2020-21	% Change	Reasons for change of 25% or more
Debtors/ Trade Receivables turnover ratio	4.74	3.67	29.06	The variance in ratio is mainly due to better recovery in the current year as compared to previous year.
Creditors/ Trade Payables turnover ratio	4.22	3.29	28.13	The variance in ratio is mainly due to on account of better recovery of trade receivables, Trade payables are paid on timely basis.
Inventory Turnover ratio	2.93	2.23	31.33	The variance in ratio is mainly due to post pandemic. The company is maintaining increase stock levels to fulfill the customers requirement.
Net capital turnover ratio	1.72	1.33	28.51	The variance in ratio is mainly due to increase in revenue from operations due to increase in business & also on account of increase in working capital.
Return on investment	5.32	9.61	(44.66)	The variance in ratio is mainly due to market fluctuations.
Debt service coverage ratio/ Interest Coverage ratio	56.19	112.67	(50.13)	The variance in ratio is mainly due to increase in packing credit facility on account of increase in sales.
Current ratio	3.22	3.31	(2.76)	-
Debt Equity ratio	0.06	0.05	11.60	-
Operating Profit Margin	16.32	20.18	(19.11)	-
Net Profit Margin	12.90	16.16	(20.16)	-
Return on Net Worth	8.58	8.66	(0.90)	-

RISKS AND CONCERNS

The Company's operations are affected by several risks, including traditional and modern ones. The Board takes into account risk management and also comes up with risk mitigation strategies so that they can be handled in a precise manner.

The Company has constituted Risk Management Committee (RMC) to identify and mitigate risks relating to risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

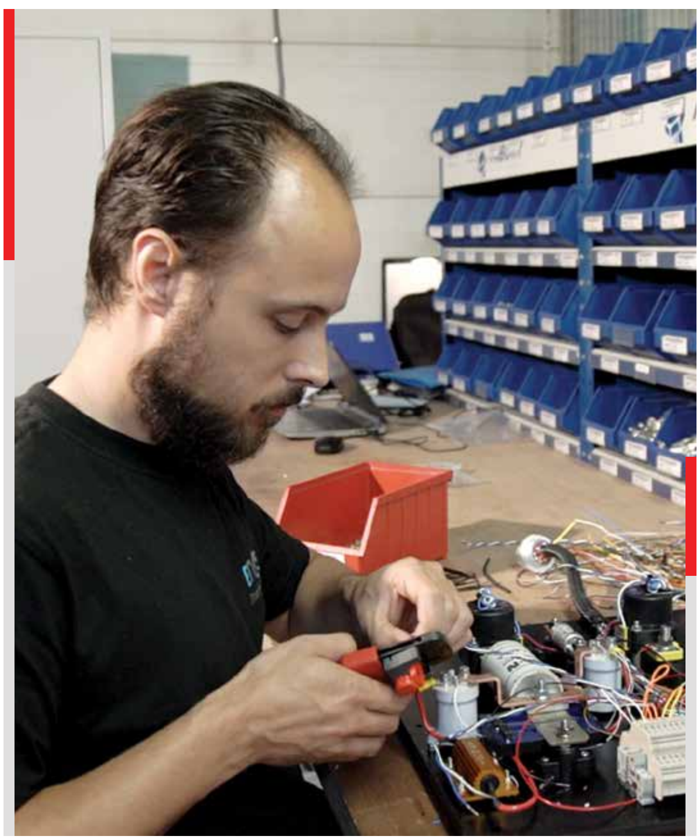
TRADITIONAL RISKS

Risks	Context	Mitigation Measures
Economic Situation	The Company's financial condition and results of operations can be influenced by various macro-economic factors like changes in Gross Domestic Product, the level of consumer and business confidence, changes in interest rates for/ or availability of consumer and business credit, the rate of unemployment, foreign currency controls and changes in exchange rates, as well as geopolitical risks, such as government instability, social unrest, the rise of nationalism and populism and disputes between sovereign states.	The Company persistently observes the developments in is business environment to have the knowledge of social, economic as well as political risks. The Company further takes appropriate actions to change strategies so as to protect the interests of the Company.
Competition	The Company faces intense competition in the business fields that it operates in. The Company is exposed to a combined risk of being replaced by existing or new competitors or the Company's products being replaced by product innovations and technological advancements.	The Company tries to maintain close cooperation with all its customers on product development and has implemented strict product quality controls in order to reduce the likelihood of replacement by competitors. The Company is also developing products that will help it to step up the value chain while building a robust product portfolio.
Procurement	Raw materials price fluctuations, ability of suppliers to deliver quality products in time are major procurement risks that are posed before any industry. Moreover, fluctuations in market prices and/or supplier's financial distress could also have an impact on the Company's earnings	The Company's purchase department ensures optimal supply of goods and services to the Company while ensuring complete focus on quality, cost and delivery performance. Many options for multiple product sourcing and localisation are continuously explored by the Company from time to time.

EMERGING RISKS

Risks	Context	Mitigation Measures
Technological Risk	IT systems are utilised across various functions in the Company and thus issues like confidentiality, integrity and availability may arise for the Company. Unauthorised access to IT systems, modification and misappropriation of sensitive business data could have an impact on the Company's reputation, net assets, financial position and earnings.	The Company has set high standards for management of IT security systems while also constantly upgrading the IT security infrastructure. Employees ate trained from time to time about IT security matters of the ranks of precautions the users should take to ensure that the IT infrastructure and their business data are adequately protected against any possible IT risks.
COVID-19	Any chances of potential waves of the pandemic still lingers over, which can consequently lead to lockdown like measures being implemented again by the government and thus can have an adverse impact on the regular operations and sales of the Company.	The Company is constantly working to minimise the impact of this unprecedented situation and ensure the safety of its employees and workers, while also ensuring that the business does not suffer.
Climate Change	Global risks comprising extreme weather conditions, climate action failure, biodiversity loss and man made environmental disasters pose serious risk across the globe.	The Company continuously develops new production methods to minimise environmental impact. Further, the Company's products used in vehicles ensure reduced fuel consumption.

HUMAN RESOURCE DEVELOPMENT



At PCL, there is a defined HR policy with regards to the code of conduct, working hours, probation, internal transfers, promotion, and misconduct, among others. The Company believes that Development must include stakeholders on all fronts, and hence, PCL continuously strives to make a conducive work environment for everyone's growth. Talent management & leadership development are the strong pillars, holding the Company's positioning as a desirable workplace.

Moreover, PCL conducts trainings and seminars from time to time to ensure personal and professional growth in all phases of life. PCL strives to create a workplace that fosters growth, attracts new talent and retains the existing workforce so that we all can flourish together.

The Company provides equal opportunity to all employees, irrespective of race, colour, religion, gender, marital status, age, national origin or disability. As on 31st March, 2022, the Company's employee strength stood at 1,332.

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 our IT systems. Our Supplier relations management and customer relations management are also regulated well through connection of our different locations, dealers and vendors for efficient and convenient information exchange.

- The team of our internal auditors 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.

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

Mr. Vaibhav S. Mahajani
Independent Director

Mrs. Savani A. Laddha
Independent Woman Director

Mr. Madan M. Godse
Independent Director

Mr. Ameet N. Dravid
Additional Director designated as Independent Director

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Gautam V. Wakankar

STATUTORY AUDITORS

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

SECRETARIAL AUDITORS

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

REGISTRAR AND TRANSFER AGENT

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

BANKERS

Bank of India
Bank of Baroda

REGISTERED OFFICE

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

CORPORATE OFFICE

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

FACTORIES

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

Board Committees as on 31st March 2022

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. Madan M. Godse
Independent Director

NOMINATION REMUNERATION COMMITTEE

Mr. Vaibhav S. Mahajani
Chairman (Independent Director)

Mr. Sarvesh N. Joshi
Independent Director

Mrs. Savani A. Laddha
Independent Director

Mr. Madan M. Godse
Independent Director

CSR COMMITTEE

Mr. Yatin S. Shah
Chairman (Managing Director)

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

Mr. Vaibhav S. Mahajani
Independent Director

SHAREHOLDER RELATIONSHIP COMMITTEE

Dr. Suhasini Y. Shah
Chairperson (Non-Executive Non-Independent Director)

Mr. Vaibhav S. Mahajani
Independent Director

Mr. Karan Y. Shah
Whole-time Director

Mr. Madan M. Godse
Independent Director

RISK MANAGEMENT COMMITTEE ALONG WITH OTHER NON BOARD MEMBERS

Mr. Yatin S. Shah
Chairman (Managing Director)

Mr. Ravindra R. Joshi
Whole-time Director & CFO

Mr. Karan Y. Shah
Whole-time Director

Mr. Vaibhav S. Mahajani
Independent Director

Mr. Narayana Chittavarjula
Chief Operating Officer

Mr. Indrajit K. Santra
Deputy General Manager, New Product Development

Mr. Rajkumar K. Kashid
General Manager, Human Resources

Board's Report

To,

The Members,

PRECISION CAMSHAFTS LIMITED (COMPANY)

The Board of Directors (Board) are pleased to present their **THIRTIETH 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, 2022.

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, 2022	For the Year ended 31st March, 2021	For the Year ended 31st March, 2022	For the Year ended 31st March, 2021
Total Revenue	52,648.68	40,360.24	91,142.34	73,204.42
Total Expenses	41,858.58	30,631.81	78,109.24	64,753.44
Earnings Before Interest, Tax, Depreciation And Amortisation (EBITDA)	10,790.10	9,728.43	13,033.10	8,450.98
Profit Before Tax & Exceptional Items	7,336.97	6,578.42	3,353.05	38.10
Exceptional Items	1,277.50	1,509.78	2,741.39	1,509.78
Profit Before Tax	8,614.47	8,088.20	6,094.44	1,547.88
Total Tax Expenses	2,006.78	1,918.74	1,492.15	1,625.73
Profit / (Loss) for the year	**6,607.69**	**6,169.46**	**4,602.29**	**(77.85)**
EPS (Basic)	6.96	6.50	4.85	0.24
EPS (Diluted)	6.96	6.50	4.85	0.24

2. COMPANY'S FINANCIAL PERFORMANCE AND OUTLOOK

During the Financial Year under review, on standalone basis your Company registered a total revenue of ₹ 52,648.68 Lakhs as against ₹ 40,360.24 Lakhs in the previous year. The profit after tax for the year stood at ₹ 6,607.69 Lakhs as against ₹ 6,169.46 Lakhs in the previous year. Your Company reported increase in top-line by 30.45 % as compared to previous year.

On consolidated basis, the total revenue was ₹ 91,142.34 Lakhs as against ₹ 73,204.42 Lakhs in the previous year. The profit after tax for the year stood at ₹ 4,602.29 Lakhs as against loss of ₹ 77.85 Lakhs in the previous year. Your Company reported increase in top-line by 24.50% over the previous year.

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

3. CHANGE IN NATURE OF BUSINESS, IF ANY

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

4. TRANSFER TO RESERVES

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

5. DIVIDEND

Your Directors are pleased to recommend final dividend of ₹ 1.10/- per equity share (11%) for the Financial Year ended 31st March, 2022. If the dividend so recommended is declared by the members at the ensuing 30th Annual General Meeting, the total cash outflow towards dividend would be ₹ 1,044.84/- 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 year under review, your Company has not allotted any Equity Shares under the exercise of stock options under Precision Camshafts Limited Employee Stock Option Scheme 2015 ("PCL ESOS 2015"). Therefore, there was no change in the capital structure of the Company. Consequently, the issued, subscribed and paid-up equity share capital of the Company is ₹ 9,498.58 Lakhs divided into 9,49,85,835 Equity Shares of ₹ 10/- each.

7. UTILIZATION OF IPO PROCEEDS

The proceeds of the IPO have been used for setting up of machine shop for machining of camshafts and offer related expenses and general corporate purposes of ₹ 240 Crores. There is no deviation in use of proceeds from objects stated in the offer documents. The summary of utilization of money 'raised' through public issue is stated in Note no. 41 of the Notes to the Standalone Financial Statements.

The Company has utilized 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 (₹ in Crores)	Rating	Rating action
Long-term Bank Facilities – Cash Credit	2.05	CARE A; Stable	Reaffirmed
Long/Short term Bank Facilities	10.00	CARE A; Stable/ CARE A1	Reaffirmed
Short-term Bank Facilities	54.95 (Reduced from 57.50)	CARE A1	Reaffirmed
Total Facilities	**67.00**		

9. DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

1. Mr. Pramod H. Mehendale and Mr. Mr. Vedant V. Pujari, Independent Directors of the Company retired at the 29th Annual General Meeting after completing their second consecutive term of five years respectively.
2. Mr. Madan M. Godse was appointed as an Additional Director designated as Non – Executive Independent Director w.e.f. 3rd September, 2021.

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 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.

2. 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.

3. The Board of Directors of the Company approved appointment of Mr. Ameet N. Dravid as Additional Director designated as Independent Director a period of two years from 10th August, 2022 till 9th August, 2024 subject to approval of members at the ensuing Annual General Meeting.

Changes in Key Managerial Personnel

Mrs. Mayuri I. Kulkarni, Company Secretary and Compliance Officer resigned with effect from closure of business hours of 18th March, 2022. Mr. Gautam V. Wakankar was appointed as Whole-time Company Secretary and Compliance Officer with effect from 19th March, 2022.

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel (KMP) of your Company as on 31st March, 2022 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

As on 31st March, 2022, Non- Executive Directors on the Board are as mentioned below: -

Sr. No.	Name	Designation
1.	Dr. Suhasini Y. Shah	Non- Executive Non Independent Director
2.	Mr. Sarvesh N. Joshi	Independent Director
3.	Mr. Vaibhav S. Mahajani	Independent Director
4.	Mrs. Savani A. Laddha	Independent Woman Director
5.	Mr. Madan M. Godse	Additional Director designated as Non - Executive 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. BOARD MEETINGS

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

During the Financial Year under review, 6 (Six) Board Meetings were convened and held on 25th May, 2021, 10th August, 2021, 3rd September, 2021, 12th November, 2021, 11th February, 2022 and 17th March, 2022 respectively.

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

12. 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 16th March, 2022 to review the performance as per Regulation 25(4) of SEBI LODR and Schedule IV of the Act.

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

13. COMMITTEES OF BOARD

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

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

The Company has in place 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 Act and Rules made thereunder and is within the ceiling limits as provided thereunder and approved by the shareholders.

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

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

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

15. PARTICULARS OF EMPLOYEE REMUNERATION

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

16. COMMISSION OR REMUNERATION FROM SUBSIDIARY

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

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

The Board of Directors has carried out an annual evaluation of its own performance, board committees and individual directors, pursuant to the provisions of the 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 on the basis of 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 on the basis of criteria such as the contribution of the individual Director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

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

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

18. ANNUAL RETURN

Pursuant to Section 92(3) of Companies Act 2013, the copy of Annual Return for the Financial Year ended 31st March, 2022 is placed on the Company's website at PCL - Annual Return FY21-22

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

a) During the Financial Year under review, the Company has given loan of € 3.85 million (approximately ₹ 3,333.18 Lakhs) to PCL (International) Holding B. V., Netherlands (100% Subsidiary)

b) The outstanding Corporate Guarantee of the Company to Bank of Baroda, London in respect of Term Loan given by Bank of Baroda to PCL (International) Holding, B.V. Netherlands as on 31st March, 2022 is ₹ 2,292.84 Lakhs (€ 2.73 million)

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

d) The Company has given Corporate Guarantee of ₹ 453.55 Lakhs to Citi Bank NA for Credit Facilities availed by Memco Engineering Private Limited.

e) Please refer Note No. 5A forming part of the Standalone Financial Statements for investments under Section 186 of the Act.

20. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All contracts/ arrangements/ transactions entered by the Company during Financial year ended 31st March, 2022 with related parties were on an arm's length basis and were in the ordinary course of business. There were no material related party transactions (RPTs) undertaken by the Company during the Financial Year that require Shareholders' approval under Regulation 23(4) of SEBI LODR or Section 188 of the Act.

The approval of the Audit Committee was sought for all RPTs. Certain transactions which were repetitive in nature were approved through omnibus route. All the transactions were in compliance with the applicable provisions of the Act and SEBI LODR. Therefore, the disclosure of related party transactions as required under Section 134 (3)(h) of Companies Act 2013 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).

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

There were no qualifications, reservations or adverse remarks made by the Statutory Auditors in the Audit Report on the Standalone and Consolidated Financial Statements for the Financial year ended 31st March, 2022.

The Report of Secretarial Auditors for the Financial Year ended 31st March, 2022 is also unmodified.

22. MATERIAL CHANGES AFTER THE CLOSURE OF FINANCIAL YEAR

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

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

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

24. SUBSIDIARIES AND ACQUISITIONS

The Company has 2 (Two) subsidiaries, 2 (Two) step down subsidiaries as on 31st March, 2022.

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 ₹ 33,704.73 Lakhs as against ₹ 29,170.27 Lakhs in the previous year. The net loss for the year stood at ₹ 1,991.18 Lakhs as against net loss of ₹ 6,212.37 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 ₹ 5,102.05 Lakhs as against ₹ 3,677.70 Lakhs in the previous year. The profit after tax for the year stood at ₹ 474.17 Lakhs as against ₹ 114.41 Lakhs 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 relationship 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 with Electric Drivelines can carry a maximum payload of 50 tons with a mobility of up to 350 km which may be extended beyond 500 km with long range extenders developed by EMOSS. Acquisition has paved access to electrical mobility markets such as Europe, North America, Australia and New Zealand. EMOSS enjoys customer base of Heineken, Meyer & Meyer, TEDI, etc.

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

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

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

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

26. STATEMENT ON RISK MANAGEMENT POLICY

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

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

The Company has constituted a Risk Management Committee consisting of Executive Directors, Independent Directors and Senior Employees of the Company in the Board Meeting held on 10th August, 2021.

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

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

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

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

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

29. DEPOSITS

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

30. SECRETARIAL AUDIT REPORT AND ANNUAL SECRETARIAL COMPLIANCE REPORT

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board appointed M/s. J B Bhave & Co., Company Secretaries as the Secretarial Auditors of the Company for the Financial Year 2021-2022. There are no qualifications/ observations/ remarks in the Secretarial Audit Report for the Financial Year ended 31st March, 2022 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 such report from M/s J.B. Bhave & Co., Company Secretaries for the Financial Year ended 31st March, 2022 and it has been submitted to the stock exchange(s) within the stipulated time. The said report forms part this Annual Report as **Annexure I**.

31. CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

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

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

Mr. Vedant V. Pujari ceased to be Member of the Committee pursuant to his retirement at the 29th Annual General Meeting held on 27th July, 2021.

Detailed Annual Report on CSR activities for the Financial Year ended 31st March, 2022 is given as **Annexure C** and CSR Policy is also disclosed on the website of the Company at PCL - CSR Policy

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

During the Financial Year ended 31st March, 2022, 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 last exercise period expired on 6th April, 2021.

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	-	12,230	-
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 realized 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 2021-22

33. VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

34. CORPORATE GOVERNANCE REPORT

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

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

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

No complaint was reported to the Committee during the year ended on 31st March, 2022 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

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

During the Financial Year ended 31st March, 2022, there were no instances of fraud which were reported by the Statutory Auditors to the Audit Committee/ Board.

37. AUDITORS

(a) STATUTORY AUDITOR

The members at the 27th AGM of the Company appointed M/s MSKA & Associates, Chartered Accountants (Firm Reg. No. 105047W) as the Statutory Auditors of the Company for a period of 5 (Five) years to conduct the Statutory Audit from the Financial Year 2019-20 to FY 2023-24 and to hold office from the conclusion of 27th AGM till the conclusion of AGM to be held for FY 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, 2022. The Cost Audit report for the FY 2021-22 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, 2023, 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 S A N N & Co. Chartered Accountants, as Internal Auditors of the Company for the Financial Year ended 31st March, 2022. The scope and authority of the Internal Auditor is as per the terms of reference approved by the Audit Committee. The Internal Auditors monitor and evaluate the efficiency and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies of the Company. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Company.

38. REPORT ON MANAGEMENT DISCUSSION AND ANALYSIS

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

39. DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the 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.

40. CODE OF CONDUCT FOR BOARD AND SENIOR MANAGEMENT

The Company has adopted the Code of Conduct for the Directors and Senior Management and the same is available on the 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.

41. BUSINESS RESPONSIBILITY REPORT

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

42. COMPLIANCE OF APPLICABLE SECRETARIAL STANDARDS

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

43. INVESTOR EDUCATION AND PROTECTION FUND

In accordance with the provisions of Sections 124 and 125 of the Act and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividends of a company which remain unpaid or unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account shall be transferred by the Company to the Investor Education and Protection Fund ("IEPF"). In terms of the foregoing provisions of the Act, no dividend amount or shares were required to be transferred to the IEPF by the Company during the Financial Year ended 31st March, 2022.

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

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

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

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

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

During the 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.

47. CAUTIONARY STATEMENTS

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

48. ACKNOWLEDGEMENTS

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

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

Yatin S. Shah
DIN: 00318140
Chairman and Managing Director

Date: 10th August, 2022
Place: Pune

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

Date: 10th August, 2022
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, 2021 to 31st March, 2022	1st April, 2021 to 31st March, 2022
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, 2022	Euro Closing Rate 1 Euro = ₹83.73/- Average Rate 1 Euro = ₹86.43/-	INR Exchange Rate - Not applicable
Share Capital	3,470.91	720.00
Reserves and Surplus	(8,968.81)	1,900.05
Total Assets	31,094.31	4,078.53
Total Liabilities (excluding share capital, reserves and surplus)	36,592.22	1,458.48
Investments	NIL	1,283.31
Turnover	33,548.54	5,054.36
Profit/(Loss) before Tax	(2,493.83)	628.02
Provision for tax	(502.65)	153.85
Profit after Tax	(1,991.18)	474.17
Proposed Dividend	-	-
% of Shareholding	100	100

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

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

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

Yatin S. Shah
Chairman and Managing Director
DIN: 00318140

Date: 10th August, 2022
Place: Pune

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

Date: 10th August, 2022
Place: Pune

Annexure B

A) CONSERVATION OF ENERGY:

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

1. The power factor improvement with Harmonic filter which help to improve power quality (Thyristor controlled automatic harmonic filter bank). The power factor is maintained at unity (0.997) at all plants. This will help the Company to save approximately ₹ 36 Lakhs every year.
2. With technological improvement (for energy saving, productivity & product quality improvement), the Company has converted air heaters ovens into Liquid Petroleum Gas (LPG) oven for 2 shell moulding machines.
3. With technological improvement, the Company has converted 9 air compressor special purpose motor in foundry into regular induction motor which will help the Company to save energy approximately worth ₹ 18 Lakhs. The Company is in process of such conversion for 8 motors in Machine Shop as well.
4. The Company has increased safety parameters in Transformer Yard by improving earthling quality, lightning arrester & civil work and introduced LOTO systems to avoid electrical/ Mechanical Hazards & injuries.
5. The Company has ensured that motors & pumps used are of the right capacity & introduced temperature sensor feedback for fan motor on /off for cooling towers to save energy.
6. Foundry has implemented energy saving water cooled oil chillers instead off electrical oil chillers for furnace & carrack hyd. systems.
7. To improve lumens & reduce power cost in manufacturing sheds & external areas of the Company, all lightings have been changed to LED lamps with improve Lux from 100 lux to 350 lux which will help the Company to save energy approximately ₹ 25 Lakhs annually.
8. Natural cool air ventilation system (Eco air cooling) has been installed on Knockout. Apart from saving energy, a human working comfort has been achieved. Ambiant temperature ruction by 5 to 6 deg. Centigrade at knockout.
9. 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. Development of SG Iron Camshaft with induction hardening root. (Cam/ Bearing/ Slot induction hardening)
2. Development of SG Iron shaft with induction hardening root – Single coil to Double coil technology to improve productivity & capacity.
3. Development of new product – like Diff case, Housing, Crank shafts,
4. Development of new product camshaft with as cast Fuel lobe instead of Child part.

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

1. Foundry has implemented 5% improvement on productivity target with technological improvements.
2. Four station machine shell moulding machine technology converted to Dump type shell mouding machine which will save electrical energy, improve manpower productivity & reduce sand loss.
3. Grinding wheel – Grain grade changes of grinding wheel to improve life of grinding wheel, reduce dust, consumption and cost & environmental impact.
4. Cost saving – 1) RCS consumption reduction by reduction in match plate size to 282 mm from 332 mm (Cost saving ₹ 80 Lakhs per year)
5. Core grade change (Cost saving ₹ 24 Lakhs per year)
6. Yield improvement in Tata Motora 1.2 litre by 5 %.

C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

Particulars	(₹ in Lakhs)
Earnings	28,042.69
Outgo	4,745.75

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

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

Date: 10th August, 2022
Place: Pune

Annexure C

THE ANNUAL REPORT ON CSR ACTIVITIES FOR FY 2021-22

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

1. Brief outline on CSR Policy of the Company

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

2. Composition of CSR Committee.

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

*** Mr. Vedant V. Pujari ceased to be Member of the Committee pursuant to his retirement at the 29th Annual General Meeting held on 27th July, 2021**

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	PCL CSR Activities

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

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

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

6. Average net profit of the Company as per section 135(5): ₹ 7,142.60/- Lakhs

Annexure C (Contd)

7. (₹ in lakhs)

Sr No.	Particulars	Amount (₹ in Lakhs)
1	Two percent of average net profit of the Company as per section 135(5)	₹ 142.85/-
2	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	Nil
3	Amount required to be set off for the financial year, if any	Nil
	Total CSR obligation for the financial year (1+2-3)	**₹ 142.85/-**

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

(₹. In Lakhs)

	Amount unspent				
Total Amount Spent for the Financial Year	**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.**
146.47/-	**Nil**	**NA**	**NA**	**Nil**	**NA**

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

(₹. In Lakhs)

(1)	**(2)**	**(3)**	**(4)**	**(5)**		**(6)**	**(7)**	**(8)**	**(9)**	**(10)**	**(11)**	
Sr. No.	**Name of the Project**	**Item from the list of activities in Schedule VII to the Act.**	**Local area (Yes/ No)**	**Location of the project**		**Project duration**	**Amount allocated for the project**	**Amount spent in the current financial Year**	**Amount transferred to Unspent CSR Account for the project as per Section 135(6)**	**Mode of Implementation - Direct (Yes/No).**	**Mode of Implementation - Through Implementing Agency**	
				State	**District**						**Name**	**CSR Registration number.**
1	**NA**											
	TOTAL											

Annexure C (Contd)

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

(₹ in lakhs)

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. No.	**Name of the Project**	**Item from the list of activities in Schedule VII to the Act.**	**Local area (Yes/ No)**	**Location of the project**		**Amount spent for the project**	**Mode of Implementation - Direct (Yes/No).**	**Mode of Implementation - Through Implementing Agency**	
				State	**District**			**Name**	**CSR Registration number.**
1	Distribution of Medical Equipment for COVID Care Centre at Pandhurpur	Promoting healthcare including preventive healthcare and sanitation	Yes	Maharashtra	Solapur	2.62	Yes	-	-
2.	Financial Assistance of installation of Oxygen Generation Plant in Osmanabad M.I.D.C		No	Maharashtra	Osmanabad	5.00	Yes	Swa Roop wardhinee	CSR00002033
3.	Financial Assistance for installation of Oxygen Generation Plant in Nagpur		No	Maharashtra	Nagpur	2.50	Yes	-	-
4.	Distribution of Oxygen Con-centrators in rural areas		Yes	Maharashtra	Solapur	13.58	Yes	-	-
5.	Distribution of BiPAP Ventilator Machines		Yes	Maharashtra	Solapur	28.00	Yes	-	-
6.	Installation of Solar powered Street Light	Sustainability	Yes	Maharashtra	Solapur	11.73	Yes	-	-
7.	Financial as-sistance for goat farming project for creating liveli-hood oppor-tunities		No	Maharashtra	Sindhudurg	10.72	No	Bhagirath Gramvikas Pratishtan	CSR00010000
8.	Financial Assis-tance for Nursing Assistant course and Operation Theatre Course		Yes	Maharashtra	Solapur	5.00	No	The Backward Class Girls Hostel	CSR00006503

Annexure C (Contd)

9.	Distribution of stationery for students and fi-nancial assis-tance for upkeep of Sonamata School	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects	Yes	Maha rashtra	Solapur	6.13	Yes	-	-
10.	Setup of Mini Science Centre for students		Yes	Maha rashtra	Solapur	21.65	Yes	-	-
11.	Implementation of “Password Project” for de-velopment of students		Yes	Maha rashtra	Solapur	5.00	Yes	-	-
12.	Financial assistance for education to students from lower strata		No	Maha rashtra	Pune	3.00	No	Seva Sahayog Foun dation	CSR000 00756
13.	Repair and reno-vation of Crem-atorium	Social Issues	Yes	Maha rashtra	Solapur	10.13	Yes	-	-
14.	Distribution of Food grains to poor children, lepers for Hunger Eradication		Yes	Maha rashtra	Solapur	2.00	No	Sanskar Sanjivani Foun dation	CSR000 21782
15.	Distribution of Food grains to poor children, lepers for Hunger Eradication		Yes	Maha rashtra	Solapur	3.50	Yes	-	-
16.	Financial assis-tance for sup-porting mentally retarded girls		No	Maha rashtra	Osma nabad	3.00	No	Tuljai Pratish than Bahuud deshiya Sanstha	CSR000 12802
17.	Financial assis-tance for voca-tional training to specially abled children		Yes	Maha rashtra	Solapur	3.00	No	V-Excel Education Trust	CSR000 00017
18.	Empowerment and skill devel-opment of wom-en from rural areas		Yes	Maha rashtra	Solapur	5.50	No	Mata balak Utkarsha Pratish than	CSR000 00723
19.	Distribution of domestic appli-ances and equipments for shelther for poor boys and girls		No	Maha rashtra	Sindhudurg	2.50	No	Eklavya Balshi kshan and Arogya Nyasa	CSR000 04298
20.	Distribution of computer and printers at Police Stations		Yes	Maha rashtra	Solapur	1.89	Yes	-	-
	TOTAL					**146.47**			

(d)	**Amount spent in Administrative Overheads**	**Nil**
(e)	**Amount spent on Impact Assessment, if applicable**	**Nil**
(f)	**Total amount spent for the Financial Year (8b+8c+8d+8e)**	**₹ 146.47/- Lakhs**

Annexure C (Contd)

(g) Excess amount for set off, if any

(₹ in lakhs)

Sr No.	Particulars	Amount (₹. in Lakhs)
(i)	Two percent of average net profit of the Company as per section 135(5)	142.85/-
(ii)	Total amount spent for the Financial Year	146.47/-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	3.62/-
(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)]	3.62/-

9. (a) 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						

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

(₹ in lakhs)

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

Annexure C (Contd)

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

(asset-wise details)

(₹ in lakhs)

Sr. No.	Particulars	Asset Name
1	Date of creation or acquisition of the capital asset(s).	25th March, 2022
2	Amount of CSR spent for creation or acquisition of capital asset.	₹ 11.73 Lakhs
4	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Chinchani Punarvasit Gaav Committee, Village: Chinchani, Tal. Pandharpur, Dist. Solapur
5	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).	Solar Street Lights Village: Chinchani, Tal. Pandharpur, Dist. Solapur

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

(₹ in lakhs)

Signature **Managing Director or Director**	**Signature** **Chairman of CSR Committee**

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 2021-22:**

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	145.87	0.00
2.	Mr. Ravindra R. Joshi	Whole-time Director & Chief Financial Officer	132.23	3.09
3.	Mr. Karan Y. Shah	Whole-time Director– Business Development	12.66	0.00
4.	Dr. Suhasini Y. Shah	Non-Executive Director	2.40	0.00
5.	Mr. Sarvesh N. Joshi	Independent Director	2.40	0.00
6.	Mr. Pramod H. Mehendale	Independent Director	1.68	-30.00
7.	Mr. Vedant V. Pujari	Independent Director	1.68	-30.00
8.	Mr. Vaibhav S. Mahajani	Independent Director	2.40	0.00
9.	Mrs. Savani A. Laddha	Independent Director	2.40	0.00
10.	Mr. Madan M. Godse	Independent Director	1.44	0.00
11.	Mrs. Mayuri I. Kulkarni	Company Secretary & Compliance Officer	–	10.63
12.	Mr. Gautam V. Wakankar	Company Secretary & Compliance Officer	–	0.00

2. **Percentage increase in the median remuneration of employees in the Financial Year 2021-22:**

   During the Financial Year under review, there has been increase by approximately 22.44% in the median remuneration paid to the employees.

3. **The number of permanent employees on the rolls of the Company as on 31st March, 2021:** 1332

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 15% and increase in average managerial remuneration by 1.56%.

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: 10th August, 2022
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	304.39	Whole-time employee on roll of the Company	B.com, MBA 35 years of experience in business expansion and administration	08/06/1992	60	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	275.94	Whole-time employee on roll of the Company	B.com, DBM 34 years of experience in the field of finance and accounting	11/05/2000	57	Chetan Foundries, Manager Finance	0.02	NA

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

Yatin S. Shah
Chairman & Managing Director
DIN: 00318140

Date: 10th August, 2022
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 PCL, 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.

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

A report on compliance with the principles of Corporate Governance as prescribed by the SEBI in Chapter IV read with Schedule V of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 is given below:

1. Board of Directors

a) Composition and category of Directors

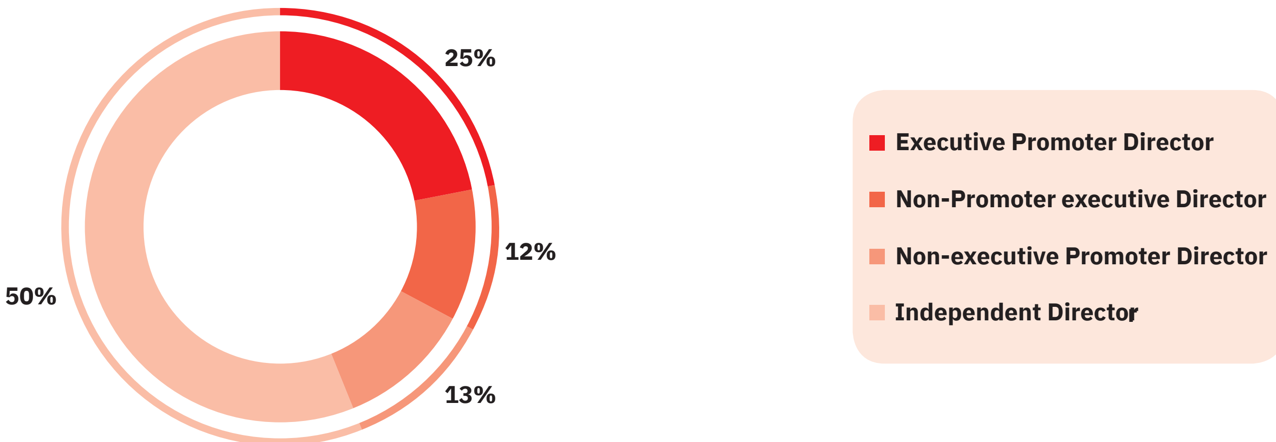
A wide range of perspectives is critical to effective Corporate Governance. The Management believes that the Company's Board should comprise of an appropriate mix of Executive, Non-Executive and Independent Directors, to maintain its independence and diversity of perspectives, and lead to good management 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

As on 31st March 2022 our Board is comprised of **8 (Eight)** Directors. The composition of the Board is as follows with Mr. Yatin S. Shah as the Chairman:

Sr No.	Category of Directors	No. of Directors	Name of Director
1.	Executive Director Promoter	2	Mr. Yatin S. Shah
			Mr. Karan Y. Shah
2.	Non-Executive Director Promoter	1	Dr. Suhasini Y. Shah
3.	Executive Director	1	Mr. Ravindra R. Joshi
4.	Independent Non-Executive Director	3	Mr. Vaibhav S. Mahajani
			Mr. Sarvesh N. Joshi
			Mr. Madan M. Godse
5.	Woman Independent Non-Executive Director	1	Mrs. Savani A. Laddha
	Total	**8**	

Annexure E (Contd)

Composition of Board as on 31st March, 2022



All the Directors have made necessary disclosures regarding their directorships and other interests as required under Section 184 of the Act 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 (LODR), 2015, i.e. None of the Directors on the Company's Board

- hold the office of Director in more than 20 (Twenty) Companies or
- holds directorships in more than ten public companies,
- serves as Director or as 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 has 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 Act 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 Act and

Regulation 25(3) of SEBI LODR, separate meeting of Independent Directors was held on 16th March 2022 without the attendance of Non-Independent Directors and members of management. All the Independent Directors were present at the meeting.

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.

Annexure E (Contd)

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 2022. The said report forms part this Annual Report as **Annexure J**.

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

Sr No.	Director	Meetings held during the year						Number of Meetings attended during the year	29th Annual General Meeting
		25th May, 2021	10th August, 2021	3rd September, 2021	12th November, 2021	11th February, 2022	17th March, 2022		27th July, 2021
1.	Mr. Yatin S. Shah	√	√	√	√	√	LOA	5	Yes
2.	Dr. Suhasini Y. Shah	√	√	LOA	√	√	√	5	Yes
3.	Mr. Ravindra R. Joshi	√	√	√	√	√	LOA	5	Yes
4.	Mr. Karan Y. Shah	√	√	√	√	√	LOA	5	Yes
5.	Mr. Pramod H. Mehendale*	√	NA	NA	NA	NA	NA	1	Yes
6.	Mr. Sarvesh N. Joshi	√	√	√	√	√	√	6	Yes
7.	Mr. Vedant V. Pujari*	√	NA	NA	NA	NA	NA	1	Yes
8.	Mr. Vaibhav S. Mahajani	√	√	√	√	√	√	6	Yes
9.	Mrs. Savani A. Laddha	√	√	√	√	√	√	6	Yes
10.	Mr. Madan M. Godse**	NA	NA	NA	√	√	√	3	NA

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

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

*Mr. Pramod H. Mehendale and Mr. Vedant V. Pujari, Independent Directors of the Company upon completion of their 2nd consecutive term retired at the 29th Annual General Meeting held on 27th July, 2021.

**Mr. Madan M. Godse was appointed as an Additional Director designated as Non – Executive Independent Director of the Company with effect from 3rd September, 2021.

c) Number of Board Meetings

During the Financial Year under review, the 6 Board Meetings were held 25th May, 2021, 10th August, 2021, 3rd September, 2021, 12th November, 2021, 11th February, 2022 and 17th March, 2022.

d) Frequency

The Board meets once in every quarter to review the quarterly results and other items of the agenda. Whenever necessary, additional meetings are held. In case of business exigencies or urgency of matters, decisions are taken based on resolutions passed by circulation and confirmed in the next Board Meeting.

Annexure E (Contd)

e) Details of membership of Directors in other Companies Boards and their Committees as on 31st March, 2022

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	
		Chairman	Member	Chairman	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	2	Nil	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	Nil	Nil	Nil	Nil	Nil
6.	Mr. Vaibhav S. Mahajani	Nil	Nil	Nil	Nil	Nil	Nil
7.	Mrs. Savani A Laddha	Nil	Nil	Nil	Nil	Nil	Nil
8.	Mr. Madan M. Godse	Nil	1	Nil	1	Sintercom India Limited	Independent Director

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.
2. Mr. Pramod H. Mehendale and Mr. Vedant V. Pujari, Independent Directors of the Company retired at the 29th AGM held on 27th July, 2021; hence their data is not mentioned.

f) Disclosure of relationships between Directors inter-se as on 31st March, 2022

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	Mr. Vaibhav S. Mahajani	No relationship with other Directors of the Company
7	Mrs. Savani A. Laddha	No relationship with other Directors of the Company
8	Mr. Madan M. Godse	No relationship with other Directors of the Company

g) Number of shares and convertible instruments held by Non-Executive Directors as on 31st March, 2022

Sr. No.	Name of Director	No. of equity shares held
1	Dr. Suhasini Y. Shah	1,04,86,461
2	Mr. Sarvesh N. Joshi	Nil
3	Mr. Vaibhav S. Mahajani	550
4	Mrs. Savani A. Laddha	Nil
5	Mr. Madan M. Godse	Nil

h) Web link where details of familiarization programme imparted to Independent Directors is disclosed. Familiarization Programme FY 2021-22

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

The PCL Board comprises qualified member who bring in the required skills, competence and expertise that allows them to make effective contributions to the Board and its committees. Board of Directors has, based on the recommendations of the Nomination and Remuneration Committee ('NRC'), identified the following core skills/expertise/ competencies of Directors as required in the context of business of the Company for its effective functioning:

Core skills / expertise / competence	Description
Leadership	The Board and its Committees comprise of members having extensive leadership experiences resulting in a practical understanding of organizational processes, strategic planning and risk management. This in turn demonstrates strengths in developing talent, sustainable growth, planning successions, taking adequate steps to inculcate leadership qualities in senior and experienced human resource available with the Company and driving change and long–term growth.
Financial	Leadership of management of the finance function of an enterprises and group companies, results in proficiency in complex Financial Management, or experiences aiding to actively supervise the principal financial officer, principal accounting officer, controller, auditors, or person performing similar functions.
Gender, ethnicity, national, or other diversity	Representation of genders, ethnicities, geographies, cultures, expands the Board's understanding of the needs and viewpoints of our stakeholders worldwide.
Global Business	The Board is well composed with a vast experience in driving business success in markets around the world and an understanding of diverse business environment, economic conditions, cultures, and regulatory frameworks, and a broad perspective on global market opportunities.
Industry Experience	The vast experience in manufacturing of Camshafts and is well versed with the current industrial scenario, changing trends and technology.

Core skills / expertise / competence	Description
Technology, R & D, IT	A strong background in the field of Information Technology in anticipation of technological trends, accompanying threats aided by new technologies helps the Company stand guard against cyber-attacks. The Company aims to manufacture Camshafts as per the strict specifications provided by the customers. The Company also allows and actively participates in the production audit conducted by the respective customers, the development of Camshafts is thereafter focused on more specific requirements of the customer. The Company also conducts IT Systems Audit at an appropriate intervals in order to pinpoint the potential weak areas in the Company's IT Systems. The Company is keen on deploying the best possible infrastructure to overcome these weak areas and protect its sensitive data.
Board Services and Governance	The Board is committed to develop insights about maintaining Board and management accountability thereby protecting shareholder's interests and observing appropriate governance practices.
Sales and Marketing	Strategies for the growth of sales and market share. This helps the Company in brand awareness, enhancing and protecting the Company's reputation by adhering to best industry practices. Adoption of zero defect policy has helped the customers get the best quality product.

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

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

j. Selection of New Directors:

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

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

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 utilized for purposes other than those stated in offer document/prospectus/ notice(if any) and the report submitted by the monitoring agency the utilization 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.
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.

Annexure E (Contd)

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 utilization of loans and/ or advances from/investment by the holding Company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing.
21. Review of Management Discussion and analysis of financial condition and results of operations.
22. Review of Statement of significant related party transactions (as defined by the audit Committee) submitted by the Management.
23. Review of Management letter/letters of internal control weaknesses issued by the statutory auditors.
24. Review of Internal Audit reports relating to internal control weaknesses.
25. Review of appointment, removal and terms of remuneration of the Chief Internal Auditor.
26. Carrying out any other function as is mentioned in terms of reference of the Audit Committee.

(b) Composition, Name of members and Chairperson:

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

The composition and the details of attendance of Audit Committee as on **31st March, 2022** are 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.	Mr. Madan M. Godse	Independent Director	Member
4.	Mr. Vaibhav S. Mahajani	Independent Director	Member
5.	Mrs. Savani A. Laddha	Independent Director	Member

(c) Meetings and attendance during the year:

The Committee met 5 (Five) times during the year. The meetings were held on 25th May, 2021, 10th August, 2021, 3rd September, 2021, 12th November, 2021 and 11th February, 2022.

The details of the meetings attended by its members during the FY 2021-22 are as under:-

Sr No.	Name of Member	Meetings held during the year				
		25th May, 2021	10th August, 2021	3rd September, 2021	12th November, 2021	11th February, 2022
1.	Mr. Pramod H. Mehendale*	√	NA	NA	NA	NA
2.	Mr. Ravindra R. Joshi	√	√	√	√	√

Annexure E (Contd)

Sr No.	Name of Member	Meetings held during the year				
		25th May, 2021	10th August, 2021	3rd September, 2021	12th November, 2021	11th February, 2022
3.	Mr. Sarvesh N. Joshi**	√	√	√	√	√
4.	Mr. Vaibhav S. Mahajani	√	√	√	√	√
5.	Mrs. Savani A. Laddha	√	√	√	√	√
6.	Mr. Madan M. Godse***	NA	NA	NA	NA	√

(√- Attended, NA-Not Applicable)

Notes:

*Mr. Pramod H. Mehendale, Independent Director and Chairman of Audit Committee upon completion of the 2nd consecutive term retired at the 29th Annual General Meeting held on 27th July, 2021.

** Mr. Sarvesh N. Joshi, Independent Director was appointed as Chairman of Audit Committee by Board of Directors w.e.f. 10th August, 2021.

***Mr. Madan M. Godse, Independent Director, inducted as a member in the Audit Committee of the Company w.e.f. 12th November, 2021.

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

Pursuant to Regulation 18(1) (d) of SEBI LODR, Mr. Pramod H. Mehendale, Chairman of the Audit Committee was present at the 29th Annual General Meeting of the Company held on 27th July, 2021.

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, 2015 as mentioned below:-

1. Formulation of criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Director a policy relating to, the remuneration of the directors, key managerial personnel and other employees. 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.

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 directors for 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) Regulation 2015 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 Nomination and Remuneration Committee as on 31st March, 2022 are as under:

Sr. No.	Name of Member	Designation	Position held in the Committee
1.	Mr. Vaibhav S. Mahajani	Independent Director	Chairman
2.	Mr. Sarvesh N. Joshi	Independent Director	Member
3.	Mrs. Savani A. Laddha	Independent Director	Member
4.	Mr. Madan M. Godse	Independent Director	Member

c. Meeting and attendance during the year:

The Committee met 3 (Three) times during the year. The meetings were on 18th May, 2021, 3rd September, 2021 and 17th March, 2022. Requisite quorum was present at the above Meetings.

The details of the meetings attended by its members during the Financial Year ended **31st March, 2022** are as under:-

Sr No.	Name of Member	Meetings held during the year		
		18th May, 2021	**3rd September, 2021**	**17th March, 2022**
1.	Mr. Vaibhav S. Mahajani**	√	√	√
2.	Mr. Pramod H. Mehendale*	√	NA	NA
3.	Mr. Vedant V. Pujari*	√	NA	NA
4.	Mr. Sarvesh N. Joshi	√	√	√
5.	Mrs. Savani A. Laddha	√	√	√
6.	Mr. Madan M. Godse***	-	-	√

(√- Attended, NA-Not Applicable)

Note:

*Mr. Vedant V. Pujari, Independent Director and Chairman of NRC Committee & Pramod H. Mehendale, Independent Director and Member of NRC Committee Company, upon completion of the 2nd consecutive term retired at the 29th AGM held on 27th July, 2021.

** Mr. Vaibhav S. Mahajani, Independent Director was appointed as Chairman of NRC Committee by Board of Directors w.e.f. 10th August, 2021.

***Mr. Madan M. Godse, Independent Director, inducted as a member in the NRC Committee of the Company w.e.f. 12th November, 2021.

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

Pursuant to Regulation 19 (3) of SEBI LODR, Mr. Vedant V.Pujari, Chairman of the Nomination and Remuneration Committee was present at the 29th Annual General Meeting of the Company held on 27th July, 2021.

d. Performance evaluation criteria for independent directors:

Pursuant to the provisions of the Companies Act, 2013 and the applicable provisions of the SEBI LODR, the Annual Performance Evaluation was carried out for the FY 2021-22.

The performance evaluation criterion for Independent Directors is determined by the Nomination and Remuneration Committee. An indicative list of factors that may be evaluated include participation and contribution by Director, commitment effective deployment of knowledge, effective management of relationship with Stakeholders, integrity and maintenance of confidentiality and independence of behavior and judgement.

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:

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

(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 (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, 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.

(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 Stakeholders' Relationship Committee as on 31st March 2022 are 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. Vaibhav S. Mahajani	Independent Director	Member
3.	Mr. Karan Y. Shah	Whole-time Director	Member
4.	Mr. Madan M. Godse	Independent Director	Member

(e) Meetings and attendance during the year:

The Committee met 4 (Four) times during the year. The meetings were held on 18th May, 2021, 2nd September, 2021, 9th November, 2021 and 4th February, 2022. Requisite quorum was present at the above Meetings.

The details of the meetings attended by its members during the FY 2021-22 are as under:-

Sr No.	Name of Member	Meetings held during the year			
		18th May, 2021	2nd September, 2021	9th November, 2021	4th February, 2 022
1.	Dr. Suhasini Y. Shah**	√	√	√	√
2.	Mr. Pramod H. Mehendale*	√	NA	NA	NA
3.	Mr. Vedant V. Pujari*	√	NA	NA	NA
4.	Mr. Vaibhav S. Mahajani	√	√	√	√
5.	Mr. Karan Y. Shah***	-	√	√	√
6.	Mr. Madan M. Godse****	-	-	-	√

(√- Attended, NA-Not Applicable)

* Mr. Vedant V. Pujari, Independent Director and Chairman of SRC Committee and Pramod H. Mehendale, Independent Director & Member of SRC Committee of the Company upon completion of their 2nd consecutive term retired at the 29th AGM held on 27th July, 2021.

** Dr. Suhasini Y. Shah, Non-Executive Non-Independent Director was appointed as Chairperson of SRC Committee by Board of Directors w.e.f. 10th August, 2021.

***Mr. Karan Y. Shah, Executive Director, inducted as a member in the Stakeholder Relationship Committee of the Company w.e.f. 10th August, 2021.

****Mr. Madan M. Godse, Independent Director, inducted as a member in the Stakeholder Relationship Committee of the Company w.e.f. 12th November, 2021.

(f) Details of complaints received and attended to during the FY 2021-22 are given below:

Opening Balance as on 1st April 2021	Received during the year	Resolved during the year	Not Resolved during the year	Closing Balance as on 31st March, 2022
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 amended from time to time.
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.

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 FY 2021-22 forms part of the Board's Report.

(b) Composition:

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

The Corporate Social Responsibility Committee comprised of following members:

Sr. No.	Name of Member	Designation	Position held in the Committee
1.	Mr. Yatin S. Shah	Chairman and Managing Director	Chairman
2.	Dr. Suhasini Y. Shah	Non-Executive, Non-Independent Director	Member
3.	Mr. Vaibhav S. Mahajani	Independent Director	Member

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

The Committee met **4 (Four) times** during the year. The meetings were on 25th May, 2021, 10th August, 2021, 12th November, 2021 and 11th February, 2022. Requisite quorum was present at the above Meetings.

Annexure E (Contd)

The details of the meetings attended by its members during the FY 2021-22 are as under:

Sr No.	Name of Member	Meetings held during the year			
		25th May, 2021	10th August, 2021	12th November, 2021	11th February, 2022
1.	Mr. Yatin S. Shah	√	√	√	√
2.	Dr. Suhasini Y. Shah	√	√	√	√
3.	Mr. Vedant V. Pujari*	√	NA	NA	NA
4.	Mr. Vaibhav S. Mahajani	√	√	√	√

(√- Attended, NA-Not Applicable)

*Mr. Vedant V. Pujari, Independent Director of the Company on the completion of his 2nd term retired from the Company on 27th July, 2021.

6. RISK MANAGEMENT COMMITTEE

As per Regulation 21 (5) of SEBI LODR the Company is required to constitute Risk Management Committee (RMC) **being one of the Top 1000 listed entities** as per market capitalization as on 31st March, 2021. The Company ranks **986th** in National Stock Exchange of India.

In compliance of Regulation 21(1) of SEBI LODR, the Board of Directors Company constituted the RMC at its meeting held on 10th August, 2021.

(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;
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 function as is 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 Risk Management Committee (RMC) has been constituted by the Board in compliance with Regulation 21 (5) of SEBI LODR.

The Risk Management Committee comprises of the following members as on 31st March, 2022:

Sr. No.	Name of Member	Designation	Position held in the Committee
1.	Mr. Yatin S. Shah	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. Vaibhav S. Mahajani	Independent Director	Member
5.	Mr. Rajkumar K. Kashid	General Manager – Human Resources	Member
6.	Mr. Indrajit K. Santra	Deputy General Manager – New Product Development	Member
7.	Mr. Narayana Chittavarjula	Chief Operating Officer	Member

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

The Committee met **2 (Two) times** during the year. The meetings were on 4th February, 2022 and 26th March, 2022. Requisite quorum was present at the above meetings.

The details of the meetings attended by its members during the FY 2021-22 are as under:

Sr No.	Name of Member	Risk Management Committee (RMC) Meetings held during the year	
		4th February, 2022	26th March, 2022
1.	Mr. Yatin S. Shah	√	√
2.	Mr. Ravindra R. Joshi	LOA	√
3.	Mr. Karan Y. Shah	√	√
4.	Mr. Vaibhav S. Mahajani	√	LOA
5.	Mr. Rajkumar K. Kashid	√	√
6.	Mr. Indrajit K. Santra	√	√
7.	Mr. Narayana Chittavarjula	NA	√

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

7. REMUNERATION OF DIRECTORS

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

The Company does not pay sitting fees to the Directors for attending the meetings. The commission on profits is payable to Non-Executive Directors 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 30th Annual General Meeting. The Board of Directors is authorized 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	Spouse of Mr. Yatin S. Shah and Mother of Mr. Karan Y. Shah
2.	Mr. Sarvesh N. Joshi	5	There is no pecuniary relationship with the Company and have not entered any transaction with the Company except payment of Commission for the Financial year and reimbursement of expenses.
3.	Mr. Pramod H. Mehendale	3.5	
4.	Mr. Vedant V. Pujari	3.5	
5.	Mr. Vaibhav S. Mahajani	5	
6.	Mrs. Savani A Laddha	5	
7.	Mr. Madan M. Godse	3	

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

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

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

Given below are details pertaining to certain terms of appointment and payment of Managerial Remuneration to the Managing Director, Whole-time Directors and Chief Financial Officer for FY 2021-22:

(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	194.97	31.22	385.61
2.	Mr. Ravindra R. Joshi Whole-time Director and Chief Financial Officer	113.55	207.39	34.06	355
3.	Mr. Karan Y. Shah Whole-time Director – Business Development	9.60	28.27	2.88	40.75

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 Meeting 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 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.
2.	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 of the Company for the remaining term.
3.	FY 2018-19 27th Annual General Meeting	25th September, 2019 Wednesday	03:00 PM	Hotel Balaji Sarovar Premiere, Aasara Chowk, Hotgi Road, Solapur – 413224, Maharashtra, India	To Appoint Mr. Ravindra R. Joshi as Whole-time Director (DIN: 03338134) & Chief Financial Officer (CFO) for further term of 5 (five) years from 1st April, 2019 to 31st March, 2024.

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

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

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

d. Procedure for postal ballot. **NA**

9. MEANS OF COMMUNICATION:

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

Financial Results: The Quarterly, Half Yearly and Annual 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.

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, Familiarization 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: The Company had during FY 2021-22 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

Annexure E (Contd)

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:

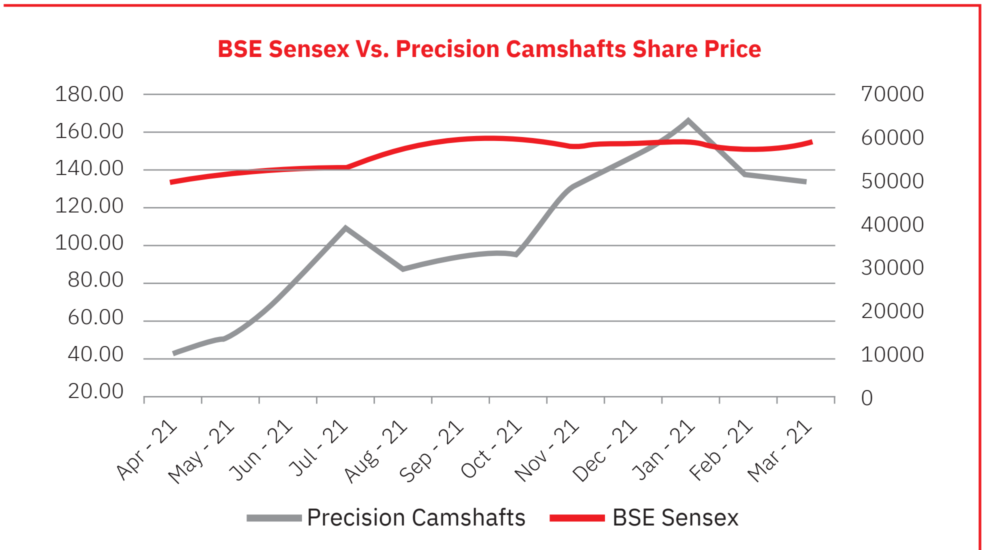
I.	Annual General Meeting – Date, Time and Venue	21st September, 2022, 03.00 pm via Video Conferencing/Other Audio Visual Means	
II.	Video Conference, If Yes, Link	Yes Link is provided in Notes to the AGM Notice	
III.	Financial Year	1st April,2021 to 31st March, 2022	
IV.	Cut off for E - Voting and Dividend (if any)	13th September, 2022	
V.	Date of Dividend Payment	The Dividend, if declared at AGM will be paid on or before, 20th October, 2022	
VI.	Dates of Book Closure	14th September, 2022 (Wednesday) to 21st September, 2022 (Wednesday)	
VII.	E Voting Lines open	18th September, 2022 (09:00 AM IST) to 20th September, 2022 (05:00 PM IST)	
VIII.	The name and address of each stock exchange(s) at which the listed entity's securities are listed	**BSE Limited** Phiroze Jeejeebhoy Towers Dalal Street, Mumbai- 400001, Maharashtra, India 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, Bandra(E), Mumbai-400051 Maharashtra, India Tel No: (022) 26598100 - 8114 Fax No: (022) 26598120
IX.	Stock Code	**539636**	**PRECAM**
X.	ISIN	INE484I01029	
XI.	Confirmation about payment of annual listing fee to each of such stock exchange(s);	The Company has paid Listing Fees for the FY 2021-22 to each of the Stock Exchanges, where the equity shares of the Company are listed.	

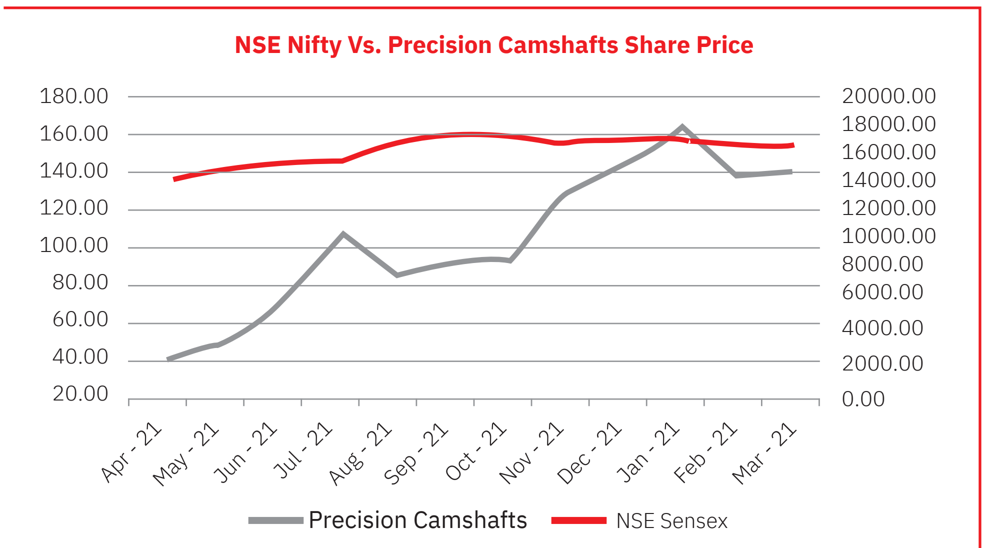
(b) Market price data- high, low during each month in last financial year:

	BSE		NSE	
Month	**High Price**	**Low Price**	**High Price**	**Low Price**
Apr-21	49.00	39.25	49.00	39.55
May-21	64.90	42.40	64.90	42.15
Jun-21	83.15	50.90	83.30	50.90
Jul-21	111.80	74.00	111.50	74.85
Aug-21	111.90	77.65	112.00	77.45
Sep-21	103.20	80.40	103.40	81.00
Oct-21	115.75	93.00	115.90	92.95
Nov-21	149.70	96.45	149.95	96.35
Dec-21	164.90	124.25	164.95	122.25
Jan-22	185.35	140.40	185.40	140.40
Feb-22	189.50	125.00	189.75	125.05
Mar-22	148.95	125.20	148.25	127.10

Annexure E (Contd)

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





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

(e). Registrar to an issue and share transfer agents

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

Annexure E (Contd)

(f) Share transfer system:

According to the SEBI LODR no shares can be transferred unless they are held in dematerialised 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	51,340	92.3963	50,06,509	5.2708
501-1000	2,196	3.9521	17,90,961	1.8855
1001-2000	994	1.7889	15,13,851	1.5938
2001-3000	340	0.6119	8,74,731	0.9209
3001-4000	132	0.2376	4,80,449	0.5058
4001-5000	152	0.2736	7,28,073	0.7665
5001-10000	219	0.3941	16,50,076	1.7372
10001- above	192	0.3455	8,29,41,185	87.3195
Total	**55565**	**100.0000**	**9,49,85,835**	**100.0000**

(h) Shareholding Summary as on 31st March 2022:

Category	Total Shares	% to equity
Physical	22	0.001
NSDL	8,53,35,309	89.84
CDSL	96,50,504	10.15

(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

Plant locations	Address for correspondence
1) E 102/103, M. I. D. C., Akkalkot Road, Solapur - 413 006 2) D-5, MIDC Chincholi, Solapur - 413255	Precision Camshafts Limited
3) D-6, D-7, D-7/1 MIDC, Chincholi, Solapur - 413255	**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 any

Credit Rating on 7th April, 2021

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

Revision in Credit Rating on 7th January, 2022

Facilities	Amount (₹ Crores)	Previous Rating	Rating action
Long-term Bank Facilities	2.05	CARE A; STABLE	Reaffirmed
Long/ Short term Bank Facilities	10.00	CARE A; Stable/ CARE A1	Reaffirmed
Short-term Bank Facilities	54.95 (Reduced from 57.50)	CARE A1	Reaffirmed
Total 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 mentioned 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

(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 Listing Regulations, 2015 to the extent 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.

Annexure E (Contd)

(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).

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

(j) The Board of Directors has accepted all recommendations of all committees of the Board, which is mandatorily required, in the FY 2021-22.

(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 2021-22	30.00/-
3	Out of pocket expenses	4.29/-
	Total	**34.29/-**

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

a. Number of complaints filed during the year. NIL

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

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

12. Non-compliance of any requirement of corporate governance report with 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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, 2022.

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

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

Date: 10th August, 2022
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, 2022, 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 B. Bhave
Proprietor
FCS: 4266 CP: 3068
UDIN: F004266D000366771
PR.NO: 1238/2021

Place: Pune
Date: 26th May, 2022

Annexure G

SCHEDULE V OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS) 2015
COMPLIANCE CERTIFICATE
BY COMPANY SECRETARY IN WHOLE-TIME PRACTICE

To
The Company Secretary
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 2021-22 as stipulated in the Companies Act, 2013, Securities and Exchange Board of India Act, 1992 and the applicable SEBI Regulations.

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

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

S. No.	Name	Designation	DIN
1	Yatin Subhash Shah	Chairman and Managing Director	00318140
2	Karan Yatin Shah	Whole Time Director	07985441
3	Suhasini Yatin Shah	Non-Executive – Non Independent Director	02168705
4	Ravindra Rangnath Joshi	Whole Time Director and Chief Financial Officer	03338134
5	Madan Madhusudan Godse	Non-Executive – Independent Director	06987767
6	Vaibhav Shashikant Mahajani	Non-Executive – Independent Director	00304851
7	Sarvesh Nandlal Joshi	Non-Executive – Independent Director	03264981
8	Savani Arvind Laddha	Non-Executive – Independent Woman Director	03258295

This certificate is issued on the request of the Company.

For J. B. Bhave & Co.
Company Secretaries

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Jayavant Bhave
Proprietor
FCS: 4266 CP: 3068
UDIN: F004266D000366716
PR No: 1238/2021

Date: 26th May, 2022
Place: Pune

Annexure H

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE YEAR ENDED 31st MARCH, 2022

[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, 2021 to 31st March, 2022 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, 2022 during the audit period ("Audit Period"), complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and legal compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the year ended 31st March, 2022 according to the provisions of the following list of laws and regulations:

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

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

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

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

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

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

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

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **[Not applicable during the period under review]**

d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and Securities and Exchange Board Of India (Share Based Employee Benefits) Regulations, 2014;

e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **[Not applicable during the period under review]**

f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **[Not applicable during the period under review]**

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

Annexure H (Contd.)

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **[Not applicable 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 Obligations and Disclosure Requirements) Regulations, 2015.

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

I further report that: -

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

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

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

a) Mr. Madan Madhusudan Godse (DIN. 06987767) was appointed as Addition Director designated as Non-Executive Independent Director on 3rd September, 2021.

b) Ministry of Corporate Affairs, 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 required by the Officers. The Company is also under process of providing additional documents and data relating to the information and explanation sought by ROC office.

For J. B. Bhave & Co.
Company Secretaries

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Jayavant B. Bhave
Proprietor
FCS: 4266 CP: 3068
UDIN: F004266D000366683
PR No: 1238/2021

Place: Pune
Date: 26th May, 2022

Annexure to the Secretarial Audit Report of Precision Camshafts Limited for the year ended 31st March, 2022
Auditors' Responsibility

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

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

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

Accordingly, I wish to state as under-

1. The Secretarial Audit for the financial year 2021-2022 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. 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

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Jayavant Bhave
Proprietor
FCS: 4266 CP: 3068
PR No: 1238/2021

Place: Pune
Date: 26th May, 2022

Annexure I

ANNUAL SECRETARIAL COMPLIANCE REPORT OF

PRECISION CAMSHAFTS LIMITED

FOR THE YEAR ENDED 31ST MARCH, 2022

I have conducted verification and examination of records, as facilitated by the Company, of the following:

a) All the documents and records made available to us and explanation provided by the officers of **M/S. Precision Camshafts Limited** ("the listed entity"),

b) The filings/ submissions made by the listed entity to the stock exchanges where the securities of the Company are listed, **(BSE & NSE)**

c) Website of the listed entity **(www.pclindia.in)**

d) Any other document/ filing, as may be relevant, which has been relied upon to make this certification,

For the year ended 31st March, 2022 ("Review Period") in respect of compliance with the provisions of:

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

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

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

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

b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **[Not applicable during the period under review]**

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

d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **[Not applicable during the period under review]**

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

f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **[Not applicable during the period under review]**

g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **[Not applicable during the period under review]**

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

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

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

Sr. No.	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
1.	*Disclosure of Related Party Transactions under Regulation 23 (9) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015*	*Delay of 1 day in filing disclosure with Stock Exchanges.*	*National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange (BSE) has levied a fine of ₹ 5000 (Five Thousand) plus applicable taxes each and the Company has paid the said fine.*

Annexure I (Contd.)

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

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

Sr. No.	**Action taken by**	**Details of violation**	**Details of action taken E.g. fines, warning letter, debarment, etc.**	**Observations/ remarks of the Practicing Company Secretary, if any.**
1	*National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange (BSE)*	*Delay of 1 day in filing disclosure under regulation 23 (9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015*	*National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange (BSE) has levied a fine of ₹ 5000 (Five Thousand) plus applicable taxes each*	*The Company has paid the fine levied by NSE and BSE*

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

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

For J. B. Bhave & Co.
Company Secretaries

____
Jayavant Bhave
Proprietor
FCS: 4266 CP: 3068
UDIN: F004266D000366641
PR No: 1238/2021

Place: Pune
Date: 26th May, 2022

Annexure I (Contd.)

Annexure to the Annual Secretarial Compliance Report [ASCR]
of Precision Camshafts Limited for the year ended 31st March, 2022
Auditors' Responsibility

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

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

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

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

Accordingly, in my opinion,

1. The ASCR Audit for the FY 2021-2022 has been conducted as per the applicable Auditing Standards.
2. I have obtained reasonable assurance that the statements prepared, documents or Records maintained by the Company are free from misstatement.
3. My responsibility is limited to only express my opinion on the basis of evidences collected, information received and Records maintained by the Company or given by the Management.
4. The Company has followed applicable laws, act, rules or regulations in maintaining their Records, documents, statements and has complied with applicable laws or rules while performing any corporate action.

For J. B. Bhave & Co.
Company Secretaries

____
Jayavant Bhave
Proprietor
FCS: 4266 CP: 3068
PR No: 1238/2021

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, 2022 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, 2022 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, 2022.

2. There are no significant changes in accounting policies during the Financial Year ended 31st March, 2022, 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: Solapur
Date: 26th May, 2022

Ravindra R. Joshi
Whole-time Director and CFO
DIN: 03338134
Place: Pune
Date: 26th May, 2022

BUSINESS RESPONSIBILITY REPORT

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

SECTION A: GENERAL INFORMATION OF THE COMPANY

1.	Corporate Identity Number (CIN) of the Company	L24231PN1992PLC067126
2.	Name of the Company	Precision Camshafts Limited
3.	Registered address	E 102/103, M.I.D.C., Akkalkot Road, Solapur – 413006, Maharashtra, India
4.	Website	www.pclindia.in
5.	E-mail id	cs@pclindia.in
6.	Financial Year reported	2021-2022
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	2930 (Manufacture of parts for motor vehicle, NIC Code of the Product/Services)
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	Manufacturing of Camshafts
9.	Total number of locations where business activity is undertaken by the Company	
	a) Number of International Locations (Provide details of major 5)	3 (Through Subsidiaries)
	b) Number of National Locations	4 (3 of Precision Camshafts Limited and 1 through Subsidiaries)
10.	Markets served by the Company – Local/State/National/ International	All over India and in Canada, USA, Mexico, Brazil, UK, France, Spain, Germany, Norway, Sweden, Austria, Hungary, Poland, Uzbekistan, South Korea & New Zealand (includes markets served by Precision Camshafts Limited and its subsidiaries)

SECTION B: FINANCIAL DETAILS OF THE COMPANY (Standalone)

1.	Paid up Capital	₹ 9,498.58 Lakhs
2.	Total Turnover	₹ 51,212.32 Lakhs
3.	Total profit after taxes	₹ 6,607.69 Lakhs
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	₹ 146.47 Lakhs (2.53%)
5.	List of activities in which expenditure in 4 (CSR) above has been incurred	Healthcare Education Sustainability Social Issues

SECTION C: OTHER DETAILS

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

SECTION D: BUSINESS RESPONSIBILITY INFORMATION

1. Details of Director/Directors responsible for BR

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

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

b. Details of the BR head

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

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

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as follows:

List of Principles

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

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

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	Do you have a policy/ policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
		Being a global supplier of camshafts, the Company's policies are in line with various international standards which are followed by automobile OEMs.								
4.	Has the policy been approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
5.	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	Business Ethics and Integrity Policy	Sustainability Policy	Human Rights Policy	Corporate Social Responsibility Policy	Human Rights Policy	Environment Occupational Health and Safety Policy	Business Ethics and Integrity Policy	Corporate Social Responsibility Policy	Quality Policy
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the Company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

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

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

3. Governance related to BR

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

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

Our Company is one of the top 1000 listed entities as per NSE Market Capitalisation, therefore this Business Responsibility Report forms part of the Annual Report of the Company for the Financial Year 2021-22.

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

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

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

SECTION E: PRINCIPLE-WISE PERFORMANCE

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

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

The Business Ethics and Integrity policy covers only the Company.

Further the CODE OF CONDUCT POLICY is also issued to every new employee joining the Company.

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

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

   The Company has not received any complaints during the Financial Year ended 31st March, 2022.

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

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

   The Company manufactures products using the materials which are approved via International Material Data system (IMDS) which prevents the use of restricted, hazardous and controlled substances. We manufacture various types of camshafts for fuel efficient Euro VI engines for passenger cars of General Motors, Ford, Maruti Suzuki, Hyundai, Toyota, Tata Motors, FIAT, etc. which have addressed environmental concerns by complying to Corporate Average Fuel Economy (CAFÉ) Standards aiming to reduce carbon emissions from the exhaust of the vehicles. The Company's products are used in several hybrid technology vehicles where the emissions are significantly lower. It has grown market share of ductile iron camshafts in Indian market focusing on fuel efficient gasoline engines as a substitute for diesel engines.

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

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

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

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

      The Company has sustainability policies and systems covering Environment, Labor, Human rights, ethics and sustainable procurement. The Company has been rated "Good" by EcoVadis (worlds most trusted business sustainability rating Company).

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

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

      The Company gives preference to local suppliers and help them to improve their capabilities as per Company's standards with periodic assessment, delivery schedules, guidance and orientation activities which increases their efficiency in terms of pricing, quality and delivery timelines.

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

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

      - Reclamation of used sand: 100 %
      - Remelting of runners, risers and rejected camshafts: 100 %
      - Use of Effluent Treatment Plant water for gardening: >10 %

      The resin coated sand used for molding process has one time use. The used sand is reclaimed and recycled. Similarly iron metal scrap is recycled for efficient reuse.

Principle 3: Businesses should promote the wellbeing of all employees

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

1. Please indicate the Total number of employees.: 2223
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis.: 891
3. Please indicate the Number of permanent women employees.: 17
4. Please indicate the Number of permanent employees with disabilities.:0
5. Do you have an employee association that is recognised by management.: Yes
6. What percentage of your permanent employees is members of this recognised employee association : 40%

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

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

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

Sr No.	Particulars	Safety Training	%	Skill Upgrading Training	%	Total Employees
A	Permanent Employees	1332	100.00	1039	78.00	1332
B	Permanent Women Employees	17	100.00	10	58.82	17
C	Casual/ Temporary/ Contractual Employees	891	100.00	858	96.30	891
D	Employees with Disabilities	NA	0	NA	0	NA

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

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

   Yes

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

   Yes

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

   Yes

   Company has taken initiatives in specific areas of social development in Solapur, Latur and Osmanabad 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. For specific details, please refer to Report on Corporate Social Responsibility **Annexure C**.

Principle 5: Businesses should respect and promote human rights.

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

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

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

   No complaints were received during the Financial Year ended 31st March, 2022.

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

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

   No, the policy relating to Environmental protection applies to the Company only.

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

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

As a core manufacturing industry, we have profound responsibility to address earths global warming effect and climate change implications. We are continuously adopting to advanced technologies to maintain clean and green manufacturing operations living a minimal impact on the environment. Our manufacturing facility is certified for Environmental Management systems ISO 14001. The Company has planted over 1400 trees & created greenery around the factory sheds to offset carbon footprint. For more details visit www.pclindia.in. The Company is in process of installation of 15 MWp Solar Power Plant for captive consumption. Our efforts to shift source of energy to solar which is 100% renewable is addressing climate change and other environmental issues.

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

   Yes

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

   Yes, Company has installed Effluent Treatment Plant which is particularly designed to purify industrial wastewater for its reuse and discharge safe water. As a part of global automotive industry, we are partners in global initiatives to make fuel efficient and cleaner mobility solutions. By complying to all Automotive industry standards, we contribute to global carbon emission reduction. The Company files the Environmental Compliance report.

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

   Yes, the Company is in the process of installation of 15 MWp Solar Power Plant as its participation towards use of renewable source of energy.

   For more details, please refer Annexure B of Board's Report which forms a part of the Annual Report. The Annual Reports are hosted on Company's website www.pclindia.in.

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

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

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

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

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

   Yes, the Company is a member of the following organisations:

   Mahratta Chamber of Commerce Industries & Agriculture (MCCIA).

   Automotive Component Manufacturers Association of India (ACMA).

   Confederation of Indian Industry (CII)

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No. If Yes specify the broad areas (Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

   Yes, the Company is closely working with the above mentioned associations for Governance and Administration and Sustainable Business Principles.

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

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

   Yes. The Company has formulated a well – defined Corporate Social Responsibility Policy which focuses on Healthcare, Education, Women Empowerment, Sustainable Development, and Social Reforms. For specific details, please refer to Report on Corporate Social Responsibility **Annexure C**.

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

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

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

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

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

   The Company has spent an amount of ₹ 146.47 Lakhs on Healthcare, Education, Sustainability and Social Issues. For specific details, please refer to Report on Corporate Social Responsibility **Annexure C**.

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

   Yes. The Company believes that only providing financial assistance for community development will not serve the purpose. Therefore, the Company has set up an internal process wherein there is regular monitoring, review and feedback mechanism for each activity. The activities are undertaken only after its detailed survey, analysis, need and feasibility.

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

1. **What percentage of customer complaints/consumer cases are pending as on the end of Financial Year: Nil**

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

   Yes. All our products are labelled to display product information as per customer guidelines and Automotive industry specific standard complying to ISO/TS 16949 quality system.

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of Financial Year. If so, provide details thereof, in about 50 words or so.: No**

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

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

INDEPENDENT AUDITOR'S REPORT

To
the Members of
Precision Camshafts Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the standalone financial statements of Precision Camshafts Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the year ended March 31, 2022. 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 credit loss for accounts receivables** Refer Note 08 of Financial statement with respect to the disclosures of Trade Receivables. As on March 31, 2022, Trade receivables amounts to INR. 12,300.47 lakhs against which provision of INR. Nil was made towards expected credit loss in the books of account. The Company determines the allowance for credit losses based on analysis of past data and determine the default rate. Further, calculation of credit loss provision is a complex area and requires management to make significant assumptions on customer payment behaviour and estimating the level and timing of expected future cash flows and interest rate to be used for time loss.	Our audit procedures in respect of this area include but are not limited to: 1. Obtained an understating of the Company's policy on assessment of impairment of trade receivables, including design and implementation of controls over development of the methodology for the computation of provision for credit losses including completeness and accuracy of information used in such estimation and computation and validation of management review controls. 2. Verified the operating effectiveness of these controls on a test check basis. 3. Obtained independent balance confirmations from the Company's customers on a test check basis. 4. Verified subsequent receipts after the year- end on a test check basis.

<table>
<tr><th>Sr. No</th><th>Key Audit Matter</th><th>How the Key Audit Matter was addressed in our audit</th></tr>
<tr><td></td><td>We identified allowance for credit losses as a key audit matter because significant management judgement and assumptions are involved in calculating the expected credit losses. This required an increased extent of effort when performing the audit procedures to evaluate the reasonableness of management's estimate of the expected credit losses including significant discussion with management on slow recoveries, validation of the management judgement regarding projected collections and back tracing the past recoveries to the projected schedule provided by the management.</td><td>5. Verified aging of trade receivables for sample of customer transactions.
6. Evaluated management comments and recovery plans for trade receivables outstanding for more than 180 days.
7. Assessed the trade receivables impairment methodology applied in the current year and compared the Company's provisioning rates against historical collection data.
8. Verified the completeness and accuracy of the disclosures in accordance with the requirements of the relevant Ind AS, which are included in Note 08 of the standalone financial statements.</td></tr>
<tr><td>2</td><td>Provision for Impairment of Investment in subsidiaries

Refer Note 5A of Financial statement with respect to the disclosures of Investment in subsidiaries. On March 31, 2022, Investment in subsidiaries amounts to INR. 7,956.69 lakhs against which provision of INR. Nil 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 judgment, in particular with reference to identification of impairment indicators, forecast of future cash flows relating to the period covered by the Company's strategic business plan, normalized cash flows assumed as a basis for terminal value, as well as the long-term growth rates and discount rates applied to such forecasted cash flows.

In view of above, we have considered this as a key audit matter.</td><td>Our audit procedures in respect of this area include but are not limited to:
1. Obtained an understating of the Company's policy on assessment of impairment of investments in subsidiaries and the assumption used by the management, including design and implementation of controls over the valuation and impairment of investments in subsidiaries and also validation of management review controls.
2. Verified the operating effectiveness of the controls over the 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.
5. Verified completeness, arithmetical accuracy and validity of the data used in the calculations
6. Assessed reasonableness of the future revenue and margins, 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. Verified 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.</td></tr>
</table>

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 in the annual report of the Company but does not include the standalone financial statements and our auditor's report thereon.

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

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

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

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

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

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

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

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

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

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, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

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

    (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2022 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 it's 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 it's 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 misstatement.

v. 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.

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

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Nitin Manohar Jumani
Partner
Membership No. 111700
UDIN: 22111700AJQQIF4642

Place: Pune
Date: May 26, 2022

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 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, 2022 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: 22111700AJQQIF4642

Place: Pune
Date: May 26, 2022

ANNEXURE B

TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF PRECISION CAMSHAFTS LIMITED FOR THE YEAR ENDED MARCH 31, 2022

[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.

B. The Company has maintained proper records showing full particulars of intangible assets.

(b) All the Property, Plant and Equipment have not been physically verified by the management during the year but there is 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) and its intangible assets. 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 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 material discrepancies were noticed on verification between the physical stocks and the book records.

(b) The Company has been sanctioned working capital limits in excess of Rs. 5 crores in aggregate from Banks/financial institutions on the basis of security of current assets. Quarterly returns / statements are filed with such Banks/ financial institutions which are not in agreement with the books of account. Details of the same are as below.

Quarter	Name of bank	Particulars of Securities Provided	Amount as per books of account (Amount in INR lakhs)	Amount as reported in the quarterly return/ statement (Amount in INR lakhs)	Amount of difference (Amount in INR lakhs)	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	

ANNEXURE B (Contd.)

Quarter	Name of bank	Particulars of Securities Provided	Amount as per books of account (Amount in INR lakhs)	Amount as reported in the quarterly return/ statement (Amount in INR lakhs)	Amount of difference (Amount in INR lakhs)	Reason for material discrepancies
Mar-22	Bank of India and Bank of Baroda	Trade Receivables	12300.47	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	

iii. (a) According to the information explanation provided to us, the Company has provided loans or provided advances in the nature of loans, or given guarantee, or provided security 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:

	Guarantees	Security	Loans (Amount in INR lakhs)	Advances
Aggregate amount granted/provided during the year				
- Subsidiaries	-	-	3,333.18	-
- Joint Ventures	-	-	-	-
- Associates	-	-	-	-
Balance outstanding				
as at balance sheet				
date in respect of				
above cases				
- Subsidiaries	-	-	14,317.99	-
- Joint Ventures	-	-	-	-
- Associates	-	-	-	-

(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 investments made, guarantees provided, securities given or grant of all loans and advances in the nature of loans and guarantees are not prejudicial to the interest of the Company.

(c) In case of the loans and advances in the nature of loan, 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	Extent of delay	Remarks, if any
PCL International Holdings BV	50.68	December 2020	455 days	The overdue interest is receivable from wholly owned subsidiary and based on discussion with the management, the Company is in the process of collecting the interest amount.
	290.26	December 2021	90 days	

ANNEXURE B (Contd.)

(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.	-	340.94	340.94	The overdue interest is receivable from wholly owned subsidiary and based on discussion with the management, the Company is in the process of collecting the interest amount.

(e) According to the information explanation provided to us, the loan or advance in the nature of 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 and / or advances in the nature of 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. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, in respect of loans, investments, guarantees and security made.

v. In our opinion and according to the information and explanations given to us, there are no amounts outstanding which are in the nature of deposits as on March 31, 2022 and the Company has not accepted any deposits during the year.

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

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

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

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

Name of the statute	Nature of dues	Amount in 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	

ANNEXURE B (Contd.)

Employee Provident Funds and Miscellaneous Provision Act, 1952	Provident fund	24.23	2003-06	Hon'ble High Court of captureture Appellate	The Company has deposited INR 12.12 lakhs under protest
Income-tax Act, 1961	Income tax on ESOP expenses and other disallowances	1,428.71	2013-14	CIT (Appeals)	Company has paid INR 200 lakhs under protest and has adjusted refund due of INR. 39.60 lakhs (which includes interest amounting to INR 11.79 lakhs) with respect to FY 2006-07 against demand
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	36.00	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 wilful 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, associates or joint ventures.

(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, joint ventures or associate companies.

x. (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, 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. Accordingly, the provisions stated in paragraph 3 (x)(b) of the Order are not applicable to the Company.

xi. (a) During the course of our audit, examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company nor on the Company.

(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, 2022, accordingly the provisions stated in paragraph (xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the management, there are no whistle-blower complaints received by the Company during the year. Accordingly, the provisions stated in paragraph (xi)(c) of the Order is not applicable to Company.

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

(xvi) (a) In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph clause 3 (xvi)(a) of the Order are not applicable to the Company.

(b) In our opinion, the Company has not conducted any Non-Banking Financial or Housing Finance activities without any valid Certificate of Registration from Reserve Bank of India. Hence, the reporting under paragraph clause 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 clause 3 (xvi)(c) of the Order are not applicable to the Company.

(d) The Company does not have any CIC as part of its group. Hence the provisions stated in paragraph clause 3 (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 clause 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 clause 3 (xviii) of the Order are not applicable to the Company.

ANNEXURE B (Contd.)

xix. According to the information and explanations given to us and based on our examination of financial ratios, ageing and expected date of realisation of financial assets and payment of liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of audit report and the Company is 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.

xx. According to the information and explanations given to us, 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 to the special account as on the date of our audit report. Accordingly, the provisions of paragraph (xx)(a) to (b) of the Order are 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: 22111700AJQQIF4642

Place: Pune
Date: May 26, 2022

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, 2022]

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, 2022 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, 2022, 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; 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: 22111700AJQQIF4642

Place: Pune
Date: May 26, 2022

Standalone Balance Sheet

As at 31st March, 2022

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

Particulars	Note No.	As at 31st March, 2022	As at 31st March, 2021
I ASSETS			
1. Non-current assets			
(a) Property, plant and equipment	3	20,483.11	22,555.91
(b) Capital work-in-progress	3	3,272.75	569.36
(c) Intangible assets	4	9.71	22.06
(d) Intangible assets under development	4	45.00	-
(e) Financial assets			
(i) Investments	5A	7,957.99	7,957.99
(ii) Loans	5B	14,317.99	11,290.49
(iii) Other financial assets	5C	364.49	290.36
(f) Other non-current assets	6	1,764.58	790.55
Total non-current assets		**48,215.62**	**43,476.72**
2. Current assets			
(a) Inventories	7	6,283.70	5,223.52
(b) Financial assets			
(i) Investments	5A	18,141.32	18,993.15
(ii) Trade receivables	8	12,300.47	9,086.86
(iii) Cash and cash equivalents	9	638.94	1,748.48
(iv) Bank balance other than (iii) above	9	3,925.28	4,076.23
(v) Others financial assets	5C	489.12	484.21
(c) Other current assets	6	1,706.86	2,104.34
Total current assets		**43,485.69**	**41,716.79**
Total Assets		**91,701.31**	**85,193.51**
II EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	10	9,498.58	9,498.58
(b) Other equity	11	67,493.67	61,738.19
Total equity attributable to the equity shareholders of the Company		**76,992.25**	**71,236.77**
LIABILITIES			
I. Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	13A	5.74	-
(b) Deferred tax liabilities (net)	27	434.06	409.86
(c) Provisions	16	753.50	938.58
Total non-current liabilities		**1,193.30**	**1,348.44**
II. Current liabilities			
(b) Financial liabilities			
(i) Borrowings	12	4,454.14	3,692.83
(ii) Trade and other payables	14		
- Dues of micro & small enterprises		1,380.82	1,480.23
- Others		5,987.29	6,017.90
(iii) Other financial liabilities	13	1,273.07	975.24
(iv) Lease liabilities	13A	12.54	-
(b) Other current liabilities	15	207.20	189.59
(c) Provisions	16	98.91	85.94
(d) Current tax liabilities (net)	17	101.79	166.57
Total current liabilities		**13,515.76**	**12,608.30**
Total liabilities		**14,709.06**	**13,956.74**
Total Equity and Liabilities		**91,701.31**	**85,193.51**
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, 2022

Yatin S. Shah
Managing Director
DIN: 00318140

Place: Pune
Date: 26th May, 2022

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

Place: Pune
Date: 26th May, 2022

Gautam V. Wakankar
Company Secretary
M. No. A54556

Place: Pune
Date: 26th May, 2022

Standalone Statement of Profit and Loss

for the year ended 31st March, 2022

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

	Note No.	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Income			
Revenue from operations	18	51,212.32	38,176.44
Other income	19	1,436.36	2,183.80
Total income (I)		**52,648.68**	**40,360.24**
Expenses			
Cost of raw materials and components consumed	20	17,824.21	11,573.55
(Increase) / decrease in inventories of finished goods, work-in-progress	21	(993.89)	(841.83)
Employee benefits expense	22	6,353.16	5,814.58
Other expenses	23	18,675.10	14,085.51
Total expenses (II)		**41,858.58**	**30,631.81**
Earnings before interest, tax, depreciation and amortisation (EBITDA) (I) - (II)		10,790.10	9,728.43
Finance costs	24	259.43	153.36
Finance income	25	(516.19)	(539.38)
Depreciation and amortisation expense	26	3,709.89	3,536.03
Profit before tax and exceptional items		**7,336.97**	**6,578.42**
Exceptional items	26A	1,277.50	1,509.78
Profit before tax		**8,614.47**	**8,088.20**
Tax expense			
Current tax	27	2,163.78	1,876.57
(Excess) / short provision of tax relating to earlier years	27	(138.56)	-
Deferred tax	27	(18.44)	42.17
Total tax expense		2,006.78	1,918.74
Profit for the year (A)		**6,607.69**	**6,169.46**
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	140.29	67.57
Income tax effect		(35.31)	(17.01)
Total other comprehensive income for the year, net of tax [B]		**104.98**	**50.56**
Total comprehensive income for the year, net of tax (A+B)		**6,712.67**	**6,220.02**
Profit for the year attributable to equity share holders of the Company		**6,607.69**	**6,169.46**
Total comprehensive income for the year attributable to equity share holders of the Company		**6,712.67**	**6,220.02**
Earning per share [nominal value per share ₹10/- (31st March, 2021: ₹10/-)	29		
Basic, computed on the basis of profit attributable to equity share holders of the Company		6.96	6.50
Diluted, computed on the basis of profit attributable to equity share holders of the Company		6.96	6.50
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, 2022

Yatin S. Shah
Managing Director
DIN: 00318140

Place: Pune
Date: 26th May, 2022

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

Place: Pune
Date: 26th May, 2022

Gautam V. Wakankar
Company Secretary
M. No. A54556

Place: Pune
Date: 26th May, 2022

Statement of Standalone Cash Flows

for the Year ended 31st March, 2022

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

Particulars	As at 31st March, 2022	As at 31st March, 2021
A. Cash flow from operating activities		
Profit before tax	8,614.47	8,088.20
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and impairment of property, plant and equipment	3,693.66	3,524.18
Amortisation and impairment of intangible assets	16.23	11.85
Net foreign exchange loss/(gain) differences (unrealised)	190.39	(219.25)
Sundry creditors written back	(9.48)	(8.75)
Net loss / (gain) on disposal of property, plant and equipment	19.14	(49.60)
Gain on mutual fund	(987.48)	(1,519.24)
Finance income (including fair value change in financial instruments)	(516.19)	(539.38)
Loss on conversion of preference share	-	21.43
Finance costs (including fair value change in financial instruments)	259.43	153.36
Liabilities written Back	(34.00)	(169.15)
Loss on realisation of assets clasified as held for sale	-	44.04
Operating profit before working capital changes	**11,246.17**	**9,337.69**
Working capital adjustments:		
Increase/(decrease) in provisions	(31.82)	111.27
(Increase) / decrease in other assets	744.47	(500.31)
(Increase)/ decrease in other financial assets	30.52	-
Increase/ (decrease) in other current liabilities	46.38	60.04
Increase/ (decrease) in other financial liabilities	210.46	(31.50)
(Increase)/ decrease in trade and other receivables and prepayments	(3,151.51)	2,161.13
(Increase)/ decrease in inventories	(1,060.18)	(770.55)
Increase/ (decrease) in trade and other payables	(85.63)	1,933.87
Cash generated from operations	**7,948.86**	**12,301.64**
Income tax paid	(2,090.70)	(2,063.86)
Net cash flows from operating activities (A)	**5,858.16**	**10,237.78**
B. Cash flow from investing activities		
Proceeds from sale of property, plant and equipment	17.58	78.01
Purchase of property, plant and equipment	(5,631.90)	(1,348.13)
Investment in mutual fund	(5,797.18)	(19,985.84)
Proceeds from sale of mutual fund	7,638.52	15,133.06
Investment in subsidiaries (equity and debt)	(3,340.56)	(6,247.97)

Statement of Standalone Cash Flows

for the Year ended 31st March, 2022

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

Particulars	**As at 31st March, 2022**	**As at 31st March, 2021**
(Investment)/Proceeds in relation to term deposits	46.29	(1,076.25)
Interest received (finance income)	553.56	287.28
Dividend received	-	25.20
Proceed from sale of asset classified as held of sale	-	959.31
Net cash flows used in investing activities (B)	**(6,513.69)**	**(12,175.33)**
C. Cash flow from financing activities		
Interest paid	(259.43)	(153.36)
(Repayment)/Proceeds of short term borrowings (net)	761.31	1,408.66
Final dividend paid on shares	(949.86)	-
Payment of lease obligation	(5.31)	-
Net cash flows used in financing activities (C)	**(453.29)**	**1,255.30**
Net increase in cash and cash equivalents	(1,108.82)	(682.25)
Net foreign exchange difference	(0.72)	27.95
Cash and cash equivalents at the beginning of the year	1,748.48	2,402.78
Cash and cash equivalents as at year end	**638.94**	**1,748.48**
Components of cash and cash equivalents:		
Balances with banks:		
On current accounts	586.43	1,694.86
Deposit with original maturity of less than 3 months	50.44	52.44
Cash in hand	2.07	1.18
Cash and cash equivalents at year end	**638.94**	**1,748.48**

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

As per our report attached of even date

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

Nitin Manohar Jumani
Partner
Membership Number: 111700

Place: Pune
Date: 26th May, 2022

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

Yatin S. Shah
Managing Director
DIN: 00318140

Place: Pune
Date: 26th May, 2022

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

Place: Pune
Date: 26th May, 2022

Gautam V. Wakankar
Company Secretary
M. No. A54556

Place: Pune
Date: 26th May, 2022

Notes to the Standalone Financial Statements

For the year ended 31st March, 2022

1. CORPORATE INFORMATION

The financial statements comprise of financial statements of Precision Camshafts Limited ('the Company') 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 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, 2022.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards

(Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended thereafter. ("the Rules")

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

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

  The financial statements are presented in ₹ and all values are rounded to 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.

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For the year ended 31st March, 2022 (Contd.)

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:

Notes to the Standalone Financial Statements

For the year ended 31st March, 2022 (Contd.)

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

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

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

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

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

Disclosures for valuation methods, significant estimates and assumptions (refer note 39)

Quantitative disclosures of fair value measurement hierarchy (refer note 37)

Financial instruments (including those carried at amortised cost) (refer note 5, 8, 9, 12, 13, 14, 25, 36)

d) Revenue recognition

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

Camshafts are developed according to the requirements of customer. There are three types of contracts entered into by the customers with Company. • **Tooling contract**: for development of pattern used in manufacturing of camshafts.

• **Purchase contract**: for purchase of camshafts.

• **Job work contract**: for machining of camshafts.

For purchase contracts, the Company has identified a single performance obligation i.e. supply of camshaft, which gets completed at point in time.

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

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

Interest

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

EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability.

When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Interest income is included in finance income in the statement of profit and loss.

Dividends

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

Notes to the Standalone Financial Statements

For the year ended 31st March, 2022 (Contd.)

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

Notes to the Standalone Financial Statements

For the year ended 31st March, 2022 (Contd.)

items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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

f) Property, plant and equipment

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

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

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

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For the year ended 31st March, 2022 (Contd.)

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.

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

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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).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made, using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met.

Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

o) Investments in subsidiaries, joint ventures and associates:

Investments in subsidiaries, Joint ventures and associates are measured at cost as per Ind AS 27 – Separate Financial Statements.

p) Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value

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For the year ended 31st March, 2022 (Contd.)

plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

- Debt instruments at amortised cost
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to loans. trade receivables and other financial assets. For more information on receivables, refer note 5A, 5B, 5C and 8.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL.

However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has designated certain 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.

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,

Notes to the Standalone Financial Statements

For the year ended 31st March, 2022 (Contd.)

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) Assets classified as held for sale

The Company classifies non-current assets and disposal group as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal group classified as held for sale are measured at the lower of their carrying amount and the fair value less costs to sell (except for financial instruments, which are measured at fair value). The criteria for held for sale classification is regarded met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the plan for sale will be made or that the plan will be withdrawn. Management must be committed to the sale expected within one year from the date of classification. Assets and liabilities classified as held for sale are presented separately as current items in the balance sheet.

r) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the financial statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

s) Cash dividend

The Company recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

t) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is

Notes to the Standalone Financial Statements

For the year ended 31st March, 2022 (Contd.)

recognised as income in equal amounts over the expected useful life of the related asset.

u) Segment reporting

Operating segments are reporting in a manner consistent with the internal reporting to the chief operating decision maker (CODM).

The board of directors of the group assess the financial performance and position of the group and makes strategic decisions.

The Board of Directors, which are identified as a CODM, consists of , chief financial officer and all other executive directors.

The group is engaged in manufacturing of auto components (camshafts. & others) based on similarity of activities/products, risk and reward structure, organisation structure and internal reporting systems, the Company has structured its operations into a single operating segment; however based on the geographic distribution of activities, the CODM has identified India and outside India as two reportable geographical segments. Refer Note No 35 for segment information presented.

v) Earnings per share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the parent Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements, if any, in equity shares issued during the year and excluding treasury shares.

Diluted EPS adjusts the figures used in the determination of basic EPS to consider :

- ➢ The after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- ➢ The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares

w) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the group.

A contingent liability can arise for obligations that are possible, but it is yet to be confirmed whether there is present obligation that could lead to an outflow of resources embodying economic benefits.

The 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, 2022 (Contd.)

(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, 2020	**9,49,85,835**	**9,498.58**
Issued during the year - employee share option scheme	-	-
At 31st March, 2021	**9,49,85,835**	**9,498.58**
Issued during the year - employee share option scheme	-	-
At 31st March, 2022	**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, 2020	21,762.20	472.21	33,305.32	24.75	(75.70)	55,488.78
Profit for the year	-	-	6,169.46	-	-	6,169.46
other comprehensive income for the year	-	-	-	-	50.56	50.56
Total comprehensive income for the year	**-**	**-**	**6,169.46**	**-**	**50.56**	**6,220.02**
Deferred tax charge on share issue expenses	(10.64)	-	-	-	-	(10.64)
transferred from ESOS reserve against lapsed options	-	-	10.36	(10.36)	-	-
Others	-	-	40.01	-	-	40.01
At 31st March, 2021	**21,751.56**	**472.21**	**39,525.17**	**14.39**	**(25.14)**	**61,738.19**
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**

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, 2022

Yatin S. Shah
Managing Director
DIN: 00318140

Place: Pune
Date: 26th May, 2022

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

Place: Pune
Date: 26th May, 2022

Gautam V. Wakankar
Company Secretary
M. No. A54556

Place: Pune
Date: 26th May, 2022

Notes to the Standalone Financial Statements

For the year ended 31st March, 2022 (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, 2020	**354.12**	**-**	**8,767.11**	**-**	**35,006.57**	**268.77**	**218.24**	**278.59**	**836.28**	**45,729.68**
Additions	-	-	314.71	-	1,319.77	4.37	4.02	-	907.17	2,550.04
Disposals	-	-	(24.69)	-	(137.32)	-	-	(17.43)	-	(179.44)
Capitalised during year	-	-	-	-	-	-	-	-	(1,174.09)	(1,174.09)
At 31st March, 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**
Depreciation										
At 1st April, 2020	**19.46**	**-**	**1,604.46**	**-**	**18,315.26**	**220.62**	**170.66**	**97.31**	**-**	**20,427.77**
Charge for the year	4.09	-	352.48	-	3,097.21	23.38	18.59	28.43	-	3,524.18
Disposals	-	-	(1.41)	-	(133.05)	-	-	(16.57)	-	(151.03)
At 31st March, 2021	**23.55**	**-**	**1,955.53**	**-**	**21,279.42**	**244.00**	**189.25**	**109.17**	**-**	**23,800.92**
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**
Net book value										
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**
At 31st March, 2021	**330.57**	**-**	**7,101.60**	**-**	**14,909.60**	**29.14**	**33.01**	**151.99**	**569.36**	**23,125.27**

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, 2022 comprises expenditure for the plant and machinery in the course of construction. Balance of CWIP as at 31st March, 2022 amounts to ₹ 3272.75 Lakhs (31st March, 2021: ₹ 569.36 Lakhs)

Property, plant and equipment

The entire block of property, plant and equipment comprising of immovable assets with a carrying amount of ₹ 7,530.30 Lakhs (31st March, 2021: ₹ 7,432.17 Lakhs) and movable assets with a carrying amount of ₹ 12,952.81 Lakhs

(31st March, 2021: ₹ 15,123.74 Lakhs)

Notes to the Standalone Financial Statements

For the year ended 31st March, 2022 (Contd.)

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

4. INTANGIBLE ASSETS

Particulars	Computer software	Intangible asset under development
At 1st April, 2020	**116.23**	**-**
Additions	18.63	-
Disposals	-	-
At 31st March, 2021	**134.86**	**-**
Additions	3.88	45.00
Disposals	-	-
At 31st March, 2022	**138.74**	**45.00**
Amortisation		
At 1st April, 2020	**100.95**	**-**
Charge for the year	11.85	-
Disposals	**-**	**-**
At 31st March, 2021	**112.80**	**-**
Charge for the year	**16.23**	**-**
Disposals	**-**	**-**
At 31st March, 2022	**129.03**	**-**
Net book value		
At 31st March, 2022	**9.71**	**45.00**
At 31st March, 2021	**22.06**	**-**

5. FINANCIAL ASSETS

Particulars	As at 31st March, 2022	As at 31st March, 2021
5A) Investments		
(i) At cost		
Investments in equity instruments		
Investment in subsidiaries		
> PCL International Holding B V	3,471.34	3,471.34
43,24,800 equity shares of EUR 1 each fully paid-up (100%) (31st March, 2021 : 43,24,800 equity shares)		
> Memco Engineering Pvt. Ltd.	4,485.35	4,485.35
7,20,000 equity shares of ₹ 10 each fully paid-up (100%) (31st March, 2021 : 43,24,800 equity shares)		
(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, 2021: 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, 2021: 500 equity shares)		
b) Investments in mutual funds		
Quoted mutual funds		

Notes to the Standalone Financial Statements

For the year ended 31st March, 2022 (Contd.)

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

Particulars	As at 31st March, 2022	As at 31st March, 2021
HDFC corporate bond fund - growth	482.86	460.57
HDFC ultra short term- regular growth	320.72	307.83
ICICI prudential saving fund-growth	2,235.06	2,145.52
ICICI prudential banking and PSU bebt fund - growth	434.49	976.09
ICICI prudential corporate bond fund - growth	741.35	711.02
ICICI prudential short term fund-growth	173.21	166.24
Nippon india banking & PSU debt fund-growth plan	-	686.94
Nippon india short term fund - growth plan - growth option	106.48	270.67
Nippon India low duration fund - growth plan- growth option	213.23	201.69
ABSL banking & PSU debt fund growth	-	408.28
ABSL corporate Bond fund-growth	851.10	810.66
ABSL sun life low duration fund	1.92	-
ABSL saving fund growth	514.45	-
Axis short term fund-growth	706.30	676.52
Axis bluechip fund - growth	248.50	214.82
Axis banking & PSU debit fund - growth	124.43	119.70
Axis all seasons debt fund of funds regular growth	216.92	206.56
Axis treasury advantage fund - regular growth (TA-GP)	1,043.66	503.44
IDFC corporate bond fund regular Plan-growth	603.99	576.31
IDFC super saver income fund-short Term	536.29	515.44
IDFC ultra short term - growth	3.20	3.10
IDFC low duration fund - growth	1,373.04	1,324.31
Tata short term bond fund Reg Plan-growth	104.15	726.07
TATA banking & PSU debt fund regular plan	154.97	147.83
Kotak low duration fund std growth (regular Plan)	2,074.14	1,997.90
Kotak savings growth fund	12.25	11.86
Kotak banking and PSU debt fund	550.40	800.62
Kotak bond fund short term growth	427.64	410.25
Kotak corporate bond fund standard - growth	1,054.10	1,007.80
Kotak floating rate fund growth - regular plan	536.35	507.67
BNP paribas multi cap fund regular growth	-	326.35
Baroda BNP paribas multi cap fund	421.61	-
SBI magnum ultra short duration fund regular growth	114.56	110.67
SBI short term debt fund regular Plan	171.69	164.95
SBI magnum low duration fund regular growth	1,171.93	1,132.11
Principal emerging bluechip fund - regular Plan growth	166.63	134.35
Motilal oswal most focused multicap 35 fund	122.61	119.77
Canara robeco force collection a/c	127.09	109.24
Total	**18,142.62**	**18,994.45**
Non-current	7,957.99	7,957.99

Notes to the Standalone Financial Statements

For the year ended 31st March, 2022 (Contd.)

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

Particulars	As at 31st March, 2022	As at 31st March, 2021
Current	18,141.32	18,993.15
	26,099.31	26,951.14
Aggregate book value of quoted investments		
Aggregate market value of quoted investments (refer note 36 fair value)		
Aggregate book value of unquoted investments		

The Company has acquired 95% equity shares of Memco Engineering Pvt. Ltd., Nashik On 10th October, 2017 for ₹ 3,804.35 Lakhs. The enterprise value of the Company is negotiated based on a future EBITA multiple. Remaining 5% of the shares has been acquired on 29th March, 2019 for ₹ 261 Lakhs.

The entire funding for the above has been done through internally generated profits of the Company.

The Company had invested in 6% cumulative non-convertible redeemable preference shares amounting to ₹ 420 Lakhs and had accordingly accounted for it as compound financial instruments. The equity portion representing the difference between the coupon rate and the market rate of interest was represented as deemed investment in equity and the remaining portion i.e. value of investment less the deemed investment in equity was presented under other financial assets being redeemable preference shares. During the FY 2019-20 6% cumulative non-convertible redeemable preference shares is converted into 6% compulsorily convertible preference shares and accordingly carrying value of other financial assets is reclassified to deemed investment in equity being compulsorily convertible preference shares. During the previous year these shares got converted into equity shares in the ratio of 1:1 and accordinglythe investment is disclosed as investment in equity shares of Memco.

The Company has made equity investment in its wholly owned subsidiary PCL International Holdings B.V. ("PCL NL") since 6th May, 2017. The equity investment is made solely for the purpose of acquiring the step down subsidiaries i.e. MFT and EMOSS by PCL NL.

5B) Loans

Particulars	As at 31st March, 2022	As at 31st March, 2021
Loan to PCL International Holdings B V (wholly owned subsidiary)	14,317.99	11,290.49
Total	**14,317.99**	**11,290.49**
Non-current	14,317.99	11,290.49
Current	-	-
	14,317.99	**11,290.49**
Break-up for loan details:		
- Secured, considered good	-	-
- Unsecured, considered good	14,317.99	11,290.49
- Doubtful	-	-
- Which have significant increase in credit risk	-	-
- Credit impaired	-	-
Total	**14,317.99**	**11,290.49**

Loan given to PCLNL; which generate interest at the rate of 1.5% to 2% for the Company

Notes to the Standalone Financial Statements

For the year ended 31st March, 2022 (Contd.)

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

5C) Other financial assets

Particulars	As at 31st March, 2022	As at 31st March, 2021
(i) Derivative instruments		
Foreign-exchange forward contracts*	78.25	35.97
(ii) Others		
(a) Bank deposits with more than 12 months maturity	176.30	71.65
(b) Interest accrued on fixed deposits	1.09	3.22
(c) Interest accrued others (Mainly includes interest on loan given to PCLNL & on security deposit)	409.78	445.02
(d) Security deposits#	188.19	218.71
Total	**853.61**	**774.57**

Non-current	364.49	290.36
Current	489.12	484.21
	853.61	**774.57**

*The Company entered into foreign exchange forward contracts with the intention to reduce the foreign exchange risk of expected sales and purchases. These forward contracts are not designated in hedging relationship and hence measured at fair value through profit or loss.

#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 amortised cost

Particulars	As at 31st March, 2022	As at 31st March, 2021
Loans	14,317.99	11,290.49
Trade receivables (refer note 8)	12,300.47	9,086.86
Cash and cash equivalents (refer note 9)	638.94	1,748.48
Other bank balances (refer note 9)	3,925.28	4,076.23
Other financial assets	775.36	738.60
Total financial assets carried at amortised cost	**31,958.04**	**26,940.66**

6. OTHER ASSETS

Particulars	As at 31st March, 2022	As at 31st March, 2021
Capital advances	1,510.18	179.21
Prepaid expense	496.56	295.57
Advance for purchase of materials	8.56	19.20
Income tax deposited with tax authorities (under protest)	228.51	227.81
Other advances with provident fund authorities (under protest)	12.12	12.12
Balances with statutory/government authorities	1,007.66	1,418.55
Income accrued on export incentives	207.85	742.43
Total	**3,471.44**	**2,894.89**

Non-current	1,764.58	790.55
Current	1,706.86	2,104.34
	3,471.44	**2,894.89**

Notes to the Standalone Financial Statements

For the year ended 31st March, 2022 (Contd.)

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

7. INVENTORIES

Particulars	As at 31st March, 2022	As at 31st March, 2021
Raw materials and components (at cost)	334.89	361.99
Stores, spares and packing materials (at cost)	618.97	525.58
Semi-finished goods (at cost)	701.81	789.23
Finished goods (at lower of cost and net realisable value) *	4,628.03	3,546.72
Total	**6,283.70**	**5,223.52**

During the year ended 31st March, 2022 ₹ 81.53 Lakhs (31st March, 2021 ₹ 63.05 Lakhs) was written down as an expense for inventories

*Finished goods includes goods in transit ₹ 4,114.83 Lakhs (31st March, 2021 ₹ 3,101.50 Lakhs)

8. TRADE RECEIVABLES

Particulars	As at 31st March, 2022	As at 31st March, 2021
Trade receivables	12,300.47	9,086.86
Receivables from subsidiary (refer note 34)	-	-
Total	**12,300.47**	**9,086.86**

Break-up for security details:		
- Secured, considered good	-	-
- Unsecured, considered good	12,300.47	9,086.86
- Doubtful	-	-
- Which have significant increase in credit risk	-	-
- Credit impaired	-	-
Total	**12,300.47**	**9,086.86**

The net carring value of trade receivables is considered a reasonable approximation of fair value

For terms and conditions relating to related party receivables, refer note 34.

Trade receivables are non-interest bearing and are generally on terms of 30 to 150 days.

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	-	-	-	-	-	-	-	-

Notes to the Standalone Financial Statements

For the year ended 31st March, 2022 (Contd.)

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

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 years	2-3 years	More than 3 years	Total
(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**

Ageing of trade receivables as on 31st March, 2021

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 years	2-3 years	More than 3 years	Total
(i) Undisputed trade receivables – considered good	-	3,967.81	5,113.65	5.40	-	-	-	9,086.86
(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)	-	-	-	-	-	-	-	-
	-	**3,967.81**	**5,113.65**	**5.40**	**-**	**-**	**-**	**9,086.86**

Notes to the Standalone Financial Statements

For the year ended 31st March, 2022 (Contd.)

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

9. NOTE 9: CASH AND BANK BALANCES

Particulars	As at 31st March, 2022	As at 31st March, 2021
Cash and cash equivalents		
Balance with banks		
Current accounts	586.43	1,694.86
Deposits with original maturity of less than three months	50.44	52.44
Cash on hand	2.07	1.18
Total cash and cash equivalents	**638.94**	**1,748.48**
Other bank balances		
Deposits with maturity for more than 3 months but less than 12 months from the balance sheet date	3,919.73	4,071.46
Unclaimed dividend accounts	5.55	4.77
Total other bank balances	**3,925.28**	**4,076.23**
Total	**4,564.22**	**5,824.69**

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 ₹ 59.52 Lakhs (31st March, 2021 : ₹ 88.94 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, 2022	As at 31st March, 2021
Cash and cash equivalents		
Balance with banks		
Current accounts	586.43	1,694.86
Deposits with original maturity of less than three months	50.44	52.44
Cash on hand	2.07	1.18
Total cash and cash equivalents	**638.94**	**1,748.48**

Notes to the Standalone Financial Statements

For the year ended 31st March, 2022 (Contd.)

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

10. SHARE CAPITAL

Authorised share capital

Particulars	Equity shares	
	Number	In ₹
At 1st April, 2020	10,00,00,000	10,000.00
Increase/ (decrease) during the year	-	-
At 31st March, 2021	10,00,00,000	10,000.00
Increase/ (decrease) during the year	-	-
At 31st March, 2022	**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, 2021: ₹ 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 25th May, 2022, 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. The amount was recognised as distributions to equity shareholders during the year ended 31st March, 2022 and the total appropriation was ₹ 949.86 Lakhs.

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 ₹ 10 each at par value

Particulars	Number	In ₹
At 1st April, 2020	9,49,85,835	9,498.58
Issued during the year under the ESOP scheme	-	-
At 31st March, 2021	9,49,85,835	9,498.58
Issued during the year under the ESOP scheme	-	-
At 31st March, 2022	**9,49,85,835**	**9,498.58**

Pursuant to the Initial Public Offering (IPO) on 8th February, 2016, equity shares having par value of ₹ 10 per share were allotted at a price of ₹ 186 per equity share comprising of fresh issue of 1,29,03,225 equity shares and offer for sale of 91,50,000 equity shares by selling shareholders. The equity shares of the Company were listed on the BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") with effect from 8th February, 2016.

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

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	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	1,04,86,461	11.04%	1,04,86,461	11.04%
Jayant V. Aradhye	82,02,000	8.63%	82,02,000	8.63%
	6,99,84,863	**73.67%**	**6,99,84,863**	**73.67%**

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders

Notes to the Standalone Financial Statements

For the year ended 31st March, 2022 (Contd.)

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

Details of shares held by promoters at the end of the year

S. No	Promoter name	31st March, 2022			31st March, 2021		
		No. Of Shares	% of total shares	% Change during the year	No. Of Shares	% of total shares	% Change during the year
1	Yatin S. Shah	3,77,88,717	39.78%	-	3,77,88,717	39.78%	-
2	Cams Technology Limited	1,35,07,685	14.22%	-	1,35,07,685	14.22%	-
3	Suhasini Y. Shah	1,04,86,461	11.04%	-	1,04,86,461	11.04%	-
4	Jayant V. Aradhye	82,02,000	8.63%	-	82,02,000	8.63%	-
	Total	**6,99,84,863**	**73.67%**	**-**	**6,99,84,863**	**73.67%**	**-**

11. OTHER EQUITY

Particulars	
a) Securities premium	
At 1st April, 2020	21,762.20
Add:	
Increase pursuant to premium on issue of shares on account of employee stock option exercised	-
Reversal of tax benefit (deferred tax)	(10.64)
At 31st March, 2021	21,751.56
Add:	
Increase pursuant to premium on issue of shares on account of employee stock option exercised	-
Reversal of tax benefit (deferred tax)	(7.33)
At 31st March, 2022	21,744.23
b) General reserve	
At 1st April, 2020	472.21
Increase / (decrease) during the year	-
At 31st March, 2021	472.21
Increase / (decrease) during the year	-
At 31st March, 2022	472.21
c) Share based payments	
At 1st April, 2020	24.75
Increase / (decrease) during the year	
Add: compensation for options granted as per vesting during the year (net)	-
Less: transferred to securities premium on account of exercise of stock options	-
Less: transferred to retained earnings against lapsed options	(10.36)
At 31st March, 2021	**14.39**
Increase/ (decrease) during the year	
Add: compensation for options granted as per vesting during the year (net)	-
Less: transferred to securities premium on account of exercise of stock options	**-**
Less: transferred to retained earnings against lapsed options	**(14.39)**
At 31st March, 2022	**-**

Notes to the Standalone Financial Statements

For the year ended 31st March, 2022 (Contd.)

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

Employees (including senior executives) of the Company receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

In accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the IND AS 102 Share based payments, the cost of equity-settled transactions is measured using the fair value method. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognised in the statement of profit and loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Refer to note 32 for further details of these plans.

d)	**Retained earnings**	
	At 1st April, 2020	**33,305.32**
	Add: Profit for the year	6,169.46
	Add: transferred from ESOS reserve against lapsed options	10.36
	Add: Others	40.01
	At 31st March, 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**
	Other items of other comprehensive income / (loss) - Re-mesurement gains /(losses) on defined benefit plans	
	At 1st April, 2020	**(75.70)**
	Add: Other comprehensive income for the year	50.56
	At 31st March, 2021	(25.14)
	Add: Other comprehensive income for the year	104.98
	At 31st March, 2022	**79.84**

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 and nominal value of share is accounted as securities premium.

General reserve

The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013.

Share based payments

Share-based payments reserve represents amount of fair value, as on the date of grant, of unvested options and vested options not exercised till date, that have been recognised as expense in the statement of profit and loss till date.

Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders and any other adjustments.

Notes to the Standalone Financial Statements

For the year ended 31st March, 2022 (Contd.)

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

12. SHORT TERM BORROWINGS

Particulars	Rate of interest	As at 31st March, 2022	As at 31st March, 2021
From bank			
Cash credit from banks (secured)	9.50%	24.02	-
Packing credit in ₹ (secured) -BOI	4.8% To 7.8%	3,430.12	2,732.99
Packing credit in ₹ (secured)- BOB	4.8% To 7.8%	1,000.00	959.84
Total		**4,454.14**	**3,692.83**
Aggregate Secured loans		**4,454.14**	**3,692.83**

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

Cash credit and packing credit are secured by first pari passu charge by way of hypothecation of current assets including inventories and trade receivables. Further, the facilities are collaterally secured by extension of pari passu charge by way of hypothecation of plant and machinery and equitable mortgage of factory land and building situated at Plot No D5, MIDC Chincholi, Solapur, Unit I situated at Plot No. E-102, 103, Akkalkot Road, MIDC, Solapur and Unit II situated at Plot No. E-90, Akkalkot road, Solapur. The loan has been secured by the personal guarantee of directors Mr. Yatin S. Shah and Dr. Suhasini Y. Shah.

13. OTHER FINANCIAL LIABILITIES

Particulars	As at 31st March, 2022	As at 31st March, 2021
Other financial liabilities at amortised cost		
Unpaid matured deposits and interest accrued thereon	137.30	137.30
Employee benefit liabilities	831.76	621.30
Sundry payables for capital goods purchased	297.96	211.38
Unclaimed dividend	5.55	4.76
Deposits received from others	0.50	0.50
Total	**1,273.07**	**975.24**
Non-current	-	-
Current	1,273.07	975.24
	1,273.07	**975.24**

13. (A): LEASE LIABILITIES

Particulars	As at 31st March, 2022	As at 31st March, 2021
Lease liability	18.28	-
Total	**18.28**	**-**
Non - current	5.74	-
Current	12.54	-
	18.28	**-**

Notes to the Standalone Financial Statements

For the year ended 31st March, 2022 (Contd.)

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

14. TRADE AND OTHER PAYABLES

Particulars	As at 31st March, 2022	As at 31st March, 2021
Trade payables		
- total outstanding dues of micro enterprises and small enterprises	1,380.82	1,480.23
- total outstanding dues of creditors other than micro enterprises and small enterprises	5,987.29	6,017.90
Total trade payables	**7,368.11**	**7,498.13**
Non-current	-	-
Current	7,368.11	7,498.13
	7,368.11	**7,498.13**

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.

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**

Trade payable ageing as on 31st March, 2021

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	-	1,308.40	171.83	-	-	-	1,480.23
(ii) Disputed dues – MSME	-	-	-	-	-	-	-
(iii) Others	-	4,267.57	1,691.34	12.25	44.11	2.63	6,017.90
(iv) Disputed dues – others	-	-	-	-	-	-	-
	-	**5,575.97**	**1,863.17**	**12.25**	**44.11**	**2.63**	**7,498.13**

Notes to the Standalone Financial Statements

For the year ended 31st March, 2022 (Contd.)

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

Disclosure relating to suppliers registered under MSMED Act based on the information available with the Company

Particulars	As at 31st March, 2022	As at 31st March, 2021
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	1,380.82	1,480.23
Interest due on above	-	0.55
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	8,955.46	4,806.15
during each accounting year		
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	36.61	24.46
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	78.85	42.24

Break up of financial liabilities carried at amortised cost

Particulars	As at 31st March, 2022	As at 31st March, 2021
Borrowings (current) (refer note 12)	4,454.14	3,692.83
Trade payables (refer note 14)	7,368.11	7,498.13
Other financial liabilities (refer note 13)	1,273.07	975.24
Lease liabilities (refer note 13 (A))	18.28	-
Total financial liabilities carried at amortised cost	**13,113.60**	**12,166.20**

15. OTHER CURRENT LIABILITIES

Particulars	As at 31st March, 2022	As at 31st March, 2021
Advances from customers	5.54	34.30
Statutory dues payable	201.66	155.29
Total	**207.20**	**189.59**

16. PROVISIONS

Particulars	As at 31st March, 2022	As at 31st March, 2021
Employee benefits obligations:		
Gratuity	398.79	550.38
Compensated absences	453.62	474.14
Total	**852.41**	**1,024.52**

Notes to the Standalone Financial Statements

For the year ended 31st March, 2022 (Contd.)

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

Non-current	753.50	938.58
Current	98.91	85.94
	852.41	**1,024.52**

Also refer note 31 for detailed disclosure.

17. CURRENT TAX LIABILITIES (NET)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Provision for income tax (net of advance taxes)	101.79	166.57
Total	**101.79**	**166.57**

18. REVENUE FROM OPERATIONS

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Revenue from contracts with customers		
Sale of products	49,867.31	37,235.92
Sale of services	3.36	26.97
Total sale of products and services	**49,870.67**	**37,262.89**
Other operating income		
Tooling income	720.99	13.18
Scrap sales	77.43	49.83
Export incentives	543.23	850.54
Total other operating income	**1,341.65**	**913.55**
Total revenue from operations	**51,212.32**	**38,176.44**

19. OTHER INCOME

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Trade payable no longer required written back	9.48	8.75
Exchange differences (net)	378.08	392.80
Fair value gain on mutual funds at fair value through profit or loss	334.06	1,104.41
Realised gain on sale of mutual funds	**653.42**	**414.83**
Profit on sale of fixed asset	3.58	53.39
Miscellaneous income	57.74	209.62
Total other income	**1,436.36**	**2,183.80**

20. COST OF RAW MATERIAL AND COMPONENTS CONSUMED

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Inventory at the beginning of the year	361.99	295.85
Add: purchases	17,797.11	11,639.69
	18,159.10	11,935.54
Less: inventory at the end of the year	334.89	361.99
Cost of raw material and components consumed	**17,824.21**	**11,573.55**

Notes to the Standalone Financial Statements

For the year ended 31st March, 2022 (Contd.)

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

21. (INCREASE) / DECREASE IN INVENTORIES

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Opening stock:		
Finished goods	3,546.72	2,719.35
Semi-finished goods	789.23	774.77
	4,335.95	**3,494.12**
Closing stock:		
Finished goods	4,628.03	3,546.72
Semi-finished goods	701.81	789.23
	5,329.84	**4,335.95**
(Increase) / Decrease in inventories	**(993.89)**	**(841.83)**

22. EMPLOYEE BENEFIT EXPENSES

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Salaries, wages, bonus and commission	5,632.21	5,093.32
Contribution to provident fund and other funds	442.08	416.03
Gratuity & compensated absences expense (refer note 31)	178.82	253.36
Staff welfare expenses	100.05	51.87
Total employee benefit expenses	**6,353.16**	**5,814.58**

23. OTHER EXPENSES

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Consumption of components and spares	4,690.73	3,586.23
Packing materials consumed	715.83	539.96
Power and fuel expenses	6,665.60	5,415.64
Job work expenses	727.40	630.95
Freight outward charges	2,527.74	1,238.79
Rent	84.50	76.53
Rates and taxes	117.91	103.12
Insurance	65.47	63.73
Repairs and maintenance		
Plant and machinery	705.31	389.58
Building	91.25	57.05
Others	581.74	483.02
Advertisement and sales promotion	11.65	12.67
CSR expenditure (refer note 43)	142.85	126.76
Donation	28.50	81.00
Sales commission	356.84	365.32
Travelling and conveyance	436.91	300.30
Communication costs	9.12	10.82
Legal and professional fees	227.89	249.59
Auditors' remuneration and expenses		
Statutory audit	30.00	25.00
Out of pocket expenses	4.29	1.36
Loss on fixed assets sold /discarded	22.72	3.79
Miscellaneous expenses	430.85	324.30
Total other expenses	**18,675.10**	**14,085.51**

Notes to the Standalone Financial Statements

For the year ended 31st March, 2022 (Contd.)

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

Payment to auditors

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
As auditor		
Audit fees (Including limited reviews)	30.00	25.00
Out of pocket expenses	4.29	1.36

24. FINANCE COSTS

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Interest on borrowings	188.23	87.51
Interest on delay in payment of taxes	10.08	2.92
Bank charges	60.37	62.93
Other finance cost	0.75	-
Total finance costs	**259.43**	**153.36**

25. FINANCE INCOME

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Interest income on		
Bank deposits	201.39	272.04
Loan given to foreign subsidiary	271.92	257.78
Others	42.88	9.56
Total Finance income	**516.19**	**539.38**

26. DEPRECIATION AND AMORTISATION EXPENSE

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Depreciation on property, plant & equipments	3,693.66	3,524.18
Amortisation of intangible assets	16.23	11.85
Total Depreciation and amortisation expense	**3,709.89**	**3,536.03**

26A. EXCEPTIONAL ITEMS

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Compensation from customer	1,277.50	1,509.78
Total exceptional items	**1,277.50**	**1,509.78**

For FY 2021-22

During the 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 year ended 31st March, 2022.

For FY 2020-21

During the year ended 31st March, 2021, the Company has settled to receive compensation for cancellation of order from a customer amounting to ₹ 1553.82 Lakhs and loss on sale of investment in Joint Venture amounting to ₹ 44.04 Lakhs. The Company has recognised the stated income as an exceptional item for the year ended 31st March, 2021.

Notes to the Standalone Financial Statements

For the year ended 31st March, 2022 (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, 2022 and 31st March, 2021 are:

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Current income tax:		
Current income tax charge	2,163.78	1,876.57
(Excess) / short provision of tax relating to earlier years	(138.56)	-
Deferred tax:		
Relating to origination and reversal of temporary differences	(18.44)	42.17
Income tax expense reported in the statement of profit or loss	**2,006.78**	**1,918.74**

OCI section

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Tax effect on:		
Net loss/(gain) on remeasurements of defined benefit plans	(35.31)	(17.01)
Deferred tax (expense)/ credit charged to OCI	**(35.31)**	**(17.01)**

Reconciliation of closing balance of deferred tax liability

Particulars	As at 31st March, 2022	As at 31st March, 2021
Deferred tax liability		
Fixed assets: impact of difference between tax depreciation and depreciation / amortisation for the financial reporting	480.76	699.38
Current Investment (Investment in mutual fund)	337.27	307.77
Forward contracts	19.69	9.05
Gross deferred tax liability	**837.72**	**1,016.20**
Deferred tax assets		
Employee related costs allowed for tax purposes on payment basis	335.96	352.57
VRS compensation	6.62	42.30
Share issue expenses adjusted to securities premium account	5.10	12.43
Asset held for sale [capital loss]	47.52	182.93
Deduction U/s 80JJAA	7.24	14.88
Others	1.22	1.23
Gross deferred tax assets	**403.66**	**606.34**
Net deferred tax liability	**434.06**	**409.86**

Notes to the Standalone Financial Statements

For the year ended 31st March, 2022 (Contd.)

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

Particulars	As at 31st March, 2022	As at 31st March, 2021
Deferred tax (credit) / charge for the year		
Closing deferred tax liability (net)	434.06	409.86
Less: opening deferred tax liability (net)	409.86	340.05
Deferred tax movement for the year	24.20	69.81
Deferred tax charge recorded in securities premium account (refer note 11)	7.33	10.63
Deferred tax (credit) / charge recorded in statement of profit and loss	**16.87**	**59.18**
Deferred tax charge recorded in OCI (refer note 28)	(35.31)	(17.01)
Deferred tax credit recorded in reserves and surplus	-	-
Deferred tax (credit) / charge for the year	**(18.44)**	**42.17**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

for 31st March, 2022 and and 31st March, 2021

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Accounting profit before tax	8,614.47	8,088.20
Accounting profit before income tax	**8,614.47**	**8,088.20**
Tax at India's statutory tax rate 25.168% (31st March, 2021 25.168%)	**2,168.09**	**2,035.64**
On mutual fund gain due to indexation benefit & different rate of taxation	(205.61)	(175.25)
On assets held for sale	135.46	(21.88)
On permanent disallowance	43.12	73.92
Deduction U/s 80JJAA	7.64	6.20
Forward contract loss permanently disallowed	-	-
Adjustments in respect of current income tax of previous year	(138.56)	-
Other items	(3.36)	0.11
Income tax reported in the statement of profit and loss	**2,006.78**	**1,918.74**

Reconciliation of deferred tax liabilities (net):

Particulars	As at 31st March, 2022	As at 31st March, 2021
Opening balance as of 1st April	409.86	340.05
Tax (income)/ expense during the period recognised in profit or loss	(18.44)	42.17
Tax (income)/ expense during the period recognised in equity	7.33	10.63
Tax (income)/ expense during the period recognised in OCI	35.31	17.01
Closing Balance as at 31st March	**434.06**	**409.86**

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, 2022 (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, 2022	31st March, 2021	31st March, 2022	31st March, 2021
Accelerated depreciation for tax purposes	480.76	699.38	(218.62)	(101.70)
Fair valuation for the purpose of financial reporting	337.27	307.77	29.50	170.19
Voluntary retirement scheme allowed as deduction over period of 5 Years	(6.62)	(42.30)	35.68	47.54
Preliminary expenses incurred on initial public offering, allowed as dedctuion over period of 5 Years	(5.10)	(12.43)	-	-
Employee benefit expenses allowed on payment basis U/s 43B	(335.96)	(352.57)	16.61	(100.78)
Forward contracts & others	19.69	9.05	10.64	28.65
Capital advance - credit impaired	-	-	-	23.55
On assets held for sale	(47.52)	(182.93)	135.41	(21.71)
Deduction U/s 80JJAA	(7.24)	(14.88)	7.64	13.44
Unrealised forex loss - to be adjsuted from WDV U/s 43A	(1.22)	(1.23)	0.01	-
Amount to be (charged)/credit in Statement of OCI	-	-	(35.31)	(17.01)
	434.06	**409.86**	**(18.44)**	**42.17**

28. COMPONENTS OF OCI

Particulars	Amount	Total
Re-measurement gains (losses) on defined benefit plans	140.29	140.29
Income tax effect	(35.31)	(35.31)
Total	**104.98**	**104.98**

During the year ended 31st March, 2021

Particulars	Amount	Total
Re-measurement gains (losses) on defined benefit plans	67.57	67.57
Income tax effect	(17.01)	(17.01)
	50.56	**50.56**

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.

Notes to the Standalone Financial Statements

For the year ended 31st March, 2022 (Contd.)

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

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

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Profit attributable to equity shareholders of the Company	6,607.69	6,169.46
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)	6.96	6.50
Earnings per share (diluted) (Rupees/share)	6.96	6.50

30. DIVIDEND DISTRIBUTION MADE AND PROPOSED

Particulars	31st March, 2022	31st March, 2021
Final dividend for the year ended on 31st March, 2021 (₹ 1.00 per share)	949.86	-
	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 on27th July, 2021. Subsequently, the dividend has been paid by the Company.

31. DISCLOSURE PURSUANT TO EMPLOYEE BENEFITS

A. Defined contribution plans:

Amount of ₹ 442.08 Lakhs (31st March, 2021: ₹ 416.03 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 is a final salary plan for India employees, which requires contributions to be made to a separately administered fund.

The gratuity plan is governed by the payment of gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age.

Plan assets - gratuity fund ₹ 848.76 Lakhs

Particulars	31st March, 2022	31st March, 2021
Net benefit expense 31st March, 2022 (recognised in statement of profit or loss)	136.16	132.49
Current service cost	28.29	27.92
Interest cost on benefit	**164.45**	**160.41**

Notes to the Standalone Financial Statements

For the year ended 31st March, 2022 (Contd.)

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

31st March, 2022 : changes in defined benefit obligation and plan assets

	01-Apr-21	Gratuity cost charged to statement of profit and loss				Remeasurement gains/(losses) in other comprehensive income						
		Service cost	Net interest (expense) / income	Sub-total included in statement of profit and loss (refer note 22)	Benefit paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	Contributions by employer	31st March, 2022
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)**

31st March, 2021 : changes in defined benefit obligation and plan assets

	01-Apr-20	Gratuity cost charged to statement of profit and loss				Remeasurement gains/(losses) in other comprehensive income						
		Service cost	Net interest (expense) / income	Sub-total included in statement of profit and loss (refer note 22)	Benefit paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	Contributions by employer	31st March, 2021
Gratuity												
Defined benefit obligation	(1,042.93)	(132.49)	(69.34)	(201.83)	24.07	-	-	(10.66)	82.75	72.09	-	(1,148.59)
Fair value of plan assets	564.19	-	41.42	41.42	(24.07)	(4.52)	-	-	-	(4.52)	81.19	658.21
Benefit liability	**(478.74)**	**(132.49)**	**(27.92)**	**(160.41)**	**-**	**(4.52)**	**-**	**(10.66)**	**82.75**	**67.57**	**81.19**	**(490.38)**

As at 31st March, 2022 & 31st March, 2021 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, 2022 (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	Year ended 31st March, 2022	Year ended 31st March, 2021
	In ₹	In ₹
Type of asset: group gratuity scheme of		
LIC of India		
Fair Value of total plan assets	848.76	658.21
(%) 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	Year ended 31st March, 2022	Year ended 31st March, 2021
Discount rate	7.35%	6.70%
Future salary increase	8.00%	8.00%
Expected rate of return on plan assets	6.86%	8.00%
Expected average remaining working lives (in years)	15.69	16.18

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

Gratuity

Particulars	Sensitivity level	Effect on defined benefit obligation (impact)	
		Year ended 31st March, 2022	Year ended 31st March, 2021
		In ₹	In ₹
Discount rate	1% increase	1,051.93	1,008.82
	1% decrease	1,350.02	1,317.52
Future salary increase	1% increase	1,343.48	1,309.50
	1% decrease	1,054.35	1,012.58

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	Year ended 31st March, 2022	Year ended 31st March, 2021
	In ₹	In ₹
Within the next 12 months (next annual reporting period)	44.52	34.07
Between 2 and 5 years	198.93	180.05
Beyond 5 years	415.50	342.17

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

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
	Years	**Years**
Gratuity	12.77	13.29

Notes to the Standalone Financial Statements

For the year ended 31st March, 2022 (Contd.)

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

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

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
	₹	₹
Gratuity	150.00	81.19

32. SHARE BASED PAYMENTS

The Company provides share-based payment schemes to its employees. During the year ended 31st March, 2022, an employee stock option plan (ESOP) was in existence. The relevant details of the scheme and the grant are as below.

On 6th February, 2015,the board of directors approved the PCL employee stock option scheme 2015 (PCL ESOS 2015) for issue of stock options to the employees of the Company. According to the PCL ESOS 2015,the employee selected by the remuneration committee from time to time will be entitled to options. The contractual life (comprising the vesting period and the exercise period) of options granted under PCL ESOS 2015 is 6 years.

The fair value of the share options is estimated at the grant date using Black Scholes pricing model, taking into account the terms and conditions upon which the share options were granted. The exercise price of the share options is the face value i.e. ₹ 10. The contractual term of each option granted is 6 years.

Particulars	31st March, 2022	31st March, 2021
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 31 March 2022 or 31 March 2021.

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

Particulars	31st March, 2022		31st March, 2021	
	Number	WAEP	Number	WAEP
Outstanding at 1 April	12,230	₹ 10	21,090	₹ 10
Granted during the year	-	-	-	-
Forfeited during the year	-	₹ 10	-	₹ 10
Exercised during the year	-	₹ 10	-	₹ 10
Expired during the year	12,230	-	8,860	-
Outstanding at 31 March	-	-	12,230	₹ 10
Exercisable at 31 March	-	-	12,230	₹ 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, 2022 was nil as the share options (vesting and exercise) period had expired during the current year where as in (31st March, 2021: 1 month)

Notes to the Standalone Financial Statements

For the year ended 31st March, 2022 (Contd.)

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

The following tables list the inputs to the models used for the plans :

Particulars	31st March, 2021
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.

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, 2022, the Company had commitments of ₹ 1,198.80 Lakhs (31st March, 2021 : ₹ 478.10 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, 2021: ₹ 31.79 Lakhs) for cancellation and issue of equity shares after amalgamation of Precision Valvetrain Components Limited (PVPL) with the Company in year 2007-2008. The Company has filed an appeal against demand made by the Collector of Stamps, Solapur with controlling revenue authority, Pune.

b. The Company 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, 2021: ₹ 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 (31st March, 2021: ₹ 12.12 Lakhs) under protest.

c. The Company had received an order from the Commissioner of Central Excise Pune for the year FY 2002-03,FY 2003-04 and FY 2004-05 demanding excise duty amounting to ₹ 20.76 Lakhs (31st March, 2021: ₹ 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 commissionrate

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 FY 2013-14 to FY 2017-18 amounting to ₹ 83.95 Lakhs. (31st March, 2021 ₹ 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 FY 2014-15 for demand of income tax amounting to ₹ 1,428.71 Lakhs (31st March,2021 ₹ 1,428.71 Lakhs) towards disallowance of ESOP expenditures and other disallowances. The Company has filed appeal against the above order with commissioner of income tax (Appeals) and has paid ₹ 200.00 Lakhs under protest and has adjusted refund due of ₹39.60 Lakhs (which includes interest amounting to ₹ 11.79 Lakhs) with respect to FY 2006-07.

Notes to the Standalone Financial Statements

For the year ended 31st March, 2022 (Contd.)

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

f During the year ended 31st March, 2022, the Company had received an order from Assessing Officer for the assessment year FY 2018-19 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 for under reporting of income for incremental disallowance made u/s 14A of the act. The Company had filed appeal agiamst 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 ₹ 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 reduced to 2,292.84 Lakhs (31st March, 2021- 5583.30 Lakhs).

The Company has also given corporate gurantee of it's wholly owned subsidiary Memco Engineering Private Limited to the lender bank. The outstanding amount of corporate guranteee is ₹ 453.55 Lakhs (31st March, 2021 ₹ 1,018.54 Lakhs).

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 Pvt. Ltd. (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)

Memco Engineering Pvt. Ltd. (Nashik)

Chitale Clinic Private Limited

Cams Technology Limited

Ningbo Shenglong PCL Camshaft Co Limited, China.(upto 18th June, 2020)

PCL Shenglong (Huzhou) Specialised Casting Co Limited, China.(upto 18th June, 2020)

MFT Motoren Und Fahrzeughecnik GMBH (Germany)

Emoss Mobile Systems B.V.

Precision Foundation & Medical Research Trust

Notes to the Standalone Financial Statements

For the year ended 31st March, 2022 (Contd.)

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

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

Dr. Suhasini Y. Shah, Non executive Director

Mrs. Savani A. Laddha Independent Director

Mr. Gautam V. Wakankar (w.e.f. 19th March, 2022)

Mr. Madan M. Godse, Independent Director (w.e.f. 3rd September, 2021)

d) Relatives of key management personnel (RKMP)

Ms. Tanvi Y. Shah, daughter of Mr. Yatin S. Shah

Dr. Manjiri V. Chitale, mother of Dr. Suhasini Y. Shah

Ms. 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

h) Joint venture

Ningbo Shenglong PCL Camshaft Co Limited, China.(upto 18th June, 2020)

PCL Shenglong (Huzhou) Specialised Casting Co Limited, China.(upto 18th June, 2020)

Notes to the Standalone Financial Statements

For the year ended 31st March, 2022 (Contd.)

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

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

Sr. No.	Particulars	Key management personnel		Relatives of key management personnel		Entities where KMP / RKMP have significant influence		Individual having significant influence		Relative of individual having significant influence		Subsidiary		Joint venture	
	Transactions	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021
1	Remuneration* (including commission)	821.41	711.67	-	-	-	-	-	-	-	-	-	-	-	-
2	Final dividend paid on equity shares	483.08	-	2.95	-	135.08	-	82.02	-	33.49	-	-	-	-	-
3	Loss recognised on the measurement to fair value less cost to sale	-	-	-	-	-	-	-	-	-	-	-	-	-	44.04
4	Donation paid	-	-	-	-	28.50	21.00	-	-	-	-	-	-	-	-
5	Purchases of goods, material or services	-	-	-	-	49.92	50.67	-	-	-	-	313.12	4.57	-	-
6	Investment in equity shares	-	-	-	-	-	-	-	-	-	-	-	420.00	-	-
7	Purchases of assets	-	78.97	-	-	-	-	-	-	-	-	-	-	-	-
8	Loan given to subsidiaries	-	-	-	-	-	-	-	-	-	-	3,333.18	6,257.80	-	-
9	Interest on loan given to subsidiaries	-	-	-	-	-	-	-	-	-	-	271.92	257.78	-	-
	Balances outstanding														
1	Remuneration payable	119.87	46.48	-	-	-	-	-	-	-	-	-	-	-	-
2	Trade and other payables	-	-	-	-	16.02	15.40	-	-	-	-	326.21	2.34	-	-
3	Investment in equity shares	-	-	-	-	-	-	-	-	-	-	7,956.69	7,956.69	-	-
4	Interest on loan given to subsidiaries	-	-	-	-	-	-	-	-	-	-	402.64	435.46	-	-
5	Loan given to subsidiaries	-	-	-	-	-	-	-	-	-	-	14,317.99	11,290.49	-	-

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 ₹ 2,292.84 Lakhs (31st March, 2021 ₹ 5,583.30 Lakhs approx.)

The Company had given corporate gurantee of it's wholly owned subsidiary Memco Engineering Pvt. Ltd. to the lender bank. The outstanding amount of corporate guranteee is ₹ 453.55 Lakhs (31st March, 2021 ₹ 1,018.54 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, 2022 (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, 2022	31st March, 2021
1	**Remuneration***			
	Mr. Yatin S. Shah	Key management personnel	385.61	343.48
	Mr. Ravindra R. Joshi	Key management personnel	355.00	300.46
	Mr. Karan Y. Shah	Key management personnel	40.75	29.19
	Mrs. Mayuri I. Kulkarni (upto 18th March, 2022)	Key management personnel	9.79	8.54
	Mr. Sarvesh N. Joshi	Key management personnel	5.00	5.00
	Mr. Pramod H. Mehendale (upto 27th July, 2021)	Key management personnel	3.50	5.00
	Mr. Vedant V. Pujari (upto 27th July, 2021)	Key management personnel	3.50	5.00
	Mr. Vaibhav S. Mahajani	Key management personnel	5.00	5.00
	Dr. Suhasini Y. Shah	Key management personnel	5.00	5.00
	Mrs. Savani A. Laddha	Key management personnel	5.00	5.00
	Mr. Madan M. Godse (w.e.f. 3rd September, 2021)	Key management personnel	3.00	-
	Mr. Gautam V. Wakankar (w.e.f. 19th March, 2022)	Key management personnel	0.26	-
2	**Final dividend paid on equity shares**			
	Cams Technology Limited	Entities where KMP / RKMP have significant influence	135.08	-
	Mr. Yatin S. Shah	Key management personnel	377.89	-
	Mr. Jayant V. Aradhye	Individual having significant influence	82.02	-
	Dr. Suhasini Y. Shah	Key management personnel	104.86	-
	Mr. Maneesh J. Aradhye	Relative of individual having significant influence	16.36	-
	Dr Sunita J. Aradhye	Relative of individual having significant influence	8.17	-
	Ms. Rama M. Aradhye	Relative of individual having significant influence	6.96	-
	Mr. Vijay V. Aradhye	Relative of individual having significant influence	2.00	-
	Dr Manjiri V. Chitale	Relative of key management personnel	2.92	-
	Mr. Ravindra R. Joshi	Key management personnel	0.17	-
	Mr. Karan Y. Shah	Key management personnel	0.15	-
	Mrs. Tanvi Y. Shah	Relative of key management personnel	0.02	-
	Mrs. Mayura K. Shah	Relative of key management personnel	0.01	-
	Mr. Pramod H. Mehendale (upto 27th July, 2021)	Key management personnel	0.00	-
	Mr. Vaibhav S. Mahajani	Key management personnel	0.01	-
	Mr. Kaustubh P. Mehendale	Relative of key management personnel	0.00	-
3	**Loss recognised on the measurement to fair Value less cost to sale**			
	China Joint Ventures	Joint Venture	-	44.04

Notes to the Standalone Financial Statements

For the year ended 31st March, 2022 (Contd.)

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

Sr. No.	Particulars	Relationship	31st March, 2022	31st March, 2021
4	**Donation Paid**			
	Precision Foundation & Medical Research Trust	Entities where KMP / RKMP have significant influence	28.50	21.00
5	**Purchases of goods, material or services (exclusive of taxes)**			
	Cams Technology Limited	Entities where KMP / RKMP have significant influence	49.92	50.46
	Chitale Clinic Private Limited	Entities where KMP / RKMP have significant influence	-	0.21
	MFT Motoren Und Fahrzeughecnik Gmbh (Germany)	Step down Subsidiary	313.12	-
	Emoss Mobile Systems B.V.	Step down Subsidiary	-	4.57
6	**Investment in equity shares**			
	Memco Engineering Pvt. Ltd. (Nashik)	Subsidiary	-	420.00
7	**Purchases of assets**			
	Mr.Yatin S. Shah	Key management personnel	-	42.25
	Mr. Ravindra R. Joshi	Key management personnel	-	36.72
8	**Loan given to subsidiaries**			
	PCL (International) Holdings B.V. (Netherlands)	Subsidiary	3,333.18	6,257.80
9	**Interest on loan given to subsidiaries**			
	PCL (International) Holdings B.V. (Netherlands)	Subsidiary	271.92	257.78
	Balances outstanding			
1	**Remuneration payable (exclusive of taxes)**			
	Mr. Yatin S. Shah	Key management personnel	43.44	10.97
	Mr. Ravindra R. Joshi	Key management personnel	39.28	5.56
	Mr. Karan Y. Shah	Key management personnel	9.50	1.44
	Mrs. Mayuri I. Kulkarni (upto 18th March, 2022)	Key management personnel	0.42	0.73
	Mr. Sarvesh N. Joshi	Key management personnel	4.50	4.63
	Mr. Pramod H. Mehendale (upto 27th July, 2021)	Key management personnel	3.15	4.63
	Mr. Vedant V. Pujari (upto 27th July, 2021)	Key management personnel	3.15	4.63
	Mr. Vaibhav S. Mahajani	Key management personnel	4.50	4.63
	Dr. Suhasini Y. Shah	Key management personnel	4.50	4.63
	Mrs. Savani A. Laddha	Key management personnel	4.50	4.63
	Mr. Madan M. Godse (w.e.f. 3rd September, 2021)	Key management personnel	2.70	-
	Mr. Gautam V. Wakankar (w.e.f. 19th March, 2022)	Key management personnel	0.23	-
2	**Trade and other payables**			
	Cams Technology Limited	Entities where KMP / RKMP have significant influence	16.02	15.40
	Emoss Mobile Systems B.V.	Step down Subsidiary	2.30	2.34
	MFT Motoren Und Fahrzeutechnik GMBH	Step down Subsidiary	323.91	-
3	**Investment in equity shares**			
	PCL (International) Holdings B.V. (Netherlands)	Subsidiary	3,471.34	3,471.34
	Memco Engineering Pvt. Ltd. (Nashik)	Subsidiary	4,485.35	4,485.35

Notes to the Standalone Financial Statements

For the year ended 31st March, 2022 (Contd.)

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

Sr. No.	Particulars	Relationship	31st March, 2022	31st March, 2021
4	**Interest on loan given to subsidiaries**			
	PCL (International) Holdings B.V. (Netherlands)	Subsidiary	402.64	435.46
5	**Loan given to subsidiaries**			
	PCL (International) Holdings B.V. (Netherlands)	Subsidiary	14,317.99	11,290.49

* The liabilities for gratuity and leave encashment are provided for the Company as a whole, the remuneration does not include the same.

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.

Compensation of key managerial personnel of the Company

Particulars	31st March, 2022	31st March, 2021
Short term employee benefits (gross salary)	752.49	636.66
Post employment benefits (PF + superannuation)	68.92	75.01
Total compensation paid to key management personnel	**821.41**	**711.67**

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

35. SEGMENT INFORMATION

The Company is engaged in manufacturing of camshafts. Based on similarity of activities/products, risk and reward structure, organisation structure and internal reporting systems, the Company has structured its operations into a single operating segment ; however based on the geographic distribution of activities, the chief operating decision make identified India and outside India as two reportable geographical segments.

Revenue from customers	31st March, 2022	31st March, 2021
Within India	23,169.62	17,120.75
Outside India		
Asia (other than China)	6,366.32	4,477.21
China	73.53	443.73
Europe	12,893.44	11,087.92
Others	8,709.41	5,046.83
	28,042.70	**21,055.69**
Total revenue	**51,212.32**	**38,176.44**

The revenue information above is based on the locations of the customers.

Non-current operating assets*	31st March, 2022	31st March, 2021
Within India	**30,426.29**	**28,714.89**
Outside India		
Investment in subsidiary and joint ventures		
Europe	3,471.34	3,471.34
Loans & advances given		
Europe	14,317.99	11,290.49
	17,789.33	**14,761.83**
Total	**48,215.62**	**43,476.72**

*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, 2022 (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, 2022		31st March, 2021	
	Carried at FVTPL	Carried at ammortised cost	Carried at FVTPL	Carried at ammortised cost
Loans & advances	-	14,317.99	-	11,290.49
Investment in mutual fund & other financial instruments	18,142.62	-	18,994.45	-
Forward contracts receivable	78.25	-	35.97	-
Term deposits with banks [short term + long term]	-	4,101.58	-	4,147.88
Other financial assets	-	599.06	-	666.95
Trade receivable	-	12,300.47	-	9,086.86
Cash & cash equivalents	-	638.94	-	1,748.48
Total	**18,220.87**	**31,958.04**	**19,030.42**	**26,940.66**

Financial Liabilities	31st March, 2022		31st March, 2021	
	Carried at FVTPL	Carried at ammortised cost	Carried at FVTPL	Carried at ammortised cost
Borrowings	-	4,454.14	-	3,692.83
Trade payable	-	7,368.11	-	7,498.13
Other financial liabilities	-	1,273.07	-	975.24
Lease liability	-	18.28	-	-
Total	**-**	**13,113.60**	**-**	**12,166.20**

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, 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	-

Notes to the Standalone Financial Statements

For the year ended 31st March, 2022 (Contd.)

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

Quantitative disclosures fair value measurement hierarchy for assets as at 31st March, 2021:

	Fair value measurement using				
	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:					
Investments	31st March, 2021	18,994.45	18,993.15	-	1.30
Foreign exchange forward contracts	31st March, 2021	35.97	-	35.97	-

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.

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.

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.

	31st March, 2022	31st March, 2021
Borrowings other than convertible preference shares (refer note 12)	4,454.14	3,692.83
Less: cash and cash equivalent (refer note 9)	638.94	1,748.48
Net debt (i)	**3,815.20**	**1,944.35**
Equity	76,992.25	71,236.77
Total Equity (ii)	**76,992.25**	**71,236.77**
Overall financing (iii) = (i) + (ii)	**80,807.45**	**73,181.12**
Gearing ratio = (i) / (iii)	**4.72%**	**2.66%**

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March, 2022 and 31st March, 2021.

Notes to the Standalone Financial Statements

For the year ended 31st March, 2022 (Contd.)

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

39. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Share-based payments

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an Black and Scholes valuation model. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 32.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for the plans ,the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates. Further details about gratuity obligations are given in note 31.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See note 36 and 37 for further disclosures.

Assets classified as held for sale:

Classification of investment in joint ventures as assets held for sale involves judgements of management that sale will be completed within 1 year and other conditions specified in Ind AS 105 - Non currents held for sale and discontinued operations are fulfilled. Due to Covid-19 there was procedural delay in closing the joint venture and the sale is completed for this joint ventures and the proceeds are realised on 18th June, 2020.

Revenue Recognition:

For tooling contracts, The Company has enforceable right to payment for tools developed when the tool is approved by the customer and accordingly the revenue from tooling is recognised at a point in time post approval by the customer.

Notes to the Standalone Financial Statements

For the year ended 31st March, 2022 (Contd.)

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

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities, other than derivatives, comprise of short term borrowings; and trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, investments in mutual funds and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, and derivative financial instruments.

The sensitivity analysis in the following sections relate to the position as at 31st March, 2022 and 31st March, 2021.

The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant.

The analysis exclude the impact of movements in market variables on the carrying values of gratuity and other post retirement obligations and provisions.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's short-term debt obligations with floating interest rates.

Sensitivity

	Increase/ (decrease) in basis points	Effect on profit before tax In ₹
31st March, 2022	50.00	15.99
	-50.00	(15.99)
31st March, 2021	50.00	14.94
	-50.00	(14.94)

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency) and borrowings of the Company.

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure.

Notes to the Standalone Financial Statements

For the year ended 31st March, 2022 (Contd.)

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

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, 2022		31st March, 2021	
		Amount in F.C.	Amount in ₹	Amount in F.C.	Amount in ₹
Trade receivables	USD	104.74	7,888.06	69.65	5,052.96
	EUR	5.56	465.56	6.48	552.59
		-	-		
Trade payables	USD	1.28	97.01	1.68	123.97
	EUR	3.94	336.10	0.39	33.60
	JPY	46.02	28.79	191.88	128.35
		-	-		
Loan given to subsidiaries	EUR	171.00	14,317.99	132.50	11,290.49
		-	-		
Interest on loan given to subsidiaries	EUR	4.86	402.64	5.11	435.77
		-	-		
Forward contract	USD	88.70	6,831.69	0.47	34.74
	EUR	-	-	0.02	1.23
		-	-		
EEFC	USD	-	-	0.10	7.58
	EUR	-	-	0.04	3.50

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. The impact on the Company's pre-tax equity is due to changes in the fair value of forward exchange contracts designated as cash flow hedges and net investment hedges. The Company's exposure to foreign currency changes for all other currencies is not material.

Sensitivity

Year	Change in USD rate	Effect on profit before tax In ₹
31st March, 2022	5%	731.14
	-5%	(731.14)
31st March, 2021	5%	342.90
	-5%	(342.90)

Year	Change in EUR rate	Effect on profit before tax In ₹
31st March, 2022	5%	742.73
	-5%	(742.73)
31st March, 2021	5%	587.26
	-5%	(587.26)

Notes to the Standalone Financial Statements

For the year ended 31st March, 2022 (Contd.)

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

Year	Change in GBP rate	Effect on profit before tax In ₹
31st March, 2022	5%	-
	-5%	-
31st March, 2021	5%	5.75
	-5%	(5.75)

Year	Change in JPY rate	Effect on profit before tax In ₹
31st March, 2022	5%	(1.44)
	-5%	1.44
31st March, 2021	5%	-
	-5%	-

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, 2022, there were no open purchase commitments/ pending material purchase order in respect of key raw materials. Accordingly, no sensitivity analysis have been performed by the management.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade receivables

Customer credit risk is managed subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis for major clients. The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables disclosed in note 8. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy.

The investment of surplus funds is made in mutual funds and fixed deposits which are approved by the Director.

The Company's maximum exposure to credit risk for the components of the balance sheet at 31st March, 2022 and 31st March, 2021 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.

Notes to the Standalone Financial Statements

For the year ended 31st March, 2022 (Contd.)

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

The table below summarises the maturity profile of the Company's financial liabilities:

	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**

	Less than 1 year	1 to 5 years	> 5 years	Total
Year ended 31st March, 2021				
Current borrowings	3,692.83	-	-	3,692.83
Other financial liabilities	975.24	-	-	975.24
Trade payables	7,498.13	-	-	7,498.13
	12,166.20	**-**	**-**	**12,166.20**

41. UTILISATION OF MONEY RAISED THROUGH PUBLIC ISSUE

During the year ended 31st March, 2016 the Company had raised ₹ 24,000.00 Lakhs through public issue of fresh equity shares (refer note 10), mainly with an objective of setting-up a new machining facility of ductile iron and other camshafts at Solapur and for general corporate purposes.

The Company had incurred expenses aggregating ₹ 2,387.33 Lakhs towards the initial public offering which included both issue of fresh equity shares as well as offer for sale of equity shares by existing share holders. Out of the same an amount of ₹ 1,028.12 Lakhs has been recovered from existing share holders in regard to offer for sale.

Given below are the details of utilisation of proceeds raised through public issue. During the year ended 31st March, 2017, the Company has transferred an amount equivalent to the recovery from selling share holders from IPO account to the normal bank accounts since the same was spent by the Company before such recovery.

	31st March, 2022	31st March, 2021
Unutilised amount at the beginning of the year	-	194.08
Amount raised through public issue	-	-
Amounts recovered from existing share holders towards share issue expenses including taxes	-	-
Interest received on fixed deposits matured during the year	-	-
Less: amount utilised during the year		
Payment towards share issue expenses	-	-
Payment towards project expenditure relating to new manufacturing facility	-	-
Payment towards general corporate purpose	-	194.08
Amount partially transferred from recoveries from selling share holders towards IPO expenses	-	-
Excess issue expenses recovered refunded to selling share holders	-	-
Unutilised amount at the end of the year	-	-

Cumulative amount utilised is ₹ 24,000.00 Lakhs

The Company has setup a building for new machine shop and line of machines for machining of ductile iron camshafts from IPO proceeds. As on 31st March, 2020 the Company has fully utilised money raised from IPO for the purposes it was raised. Unutilised amount of ₹ 194.08 Lakhs pertains to interest received on IPO fund as on 1st April, 2020 which has fully utilised towards general corporate purpose during the year & there were no unutilised amount against it as on 31st March, 2021.

Notes to the Standalone Financial Statements

For the year ended 31st March, 2022 (Contd.)

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

42.

Disclosure pursuant to Schedule V read with regulations 34(3) and 53(f) of the SEBI (Listing Obligations And Disclosure Requirements) Regulations,2015

A) Amount of loans / advances in nature of loans outstanding from subsidiaries as at 31st March, 2022:

Name of the Company	Balance as at		Maximum outstanding	
	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021
To Subsidiary Companies				
PCL (International) Holding B.V.	**14,317.99**	**11,290.49**	**14,317.99**	**11,290.49**

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)

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, 2022:

Name of the Company	Balance as at		Maximum outstanding	
	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021
To subsidiary companies				
MFT Motoren und Fahrzeugtechnik GmbH (MFT)- Germany	3,076.65	3,131.04	3,076.65	3,131.04
EUR 36,74,494 & EUR 36,74,494 For March 2022 & March 2021 respectively (Converted into ₹ using 83.73 ₹/Euro & ₹ 85.21 ₹/Euro for March 2022 & March 2021 respectively)				
Emoss Mobile Systems B.V., Netherlands EUR 79,58,000 & EUR 79,58,000 For March 2022 & March 2021 respectively (Converted into ₹ using 83.73 ₹/Euro & ₹ 85.21 ₹/Euro for March 2022 & March 2021 respectively)	6,663.23	6,781.01	6,663.23	6,781.01

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.

A	Particulars	31st March, 2022	31st March, 2021
	Gross amount required to be spent as per Section 135 of the Act	142.85	126.43
	Add: amount unspent from previous years	-	-
	Total gross amount required to be spent during the year	**142.85**	**126.43**

B		31st March, 2022	31st March, 2021
	Amount approved by the board to be spent during the year	**142.85**	**126.43**

C	Amount spent during the year on	31st March, 2022	31st March, 2021
	(i) Construction/acquisition of an asset	-	
	(ii) On purposes other than (i) above	146.47	126.76

Notes to the Standalone Financial Statements

For the year ended 31st March, 2022 (Contd.)

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

D	Details related to amount spent	31st March, 2022	31st March, 2021
	Contribution to PM CARES Fund	-	50.00
	Spent on CSR activities (healthcare, education, sustainability, social issues)	146.47	76.76
	Total	**146.47**	**126.76**

E Details of excess CSR expenditure

Nature of activity	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
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	Total
	Land and Building	
Balance as at 1st April, 2020	-	-
Additions	-	-
Deletion	-	-
Depreciation	-	-
Balance as at 31st March, 2022	-	-
Additions	23.60	23.60
Deletion	-	-
Depreciation	6.88	6.88
Balance as at 31st March, 2022	**16.72**	**16.72**

Notes to the Standalone Financial Statements

For the year ended 31st March, 2022 (Contd.)

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

(ib) Changes in the Lease liabilities

Particulars	Category of ROU Asset	Total
	Land and Building	
Balance as at 1st April, 2020		
Additions	-	-
Lease Payments	-	-
Balance as at 31st March, 2021	-	-
Additions	23.60	23.60
Lease Payments	5.32	5.32
Balance as at 31st March, 2022	**18.28**	**18.28**

(ii) Break-up of current and non-current lease liabilities

Particulars	31st March, 2022	31st March, 2021
Current Lease Liabilities	12.54	-
Non-current Lease Liabilities	**5.74**	**-**

(iii) Maturity analysis of lease liabilities

Particulars	31st March, 2022	31st March, 2021
Less than one year	12.54	-
One to five years	5.74	-
More than five years	-	-
Total	**18.28**	**-**

(iv) Amounts recognised in statement of Profit and Loss account

Particulars	31st March, 2022	31st March, 2021
Interest on Lease Liabilities	0.75	-
Depreciation on ROU asset	6.88	-
Total	**7.63**	**-**

(v) Amounts recognised in statement of Cash Flows

Particulars	31st March, 2022	31st March, 2021
Total Cash outflow for leases	**5.32**	**-**

Notes to the Standalone Financial Statements

For the year ended 31st March, 2022 (Contd.)

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

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				31st March, 2022		31st March, 2021	
	Loans/ Advances granted Individually or Jointly with other.	Repayable on demand (Yes / No)	Terms/ Period of repayment is specified (Yes / No)	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	14,317.99	100%	11,290.49	100%
Total of Loan and Advances in the nature of Loan (Refer Note 5B and 34)				14,317.99	100%	11,290.49	100%

47. AGEING OF CWIP

(a) For Capital-work-in progress ageing schedule

31st March, 2022

CWIP	Amount in CWIP for a period of	Total

31st March, 2021

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	156.07	413.29	-	-	**569.36**
Projects temporarily suspended	-	-	-	-	**-**

Notes to the Standalone Financial Statements

For the year ended 31st March, 2022 (Contd.)

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

48. AGEING OF INTANGIBLE ASSET UNDER DEVELOPMENT

(a) Intangible assets under development ageing schedule

31st March, 2022

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	-	-	-	-	**-**

31st March, 2021

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	-	-	-	-	**-**
Projects temporarily suspended	-	-	-	-	**-**

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, 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	

Notes to the Standalone Financial Statements

For the year ended 31st March, 2022 (Contd.)

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

31st March, 2021

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	7,094.66	4,575.59	2,519.07	The difference is due to the submission to the Banks were made before financial reporting closure process
		Trade Payables	1,776.19	805.54	970.65	
		Inventories	3,399.10	1,682.93	1,716.17	
Sep-20	Bank of India and Bank of Baroda	Trade Receivables	8,705.75	8,210.76	494.99	
		Trade Payables	3,910.73	2,029.61	1,881.12	
		Inventories	3,131.91	1,479.65	1,652.26	
Dec-21	Bank of India and Bank of Baroda	Trade Receivables	8,067.25	12,160.78	(4,093.53)	
		Trade Payables	5,044.85	4,296.58	748.27	
		Inventories	3,933.91	1,484.15	2,449.76	
Mar-22	Bank of India and Bank of Baroda	Trade Receivables	9,086.86	13,753.18	(4,666.32)	
		Trade Payables	6,785.80	5,226.99	1,558.81	
		Inventories	5,223.52	2,427.42	2,796.10	

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:

Notes to the Standalone Financial Statements

For the year ended 31st March, 2022 (Contd.)

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

(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,

56. RATIOS

S. no.	Ratio	Particulars		Ratio as on	Ratio as on	Variation	Reason (If variation is more than 25%)
		Numerator	Denominator	31st March, 2022	31st March, 2021		
(a)	Current ratio	Current assets	Current Liabilities	3.22	3.31	(2.76%)	
(b)	Debt-equity ratio	Debt= All borrowings	Shareholder's equity	0.06	0.05	11.60%	
(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)	56.19	112.67	(50.13%)	The variance in ratio is mainly due to increase in packing credit facilty on account of increase in sales.
(d)	Return on equity ratio	Net income= net profits after taxes	Average shareholder's equity	8.92%	9.06%	(1.57%)	
(e)	Inventory turnover ratio	Cost of goods sold	Average Inventory	2.93	2.23	31.33%	The variance in ratio is mainly due to post pandemic, The Company is maintaining increase stock levels to fulfill the customers requirement.

Notes to the Standalone Financial Statements

For the year ended 31st March, 2022 (Contd.)

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

S. no.	Ratio	Particulars		Ratio as on	Ratio as on	Variation	Reason (If variation is more than 25%)
		Numerator	Denominator	31st March, 2022	31st March, 2021		
(f)	Trade receivables turnover ratio	Revenue from sale of products and services = total revenue from operations less export incentives	Average trade receivables	4.74	3.67	29.06%	The variance in ration is manily due to better recovery in the current year as compared to previous year.
(g)	Trade payables turnover ratio	Purchases for raw material, stores and conumables, packing material	Average trade payables (trade payable relating to purchases and consumables)	4.22	3.29	28.13%	The variance in ratio is mainly due to on account of better recovery of trade receivables, Trade payables are paid on timely basis.
(h)	Net capital turnover ratio	Revenue from sale of products and services = total revenue from operations less export incentives	Average working capital	1.72	1.33	28.51%	The variance in ratio is mainly due to increase in revenue from operations due to increase in business & also on account of increase in working capital.
(i)	Net profit ratio	Net profit	Revenue from operations	13%	16%	-20.16%	
(j)	Return on capital employed	EBIT= earnings before interest and taxes	Capital employed= Total asset-current liability	9%	9%	6.15%	

Notes to the Standalone Financial Statements

For the year ended 31st March, 2022 (Contd.)

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

S. no.	Ratio	Particulars		Ratio as on	Ratio as on	Variation	Reason (If variation is more than 25%)
		Numerator	Denominator	31st March, 2022	31st March, 2021		
(k)	Return on investment	Gain on Mutual fund (including unrealised gain)	(Opening Investment in Mutual Fund + Closing investment in mutual fund)/2	5%	10%	-44.66%	The variance in ratio is mainly due to market fluctuations.

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. COVID 19

The management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at and for the year ended 31st March, 2022 and has concluded that the impact is primarily on the operational aspects of the business. In making the assessment management has considered the recoverability of trade receivables, investment and other assets and also considered the external and internal information available up to the date of approval of these financial results including status of existing and future customer orders, cash flow projections etc and concluded that there is no significant impact which is required to be recognised in the financial results. Accordingly, no adjustments have been made to the financial results.

60. SOCIAL SECURITY CODE

The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on 28th September, 2020. The code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the code on 13th November, 2020.

However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued.

The Company will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the code becomes effective and the related rules to determine the financial impact are published.

Notes to the Standalone Financial Statements

For the year ended 31st March, 2022 (Contd.)

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

61. STANDARDS ISSUED BUT NOT YET EFFECTIVE

The Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23rd March, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

Ind AS 16, Property Plant and equipment - The amendment clarifies that 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. The effective date for adoption of this amendment is annual periods beginning on or after 1st April, 2022. The Company has evaluated the amendment and there is no impact on its Standalone financial statements.

Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets –The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour,materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after 1st April, 2022, although early adoption is permitted.

The Company has evaluated the amendment and the impact is not expected to be material.

62. 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	**Yatin S. Shah** Managing Director DIN: 00318140	**Ravindra R. Joshi** Whole-time Director & CFO DIN: 03338134	**Gautam V. Wakankar** Company Secretary M. No. A54556
Place: Pune Date: 26th May, 2022	Place: Pune Date: 26th May, 2022	Place: Pune Date: 26th May, 2022	Place: Pune Date: 26th May, 2022

INDEPENDENT AUDITOR'S REPORT

To
the Members of
Precision Camshafts Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of Precision Camshafts Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2022, and the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of reports of other auditors on separate financial statements and on the other financial information of subsidiaries, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2022, of Consolidated Profit, Consolidated Changes in Equity and its Consolidated Cash Flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended March 31, 2022. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr. No	Key Audit Matter	How the Key Audit Matter was addressed in our audit
1.	**Provision for credit loss for accounts receivables** Refer Note 8 of Consolidated Financial Statement with respect to the disclosures of Trade Receivables. As on March 31, 2022, Trade receivables amounts to INR. 16484.10 Lakhs against which provision of INR. 72.58 Lakhs was made towards expected credit loss in the books of account. The Group determines the allowance for credit losses based on analysis of past data and determine the default rate. Further, calculation of credit loss provision is a complex area and requires management to make significant assumptions on customer payment behaviour and estimating the level and timing of expected future cash flows and interest rate to be used for time loss.	Our audit procedures in respect of this area include but are not limited to: 1. Obtained an understating of the Group policy on assessment of impairment of trade receivables, including design and implementation of controls over development of the methodology for the computation of provision for credit losses including completeness and accuracy of information used in such estimation and computation and validation of management review controls. 2. Verified the operating effectiveness of these controls on a test check basis. 3. Obtained independent balance confirmations from the customers on sample a test check basis. 4. Verified subsequent receipts after the year- end on a test check sample basis.

Sr. No	Key Audit Matter	How the Key Audit Matter was addressed in our audit
	We identified allowance for credit losses as a key audit matter because significant management judgement and assumptions are involved in calculating the expected credit losses. This required an increased extent of effort when performing the audit procedures to evaluate the reasonableness of management's estimate of the expected credit losses including significant discussion with management on slow recoveries, validation of the management judgement regarding projected collections and back tracing the past recoveries to the projected schedule provided by the management.	5. Verified aging of trade receivables for sample of customer transactions. 6. Evaluated management comments and recovery plans for trade receivables outstanding for more than 180 days 7. Assessed the trade receivables impairment methodology applied in the current year and compared the provisioning rates against historical collection data. 8. Verified the completeness and accuracy of the disclosures in accordance with the requirements of the relevant Ind AS, which are included in Note 8 of the Consolidated financial statements.
2.	**Impairment of Goodwill** Refer Note 4 to the consolidated financial statements The Group has carrying value of Goodwill amounting to INR. 1640.51 lakhs as on March 31, 2022 which represents 1.55% of the total asset of the Group. The carrying value of Goodwill is tested annually for impairment provision. In determining the fair value in use of the business unit, the Group has applied judgment in estimating future revenues, profitability cash flow, growth rate and discount rates. The Group performed its annual impairment test of goodwill and has provided for impairment amount to INR Nil. Due to the significance of the carrying value of goodwill and high degree of judgment involved in performing impairment test, we have identified this as a key audit matter.	Our procedure included, but not limited to the following: 1. Obtained an understating of the Holding company'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. Verified the operating effectiveness of the controls over preparation of annual budgets and future forecasts for business units and the approach followed for annual impairment. 3. Obtained the 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, 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 in the annual report but does not include the Consolidated Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

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

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

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

Other Matters

We did not audit the financial statements of 4 (Four) subsidiaries whose financial statements reflect total assets of INR. 49,375.76 Lakhs as at March 31, 2022, total revenues of INR. 38,911.80 Lakhs and net cash outflows amounting to INR. 278.62 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, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.

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

    e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group company incorporated in India are disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

    f. With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

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

        i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 32(b) to the Consolidated Financial Statements.

        ii. 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 subsidiaries, which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries 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 subsidiaries 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 subsidiaries ("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 subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, no funds have been received by the Holding Company or any of such subsidiaries, 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

subsidiaries 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 auditors of the subsidiaries which are companies 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 auditors 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 reports of the statutory auditors of subsidiary, that are Indian companies 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.

2. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Holding Company, to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder except in case of 1(one) subsidiary company incorporated in India, as the provision of the aforesaid section is not applicable to the company.

3. According to the information and explanations given to us and based on the CARO reports issued by us for the Company and on consideration of CARO reports by statutory auditors of subsidiary included in the Consolidated Financial Statements of the Company 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: 22111700AJQQNG8007

Place: Pune
Date: May 26, 2022

ANNEXURE A

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

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

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

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

We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements for the year ended March 31, 2022 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: 22111700AJQQNG8007

Place: Pune
Date: May 26, 2022

ANNEXURE B

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

[Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Precision Camshafts Limited on the Consolidated Financial Statements for the year ended March 31, 2022]

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 March 31, 2022, we have audited the internal financial controls with reference to Consolidated Financial Statements of Precision Camshafts Limited (hereinafter referred to as "the Holding Company") and its subsidiary company, which are companies incorporated in India, as of that date.

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to Consolidated Financial Statements and such internal financial controls with reference to Consolidated Financial Statements and such internal financial controls with reference to Consolidated Financial Statements were operating effectively as at March 31, 2022, based on the internal control with reference to Consolidated Financial Statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI").

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company and its subsidiary company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to Consolidated Financial Statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to Consolidated Financial Statements of the Holding company and its subsidiary company, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether 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 Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to Consolidated Financial Statements of the Holding company and its subsidiary company, which are companies incorporated in India.

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

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

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 Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to Consolidated Financial Statements insofar as it relates to one (1) subsidiary company, which is a company incorporated in India, is based on the corresponding reports of the auditors of such company incorporated in India.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Nitin Manohar Jumani
Partner
Membership No. 111700
UDIN: 22111700AJQQNG8007

Place: Pune
Date: May 26, 2022

Consolidated Balance Sheet

As at 31st March, 2022

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

Particulars	Note No.	As at 31st March, 2022	As at 31st March, 2021
I ASSETS			
1. Non-current assets			
(a) Property, plant and equipment	3	30,866.52	34,068.81
(b) Capital work-in-progress	3	3,373.23	880.27
(c) Goodwill on consolidation	4	1,640.51	1,645.49
(d) Other intangible assets	4	3,497.85	6,935.10
(e) Intangible assets under development	4	45.00	-
(f) Financial assets			
(i) Investments	5A	7.46	7.46
(ii) Other financial assets	5B	389.63	317.49
(g) Deferred tax assets (net)	27	226.48	169.56
(h) Other non-current assets	6	1,764.58	808.12
Total non-current assets		**41,811.26**	**44,832.30**
2. Current assets			
(a) Inventories	7	19,275.30	12,419.72
(b) Financial assets			
(i) Investments	5A	19,418.47	19,634.80
(ii) Trade receivables	8	16,411.52	15,428.79
(iii) Cash and cash equivalents	9	1,244.39	2,632.55
(iv) Bank balances other than (iii) above	9	3,948.44	4,099.22
(v) Other financial assets	5B	808.83	393.27
(c) Other current assets	6	3,021.38	2,735.08
Total current assets		**64,128.33**	**57,343.43**
Total Assets		**1,05,939.59**	**1,02,175.73**
II EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	10	9,498.58	9,498.58
(b) Other equity	11	58,666.66	54,779.42
Total Equity attributable to equity holders of Holding Company		**68,165.24**	**64,278.00**
Non controlling interest		**-**	**-**
Total equity		**68,165.24**	**64,278.00**
LIABILITIES			
1. Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	12	3,160.20	8,020.47
(ii) Lease Liabilities	13A	967.79	754.67
(b) Provisions	16	1,003.47	1,183.07
(c) Deferred tax liabilities (net)	27	1,322.04	1,974.04
Total non-current liabilities		**6,453.50**	**11,932.25**
2. Current liabilities			
(a) Financial liabilities			
(i) Borrowings	12	10,089.63	9,393.94
(ii) Trade payables	14		
- total outstanding dues of micro enterprises and small enterprises		1,415.43	1,548.06
- total outstanding dues of creditors other than micro enterprises and small enterprises		8,159.93	9,606.66
(iii) Other financial liabilities	13	1,829.03	1,604.28
(iv) Lease liabilities	13A	386.15	156.07
(b) Other current liabilities	15	9,202.66	3,346.20
(c) Provisions	16	115.56	96.85
(d) Current tax liabilities (net)	17	122.46	213.42
Total current liabilities		**31,320.85**	**25,965.48**
Total liabilities		**37,774.35**	**37,897.73**
Total Equity and Liabilities		**1,05,939.59**	**1,02,175.73**

Summary of significant accounting policies 2

The accompanying notes are an integral part of the consolidated financials 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, 2022

Yatin S. Shah
Managing Director
DIN: 00318140

Place: Pune
Date: 26th May, 2022

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

Place: Pune
Date: 26th May, 2022

Gautam V. Wakankar
Company Secretary
M. No. A54556

Place: Pune
Date: 26th May, 2022

Consolidated Statement of Profit and Loss

for the year ended 31st March, 2022

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

	Note No.	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Income			
Revenue from operations	18	89,502.10	70,897.84
Other income	19	1,640.24	2,306.58
Total income (I)		**91,142.34**	**73,204.42**
Expenses			
Cost of raw materials and components consumed	21	40,095.94	28,998.97
(Increase) / decrease in inventories of finished goods and work-in-progress	22	(4,255.31)	(706.07)
Employee benefits expenses	23	15,845.47	14,314.58
Other expenses	24	26,423.14	22,145.96
Total expenses (II)		**78,109.24**	**64,753.44**
Earnings before interest, tax, depreciation and amortisation (EBITDA) (III)= (I) - (II)		**13,033.10**	**8,450.98**
Finance costs	25	729.24	764.27
Finance Income	20	(252.53)	(283.40)
Depreciation and amortisation expense	26	9,203.34	7,932.01
Profit before exceptional items and tax		**3,353.05**	**38.10**
Exceptional items	39	**2,741.39**	**1,509.78**
Profit before tax		**6,094.44**	**1,547.88**
Tax expense			
Current tax	27	2,376.86	1,969.76
(Excess) / short provision of tax relating to earlier years		(138.56)	-
Deferred tax	27	(746.15)	(344.03)
Total tax expense		1,492.15	1,625.73
Profit / (Loss) for the year		**4,602.29**	**(77.85)**
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	28	149.49	86.94
Income tax effect		(37.62)	(21.88)
		111.87	**65.06**
B. Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations	28	**130.27**	**230.52**
		130.27	**230.52**
Other comprehensive income for the year, net of tax [A+B]		**242.14**	**295.58**
Total comprehensive income for the year, net of tax		**4,844.43**	**217.73**
Profit / (Loss) for the year Attributable to:			
Equity holders of the Holding Company		4,602.29	228.59
Non Controlling interests		-	(306.44)
		4,602.29	(77.85)
Other comprehensive income for the year Attributable to:			
Equity holders of the Holding Company		242.14	295.58
Non Controlling interests		-	-
		242.14	**295.58**
Total Comprehensive Income for the year Attributable to:			
Equity holders of the Holding Company		4,844.43	524.17
Non Controlling interests		-	(306.44)
		4,844.43	**217.73**
Earning per share [nominal value per share ₹10 (31st March, 2021: ₹10)]	29		
a) Basic		4.85	0.24
b) Diluted		4.85	0.24
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, 2022

Yatin S. Shah
Managing Director
DIN: 00318140

Place: Pune
Date: 26th May, 2022

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

Place: Pune
Date: 26th May, 2022

Gautam V. Wakankar
Company Secretary
M. No. A54556

Place: Pune
Date: 26th May, 2022

Statement of Consolidated Cash Flows

for the Year ended 31st March, 2022

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

Particulars	As at 31st March, 2022	As at 31st March, 2021
Cash flows from operating activities (A)		
Profit before tax	**6,094.44**	**1,547.88**
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and impairment of property, plant and equipment	6,089.60	6,172.43
Amortisation and impairment of intangible assets	3,113.74	1,759.58
Net foreign exchange differences (Unrealised)	(122.66)	(47.35)
Sundry creditors written back	(9.71)	(8.75)
Bad debt written off	-	6.98
Liabilities Written back	(34.00)	(169.15)
Gain on Mutual Fund	(1,022.98)	(1,551.51)
(Profit) / Loss on disposal of property, plant and equipment	19.14	(57.12)
Finance income (including fair value change in financial instruments)	(252.53)	(283.40)
Loss on Realisation of asset classified as held for sale	-	44.04
Gain on Closure of Subsidiary	-	(3.17)
Finance costs	729.24	764.27
Operating Profit before working Capital changes	**14,604.28**	**8,174.73**
Working capital adjustments:		
Increase / (decrease) in Provisions	(11.41)	108.15
(Increase) / decrease in other assets	60.01	(836.75)
(Increase)/ decrease in other financial assets	(604.18)	(29.17)
Increase / (decrease) in other current liabilities	(220.21)	1,470.18
Increase / (decrease) in other financial liabilities	193.56	(82.93)
(Increase) / decrease in trade receivables and prepayments	5,444.42	2,509.19
(Increase) / decrease in Inventories	(6,855.57)	1,713.28
Increase / (decrease) in trade payables	(1,543.76)	1,079.79
Cash generated from Operations	**11,067.14**	**14,106.47**
Income taxes paid (net of refunds)	(2,312.39)	(2,116.55)
Net cash flows generated from operating activities (A)	**8,754.75**	**11,989.92**
Cash flows from investing activities (B)		
Proceeds from sale of property, plant and equipment	18.83	99.45
Purchase of property, plant and equipment	(5,640.68)	(2,978.40)
Purchase of financial instruments	(6,399.22)	(20,185.84)
Proceeds from sale of financial instruments	7,684.64	14,055.55
Interest received (finance income)	256.32	283.27
Dividend Received	-	9.56
Acquisition of Non Controlling Interest	-	(995.25)
Proceeds from sale of asset classified as held for sale	-	959.31
Net cash flows used in investing activities (B)	**(4,080.11)**	**(8,752.35)**

Statement of Consolidated Cash Flows

for the Year ended 31st March, 2022

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

Particulars	As at 31st March, 2022	As at 31st March, 2021
Cash flow from financing activities (C)		
Interest paid	(683.06)	(991.45)
(Repayment)/ Proceeds in relation to borrowings (net)	(4,164.55)	(2,537.75)
Final dividend paid on shares	(949.86)	-
Payment for lease obligation	(343.54)	(135.09)
Net cash flows used in financing activities (C)	**(6,141.01)**	**(3,664.29)**
Net increase / (decrease) in cash and cash equivalents	(1,466.37)	(426.72)
Net foreign exchange difference	131.00	258.46
Cash and cash equivalents at the beginning of the year	2,579.76	2,748.02
Cash and cash equivalents as at year end	**1,244.39**	**2,579.76**
Components of cash and cash equivalents:		
Balances with banks:		
On current accounts	1,188.75	2,577.70
Deposit with original maturity of less than 3 months	50.44	52.43
Cash in hand	5.20	2.42
Bank overdraft	-	(52.79)
Cash and cash equivalents at year end	**1,244.39**	**2,579.76**

Summary of significant accounting policies

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, 2022

Yatin S. Shah
Managing Director
DIN: 00318140

Place: Pune
Date: 26th May, 2022

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

Place: Pune
Date: 26th May, 2022

Gautam V. Wakankar
Company Secretary
M. No. A54556

Place: Pune
Date: 26th May, 2022

Consolidated Statement of changes in Equity

for the Year ended 31st March, 2022

(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, 2020	**9,49,85,835**	**9,498.58**
Issued during the year under the ESOP scheme	-	-
At 31st March, 2021	**9,49,85,835**	**9,498.58**
Issued during the year under the ESOP scheme	-	-
At 31st March, 2022	**9,49,85,835**	**9,498.58**

B OTHER EQUITY

Attributable to the equity holders of the Holding Company (refer note 11)

Particulars	Reserve and surplus							Total equity	Non-controlling interests
	Securities premium account	General Reserve	Retained Earnings	Share based payments	Capital Reserve	Other comprehensive income / (loss)	Foreign currency translation reserve		
At 1st April, 2020	21,762.20	472.21	28,525.34	24.75	1,412.02	(55.11)	171.99	52,313.40	3,217.34
Profit for the year	-	-	228.59	-	-	-	-	228.59	(306.44)
Other comprehensive income for the year, net of tax	-	-	-	-	-	65.06	-	65.06	-
Total Comprehensive income for the year	**-**	**-**	**228.59**	**-**	**-**	**65.06**	**-**	293.65	(306.44)
Reversal of tax benefit (deferred tax)	(10.64)	-	-	-	-	-	-	(10.64)	-
On Acquistion of Non Controlling Interest	-	-	1,915.65	-	-	-	-	1,915.65	-
Transferred from ESOS Reserve against Lapsed Options	-	-	10.36	(10.36)	-	-	-	-	-
NCI acquired	-	-	-	-	-	-	-	-	(2,910.90)
Exchange differences on translation of foreign operation	-	-	-	-	-	-	230.52	230.52	-
Others	-	-	36.84	-	-	-	-	36.84	-

Consolidated Statement of changes in Equity

for the Year ended 31st March, 2022

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

Particulars	Reserve and surplus							Total equity	Non-controlling interests
	Securities premium account	General Reserve	Retained Earnings	Share based payments	Capital Reserve	Other comprehensive income / (loss)	Foreign currency translation reserve		
At 31st March, 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	-	4,714.16	-
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**	**-**

Summary of significant accounting policies.

The accompanying notes are an integral part of the Consolidated Financial Statement.

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, 2022

Yatin S. Shah
Managing Director
DIN: 00318140

Place: Pune
Date: 26th May, 2022

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

Place: Pune
Date: 26th May, 2022

Gautam V. Wakankar
Company Secretary
M. No. A54556

Place: Pune
Date: 26th May, 2022

Notes to the Consolidated Financial Statements

For the year ended 31st March, 2022

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 26th May, 2022.

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 ₹ 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 amortisation (EBITDA) as a separate line item on the face of the statement of profit and loss. The Group measures EBITDA on the basis of profit/ (loss) from operations. In its measurement, the Group does not include depreciation and amortisation 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.

Notes to the Consolidated Financial Statements

For the year ended 31st March, 2022

(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 ₹ 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.

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 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.

Notes to the Consolidated Financial Statements

For the year ended 31st March, 2022

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

Goods and Service Tax (GST applicable from 1st July, 2017) and all other applicable taxes is not received by the Group on its own account. Accordingly, it is excluded from revenue.

Interest

Interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability.

When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the consolidated statement of profit and loss.

Dividends

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

Export Incentives

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

e) Taxes

Current income tax

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

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

Deferred tax

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

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

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

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

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

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

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

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

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

f) Property, plant and equipment

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

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

The Group has measured land and buildings of susbidiary Memco Engineering Pvt. Ltd. (Memco) and step down subsidiary MFT Motoren Und Fahrzeughecnik GMBH (Germany) (MFT) classified as property, plant and equipment at fair values as required under Ind AS-103 "Business Combination". The Group engaged independent valuation specialists to assess fair value for land and buildings as at 10th October, 2017 for Memco and 31st March, 2018 for MFT. Land and buildings were valued by reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the property as at the date of revaluation.

The Group has measured IP Software, IP Technology Customer Relationships & Residual as Goodwill of step down subsidiary EMOSS Mobile Systems B.V. (EMOSS) classified as Intangibles at fair values as required under Ind AS-103 "Business Combination". The Group engaged independent valuation specialists to assess fair value for land and buildings as at 10th October, 2017 for EMOSS .Land and buildings were valued by reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the property as at the date of revaluation.

Notes to the Consolidated Financial Statements

For the year ended 31st March, 2022

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. Management has reassessed the useful life of the assets and accordingly restated to as stated in the table below:

Description of asset group	Useful lives as per earlier estimate	Useful lives as per revised estimate
Computer Software	2 - 5 years	2 - 5 years
Development	5 years	5 years
Corporate Design & New Homepage	5 years	5 years
Customer/ Supplier Relationship	6 years	4 years
Tech know how	7 years	6 years
R&D	3 years	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.

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

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

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

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

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

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

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

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the group is contractually required to dismantle, remove or restore the leased asset

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

When the group revises its estimate of the term of any lease, it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised.

Notes to the Consolidated Financial Statements

For the year ended 31st March, 2022

In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

j) Inventories

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

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

- Raw materials are valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories is not written down below cost of the finished product in which they will be incorporated are expected to be sold at or above cost. Cost of raw material is determined on a weighted average basis.
- Finished goods and semi finished goods: Finished goods aare valued at lower of cost and net realisable Value. cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on a weighted average basis.
- Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

k) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use.

Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the consolidated statement of profit and loss.

For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss.

l) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

m) Retirement and other employee benefits

i) Short term employee benefits

The distinction between short term and long term employee benefits is based on expected timing of settlement rather than the employee's entitlement benefits. All employee benefits payable within twelve months of rendering the service are classified as short term benefits. Such benefits include salaries, wages, bonus, short term compensated absences, awards, ex-gratia, performance pay, etc. and are recognised in the period in which the employee renders the related service.

ii) Post employment benefits

Retirement benefit in the form of provident fund and superannuation is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund and superannuation scheme. The Group recognises contribution payable to the scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Group operates a defined benefit gratuity plan , which requires contributions to be made to a separately administered fund. The subsidiary; Memco Engineering Private Limited, which has been acquired on 10th October, 2017 operates gratuity plan which is unfunded .

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

I The date of the plan amendment or curtailment, and

II The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

I Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and

II Net interest expense or income

Accumulated leave, which is expected to be utilised within the next 12 months, is treated as a short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as a long-term employee benefit for measurement purposes. Such long-

Notes to the Consolidated Financial Statements

For the year ended 31st March, 2022

term compensated absences are provided for based on the actuarial valuation using the projected unit credit method as at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Group presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

n) Share-based payments

Employees of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made, using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/ or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

o) Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus transaction costs attributable to the acquisition of the financial asset, except in the case of financial assets not recorded at fair value through profit or loss.

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)

Notes to the Consolidated Financial Statements

For the year ended 31st March, 2022

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other financial assets. For more information on receivables, refer note 5 and 8.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has designated certain investments at FVTPL. (refer note 5).

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the consolidated statement of profit and loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument by instrument basis.

The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to statement of profit & loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated balance sheet) when:

➢ The rights to receive cash flows from the asset have expired, or

➢ The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability.

Notes to the Consolidated Financial Statements

For the year ended 31st March, 2022

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

i) Financial assets that are debt instruments, and are measured at amortised cost e.g. loans, deposits, trade receivables, bank balance and other financial assets.

ii) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115

iii) Loan commitments which are not measured as at FVTPL

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on twelve-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The twelve-month ECL is a portion of the lifetime ECL which results from default events that are possible within twelve months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for ECL on

➢ Financial assets measured at amortised cost is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

  For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans, borrowings and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR (effective interest rate) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

p) Assets classified as held for sale

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets classified as held or sale are measured at the lower of their carrying amount and the fair value less costs to sell (except for financial instruments, which are measured at fair value). The criteria for held for sale classification is regarded met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the plan for sale will be made or that the plan will be withdrawn. Management must be committed to the sale expected within one year from the date of classification. Assets and liabilities classified as held for sale are presented separately as current items in the Balance Sheet.

q) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the financial statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, are considered to be an integral part of the Group's cash management.

r) Cash dividend

The Company recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

s) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

t) Segment reporting

Operating segments are reporting in a manner consistent with the internal reporting to the chief operating decision maker (CODM).

The board of directors of the Group assess the financial performance and position of the group and makes strategic decisions.

The Board of Directors, which are identified as a CODM, consists of chief executive officer, chief financial officer and all other executive directors.

The Group is engaged in manufacturing of autocomponents (camshafts.& others) Based on similarity of activities/products, risk and reward structure, organisation structure and internal reporting systems, the Company has structured its operations into a single operating segment ; however based on the geographic distribution of activities, the CODM has identified India and outside India as two reportable geographical segments. Refer note 34 for segment information presented.

Notes to the Consolidated Financial Statements

For the year ended 31st March, 2022

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.

Notes to the Consolidated Financial Statements

For the year ended 31st March, 2022 (Contd.)

(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, 2020	**941.37**	**280.62**	**12,631.47**	**57,924.87**	**2,657.74**	**227.47**	**316.46**	**21.69**	**69.10**	**438.92**	**75,509.71**	**3,413.99**
Additions	-	-	316.44	4,508.27	187.05	4.14	-	-	86.79	658.67	5,761.36	1,190.59
Disposals	-	-	(24.69)	(704.50)	-	-	(17.43)	-	-	-	(746.62)	-
Capitalised during year	-	-	-	-	-	-	-	-	-	-	-	(3,724.31)
Other adjustment	-	-	-	-	-	-	-	-	-	-	-	-
- Foreign currency translation reserve	-	2.40	219.87	1,659.49	191.10	-	0.60	-	25.88	7.75	2,107.09	-
At 31st March, 2021	**941.37**	**283.02**	**13,143.09**	**63,388.13**	**3,035.89**	**231.61**	**299.63**	**21.69**	**181.77**	**1,105.34**	**82,631.54**	**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**
Depreciation and impairment												
At 1st April, 2020	**38.03**	**-**	**3,519.09**	**34,843.62**	**2,124.03**	**175.18**	**126.58**	**11.02**	**68.71**	**75.47**	**40,981.73**	**-**
Charge for the year	11.64	-	526.18	5,185.07	249.52	19.40	32.96	1.41	13.88	132.37	6,172.43	-
Disposals	-	-	(1.41)	(361.85)	-	-	(16.57)	-	-	-	(379.83)	-
Foreign currency translation reserve	-	-	155.72	1,433.51	171.16	-	0.34	-	22.84	4.83	1,788.40	-
31st March, 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	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)	-
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**	**-**

Notes to the Consolidated Financial Statements

For the year ended 31st March, 2022 (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												
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**
31st March, 2021	**891.70**	**283.02**	**8,943.51**	**22,287.78**	**491.18**	**37.03**	**156.32**	**9.26**	**76.34**	**892.67**	**34,068.81**	**880.27**

Net Book Value	31st March, 2022	31st March, 2021
Plant, property and equipment	30,866.52	34,068.81
Capital work in progress	3,373.23	880.27

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, 2022 comprises expenditure for the plant and machinery in the course of construction. Balance of CWIP as at 31st March, 2022 amounts to ₹ 3373.23 Lakhs (31st March, 2021: ₹ 880.27 Lakhs).

Property, plant and equipment

The entire block of property, plant and equipment comprising of immovable assets with a carrying amount of ₹ 10,284.65 Lakhs (31st March, 2021: ₹ 10,118.23 Lakhs) and movable assets with a carrying amount of ₹ 20,581.87 Lakhs (31st March, 2021: ₹ 23,950.58 Lakhs).

Notes to the Consolidated Financial Statements

For the year ended 31st March, 2022 (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, 2020	**453.35**	**65.78**	**2,484.94**	**340.00**	**4,196.23**	**581.89**	**3,656.96**	**11,779.15**	**-**	**3,702.22**
Additions	92.12	-	-	-	-	-	-	92.12	-	-
Disposals	-	-	-	-	-	-	-	-	-	-
Foreign currency translation reserve	0.84	2.40	69.84	-	137.13	22.78	134.58	367.57	-	26.55
At 31st March, 2021	**546.31**	**68.18**	**2,554.78**	**340.00**	**4,333.36**	**604.67**	**3,791.54**	**12,238.84**	**-**	**3,728.77**
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**
Amortisation and impairment										
At 1st April, 2020	**333.55**	**54.81**	**637.67**	**283.33**	**1,141.94**	**118.14**	**954.74**	**3,524.18**	**-**	**2,083.28**
Charge for the year (refer note 26)	42.63	11.51	332.67	56.67	620.26	134.49	561.35	1,759.58	-	-
Disposals	-	-	-	-	-	-	-	-	-	-
Foreign currency translation reserve	(40.52)	1.85	24.88	-	40.15	(27.21)	20.83	19.98	-	-
At 31st March, 2021	**335.66**	**68.17**	**995.22**	**340.00**	**1,802.35**	**225.42**	**1,536.92**	**5,303.74**	**-**	**2,083.28**
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**
Net Block										
At 31st March, 2022	**259.95**	**0.01**	**-**	**-**	**1,625.46**	**-**	**1,612.43**	**3,497.85**	**45.00**	**1,640.51**
At 31st March, 2021	**210.65**	**0.01**	**1,559.56**	**-**	**2,531.01**	**379.25**	**2,254.62**	**6,935.10**	**-**	**1,645.49**

Notes to the Consolidated Financial Statements

For the year ended 31st March, 2022 (Contd.)

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

5. FINANCIAL ASSETS

Particulars	As at 31st March, 2022	As at 31st March, 2021
5A) Investments		
(i) At fair value through Profit or Loss (FVTPL)		
a) Investments in Equity Instruments		
Other investments		
Shares of Laxmi Co-op. Bank Limited	1.25	1.25
5000 Equity shares of ₹ 25 each fully paid-up		
(31st March, 2021: 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, 2021: 500 equity shares)		
Shares of Thane Janata Bank	4.63	4.63
9259 Equity shares of ₹ 50 each fully paid-up		
(31st March, 2021: 9259 equity shares)		
Shares of Janlaxmi Bank	1.30	1.30
5198 Equity shares of ₹ 25 each fully paid-up		
(31st March, 2021: 5198 equity shares)		
Shares of Mahila Bank	0.21	0.21
850 Equity shares of ₹ 25 each fully paid-up		
(31st March, 2021: 850 equity shares)		
Shares of Godavari Bank	0.01	0.01
10 Equity shares of ₹100 each fully paid-up		
(31st March, 2021: 10 equity shares)		
Shares of NAMCO Bank	0.01	0.01
28 Equity shares of ₹ 25 each fully paid-up		
(31st March, 2021: 28 equity shares)		
b) Investments in Mutual Funds		
Quoted Mutual Funds		
HDFC Corporate Bond Fund - Growth	523.07	460.57
HDFC Ultra Short Term- Regular Growth	463.58	307.83
ICICI Prudential Saving Fund-Growth	2,253.10	2,145.52
ICICI Prudential Banking and PSU Debt Fund - Growth	486.42	976.09
ICICI Prudential Corporate Bond Fund - Growth	741.35	711.02
ICICI Prudential Short term Fund-Growth	443.05	329.32

Notes to the Consolidated Financial Statements

For the year ended 31st March, 2022 (Contd.)

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

Particulars	As at 31st March, 2022	As at 31st March, 2021
Nippon india banking & PSU debt fund-growth plan	-	686.94
Nippon india short term fund - growth plan - growth option	106.48	270.67
Nippon India low duration fund - growth plan- growth option	213.23	201.69
ABSL Corporate Bond Fund-Growth	851.10	810.66
ABSL Sun life Low duration Fund	167.23	59.08
ABSL Saving Fund Growth	514.45	-
ABSL banking & PSU debt fund growth	-	408.28
Axis Short Term Fund-Growth	706.30	676.52
Axis Bluechip Fund - Growth	248.50	214.82
Axis Banking & PSU Debit Fund - Growth	124.43	119.70
Axis All Seasons Debt Fund of Funds Regular Growth	216.92	206.56
Axis Treasury Advantage Fund - Regular Growth (TA-GP)	1,043.66	503.44
IDFC Corporate Bond Fund Regular Plan-Growth	603.99	576.31
IDFC Super Saver income Fund-Short Term	536.29	515.44
IDFC Ultra Short Term - Growth	3.20	3.10
IDFC Low Duration Fund - Growth	1,373.04	1,324.31
Tata Short Term Bond Fund Reg Plan-Growth	104.15	726.07
TATA banking & PSU debt fund regular plan	154.97	147.83
Kotak Low Duration Fund Std Growth (Regular Plan)	2,074.14	1,997.90
Kotak banking and PSU debt fund	550.40	800.62
Kotak Savings Growth Fund	12.25	11.86
Kotak Bond Fund short term Growth	427.64	410.25
Kotak Corporate Bond Fund standard - Growth	1,054.10	1,007.80
Kotak Floating Rate Fund Growth - Regular plan	536.35	507.67
BNP PARIBAS MULTI CAP FUND REGULAR GROWTH	-	326.35
Baroda Bnp Paribas Multi Cap Fund	421.61	-
SBI Magnum ultra short duration fund Regular Growth	114.56	110.67
SBI Short term debt Fund Regular Plan	171.69	164.95
SBI Magnum Low Duration Fund Regular Growth	1,171.93	1,132.11
Principal Emerging Bluechip Fund - Regular Plan Growth	166.63	134.35
Motilal Oswal Most Focused Multicap 35 Fund	122.61	119.77
Canara Robeco Force Collection A/C	127.06	109.24
HDFC Liquid Fund	-	162.15
ICICI Prudential Floating Interest Fund	134.30	-
UTI Floater Fund - Regular Growth Plan	162.64	54.81
Aditya Birla Sun Life Floating Rate Fund	50.93	100.00
Uti Money Market Fun	-	102.53
HDFC Banking and PSU Debt Fund	220.00	-
HDFC Credit Risk Debt Fund	21.12	-
Total Investments at FVTPL	**19,425.93**	**19,642.26**

Notes to the Consolidated Financial Statements

For the year ended 31st March, 2022 (Contd.)

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

Particulars	As at 31st March, 2022	As at 31st March, 2021
Non-current	**7.46**	**7.46**
Current	**19,418.47**	**19,634.80**
	19,425.93	**19,642.26**
Total Investments	**19,425.93**	**19,642.26**
Aggregate book value of quoted investments	19,418.47	19,634.80
Aggregate market value of quoted investments (refer note 35)	19,418.47	19,634.80
Aggregate book value of unquoted investments	7.46	7.46
Aggregate amount of impairment in value of investments	-	-

5B) Other financial assets

Particulars	As at 31st March, 2022	As at 31st March, 2021
(i) Derivative instruments		
Foreign-exchange forward contracts*	**78.25**	
(ii) Others		
(a) Bank deposits with more than 12 months maturity	176.30	71.65
(b) Interest accrued on Fixed deposits	3.20	4.88
(c) Income accrued on Others	6.93	11.00
(d) Compensation receivable	718.45	81.19
(e) Security Deposits#	215.33	246.44
(f) Unbilled Revenue	-	259.63
Total	**1,198.46**	**710.76**
Non-current	389.63	317.49
Current	808.83	393.27
	1,198.46	**710.76**

* The holding Company entered into foreign exchange forward contracts with the intention to reduce the foreign exchange risk of expected sales and purchases. These forward contracts are not designated in hedging relationship and hence measured at fair value through profit or loss.

Security deposit is with electricity department; which generate interest at the rate of 4% to 5% for the Company.

Notes to the Consolidated Financial Statements

For the year ended 31st March, 2022 (Contd.)

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

Break up of financial assets carried at amortised cost

Particulars	As at 31st March, 2022	As at 31st March, 2021
Trade receivables (refer note 8)	16,411.52	15,428.79
Cash and Cash equivalents (refer note 9)	1,244.39	2,632.55
Other Bank balances (refer note 9)	3,948.44	4,099.22
Other financial assets	1,120.21	674.79
Total financial assets carried at amortised cost	**22,724.56**	**22,835.35**

6. OTHER ASSETS

Particulars	As at 31st March, 2022	As at 31st March, 2021
Capital advances	1,510.18	179.21
Prepaid expense	791.72	663.79
Advances for purchase of materials	959.31	20.05
Income tax deposited with tax authorities (under protest)	228.51	227.81
Other Advances with Provident fund authorities (under protest)	12.12	12.12
Income accrued on Export incentives	207.85	742.43
Balances with statutory/government authorities	1,033.01	1,428.36
Other receivables	43.26	251.86
Advance tax (net of provision for taxation)	-	17.57
Total	**4,785.96**	**3,543.20**
Non-current	1,764.58	808.12
Current	3,021.38	2,735.08
	4,785.96	**3,543.20**

7. INVENTORIES

Particulars	As at 31st March, 2022	As at 31st March, 2021
Raw materials and components (at cost)	6,073.65	2,831.51
Stores, spares and packing materials (at cost)	2,458.54	3,100.41
Semi-finished goods (at cost)	5,290.91	2,441.07
Finished goods (at lower of cost and net realisable value)*	5,452.20	4,046.73
Total	**19,275.30**	**12,419.72**

During the year ended 31st March, 2022 ₹ 81.53 Lakhs (31st March, 2021 ₹ 63.05 Lakhs) was written down as an expense for inventories.

*Includes Finished Goods in transit ₹ 4,114.83 Lakhs (31st March, 2021 ₹ 3,101.50 Lakhs)

Notes to the Consolidated Financial Statements

For the year ended 31st March, 2022 (Contd.)

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

8. TRADE RECEIVABLES

Particulars	As at 31st March, 2022	As at 31st March, 2021
Trade receivables	16,411.52	15,428.79
Total	**16,411.52**	**15,428.79**

Break-up for security details:		
- Secured, considered good	-	-
- Unsecured, considered good	16,411.52	15,428.79
- Doubtful	-	-
- Which have significant increase in credit risk	72.58	136.71
- Credit impaired	-	-
Total	**16,484.10**	**15,565.50**

Impairment allowance (allowance for bad and doubtful debts)

	As at 31st March, 2022	As at 31st March, 2021
- Which have significant increase in credit risk	(72.58)	(136.71)
Total	**16,411.52**	**15,428.79**

The net carring value of trade receivables is considered a reasonable approximation of fair value

For terms and conditions relating to related party receivables, refer note 33.

Trade receivables are non-interest bearing and are generally on terms of 30 to 150 days.

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	-	5,540.93	10,707.60	159.40	3.59	-	-	16,411.52
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	27.02	20.22	0.19	25.15	-	72.58
(iii) Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed trade receivables– considered good	-	-	-	-	-	-	-	-
(v) Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-

Notes to the Consolidated Financial Statements

For the year ended 31st March, 2022 (Contd.)

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

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 years	2-3 years	More than 3 years	Total
(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**

Ageing of Trade Receivables as on 31st March, 2021

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 years	2-3 years	More than 3 years	Total
(i) Undisputed trade receivables – considered good	-	7,078.93	7,792.94	486.79	58.62	11.51	-	15,428.79
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	5.05	39.85	82.35	8.82	0.64	136.71
(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)	-	-	(5.05)	(39.85)	(82.35)	(8.82)	(0.64)	(136.71)
	-	**7,078.93**	**7,792.94**	**486.79**	**58.62**	**11.51**	**-**	**15,428.79**

Notes to the Consolidated Financial Statements

For the year ended 31st March, 2022 (Contd.)

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

9. CASH AND BANK BALANCES

Particulars	As at 31st March, 2022	As at 31st March, 2021
Cash and cash equivalents		
Balance with Banks		
Current accounts	1,188.75	2,577.70
Deposits with original maturity of less than three months	50.44	52.43
Cash on hand	5.20	2.42
Total cash and cash equivalents	**1,244.39**	**2,632.55**
Other bank balances		
Deposits with maturity for more than 3 months but less than 12 months from the balance sheet date	3,942.89	4,094.46
Unclaimed Dividend Accounts	5.55	4.76
Total other bank balances	**3,948.44**	**4,099.22**
Total	**5,192.83**	**6,731.77**

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 ₹ 59.52 Lakhs (31st March, 2021: ₹ 88.94 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, 2022	As at 31st March, 2021
Cash and cash equivalents		
Balance with banks		
Current accounts	1,188.75	2,577.70
Deposits with original maturity of less than three months	50.44	52.43
Cash on hand	5.20	2.42
Total cash and cash equivalents	**1,244.39**	**2,632.55**

Notes to the Consolidated Financial Statements

For the year ended 31st March, 2022 (Contd.)

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

10. SHARE CAPITAL

A) Authorised share capital

Particulars	Equity shares	
	Number	In ₹
At 1st April, 2020	10,00,00,000	10,000.00
Increase/ (decrease) during the year	-	-
At 31st March, 2021	10,00,00,000	10,000.00
Increase/ (decrease) during the year	-	-
At 31st March, 2022	**10,00,00,000**	**10,000.00**

Terms/rights attached to equity shares

The Holding Company has only one class of equity shares having a par value of ₹ 10 per share (31st March, 2021: ₹ 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 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. The amount was recognised as distributions to equity shareholders during the year ended 31st March, 2022 and the total appropriation was ₹ 949.86 Lakhs.

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 ₹ 10 each at par value

Particulars	Number	In ₹
At 1st April, 2020	9,49,85,835	9,498.58
Issued during the year under the ESOP scheme	-	-
At 31st March, 2021	9,49,85,835	9,498.58
Issued during the year under the ESOP scheme	-	-
At 31st March, 2022	**9,49,85,835**	**9,498.58**

Pursuant to the Initial Public Offering (IPO) on 8th February, 2016, equity shares having par value of ₹ 10 per share were allotted at a price of ₹ 186 per equity share comprising of fresh issue of 12,903,225 equity shares and offer for sale of 9,150,000 equity shares by selling shareholders. The equity shares of the Company were listed on the BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") with effect from 8th February, 2016.

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

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	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	1,04,86,461	11.04%	1,04,86,461	11.04%
Jayant V. Aradhye	82,02,000	8.63%	82,02,000	8.63%
	6,99,84,863	**73.67%**	**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, 2022 (Contd.)

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

Details of shares held by promoters at the end of the year

S. No	Promoter name	31st March, 2022			31st March, 2021		
		No. Of Shares	% of total shares	% Change during the year	No. Of Shares	% of total shares	% Change during the year
1	Yatin S. Shah	3,77,88,717	39.78%	-	3,77,88,717	39.78%	-
2	Cams Technology Limited	1,35,07,685	14.22%	-	1,35,07,685	14.22%	-
3	Suhasini Y. Shah	1,04,86,461	11.04%	-	1,04,86,461	11.04%	-
4	Jayant V. Aradhye	82,02,000	8.63%	-	82,02,000	8.63%	-
	Total	**6,99,84,863**	**73.67%**	**-**	**6,99,84,863**	**73.67%**	**-**

11. OTHER EQUITY

Particulars	
a) Securities premium	
At 1st April, 2020	**21,762.20**
Increase pursuant to premium on issue of shares on account of employee stock option exercised	-
Less: Reversal of tax benefit (deferred tax)	(10.64)
At 31st March, 2021	21,751.56
Increase pursuant to premium on issue of shares on account of employee stock option exercised	-
Less: Reversal of tax benefit (deferred tax)	(7.33)
At 31st March, 2022	**21,744.23**
b) General reserve	
At 1st April, 2020	472.21
Increase / (decrease) during the year	-
At 31st March, 2021	472.21
Increase / (decrease) during the year	-
At 31st March, 2022	472.21
c) Share based payments	
At 1st April, 2020	24.75
Increase / (decrease) during the year	
Less: transferred to Retained Earnings against Lapsed Options	(10.36)
At 31st March, 2021	**14.39**
Increase/ (decrease) during the year	
Less: transferred to Retained Earnings against Lapsed Options	**(14.39)**
At 31st March, 2022	**-**

Employees (including senior executives) of the Company receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

In accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the IND AS 102 Share based payments, the cost of equity-settled transactions is measured using the fair value method. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognised in the consolidated statement of profit and loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense. Refer to note 31 for further details of these plans.

Notes to the Consolidated Financial Statements

For the year ended 31st March, 2022 (Contd.)

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

d)	**Retained earnings**	
	At 1st April, 2020	**28,525.34**
	Add: Profit for the year	228.59
	Add: On Acquistion of Non Controlling Interest	1,915.65
	Add: transferred from ESOS Reserve against Lapsed Options	10.36
	Add : Others	36.84
	At 31st March, 2021	**30,716.78**
	Add: Profit for the year	4,602.29
	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	**34,383.60**
D)	**Other items of other comprehensive income / (loss)- Re-measurement gains (losses) on defined benefit plans**	
	At 1st April, 2020	**(55.11)**
	Add: Other comprehensive income for the year	65.06
	At 31st March, 2021	**9.95**
	Add: Other comprehensive income for the year	111.87
	At 31st March, 2022	**121.82**
E)	**Capital Reserves**	
	At 1st April, 2020	1,412.02
	Increase/ (decrease) during the year	-
	At 31st March, 2021	**1,412.02**
	Increase/ (decrease) during the year	-
	At 31st March, 2022	**1,412.02**
F)	**Other Reserves**	
	Foreign currency translation reserve	
	At 1st April, 2020	**171.99**
	Add: Exchange differences on translation of foreign operations	230.52
	At 31st March, 2021	**402.51**
	Add: Exchange differences on translation of foreign operations	130.27
	At 31st March, 2022	**532.78**

Nature and purpose of reserves:

Securities premium account

The amount received in excess of face value of the equity shares is recognised in Securities Premium. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium.

General reserve

The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013.

Share based payments

Share-based payments reserve represents amount of fair value, as on the date of grant, of unvested options and vested options not exercised till date, that have been recognised as expense in the statement of profit and loss till date

Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders and any other adjustments.

Notes to the Consolidated Financial Statements

For the year ended 31st March, 2022 (Contd.)

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

Capital reserve

The Company had recognised excess of the identifiable assets and liabilities acquired over the consideration paid for acquisition of subsidiary referred to as bargain purchase on acquisition in capital reserve.

Foreign currency translation reserve

Exchange differences arising on translation of foreign operations are recognised in other comprehensive income and are accumulated in separate reserve within equity. The cumulative amount is reclassified to profit and loss, when the investment is disposed off.

12. FINANCIAL LIABILITIES - BORROWINGS

Particulars	Rate of interest	Maturity	As at 31st March, 2022	As at 31st March, 2021
a) Non Current borrowings				
Term Loan				
i. From Bank (secured)				
Foreign currency loan 3	EUROBOR + 190 bps		956.90	3,934.31
Foreign currency loan 4	3 to 6% in Euro		2,006.10	3,768.74
Bank II				
Term loan 2- 003	9.75%	Dec-22	0.00	6.56
Term loan 3- 004	9.75%	Jun-22	0.00	16.57
Term loan 4- 005	9.75%	Sep-24	67.51	101.76
Term loan 5- 006	9.75%	Sep-24	7.27	11.78
Term loan 6- 007	9.75%	Sep-24	12.95	20.84
Term loan 7- 008	9.75%	May-22	(0.00)	2.93
Citi Bank Loan A/C - Loan Initiation-D06LCRR191920001	9.75%	May-25	105.61	152.78
ii. From financial institution (secured)	3 to 6% in Euro		3.86	4.20
Total Non Current borrowings			**3,160.20**	**8,020.47**

Particulars	Rate of interest	Maturity	As at 31st March, 2022	As at 31st March, 2021
Current maturity of long term loans				
Foreign currency loan 3 (secured)	EUROBOR + 190 bps		1,317.53	1,699.05
Foreign currency loan 4 (secured)	3 to 6% in Euro		1,783.91	1,513.41
Bank II				
Term loan 2- 003	9.75%	Dec-22	6.48	7.97
Term loan 3- 004	9.75%	Jun-22	15.98	62.62
Term loan 4- 005	9.75%	Sep-24	39.54	38.93
Term loan 5- 006	9.75%	Sep-24	4.44	3.86
Term loan 6- 007	9.75%	Sep-24	7.78	6.83
Term loan 7- 008	9.75%	May-22	2.74	20.72
Citi Bank Loan A/C - Loan Initiation-D06LCRR191920001	9.75%	May-25	46.99	46.99
			3,225.39	**3,400.38**

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Notes to the Consolidated Financial Statements

For the year ended 31st March, 2022 (Contd.)

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

Particulars	Rate of interest	Maturity	As at 31st March, 2022	As at 31st March, 2021
b) Short term borrowings				
Cash credit from banks (secured)	1.5% to 3.5%	On Demand	2,273.84	2,300.74
Cash credit from banks (secured)	9.50%	On Demand	24.02	-
Cash credit from banks (secured)	9.50%	On Demand	136.26	-
Packing credit in ₹ (Secured) - BOI	4.8% to 7.8%	On Demand	3,430.12	2,732.99
Packing credit in ₹ (Secured) - BOB	4.8% to 7.8%	On Demand	1,000.00	959.83
Short term borrowings			**10,089.63**	**9,393.94**

Aggregate value of secured loans	13,249.83	17,414.41
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 3% to 6% in Euro p.a. The loan is secured by mortgage on commercial property, equipments, machines & inventories, in Cunewalde, Germany. The loan matures in 5 to 10 years.

From Financials Institutions -carries the rate of interest rate from 3% to 6 % in Euro p.a. The loan is secured by mortgage on commercial property, equipments, machines & inventories, in Cunewalde, Germany. The 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

Notes to the Consolidated Financial Statements

For the year ended 31st March, 2022 (Contd.)

(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 continuing defaults in repayment of loans and interest during the year and as at the reporting date.

Cash credit from banks:

Packing credit ₹ 4430.12 Lakhs and cash credit ₹ 24.02 Lakhs in ₹ are secured by first pari passu charge by way of hypothecation of current assets including inventories and trade receivables. Further, the facilities are collaterally secured by extension of pari passu charge by way of hypothecation of plant and machinery and equitable mortgage of factory land and building situated at Plot No. D5, MIDC Chincholi, Solapur, Unit I situated at Plot No. E-102, 103, Akkalkot Road, MIDC, Solapur and Unit II situated at Plot No. E-90, Akkalkot road, Solapur

Cash credit of ₹ 136.26 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 ₹ 2273.84 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, 2022 (Contd.)

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

13. OTHER FINANCIAL LIABILITIES

Particulars	As at 31st March, 2022	As at 31st March, 2021
Other financial liabilities at amortised cost		
Bank overdrafts	-	52.79
Unpaid matured deposits and interest accrued thereon	137.30	137.30
Employee benefit liabilities	1,387.73	1,189.41
Sundry payables for capital goods purchased	297.96	213.97
Unclaimed Dividend	5.55	4.76
Other payables	0.49	6.05
Total	**1,829.03**	**1,604.28**
Non-current	-	-
Current	1,829.03	1,604.28
	1,829.03	**1,604.28**

13. (A): LEASE LIABILITIES

Particulars	As at 31st March, 2022	As at 31st March, 2021
Lease liability	1,353.94	910.74
Total	**1,353.94**	**910.74**
Non - current	967.79	754.67
Current	386.15	156.07

Notes to the Consolidated Financial Statements

For the year ended 31st March, 2022 (Contd.)

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

14. TRADE PAYABLES

Particulars	As at 31st March, 2022	As at 31st March, 2021
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises	1,415.43	1,548.06
- Total outstanding dues of creditors other than micro enterprises and small enterprises	8,159.93	9,606.66
Total	**9,575.36**	**11,154.72**

Non-current	-	-
Current	9,575.36	11,154.72
Total	**9,575.36**	**11,154.72**

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

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**

Trade payable ageing as on 31st March, 2021

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	-	1,308.40	239.66	-	-	-	1,548.06
(ii) Disputed dues – MSME	-	-	-	-	-	-	-
(iii) Others	-	6,622.74	2,830.84	106.34	44.11	2.63	9,606.66
(iv) Disputed dues – others	-	-	-	-	-	-	-
	-	**7,931.14**	**3,070.50**	**106.34**	**44.11**	**2.63**	**11,154.72**

Notes to the Consolidated Financial Statements

For the year ended 31st March, 2022 (Contd.)

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

Disclosure relating to suppliers registered under MSMED Act based on the information available with the Company

Particulars	As at 31st March, 2022	As at 31st March, 2021
(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	1,415.43	1,548.06
Interest due on above	-	0.55
(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.	8,955.46	4,806.15
(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.	36.61	26.43
(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	87.29	50.68

Break up of financial liabilities carried at amortised cost

Particulars	As at 31st March, 2022	As at 31st March, 2021
Borrowings (non-current) (refer note 12)	3,160.20	8,020.47
Borrowings (current) (refer note 12)	10,089.63	9,393.94
Trade payables (refer note 14)	9,575.36	11,154.72
Other financial liabilities (refer note 13)	1,829.03	1,604.28
Lease Liabilities (refer note 14)	1,353.94	910.74
Total financial liabilities carried at amortised cost	**26,008.16**	**31,084.15**

15. OTHER CURRENT LIABILITIES

Particulars	As at 31st March, 2022	As at 31st March, 2021
Advances from customers	7,794.10	1,717.42
Statutory Dues payable	941.39	1,279.85
Other payables	467.17	348.93
Total	**9,202.66**	**3,346.20**

16. PROVISIONS

Notes to the Consolidated Financial Statements

For the year ended 31st March, 2022 (Contd.)

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

Particulars	As at 31st March, 2022	As at 31st March, 2021
Employee benefits obligations:		
Gratuity	604.05	743.54
Compensated absences	514.98	536.38
Total	**1,119.03**	**1,279.92**
Non-current	1,003.47	1,183.07
Current	115.56	96.85
	1,119.03	**1,279.92**

Also refer note 30 for detailed disclosure of gratuity.

17. CURRENT TAX LIABILITIES (NET)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Provision for income tax (net of advance taxes)	122.46	213.42
Total	**122.46**	**213.42**

18. REVENUE FROM OPERATIONS

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Sale of products	86,177.62	69,325.76
Sale of parts	529.69	49.35
Sale of services	824.73	262.72
Total sale of products and services	**87,532.04**	**69,637.83**
Other operating income		
Tooling income	720.99	13.18
Scrap sales	370.82	182.95
Export incentives	543.23	850.54
Other operating income	335.02	213.34
Total other operating income	**1,970.06**	**1,260.01**
Total revenue from operations	**89,502.10**	**70,897.84**

19. OTHER INCOME

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Fair value gain on financial instruments at fair value through profit or loss	369.55	1,136.68
Realised gain on sale of mutual funds	653.42	414.83
Exchange differences (net)	378.08	392.80
Trade Payable no longer required written back	**9.71**	**8.75**
Incomes from electricity and energy tax	**44.36**	**43.57**
Profit on fixed assets sold /discarded (net)	3.58	57.12
Miscellaneous income	181.54	252.83
Total other income	**1,640.24**	**2,306.58**

Notes to the Consolidated Financial Statements

For the year ended 31st March, 2022 (Contd.)

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

20. FINANCE INCOME

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Interest income on		
Bank deposits	202.81	272.40
Others	49.72	11.00
Total Finance income	**252.53**	**283.40**

21. COST OF RAW MATERIALS AND COMPONENTS CONSUMED

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Inventory at the beginning of the year	2,831.51	4,961.44
Add: purchases	43,338.08	26,869.04
	46,169.59	**31,830.48**
Less: inventory at the end of the year	6,073.65	2,831.51
Cost of raw materials and components consumed	**40,095.94**	**28,998.97**

22. (INCREASE) / DECREASE IN INVENTORIES

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Opening stock:		
Finished goods	4,046.73	3,249.36
Semi-finished goods	2,441.07	2,532.37
	6,487.80	**5,781.73**
Closing stock:		
Finished goods	5,452.20	4,046.73
Semi-finished goods	5,290.91	2,441.07
	10,743.11	**6,487.80**
(Increase) / Decrease in inventories	**(4,255.31)**	**(706.07)**

23. EMPLOYEE BENEFIT EXPENSES

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Salaries, wages, bonus and commission	13,430.83	12,212.52
Contribution to provident fund and other funds	1,983.85	1,702.51
Gratuity & compensated absences expense (refer note 30)	206.62	285.59
Staff welfare expenses	224.17	113.96
Total employee benefit expenses	**15,845.47**	**14,314.58**

Notes to the Consolidated Financial Statements

For the year ended 31st March, 2022 (Contd.)

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

24. OTHER EXPENSES

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Consumption of components and spares	5,988.06	4,861.27
Packing materials consumed	769.32	582.58
Power and fuel expenses	7,764.10	6,365.62
Job work expenses	1,883.66	1,805.65
Freight outward charges	2,611.65	1,327.74
Rent	350.43	263.98
Rates and taxes	158.02	133.10
Insurance	229.18	168.41
Repairs and maintenance		
Plant and machinery	1,075.02	722.40
Building	153.99	65.10
Others	877.30	727.94
Advertisement and sales promotion	182.26	237.45
Donation	32.10	85.07
CSR expenditure (refer note below)	142.85	126.76
Sales commission	356.84	365.32
Travelling and conveyance	628.88	420.33
Communication costs	62.32	56.19
Legal and professional fees	665.05	833.32
Auditors' remuneration and expenses		
Statutory audit	85.39	124.00
Out of pocket expenses	4.29	1.36
Bad debts written off	-	6.98
Loss on fixed assets sold /discarded (net)	22.72	-
Management fees	428.29	325.32
Write off of research and development expenses	702.19	1,908.84
Warranty Expenses	377.51	-
Miscellaneous expenses	871.72	631.23
Total other expenses	**26,423.14**	**22,145.96**

CSR EXPENDITURE

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Amount required to be spent by the group during the year	142.85	126.43
Amount of expenditure incurred	146.47	126.76
Amount of shortfall for the year	-	-
Amount of excess expenditure for the year	(3.62)	-
Amount of cumulative excess expenditure at the end of the year	**(3.62)**	

Notes to the Consolidated Financial Statements

For the year ended 31st March, 2022 (Contd.)

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

25. FINANCE COSTS

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Interest on borrowings	641.11	680.30
Interest on delay in payment of taxes	10.08	2.92
Bank charges	69.37	71.40
Other finance costs	8.68	9.65
Total finance costs	**729.24**	**764.27**

26. DEPRECIATION AND AMORTISATION EXPENSE

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Depreciation of property, plant and equipment	6,089.60	6,172.43
Amortisation of intangible assets*	3,113.74	1,759.58
Total Depreciation and amortisation expense	**9,203.34**	**7,932.01**

* During the year ended 31st March, 2022, amortisation of intangible asset has increased by 1539.58 Lakhs mainly due to re-assessment of the useful life of the intangible assets.

Notes to the Consolidated Financial Statements

For the year ended 31st March, 2022 (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, 2022 and 31st March, 2021 are:

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Current income tax:		
Current income tax charge	2,376.86	1,969.76
(Excess) / short provision of tax relating to earlier years	(138.56)	-
Deferred tax:		
Relating to origination and reversal of temporary differences (including deferred tax charge of discontinued operations)	(746.15)	(344.03)
Income tax expense reported in the statement of profit or loss	1,492.15	1,625.73

OCI section

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Tax effect on:		
Net loss/(gain) on remeasurements of defined benefit plans	(37.62)	(21.88)
Deferred tax (expense)/credit charged to OCI	**(37.62)**	**(21.88)**

Reconciliation of closing balance of Deferred tax liability

Particulars	As at 31st March, 2022	As at 31st March, 2021
PPE: impact of difference between tax depreciation and depreciation / amortisation for the financial reporting	1,214.90	1,956.39
Liability due to fair valuation of mutual fund	337.27	315.25
Others	75.59	16.18
Liability due to business combination	-	213.79
Gross deferred tax liability	**1,627.76**	**2,501.61**
Deferred tax assets		
Employee related costs allowed for tax purposes on payment basis	417.32	430.14
VRS compensation	51.44	55.09
Share issue expenses adjusted to securities premium account	5.10	12.43
Asset Held for Sale [Capital Loss]	47.52	182.93
Deduction U/s 80JJAA	7.24	14.88
Others	3.58	1.66
Gross deferred tax assets	**532.20**	**697.13**
Net deferred tax liability	**1,095.56**	**1,804.48**

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)

Notes to the Consolidated Financial Statements

For the year ended 31st March, 2022 (Contd.)

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

Particulars	As at 31st March, 2022	As at 31st March, 2021
Deferred tax (credit) / charge for the year		
Closing deferred tax liability (net)	1,095.56	1,804.48
Less: opening deferred tax liability (net)	1,804.48	2,025.45
Deferred tax movement for the year (a)	(708.92)	(220.97)
Deferred tax charge recorded in securities premium account (b)	7.33	10.64
Deferred tax (credit) / charge for the year (c = a-b)	(716.25)	(231.61)
Deferred tax charge considered in OCI (d)	(37.62)	(21.88)
Foreign Exchange (gain)/loss (e)	7.72	(61.42)
Deferred Tax Written off During Current Year (f)	-	(29.12)
Deferred tax credit for the year to be charged to statement of profit or loss (c+d+e+f)	(746.15)	(344.03)

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31st March, 2022 and and 31st March, 2021

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Accounting profit before tax	6,094.44	1,547.88
Accounting profit before income tax	**6,094.44**	**1,547.88**
At India's statutory tax rate 25.17% (31 March 2020 - 25.17%)	1,533.85	389.57
Deduction claimed U/s 80JJAA in Current year& DTA Created on 80JJAA	**7.64**	**6.20**
DTA created on Assets held for sale	135.41	(21.88)
On Mutual fund Gain due to indexation benefit & different rate of taxation	(205.61)	(175.25)
On Permanent Disallowance	43.12	73.92
Effect of differential tax rate of subsidiary	124.99	336.17
Other items	(8.69)	13.08
Deferred tax asset not recognised on carried forward losses	-	1,003.92
Adjustments in respect of current income tax of previous year	(138.56)	-
At the effective income tax rate of 24.48% (31st March, 2021 - 105.03%)	**1,492.15**	**1,625.73**
Income tax reported in the consolidated statement of profit and loss	**1,492.15**	**1,625.73**

Reconciliation of deferred tax liabilities (net):

Particulars	As at 31st March, 2022	As at 31st March, 2021
Opening balance as of 1 April	1,804.48	2,025.45
Tax (income)/expense during the period recognised in profit or loss	(746.15)	(344.03)
Tax (income)/expense during the period recognised in Equity	7.33	10.64
Tax (income)/expense during the period recognised in OCI	37.62	21.88
Foreign Exchange Gain/(loss)	(7.72)	61.42
Deferred Tax Written off During Current Year	-	29.12
Closing Balance as at 31st March, 2022	**1,095.56**	**1,804.48**

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Notes to the Consolidated Financial Statements

For the year ended 31st March, 2022 (Contd.)

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

Deferred tax relates to the following

Particulars	Balance Sheet		Consolidated Statement of Profit and Loss	
	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021
Accelerated depreciation for tax purposes	1,214.90	2,170.18	(955.28)	(428.35)
Fair value of mutual fund	337.27	315.25	22.02	177.67
Voluntary retirement scheme allowed as deduction over a period of five years	(51.44)	(55.09)	3.65	34.75
Preliminary expenses incurred on initial public offering, allowed as deduction over a period of five years	(5.10)	(12.43)	-	-
Employee benefit expenses allowed on payment basis under Sec 43B	(417.32)	(430.14)	12.82	(91.16)
Expenses allowed for tax purposes on 5 years basis	-	-	-	4.16
Other	72.01	14.52	57.49	79.59
Amount to be charged in Statement of OCI	-	-	(37.62)	(21.88)
Loss on assets held for sale	(47.52)	(182.93)	135.41	(21.71)
Additional deduction U/s 80JJAA	(7.24)	(14.88)	7.64	13.44
Deferred Tax Balances Written Off	-	-	-	(29.12)
Foreign Exchange adjustment	-	-	7.72	(61.42)
	1,095.56	**1,804.48**	**(746.15)**	**(344.03)**

28. COMPONENTS OF OTHER COMPREHENSIVE INCOME (OCI)

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**

During the year ended 31st March, 2021

Particulars	Foreign currency translation reserve	Other item of Other comprehensive income	Total
Re-measurement gains (losses) on defined benefit plans	-	86.94	86.94
Income tax effect	-	(21.88)	(21.88)
Foreign exchange translation differences	230.52	-	230.52
Total	**230.52**	**65.06**	**295.58**

Notes to the Consolidated Financial Statements

For the year ended 31st March, 2022 (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 holders of the Holding Company by weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Holding Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

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

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Profit attributable to equity holders of Holding Company	4,602.29	228.59
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)	4.85	0.24
Earnings per share (diluted) (Rupees/share)	4.85	0.24

* ESOP's are considered to be anti-dilutive as the excercise price is out of money

30. DISCLOSURE PURSUANT TO EMPLOYEE BENEFITS

A. Defined contribution plans:

Amount of ₹ 1849.14 Lakhs (31st March, 2021: ₹ 1615.36 Lakhs) is recognised as expenses and included in Note No. 23 "Employee benefit expense"

B. Defined benefit plans:

The Company has following post employment benefits which are in the nature of defined benefit plans:

Gratuity

The Holding Company has a defined benefit gratuity plan in India (funded). The Holding Company's defined benefit gratuity plan is a final salary plan for India employees, which requires contributions to be made to a separately administered fund. The gratuity plan governed by the Payment of Gratuity Act, 1972. As per the Payment of Gratuity Act, 1972, an employee who has completed five years of service is entitled to specific benefits. The level of benefits provided depends on the member's length of service and salary at retirement age.

The Indian Subsidiary has a defined benefit gratuity plan in India and the same is unfunded.

Plan assets - Gratuity Fund of holding Company is ₹ 848.76 Lakhs

Net benefit expense 31st March, 2022 (recognised in profit or loss)

Particulars	31st March, 2022	31st March, 2021
	150.63	150.15
Current service cost	41.62	42.50
Interest cost on benefit	**192.25**	**192.65**

Notes to the Consolidated Financial Statements

For the year ended 31st March, 2022 (Contd.)

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

31st March, 2022 : Changes in defined benefit obligation and plan assets

	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
		On acquisition	Service cost	Net interest (expense) / income	Sub-total included in statement of profit and loss (refer note 23)		Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from 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)	39.64		(0.08)	111.96	37.20	149.08	-	(1,392.80)
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**	**(544.04)**

31st March, 2021 : Changes in defined benefit obligation and plan assets

	1st April 2020	Gratuity cost charged to statement of profit and loss				Benefit paid	Remeasurement gains/(losses) in other comprehensive income					Contributions by employer	31st March, 2022
		On acquisition	Service cost	Net interest (expense) / income	Sub-total included in statement of profit and loss (refer note 23)		Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI		
Gratuity													
Defined benefit obligation	(1,255.34)	-	(150.15)	(83.92)	(234.07)	56.20		-	(9.63)	101.10	91.46	-	(1,341.75)
Fair value of plan assets	564.19	-	-	41.42	41.42	(24.07)	(4.52)	-	-	-	(4.52)	81.19	658.21
Benefit liability	**(691.15)**	**-**	**(150.15)**	**(42.50)**	**(192.65)**	**32.14**	**(4.52)**	**-**	**(9.63)**	**101.10**	**86.94**	**81.19**	**(683.54)**

As at 31st March, 2022 & 31st March, 2021 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, 2022 (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	Year ended 31st March, 2022	Year ended 31st March, 2021
Type of asset: Group gratuity scheme of LIC of India		
Fair value of total plan assets	848.76	658.21
(%) 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	Year ended 31st March, 2022	Year ended 31st March, 2021
Discount rate	7.27% to 7.35%	6.70% to 6.86%
Future salary increase	8.00%	8.00%
Expected rate of return on plan assets	6.86%	8.00%
Expected average remaining working lives (in years)	15 to 15.69	16 to 16.18

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

Gratuity

Particulars	Sensitivity level	Effect on defined benefit obligation (impact)	
		Year ended 31st March, 2022	Year ended 31st March, 2021
Discount rate	1% increase	1,064.19	996.64
	1% decrease	1,363.40	1,330.86
Future salary increase	1% increase	1,356.70	1,322.64
	1% decrease	1,066.58	1,000.46

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	Year ended 31st March, 2022	Year ended 31st March, 2021
Within the next 12 months (next annual reporting period)	48.50	38.73
Between 2 and 5 years	232.59	210.39
Beyond 5 years	981.38	873.98
Total expected payments	**1,262.47**	**1,123.10**

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

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
	Years	**Years**
Gratuity	12.77 to 14	13.29 to 15

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

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
	₹	₹
Gratuity	150.00	81.19

Notes to the Consolidated Financial Statements

For the year ended 31st March, 2022 (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, 2022, 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 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.

Particulars	31st March, 2022	31st March, 2021
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, 2022 or 31st March, 2021.

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

Particulars	31st March, 2022		31st March, 2021	
	Number	WAEP	Number	WAEP
Outstanding at 1st April	12,230	₹ 10	21,090	₹ 10
Granted during the year	-	-	-	-
Forfeited during the year	-	₹ 10	-	₹ 10
Exercised during the year	-	₹ 10	-	₹ 10
Expired during the year	12,230	-	8,860	-
Outstanding at 31st March	-		12,230	₹ 10
Exercisable at 31st March	-		12,230	₹ 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, 2022 was nil as the share options (vesting and exercise) period had expired during the current year where as in (31st March, 2021: 1 month)

The following tables list the inputs to the models used for the plans

Particulars	31st March, 2021
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, 2022 (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, 2022, the Company had commitments of ₹ 1,198.80 Lakhs (31st March, 2021: ₹ 535.32 Lakhs)

b. Contingent liabilities

(i) Claims against the holding 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, 2021: ₹ 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 holding Company had 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, 2021: ₹ 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 (31st March, 2021: ₹ 12.12 Lakhs) 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, 2021: ₹ 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, 2021 ₹ 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, 2021 ₹ 1,428.71 Lakhs) towards disallowance of ESOP expenditures and other disallowances. The holding Company had filed appeal against the above order with commissioner of income tax (Appeals) and has paid ₹ 200.00 Lakhs under protest and has adjusted refund due of ₹39.60 Lakhs (which includes interest amounting to ₹ 11.79 Lakhs) with respect to FY 2006-07.

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 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 ₹ 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, 2022 (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 27th July, 2021)

Mr. Vedant V Pujari, Independent Director (upto 27th July, 2021)

Mr. Vaibhav S. Mahajani, Independent Director

Mr. Abhishek P. Phadke, Company Secretary of subsidiary (upto 5th November, 2021)

Mr. Shriram Kulkarni, Company Secretary of subsidiary (w.e.f 10th February, 2022)

Mrs. Mayuri I. Kulkarni Company Secretary & Compliance Officer (upto 18th March, 2022)

Ms. Smita N. Mandem, Director of subsidiary

Ms. Romita Mehta, Director of subsidiary

Mrs. Savani A. Laddha, Independent Director

Mr. Edwin Hobbel, Director of step down subsidiary (upto 24.07.2020)

Mr. Guido Glinski, Managing Director of step down subsidiary (upto 24.07.2020)

Mr. Thomas Koritke (w.e.f. 23th July, 2020)

Mr. Heldt Oliver, Managing Director of step down subsidiary (w.e.f - 1st July, 2021)

Mr. Madan M. Godse, Independent Director (w.e.f. 3rd September, 2021)

Mr. Gautam V. Wakankar Company Secretary & Compliance Officer (w.e.f. 19th March, 2022)

ii) Relatives of key management personnel (RKMP)

Mrs. Tanvi Y. Shah, daughter of Mr. Yatin S. Shah

Dr. Manjiri V. Chitale, mother of Dr. Suhasini Y. Shah

Mrs. Mayura K. Shah, wife of Mr. Karan Y. Shah

Notes to the Consolidated Financial Statements

For the year ended 31st March, 2022 (Contd.)

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

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

Rewin Investments B.V. (upto 24th July, 2020)

Kenbri Fire Fighting B.V. (upto 24th July, 2020)

Hormiga Management B.V. (w.e.f. 8th September, 2020)

M.A. Noordam Holding B.V. (w.e.f. 8th September, 2020)

ENCONA GmbH (w.e.f. 23th July, 2020)

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. S unita 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

v) Joint venture

Ningbo Shenglong PCL Camshaft Co Limited, China.(upto 18th June, 2020)

PCL Shenglong (Huzhou) Specialised Casting Co Limited, China.(upto 18th June, 2020)

Notes to the Consolidated Financial Statements

For the year ended 31st March, 2022 (Contd.)

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

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

Sr. No.	Particulars	Key management personnel		Relatives of key management personnel		Entities where KMP / RKMP have significant influence		Joint venture		Individual having significant influence		Relative of individual having significant influence	
	Transactions	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021
1	Remuneration* (including commission)	1,011.97	829.11	-	-	-	-	-	-	-	-	-	-
2	Final Dividend paid on equity shares	483.08	-	2.95	-	135.08	-	-	-	82.02	-	33.49	-
3	Management Fees Paid	-	-	-	-	480.12	505.74	-	-	-	-	-	-
4	Loan Repaid	-	555.16	-	-	-	3,357.83	-	-	-	-	-	-
5	Interest on Loan Taken	-	7.77	-	-	-	71.20	-	-	-	-	-	-
6	Purchase of Assets	-	78.97	-	-	-	-	-	-	-	-	-	-
7	Loss recognised on the measurement to fair Value less cost to sale	-	-	-	-	-	-	-	44.04	-	-	-	-
8	Donation Paid	-	-	-	-	28.50	21.00	-	-	-	-	-	-
9	Purchases of goods, material or services	-	-	-	-	49.92	50.67	-	-	-	-	-	-
	Balances outstanding												
1	Remuneration payable	137.30	51.79	-	-	-	-	-	-	-	-	-	-
2	Trade payables	-	-	-	-	16.02	15.40	-	-	-	-	-	-
3	Management Fees Payable	-	-	-	-	-	115.41	-	-	-	-	-	-

*The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

* The liabilities for gratuity and leave encashment are provided for the Company as a whole, the remuneration does not include the same.

Notes to the Consolidated Financial Statements

For the year ended 31st March, 2022 (Contd.)

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

C. Disclosure in respect Material transaction during the year:

Sr. No.	Particulars	Relationship	31st March, 2022	31st March, 2021
1.	**Remuneration***			
	Mr.Yatin S. Shah	Key management personnel	385.61	343.48
	Dr. Suhasini Y. Shah	Key management personnel	35.00	27.50
	Mr. Ravindra R. Joshi	Key management personnel	355.00	300.46
	Mr. Karan Y. Shah	Key management personnel	70.75	51.69
	Mrs. Mayuri I. Kulkarni (upto 18th March, 2022)	Key management personnel	9.79	8.55
	Mr. Sarvesh N. Joshi	Key management personnel	5.00	5.00
	Mr. Pramod H. Mehendale (upto 27th July, 2021)	Key management personnel	3.50	5.00
	Mr. Vedant V. Pujari (upto 27th July, 2021)	Key management personnel	3.50	5.00
	Mr. Vaibhav S. Mahajani	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)	Key management personnel	3.00	-
	Mr. Gautam V. Wakankar (w.e.f. 19th March, 2022)	Key management personnel	0.26	-
	Mr. Guido Glinski (upto 27th July, 2020)	Key management personnel	-	54.96
	Ms. Smita Mandem	Key management personnel	10.62	10.42
	Ms. Romita Mehta	Key management personnel	4.02	3.89
	Mr. Heldt, Oliver (w.e.f. 1st July, 2021)	Key management personnel	112.76	-
	Mr. Abhishek P. Phadke (upto 5th November, 2020)	Key management personnel	2.43	3.16
	Mr. Shriram N. Kulkarni (w.e.f 10th February, 2022)	Key management personnel	0.73	-
2.	**Final dividend paid on equity shares**			
	Cams Technology Limited	Entities where KMP / RKMP having significant influence	135.08	-
	Mr.Yatin S. Shah	Key management personnel	377.89	-
	Mr. Jayant V. Aradhye	Individual having significant influence	82.02	-
	Dr. Suhasini Y. Shah	Key management personnel	104.86	-
	Mr. Maneesh J. Aradhye	Relative of individual having significant influence	16.36	-
	Dr Sunita J. Aradhye	Relative of individual having significant influence	8.17	-
	Ms. Rama M. Aradhye	Relative of individual having significant influence	6.96	-
	Mr. Vijay V. Aradhye	Relative of individual having significant influence	2.00	-
	Dr Manjiri V. Chitale	Relatives of Key management personnel	2.92	-
	Mr. Ravindra R. Joshi	Key management personnel	0.17	-
	Mr. Karan Y. Shah	Key management personnel	0.15	-
	Ms. Tanvi Y. Shah	Relatives of Key management personnel	0.02	-
	Mrs. Mayura K. Shah	Relatives of Key management personnel	0.01	-

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For the year ended 31st March, 2022 (Contd.)

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

Sr. No.	Particulars	Relationship	31st March, 2022	31st March, 2021
	Mr. Pramod H. Mehendale (upto 27th July, 2021)	Key management personnel	0.00	-
	Mr. Vaibhav S Mahajani	Key management personnel	0.01	-
	Mr. Kaustubh Mehendale	Relatives of Key management personnel	0.00	-
3.	**Loss recognised on the measurement to fair Value less cost to sale**			
	China Joint Ventures	Joint Venture	-	44.04
4.	**Purchases of Assets**			
	Mr.Yatin S. Shah	Key management personnel	-	42.25
	Mr. Ravindra R. Joshi	Key management personnel	-	36.72
5.	**Management Fees Paid**			
	Rewin Investments B.V. (upto 27th July, 2020)	Entities where KMP / RKMP have significant influence	-	65.46
	Hormiga Management B.V. (w.e.f. 8th September, 2020)	Entities where KMP / RKMP have significant influence	212.47	132.73
	M.A. Noordam Holding B.V. (w.e.f. 8th September, 2020)	Entities where KMP / RKMP have significant influence	215.81	132.73
	ENCONA GmbH (w.e.f. 23th July, 2020)	Entities where KMP / RKMP have significant influence	51.84	174.82
6.	**Loan Repaid**			
	Rewin Investments B.V. (upto 20th July, 2020)	Entities where KMP / RKMP have significant influence	-	3,357.83
	Mr. Guido Glinski (upto 24th July, 2020)	Key management personnel	-	555.16
7.	**Interest on Loan**			
	Rewin Investments B.V. (upto 20th July, 2020)	Entities where KMP / RKMP have significant influence	-	71.20
	Mr. Guido Glinski (upto 24th July, 2020)	Key management personnel	-	7.77
8.	**Donation Paid**			
	Precision Foundation and Medical Research Trust	Entities where KMP / RKMP have significant influence	28.50	21.00
9.	**Purchases of goods, material or services (exclusive of taxes)**			
	Cams Technology Limited	Entities where KMP / RKMP have significant influence	49.92	50.46
	Chitale Clinic Private Ltd	Entities where KMP / RKMP have significant influence	-	0.21

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

Balances outstanding

Sr. No.	Particulars	Relationship	31st March, 2022	31st March, 2021
1.	**Remuneration payable (exclusive of taxes)**			
	Mr. Ravindra R. Joshi	Key management personnel	39.28	5.56
	Mr. Yatin S. Shah	Key management personnel	43.44	10.97
	Dr. Suhasini Y. Shah	Key management personnel	7.00	7.13
	Mr. Karan Y. Shah	Key management personnel	12.00	3.94
	Mrs. Mayuri I. Kulkarni (upto 18th March, 2022)	Key management personnel	0.42	0.73
	Mr. Sarvesh N. Joshi	Key management personnel	4.50	4.63
	Mr. Pramod H. Mehendale (upto 27th July, 2021)	Key management personnel	3.15	4.63
	Mr. Vedant V. Pujari (upto 27th July, 2021)	Key management personnel	3.15	4.63
	Mr. Vaibhav S. Mahajani	Key management personnel	4.50	4.63
	Mrs. Savani A. Laddha	Key management personnel	4.50	4.63
	Mr. Abhishek P. Phadke (upto 5th November, 2020)	Key management personnel	-	0.31
	Mr. Shriram N. Kulkarni (w.e.f 10th February, 2022)	Key management personnel	0.34	-
	Mr. Heldt, Oliver (w.e.f. 1st July, 2021)	Key management personnel	12.09	-
	Mr. Madan M. Godse (w.e.f. 3rd September, 2021)	Key management personnel	2.70	-
	Mr. Gautam V. Wakankar (w.e.f. 19th March, 2022)	Key management personnel	0.23	-
2.	**Trade payables**			
	Cams Technology Limited	Entities where KMP / RKMP have significant influence	16.02	15.40
3.	**Management Fees Payable**			
	Hormiga Management B.V. (w.e.f. 8th September, 2020)	Entities where KMP / RKMP have significant influence	-	26.51
	M.A. Noordam Holding B.V. (w.e.f.8th September, 2020)	Entities where KMP / RKMP have significant influence	-	20.32
	ENCONA GmbH (w.e.f. 23th July, 2020)	Entities where KMP / RKMP have significant influence	-	68.58

* The liabilities for gratuity and leave encashment are provided for the Company as a whole, the remuneration does not include the same.

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for or from any related party receivables or payables.

Compensation of key managerial personnel of the Company

Particulars	31st March, 2022	31st March, 2021
Short term employee benefits (Gross salary)	943.04	754.10
Post employment benefits (PF+Superannuation)	68.93	75.01
Total compensation paid to key management personnel	**1,011.97**	**829.11**

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

Notes to the Consolidated Financial Statements

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

34. SEGMENT INFORMATION

The Group is engaged in manufacturing of Camshafts. Based on similarity of activities/products, risk and reward structure, organisation structure and internal reporting systems, the 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, 2022	31st March, 2021
Within India	28,223.98	20,755.04
Outside India		
Asia (other than China)	6,366.32	4,477.21
China	73.53	443.73
Europe	46,128.86	40,175.03
Others	8,709.41	5,046.83
	61,278.12	**50,142.80**
Total revenue	**89,502.10**	**70,897.84**

The revenue information above is based on the locations of the customers.

Non-current operating assets*	31st March, 2022	31st March, 2021
Within India	**28,984.15**	**28,076.44**
Outside India		
Asia (other than China)	-	-
China	-	-
Europe	12,600.63	16,586.30
Others	-	-
	12,600.63	**16,586.30**
Total	**41,584.78**	**44,662.74**

* As defined in paragraph 33 (b) of Ind AS 108 “Operating segments” non current assets excludes deferred tax assets and post-employment benefit assets.

Notes to the Consolidated Financial Statements

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

35. FINANCIAL INSTRUMENTS - FAIR VALUES

Particulars of financial insturments by category of classification

Particulars	31st March, 2022		31st March, 2021	
Financial assets	**Carried at FVTPL**	**Carried at ammortised cost**	**Carried at FVTPL**	**Carried at ammortised cost**
Investments at FVTPL	19,425.93	-	19,642.25	-
Foreign exchange forward contracts	78.25	-	35.97	-
Other financial assets	-	943.91	-	603.14
Cash and cash equivalents	-	1,244.39	-	2,632.55
Term Deposits with Banks [Short Term + Long Term]	-	4,124.74	-	4,170.87
Trade receivables	-	16,411.52	-	15,428.79
Total	**19,504.17**	**22,724.56**	**19,678.23**	**22,835.35**

Particulars	31st March, 2022		31st March, 2021	
Financial liabilities	**Carried at FVTPL**	**Carried at ammortised cost**	**Carried at FVTPL**	**Carried at ammortised cost**
Borrowings(Including current maturities of Long term borrowings)	-	13,249.83	-	17,414.41
Other financial liabilities	-	1,829.03	-	1,604.28
Lease liability		1,353.94		910.74
Trade payables	-	9,575.36	-	11,154.72
Total	**-**	**26,008.16**	**-**	**31,084.15**

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, 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	-

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For the year ended 31st March, 2022 (Contd.)

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

Quantitative disclosures fair value measurement hierarchy for assets as at 31st March, 2021:

			Fair value measurement using		
	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:					
Investments	31st March, 2021	19,642.26	19,634.80	-	7.46
Foreign exchange forward contracts	31st March, 2021	35.97	-	35.97	-

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, 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 amortised 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.

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

Notes to the Consolidated Financial Statements

For the year ended 31st March, 2022 (Contd.)

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

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 recognised at a point in time post approval by the customer.

Assets classified as held for sale:

Classification of investment in joint ventures as assets held for sale involves judgements of management that sale will be completed within 1 year and other conditions specified in Ind AS 105 - Non currents held for sale and discontinued operations are fulfilled. Due to Covid-19 there was procedural delay in closing the Subsidiary and the sale is completed for this joint ventures and the proceeds are realised on June 18, 2020

Notes to the Consolidated Financial Statements

For the year ended 31st March, 2022 (Contd.)

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

38. GROUP INFORMATION

Information about subsidiary and step down subsidiaries

Nature of exposure	Country of incorporation	Principal activities	% equity interest	
			31st March, 2022	31st March, 2021
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%

* During the previous year, i.e. on 3rd August, 2020, PCL International Holding B.V. (PCL NL) has acquired balance 24% stake in MFT Motoren und Fahrzeugtechnik GmbH, Germany' in addition to the existing 76% shareholding making it a Wholly Owned Subsidiary of the Company for a total consideration of € 0.55 million (₹ 4.82 Crores). PCL NL has also aquired balance 49% shareholding of EMOSS Mobile Systems B.V., Netherlands (EMOSS), in addition to the existing 51% shareholding making it a Wholly Owned Subsidiary of the Company for a total consideration of € 0.6 million (₹ 5.18 Crores) on 24th July, 2020.

39. EXCEPTIONAL ITEMS

Exceptional item for the year ended 31st March, 2022 & 31st March, 2021 includes following:

Particulars	31st March, 2022	31st March, 2021
Compensation from customer	2,741.39	1,553.82
Gain/(Loss) on sale of Investment in Joint Venture	-	(44.04)
Net Exceptional items	**2,741.39**	**1,509.78**

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's manages its capital structure and makes adjustments for compliance with the requirements of the financial covenants. To maintain or adjust

Notes to the Consolidated Financial Statements

For the year ended 31st March, 2022 (Contd.)

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

the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders. The group's 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's 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, 2022	31st March, 2021
	Rupees	Rupees
Borrowings other than non convertible preference shares (refer note 12)	13,249.83	17,414.41
Less: cash and cash equivalents (refer note 9)	(1,244.39)	(2,632.55)
Net debt (i)	**12,005.44**	**14,781.86**
Equity	68,165.24	64,278.00
Total Equity (ii)	**68,165.24**	**64,278.00**
Overall financing (iii) = (i) + (ii)	80,170.68	79,059.86
Gearing ratio (iv) = (i)/(iii)	**14.97%**	**18.70%**

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March, 2022 and 31st March, 2021.

41. DIVIDEND DISTRIBUTION MADE AND PROPOSED

Particulars	31st March, 2022	31st March, 2021
Final dividend for the year ended on 31st March, 2021 (₹ 1.00 per share)	949.86	-
	949.86	**-**

The Board of Directors of the holding Company, 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 holding Company.

42. 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 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, 2022 and 31st March, 2021.

The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post retirement obligations and provisions.

Notes to the Consolidated Financial Statements

For the year ended 31st March, 2022 (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 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

	Increase/ (decrease) in basis points	Effect on profit before tax In ₹
31st March, 2022	50	66.25
	(50)	(66.25)
31st March, 2021	50	93.42
	(50)	(93.42)

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency) and borrowings of the Group.

When a derivative is entered into for the purpose of being a hedge, the Group negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

Foreign currency Exposure

Nature of exposure	Currency	31st March, 2022		31st March, 2021	
		Amount in F.C.	Amount in ₹	Amount in F.C.	Amount in ₹
Trade receivables	USD	104.74	7,888.06	69.65	5,052.96
	EUR	5.56	465.56	6.48	552.59
Trade payables	USD	1.28	97.01	1.68	123.97
	EUR	3.94	336.10	0.39	33.60
	JPY	46.02	28.79	191.88	128.35
Forward contract	USD	88.70	6,831.69	0.47	34.74
	EUR	-	-	0.02	1.23
EEFC	USD	-	-	0.10	7.58
	EUR	-	-	0.04	3.50

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.

Notes to the Consolidated Financial Statements

For the year ended 31st March, 2022 (Contd.)

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

Sensitivity

Year	Change in USD rate	Effect on profit before tax In ₹
31st March, 2022	5%	731.14
	-5%	(731.14)
31st March, 2021	5%	342.90
	-5%	(342.90)

Year	Change in EUR rate	Effect on profit before tax In ₹
31st March, 2022	5%	742.73
	-5%	(742.73)
31st March, 2021	5%	587.26
	-5%	(587.26)

Year	Change in GBP rate	Effect on profit before tax In ₹
31st March, 2022	5%	-
	-5%	-
31st March, 2021	5%	5.75
	-5%	(5.75)

Year	Change in JPY rate	Effect on profit before tax In ₹
31st March, 2022	5%	(1.44)
	-5%	1.44
31st March, 2021	5%	-
	-5%	-

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, 2022, there were no open purchase commitments/ pending material purchase order in respect of key raw materials.

Accordingly, no sensitivity analysis have been performed by the management.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade receivables

Customer credit risk is managed subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis for major clients. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 8. The Group does

Notes to the Consolidated Financial Statements

For the year ended 31st March, 2022 (Contd.)

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

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, 2022 and 31st March, 2021 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:

	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**

	Less than 1 year	1 to 5 years	> 5 years	Total
Year ended 31st March, 2022				
Non current Borrowings	-	8,020.47	-	8,020.47
Current Borrowings	9,393.94	-	-	9,393.94
Lease Liability	156.07	754.67		910.74
Other financial liabilities	1,604.28	-	-	1,604.28
Trade payables	11,154.72	-	-	11,154.72
	22,309.01	**8,775.14**	**-**	**31,084.15**

43. UTILISATION OF MONEY RAISED THROUGH PUBLIC ISSUE

During the year ended 31st March, 2016, the holding Company had raised ₹ 24,000.00 Lakhs through public issue of fresh equity shares (refer note 10), mainly with an objective of setting-up a new machining facility of ductile Iron and other Camshafts at Solapur and for general corporate purposes. The holding Company had incurred expenses aggregating ₹ 2,387.33 Lakhs towards the initial public offering which included both issue of fresh equity shares as well as offer for sale of equity shares by existing share holders. Out of the same an amount of ₹ 1,028.12 Lakhs has been recovered from existing share holders in regard to offer for sale. Given below are the details of utilisation of proceeds raised through public issue. During the year ended March 31, 2017, the holding Company has transferred an amount equivalent to the recovery from selling share holders from IPO account to the normal bank accounts since the same was spent by the holding Company before such recovery.

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For the year ended 31st March, 2022 (Contd.)

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

	31st March, 2022	31st March, 2021
Unutilised amount at the beginning of the year	-	194.08
Interest received on fixed deposits matured during the year	-	-
Less: amount utilised during the year		
Payment towards project expenditure relating to new manufacturing facility	-	-
Payment towards general corporate purpose	-	**194.08**
Unutilised amount at the end of the year	-	-

Cumulative amount utilised is ₹ 24,000.00 Lakhs

The holding Company has setup a building for new machine shop and line of machines for machining of ductile iron camshafts from IPO proceeds. As on March 31, 2020 the holding Company has fully utilised money raised from IPO for the purposes it was raised. Unutilised amount of ₹ 194.08 Lakhs pertains to interest received on IPO fund as on April 01, 2020 which has fully utilised towards general corporate purpose during the year & there were no unutilised amount againt it as on 31st March, 2021.

44. ADDITIONAL INFORMATION REQUIRED BY SCHEDULE III OF THE COMPANIES ACT 2013.

There are no title deeds of immovable property which are not held within the name of the Company.

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	112.95%	76,992.25	143.57%	6,607.69	43.36%	104.98	138.56%	6,712.67
Subsidiaries								
Indian:								
1. Memco Engineering Private Limited	3.84%	2,620.05	10.30%	474.17	2.85%	6.89	9.93%	481.06
Foreign:								
PCL (International) Holding B.V. (Consolidated) (attributable to equity holders of parent)	-8.06%	(5,497.91)	-43.26%	(1,991.18)	53.80%	130.27	-38.41%	(1,860.91)
Consolidation elimination and adjustment effects	-8.73%	(5,949.15)	-10.61%	(488.39)	-	-	-10.08%	(488.39)
Total	**100.00%**	**68,165.24**	**100.00%**	**4,602.29**	**100.00%**	**242.14**	**100.00%**	**4,844.43**

Notes to the Consolidated Financial Statements

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

45. LEASES WHERE COMPANY IS A LESSEE

Changes in the carrying value of Right-of-use Assets

	Asset Class 1 (Land and Building)	Total	Asset Class 3 (Office Equipments)
Balance as at 1st April, 2020	363.45	363.45	-
Additions	658.67	658.67	-
Deletion	-	-	-
Depreciation	(132.37)	(132.37)	-
Foreign Curreny translation reserve	2.92	2.92	
Balance as at 31st March, 2021	892.67	892.67	-
Additions	740.00	740.00	-
Deletion	-	-	-
Depreciation	(332.10)	(332.10)	-
Foreign Currency translation reserve	(4.45)	(4.45)	
Balance as at 31st March, 2022	**1,296.12**	**1,296.12**	**-**

Changes in the Lease liabilities

Particulars	Category of ROU Asset	Total
	Land and Building	
Balance as at 1st April, 2020	**357.64**	**357.64**
Additions	658.67	658.67
Lease Payments	(105.57)	(105.57)
Balance as at 31st March, 2021	**910.74**	**910.74**
Additions	740.00	740.00
Lease Payments	(296.80)	(296.80)
Balance as at 31st March, 2022	**1,353.94**	**1,353.94**

Break-up of current and non-current lease liabilities

Particulars	31st March, 2022	31st March, 2021
Current Lease Liabilities	386.15	156.07
Non-current Lease Liabilities	**967.79**	**754.67**

Maturity analysis of lease liabilities

Particulars	31st March, 2022	31st March, 2021
Less than one year	386.15	156.07
One to five years	967.79	754.67
More than five years	-	-
Total	**1,353.94**	**910.74**

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For the year ended 31st March, 2022 (Contd.)

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

Amounts recognised in statement of Profit and Loss account

Particulars	31st March, 2022	31st March, 2021
Interest on Lease Liabilities	46.44	17.86
Depreciation on ROU asset	332.10	132.37
Total	**378.54**	**150.23**

Amounts recognised in statement of Cash Flows

Particulars	31st March, 2022	31st March, 2021
Total Cash outflow for leases	**343.54**	**135.09**

46. AGEING OF CWIP

(a) For Capital-work-in progress ageing schedule

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	-	-	-	-	**-**

31st March, 2021

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	466.98	413.29	-	-	**880.27**
Projects temporarily suspended	-	-	-	-	**-**

47. AGEING OF INTANGIBLE ASSET UNDER DEVELOPMENT

(a) Intangible assets under development ageing schedule

31st March, 2022

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	-	-	-	-	**-**

31st March, 2021

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	-	-	-	-	**-**
Projects temporarily suspended	-	-	-	-	**-**

Notes to the Consolidated Financial Statements

For the year ended 31st March, 2022 (Contd.)

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

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. RECONCILIATION OF QUARTERLY RETURNS OR STATEMENTS OF CURRENT ASSETS FILED BY THE HOLDING COMPANY WITH BANKS OR FINANCIAL INSTITUTIONS:

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	

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For the year ended 31st March, 2022 (Contd.)

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

31st March, 2021

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-20	Bank of India and Bank of Baroda	Trade Receivables	7,094.66	4,575.59	2,519.07	The difference is due to the submission to the Banks were made before financial reporting closure process
		Trade Payables	1,776.19	805.54	970.65	
		Inventories	3,399.10	1,682.93	1,716.17	
Sep-20	Bank of India and Bank of Baroda	Trade Receivables	8,705.75	8,210.76	494.99	
		Trade Payables	3,910.73	2,029.61	1,881.12	
		Inventories	3,131.91	1,479.65	1,652.26	
Dec-20	Bank of India and Bank of Baroda	Trade Receivables	8,067.25	12,160.78	(4,093.53)	
		Trade Payables	5,044.85	4,296.58	748.27	
		Inventories	3,933.91	1,484.15	2,449.76	
Mar-21	Bank of India and Bank of Baroda	Trade Receivables	9,086.86	13,753.18	(4,666.32)	
		Trade Payables	6,785.80	5,226.99	1,558.81	
		Inventories	5,223.52	2,427.42	2,796.10	

50. WILFUL DEFAULTER

The group has not being declared as wilful defaluter by any bank or financials instiution or any government authority.

51. 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.

52. 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.

53. 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

Notes to the Consolidated Financial Statements

For the year ended 31st March, 2022 (Contd.)

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

(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,

54. 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.)

55. DETAILS OF CRYPTO CURRENCY OR VIRTUAL CURRENCY:

The group has not traded or invested in crypto currency or virtual currency during the financial year.

56. STANDARDS ISSUED BUT NOT YET EFFECTIVE

The Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23rd March, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

Ind AS 16, Property Plant and equipment - The amendment clarifies that 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. The effective date for adoption of this amendment is annual periods beginning on or after 1st April, 2022. The Group has evaluated the amendment and the impact is not expected to be material.

Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets –The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour,materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after 1st April, 2022, although early adoption is permitted. The Group has evaluated the amendment and the impact is not expected to be material.

57. IMPACT OF COVID 19 PANDEMIC

The management has made an assessment of the impact of COVID-19 on the Group's operations, financial performance and position as at and for the year ended 31st March, 2022 and has concluded that the impact is primarily on the operational aspects of the business. In making the assessment management has considered the recoverability of trade receivables, investment and other assets and also considered the external and internal information available up to the date of approval of these financial results including status of existing and future customer orders, cash flow projections etc and concluded that there is no significant impact which is required to be recognised in the financial results. Accordingly, no adjustments have been made to the financial results.

Notes to the Consolidated Financial Statements

For the year ended 31st March, 2022 (Contd.)

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

58. SOCIAL SECURITY CODE

The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on 28th September , 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on 13th November , 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued. The Group will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

59. 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, 2022

Yatin S. Shah
Managing Director
DIN: 00318140

Place: Pune
Date: 26th May, 2022

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

Place: Pune
Date: 26th May, 2022

Gautam V. Wakankar
Company Secretary
M. No. A54556

Place: Pune
Date: 26th May, 2022

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: 10th August 2022

Dear Member,

You are cordially invited to attend the 30th Annual General Meeting (AGM) of Precision Camshafts Limited ('the Company') which is scheduled to be held on Wednesday, 21st September, 2022 at 3:00 PM through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM").

The Notice of the meeting, containing business to be transacted, along with Explanatory Statement thereon is enclosed herewith.

As per Section 108 of the Companies Act 2013, read with the related Rules and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide its members the facility to cast their vote by electronic means on all resolutions set forth in the Notice before 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 30th 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 given that the 30th Annual General Meeting (AGM) of the members of Precision Camshafts Limited will be held on Wednesday, 21st September, 2022 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, 2022 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, 2022 including the Reports of the Auditors thereon

2. To declare final dividend of ₹ 1.10/- (Rupee One and Ten Paise Only) per equity share of ₹ 10/- each for the Financial Year ended 31st March, 2022.

3. To appoint a Director in place of Mr. Ravindra R. Joshi (DIN: 03338134), 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 2023.**

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, 2023.

RESOLVED FURTHER THAT the Board of Directors (including any committee thereof) be and is hereby authorised to do or to authorise any person to do all such acts, deeds, matters and things as may be considered necessary, relevant, usual, customary, proper and/or expedient for giving effect to this resolution and for matters connected therewith or incidental thereto."

5. **TO APPROVE REMUNERATION OF MR. RAVINDRA R. JOSHI (DIN: 03338134) WHOLE-TIME DIRECTOR AND CHIEF FINANCIAL OFFICER FOR THE PERIOD 1st APRIL, 2022 TO 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 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 Nomination and Remuneration Committee and approved by the Board of Directors, consent of the members of the Company be and is hereby accorded to pay fixed annual remuneration of ₹ 3,14,50,000/- to Mr. Ravindra R. Joshi for the period 1st April, 2022 to 31st March, 2024 in accordance with the applicable provisions of Income Tax Act 1961.

RESOLVED FURTHER THAT the above mentioned fixed annual remuneration shall be inclusive of all allowances, perquisites and statutory contributions as per the policy of the Company.

RESOLVED FURTHER THAT in the event of overall ceiling of Managerial Remuneration being higher than the actual remuneration of ₹ 3,14,50,000/-, Mr. Ravindra R. Joshi 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. Ravindra R. Joshi as Whole-time Director and Chief Financial Officer 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. Ravindra R. Joshi but not exceeding limits prescribed under Schedule V of Companies Act, 2013.

RESOLVED FURTHER THAT Mr. Ravindra R. Joshi 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. **TO APPROVE REMUNERATION OF MR. KARAN Y. SHAH (DIN: 07985441) WHOLE-TIME DIRECTOR FOR THE PERIOD 1st APRIL, 2022 TILL 12th AUGUST, 2023.**

To consider and if thought fit, to pass with or without modification(s), the following Resolution 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 Nomination and Remuneration Committee and approved by the Board of Directors, consent of the members of the Company be and is hereby accorded to pay fixed annual remuneration of ₹ 78,00,000/- to Mr. Karan Y. Shah for the period 1st April, 2022 to 12th August, 2023 in accordance with the applicable provisions of Income Tax Act 1961.

RESOLVED FURTHER THAT the above mentioned fixed annual remuneration shall be inclusive of all allowances, perquisites and statutory contributions as per the policy of the Company.

RESOLVED FURTHER THAT in the event of overall ceiling of Managerial Remuneration being higher than the actual remuneration of ₹ 78,00,000/-, 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."

7. **TO CONSIDER APPOINTMENT OF MR. AMEET N. DRAVID (DIN: 06806783) AS AN INDEPENDENT DIRECTOR OF THE COMPANY.**

To consider and if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution:**

"RESOLVED THAT in accordance with the provisions of Sections 149, 150, 152, 161 read with Schedule IV and other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), pursuant to recommendation of Nomination and Remuneration Committee and approval of the Board of Directors, consent of the members be and is hereby accorded to appoint Mr. Ameet N. Dravid (DIN: 06806783) who was appointed as an Additional Director designated as Independent Director with effect from 10th August, 2022 and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be appointed as an Independent Director, not liable to retire by rotation and to hold office for a term up to 9th August, 2024.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By the Order of the Board of Directors
For **Precision Camshafts Limited**

____

Gautam V. Wakankar
Company Secretary and Compliance Officer

Date: 10th August, 2022
Place: Pune

CIN : L24231PN1992PLC067126
Website : www.pclindia.in
E-mail ID : cs@pclindia.in

Registered Office	**Corporate Office:**	**Pune Office**
E 102/103 MIDC Akkalkot road, Solapur-413006, Maharashtra, India Phone: +91 9168646536/37	D-5 Chincholi, MIDC, Solapur-413255, Maharashtra, India Phone: +91 9168646531/32/33	Office No. 501/502, Kanchanban "B", Sunit Capital, CTS No. 967, FP No. 397, Senapati Bapat Road Pune 411016 Phone: -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 4 to 7 of the Notice to be transacted at the Annual General Meeting ("AGM") is annexed and forms an integral part of the Notice.

2. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA"), vide its General Circular Nos. 14/2020, 17/2020, 22/2020, 33/2020, 39/2020, 10/2021, 20/2021, 21/2021 and 02/2022 dated 8th April, 2020, 13th April, 2020, 15th June, 2020, 28th September, 2020, 31st December, 2020, 23rd June, 2021, 8th December, 2021, 14th December, 2021 and 5th May, 2022 respectively ("MCA Circulars") and applicable circulars issued by the Securities and Exchange Board of India ("SEBI"), allowed the Companies to conduct the AGM through Video Conferencing (VC) or Other Audio Visual Means (OAVM) whose AGMs are due in year 2022. The detailed procedure for participating in the meeting though VC/OAVM is annexed herewith. The Notice of the AGM and all the documents referred in the notice along with the Annual Report 2021-22 is available website of the Company at www.pclindia.in.

3. The Register of Members and the Share Transfer Books of the Company will remain closed from **Wednesday, 14th September, 2022 to Wednesday, 21st September, 2022** (both days inclusive).

4. 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.

5. 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 dated 15th April, 2020, 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.

6. 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. **13th September, 2022**. 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 dematerialised form). Please note that the duly completed & signed documents should be uploaded on the portal of the RTA on or before **13th September 2022**. 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 dematerialised 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 dematerialised 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.

7. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/ JPG Format) of its Board or governing body Resolution/Authorisation etc., authorising its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorisation shall be sent to the Scrutiniser by email through its registered email address at jbbhave@gmail.com and to the Company at cs@pclindia.in.

8. The Company's Registrar and Transfer Agents for its Share Registry work (physical and electronic) are Link Intime India Private Limited (Block No. 202, Akshay Complex, 2nd floor, near Ganesh Temple, Off Dhole Patil Road, Pune - 411 001).

9. Members can avail of the nomination facility by filing Form SH-13, as prescribed under Section 72 of the Companies Act, 2013 and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, with the Company.

10. 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.

11. 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.

12. Pursuant to Securities and Exchange Board of India Circular SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018 the members holding shares in physical form are requested to give self- attested PAN Copy and original cancelled cheque indicating bank account details. In case of residents of Sikkim the members holding shares in physical form are requested to give self-attested a valid Identity proof issued by Government.

13. Pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the information about the Directors proposed to be appointed/re-appointed is given in the Annexure I to the Notice.

14. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is send through e-mail and holding shares as of the cut-off date i.e. **Tuesday, 13th September, 2022**, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com or call on toll free no. **1800 1020 990 and 1800 22 44 30**. In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e., **Tuesday, 13th September, 2022** may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-Voting system".

15. In case of joint holders, the members whose name appear first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.

ELECTRONIC DISPATCH OF NOTICE AND ANNUAL REPORT AND PROCESS FOR REGISTRATION OF EMAIL ID FOR OBTAINING COPY OF ANNUAL REPORT:

16. In accordance with, the General Circular No. 20/2020 dated 5th May, 2020 and General Circular No. 02/2021 dated 13th January, 2021 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 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.

17. Members are requested to register their email address, in respect of their demat holding with their respective DP's.

18. A copy of the Notice of this AGM along with Annual Report for the 2021-22, 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: -

The remote e-voting period begins on **Sunday, 18th September, 2022** at 09:00 A.M. and ends on **Tuesday, 20th September, 2022** at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. **Tuesday, 13th September, 2022**, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being **Tuesday, 13th September, 2022**.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

STEP 1: ACCESS TO NSDL E-VOTING SYSTEM

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated 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.	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. 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 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. 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	Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at: https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. 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 above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 022-23058542-43

B) Login Method for e-Voting and joining virtual meetings for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/ Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.

b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

   (i)If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

   (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

   a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of Company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".

3. Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutiniser by e-mail to jbbhave@gmail.com with a copy marked to evoting@nsdl.co.in. 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 toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to (Name of NSDL Official) 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 shareholders 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 EGM/AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting.

2. Only those Members/ shareholders, who will be present in the EGM/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 EGM/AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/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 EGM/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 EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of “VC/OAVM link” placed under “Join 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. Mr. Jayavant B. Bhave, Proprietor, M/s. J.B.Bhave & Co., Practicing Company Secretary, Pune, (ICSI Membership No FCS-4266, CP-3068) has been appointed as a Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

2. The Scrutinizer after scrutinizing the votes cast by remote e-voting and e-voting during the meeting will make a consolidated Scrutinizers 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 Scrutinizer'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 cs@pclindia.in.

2. Members holding shares as on the cut-off date i.e. 13th September, 2022, 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 cs@pclindia.in during, Wednesday, 14th September, 2022 to from 9.00 am upto Thursday, 16th September, 2022 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**

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Gautam V. Wakankar
Company Secretary and Compliance Officer

Date: 10th August, 2022
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 9th May, 2022, approved the appointment and remuneration of M/s S. V. Vhatte & Associates, Cost Accountants [Firm Registration No.: 100280] as the Cost Auditors of the Company to conduct the audit of the cost records of the Company for the FY 2022-23 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 APPROVE REMUNERATION OF MR. RAVINDRA R. JOSHI (DIN: 03338134) WHOLE-TIME DIRECTOR AND CHIEF FINANCIAL OFFICER FOR THE PERIOD 1st APRIL, 2022 TO 31st MARCH, 2024

Mr. Ravindra R. Joshi was re-appointed as Whole-time Director and Chief Financial Officer for a period of five years w.e.f. 1st April, 2019 to 31st March 2024 in the 27th AGM held on 25th September, 2019 with consolidated remuneration of maximum up to ₹ 3,14,50,000/- p.a for a period of 3 years from 1st April, 2019 to 31st March, 2022.

On the recommendation of Nomination and Remuneration Committee, the Board of Directors at its meeting held on 17th March, 2022 provided its consent to pay Mr. Ravindra R. Joshi fixed annual remuneration of ₹ 3,14,50,000/- p.a. for a period of remaining period of two years from 1st April, 2022 to 31st March, 2024, 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 are in any way, concerned or interested in the Item no. 5 of the notice, except Mr. Ravindra R. Joshi.

The Board recommends the Resolution set out in Item No. 5 for approval of shareholders as ordinary resolution.

Item No. 6

TO APPROVE REMUNERATION OF MR. KARAN Y. SHAH (DIN: 07985441) WHOLE-TIME DIRECTOR FOR THE PERIOD 1st APRIL, 2022 TILL 12th AUGUST, 2023

Mr. Karan Y. Shah was appointed as Whole-time Director - Business Development for a period of five years with effect from 13th August, 2018 in the 26th AGM held on 26th September, 2018 with monthly remuneration of ₹ 2,20,200/. Thereafter, there has been no change in the remuneration. The management of the Company has recognised his efforts towards the growth of the Company.

On the basis of Nomination and Remuneration Committee, the Board of Directors at its meeting held on 17th March, 2022 in order to appreciate his work and contribution to business developments and Electric Vehicle project, provided its consent to pay him remuneration of ₹ 78,00,000/- p.a. for the remaining tenure from 1st April, 2022 to 12th August, 2023, subject to 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

Mr. Yatin S. Shah, Dr. Suhasini Y. Shah, Mr Karan Y. Shah, and their relatives shall be deemed to be concerned or interested in the resolution to the extent of their shareholding in the Company and the remuneration payable to Mr. Karan Y. Shah under the resolution.

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 other Directors, Key Managerial Personnel and their relatives are in any way, concerned or interested in the Item no. 6 of the notice.

The Board recommends the Resolution set out in Item No. 6 for approval of shareholders as ordinary resolution.

Item No. 7

TO CONSIDER APPOINTMENT OF MR. AMEET N. DRAVID (DIN: 06806783) AS AN INDEPENDENT DIRECTOR OF THE COMPANY.

The Board of Directors of the Company at its meeting held on 10th August, 2022, on the recommendation of the

Nomination and Remuneration Committee and pursuant to the provisions of Section 161(1) of the Companies Act, 2013 ("the Act"), had approved the appointment of Ameet N. Dravid (DIN: 06806783) as an Additional Director, designated as Non – Executive Independent Director of the Company for a period of two years from 10th August, 2022 to 9th August, 2024.

In accordance with the provisions of Section 149 read with Schedule IV to the Act, appointment of Independent Directors requires approval of the members of the Company. Further, in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") Regulation 25 (2A) The appointment, re-appointment or removal of an independent director of a listed entity, shall be subject to the approval of members by way of a special resolution.

Ameet N. Dravid (DIN: 06806783) is qualified to be appointed as an Independent Director in terms of Section 164 of the Act and has given his consent to act as a Director. The Company has also received declaration from him that he meets the criteria of independence as prescribed both under Section 149(6) of the Act and Listing Regulations.

Mr. Ameet N. Dravid is a Doctor by profession. He is a M.D (Internal Medicine) and has more than 12 years of experience in clinical care and treatment of HIV infected individuals in 3 private sector, tertiary level hospitals in Pune, Western India. He has been involved in clinical care and laboratory research related to HIV and the CNS; antiretroviral therapy related long term co-morbidities; HIV associated Tuberculosis and Tropical infectious diseases. He has also published research manuscripts and posters highlighting these issues facing HIV infected patients in resource limited settings like India in national and international fora. He is also a Director in VMK Precision Pharma LLP and VMK Diagnostics Private Limited which gave access to life saving antiretroviral drugs and critical laboratory blood investigations extremely affordable to HIV infected patients in Pune, India. He is also a director in two Section 8 Companies, registered under the provisions of Companies Act, 2013, Sanvedana Medicine Sans Discrimination Foundation (SMSDF) and Young Doctors' League Foundation (YDLF). SMSDF is providing medical aid to poor and needy patients at minimal cost and YDLF is organising various sports activities for young doctors in Pune and India.

A notice has been received from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Ameet N. Dravid as a candidate for the office of Director.

None of the Directors, Key Managerial Personnel and their relatives other than Ameet N. Dravid and his relatives are, in any way, concerned or interested in the said resolutions.

The Board of Directors recommends the relevant resolution for your consideration and approval as a Special Resolution.

By the Order of the Board of Directors
For **Precision Camshafts Limited**

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Gautam V. Wakankar
Company Secretary and Compliance Officer

Date: 10th August, 2022
Place: Pune

ANNEXURE I TO ITEM NO. 5, 6 & 7 OF THE NOTICE

Pursuant to Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, following information is furnished about the Directors seeking approval of remuneration.

Name of Director	Mr. Ravindra R. Joshi	Mr. Karan Y. Shah	Mr. Ameet N. Dravid
DIN	03338134	07985441	06806783
Age	57 years	32 years	42 years
Date of First Appointment on the Board	30th September, 2010	13th August, 2018	10th August, 2022
Qualifications	B. Com, DBM	B.ME, M.BA	M.D (Internal Medicine)
Relationship with Director	None	None	None
Experience (including Expertise in Specific area/ Brief Resume)	Finance, Accounting, procurement, Mergers and acquisitions	Business Development, Strategic planning, Engineering	Treatment of HIV Patients and Clinical studies, management of Section 8 Companies
Number of Board Meetings attended during the year	5	5	NA
Board membership of Companies as of 31st March, 2022	Precision Camshafts Limited Cams Technology Limited Memco Engineering Private Limited	Precision Camshafts Limited MEMCO Engineering Private Limited Mayura Davda Shah Ventures Private Limited PCL (International) Holding B.V. EMOSS Mobile Systems B.V.	Sanvedana Medicine Sans Discrimination Foundation VMK Diagnostics Private Limited Flint Innovations Private Limited Young Doctors League Foundation
Terms and Conditions of remuneration	As set out in the resolution	As set out in the resolution	As set out in the resolution
Remuneration last drawn for the previous Financial Year.	₹ 355.00 Lakhs	₹ 40.75 Lakhs	NIL
Remuneration proposed to be paid	₹ 314.50 Lakhs p.a.	₹ 78.00 Lakhs p.a.	As per Company's Policy for "Terms and conditions of appointment of Independent Director" and as decided by Board from time to time
Membership/Chairmanship of Committee of other Boards as on 31st March, 2022	None	None	None
Number of Shares held in the Company as on 31st March, 2022	17,320	14,500	0

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 FY 2021-22, 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 FY 2021-22 obtained from the revenue authorities of the country of residence;

b. Form 10F for FY 2021-22;

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